Marketingforce Management Ltd

邁富時管理有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 2556)

ANNUAL REPORT

2024

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. ZHAO Xulong（趙緒龍先生）
(Chairman of the Board and Chief Executive Officer)
Mr. XU Jiankang（許健康先生）*(Senior Vice President)*

Non-executive Directors

Ms. ZHAO Fangqi（趙芳琪女士）
Mr. HUANG Shaodong（黃少東先生）*(resigned with effect from February 16, 2025)*

Independent Non-Executive Directors

Mr. YANG Tao（楊濤先生）
Mr. QIN Ci（秦慈先生）
Mr. CHEN Chen（陳晨先生）

JOINT COMPANY SECRETARIES

Mr. LIU Huan（劉歡先生）
Mr. LI Kin Wai（李健威先生）

AUDIT COMMITTEE

Mr. CHEN Chen（陳晨先生）*(Chairman)*
Mr. QIN Ci（秦慈先生）
Mr. YANG Tao（楊濤先生）

REMUNERATION COMMITTEE

Mr. QIN Ci（秦慈先生）*(Chairman)*
Mr. ZHAO Xulong（趙緒龍先生）
Mr. YANG Tao（楊濤先生）

NOMINATION COMMITTEE

Mr. ZHAO Xulong（趙緒龍先生）*(Chairman)*
Mr. QIN Ci（秦慈先生）
Mr. YANG Tao（楊濤先生）

AUTHORISED REPRESENTATIVES

Mr. ZHAO Xulong（趙緒龍先生）
Mr. LI Kin Wai（李健威先生）

AUDITOR

Ernst & Young
(Certified Public Accountants and Registered Public Interest Entity Auditor)
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979 King's Road
Quarry Bay
Hong Kong

HONG KONG LEGAL ADVISOR

Clifford Chance
27/F, Jardine House
One Connaught Place
Central, Hong Kong

COMPLIANCE ADVISER

Alliance Capital Partners Limited
Unit 03, 7/F
Worldwide House
19 Des Voeux Road Central
Central, Hong Kong

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Trueland Center, Building 8
Shanghai Big Data Industrial Park
No. 1 Lane 1401, Jiangchang Road
Jing'an District
Shanghai
PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL BANKS

Hua Xia Bank Co., Ltd., Shanghai Branch
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No.1338 Mudanjiang Road
Baoshan District
Shanghai, PRC

Shanghai Pudong Development Bank
Co., Ltd., Putuo Sub-branch
No. 746 Changshou Road
Putuo District
Shanghai, PRC

China Merchants Bank, Shanghai Branch,
Baoshan Sub-Branch
No.1255 Mudanjiang Road
Baoshan District
Shanghai, PRC

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
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Grand Cayman
KY1-1102
Cayman Islands

STOCK CODE

2556

COMPANY'S WEBSITE

https://www.marketingforce.com

Five Year Financial Summary

	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Revenue	527,771	877,231	1,142,776	1,232,120	**1,558,586**
Gross profit	259,710	477,807	560,038	706,182	**825,793**
Loss for the year and attributable to owners of the company	(31,554)	(272,589)	(216,455)	(169,478)	**(876,670)**
Non-IFRS Measures:					
Adjusted net (loss)/profit	(9,920)	(130,475)	(132,343)	(27,736)	**79,212**
Current assets	834,630	1,532,080	1,762,429	2,072,498	**2,911,303**
Non-current assets	126,560	278,997	314,003	230,402	**141,460**
Total assets	961,190	1,811,077	2,076,432	2,302,900	**3,052,763**
Current liabilities	874,733	1,166,272	1,556,960	3,104,245	**2,278,120**
Non-current liabilities	59,740	1,127,491	1,299,365	159,350	**116,549**
Total liabilities	934,473	2,293,763	2,856,325	3,263,595	**2,394,669**
Net assets/(liabilities)	26,717	(482,686)	(779,893)	(960,695)	**658,094**
Total equity	26,717	(482,686)	(779,893)	(960,695)	**658,094**
Total equity and liabilities	961,190	1,811,077	2,076,432	2,302,900	**3,052,763**

Chairman's Statement

BUSINESS REVIEW AND OUTLOOK

Overview

In 2024, under the backdrop of a complex and volatile global economy, China's economy embarked on a steady recovery path, propelling Chinese enterprises into a pivotal period of digital transformation. Building on its AI+SaaS marketing and sales business, Marketingforce has capitalized on first-mover advantages, laying a solid foundation for the coming full-scale adoption of AI-Agent applications in 2025.

Over the past year, we navigated market cycles with strategic resilience and reshaped our growth trajectory through innovation and breakthrough. We recorded total revenue of RMB1.56 billion, representing a year-on-year increase of 26.5%. In particular, revenue from the AI+SaaS business was RMB840 million, representing a 19.9% year-on-year growth, with a gross margin of 86.3%; revenue from precision marketing services was RMB720 million, representing a year-on-year increase of 35.2%. Adjusted net profit for the year was RMB79.2 million, while net operating cash inflow amounted to RMB138.1 million. These results signified our transition to a new phase of high-quality development, characterized by sustained rapid growth, profitability, and positive cash flow. This milestone demonstrated the robustness and sustainability of our business model.

This year, we accomplished several critical milestones: we listed on the Main Board of The Stock Exchange of Hong Kong Limited (the " **Stock Exchange**"), injecting capital momentum for future development and solidifying a robust platform for AI-Agent, industry consolidation, and overseas expansion. Our first Tforce marketing large language model ("**LLM**") has laid a solid foundation for the next step in launching the AI-Agentforce agent middleware platform, which will drive growth as a new engine through AI and AI-Agent technologies. The Group steadily enhanced its market influence with various recognitions, including six-time consecutive leader in AI SaaS rankings, five-time consecutive leader in Intelligent Marketing, six-time consecutive leader in the Top 100 Enterprises in Shanghai Software and Information Technology Services Industry, four-time consecutive leader in the Top 100 Private Enterprises in Shanghai, the second place in the Business Middle Platform Enterprise Ranking for 2 consecutive years, 2024 AI-Agent Application TOP 5, 2024 Top 50 Information Technology Application Innovation Enterprises, 2024 Top 30 Chinese Software Enterprises, 2024 SaaS Enterprises TOP 5, 2024 Top 100 Artificial Intelligence Enterprises, 2024 CIIE Overseas Professional Service Providers TOP 10, 2024 IDC PeerScape: China's Best Practices for the Industrialization of Generative AI Intelligent Marketing.

Looking forward to 2025, guided by our core strategy of "AI-Agent driven industry solutions", we will execute three strategic priorities: firstly, we will comprehensively develop AI-Agentforce agent middleware platform, prioritizing vertical industry applications in marketing and sales to accelerate AI-Agent commercialization efficiency; secondly, we expect to strengthen our product ecosystem through external mergers and acquisitions; and thirdly, we will expand global footprint by supporting Chinese enterprises in overseas expansion while establishing localized service systems in economically advanced regions. We are confident that in this new era of deep integration between the digital and real economies, Marketingforce will continue to lead industry transformation and contribute China's expertise to global enterprise digitalization.

Chairman's Statement

2024 Core Achievements Review

1. Financial and Operational Review

Capitalizing on the strategic opportunities presented by generative AI breakthroughs, we leverage its deep vertical industry scenario deconstruction capabilities to continuously identify application scenarios and build an AI+SaaS ecosystem. By deeply integrating LLM into our all-in-one marketing and sales platform, we have developed next-generation AI+SaaS solutions featuring core capabilities such as intelligent marketing hubs, process automation engines, and scenario-aware matrices. This evolution marks a shift from functional delivery to value-driven delivery. The products we provide to more than 90% of our customers include AI modules, which also constitute the core of our AI+SaaS business. The revenue from the AI+SaaS business was RMB840 million, reflecting a year-on-year increase of 19.9%, supported by a 4.4% increase in paying users to 26,606 and a 12.1% rise in average monthly revenue per user to RMB3,848. The subscription customer retention rate had improved for three consecutive half-year periods, demonstrating the seamless integration of AI with our products and their ability to empower customers, and thus continuously enhancing customer value and loyalty amid challenging economic conditions. In particular, on the one hand, we continued deepening our penetration in the small-to-medium business (SMB) market through the T-Cloud product, offering end-to-end, full-scenario and one-stop AI marketing solutions tailored to address customer acquisition challenges for mid-sized ToB enterprises. Leveraging AI-generated high-quality marketing content, we covered four major traffic ecosystems, utilizing platform search and recommendation algorithms to capture free traffic while qualifying leads, thereby boosting conversion rates of customer acquisition by marketing. On the other hand, we continued to expand the key accounts (KA) markets through True Client, empowering the KA to implement omni-channel customer asset management and operation powered by our foundational AI engine. Through the "hyper-personalized (Qianren Qianmian, 千人千面)" retention strategies for existing clients, we drove higher average order values and repurchase rates of customers across B2B/B2C segments. Through these efforts, we now serve five major industries, including consumer retail, automobile, finance and banking, healthcare, and manufacturing; the subscription revenue retention rate exceeding 100% for three consecutive years, which validated the endogenous growth potential fueled by our product-driven technological edge.

At the same time, our precision marketing business provides one-stop cross-media online advertising solutions encompassing design, launch, monitoring, and optimization of advertising activities, with a strategic focus on top-tier media platforms. Acting as agents rather than principals, we manage advertising placements on behalf of clients on the media platforms designated by customers through their respective advertising accounts. The segment achieved an accounting revenue of RMB720 million, reflecting a year-on-year increase of 35.2%, with gross revenue of RMB7.23 billion, or up 14.6% year-on-year. Such increase was mainly driven by the further enhancement of our close cooperation with media platforms and the optimization of customer portfolio structure.

2. **Significant Performance Growth**

Within our AI+SaaS business, recurring revenue amounted to RMB780 million, accounting for 92.2% of revenue from the AI+SaaS business, providing strong guarantee for future performance growth. With the implementation of a hybrid model of full prepayment, full subscription, and standardized products for SMBs combined with industry-specific lighthouse projects for KAs to develop replicable solutions and focus on subscription penetration in targeted sectors, 80.9% of KA customer revenue was recurring revenue, demonstrating our highly sustainable and scalable revenue structure. Revenue contribution from existing clients increased year-over-year to 77.7%. At the same time, the subscription revenue retention rate improved, the customer loyalty has steadily increased, demonstrating the market's strong endorsement of our AI product portfolio. We successfully onboarded the industry leaders including Jiangling Ford, Chery Automobile, Jetour Automobile, Swire Coca-Cola, Skyworth, Weichai, Chow Tai Fook, Yili, CFMOTO, Panasonic, Bull Electric, Slenergy, Jung Kwan Jang, Shede Spirits, Meituan, Huaxia Bank, Bank of Chongqing, AALIB (in no particular order) during the Reporting Period, enabling the development of a standardized solution library spanning various industries, which solidified the foundation for scalable and efficient expansion. In particular, we empowered key clients including Bausch & Lomb, Jointown, Bull Electric and LYFEN through AI technology, achieving the commercialization of AI in scenarios including marketing, sales and operations.

3. **AI & AI-Agent: A New Engine of Technology-Driven Growth**

As a pioneering leader in China's AI+SaaS sector and a trailblazer in driving industry digital transformation, we have strategically anchored our growth "AI-driven industrial upgrading," with technological innovation serving as its core growth engine. In 2024, we launched the Tforce marketing LLM, marking a pivotal milestone in the deep integration of AI R&D with real-world industrial applications. Leveraging over a decade of industry-specific data and continuously enhanced algorithmic capabilities, we developed enterprise-grade core functionalities, including market intelligence, content generation, intelligent strategy optimization, by seamlessly integrating these solutions into customers' existing application scenarios. Substantially all SaaS products provided to our customers now contain AI modules, constituting one of our core competitive advantages. Our unique scenario-driven advantage and real-time data feedback mechanisms established a closed-loop ecosystem of "application scenarios – model training – feature iteration", differentiating us from competitors focused solely on LLM development. Our R&D expenses increased by 16.9% year-over-year, expanding our portfolio from 74 modules to 311 modules. Notably, the successful implementation of our AI solutions has laid the foundational technical infrastructure and provided real-world scenario validation for the full-scale deployment of our 2025 AI-Agent strategy.

Vision 2025: Becoming the AI-Driven Global Digital Intelligence Partner

1. **AI-Agent Driving a New Era for Intelligent Business**

2025 will mark the commercialization era of AI-Agent. Building on our decades of industry expertise, vast client networks, practical implementation scenarios, continuously upgraded LLM capabilities, domestic technological advantages, and long-established brand influence, we have launched a marketing LLM that outperforms general LLM in understanding industry-specific workflows, alongside the AI-Agentforce intelligent agent middleware platform to drive R&D and delivery efficiency.

In marketing, AI-Agent will deeply integrate industry knowledge with model intelligence, unlocking application scenarios for marketing agents across the entire customer acquisition lifecycle – from campaign planning and preparation to execution management – to help businesses secure clients in a more efficient manner. In sales scenario, functionalities such as AI-powered enterprise insights, client insights, intelligent sales coaching, and operational analytics will revolutionize conversion rates and customer experience, redefining the value of CRM systems. At the same time, in 2025, we simultaneously launched AI-powered all-in-one intelligent machines tailored for government agencies and state-owned enterprises, paving a secure and controllable new path for comprehensive efficiency enhancement in intelligent office operations across government agencies and enterprises.

Looking ahead, Marketingforce will accelerate the deep integration of AI-Agent with vertical scenarios. As technological costs decline and application scenarios proliferate, we will drive China's industrial transformation from "data empowerment" to "intelligent decision-making" through marketing and sales innovation. With unwavering confidence in our pioneering role, we will collaborate with our partners to explore new frontiers in intelligent commerce, delivering faster, more agile, and smarter digital-intelligent transformation frameworks for enterprises worldwide.

2. **Seizing Industry Consolidation Opportunities, Building an Intelligent Marketing & Sales Ecosystem**

At present, the SaaS marketing and sales sector is riding a transformative growth wave in China. Driven by technological innovation and evolving demands, as the market has been rapidly consolidating around leaders with technological moats and ecosystem strategies, we – as a proven industry frontrunner – have seized this strategic inflection point. We have proactively seized such strategic window of opportunity, intensifying its focus on the AI and product-related M&A in the primary market throughout 2024, prioritizing firms excelling in artificial intelligence, big data analytics, and vertical-specific solutions. These targets exhibit strategic alignment with our core capabilities across R&D, client assets, and product portfolios.

Looking ahead, we will execute a dual-track strategic synergy of "organic growth + external M&A". On one front, we will drive technological breakthroughs and amplify product-client synergies through in-house R&D; on the other, we will accelerate ecosystem development by strategic investments, forging a tripartite closed-loop integration of technology advancement, product innovation, and service excellence. We are confident that through visionary M&A positioning and operational integration excellence, and powered by technological convergence, product portfolio expansion, and ecosystem scaling, we will systematically enhance our integrated service offerings and fortify its market leadership. By 2025, we aim to complete at least two investments or acquisitions, and deliver one-stop digital-intelligent transformation solutions globally. Through this disciplined approach, we will emerge as a world-class intelligent marketing ecosystem enterprise.

3. **Capitalizing on Chinese Enterprises' Global Expansion, Establishing a Worldwide Intelligent Marketing Service Provider**

Starting from mid-January 2025, Chinese ministries including the Ministry of Industry and Information Technology and Ministry of Commerce have promulgated successively a series of encouraging policies to bolster domestic enterprises in cross-border trade and global expansion. We will also continue to focus on the marketing and sales digital service areas and steadily advance our globalization. While current overseas operations prioritize serving Chinese enterprises' international expansion, we are progressively introducing localized solutions tailored to foreign markets. Our products serving foreign trade now support 49 languages, cover over 90% of global regions, delivering data intelligence, social media marketing, AIGC, CRM system development and precision advertising services for clients in cross-border e-commerce, consumer goods, and manufacturing sectors. Looking ahead, we will cultivate market-specific product adaptations, establish overseas agent networks to support local enterprises' marketing and sales needs worldwide. By continuously empowering domestic enterprises in global expansion and actively exploring business models to serve overseas local enterprises, we will implement technological innovation and model iteration, gradually realizing the transformation from a service provider for Chinese enterprises going overseas to a global marketing and digital service provider, and contributing Chinese solutions to the development of the global industry.

4. **Deepening AI+SaaS Market Leadership, Forging an Intelligent Marketing and Sales Sector Moat**

According to Frost & Sullivan's industry research, China's SaaS marketing and sales market is entering a golden development phase, and the market potential is projected to surpass RMB4.3 trillion by 2027. As an industry leader, we will consolidate our first-mover advantage in AI+SaaS to deepen penetration in both SMB and KA markets while expanding market share. Our current business networks, which are anchored in the Yangtze River Delta and Pearl River Delta regions and radiate to key cities nationwide, will further extend to emerging markets in Central and Western China. Concurrently, we will strengthen channel partnerships to achieve a nationwide presence characterized by "precision operations in tier-1 cities, regional expansion in new tier-1 cities, rapid replication in tiers-2 and 3 coastal cities, and channel penetration into other cities".

To achieve our strategic objectives, we will anchor our development in a "platform-driven, ecosystem-integrated" framework, continuously enhancing our core competitiveness. In product development, AI-powered innovations will drive iterative upgrades across our marketing automation and sales digitization product matrix; operationally, we will build a "client success framework + industry-specific solutions" model to strengthen client lifecycle value management capabilities; in ecosystem, we will deepen collaborations with leading AI model developers and computing power providers to establish a full-scenario service ecosystem that supports enterprises throughout their digital-intelligent transformation journey.

2024 was a year full of changes and challenges. We maintained our strategic stability in the midst of macroeconomic fluctuations, and grasped the opportunities for innovation and build core moats in the midst of the wave of technological revolutions. Guided by China's 14th Five-Year Plan accelerating enterprise digital transformation and deepening localization initiatives, we are uniquely positioned to capitalize on these historic tailwinds. As an industry leader committed to our vision of "becoming the premier global partner for enterprise digitalization and intelligence", we took AI technological innovation as the key to break through, and through the industrialized application of Tforce marketing LLM, the forward-looking layout of AI-Agent strategy, and the synergistic promotion of globalization and M&A, Marketingforce has reshaped a distinct development path in the fierce market competition.

Chairman's Statement

Looking ahead to 2025, we call it the inaugural year of AI-Agent applications, we remain steadfast in our mission of "Technology-Driven Client Success," intensifying efforts across AI R&D, product ecosystem development, and global expansion. We recognise that our growth is anchored in the trust and commitment of shareholders, the value co-creation with clients, the relentless dedication of employees, and the unwavering partnership of allies.

The future is here, and the time for action is now. Standing at the dawn of the intelligent era, we anchor ourselves in long-termism and set sail with innovative breakthroughs to navigate the vast frontiers of digitalization and intelligence. Let us unite to harness technology's power in reshaping commerce, wield wisdom to spearhead industry evolution, and co-author a new chapter of high-quality growth for Marketingforce.

Sincerely,
Mr. ZHAO Xulong
Chairman of the Board and Chief Executive Officer

March 31, 2025

Management Discussion and Analysis

FINANCIAL REVIEW

Key Operating Data

	Year ended December 31, 2024	2023
AI+SaaS business		
Total users	**26,606**	25,495
Monthly average revenue per user *(RMB)*	**3,848**	3,432
Precision marketing services		
Number of advertising customers	**912**	1,042
Average revenue per advertising customer *(RMB in thousands)*	**786**	508
Gross billing *(RMB in thousands)*	**7,226,050**	6,308,073
– Online advertisement solution services	**625,318**	445,033
– Online advertisement distribution services	**6,600,732**	5,863,040

Revenue

Our revenue increased by 26.5% from RMB1,232.1 million in 2023 to RMB1,558.6 million in 2024. We generated revenue from our AI+SaaS business and precision marketing services. Revenue from AI+SaaS business increased by 19.9% from RMB702.4 million in 2023 to RMB842.2 million in 2024. Revenue from precision marketing services increased by 35.2% from RMB529.7 million in 2023 to RMB716.4 million in 2024. The following table sets out the breakdown of revenue by business segment in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,				
	2024		2023		Year-on-year change
	Amount	**%**	Amount	%	%
	(RMB in million, except percentages)				
AI+SaaS business	**842.2**	**54.0**	702.4	57.0	19.9
Precision marketing services	**716.4**	**46.0**	529.7	43.0	35.2
Total	**1,558.6**	**100.0**	1,232.1	100.0	26.5

Management Discussion and Analysis

AI+SaaS Business

We offer AI+SaaS products to meet each user's diverse needs for marketing and sales activities. We primarily offer two signature AI+SaaS products, T Cloud and True Client, targeting the marketing process and the sales process, respectively. Relying on the deep deconstruction capabilities of vertical industry scenarios, we continue to explore industry application scenarios to build an AI+SaaS ecosystem. By deeply integrating large models into a one-stop marketing and sales platform, we create a next-generation SaaS solution with multiple core capabilities including an intelligent marketing hub, process automation engine, and context-awareness matrix, and achieve an upgrade from function delivery to value delivery.

In particular, we continued deepening our penetration in the small-to-medium business (SMB) market through the T Cloud product, offering end-to-end, full-scenario and one-stop AI marketing solutions tailored to address customer acquisition challenges for mid-sized B2B enterprises. Leveraging AI-generated high-quality marketing content, we covered four major traffic ecosystems, utilizing platform search and recommendation algorithms to capture free traffic while qualifying leads, thereby boosting conversion rates of customer acquisition by marketing. We continued to expand the key accounts (KA) markets through True Client, empowering the KA to implement omni-channel customer asset management and operation powered by our foundational AI engine. Through the "hyper-personalized (Qianren Qianmian, 千人千面)" retention strategies for existing clients, we drove higher average order values and repurchase rates of customers across B2B/B2C segments. Through these efforts, we now serve five major industries, including consumer retailing, automotive, financial services, comprehensive healthcare, and manufacturing.

Our revenue from AI+SaaS business increased by 19.9% from RMB702.4 million in 2023 to RMB842.2 million in 2024. The revenue growth was driven by the continued expansion of our AI+SaaS business. Specifically, we had a 12.1% growth in monthly average revenue per user for 2024, compared to the same period in 2023. Additionally, the paying users for our AI+SaaS business reached 26,606 for 2024, marking a 4.4% increase from the same period in 2023.

Precision Marketing Services

For our precision marketing business, we cooperate with media platforms with high-quality traffic to help advertisers optimize their marketing efforts by, among other things, raising brand awareness or increasing online exposure for their products or services, while reaching more potential consumers. Our advertising customers are primarily B2C companies.

Revenue from our precision marketing services increased by 35.2% from RMB529.7 million in 2023 to RMB716.4 million in 2024, primarily attributable to the further enhancement of our close cooperation with media platforms and the optimization of customer portfolio structure.

Cost of Services

Our cost of services increased by 39.3% from RMB525.9 million in 2023 to RMB732.8 million in 2024, in line with our business expansion.

AI+SaaS Business

Our cost of services of AI+SaaS business increased by 34.2% from RMB86.2 million in 2023 to RMB115.7 million in 2024. Such increase was primarily due to an increase in the labor costs, driven by the growing revenue contribution from True Client products, which are our high-contract-value products in the AI+SaaS business.

Precision Marketing Services

Our cost of services of precision marketing services increased by 40.4% from RMB439.7 million in 2023 to RMB617.1 million in 2024, primarily due to higher traffic procurement costs driven by precision marketing business enhancement.

Gross Profit and Gross Profit Margin

Our gross profit increased by 16.9% from RMB706.2 million in 2023 to RMB825.8 million in 2024, while our gross profit margin slightly decreased from 57.3% in 2023 to 53.0% in 2024. Of which, the gross profit margin of AI+SaaS business decreased by 1.4 percentage points in 2024, and the gross profit margin of precision marketing business decreased by 3 percentage points.

The following table sets forth a breakdown of gross profit and gross profit margin by business segment in absolute amounts and as a percentage of their respective revenues for the years indicated:

	Year ended December 31,			
	2024		2023	
	Gross Profit	**Gross Profit Margin (%)**	Gross Profit	Gross Profit Margin (%)
	(RMB in million, except percentages)			
AI+SaaS business	**726.5**	**86.3**	616.2	87.7
Precision marketing services	**99.3**	**14.0**	90.0	17.0
Total	**825.8**	**53.0**	706.2	57.3

AI+SaaS Business

The gross profit of our AI+SaaS business increased from RMB616.2 million in 2023 to RMB726.5 million in 2024, primarily driven by the growth in revenue from the AI+SaaS business. The gross profit margin of our AI+SaaS business decreased from 87.7% in 2023 to 86.3% in 2024, mainly due to the expansion of KA business in 2024, where we penetrated more niche markets, requiring additional labor costs.

Precision Marketing Services

The gross profit of our precision marketing service increased from RMB90.0 million in 2023 to RMB99.3 million in 2024. The increase in gross profit was mainly due to the increase in revenue from precision marketing service. However, the gross margin for precision marketing services declined from 17.0% in 2023 to 14.0% in 2024, mainly attributable to an increase in the revenue contribution from online advertisement solutions services with a lower gross profit margin.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 0.2% from RMB326.8 million in 2023 to RMB327.5 million in 2024, mainly due to the increase in share-based payment expenses as a result of our Group's newly granted share incentives to our sales employees in March 2024. Our selling and distribution expenses (excluding the share-based payment expenses of RMB40.7 million) amounted to RMB286.8 million in 2024, representing a year-on-year decrease of 12.2% compared to the same period in 2023, which was due to the improvement in sales efficiency, which reduced staff costs as the largest expense category.

Management Discussion and Analysis

Administrative Expenses

Our administrative expenses increased by 29.9% from RMB203.9 million in 2023 to RMB264.8 million in 2024, mainly due to (i) an increase in the share-based payment expenses as a result of our Group's newly granted share incentives to our administrative employees in March 2024; and (ii) an increase in the listing expenses as we completed the IPO in May 2024 and have expensed the remaining amount. Our administrative expenses (excluding the share-based payment expenses and listing expenses amounting to RMB92.1 million) amounted to RMB172.7 million in 2024, representing a year-on-year decrease of 15.3%, primarily due to the enhanced operational efficiency achieved through increased application of LLM and digital tools in our middle and back office operations.

Research and Development Expenses

Our research and development expenses increased by 16.9% from RMB210.0 million in 2023 to RMB245.5 million in 2024, primarily due to (i) that we adjusted our R&D staff structure this year so that more non-core R&D needs had to be met through external procurement, and thus the overall external R&D expenses were increased; and (ii) an increase in share-based payment expenses as a result of our Group's newly granted share incentives to our research and development employees in March 2024.

Other Income and Gains

Our other income and gains decreased by 28.9% from RMB39.9 million in 2023 to RMB28.4 million in 2024, primarily because we no longer received government grants that refunded additional deductible VAT.

Finance Costs

Our finance costs increased by 11.5% from RMB35.2 million in 2023 to RMB39.3 million in 2024, primarily due to increased interest expenses arising from additional bank borrowings in 2024 to support our business expansion.

Fair Value Changes of Convertible Redeemable Preferred Shares

Fair value changes of convertible redeemable preferred shares increased from RMB107.8 million in 2023 to RMB780.5 million in 2024, as a result of the conversion of all preferred shares to ordinary shares upon listing, with the changes in fair value being recognised under the offer price of IPO.

Other Expenses

Our other expenses increased from RMB0.6 million in 2023 to RMB13.7 million in 2024, mainly due to (i) losses from disposal of office equipment and furniture; and (ii) foreign exchange losses due to fluctuations in exchange rate.

Impairment for Financial Assets

Our impairment for financial assets amounted to RMB31.1 million and RMB59.7 million in 2023 and 2024, respectively, which was mainly due to bad debt provision for receivables/other receivables/notes.

Income Tax Expenses

We recorded negative income tax expenses of RMB55.7 thousand in 2023, and did not have income tax expense in 2024 due to income tax credit.

Loss for the Year

As a result of the foregoing, our net loss increased from RMB169.5 million in 2023 to RMB876.7 million in 2024.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from period-on-period and company to company by eliminating potential impacts of certain items.

We believe adjusted net profit/(loss) (non-IFRS measure) provides useful data to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following table reconciles our adjusted net profit/(loss) for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS, which are net loss for the period:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Reconciliation of net loss to adjusted net profit/(loss) (non-IFRS measure):		
Net loss for the year	**(876,670)**	(169,478)
Add:		
Fair value changes of convertible redeemable preferred shares	**780,539**	107,815
Listing expenses	**20,260**	25,549
Share-based compensation expenses	**155,083**	8,378
Adjusted net profit/(loss) for the year (non-IFRS measure)	**79,212**	(27,736)

Liquidity and Financial Resources

As of December 31, 2024, we had a liquidity of RMB975.3 million, which includes cash and cash equivalents, restricted cash and time deposit with original maturity of more than three months. We believe that this level of liquidity is sufficient to finance our operations, having considered our business development and expansion plans.

	As of December 31, 2024 RMB'000
Time deposit with original maturity of more than three months	**183,304**
Restricted cash	**1,074**
Cash and cash equivalents	**790,916**
Total	**975,294**

Indebtedness

	As of December 31, 2024 RMB'000
Borrowings	**1,022,586**
Lease liabilities – Current	**37,991**
Lease liabilities – Non-current	**49,432**
Total	**1,110,009**

As of December 31, 2024, we had unutilized banking facility of approximately RMB50 million.

We monitored capital using gearing ratio. As of December 31, 2024, our Group's gearing ratio was 17.0%, which is calculated as net debt divided by total capital at the end of each financial period. Net debt equals to our total borrowings and lease liabilities less time deposit with original maturity of more than three months, restricted cash and cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Free Cash Flow

Free cash flow represents net cash from/(used) in operating activities plus capital expenditures. In 2024, we had free cash inflow amounting to RMB127.9 million, representing an increase of 192.6% from cash outflow of RMB138.1 million in 2023. In 2024, cash inflows from sales of goods and provision of labour services were RMB1,306.8 million, representing an increase of 31.2% from 2023.

	Year ended December 31,	
	2024 RMB'000	2023 RMB'000
Net cash used in operating activities	**138,060**	(121,504)
Capital expenditures	**(10,129)**	(16,615)
Total	**127,931**	(138,119)

Treasury Policy

Our Group adopts a prudent treasury management policy to actively monitor its liquidity and maintain sufficient financial resources for future development. Based on this, our Group regularly reviews and adjusts its financial structure to ensure financial resources are used in the best interests of our Group.

Pledge of Assets

As of December 31, 2024, we pledged trade receivables, other receivables and onshore bank deposits of RMB202.9 million, as well as offshore bank deposits of USD25.5 million for bank and other borrowings.

Significant Investments Held

During 2024, we did not have any significant investments.

Future Plans for Material Investments and Capital Assets

As of December 31, 2024, we had no specific plan for material investments and acquisition of capital assets.

Capital Commitments

As of December 31, 2024, we had no significant capital commitments.

Contingent Liabilities

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

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

In 2024, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Foreign Exchange Risk

Our Group mainly operates in Mainland China and Hong Kong with most of our monetary assets, liabilities and transactions principally denominated in Renminbi and United States dollars. Our Group has not used any derivative to hedge its exposure to foreign currency risk.

Employees

As of December 31, 2024, we had 1,563 full-time employees, the majority of whom are based in Shanghai, China. Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses, and other incentives. As a result, we have a strong track record in attracting and retaining our core employees. We primarily recruit our employees in China through internal references and recommendations, and online channels such as third-party recruitment websites. As a matter of policy, we provide a robust training program for new employees. We believe such programs are effective in equipping them with the skill set and work ethic we require of employees. We also provide regular and specialized training, both online and offline, tailored to the needs of our employees in different departments.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. ZHAO Xulong（趙緒龍）, also known by his alias name Zhao Xulong（趙旭隆）, aged 47, is the founder of our Group and has been an executive Director and the chief executive officer of our Company since February 23, 2021, and the chairman of the board and the chief executive officer of Shanghai Trueland since September 10, 2017, and September 15, 2009, respectively. Mr. Zhao has been appointed as the chairman of the Board of our Company on November 14, 2022. Mr. Zhao currently also holds positions at various subsidiaries within the Group, including as an executive director of Marketingforce (HongKong) Limited, Marketingforce Network, a director of AMERICAN KAILILONG INTERNATIONAL HOLDING (H.K.) LIMITED and KAILILONG INTERNATIONAL HOLDING (H.K) LIMITED and as a supervisor of Wuxi Trueland and Guangdong Trueland. He has over 15 years of experience in management. Mr. Zhao has been leading the Group's business since its establishment, and is primarily responsible for making strategic and pivotal decisions of the Group, including the overall development, strategic direction, business management, innovation, and research and development, etc.

In recognition of his innovation, entrepreneurship and contributions, Mr. Zhao has received numerous awards and recognitions, including 2024 China Digital Intelligence Transformation and Upgrading Pioneer（2024中國數智化轉型升級先鋒人物）, 2024 China Digital Marketing 15 Years Most Influential Person（2024中國數字營銷15年風雲人物）, "Shanghai City Digital Transformation Pioneer First Prize"（上海城市數字化轉型領軍先鋒一等獎）in 2023, 2023 Innovation Award (WIA2023) – Outstanding Individual TOP20 on 2023 China Pervasive Artificial Intelligence (2023創新獎（WIA2023） – 2023中國泛人工智能優秀人物TOP20), Top Ten Outstanding Young Entrepreneur of China Yangtze River Delta in 2023（2023年度中國長三角十大傑出青年企業家稱號）, "Outstanding Talent in Jing'an District"（靜安區傑出人才）in 2023, "Pioneers of Shanghai on Industry and Commerce"（上海市工商業領軍人物）in 2023 and Pioneers of Shanghai on Industry and Commerce (Digital Economy)（上海市工商業（數字經濟）領軍人物）, "the Digitalization Promoter of the Year 2021"（2021年度數字化推動力人物）at International Sci-Tech Innovation Festival（國際科創節）in 2021, "Chief Scientist of Enterprises in the Research Field of Intelligent Marketing Cloud Platform of the Year 2021"（2021智能營銷雲平台研究領域企業首席科學家）by China Scientist Forum（中國科學家論壇）in 2021, "Top Ten Outstanding People for Brand Power of the Year 2021"（2021品牌強國十大傑出人物）by China-Asia Economic Development Association Brand Management Professional Committee（中國亞洲經濟發展協會品牌管理專業委員會）in 2021, and "Top Cloud Connect Awards – Influential Person in the Cloud Computing Industry of China for the year 2019–2020"（2019–2020年度雲鼎獎 – 中國雲計算行業影響力人物獎）at Cloud Connect China 2020 （2020全球雲計算大會 – 中國站）.

Mr. Zhao received his bachelor's degree in mechanical engineering and automation from Donghua University（東華大學）in the PRC in June 2001.

Ms. ZHAO Fangqi is the sister of Mr. ZHAO Xulong and the sister-in-law of Ms. ZHU Shuina.

Mr. XU Jiankang（許健康）, aged 39, has been an executive Director since November 14, 2022, and a senior vice president of our Company since February 23, 2021. Mr. Xu has held several positions in Shanghai Trueland since September 2009 with his current position as a senior vice president（高級副總裁）since April 16, 2020. Mr. Xu currently also holds several positions at various subsidiaries within the Group, including as an executive director of Shanghai Trueland Intelligence Technology Group Co., Ltd., Ningbo Trueland Information Technology Co., Ltd., Taizhou Trueland Information Technology Co., Ltd., as a supervisor of Trueland Network, Wenzhou Trueland Information Technology Co., Ltd., Zhongshan Trueland Information Technology Co., Ltd., and Hangzhou Trueland Information Technology Co., Ltd.

Mr. Xu has over 15 years of experience of providing Internet services to enterprises. He successively served as a sales director（銷售總監）and vice president of Shanghai Trueland from September 2009 to April 2020. Since joining Shanghai Trueland, Mr. Xu has been focusing on innovation, implementation, and integration in the field of digital marketing. He has led his team to conduct industry research in East China, South China, and Southwest China to accurately understand the pain points of enterprises in their process of business operation, especially the needs for customer acquisition, being one of the most urgent problems for enterprises to solve.

Mr. Xu received his bachelor's degrees in human resource management (by correspondence course) from East China Normal University（華東師範大學）in the PRC in December 2018.

Biographical Details of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Ms. ZHAO Fangqi (趙芳琪), aged 55, has been a non-executive Director of our Company since February 23, 2021, and a non-executive director of Shanghai Trueland since September 10, 2017. She has over 22 years of experience in selling practice. Ms. Zhao served as sales personnel at Shanghai Zhongxi Pharmaceutical Co., Ltd. (上海中西製藥有限公司), from December 2006 to December 2009. She then worked as the regional sales manager (區域負責人) of Ningbo Lansen MEDICINE Co., Ltd. (寧波朗生醫藥有限公司) from March 2010 to January 2018. Ms. Zhao served as a deputy general manager of Sinopharm Group Xing'an League Co., Ltd. (國藥控股興安盟有限公司) from December 2018 to April 2021, and the general manager of Inner Mongolia Xinpinchuangshuo Medical Devices Co., Ltd. (內蒙古鑫頻創碩醫療器械有限公司) from January 2018 to October 2021.

Ms. Zhao received her bachelor's degree in Chinese language and literature from Shijiazhuang Tiedao University ((石家莊鐵道大學), formerly known as Shijiazhuang Tiedao College (石家莊鐵道學院)) in July 1995.

Ms. Zhao was a supervisor of Shanghai Trueland Industrial Co., Ltd. (上海珍島實業有限公司) ("Trueland Industrial") at the time of revocation of its business license in October 2016. Trueland Industrial was deregistered on April 24, 2018. As confirmed by Ms. Zhao, to the best of her knowledge, information and belief and having made all reasonable enquiries, the business license of Trueland Industrial was revoked as Trueland Industrial was inactive with no substantial business operation. As confirmed by Ms. Zhao, (i) Trueland Industrial was inactive and solvent at the time when its business license was revoked; (ii) there was no wrongful act on her part leading to the revocation of business license; and (iii) she is not aware of any actual or potential claim that has been or will be made against her as a result of such revocation of business license. Ms. Zhao was a director of Chifeng Aopai Medical Equipment Trading Co., Ltd. (赤峰奥派醫療器械商貿有限責任公司, "Chifeng Aopai", the business of which was medical equipment trading and irrelevant to the principal business of the Group) at the time of revocation of its business license. Chifeng Aopai was deregistered on September 17, 2015. As confirmed by Ms. Zhao, to the best of her knowledge, information and belief and having made all reasonable enquiries, the business license of Chifeng Aopai was revoked as Chifeng Aopai had ceased business and had not conducted the annual inspection. As confirmed by Ms. Zhao, (i) Chifeng Aopai was inactive and solvent at the time when its business license was revoked; (ii) there was no wrongful act on her part leading to the revocation of business license; and (iii) she is not aware of any actual or potential claim that has been or will be made against her as a result of such revocation of business license.

Mr. ZHAO Xulong is the brother of Ms. ZHAO Fangqi.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YANG Tao (楊濤), aged 55, appointed as independent non-executive Director on November 14, 2022 and with effect from May 7, 2025. He also served as an independent director of Shanghai Trueland from September 2017 to July 2022. Given that Mr. Yang served as an independent director of Shanghai Trueland and was not involved in the daily management of Shanghai Trueland, the Board is of the view that the directorship held by Mr. Yang in Shanghai Trueland would not give rise to any material independence issue under Rule 3.13(7) of the Listing Rules. Mr. Yang has over 29 years of experience in the electronic commerce industry. Mr. Yang taught and conducted research in the area of electronic commerce at Donghua University since his graduation as a bachelor in July 1995. Mr. Yang served in various departments of Donghua University, including Human Resources office from July 1995 to August 1999, Development Planning Office from September 1999 to February 2002 and School of Continuing Education since March 2002. He obtained his title as Assistant Researcher (助理研究員) from Donghua University in September 2000.

Mr. Yang received his bachelor's degree in computer and application (計算機及應用) in July 1995 and his master's degree in management science and engineering (管理科學與工程專業) in March 2004, respectively, from Donghua University in the PRC.

Mr. QIN Ci (秦慈), aged 50, appointed as independent non-executive Director on November 14, 2022 and with effect from May 7, 2025. He also served as an independent director of Shanghai Trueland from May 2019 to July 2022. Given that Mr. Qin served as an independent director of Shanghai Trueland and was not involved in the daily management of Shanghai Trueland, the Board is of the view that the directorship held by Mr. Qin in Shanghai Trueland would not give rise to any material independence issue under Rule 3.13(7) of the Listing Rules. Mr. Qin has over 14 years of experience in the investment and financing industry. Mr. Qin worked in investment banking department of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601881.SH) from October 2010 to 2011. He subsequently worked in investment banking department of Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601211.SH) from October 2011 to 2015. He then worked in investment banking department of Great Wall Glory Securities Co., Ltd. (長城國瑞證券有限公司) from August 2015 to March 2019. Mr. Qin held several positions in Ningbo KBE Electrical Technology Co., Ltd. (寧波卡倍億電氣技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300863) since October 2020, where he serves as a deputy general manager since May 2021, and then concurrently as the secretary of the board since August 2021.

Mr. Qin received his bachelor's degree in information management system in July 1997 and subsequently his master's degree in investment economics in January 2000 from Shanghai University of Finance and Economics (上海財經大學) in the PRC.

Mr. CHEN Chen (陳晨), aged 44, appointed as independent non-executive Director on November 14, 2022 and with effect from May 7, 2025. He has over 22 years of experience in audit and consulting practice. Mr. Chen held several positions in Deloitte Touche Tohmatsu Certified Public Accountants LLP from October 2002 to April 2018 with his last position serving as the auditing partner (審計合夥人) of Deloitte Touche Tohmatsu Certified Public Accountants LLP from June 2014 to April 2018. He then served as the chief financial officer of Yunji Inc., a company listed on NASDAQ (NASDAQ: YJ) from May 2018 to December 2020. On May 13, 2024, Mr. Chen Chen has resigned as an independent director and the chairman of the audit committee and a member of the nominating and corporate governance committee of FLJ GROUP LIMITED, a company listed on NASDAQ (NASDAQ：FLJ) (formerly known as Q&K International Group Limited (NASDAQ: QK)). He has also been the chief financial officer since January 2021 and a director since May 2021 of ATRenew Inc., a company listed on NYSE (NYSE: RERE). Besides, Mr. Chen has served as an independent non-executive director, since December 2021, of Zhou Hei Ya International Holdings Company Limited, a company listed on Hong Kong Stock Exchange (stock code: 1458), and an independent non-executive director of Yunji Inc. since January 2024.

Mr. Chen received his bachelor's degree in international shipping business (國際航運) from Shanghai Jiao Tong University in July 2002. He has been a member of China Institute of Certified Public Accountants (CICPA) since 2005.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

The senior management of our Company is responsible for the day-to-day management of our business.

Mr. ZHAO Xulong (趙緒龍), is the chairman of the Board, an executive Director and the chief executive officer of our Company. See "– Directors" in this section for his biographical details.

Mr. XU Jiankang (許健康), is an executive Director and a senior vice president of our Company. See "– Directors" in this section for his biographical details.

Mr. LIU Huan (劉歡), aged 45, has been a senior vice president of our Company since February 23, 2021, and was appointed as the joint company secretary of our Company on November 14, 2022 with his appointment taking effect on November 21, 2022. Mr. Liu joined Shanghai Trueland in April 2012, where he currently served as a senior vice president since April 1, 2021. Mr. Liu currently also holds several positions at various subsidiaries within the Group, including as an executive director of Shanghai Kaililong, Kaililong (Hangzhou) Information Technology Co., Ltd, and Shanghai Marketingforce Digital Technology Co., Ltd and as a supervisor of Marketingforce Network, and Kaililong (Guangzhou) Information Technology Co., Ltd. He has over 22 years of experience in marketing industry. Before joining the Group, Mr. Liu worked as the head of professional marketing department (專業市場部經理) of Shenzhen Haojiating Industrial Co., Ltd. (深圳市好家庭實業有限公司) from September 2002 to April 2007. He subsequently served as the vice president (副總裁) of Shanghai Fuchen Information Technology Co., Ltd. (上海弗臣信息技術有限公司) from October 2009 to March 2012. Mr. Liu received his bachelor's degree in physical education from Inner Mongolia Normal University (內蒙古師範大學) in the PRC in July 2002 and his executive master of business administration degree from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2016.

Mr. WANG Shiyi (王士義), aged 36, is currently a vice president of our Company. Mr. Wang joined Shanghai Trueland in September 2009, and now serves as a vice president and an executive director of Shanghai Trueland since September 2, 2022, and June 20, 2022, respectively. Mr. Wang currently also holds several positions at various subsidiaries within the Group, including as an executive director of Trueland Network, an executive director and the general manager of Marketingforce Enterprise Management, and a supervisor of Shanghai Trueland Intelligence Technology Group Co., Ltd. and Suzhou Trueland Information Technology Co., Ltd. Mr. Wang has over 15 years of experience in the design, research, development and architecture of web products. Since joining Shanghai Trueland in 2009, Mr. Wang has successively served as the person in charge of Shanghai Trueland's product, research, development, and innovation business. He has been working closely to meet the Company's business development needs, and now focusing on expanding the strategic relationship with the Group's major customers. Mr. Wang received his bachelor's degree in public relations from East China Normal University in the PRC in September 2021.

Biographical Details of Directors and Senior Management

Mr. CHEN Hailin（陳海林）, aged 47, has been the chief technical officer of our Company since January 15, 2024, and the assistant to chief data officer of Shanghai Trueland since April 11, 2022. Mr. Chen is also a director of Shanghai Dongchali Digital Technology Group Co., Ltd. (上海洞察力數字科技集團有限公司). He has over 12 years of experience in the research and development of web products. Mr. Chen worked for Shanghai Pactera Technology Limited（上海文思海輝信息技術有限公司）from January 2013 to March 2013. From April 2013 to February 2014, Mr. Chen worked for Shanghai Tianting Information Technology Co.（上海天聽信息科技有限公司）. He then worked successively at Shanghai Trueland as the chief technical officer from March 2014 to January 2019 and director of product development from February 2019 to April 2022. Mr. Chen has received several awards and recognitions. His project named Distributed Database System Supporting Internet-Class Key Core Businesses（《支持互聯網級關鍵核心業務的分佈式數據庫系統》）won the Second Prize of National Scientific and Technological Progress（國家科技進步二等獎）in 2019. His project named Data Platform for Enterprise Precision Marketing Services and Its Key Technology（《面向企業精準營銷服務的數據平台及其關鍵技術》）won the First Prize of Shanghai Scientific and Technological Progress（上海市科技進步一等獎）in 2020. Mr. Chen obtained his bachelor's degree in mechanical engineering and automation from Donghua University in the PRC in July 2001.

Mr. MA Jin（馬進）, aged 38, has been the chief financial officer of our Company since April 22, 2021, and the chief financial officer, and an executive director of Shanghai Trueland since April 22, 2021, and June 20, 2022, respectively. Mr. Ma is also a director of Trueland Digital Technology (Jiangxi) Co., Ltd. (珍島數字科技（江西）有限公司) and Marketingforce Digital Technology (Jiangxi) Co., Ltd. (邁富時數字科技（江西）有限公司). He has over 12 years of experience in investment and finance. Mr. Ma held several positions within Goldman Sachs Gao Hua Securities Co., Ltd.（高盛高華證券有限責任公司）from July 2012 to October 2015, with his last position serving as an associate of equity capital market department. After that, Mr. Ma held several positions within Goldman Sachs (Asia) L.L.C. from October 2015 to April 2021, with his last position as an executive director in investment banking department. Mr. Ma received his bachelor's degree of science with electronic science and technology major in July 2009 and his master's degree of science with electronic physics（物理電子學）major in June 2012 from Fudan University（復旦大學）in the PRC.

Mr. Li Wenzhe（李文哲）, aged 39, has been the joint chief technology officer of the Company and director of Marketingforce Artificial Intelligence Research Institute since December 9, 2024. Mr. Li has 15 years of experience in engineering landing and scientific research in the field of AI, and has served as chief scientist, technical director and senior engineer in medium and large enterprises. Mr. Li worked as a senior engineer at headquarters of Amazon.com, Inc. in Seattle, USA from August 2012 to January 2014. Mr. Li worked as chief data scientist at Fanpu Jinke Group Co., Ltd.*（凡普金科集團有限公司）from August 2015 to January 2018, and concurrently worked as chief scientist and investment director at its subsidiary Beijing Huiniu Technology Co., Ltd.（北京會牛科技有限公司）from May 2017 to January 2018. Mr. Li worked as the founder and chief scientist of Beijing Greedy Technology Co., Ltd.（北京貪心科技有限公司）from June 2018 to November 2024. Mr. Li obtained a bachelor's degree in Computer Science and Technology from Nankai University in June 2009, and a master's degree in Computer Science oriented in Artificial Intelligence from Texas A&M University in the USA in August 2012.

Mr. ZHANG Peng（張蓬）, aged 46, has been a vice president of our Company since April 7, 2025. Mr Zhang joined Shanghai Trueland in May 2013, and now serves as a vice president. Mr Zhang was the Business Director of East China of TurboCRM from March 2003 to December 2008 and then the general manager of the ECP business division of ShopEx from March 2009 to April 2013. Mr Zhang is mainly responsible for collaborating with the president to research and decide on the company's overall digital service strategic planning and deployment implementation, and being responsible for the business practice and business transformation of AI intelligence and industry big model business in medium and large enterprises. Mr Zhang also serves as the director of Marketingforce Yaomu (Shanghai) Intelligent Technology Co.（邁富時耀木（上海）智能科技有限公司）. Mr. Zhang obtained a bachelor's degree in international economics and trade from Xi'an Jiaotong University in June 2000.

JOINT COMPANY SECRETARIES

Mr. LIU Huan (劉歡) is a senior vice president of the Company, and was appointed as the joint company secretary of our Company on November 14, 2022 with his appointment taking effect on November 21, 2022. See "– Senior Management" above for the biographical details of Mr. Liu.

Mr. LI Kin Wai (李健威) is the joint company secretary of our Company and was appointed on November 14, 2022 with his appointment taking effect on November 21, 2022. Mr. Li is a senior manager of Tricor Services Limited with more than 10 years of experience in accounting, auditing and corporate secretarial services. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Mr. Li is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Corporate Governance Report

The Board hereby presents this corporate governance report (the "Corporate Governance Report") in the Company's annual report for the year ended 31 December 2024.

CORPORATE GOVERNANCE CULTURE

Vision: To become the best partner for enterprises globally in digital and intelligent transformation.

Mission: To continuously create value for customers by offering competitive products and services with a focus on digitalization and intelligentization.

Values: Customer-Centric, Long-term Vision, Teamwork.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code on the Stock Exchange as the basis of the Company's corporate governance practices.

The Board is of the view that during the period from May 16, 2024 (the "Listing Date") to December 31, 2024, the Company has complied with all the applicable code provisions as set out in the CG Code, except for Code Provision C.2.1 described in the paragraph headed "Chairman and Chief Executive Officer". The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Company's Shares were listed on the Stock Exchange on the Listing Date, the provisions regarding compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules are only applicable to the Company since the Listing Date.

Following the Listing, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors of the Company, and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 December 2024.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the period from the Listing Date to December 31, 2024 ("Reporting Period").

Corporate Governance Report

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive directors and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. ZHAO Xulong *(Chairman of the Board and Chief Executive Officer)*
Mr. XU Jiankang *(Senior Vice President)*

Non-executive Director

Ms. ZHAO Fangqi

Independent Non-executive Directors

Mr. YANG Tao
Mr. QIN Ci
Mr. CHEN Chen

The biographical information of the Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 18 to 23 of this annual report. Save as disclosed therein, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the Chairman and the Chief Executive Officer.

Corporate Governance Report

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Since the Company was only listed on the Stock Exchange on May 16, 2024, the Board only held three Board meetings and one general meeting.

The attendance record of each Director at the Board meeting and general meeting of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attended/ Eligible to attend the Board meeting(s)	Attended/ Eligible to attend the general meeting(s)
Executive Directors		
Mr. ZHAO Xulong	3/3	1/1
Mr. XU Jiankang	3/3	1/1
Non-executive Directors		
Ms. ZHAO Fangqi	3/3	1/1
Mr. HUANG Shaodong *(resigned with effect from February 16, 2025)*	3/3	1/1
Independent Non-executive Directors		
Mr. YANG Tao	3/3	1/1
Mr. QIN Ci	3/3	1/1
Mr. CHEN Chen	3/3	1/1

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhao Xulong ("**Mr. Zhao**") is currently the chairman of the Board and the chief executive officer of the Company. Notwithstanding the deviation from code provision C.2.1 of Part 2 of the CG Code, given Mr. Zhao's substantial contribution to the Group since its establishment and his extensive knowledge and experience in the industry, the Board considers that vesting the roles of both chairman of the Board and chief executive officer of the Company in Mr. Zhao provides the Group with strong and consistent leadership, enabling more effective and efficient overall strategic planning for the Group. While this would constitute a deviation from code provision C.2.1 of Part 2 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Zhao and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, inter alia, that he/she acts for the benefit and in the best interests of our Company and makes decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels and the balance of power and authority for the present arrangement will not be impaired. The Board will continue to review the effectiveness of the corporate governance structure of our Group from time to time and consider the appropriate move to take when appropriate.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, and allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board had conducted annual review on its independence during the Reporting Period.

Appointment and Re-election of Directors

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from their respective date of appointment subject to termination as provided in the service contract.

Each of the non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from their respective date of appointment.

The appointments of executive Directors, non-executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

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

In accordance with the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 26.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which such Director retires and shall be eligible for re-election at such meeting. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

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

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

Prior to the Listing and during the Reporting Period, the Company organized training sessions conducted by the qualified professionals/legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors up to date of this annual report are summarized as follows:

Directors	Type of Training *Note*
Executive Directors	
Mr. ZHAO Xulong	A and B
Mr. XU Jiankang	A and B
Non-executive Directors	
Ms. ZHAO Fangqi	A and B
Mr. HUANG Shaodong *(resigned with effect from February 16, 2025)*	A and B
Independent Non-executive Directors	
Mr. YANG Tao	A and B
Mr. QIN Ci	A and B
Mr. CHEN Chen	A and B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant materials, including corporate governance matters, directors' duties and responsibilities, Listing Rules and other relevant laws

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three members, namely Mr. CHEN Chen, Mr. YANG Tao and Mr. QIN Ci. All Audit Committee members are independent non-executive Directors. Mr. CHEN Chen is the chairman of the Audit Committee.

The principal duties of the Audit Committee include, but not limited to the following:

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

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

(d) to monitor the integrity of the Company's financial statements, annual reports, accounts, half yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on: (i) any changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from the audit; (iv) the going concern assumptions and any qualifications; (v) compliance with accounting standards; and; (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(e) regarding paragraph (d) above: (i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in report and accounts, and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(f) to review the Company's financial controls, risk management and internal control systems;

(g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(j) to review the Company and its subsidiaries' and consolidated affiliated entities' operating, financial and accounting policies and practices;

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

(l) to ensure that the Board will provide a timely response to the issues raised by external auditor's management letter;

(m) to report to the Board on the matters in the CG Code;

(n) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(o) to act as the key representative body for overseeing the Company's relations with the external auditor;

(p) to review continuing connected transactions of the Company and ensure compliance with terms approved by shareholders of the Company; and

(q) to consider such other matters as the Board may from time to time determine.

The written terms of reference of the Audit Committee are available on the websites of the HKEx and the Company.

In addition, the Audit Committee had reviewed, discussed and approved the interim results for the period ended June 30, 2024, during the Reporting Period.

As the Company was listed on the Stock Exchange on May 16, 2024, one Audit Committee meeting was held during the year ended December 31, 2024, and the attendance records of the Audit Committee meeting are set out below:

Directors	**Attendance/Number of meeting(s)**
Mr. CHEN Chen	1/1
Mr. QIN Ci	1/1
Mr. YANG Tao	1/1

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. QIN Ci (independent non-executive Director), Mr. ZHAO Xulong (executive Director) and Mr. YANG Tao (independent non-executive Director). Mr. QIN Ci is the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include but not limited to the following:

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

(b) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

(c) to make recommendations to the Board on the remuneration packages of executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management of the Company, and the employment conditions of the Company, its subsidiaries and consolidated affiliated entities;

(f) to consider the level of remuneration required to attract and retain Directors to manage the Company successfully;

(g) to ensure that no Director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Committee must not be involved in deciding his or her own remuneration;

(h) to review and approve compensation payments and arrangements for Directors and senior management of the Company for loss or termination of their office or appointment, or dismissal or removal for misconduct and to assess whether the proposed payments or arrangements are fair, not excessive, reasonable, consistent with the relevant contractual terms, or otherwise appropriate;

(i) to advise shareholders of the Company on how to vote in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules; and

(j) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the HKEx and the Company.

As the Company was listed on the Stock Exchange on May 16, 2024, one Remuneration Committee meeting was held during the year ended 31 December 2024 and the attendance records are set out below:

Directors	**Attendance/Number of meeting(s)**
Mr. QIN Ci	1/1
Mr. ZHAO Xulong	1/1
Mr. YANG Tao	1/1

The remuneration of the senior management (excluding executive Directors), whose biographical details are included in section headed "Biographical Details of Directors and Senior Management" of this annual report, during the Reporting Period falls within the following bands:

Remuneration (HK$)	**Number of Individuals**
0 to 2,000,000	2
2,000,001 to 4,000,000	2
>4,000,000	1

The Company's remuneration policy is to ensure that the remuneration offered to the Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors and senior management are also determined with reference to account salaries paid by comparable companies, time commitment and responsibilities of the Directors and the performance of the Group. The remuneration for the Directors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. ZHAO Xulong (executive Director), Mr. YANG Tao (independent non-executive Director) and Mr. QIN Ci (independent non-executive Director). Mr. ZHAO Xulong is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include but not limited to the following:

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

(b) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;

(c) to develop and maintain a policy for the nomination of the Directors which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year, and to review periodically and disclose the policy and progress made towards achieving the objectives set in the nomination policy in the corporate governance report of the Company;

(d) to identify individuals who are suitably qualified to become a member (including whether the individuals can bring to the Board the perspectives, skills and experiences and how the individuals can contribute to the diversity of the Board) and to select or make recommendations to the Board on the selection of individuals nominated for directorships with regard to the nomination policy of the Company;

(e) to assess the independence of independent non-executive Directors with regard to the requirements of the Listing Rules (as amended from time to time);

(f) assessing the number of directorship of other listed companies held by candidates to be nominated as the independent non-executive Directors. If the candidate will be holding his/her seventh or more listed company directorship, the Board has to be satisfied that the candidate would still be able to devote sufficient time to the Board;

(g) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the chairman of the Board and the chief executive of the Company; and

(h) to develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out as set out in the Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

As the Company was listed on the Stock Exchange on May 16, 2024, one Nomination Committee meeting was held during the year ended December 31, 2024 and the attendance records are set out below:

Directors	**Attendance/Number of meeting(s)**
Mr. ZHAO Xulong	1/1
Mr. QIN Ci	1/1
Mr. YANG Tao	1/1

Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. We aim to maintain at least 10% female representation in the Board and the current composition of the Board, consisting of one female Director and five male Directors with a balanced mix of knowledge and skills, satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. The Board is of the view that our current Board composition satisfies the Board Diversity Policy.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender
Male: 5 Directors
Female: 1 Director

Designation
Executive Directors: 2 Directors
Non-executive Directors: 1 Director
Independent Non-executive Directors: 3 Directors

Business Experience
Accounting & Finance: 2 Directors
Experience related to the Company's Business: 5 Directors

The nomination committee of the Board (the "Nomination Committee") is responsible for reviewing the diversity of the Board. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

Gender Diversity

The Company values gender diversity across all levels of the Group. The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels.

As at the date of this annual report, approximately 52.40% (819) and 47.60% (744) of the Group's employees were male and female, respectively. Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report.

The Board had targeted to achieve and had achieved at least 10% (1) of female Director, 40% (625) of other employees (including Senior Management), and considers that the above current gender diversity is satisfactory.

The Company will continue to work to enhance gender diversity of the Board. The Board will use its best endeavors to appoint female Directors to the Board and the Nomination Committee will use its best endeavors to identify and recommend suitable female candidates to the Board for its consideration of appointment of Directors. The Company will also continue to ensure that there is gender diversity when recruiting staff from middle to senior level, such that it will have a pipeline of female management and potential successors to our Board in due time to ensure gender diversity of the Board. The Group will continue to emphasise training of female talents and provide long-term development opportunities for the female staff.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy, as contained in the terms of reference of the Nomination Committee, which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process of appointment of new Director set out in the Director Nomination Policy is as follows:

(i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new directors and produce materials in writing;

(ii) the Nomination Committee may extensively seek for candidates for directors within the Company, its holding (shareholding) enterprises as well as the job market;

(iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;

(iv) to seek for the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for directors;

(v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of directors;

(vi) to submit proposals and the relevant materials to the Board in respect of candidates of directors within a reasonable period of time prior to the election of new directors and senior management; and

(vii) to carry out other follow-up work according to the decision and feedback of the Board.

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Director at general meetings or appoint him/her as Director to fill causal vacancies or as an additional Director.

The criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate as set out in the Board Diversity Policy, including but not limited to the following, are gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service.

During the Reporting Period, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2024.

The internal audit department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examines key issues in relation to the accounting practices and all material controls and provides its findings and recommendations for improvement to the Audit Committee. If any serious internal control deficiency is identified, it will report directly to the Audit Committee and the Board and take appropriate measures and make timely improvements.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2024, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports according to the procedures as set out in the Whistleblowing Policy.

Disclosure of Inside Information Policy

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2024, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

AUDITORS' REMUNERATION

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

Service Category	**Contractual amount (RMB'000)**
Audit Services	2,600
Non-audit Services	180
Total	2,780

JOINT COMPANY SECRETARIES

The Company has appointed Mr. LIU Huan ("**Mr. LIU**"), a full-time employee of the Company, and Mr. LI Kin Wai ("**Mr. LI**"), a senior manager of corporate services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, as the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. LIU, has been designated as the primary contact person at the Company which would work and communicate with Mr. LI on the Company's corporate governance and secretarial and administrative matters.

For the year ended December 31, 2024, Mr. LIU and Mr. LI have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules. The biographies of Mr. LIU and Mr. LI are set out in the "Biographical Details of Directors and Senior Management" section of this annual report.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requisitionist(s) by the Company.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Trueland Center, Building 8, Shanghai Big Data Industrial Park, No. 1 Lane 1401, Jiangchang Road, Jing'an District, Shanghai, The People's Republic of China.
(For the attention of the Board of Directors/Company Secretary)
Email: IR@Marketingforce.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, a separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

The Board has reviewed the implementation and effectiveness of the Shareholder Communication Policy and is of the opinion that it is effectively implemented, primarily based on the Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.marketingforce.com). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen and deputy chairman of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, via its online holding enquiry service at https://www.computershare.com/investor, or visit the online feedback platform at www.computershare.com/hk/contact or call its hotline at (852) 2868 8555, or go in person to its public counter at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: IR@Marketingforce.com or by post to Trueland Center, Building 8, Shanghai Big Data Industrial Park, No. 1 Lane 1401, Jiangchang Road, Jing'an District, Shanghai, The People's Republic of China.

(f) Webcast

Webcasts of the Company's interim and annual results briefings are available.

(g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular basis.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

Amendments in Constitutional Documents

The fifth amended and restated Memorandum and Articles of Association of the Company was adopted on April 25, 2024, and became effective from the Listing Date.

The latest version of the amended and restated Memorandum and Articles of Association is available on the respective websites of the Stock Exchange and the Company.

Save as disclosed above, during the reporting period, there has not been any change in the Company's Memorandum and Articles of Association.

Report of the Board of Directors

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

GLOBAL OFFERING

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on February 23, 2021, the shares of which were listed on the Main Board of the Stock Exchange on May 16, 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the AI+SaaS business, which provides cloud-based marketing and sales services and intelligent talent management services, and precision marketing services, which provides marketing solutions in the PRC. The analysis of the Group's revenue and contribution to results by business segments are set out in notes 4 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of profit or loss on page 134 of the Report.

FINAL DIVIDEND

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

BUSINESS REVIEW

The business review and performance analysis of the Group for the Reporting Period is set out in the section headed "Chairman's Statement" from pages 5 to 10 and "Management Discussion and Analysis" from pages 11 to 17 of the Report. A description of the Group's future business development is set out in the section headed "Chairman's Statement" from pages 5 to 10 of the Report.

Compliance with Laws and Regulations

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

Environmental Policies and Performance

The Company attaches great importance to environmental protection and resource conservation, and continuously pays attention to the impact of its business operations on the environment. The Group is committed to maintaining the common development of economy, environment and society, and promoting awareness of environmental protection and resource conservation in its daily operations. The Group strictly follows the relevant environment protection laws and regulations of the PRC and adopts various electricity-saving and water-saving management measures. During the Reporting Period, the Company did not find any environmental-related violations.

For details of the Company's environmental policies and performance, and the important relationship between the Company and its employees, customers and suppliers, please refer to the Environmental, Social and Governance Report in this annual report.

Principal Risks and Uncertainties

The Group is exposed to various risks in its business operations, primarily including: (i) the Group relied on a limited number of media platforms to place advertisements for its customers for precision marketing services. If the Group fails to maintain its business relationship with such media platforms, the brand, business, financial condition and results of operations of the Group could be materially and adversely affected; (ii) the Group's business, growth and prospects are significantly affected by the growth of media platforms and use of SaaS products and precision marketing services in China; (iii) the Group faces potential liability and harm to its business based on the nature of its business and the content distributed by the Group; (iv) the Group's customers may be vulnerable to macroeconomic or industry-wide fluctuations and depressions; (v) the Group faces ethical, legal and reputational risks associated with the use of its AI technology and AI-generated marketing content; (vi) the Group faces intense competition in the markets in which the Group operates and may be unable to compete successfully against its existing and future competitors; (vii) the Group is subject to the risks associated with international trade policies, geopolitics and trade protection measures; and (viii) the Group's current corporate structure and business operations may be affected by the Foreign Investment Law.

FINANCIAL SUMMARY

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

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing of New Shares in December 2024

References are made to the announcements of the Company dated December 18, 2024, and December 27, 2024, respectively. The Company entered into a placing agreement dated December 18, 2024 with the placing agents. On December 27, 2024, the Company completed the placing of a total of 1,000,000 new shares of the Company (the "**2024 Placing**").

The placing price was HK$110.00 per share, and the closing price as quoted on the Hong Kong Stock Exchange on the placing agreement date (i.e., December 18, 2024) was HK$106.10 per Share. The gross proceeds from the 2024 Placing are approximately HK$110.0 million. The net proceeds from the 2024 Placing are approximately HK$109.5 million. The net price per share for the 2024 Placing after deducting related fees and expenses is approximately HK$109.54 per share. For more information on the use of such net proceeds, see "USE OF PROCEEDS" 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 become a substantial shareholder of the Company as a result of the 2024 Placing. The 2024 Placing is being 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 is in line with the Company's strategic focus on enhancing its AI technological advantages and strengthening its leadership in AI empowered digitalization. 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.

Placing of New Shares in February 2025

References are made to the announcements of the Company dated February 21, 2025. The Company entered into a placing agreement dated February 21, 2025 with the placing agents. On February 28, 2025, respectively. On February 28, 2025, the Company completed the placing of a total of 20,105,800 new shares of the Company (the "**2025 Placing**").

The placing price was HK$60.00 per share, and the closing price as quoted on the Hong Kong Stock Exchange on the placing agreement date (i.e., February 21, 2025) was HK$72.10 per Share. The gross proceeds from the 2025 Placing are approximately HK$1,206.35 million. The net proceeds from the 2025 Placing are approximately HK$1,201.79 million. The net price per share for the 2025 Placing after deducting related fees and expenses is approximately HK$59.77 per share.

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 become a substantial shareholder of the Company as a result of the 2025 Placing. The 2025 Placing is being undertaken to strengthen the Company's financial position and supplement the Group's long-term funding of its expansion and growth plan. The Company intends to apply the net proceeds from the Placing for the purposes and in the amounts set forth below: (i) approximately 40% of the net proceeds, or HK$480.72 million for the development and commercialization of AI-Agent platform application, mainly including but not limited to (a) recruiting and cultivating top-caliber AI talents, and increasing the compensation levels for current development and research personnel in the Company's AI department to establish a skilled team dedicated to advancing its proprietary marketing large language model, training vertical models uniquely applied to its specific business scenarios based on foundation models and developing the AI agent products; (b) upgrading technology infrastructure to enhance computing power and storage capacity to support more complex and efficient AI operations; and (c) enhancing the Group's commercialization capability; (ii) approximately 20% of the net proceeds, or HK$240.36 million for investments, mergers and acquisitions, our potential investment or acquisition targets primarily include (a) companies in the digitalized marketing and sales industry with an extensive customer base in specific industry verticals with strong digital transformation needs; (b) companies with cutting-edge AI or big data technologies in the digital marketing and sales field; and (c) companies with AI-related products and modules that could be complementary to its offering; (iii) approximately 10% of the net proceeds, or HK$120.18 million for global expansion, mainly including but not limited to (a) recruiting and cultivating experienced staff for the expansion of overseas markets; (b) construction of exhibition centers and promotional training activities; and (c) leasing office building and covering administration expenses for new sales offices; and (iv) approximately 30% of the net proceeds, or HK$360.54 million for replenishing working capital and general corporate purposes, mainly including but not limited to (a) cost of services for SaaS business and precision marketing service; (b) purchase and lease of office buildings and office renovation to support the business expansion; (c) repayment of bank loans to reduce its leverage and enhance financial stability; and (d) daily operating expenses. It is expected that the Company will fully utilise the net proceeds by the end of 2026 based on its current estimates of future market conditions and business plans.

The Company is a leading marketing and sales SaaS solution provider in China with strong R&D capability and leading proprietary technologies, and in particular has long been dedicated to the application of AI technologies in the marketing domain. It has primarily integrated AI capabilities into its SaaS products, with a particular focus on the research and development of AI content generation, natural language processing (NLP) technologies, and knowledge graph. In the second half of 2024 and early 2025, the AI sector is experiencing a phase of accelerated growth and transformation, characterized by numerous technological advancements and innovations. Driven by breakthroughs in AI technology and a series of supportive government policies, the marketing and sales industry is rapidly evolving. Given this dynamic environment, the Company is actively observing and analysing these developments to stay abreast on the latest trends and innovations in the industry and dedicating efforts to its own AI development. Considering the ongoing innovation and breakthroughs in AI sector, the proactive application of AI technologies by peer companies to drive innovation and launch competitive products, and a series of supportive industry policies introduced by government departments, the Company plans to further enhance its investment in AI technologies, particularly strengthen its AI-Agent platform by allocating additional resources. In addition, the 2025 Placing will further enable the Company to expand its business layout to enter overseas markets and invest in and acquire leading companies in niche sectors both domestically and internationally, thereby enhancing its technological capabilities and developing its vertical industry expertise. The Board considers that the 2025 Placing would be appropriate in order to replenish the Company's cash resources for the above intended purposes, which would be important for the promotion of the Group's long-term success.

USE OF PROCEEDS

Initial Global Offering

The shares of the Company were listed on the Main Board of the Stock Exchange on the May 16, 2024. The net proceeds from the initial public offering of the shares of the Company on the Main Board of the Stock Exchange (after deducting underwriting fees and other related expenses) were approximately HK$181.1 million. As of December 31, 2024, the Company had utilized HK$68.4 million as intended. The Company intends to utilize such proceeds from the global offering for the purposes and in the amounts as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated May 7, 2024 (the "**Prospectus**"). To the extent that such net proceeds are not immediately used for the purposes described above, the Group deposited those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Intended purpose of net proceeds	Approximate percentage of the total net proceeds	Net proceeds from the global offering (HK$ million)	Actual net amount utilized as of December 31, 2024 (HK$ million)	Unutilized net amount as of December 31, 2024 (HK$ million)	Expected timeline of full utilization
Enhance our Marketingforce platform and cloud-based offerings	20.0%	36.2	28.3	7.9	By end of 2026
Improve our underlying technologies including AI, big data analysis and cloud computing	30.0%	54.3	27.1	27.2	By end of 2026
Expand our sales network, enhance customer success system and improve brand presence	30.0%	54.3	4.0	50.3	By end of 2026
Achieve strategic investment and acquisition to enhance our Marketingforce platform, enrich our product matrix and improve existing product functions	15.0%	27.2	0	27.2	By end of 2026
Working capital and general corporate purposes	5.0%	9.1	9.0	0.1	By end of 2026
Total	**100.0%**	**181.1**	**68.4**	**112.7**	

Notes:

1. The adjustment to the expected timeline of full utilization of the net proceeds from the Initial Global Offering is a decision to adapt to the business development of the Company and will not have any material adverse impact on the Group's existing business and operations, and will enable the Group to deploy financial resources more effectively and achieve organic growth.

2. Due to rounding, there may be a difference between the sum of the individual sub-values and the total amount. The expected timeline for using the unutilized net proceeds is based on the best estimation of the business market situations made by the Company and might be subject to changes based on the market conditions and business development.

Placing of New Shares in December 2024

In December 2024, the Company completed the placing of 1,000,000 new shares of the Company and raised net proceeds of approximately HK$109.5 million. As of December 31, 2024, the Company had utilized HK$9.3 million as intended. To the extent that such net proceeds are not immediately used for the purposes described above, the Group deposited those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance. The table below sets out the details of actual usage of the net proceeds as of December 31, 2024:

Intended purpose of net proceeds	Approximate percentage of the total net proceeds	Net proceeds from the 2024 Placing (HK$ million)	Actual net amount utilized as of December 31, 2024 (HK$ million)	Unutilized net amount as of December 31, 2024 (HK$ million)	Expected timeline of full utilization
Research and development of AI large language models in marketing and sales, including improving our Tforce large language model in marketing, building our AI agent platform, and business application of AI agent platform in various scenarios	70.0%	76.7	9.3	67.4	By end of 2025
Working capital and general corporate purposes	30.0%	32.8	0	32.8	By end of 2025
Total	**100.0%**	**109.5**	**9.3**	**100.2**	

The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently and will be subject to change based on future development of market conditions and actual business needs.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2024, the transaction amounts of the Group's top five customers accounted for 41.9% of the Group's total revenues while the transaction amounts of our single largest customer accounted for 27.0%of the Group's total revenues.

Major Suppliers

For the year ended December 31, 2024, the transaction amounts of the Group's top five suppliers accounted for 88.6% of the total purchases while the transaction amounts of our single largest supplier accounted for 83.9% of the Group's total purchases.

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

Report of the Board of Directors

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 28 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 138 of the Report. As at the latest practicable date, the Company had no reserves for distribution to the shareholders.

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2024 are set out in note 25 to the consolidated financial statements.

DIRECTORS

The Directors from the Listing Date to December 31, 2024 and up to the date of the Report are as follows:

Executive Directors:

Mr. ZHAO Xulong *(Chairman of the Board and Chief Executive Officer)*
Mr. XU Jiankang *(Senior Vice President)*

Non-executive Directors:

Ms. ZHAO Fangqi
Mr. HUANG Shaodong *(resigned on February 16, 2025)*

Independent Non-executive Directors:

Mr. YANG Tao
Mr. QIN Ci
Mr. CHEN Chen

In accordance with Article 26.4 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

In accordance with Article 26.3 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Accordingly, Ms. ZHAO Fangqi and Mr. QIN Ci shall retire by rotation at the AGM and they being eligible, offer themselves for re-election.

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

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 18 to 23 of the Report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors are independent from the Listing Date to December 31, 2024 and up to the date of the Report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

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

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

None of the Directors who are proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed from the Listing Date to December 31, 2024 and up to the date of the Report.

Report of the Board of Directors

REMUNERATION POLICY

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

Details of the emoluments of the Directors, and the five highest paid individuals during the Reporting Period are set out in notes 10 and 11 to the consolidated financial statements respectively.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in notes 10 and 11 to the consolidated financial statements.

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

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

(i) Interest in the Company

Name	Class of Shares	Nature of Interest	Number of Shares held/interested(1)	Approximate percentage of shareholding(2)
Mr. ZHAO Xulong(3)	Ordinary Shares	Founder of a discretionary trust	114,088,000 (L)	49.51%
		Interest in controlled corporation	2,837,000 (L)	
Mr. XU Jiankang(4)	Ordinary Shares	Interest in controlled corporation	19,251,800 (L)	8.15%
Ms. ZHAO Fangqi(5)	Ordinary Shares	Interest in controlled corporation	15,401,000 (L)	6.52%

Notes:

1. (L) denotes long position.

2. The calculation is based on the total number of 236,164,100 Shares in issue as at December 31, 2024.

3. Real Force Limited and Precious Sight Limited were incorporated in the British Virgin Islands for the purpose of family wealth management and estate planning to hold in aggregate 114,088,000 Shares in the Company as at December 31, 2024, both of which are indirectly controlled by the Founders' Family Trust with Mr. ZHAO as the settlor, THE CORE TRUST COMPANY LIMITED as the trustee, Ms. ZHU as the protector and Willam Zhao Limited (which is wholly owned by Mr. ZHAO) and Shuina Zhu Limited (which is wholly owned by Ms. ZHU) as beneficiaries. Further, Willian Zhao I Limited, a company wholly owned by Mr. ZHAO through Willam Zhao Limited, also directly held 2,837,000 Shares in the Company as at December 31, 2024.

   As such, as at December 31, 2024, each of Mr. ZHAO and Ms. ZHU is deemed to be interested in a total of 116,925,000 Shares comprising (i) 114,088,000 Shares controlled through the Founders' Family Trust; and (ii) 2,837,000 Shares through Willian Zhao I Limited, a company wholly owned by Mr. ZHAO through Willam Zhao Limited.

4. Shanghai Hongyu Limited, a company incorporated on February 9, 2021 in BVI as our offshore employee stock ownership platform, was owned by Mr. XU Jiankang, our executive Director and senior vice president, and other 15 staff of our Group, all being the beneficial owners of the shares of Shanghai Hongyu Limited, as to 39.41% and 60.59%, respectively, as at December 31, 2024. Save for Mr. XU Jiankang, none of the remaining staff holds 30% or more interest in Shanghai Hongyu Limited as at December 31, 2024.

   On April 25, 2024, Shanghai Hongyu Limited transferred all Shares in the Company held by it to DRIVING FORCE DEVELOPMENTS LIMITED (being the BVI-incorporated holding vehicle) for the benefit of a trust (the "**Hongyu Trust**") with Shanghai Hongyu Limited as the settlor and beneficiary, and THE CORE TRUST COMPANY LIMITED as trustee. As such, as at December 31, 2024, Mr. XU Jiankang is deemed to be interested in the 19,251,800 Shares held through the Hongyu Trust by Shanghai Hongyu Limited.

5. Fangqi Zhao Limited, a company incorporated on February 8, 2021 in BVI, was wholly owned by Ms. ZHAO Fangqi as at December 31, 2024. For wealth management and estate planning purpose, on April 25, 2024, Ms. ZHAO Fangqi transferred all Shares in the Company held by her through Fangqi Zhao Limited to Rosy Maple Limited (being a BVI-incorporated holding vehicle) for the benefit of a trust (the "**Fangqi Trust**") with Ms. ZHAO Fangqi as the settlor, Fangqi Zhao Limited as beneficiary and THE CORE TRUST COMPANY LIMITED as trustee. As such, as at December 31, 2024, Ms. ZHAO Fangqi is deemed to be interested in the 15,401,000 Shares held through the Fangqi Trust by Fangqi Zhao Limited.

(ii) Interest in associated corporation

Name	Position in the Company	Name of associated corporations	Nature of Interest	Number of shares	Approximate percentage shareholding in the associated corporation[4]
Mr. ZHAO[1]	Chairman of the Board, executive Director and chief executive officer	Trueland Information and Technology (Shanghai) Co., Ltd.	Beneficial owner Interest of spouse	10,998,600 9,301,200	39.85% 33.70%
Mr. XU Jiankang[2]	Executive Director and senior vice president	Trueland Information and Technology (Shanghai) Co., Ltd.	Interest in controlled corporation	3,000,120	10.87%
Ms. ZHAO Fangqi[3]	Non-executive Director	Trueland Information and Technology (Shanghai) Co., Ltd.	Beneficial owner	2,401,200	8.70%

Notes:

1. As of December 31, 2024, Mr. ZHAO controls 73.55% of the equity interest in Shanghai Trueland, including (i) directly holds 39.85% of the equity interest, (ii) deemed to have 33.70% of the equity interest held by Ms. ZHU Shuina ("**Ms. Zhu**"), the spouse of Mr. ZHAO.

2. As of December 31, 2024, Mr. XU Jiankang is deemed to control 10.87% of the equity interest in Shanghai Trueland indirectly through Shanghai Hongyu, which is owned as to 39.41% by Mr. XU Jiankang, the general partner of Shanghai Hongyu.

3. As of December 31, 2024, Ms. ZHAO Fangqi directly controls 8.70% of the equity interest in Shanghai Trueland.

4. The percentage figures disclosed under "Approximate percentage of shareholding in the associated corporation" were calculated based on the 27,600,000 Shares, being the number of total issued Shares of the Shanghai Trueland as of December 31, 2024.

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

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

Name of Substantial Shareholders	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage of shareholding[2]
TCT (BVI) Limited	Ordinary Shares	Interest in controlled corporation	167,626,400 (L)	70.97%
THE CORE TRUST COMPANY LIMITED	Ordinary Shares	Trustee	167,626,400 (L)	70.97%
Willam Zhao Limited	Ordinary Shares	Beneficiary of a trust	114,088,000 (L)	49.51%
		Interest in controlled corporation	2,837,000 (L)	
Ms. Zhu	Ordinary Shares	Interest of spouse	2,837,000 (L)	49.51%
		Interest in controlled corporation	114,088,000 (L)	
Seraphic Ventures Limited	Ordinary Shares	Interest in controlled corporation	114,088,000 (L)	48.31%
Shuina Zhu Limited	Ordinary Shares	Beneficiary of a trust	114,088,000 (L)	48.31%
Precious Sight Limited		Beneficial owner	59,680,400 (L)	25.27%
Real Force Limited		Beneficial owner	54,407,600 (L)	23.04%
Mr. ZHU Zhengguo		Interest in controlled corporation	24,794,000 (L)	10.50%
NB DIGITAL Evergreen Investment Limited Partnership	Ordinary Shares	Beneficial owner	21,161,600 (L)	8.96%
Shanghai Hongyu Limited	Ordinary Shares	Beneficiary of a trust	19,251,800 (L)	8.15%
DRIVING FORCE DEVELOPMENTS LIMITED	Ordinary Shares	Beneficial owner	19,251,800 (L)	8.15%
ROWLAND GLOBAL HOLDINGS LIMITED	Ordinary Shares	Interest in controlled corporation	19,251,800 (L)	8.15%
Balmy Days Limited	Ordinary Shares	Interest in controlled corporation	15,401,000 (L)	6.52%
Rosy Maple Limited	Ordinary Shares	Beneficial owner	15,401,000 (L)	6.52%
Fangqi Zhao Limited	Ordinary Shares	Beneficiary of a trust	15,401,000 (L)	6.52%

Notes:

1. (L) denotes long position.

2. The calculation is based on the total number of 236,164,100 Shares in issue as at December 31, 2024.

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

PRE-IPO RSU SCHEME

1. Summary of Terms

The following is a summary of the principal terms of the RSU Scheme of the Company as approved and adopted by the Board on November 10, 2021 (the "**Adoption Date**") and amended from time to time. The RSU Scheme is funded solely by the existing Shares of the Company held by Isle Wealth Limited. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company after the Listing.

(a) Purpose

The purpose of the RSU Scheme is to recognize and reward part of the employees (including directors, officers and members of senior management) of the Group for their contribution to the Group, to attract the best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business.

(b) Who may join

Those who may be eligible to participate in the RSU Scheme (the "**RSU Participants**") include any employee of the Group, including employees (including directors, officers and members of senior management) of the Group. Subject to the terms of the RSU Scheme, the administrator designated by the Board from time to time (the "**Administrator**", and being Mr. Zhao as of December 31, 2024) may, from time to time, select from among all eligible RSU Participants to whom awards of RSUs ("**Awards**") shall be granted, and determine, among other things, the amount of Awards.

(c) RSU Limit

The total number of shares underlying the RSU Scheme shall not exceed 1,052,640 (being the initial 52,632 shares of the Company with par value of US$0.0001 as adjusted by the 2022 Share Subdivision (the subdivision of each issued and unissued ordinary share and the Preferred Share in the Company with a par value of US$0.0001 into 20 shares with a par value of US$0.000005 each with effect from August 8, 2022, the details of which are described in "History, Reorganization, and Corporate Development – 2022 Share Subdivision" in the Prospectus) and subject to further adjustment by the Share Subdivision (as defined below)). As of the Adoption Date of the RSU Scheme , the Shares were initially held by Isle Wealth Limited, representing approximately 4.48% of the issued Shares upon completion of the Share Subdivision and the Global Offering. Isle Wealth Limited, holding the unvested Shares in accordance with this Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules and the provisions of the memorandum and articles of association of the Company, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

On March 1, 2024, the Company granted Awards in the form of RSUs representing an aggregate of 1,052,640 shares of the Company (being the initial shares of the Company before adjustment by the Share Subdivision, which was conduct by the Company immediately before the Listing, pursuant to which each Ordinary Share and Preferred Share with par value US$0.000005 in its issued and unissued share capital was subdivided into ten Shares with par value US$0.0000005 each). Upon completion of the Share Subdivision, the total number of Shares underlying Awards granted was 10,526,400 Shares.

The Company will ensure that subject to any applicable laws, regulations and rules: (a) upon the completion of the Listing, the maximum limit of the total number of the shares to be issued by the Company under the RSU Scheme in any financial year will not exceed 3% of the total Shares in issue as at the beginning of that financial year; (b) the total number of shares issued and to be issued to a grantee in any 12-month period will not exceed 1% of the total number of shares in issue at any time during this 12-month period; and (c) to the extent that any Award under the RSU Scheme is cancelled, expired, forfeited, surrendered, or otherwise terminated without delivery of shares to the RSU Participants, in whole or in part, or any RSU lapses, the shares underlying the RSUs shall not be deemed to have been utilized under the RSU Scheme and will not be available for future Awards under the RSU Scheme.

(d) Administration

The RSU Scheme shall be subject to the administration of the Administrator in accordance with the terms and conditions of the RSU Scheme. The Administrator shall have the sole and absolute right to:

(i) to interpret and construe the provisions of the RSU Scheme;

(ii) to determine the persons who will be granted Awards under the RSU Scheme, the terms and conditions on which Awards are granted, and when the RSUs granted pursuant to RSU Scheme may vest;

(iii) to make such appropriate and equitable adjustments to the terms of the Awards granted under this Scheme as it deems necessary;

(iv) to make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (i) and (ii); and

(v) All the decisions, determinations and interpretations made by the Administrator in accordance with the RSU Scheme shall be final, conclusive and binding on all parties.

(e) Grant of Awards

The Administrator is authorized to, at any time during the term of the RSU Scheme to make a grant of Awards ("**Grant**") to any RSU Participant, as the Administrator may in its absolute discretion determine. The amount of an Award may be determined at the sole and absolute discretion of the Administrator and may differ among selected RSU Participants. The consideration payable by a RSU Participant to the trustee of the RSU Scheme ("**Trustee**") for acceptance of the Award under the RSU Scheme shall be determined at the sole and absolute discretion of the Administrator and any such consideration shall be held by the Trustee and be applied by the Trustee as it deems appropriate or desirable in accordance with the terms of the RSU Scheme.

Subject to limitations and conditions of the RSU Scheme, the Administrator may authorize the relevant Trustee by written notification to grant to each of the RSU Participants an offer of a grant of Award by way of a grant agreement, a letter or any such notice or document in such form as the Administrator may from time to time determine ("**Notice of Grant**") for acceptance by the selected RSU Participants who accepts a Grant in accordance with the terms of the RSU Scheme ("**Grantee**", including any person who is entitled to any Award in consequence of the death of the original Grantee), subject to additional terms and conditions that the Administrator thinks fit which shall be stated in the Notice of Grant.

(f) Restrictions on Grant

No Grant shall be made to, nor shall any Grant be capable of acceptance by, any selected RSU Participant at a time when the selected RSU Participant would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable rules, regulations or law. For as long as the Shares are listed on the Stock Exchange:

(i) a Grant must not be made after inside information has come to the knowledge of the Administrator or the Company until such inside information has been announced in accordance with the requirements of the Listing Rules;

(ii) a Grant shall not be made on any day on which the financial results of the Company are published and during the period of: (a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; and

(iii) if required by the Stock Exchange or the Listing Rules, the grant of an Award shall be subject to compliance with the requisite requirements under the Listing Rules or otherwise required by the Stock Exchange.

Upon completion of the Offering, any Grant to any director, chief executive, substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules), shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed Grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.95 of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his service contract.

The Administrator may not grant any Awards to any Participants in any of the following circumstances:

(i) the requisite approvals for that Grant from any applicable regulatory authorities have not been obtained;

(ii) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect of this Scheme;

(iii) where the Grant would result in a breach of any applicable securities laws, rules or regulations by any member of the Group or any of its directors;

(iv) the Grant would result in the breach of the RSU Limit stipulated in Clause 4 above or other rules of this Scheme.

(g) Duration of the RSU Scheme

The term of the RSU Scheme commenced on the Adoption Date and for a term of ten (10) years after Adoption Date unless sooner terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder. No further Awards shall be granted after the RSU Scheme is terminated but, in all other respects, the provisions of the RSU Scheme shall remain in full force and effect. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid. In such event, the Administrator shall notify the Trustee and all Grantees of such termination and how the Shares held by the Trustee on trust and other interests or benefits shall be dealt with, provided that Shares held by the Trustee shall not be transferred to the Company and the Company shall not otherwise hold any Shares or any interest in Shares whatsoever (other than any interest in the proceeds of the sale of such Shares). The remaining life of the RSU Scheme is 6 years and 11 months.

(h) Vesting of Awards

Subject to the terms of the RSU Scheme and the specific terms and conditions applicable to each Award, the RSUs granted in an Award shall be subject to a vesting period, which shall be no less than 12 months, and to the satisfaction of performance milestones or targets and/or other conditions to be determined by the Administrator (if any) in its sole and absolute discretion. If such conditions are not satisfied, the RSU shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Administrator in its sole and absolute discretion.

Subject to the to the terms of the RSU Scheme, the RSUs which have vested shall be satisfied at the Administrator's sole and absolute discretion within a reasonable period from the vesting date of such RSUs, either by:

(i) directing and procuring the relevant Trustee to transfer the Shares underlying the RSUs (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee or his wholly-owned entity (as represented by the Grantee); and/or

(ii) directing and procuring the Trustee to pay to the Grantee in cash an amount which is equivalent to the market value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares).

(i) Transferability

Any RSU granted pursuant to the RSU Scheme shall be personal to the Grantee and shall not be assignable or transferable, except assignment or transfer from a Grantee to a company wholly owned by him or between two companies both of which are wholly owned by him. The terms of the RSU Scheme and the Notice of Grant shall be binding upon the assigns and transferees of the Grantee. Following an RSU Participant's death, Awards, to the RSUs are vested upon the Participant's death, they may be transferred by will or by the laws of descent and distribution.

No Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any RSU or any property held by the Trustee on trust for the Grantees, Awards, Shares underlying any Awards or RSUs or any interest or benefits therein.

(j) Lapse

Subject to the terms of the RSU Scheme, the unvested RSUs shall automatically lapse upon the earliest of:

(i) the date of the termination of Grantee's employment or service by any member of the Group;

(ii) the date on which the offer (or, as the case may be, revised offer) closes;

(iii) the record date for determining emolument under the scheme of arrangement;

(iv) the date of the commencement of the winding-up of the Company;

(v) the date on which the Grantee commits a breach of transferability;

(vi) the date on which it is no longer possible to satisfy any outstanding conditions to vesting;

(vii) the Administrator has decided that the unvested RSUs shall not be vested for the Grantee in accordance with the rules of this Scheme and the terms and conditions as set out in the Notice of Grant.

(k) Alteration and termination of the RSU Scheme

The Board may alter the RSU Scheme at any time in such respects as the Board may deem advisable, provided that the Company shall obtain necessary approval of any RSU Scheme amendment in such a manner and to such a degree as required.

Without altering the RSU Scheme, the Board may grant awards to RSU Participants on such terms and conditions different from those specified in the RSU Scheme as may in the judgment of the Board be necessary to foster and promote the achievement of the purposes of the RSU Scheme.

The RSU Scheme may be terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee. No further Awards shall be granted after the RSU Scheme is terminated but, in all other respects, the provisions of the RSU Scheme shall remain in full force and effect. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid. In such event, the Administrator shall notify the Trustee and all Grantees of such termination and how the Shares held by the Trustee on trust and other interests or benefits shall be dealt with, provided that Shares held by the Trustee shall not be transferred to the Company and the Company shall not otherwise hold any Shares or any interest in Shares whatsoever (other than any interest in the proceeds of the sale of such Shares).

2. RSUs granted under the RSU Scheme

As of December 31, 2024, our Company had granted Awards in the form of RSUs representing an aggregate of 10,526,400 Shares, representing approximately 4.46% of the issued Shares of the Company, to 13 employees of our Group, who are all independent third parties.

Name of Participants	Grant Date	Number of Shares underlying Awards granted	Vesting Period	Approximate percentage of shareholding
13 employees of the Group	March 1, 2024	10,526,400	March 1, 2024 to March 1, 2026	4.46%

Upon the Listing and as at December 31, 2024, no Awards were vested, cancelled or lapsed under the RSU Scheme and all of the Awards were unvested. As all Shares underlying the Awards have already been issued to Isle Wealth Limited prior to the Listing, the unvested Awards will not have any dilutive effect on the shareholding of the Company.

EQUITY-LINKED AGREEMENT

Save as disclosed in the Report, there was no equity-linked agreement entered into by the Company or any of its subsidiaries from the Listing Date to December 31, 2024.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

CHANGES TO DIRECTORS' INFORMATION

On May 13, 2024, Mr. Chen Chen has resigned as an independent director and the chairman of the audit committee and a member of the nominating and corporate governance committee of FLJ GROUP LIMITED, a company listed on NASDAQ（NASDAQ：FLJ）(formerly known as Q&K International Group Limited (NASDAQ: QK)).

Mr. HUANG Shaodong resigned as a non-executive Director with effect from February 16, 2025, due to adjustment of his work arrangement and decision to devote more time to his personal overseas business.

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

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

From the Listing Date to December 31, 2024, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)).

As at December 31, 2024, the Company did not hold any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

PRE-EMPTIVE RIGHTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

From the Listing Date to December 31, 2024, none of the Directors or their respective associates had any interests in business, which compete or are likely to compete either directly or indirectly, with the business of the Group.

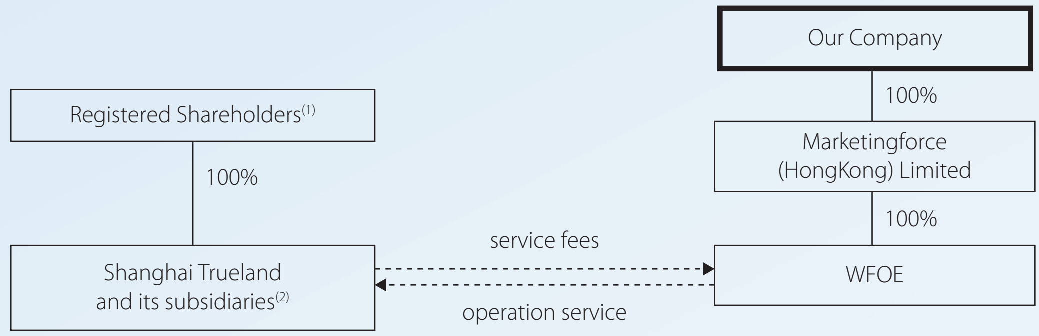
CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of related party transactions in the normal course of business are set out in note 33 to the consolidated financial statements, and such transactions do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules. Other than Contractual Arrangements, during the Reporting Period, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Our Company has entered into a series of the Contractual Arrangements with WFOE and the Consolidated Affiliated Entities, pursuant to which our Company would gain effective control over, and receive all the economic benefits generated by, the businesses operated by the Consolidated Affiliated Entities. Accordingly, through the Contractual Arrangements, the results of operations and assets and liabilities of Consolidated Affiliated Entities are consolidated into our results of operations and assets and liabilities under IFRS as if they were subsidiaries of our Group. For the year ended December 31, 2024, the total revenue of the Consolidated Affiliated Entities before the offset by consolidation was approximately RMB1,557.0 million, accounting for approximately 99.9% of the revenue for the year of our Group, and the total assets of the Consolidated Affiliated Entities as at December 31, 2024 was approximately RMB1,811.5 million.

The following simplified diagram illustrates the flow of economic benefits from Shanghai Trueland to our Group under the Contractual Arrangements:



——— denotes legal and beneficial ownership

- - - - denotes contractual relationship under the Contractual Arrangements

Notes:

(1) The Registered Shareholders of Shanghai Trueland are Mr. Zhao as to 39.85%, Ms. Zhu as to 33.70%, Shanghai Hongyu as to 10.87%, Ms. ZHAO Fangqi as to 8.70%, Shanghai Zhiyu as to 2.54%, Mr. TAN Kaihua as to 2.17%, Ms. XU Wenhua as to 1.60%, and Mr. GUO Peimin as to 0.57%.

(2) Shanghai Trueland's subsidiaries, being: (i) Trueland Network, which is primarily engaged in the facilitation of transaction and data processing through the data middle platform to our technology infrastructure layer for the AI+SaaS Business; (ii) Shanghai Kaililong, Wuxi Kaililong, Guangzhou Kaililong, Hangzhou Kaililong Software Information Technology Co., Ltd. (凱麗隆(杭州)軟件信息科技有限公司), engaged in Precision Marketing Business; (iii) Guangdong Trueland, Ningbo Trueland Information Technology Co., Ltd. (寧波珍島信息技術有限公司), Wenzhou Trueland Information Technology Co., Ltd. (溫州珍島信息技術有限公司), Suzhou Trueland Information Technology Co., Ltd. (蘇州珍島信息技術有限公司), Hangzhou Trueland Information Technology Co., Ltd. (杭州珍島信息技術有限公司), Shanghai Trueland Intelligence Technology Group Co., Ltd. (上海珍島智能技術集團有限公司), Marketingforce Enterprise Management, Hubei Trueland Digital Intelligent Technology Co., Ltd. (湖北省珍島數字智能科技有限公司), Dongchali, Zhongshan Trueland Information Technology Co., Ltd. (中山珍島信息技術有限公司), Chengdu Trueland, and Taizhou Trueland Information Technology Co., Ltd. (台州珍島信息技術有限公司), Trueland Digital Technology (Jiangxi) Co., Ltd (珍島數字科技(江西)有限公司), Jiaxing DHRforce, which are engaged in AI+SaaS Business and intends to be engaged in sale of cloud computing solutions; (iv) Wuxi Trueland, Wuxi Trueland Intelligence, engaged in both Precision Marketing Business and AI+SaaS Business; and (v) Marketingforce Yaomu (Shanghai) Intelligent Technology Co. (邁富時耀木(上海)智能科技有限公司), being non-operating entity.

Summary of the Contractual Arrangements

A brief description of each of the specific agreements that comprises the Contractual Arrangements is set out below.

(a) Exclusive Business Cooperation Agreement

As part of the Contractual Arrangement, Shanghai Trueland and the WFOE have entered into the amended and restated exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**"), pursuant to which Shanghai Trueland have agreed to engage the WFOE as its exclusive services provider, providing services which may include all services within the business scope of Shanghai Trueland, as may be determined from time to time by WFOE, including technical services, information technology consultation service, software development, in exchange for service fees. Shanghai Trueland and WFOE agreed that during the term of the Exclusive Business Cooperation Agreement, they may enter into further technical service agreements or consulting service agreements, which shall provide the specific contents, manner, personnel, and fees for the specific technical services and consulting services.

Under the Exclusive Business Cooperation Agreement, the service fees shall consist of 100% of the net income of Shanghai Trueland and its subsidiaries. Notwithstanding the foregoing, the WFOE may, at its sole discretion, adjust the rate of service fees based on the services rendered by Shanghai Trueland in each month and the operational needs of Shanghai Trueland through prior written notice, and Shanghai Trueland will accept any such adjustment. The WFOE will calculate the service fees on a monthly basis and issue a corresponding invoice to Shanghai Trueland. Notwithstanding the payment arrangements in the Exclusive Business Cooperation Agreement, WFOE may adjust the payment time and method, and Shanghai Trueland will accept any such adjustment. The service fees would be due and payable on a monthly basis. Shanghai Trueland would (a) deliver to the WFOE the management accounts and operating statistics of Shanghai Trueland for each month, including the net income of Shanghai Trueland and its subsidiaries during such month, and (b) pay 100% of such monthly net income, or other amount agreed by the WFOE, to the WFOE within 30 days after the end of each month. Shanghai Trueland shall (a) deliver to the WFOE audited consolidated financial statements of Shanghai Trueland for each fiscal year, which shall be audited and certified by an independent certified public accountant as selected and approved by the WFOE, and (b) pay an amount to the WFOE which equals to the shortfall, if any, of the net income of Shanghai Trueland and its subsidiaries for such fiscal year, as shown in such audited financial statements, as compared to the aggregate amount of the monthly payments paid by Shanghai Trueland to the WFOE in such fiscal year, within 90 days after the end of each fiscal year.

In addition, without the prior written consent of the WFOE, during the term of the Exclusive Business Cooperation Agreement, with respect to the services subject to the Exclusive Business Cooperation Agreement and other matters, Shanghai Trueland shall not accept any similar consultations and/or services provided by any third party and shall not establish similar corporation relationship with any third party similar to those formed by the Exclusive Business Cooperation Agreement with any third party.

The Exclusive Business Cooperation Agreement also provide that the WFOE has exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created or developed by the WFOE during the performance of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement remain in effect unless terminated by written notice from the WFOE. Shanghai Trueland shall not terminate the Exclusive Business Cooperation Agreement prior to its expiration date.

(b) Exclusive Option Agreement

As part of the Contractual Arrangements, the Registered Shareholders have entered into the amended and restated exclusive option agreements (the "**Exclusive Option Agreements**") with Shanghai Trueland and WFOE, each of which contains similar terms and conditions. Pursuant to the Exclusive Option Agreements, the Registered Shareholders, jointly and severally, irrevocably granted the WFOE an irrevocable and exclusive option, exercisable in one or more times, to purchase or cause any person(s) designated by the WFOE to purchase, to the extent permitted under any applicable PRC laws, a portion of or all of the respective Registered Shareholders' equity interests in Shanghai Trueland, at any time and from time to time, for a consideration equals to, as applicable, the minimum amount of consideration permitted by applicable PRC laws. The consideration in relation to purchasing assets from Shanghai Trueland shall be the lowest price as permitted under the applicable PRC laws.

The Exclusive Option Agreement shall remain effective unless terminated in the event that the entire equity interests held by the Registered Shareholders in Shanghai Trueland have been transferred to the WFOE or its designee(s).

(c) Share Pledge Agreements

As part of the Contractual Arrangements, the respective Registered Shareholders have entered into the amended and restated share pledge agreements (the "**Share Pledge Agreements**"), with Shanghai Trueland and the WFOE, each of which contains similar terms and conditions. Pursuant to the Share Pledge Agreements, the Registered Shareholders agreed to pledge all their respective equity interests in Shanghai Trueland that they legally own to the WFOE as a first security interest to guarantee the timely and complete payment and performance of contractual obligations under the relevant Contractual Arrangements.

The Share Pledge Agreements shall remain valid until after all the contractual obligations of the Registered Shareholders of Shanghai Trueland and Shanghai Trueland under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders of Shanghai Trueland and Shanghai Trueland under the relevant Contractual Arrangements have been paid. The share pledges under the Share Pledge Agreements have been duly registered with the relevant PRC authority pursuant to the relevant PRC laws.

(d) Powers of Attorney

Under the irrevocable powers of attorney executed by each of the Registered Shareholders on the same date (the "**Powers of Attorney**"), the Registered Shareholders have appointed WFOE and its designated persons (including but not limited to the directors of the holding companies of WFOE and their successors and the liquidators replacing such directors or successors, but excluding those who are non-independent or who may give rise to conflict of interests) as their agent and attorney to act on their behalf on all matters concerning Shanghai Trueland and to exercise all of their rights as a registered shareholder of Shanghai Trueland, including but not limited to: (i) the right to attend shareholders' meetings and sign resolutions on behalf of the relevant Registered Shareholder; (ii) the right to exercise all shareholder rights and shareholder voting rights under applicable PRC laws and the articles of association of Shanghai Trueland, including but not limited to the sale or transfer or pledge or disposition of the Registered Shareholders' respective shareholdings in part or in whole, and the right to submit any required documents to the relevant authorities; and (iii) the right to designate and appoint on behalf of the Registered Shareholders the legal representative, the executive director and/or director, supervisor, the chief executive officer and other senior management members of Shanghai Trueland.

Further, pursuant to the Powers of Attorney and to ensure that it does not give rise to a conflict of interest, each of the Registered Shareholders of Shanghai Trueland irrevocably undertakes that:

(i) the authorisations under the Powers of Attorney will not lead to any potential conflict of interests between WFOE and the Registered Shareholders; and

(ii) if any conflict of interest occurs during the performance of the Contractual Arrangements, WFOE's interest shall take priority.

The Powers of Attorney remain effective as long as the Registered Shareholders remain shareholders of the Shanghai Trueland, unless WFOE requests to replace the appointed designee under the Powers of Attorney.

The articles of association of Shanghai Trueland state that the shareholders, in a shareholders' meeting, have the power to approve its operating strategy and investment plan, appoint the executive director, and review and approve the annual budget and earning distribution plan. Therefore, through the irrevocable power of attorney arrangement, our Company and WFOE, can exercise effective control over Shanghai Trueland through shareholder votes and, through such votes, to also control the composition of the board of directors for Shanghai Trueland.

(e) Loan Agreements

Under the amended and restated loan agreements have entered into by the WFOE and each of the Registered Shareholders (the "**Loan Agreements**"), the WFOE agreed to provide each Registered Shareholder a loan in an amount equivalent to the registered capital in Shanghai Trueland subscribed by such Registered Shareholder, to be used exclusively as investment in Shanghai Trueland. Specifically, once the lender receives a notice from the borrower requesting the provision of all or any part of the loan during the term of the loan agreement, the lender shall within one (1) month after receiving such notice provide that portion of loan to the borrower. After such Registered Shareholder obtains the loan proceeds from the WFOE, it shall use the loan proceeds solely for the capital contribution and for the working capital of Shanghai Trueland when Shanghai Trueland increases its registered capital, and shall pay the loan proceeds to Shanghai Trueland. The Loan Agreements provide sufficient safeguard against misappropriation of funds in the following respects: (1) they provide that the Registered Shareholders shall use the loan proceeds solely for the capital contribution or for the working capital of Shanghai Trueland; (2) without WFOE's prior written consent, the Registered Shareholders shall not use the loan proceeds for any other purpose; and (3) in case of breach of such contractual obligation, WFOE shall have the right to terminate Loan Agreements and require the Registered Shareholders to compensate all damages.

The term of each loan shall be long term unless otherwise indicated by the lender. The loan shall terminate on the date the lender exercises its exclusive purchase option under the relevant Exclusive Option Agreement, or when certain defined termination events occurs, such as when the lender sends a written notice demanding repayment to the borrower, or upon the default of the borrower, whichever is earlier.

After the lender exercises its exclusive purchase option, the borrower shall repay the loan by and solely by transferring all of the borrower's equity interest in Shanghai Trueland pursuant to the Exclusive Option Agreement along with all the proceeds obtained from such share transfer to the lender or the lender's designated persons.

(f) Partners Undertaking

Each of the partners (the "**Partners**", including limited partners and general partners) of Shanghai Hongyu and Shanghai Zhiyu (the "**LPs**"), has signed an unconditional and irrevocable undertaking (the "**Partners Undertaking**") to the effect, among others, that each of them undertakes: (i) to procure the Partners to continuously comply with the Contractual Arrangements and will not initiate or adopt any claims which will contradict the Contractual Arrangements; (ii) their interests in Shanghai Trueland through the LPs are beneficially owned by the WFOE and he/she will not claim on such interests; (iii) without prior written consent of the WFOE or its designated person, he/she will not, and will procure the LPs not to, with the intend to impact the validity and stability of the Contractual Arrangements, amend the partnership agreement, partnership composition or dispose any interests in the LPs; (iv) to transfer his/her interests in the LPs to the designated person in accordance with the instruction of the WFOE or its designated person to the extent permissible by applicable laws, and to remit the consideration (if any) to the WFOE or its designated person; (v) to procure the LPs not to raise any proposition or take any action against the Contractual Arrangements based on theirs shares in Shanghai Trueland; (vi) if the WFOE or any individual designated by it requires amendments on relevant items of the LPs in accordance with the Contractual Arrangements, to facilitate and accomplish such requirements as requested; and (vii) if he/she breaches any of the undertakings, to bear liability of such breach in the same way as a breaching party does under the Contractual Arrangements and compensate for losses.

(g) Spousal Consent Letters

The spouse of each of the individual Registered Shareholder and the partners of Shanghai Hongyu and Shanghai Zhiyu, where applicable, have signed consent letters (the "**Spousal Consent Letters**") to the effect, among others, that (i) confirmed and agreed that any equity interests (together with any other interests therein) held by their respective spouse as a Registered Shareholder or as a limited partners of the LPs, as the case may be, are separate properties of their spouse and do not fall within the scope of communal properties; their respective spouse and LPs are entitled to deal with the respective spouse's equity interests and any interests therein in Shanghai Trueland in accordance with the Contractual Arrangements without the prior consent of them; (ii) confirmed that the respective spouse may further amend or terminate the Contractual Arrangements without the need for authorization or consent by him/her; (iii) confirmed that the respective spouse will enter into all necessary documents and take all necessary actions to ensure the due performance of Contractual Arrangements as amended from time to time; and (iv) unconditionally and irrevocably waives any right or benefits on such equity interests and assets in accordance with applicable laws and confirms that he will not have any claim on such equity interests and assets; and he has not and does not intend to participate in the operation and management or other voting matters of Shanghai Trueland.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between our Group and our PRC Holdco(s) and/or Consolidated Affiliated Entities during the year ended December 31, 2024. There was no material change in Contractual Arrangements and/or the circumstances under which they were adopted during the year ended December 31, 2024.

For the year ended December 31, 2024, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2024, we had not encountered interference or encumbrance from any PRC government authorities in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

Reasons for adopting the Contractual Arrangements

Our principal businesses comprise AI+SaaS Business and the Precision Marketing Business, which are highly integrated and correlated with and therefore inseparable from the Group's underlying technology infrastructure layer of the Marketingforce platform. This platform offers our core technology capabilities, namely cloud computing technology, big data analytics and AI, and requires the Value-added Telecommunications Business Operation Permit with Internet Data Centre Services (including Internet resources cooperation services), which is subject to foreign investment prohibition. In view of such PRC regulatory background, after consultation with our PRC legal advisers, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. For further details of the foreign investment restrictions relating to the Contractual Arrangements, please refer to the sections headed "Contractual Arrangements – Reason for Adoption of Contractual Arrangements" on pages 325 to 336 of the Prospectus.

Risks relating to the Contractual Arrangements

There are certain risks that are associated with the Contractual Arrangements, including:

(a) If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.

(b) Our Contractual Arrangements may not be as effective in providing operational control as direct ownership, and Shanghai Trueland or the Registered Shareholders may fail to perform their obligations under our Contractual Arrangements.

(c) We may lose the ability to use and enjoy assets held by the Consolidated Affiliated Entities that are material to our business operations if the Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.

(d) The Registered Shareholders may have conflicts of interest with us, which may materially and adversely affect our business.

(e) We conduct our business operations in the PRC through the Consolidated Affiliated Entities by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws.

(f) If we exercise the option to acquire equity ownership and assets of the Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

(g) Our current corporate structure and business operations may be affected by the Foreign Investment Law.

(h) Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Further details of these risks are set out in the section headed "Risk Factors – Risks relating to our Corporate Structure and Contractual Arrangements" on pages 99 to 105 of the Prospectus.

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

(b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(d) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and Shanghai Trueland to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the Stock Exchange

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon Listing as four of the parties to the Contractual Arrangements, namely Mr. Zhao, Ms. ZHAO Fangqi, Ms. Zhu and Shanghai Hongyu, are connected persons. Mr. Zhao and Ms. ZHAO Fangqi are the Directors. Ms. Zhu is the spouse of Mr. Zhao, one of our Directors, and is therefore an associate of Mr. Zhao. Shanghai Hongyu is an associate of Mr. XU Jiankang, one of our Directors.

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval;

(b) No change without independent Shareholders' approval;

(c) Economic benefits flexibility;

(d) Renewal and reproduction; and

(e) Ongoing reporting and approvals.

For further details of the waivers granted by the Stock Exchange, please refer to the Prospectus.

Annual Review by the Independent Non-Executive Directors and the Auditor

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

i. the transactions carried out during the year ended December 31, 2024 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;

ii. no dividends or other distributions had been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

iii. other than the Contractual Arrangements, no new contracts had been entered into, renewed and/or reproduced between our Group and the Consolidated Affiliated Entities during the year ended December 31, 2024; and

iv. the Contractual Arrangements had been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable so far as our Group is concerned, and in the interest of our Company and its Shareholders as a whole.

The Auditor has confirmed in a letter to our Board that the transactions under the Contractual Arrangements have been approved by our Board, the transactions carried out during the year ended December 31, 2024 had been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that no dividends or other distributions had been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

DONATIONS

During the Reporting Period, the Group made charitable and other donations totaling approximately RMB407,300.

MATERIAL LEGAL PROCEEDINGS

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

PERMITTED INDEMNITY PROVISIONS

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

EVENTS AFTER THE REPORTING PERIOD

On December 31, 2024, DHRforce Intelligent Technology (Jiaxing) Co., Ltd. ("**Jiaxing DHRforce**") entered into a capital increase agreement with Jiaxing Nanhu Keying Equity Investment Partnership (Limited Partnership) ("**Jiaxing Nanhu Keying**") and Shanghai Yitu Enterprise Management Co., Ltd. ("**Shanghai Yitu**") (the "**Capital Increase Agreement**"), respectively. According to the Capital Increase Agreement, each of Jiaxing Nanhu Keying and Shanghai Yitu agreed to subscribe for the additional registered capital of RMB2,380,952 and RMB846,561 in Jiaxing DHRforce at a consideration of RMB45 million and RMB16 million, respectively. On January 22, 2025, the capital increase has been completed.

On February 16, 2025, Mr. Huang Shaodong has tendered his resignation as a non-executive Director with effect from February 16, 2025, due to adjustment of his work arrangement and decision to devote more time to his personal overseas business. For details, please refer to the announcement of the Company dated February 16, 2025.

On February 28, 2025, a total of 20,105,800 new Shares were successfully placed to not less than six placees at the placing price of HK$60.00 per placing share. The gross proceeds from the 2025 Placing are approximately HK$1,206.35 million. The net proceeds from the 2025 Placing are approximately HK$1,201.79 million. For details, please refer to the announcement of the Company dated February 28, 2025.

Save as disclosed in the Report, there are no material significant events undertaken by the Group after December 31, 2024 and up to the date of the Report.

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 24 to 42 of the Report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public at any time from the Listing Date to December 31, 2024 and up to the date of the Report.

AUDITOR

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

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

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

By order of the Board
Mr. ZHAO Xulong
Chairman of the Board and Chief Executive Officer

Shanghai, March 31, 2025

Environmental, Social and Governance Report

ABOUT THE REPORT

Overview

This is the first Environmental, Social and Governance Report (the "Report" or the "ESG Report") of Marketingforce Management Ltd (the "Company"). Facing all stakeholders of the Company, the Report primarily discloses the management, practice and performance of the Company and its subsidiaries (together hereinafter referred to as "Marketingforce" or "the Group" or "we") on economic, environmental, social and governance matters.

Reporting Period

The Report covers the period from 1 January 2024 to 31 December 2024 (the "Reporting Period") with part of the contents tracing back to prior years or tracing forward until 2025.

Reporting Scope

The information disclosed in the Report covers the Group and unless otherwise stated, the reporting scope is consistent with the annual report.

Basis of Preparation

The Report has been prepared in accordance with the *Environmental, Social, and Governance Reporting Guide* set out in the Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The scope of the ESG Report, the collection of relevant materials and data, its preparation based on available information and the review of information set out in the Report have been determined through stakeholder importance identification and ESG materiality assessment. The approach ensures the Report's completeness, materiality, truthfulness, and balance.

Source of Information and Warranty of Reliability

The information and data disclosed in this Report are originated from statistics and official documents of the Group, and reviewed by the relevant departments. The board of directors (the "Board") of the Group undertakes that the Report does not contain any false information or misleading information, and is responsible for the truthfulness, accuracy and completeness of its contents.

Confirmation and Approval

The Report has been approved by the Board on 31 March 2025 after confirmation by the management.

Report Access and Feedback Channels

This Report is available in both Chinese and English versions in electronic editions. In case of any ambiguity, the Chinese version shall prevail.

We attach great importance to the opinions of our stakeholders, and welcome readers to contact us via email: IR@marketingforce.com.

SUSTAINABILITY GOVERNANCE

Marketingforce deeply recognizes the significant value of sustainable development for the stable operation of the enterprise. To this end, we have established a sustainable development management system to fulfill our steadfast commitment to environmental protection, social harmony and efficient governance, and are dedicated to pushing the Group towards a greener and more harmonious path of sustainable development.

ESG Governance Structure

Marketingforce continuously optimizes its ESG governance structure and has established a three-tier governance structure with the Board acting as the highest decision-making body, and the ESG working group and functional departments involved. We have formulated the *Environmental, Social and Governance (ESG) System*, clearly defining the management responsibilities at all levels and deeply integrating the principles of sustainable development into our daily operations and management practices.

The Board

- The highest decision-making body and the governance level for ESG work
- Be responsible for reviewing and approving ESG management policies, objectives and internal policies; supervising and reviewing ESG performance and progress toward goals; reviewing ESG-related risks, opportunities, and material issues

ESG working group

- Comprising personnel of key operational functions, and report to the Board on a regular basis
- Be responsible for keeping abreast of the latest ESG-related laws and regulations; assisting the Board in formulating ESG management policies, objectives, and internal policies; assess ESG-related risks and opportunities; and supervise and manage the implementation of ESG-related measures

Functional departments

- Cooperate with the ESG working group to implement various ESG tasks and assist in achieving ESG goals

ESG Governance Structure of Marketingforce

Environmental, Social and Governance Report

Board Statement

As the highest decision-making body for the Group's ESG matters, the Board is responsible for the overall supervision and strategic planning of ESG matters to ensure the fulfillment of environmental and social responsibility commitments. We mitigate risks by managing ESG-related risks and establishing an effective internal control system. We also regularly assess risks in accordance with applicable laws, regulations and policies, and formulate and adjust strategies and objectives. Meanwhile, we review the achievement of ESG goals every year and revise our strategies when necessary. Furthermore, the Board monitors the communication between the Group and various stakeholders and adjusts the management policies based on the communication results to adapt to the ESG market trends.

We continuously identify and monitor ESG-related risks and opportunities that may affect the business, strategies and financial performance of the Group, assess the extent of the short-term, medium-term and long-term impact of these risks, fully consider such matters when formulating business strategies, and flexibly adjust the business strategies of specific operating locations as circumstances require to adapt to the constantly changing external environment and reduce the impact of ESG-related risks.

Stakeholder Communication

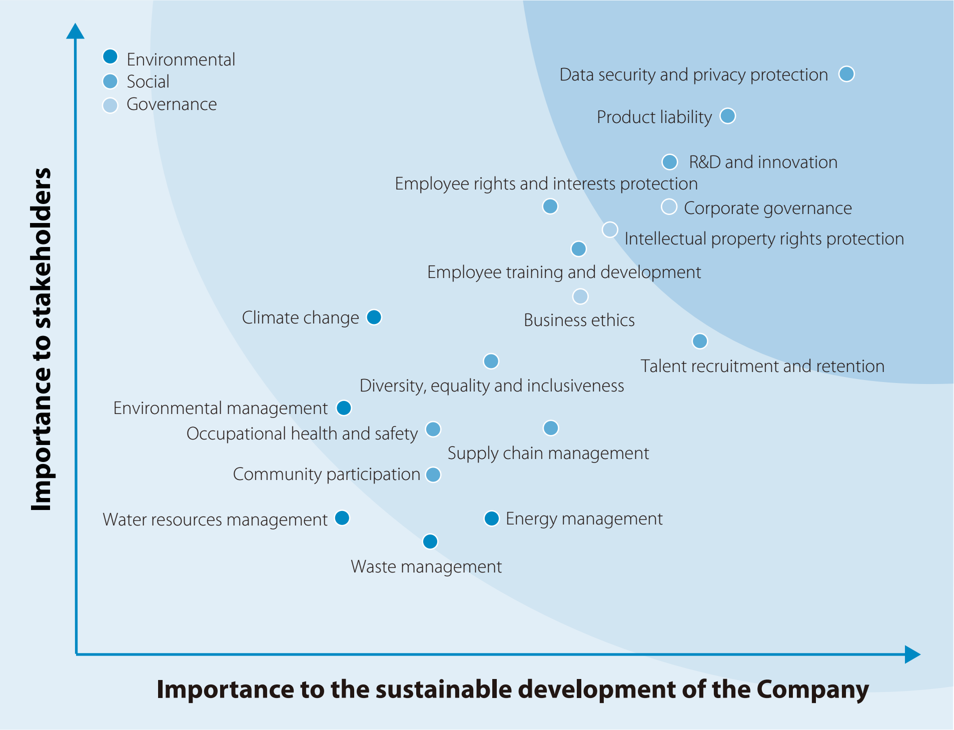
Marketingforce attaches great importance to the opinions and suggestions of all stakeholders regarding the operation and development of the Group, actively builds diversified communication channels to understand and respond to the expectations and demands of stakeholders and works collaboratively to create long-term value.

Major Stakeholders	Communication Methods
Governments and regulators	Policy directives Work report Information reporting Supervision and inspection
Shareholders and investors	Shareholders general meeting Information disclosure Investor meetings and roadshows Daily phone and email communication
Customers	Multiple customer service channels Company official website Social media platform Product platform
Employees	Internal communication platform Employee communication and care activities

Major Stakeholders	Communication Methods
Suppliers and partners	Bidding meeting Supplier review process Exchange and cooperation Industry forum
Communities	Community activities Volunteering activities Company official website Social media platform

Materiality Assessment

Marketingforce routinely identifies, assesses, and discloses material issues to guide the Company's strategic planning. During the Reporting Period, by comprehensively considering the actual operations of the Group, the orientation of regulatory policies, the focus of the capital market and the development trends of the industry, and integrating the feedback and suggestions put forward by stakeholders on sustainable development issues, Marketingforce developed its matrix of ESG material issues for 2024.



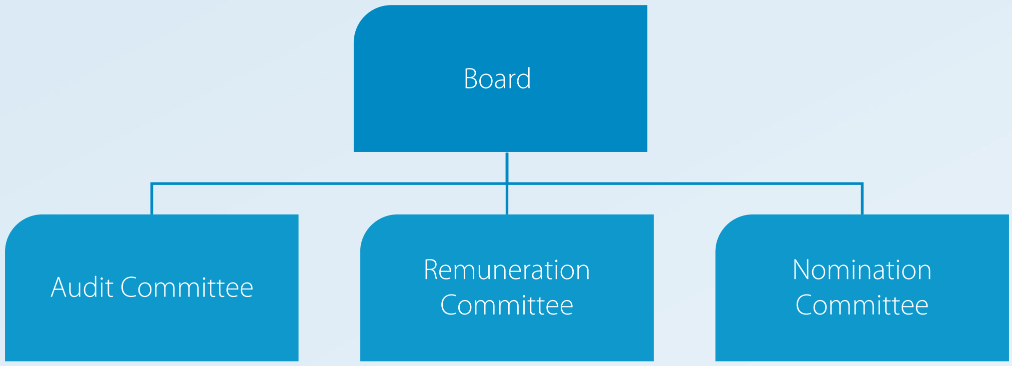
Matrix of ESG Material Issues of Marketingforce for 2024

1. CONSOLIDATING GOVERNANCE FOUNDATION

Marketingforce upholds the philosophy of integrity-based operation, with rigorous governance as its core, while continuously optimizing the corporate governance system to establish a scientific and efficient governance structure. By strengthening risk management mechanism and intensifying the supervision over business ethics, we aim to comprehensively enhance the corporate governance efficiency, thereby laying a solid governance foundation for sustainable development.

1.1 Corporate Governance

Marketingforce strictly complies with applicable laws, regulations and rules such as the *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and the *Listing Rules* (《上市規則》) of the Hong Kong Stock Exchange and has established a corporate governance structure with clear responsibilities and standardized operations. The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Among them, the Audit Committee is composed entirely of independent non-executive directors to ensure the independence and transparency of corporate governance and provide a guarantee for the stable and efficient development of the enterprise.



Corporate Governance Structure of Marketingforce

We actively implement a Board diversity policy by comprehensively considering various factors such as the gender, age, race, cultural and educational background, professional experience, knowledge and skills, and years of service of the candidates for Board members, striving to achieve the diversity and balanced development of the Board. The Company's Nomination Committee is responsible for continuously supervising and regularly reviewing the compliance of the Board diversity policy, regularly evaluating and optimizing the policy to ensure the diversity of the Board composition and the scientific nature of decision-making.

Marketingforce regularly updates the Board members and senior management on the latest revisions of the *Listing Rules* (《上市規則》) of the Hong Kong Stock Exchange and the *Corporate Governance Code* (《企業管治守則》) via email to ensure that they are informed of the latest regulatory trends in corporate governance in a timely and comprehensive manner and strictly comply with regulatory requirements.

1.2 Risk Management

In strict accordance with to the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Listing Rules* (《上市規則》) of the Hong Kong Stock Exchange, the *Basic Standards for Enterprise Internal Control* (《企業內部控制基本規範》) and supporting guidelines and other laws and regulations, and in combination with the actual operation of the Company, Marketingforce has formulated the *Risk Management System* (《風險管理制度》) to standardize risk management work and strengthen risk management functions.

Board	• Responsible for assessing and identifying the risk tolerance of the Company; • Supervise the management in the design, implementation and supervision of the risk management and internal control systems to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems.
Audit Committee	• Supervise the risk management and internal control systems of the Company.
Management	• Design, implement and monitor the risk management and internal control systems to ensure the operation safety of the Company; • Provide management reports to the Board on a regular basis to ensure that the Board is promptly informed of the effectiveness of the relevant operation systems of the Company.
Internal Audit Department	• Responsible for the internal audit of the Company; • Analyze and independently assess the sufficiency and effectiveness of the Company's risk management and internal control systems.
Departments and business units of the Company	• Cooperate with the Internal Audit Department to implement the basic process of risk management; • Improve the control design according to the requirements of risk management.

Risk Management Structure of Marketingforce

We have established a risk management system covering key links such as risk identification, assessment, mitigation and monitoring to ensure comprehensive and systematic risk management. During the Reporting Period, Marketingforce conducted in-depth risk assessment work with detailed analysis of the strategic risks, market risks, operational risks, financial risks and legal risks faced by the Company, and developed the *Risk Assessment Report of 2024*. Based on the assessment results, we have formulated targeted strategic plans and countermeasures to ensure the stable development and continuous progress of the Company.

Risk Management Process of Marketingforce

1.3 Business Ethics

By upholding the principles of fairness and impartiality, and strictly abiding by laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》) and the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), Marketingforce continuously optimizes the business ethics control system, and adopts a zero-tolerance attitude towards corruption, malpractice and unfair competition. We have formulated and implemented the *Anti-Bribery Management System* (《反賄賂管理制度》) and the *Anti-Fraud and Whistleblowing System* (《反舞弊與舉報制度》) to clearly define management requirements, reporting and handling procedures and remedial measures, standardize the professional conduct of all employees in the Company, and ensure that business transactions follow the highest ethical standards.

All employees of Marketingforce and external parties that have direct or indirect economic relations with the Company can provide information about the actual or suspected violations by Marketingforce and its employees through reporting email, letters, face-to-face reports and other channels. Marketingforce attaches great importance to the protection of whistleblowers, strictly prohibits personnel who receive reports and complaints or participate in investigations from disclosing the information and content of whistleblowers to unauthorized departments or individuals, ensures that the investigations are carried out without exposing the identity of the whistleblower and strictly keeps the information of the whistleblower confidential. For any violation of confidentiality regulations or retaliation against whistleblowers, we will impose serious disciplinary actions based on the severity of the case, including but not limited to compensation, warnings, dismissal from positions, termination of employment, etc. In severe cases, the matter will be referred to judicial authorities for legal proceedings. During the Reporting Period, Marketingforce did not have any lawsuits related to corruption.

Reporting address	Trueland Center, Building 8, Shanghai Big Data Industrial Park, No. 1 Lane 1401, Jiangchang Road, Jing'an District, Shanghai
Reporting email	110@marketingforce.com

Registration: The Audit Department records the reported matters, archives the relevant records, assesses the conditions for investigation, and promptly reports to the general manager and the chairman

Acceptance: For reported matters that meet the conditions for investigation, the Audit Department takes charge and initiates the investigation process

Investigation: The Audit Department conducts the investigation work by establishing an investigation team with designated professional personnel to participate in the investigation

Report: The investigation team issues an investigation report based on the investigation results and submits it to the Audit Department which then reports to the general manager, the chairman and the Audit Committee. Major matters and reports involving senior management should be submitted to the Board

Archiving: Reporting files are compiled and transferred to the file management department, and the transfer procedures are handled; All the reporting files are subject to the confidential management

Reports Handling Process of Marketingforce

To further promote the culture of integrity, we organize regular training and publicity campaigns to ensure the widespread understanding and implementation of business ethics requirements. During the Reporting Period, we conducted anti-corruption training for all directors and employees through various channels including all-staff emails and work meetings, deeply analyzed the serious harm caused by corruption and bribery from both macro and micro perspectives, detailed the possible risk points in daily work, and guided employees on how to effectively prevent and respond to such risks.

2. EMPOWERING VALUE CREATION

Marketingforce focuses on digitalization and intelligent solutions, and continuously creates value for customers by providing competitive products and services. We always regard data security and privacy protection as the cornerstone of technological innovation. We establish a complete data governance system and adopt cutting-edge privacy protection design to protect the security of customer information assets throughout their entire life cycle while adhering to compliance standards. We adhere to a responsible marketing philosophy and uphold the principles of true, transparent and verifiable value communication to drive the healthy development of the industry ecosystem.

2.1 Excellent Products

Marketingforce has always adhered to the concept of "innovation driving development" and firmly believes that innovation is the core driving force for the sustainable development of an enterprise. We are committed to creating excellent products by establishing a complete quality assurance system, continuously promoting R&D and innovation, and making comprehensive intellectual property protection layout to provide customers with high-quality digital solutions, thereby achieving the common growth of the enterprise and customers.

2.1.1 Marketingforce Platform

Marketingforce has established the Marketingforce platform, which encompasses six cloud systems including "Marketing Cloud, Sales Cloud, Commerce Cloud, Analysis Cloud, Intelligence Cloud and Organization Cloud". While providing omnichannel digital services, by virtue of the advanced multi-modal large language models, we have developed various AI-generated content (AIGC) products such as AI-generated text/image/video, intelligent customer service, and intelligent marketing decision-making systems, providing enterprises with full-chain and all-scenario intelligent services that integrate "efficient omnichannel customer acquisition, precise demand insight, automated marketing management, and mall conversion".

2.1.2 Quality Assurance

Marketingforce attaches great importance to product quality. To enhance the standardization and quality of product research and development, we have established a comprehensive quality management framework and formulated the *Product Research and Development Standard Process and Specifications* (《產品研發標準流程與規範》), which clearly define the quality management requirements throughout the entire product life cycle, including requirements, development, testing, acceptance and launch, to efficiently promote the product research and development process and ensure that the products precisely meet market demands. As of the end of the Reporting Period, Marketingforce has obtained the ISO 9001 Quality Management System Certification.

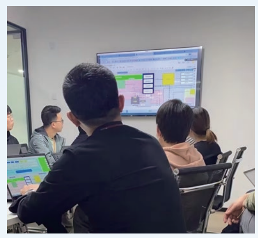
Quality Management System Certification

We attach great importance to the construction of quality culture by providing various quality training for employees to continuously enhance their awareness of quality management and strengthen the level of quality management.

Code standardization quality training program

During the Reporting Period, Marketingforce held three specialized training sessions in response to the upgrade and iteration of code standards and specific technical requirements of projects, which focus on the latest technological trends, practical project experience and code optimization techniques to enable employees keep abreast of the latest industry developments in a timely manner and enhance their technical capabilities and project execution quality. In addition, we have designed systematic training courses for newly recruited employees, and through a training model that combines theory with practice, we aim to help employees quickly integrate into the high-standard technical environment.

Sharing of UI design specifications and component library development standards



Lectures on unified code standards

During the reporting period, Marketingforce was awarded multiple authoritative industry accolades in recognition of its outstanding quality management practices and leading product ecosystem.

Award Name	Awarding Organization
Top 10 Typical Cases of New Productive Forces Empowerment among Enterprises in China in 2024	Information Research Center of the Chinese Academy of Social Sciences
Information Technology Application Innovation Award (Gold Prize) in 2024	Information Research Center of the Chinese Academy of Social Sciences
Annual Outstanding Service Provider of Software and Information Services Industry in China in 2023	INFOOBS.com
China's Best Digital Solution Award	First New Voice

2.1.3 R&D and Innovation

Marketingforce adheres to an innovation-driven development strategy and regards innovation as the core driving force for the Company's development. During the Reporting Period, we focused on industry hot technologies such as artificial intelligence and achieved fruitful results in product R&D and innovation.

Tforce marketing large language model

In May 2024, Tforce marketing large language model was launched and successfully integrated into the T Cloud product series. Leveraging advanced text generation technology, the model automates the creation of product description and promotional content tailored to different media styles and brand-specific personalization, significantly enhancing the creativity of copywriting and communication reach.

ChatAI Model Application Platform 2.0

In June 2024, the ChatAI model application platform was upgraded to Version 2.0, which integrated the Tforce large language model and multi-modal general large language models while incorporating mainstream large language models in China, and launched multi-modal agent and enhanced multi-agent collaboration capabilities. The platform has the functions of intelligent copywriting, intelligent knowledge Q&A, intelligent data query, intelligent strategies, etc.

The third curve – DHRforce

In August 2024, Marketingforce officially launched its third curve – the DHRforce Digital and Intelligent Talent Management Platform. Based on large language models and a PaaS middle platform, the platform integrates intelligent recruitment and interview, intelligent talent assessment as well as enterprise learning and training, forming an integrated "recruitment, assessment and learning" system.

Upgrading Trueland PaaS middle platform

In October 2024, Marketingforce upgraded the Trueland PaaS middle platform, which preserved the original object models, event models, rule engines and process engines while adding integration capabilities, product and application management capabilities, custom extension capabilities, version management and sandbox environment capabilities, and integrated intelligent data query capabilities based on large language models to provide developers with more powerful support. At the same time, relying on the upgraded PaaS middle platform, the True Client CRM product was upgraded and an AI sales assistant based on the large language models was introduced, which significantly improved the delivery speed and cost-effectiveness of products.

We are committed to providing employees with abundant innovation opportunities and comprehensive resource support and have launched a series of incentive measures and work to stimulate employees' enthusiasm for innovation, accelerate the cultivation of an innovation culture within the Company, and work hand in hand with all employees to achieve continuous leaps and upgrades in innovation.

Innovation incentive policy	We take innovation as an important bonus point in our employee performance evaluation system, encourage employees to boldly innovate in their daily work, and give performance evaluation bonus points and year-end commendation rewards to outstanding performers.
Training and communication on innovation	To enhance the innovation capabilities of employees, Marketingforce regularly organizes innovation training and exchange activities, covering the publicity of innovative concepts, training on innovative methods and innovative thinking exercises, etc. Meanwhile, we invite industry experts to share cutting-edge trends and the latest technological developments to enable employees master the fundamental knowledge and skills of innovation. In addition, we encourage active exchange and collaboration among employees to continuously improve their innovation capabilities and teamwork skills.
Innovation project support	We have established an innovation project support fund to provide financial support for the projects with innovative potential proposed by employees and promote the implementation of internal innovation projects in the Company. Employees can apply for financial support from the Company for their innovative ideas and project plans. Projects that pass the assessment will have the opportunity to be promoted and applied within the Company.

"Intelligent Marketing Solution" project

The "Intelligent Marketing Solution" project, initiated by the Marketing Department, leveraged artificial intelligence technology to optimize Marketingforce's strategies and improve marketing performance. Through in-depth mining and analysis of customer data, the project team has constructed an intelligent marketing model, enabling precise marketing and personalized services for customers. The successful implementation of the project has not only enhanced the Company's marketing efficiency but also provided customers with more personalized and timely services, earning high praise from customers.

"New Retail Digital Transformation" project

The "New Retail Digital Transformation" project was accomplished through the collaboration of cross-departmental employees to jointly explore the path of digital transformation in the new retail sector. The project team introduced advanced digital technologies and innovative business models, which achieved seamless integration and coordinated operation of online and offline businesses. By gaining deep insights into customer needs and shopping habits, the team was able to provide more precise and personalized services, thus effectively enhancing the Company's operational efficiency and market competitiveness, and laying a solid foundation for its development in the new retail sector.

2.1.4 Intellectual Property Rights Protection

Adhering to the principles of "feasibility, effectiveness, systematicity, accuracy and conciseness", Marketingforce has formulated policy documents such as the *Intellectual Property Management Manual* (《知識產權管理手冊》) and the *Compilation of Intellectual Property Procedure Documents* (《知識產權程序文件彙編》), which clearly define the intellectual property management system and responsibilities, resource management, basic management, implementation and operation, review and improvement, etc., establishing comprehensive guidelines and operational norms for the intellectual property management of the Company to ensure systematic and effective intellectual property creation, management, application and protection of the Company. As of the end of the Reporting Period, Marketingforce has passed the GB/T 29490-2013 Intellectual Property Management System Certification.

Intellectual Property Management System Certification

We conduct annual internal audits and formulate the *Internal Audit Plan* (《內部審核計劃》) and the *Internal Audit Report* (《內部審核報告》), to verify and ensure that the intellectual property management system of the Company continues to comply with established requirements and continuously strengthen intellectual property management. During the Reporting Period, Marketingforce's intellectual property management system operated effectively overall, with no non-conformities identified in the annual audit.

While constantly strengthening the intellectual property management system, we attach great importance to the construction of an intellectual property protection culture and continuously carry out various types of intellectual property training, including system document training, intellectual property management and strategies, basic information of patents and trademark protection, etc. to effectively enhance the intellectual property management capabilities of employees and ensure the realization of the Company's intellectual property management goals.

2.2 Quality Services

Marketingforce upholds a "customer-centric" value and embraces the mission of "focusing on digitalization and intelligence to provide competitive products and services, and create sustained value for customers", and is steadfastly advancing toward the vision of "becoming the best partner for global enterprises in digitalization and intelligence". We are committed to building an efficient customer service ecosystem by establishing omnichannel platforms and implementing responsible marketing governance, ensuring to provide customers with full-process services of outstanding quality.

2.2.1 Customer Service

Marketingforce has formulated institutional documents such as the *User Journey Handbook* (《用戶旅程》), and developed a standardized service management system to provide users with safe and reliable product and service experience. We anchor our service timeline to the user activation date to develop comprehensive service processes for the scenarios and functional touchpoints involved throughout the entire life cycle of products, and break down specific tasks and assign them to each business department to ensure uniform and outstanding delivery standards and an efficient and professional service team.

- *Listen to Customer Demands*

  Marketingforce listens extensively to customer demands through multiple channels. Our customer complaint channels include the telephone hotline, email and direct feedback from all front-line sales staff. Through diversified feedback channels, we can fully understand the needs of our customers, constantly improve our service system, and provide outstanding services for our customers.

  We properly handle the feedback provided by customers from all channels and actively meet their demands. To further improve our service loop and build an efficient communication and feedback mechanism, we have formulated a series of management documents including the *Customer Complaint Process Management* (《客戶投訴流程管理》), which clearly defines the standards and time limits for classified handling, and establishes a cross-departmental collaborative response mechanism to ensure that customer demands are traceable, assessable and improvable.

Customer Complaint Handling Mechanism of Marketingforce

Environmental, Social and Governance Report

Marketingforce has been awarded the GB/T 27922-2011 Five-Star After-Sales Service Certification, signifying that the Company's after-sales service system has achieved industry-leading standards in completeness and standardization.

After-Sales Service Certification

During the Reporting Period, we received a total of 71 customer complaints of various types, and the complaint resolution rate reached 100%.

- *Enhance Customer Service*

  To enhance customer service quality, we have established a tiered and categorized training system. For the service teams, we conduct full-process standardized service norm training to enhance their capabilities of demand insight, solution design and crisis handling. For our customer base, we have launched self-service capability improvement courses, and through measures such as online live operation demonstrations and offline scenario-based case analyses, we aim to enhance customers' ability to solve problems independently. Meanwhile, we have established a two-way communication and study mechanism, and regularly organize customer service case workshops to promote the dynamic adaptation of service experience to customer needs.

Employee Service Capability Improvement System

We have established a regular empowerment mechanism for our customer service teams by holding weekly discussions on the full-process service standards, demand insight workshops and crisis handling scenario simulations, and combining the analysis of typical cases and the restoration of service scenarios, we enhance the practical response capabilities of the service team. Meanwhile, we have established a cross-departmental experience sharing platform to align service strategies with product features, and form a continuously optimized knowledge accumulation and transformation mechanism.

Customer Capability Cultivation Program

We have established a dual-dimensional empowerment system of "product application - industry cognition", systematically analyzing product functional modules through weekly live courses, and building an online video library and an intelligent Q&A system. In addition, we hold industry trend-themed salons every quarter, and invite ecosystem partners to jointly explore the paths of digital transformation with customers and share scenario-based application cases. Through knowledge transmission and experience interaction, we continuously enhance customers' product management capabilities and digital strategy awareness.

2.2.2 Responsible Marketing

Marketingforce is committed to conducting marketing activities in an honest and transparent manner. To this end, the Company has formulated a systematic responsible marketing management system, covering system documents, review processes and violation handling mechanisms. In providing marketing services, we strictly abide by relevant laws and regulations such as the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), to resolutely maintain the norms and order of the advertising market. To ensure compliant marketing activities, Marketingforce has formulated a number of responsible marketing systems, including the *Marketingforce Marketing Compliance Management System* (《邁富時營銷合規管理制度》), *Marketingforce Brand Management and Communication System* (《邁富時品牌管理與傳播制度》) and *Advertising Business Registration, Review and Archive Management System* (《廣告業務承接登記、審核、檔案管理制度》), which clearly stipulate management requirements in aspects such as the advertiser qualification review and advertising content review, thereby providing customers with diversified solutions on the basis of ensuring that all marketing activities are legal and compliant.

- *Responsible Marketing Review*

  We have established a "three-level review" mechanism for responsible marketing to ensure that all external promotional materials used for our own marketing activities and our clients undergo strict internal compliance review before release. This mechanism is carried out collaboratively by multiple departments including the Marketing Department, the Legal and Compliance Department and the Internal Audit Department, which conducts refined review from three major dimensions of content accuracy, copyright and intellectual property rights management and customer data privacy protection.

Level 1

- The Marketing Department is responsible for checking the clarity of the content, brand consistency and the achievement of promotional goals, ensuring that all data, descriptions and statements in marketing materials have clear sources and bases.

Level 2

- The Legal and Compliance Department assesses the legality and compliance of promotional materials to ensure that there are no risk points that violate national laws and regulations or industry norms, with focuses on reviewing whether there are risk points such as false promotion, exaggerated promotion, inaccurate data, and infringement of intellectual property rights.

Level 3

- The Internal Audit Department regularly conducts sampling checks on the released promotional content based on the latest laws and regulations, and immediately takes corresponding rectification measures for risk points.

Three-level review mechanism for responsible marketing

During the Reporting Period, the Company conducted a comprehensive internal audit of its full-chain marketing and brand communication activities, covering four major dimensions of compliance, data privacy management, brand consistency and process adherence. In response to the risk points existing in some business operation processes, we have taken a series of rectification and optimization measures to ensure that all marketing activities are compliant and responsible.

Upgrading promotional language control	• Improve the review process for absolute terms, establish a dynamic vocabulary database for prohibited words and a database of upgraded alternative solutions for the control of promotional language. • Implement a dual-review mechanism for content production, and embed compliance verification nodes to ensure the pre-control of the compliance of promotional materials.
Establishment of a capability assessment system	• Implement the annual compliance certification system for key positions and develop scenario-based assessment question banks. • Incorporate compliance performance into the comprehensive evaluation system and establish a tracking mechanism for improving capability deficiencies to drive the continuous enhancement of employees' awareness of responsible marketing.
Construction of privacy governance system	• Establish full-cycle management norms for customer data and implement standards for minimizing collection and de-identification processing. • Establish the hierarchical framework for data usage rights, limit the scope of data access for each position, ensure customers' right to informed choice and exit, and achieve a closed loop of compliant data application.
Construction of intelligent review mechanism	• Implement an automated compliance review platform, restructure the AI promotional content review process, and preset risk screening standards through a rule engine to shorten the review time to within two days, significantly enhancing the efficiency of compliance review and risk interception capabilities.

Rectification and optimization measures

- *Customer Access Management*

  Marketingforce is committed to providing customers with compliant and legal diversified marketing services, avoiding potential risks and promoting the sustainable development of the industry while strictly abiding by relevant laws and regulations. We have formulated the *Customer Access Tiered Management System*（《客戶准入分層管理制度》）to further strengthen our responsible marketing risk control capabilities.

  We conduct background checks on new customers by assessing their business models and conducting industry benchmarking research to preliminarily categorize low-risk and potentially risky customers to promote further cooperation. At the contract signing stage, we formulate customized performance clauses for potentially risky customers to restrict some of their marketing needs. At the initial stage of cooperation, potentially risk customers will be included in the “small-scale trial run” category of Marketingforce, and certain restrictions will be imposed on the marketing effect to further identify potential risks. After the above process is completed, we will reclassify potentially risk customers to low-risk customers and carry out long-term and stable cooperation based on their specific needs.

- *Responsible Marketing Training*

  To enhance employees' awareness of responsible marketing and help them gain a deep understanding of and comply with relevant policies and regulations, we conduct quarterly responsible marketing training for all employees every year, and provide extra specialized training and supplementary training at critical business milestones such as new product launches or changes in laws and regulations, so as to ensure that employees promptly stay informed about the latest laws, regulations and compliance requirements in an ever-evolving regulatory landscape.

  During the Reporting Period, the responsible marketing training system of Marketingforce focused on building a full-chain compliance capability as its core objective. The system comprehensively covered the risk prevention and control needs across all marketing scenarios, with targeted implementation covering critical roles in the marketing value chain. The marketing team enhanced the compliance review capabilities of content creation, the sales and customer management team emphasized cultivating the awareness of standardized customer communication, and the legal compliance team enhanced the risk prediction and control capability through specialized workshops. To enhance learning effectiveness, we have established a knowledge assessment system and a continuous learning credit mechanism, forming a complete closed loop of pre-training needs diagnosis, in-training behavior tracking and post-training effect evaluation. Meanwhile, each department has established a compliance liaison mechanism to form a real-time guidance network in daily business operations, ensuring the effective transformation of training outcomes into business processes.

Construction of a marketing compliance framework	• Deeply analyze the dynamics of regulations such as the *Advertising Law* and the *Consumer Rights and Interests Protection Law*, with a focus on strengthening AIGC application norms and the requirements for customer privacy protection
Brand communication compliance governance	• Establish a standard system for the use of brand logos and strictly control the risks of third-party intellectual property rights in marketing content
Compliant application of AI technology	• Establish standardized creation criteria and review processes for advertising copy and visual materials
Data security protection system	• Improve the full life cycle management mechanism for customer data in compliance with the requirements of GDPR and the *Personal Information Protection Law*
Cultivation of compliance practice ability	• Enhance risk identification and response capabilities through industry case study analysis and simulated scenario drills

Five major sections of responsible marketing training

2.3 Data and Privacy Security

Marketingforce attaches great importance to data protection and privacy security. In strict compliance with the laws and regulations such as the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), we have formulated a series of systems and policies, including the *Privacy Information Security Strategy* (《私隱信息安全策略》), *Data Security Management Standards* (《數據安全管理規範》), *Information System Data Security Management System* (《信息系統數據安全管理制度》), *Cybersecurity Management System* (《網絡安全管理制度》) and *Emergency Plan for Major System Incidents* (《系統重大突發事件應急預案》), and established a systematic customer data and privacy security protection system. As of the end of the Reporting Period, we have obtained the following system certifications related to information security management and privacy protection.

ISO 27001 Information Security Management System Certification

ISO 27701 Privacy Information Management System Certification

ISO 20000 Information Technology Service Management System Certification

ISO 27017 Cloud Service Information Security Management System Certification

ISO 27018 Cloud Privacy Security Management System Certification

ISO 27040 Data Storage Security Management System Certification

Marketingforce has implemented a systematic customer information management system to comprehensively strengthen privacy protection mechanism through process optimization and system improvement. At the prominent entry point of customer login, we provide direct access to our privacy policy and service agreement. When users log in for the first time, they are required to complete the provisions confirmation process and check the "Agree" option to complete the authorization. The relevant provisions strictly define the scope of information collection and application scenarios, and clarify the data storage standards, security protection measures and user rights protection plans.

Meanwhile, we have comprehensively strengthened our information security management capabilities through a series of measures, forming a closed loop of security management covering the entire life cycle of data.

Information encryption	Data backup and recovery	Firewalls and intrusion detection
• Customer information is encrypted during its storage and transmission to ensure security throughout its generation, transmission and storage processes, and prevent unauthorized access or leakage.	• Establish a data backup and recovery mechanism to quickly restore data in case of loss or damage, minimizing the impact on business continuity to the greatest extent.	• Deploy firewalls and intrusion detection systems to build a multi-layer protection framework, and conduct regular security audit and vulnerability scan to identify and eliminate potential security risks, so as to ensure the stable operation of the network environment.

Measures for information security management

Marketingforce regularly conducts or accepts internal and external information security-related audits to ensure the effectiveness of the Company's information security management. During the Reporting Period, we focused on conducting a comprehensive review of core business platforms such as the ERP system, SaaS management backend and financial system. The audit results of this year demonstrate that all the inspected systems comply with the internal control norms and industry security standards in terms of logical access control, data protection mechanisms and change management processes, with no control failures or management vulnerabilities identified. The audit conclusion indicates that the existing information security management system of the Company is effective and complete in terms of hierarchical access control, full life cycle protection of data, and risk prediction of system changes, providing reliable guarantees for business continuity and data asset security.

To deepen the safety awareness of employees and ensure that they fully comply with the safety management policies and measures of the Company, we provide regular training on data and privacy security for employees, and conduct statistics and assessment of the training to lay a solid foundation for building a standardized and systematic safety management framework.

Training on cybersecurity capacity building

During the Reporting Period, the Company carried out a training program themed "Strengthening cybersecurity training and jointly building a security barrier", with the content covering four aspects, including interpretation of the Data Security Law, personal information protection, mobile terminal security protection, and computer security reinforcement. Through multi-dimensional knowledge transmission and hands-on guidance, the program promoted the transformation of employees' cybersecurity skills from cognition to practice.

3. SUPPORTING EMPLOYEE GROWTH

Marketingforce always prioritizes the rights and interests of its employees, and is committed to building a diversified growth platform to help employees fully explore their potential and achieve the common growth of both individuals and the enterprise. In addition, we actively promote a balance between work and life, pay attention to the physical and mental health of our employees, and enable them to enjoy a fulfilling and wonderful life experience while creating value.

3.1 Employee Rights and Interests

3.1.1 Compliant Employment

In strict compliance with the relevant laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) and the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), Marketingforce has formulated internal systems such as the *Employee Handbook* (《員工手冊》), which resolutely prohibit any improper employment practices, including human trafficking, forced labor, child labor, discrimination and harassment, salary discrimination against equal work or work of equivalent value, as well as exploitation of employees' rights to freedom of association and collective bargaining. We adhere to the bottom line of compliant employment to safeguard the rights and interests of employees.

During the recruitment process, we strictly review and verify the age and identity information of candidates, and resolutely prohibit the employment of child labor. Meanwhile, during the interview process, we strictly standardize the job description, use neutral and inclusive language, and avoid restrictions and biases targeting specific groups, to ensure fairness and impartiality in all employment processes.

We carry out talent review and human capital assessment work according to the business development requirements of the Company, aiming to accurately predict future recruitment demands, identify the skill shortcomings of current employees, and continuously enrich our talent reserve pool. During the Reporting Period, we established a multi-level talent introduction system centered on campus recruitment and social recruitment. We recruited talents through diversified forms such as campus recruitment presentations and special job fairs, and supplemented with an internal recommendation mechanism to create an efficient and collaborative talent recruitment network, thereby supporting the talent strategic layout for the sustainable development of the enterprise.

Campus recruitment

- Closely cooperate with major universities and make use of various forms such as campus recruitment presentations and job fairs to precisely attract outstanding graduates, thereby continuously injecting new vitality into the development of the enterprise

Social recruitment

- Extensively search for various professional talents through multiple channels such as recruitment websites, social media and talent markets to precisely match job requirements and ensure the efficiency and accuracy of talent selection

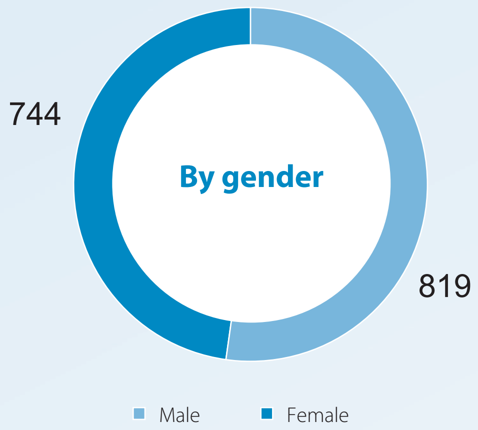
Other recruitment

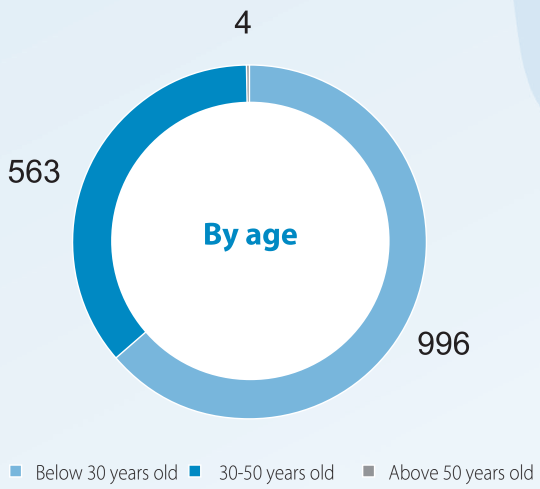
- Expand supplementary methods such as internal recommendations and employee referrals, give full play to the subjective initiative of employees and leverage their network resources to discover potential outstanding talents, further broaden the horizons of talent selection and improve the quality of recruitment

Marketingforce partners with Soochow University to cultivate high-quality talents

To promote the in-depth cooperation between enterprises and universities, during the Reporting Period, the Wuxi base of Marketingforce carried out university-enterprise exchanges with Soochow University to deepen the cooperation of "visiting enterprises, increasing jobs and promoting employment". We had in-depth exchanges with the teachers and students of Soochow University, and shared the foreign trade marketing paths of the Company and practical experiences in the international market. The exchange meeting attracted many outstanding students from Soochow University to apply for internships and employment, which further consolidated Marketingforce's high-quality talent reserve channels and facilitated the future international business expansion of the Company.

As of the end of the Reporting Period, Marketingforce has a total of 1,563 employees on payroll, all of whom were full-time employees. The specific data by different categories is as follows:





We pay close attention to the turnover of employees and continuously optimize the cultural and working environment of the Company to reduce the employee turnover rate. During the Reporting Period, the overall employee turnover rate of Marketingforce was 42.47%. The specific data by different categories is as follows:

Indicator	Unit	2024
Employee turnover rate by gender		
Male	%	42.51
Female	%	42.44
Employee turnover rate by age		
Below 30 years old	%	43.60
30-50 years old	%	40.46
Above 50 years old	%	0
Employee turnover rate by region		
East China region	%	39.39
South China region	%	46.62
Central China region	%	45.57
North China region	%	72.73
Southwest China region	%	55.56

3.1.2 Employee Remuneration and Incentives

Marketingforce adheres to the fundamental principle of equal pay for equal work and determines remuneration based on factors such as the nature of the position, job performance and individual competency. We closely monitor remuneration indicators and conduct in-depth analyses on a regular basis to ensure that the rights and interests of each employee are fully protected. To attract, motivate and retain high-quality talents, we have established a comprehensive remuneration package that includes fixed salary, performance-based variable salary, commission and bonus incentives.

We believe that a fair, impartial, and transparent performance evaluation system reflects our commitment to cherishing and respecting the outstanding work performance of employees, which can better motivate employees and thereby contribute to the development of the Company. We set performance goals for individual employees and teams on a regular basis, and adjust the performance goals according to the demands of the individual employees. We promptly evaluate the achievement of monthly performance goals of individual employees or teams, with the performance assessment dimensions mainly including four aspects of performance indicators, job indicators, directive work, and comprehensive evaluation.

We have established a complete performance feedback mechanism, aiming to clearly convey the performance assessment policy and ensure that employees fully understand the content of the mechanism and their responsibilities. By emphasizing the continuous communication and feedback between the management and employees, we have provided strong support for the achievement of performance goals. Meanwhile, we have established a performance appeal process to ensure that the opinions of employees can be handled promptly and fairly, thereby further guaranteeing the transparency and fairness of performance management.

3.2 Employee Development

Marketingforce takes full consideration of the development needs of its employees, designs and continuously dynamically adjusts the job grade system and employee career development paths that are in line with the strategic development requirements of the Company. We actively advocate that employees achieve vertical promotion within each sequence and encourage horizontal mobility across sequences, thereby broadening their career growth paths and laying a solid talent foundation for the development of the Company.

Based on the need for talent resources in business development, we have formulated targeted talent development strategies and build a win-win employee development platform. We have established a modular training system centered on Zhen Academy (臻學堂), new employee training, professional skills training, and leadership training, aiming to systematically enhance the professional qualities and professional competencies of all employees to support the demand for versatile talents in the strategic development of the Company.

Category	Training program	Employees covered	Training content
Zhen Academy		All employees	As a full life cycle learning service platform for employee growth of Marketingforce, it has over 1,280 courses and more than 10,000 hours of training content.
Induction training	Starlight Training Camp	New employees	Targeted training courses are offered in three major areas of corporate culture and job awareness, industry knowledge and product knowledge, as well as work skills and rule processes.
	Rising Stars Launchpad		The training courses are designed for on-the-job business scenarios and phased competency models, aiming to enhance the practical skills, systematic knowledge construction, customer management and other capabilities of new employees.
	Recruit Camp	Interns	Aiming to help interns quickly integrate into the working environment, cultivate good working habits, master the working mode proficiently, deeply explore the front-end working mode and product development, and lay a solid foundation for career development.

Category	Training program	Employees covered	Training content
Professional skills training	Reservoir Plan	Employees related to sales positions	Focusing on key areas such as marketing business processes, risk management and customer complaint handling, it strives to enrich employees' knowledge reserves in these fields and enhance their professional qualities and business capabilities.
	Elite Eagles Training Camp		Focusing on key areas such as business processes, practical case accumulation, short video matrix, customer development and solution production, it aims to help employees have a deep understanding and mastery of the core skills required for their positions.
	Wolf Warrior Training Camp		As a capability enhancement training course for employees within the first four months of employment, it covers areas such as career planning, invitation and presentation, script explanation, scenario-based presentation, and digital business concept explanation, aiming to comprehensively enhance employees' professional qualities and overall capabilities.
Leadership training	Huangpu Cadre Training Class	Grassroots management	Covering leadership, digital solutions for various industries, sales skills, goal management and other contents, it aims to cultivate outstanding grassroots managers.
	Hurricane Camp	Middle and grassroots management	Covering leadership, industry trends, organizational upgrading, team management, scenario-based marketing and other contents, it aims to activate an outstanding cadre team and support business development.
	Generals Camp	Senior management	Covering leadership, future trends, team collaboration, team motivation, team diagnosis and other contents, it aims to help senior managers efficiently promote the implementation of the Company's strategy.

Environmental, Social and Governance Report

Marketingforce empowers new employees to brighten their career development paths

To enhance the professional qualities and professional capabilities of new employees, Marketingforce has launched a Starlight Training Camp, focusing on strengthening employees' comprehensive understanding of job responsibilities, digital industry trends, and products of the Company, to help them quickly adapt to their job roles. As of the end of the Reporting Period, more than 98 related training sessions have been held, with a total of 3,350 participants.

Externally introduce resources from Hundun Academy to forge the strategic leadership of the middle and senior management

During the Reporting Period, we supported 10 core management personnel to participate in the advanced courses of Hundun Academy (混沌創商院). The program focuses on strategic thinking restructuring, complex systems analysis, and transformation leadership cultivation, aiming to enhance the thinking and logic of the middle and senior management at Marketingforce and drive organizational change.

EMBA program of Cheung Kong Graduate School of Business decoding top-level leadership

Marketingforce actively collaborates with external educational institutions and experts to provide its employees with abundant learning and training resources. During the Reporting Period, several employees of Marketingforce participated in the EMBA program of Cheung Kong Graduate School of Business, leveraging the high-quality educational resources of the university to enhance their professional qualities and comprehensive abilities, thus laying a solid talent foundation for the long-term development of the Company.

During the Reporting Period, the percentage of Marketingforce employees trained reached 100%, and the average training hours were 50.97 hours. The data by different categories is as follows:

Indicator	Unit	2024
Percentage of employees trained by gender		
Male	%	52.4
Female	%	47.6
Percentage of employees trained by employment category		
Senior management	%	1.0
Middle management	%	4.4
Grassroots employees	%	94.6
Average training hours of employees by gender		
Male	hours	60.31
Female	hours	40.69
Average training hours of employees by employment category		
Senior management	hours	106.03
Middle management	hours	80.17
Grassroots employees	hours	49.07

3.3 Staff Care

3.3.1 Employee Benefits

Marketingforce provides full contributions to pension, unemployment, work-related injury, medical, maternity insurance and housing provident fund for all its employees in accordance with the law. In addition, we provide our employees with a variety of employee benefits, including equity incentive plans, paid vacations, health check-ups, gyms, and festival gifts. Meanwhile, we regularly hold various employee care activities to provide employees with rich work and life experiences.

"Focus on Customers, Transcend Cycles, Dragon's Roar Across China, Digital Intelligence WE Future" celebration event

We attach great importance to humanistic care by actively creating a warm team atmosphere to promote a balance between work and life. During the Reporting Period, we held the 15th Anniversary & 2024 Annual Celebration under the theme of "Focus on Customers, Transcend Cycles, Dragon's Roar Across China, Digital Intelligence WE Future", creating a vibrant and enthusiastic celebration for employees, providing them with opportunities to relax while enhancing their sense of identity and cohesion.

3.3.2 Employee Communication

Marketingforce is committed to fostering an open corporate culture that is inclusive and gives a sense of belonging. We actively expand communication channels for employees, carefully listen to all feedback and opinion from them, and strive to practice democratic management and build harmonious labor relations through regular communication mechanisms such as HR email and face-to-face communication. Meanwhile, the Human Resources Department communicates with employees irregularly to understand their reasonable demands and ensure their effective implementation. During the Reporting Period, we did not receive any complaint incidents from employees.

File a compliant via email to the Human Resources Department → The Human Resources Department takes the lead in forming an investigation team → Conduct thorough investigation → Issue investigation report

Employee complaint handling process of Marketingforce

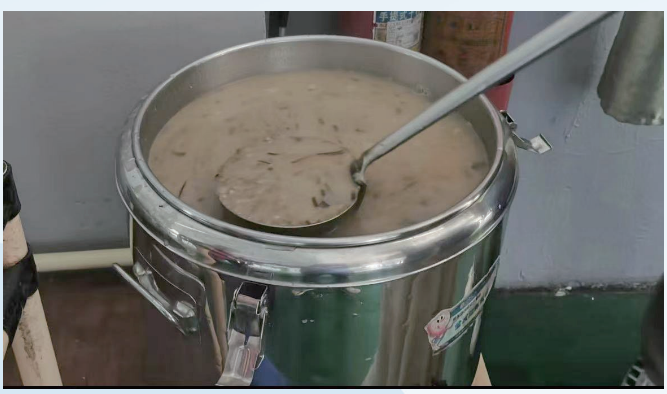
3.3.3 Health and Safety

Marketingforce adheres to the management philosophy of "people-oriented and health first", and in accordance with laws and regulations such as the Occupational Disease Prevention and Control Law of the People's Republic of China (《中華人民共和國職業病防治法》), has formulated system documents such as the Employee Handbook to effectively protect the physical health of employees. We continuously optimize the working environment, effectively safeguard the rights and interests of employees, enhance their safety awareness, and promote the construction of a healthy workplace.

In the past three years, Marketingforce has not experienced any work-related death incidents. During the Reporting Period, the number of working days lost due to work-related injuries was 29 days.

Summer heat relief benefit: Mung bean soup distribution initiative

During the hot season, Marketingforce launched the "Cool Summer, Healthy Office" mung bean soup distribution initiative, providing front-line and office workers with refreshing drinks as part of our heat relief efforts, which further demonstrates our commitment to employee care while ensuring the health and safety of employees.



Automated external defibrillator: A solid shield for employees' life safety

To ensure the health of employees, the Company has installed automated external defibrillators (AED) in the office area and established an emergency response mechanism. By conducting all-staff first aid skills training and simulated sudden cardiac arrest drills, we ensure that 100% of key position employees are proficient in AED operation, thereby providing a solid guarantee for the safety of employees' lives.

Safety promotion during holidays

Marketingforce upholds the management philosophy of "No safety incident is minor". In light of the high incidence of accidents during holidays, the Company sends safety promotion emails to all employees via the corporate email to continuously strengthen the safety culture of the Company.

4. PROTECT GREEN ECOLOGY

With the national "dual carbon" strategy as its goal, Marketingforce continuously implements management measures such as energy conservation and consumption reduction to actively respond to challenges related to climate change, seize green development opportunities, and is committed to creating a business model that harmonizes green ecology with corporate development.

4.1 Environmental Protection

In strict compliance with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), Marketingforce has formulated internal system standards such as the *Environmental Management Policy* (《環境管理政策》), to actively establish a complete environmental management system. We have established an environmental management framework covering the Board, ESG working groups and responsible departments, achieving an environmental management system from top to bottom and with responsibilities assigned to individuals. During the Reporting Period, Marketingforce successfully passed the ISO 14001 Environmental Management System Certification.

ISO 14001 Environmental Management System Certification

To reduce the environmental impact of its own operations, Marketingforce has established environmental goals in four dimensions of greenhouse gas emissions, energy efficiency, waste emissions and water efficiency, based on policies, industry analysis and its own environmental practices, and incorporated them into the development plan of the Company to guide its environmental management work.

- Establish a carbon footprint tracking system covering the entire value chain and strive to reduce greenhouse gas emissions.
- Build an intelligent energy consumption monitoring platform, optimize the energy efficiency of the cooling system in data centers, and develop lightweight algorithms to reduce the energy intensity of digital services.
- Implement a full life cycle management system for electronic equipment, carry out classified and harmless treatment of office waste, and explore the path of recycling.
- Formulate eco-friendly water resource management strategies and continuously improve water efficiency.

Environmental management goals of Marketingforce

4.1.1 Energy Management

Marketingforce strictly adheres to the laws and regulations of the regions where it operates, and is committed to enhancing the energy utilization efficiency of its operation through a sound energy management framework and effective energy-saving and consumption-reducing measures. We continuously enhance operational efficiency, reduce energy waste and constantly strengthen our low-carbon practice level from three dimensions of equipment operation optimization, equipment system iteration and green office.

Equipment operation optimization

Based on the concept of sustainable development, we have built an intelligent management system for refrigeration equipment in the office environment. In response to the temperature control requirements in summer, the Company has established a scientific and refined air conditioning management mechanism by monitoring the environmental parameters of each area in real time through an intelligent sensor network and dynamically adjusting the operation strategy in combination with the characteristics of space usage.

Under the premise of ensuring the health and comfort of employees, we adopt a stepped temperature control mode to maintain the temperature in the office area within an appropriate range, achieving a coordinated optimization of human perception and energy efficiency. For the high-frequency collaborative space, we adopt a pre-cooling start and intelligent cruise mode. In intermittent usage areas, we deploy a mobile terminal linkage control system to accurately identify and eliminate ineffective energy consumption.

Equipment system iteration

We actively promoted the iteration of equipment and systems in the office area. During the Reporting Period, we renovated the lighting system and deployed more efficient LED energy-saving lighting equipment to reduce energy consumption. Meanwhile, we promoted the construction of a digital office hub by developing an enterprise-level platform integrating functions such as electronic approval, cloud collaboration and intelligent archiving, further advancing the closed loop of paperless operation throughout the entire business process, and taking concrete actions to implement energy conservation and emission reduction work.

Green Office

We deeply integrate the concept of green office into our operation and management. Through visual carriers such as the walls and electronic screens in the office area, we set up scenario-based prompt signs to deepen the energy-saving awareness of employees during their work.

During the Reporting Period, the energy consumption of Marketingforce was as follows[1]:

Indicator	Unit	2024
Total direct energy consumption	kWh	65,342.61
Total indirect energy consumption	kWh	3,613,027.80
Total comprehensive energy consumption	kWh	3,678,370.41
Intensity of comprehensive energy consumption	kWh/million revenue	2,360.05

1 The energy consumption is mainly calculated with reference to the General Principles of Comprehensive Energy Consumption Calculation.

4.1.2 Water Resources Management

Marketingforce continuously supervises the internal water resource usage, strictly adheres to the requirements of relevant laws and regulations to formulate its water-saving management system, and achieves the maximization of water resource utilization efficiency through a series of water-saving measures.

The water consumption of the Company is mainly for office use, with all water sourced from municipal water supply. During the Reporting Period, we carried out equipment renovation and upgrading, and actively promoted water conservation among employees to improve the water efficiency of the Company.

Intelligent water-saving practice

We systematically promote the green upgrade of facilities by installing intelligent sensing devices at public water usage points to achieve precise water conservation through technical means such as water flow rate regulation and usage duration control.

At the awareness level, we have carried out a series of rich and diverse advocacy campaigns. We have set up a dynamic screen display of water-saving operation guidelines in the tea room and encouraged employees to actively share water-saving proposals. We transform excellent ideas into management practices to foster a water-saving culture involving all staff, and achieve a simultaneous improvement in environmental benefits and employees' sense of belonging.

During the Reporting Period, the water consumption of Marketingforce was as follows:

Indicator	Unit	2024
Total water consumption	m^3	15,627.50
Water consumption intensity	m^3/million revenue	10.03

4.1.3 Waste Management

Marketingforce strictly complies with relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and actively implements compliant discharge management. Due to the characteristics of the industry, the waste produced in our daily operations mainly consists of harmless waste such as household waste and also includes a small amount of discarded toner cartridges and ink cartridges.

Non-hazardous waste disposal methods
We reduce waste generation from the source, actively promote paperless office in all scenarios, achieve full coverage of official document circulation and electronic signatures through digital upgrading of processes, establish a full-cycle management system for electronic documents, implement green printing standards and equipment sharing mechanisms in a supporting manner, systematically reduce reliance on paper resources, and cultivate a low-carbon office culture for all staff.

Hazardous waste disposal methods
We have established a standardized waste classification management system, set up specialized recycling stations, and established a targeted recycling mechanism with compliant processing institutions to ensure that waste is treated harmlessly.

Types of waste and disposal methods

During the Reporting Period, the waste discharge of Marketingforce was as follows:

Indicator	Unit	2024
Total hazardous waste	tonnes	0.014
Hazardous waste intensity	tonnes/million revenue	0.00001
Total non-hazardous waste	tonnes	260.50
Non-hazardous waste intensity	tonnes/million revenue	0.17

4.2 Responding to Climate Change

Marketingforce is well aware of the long-term impact of climate change on the Company's sustainable development, actively responds to the challenges brought by climate change and is committed to taking efficient response measures to promote industry reform. To improve the work related to responding to climate change, we follow the relevant recommendations of Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB) to carry out work from four dimensions of governance, strategy, risk management, indicators and targets to continuously optimize the climate change management system.

4.2.1 Governance

Marketingforce proactively identifies and assesses the risks and opportunities of climate change for enterprises, formulates targeted response measures, and regularly reviews relevant indicators. We have strengthened our responsibility for climate change governance. The Board is responsible for overall supervision of the management of climate change response, and the ESG working group is responsible for formulating climate change countermeasures and making sure their implementation by the administrative, IDC and other responsible departments to ensure the orderly progress of climate change-related work.

4.2.2 Strategy

During the Reporting Period, we conducted climate risk assessment for the first time to identify the potential risks and opportunities that climate change may bring to Marketingforce's business operations, and formed a list of climate change risks and opportunities. Meanwhile, based on the specific development plan of the Company, we classified the identified risks and opportunities into short term (within one year), medium term (1-5 years) and long term (more than 5 years) to comprehensively manage climate risks and opportunities, and adjust the countermeasures in a timely manner.

Risks and Opportunities		Potential Impact	Time Frame
Transition risks			
Laws and regulations	Strengthened climate-related regulations and disclosure requirements may lead to an increase in the compliance costs of the Company and have a certain impact on the business models of the Company	Violation of relevant laws and regulations will have a negative impact on the Company's value. The introduction of new policies by the government to support low-carbon transformation may lead to an increase in operating costs	Medium term
Market attention	Investors and customers are increasingly concerned about the emissions and resource usage of enterprises, and the demand for low-carbon products is increasing, which in turn leads to intensified market competition	Enterprises that fail to keep up with emerging market demands in a timely manner may gradually lose market share and affect their profitability	Long term
Enterprise reputation	The potential reputation impact arising from responding to the expectations of stakeholders to take active actions in addressing climate change and enhance the transparency of information disclosure	Losing customer trust may lead to customer churn while increasing the cost for enterprises to communicate with stakeholders to maintain their reputation, thereby having a negative impact on the long-term development of enterprises	Medium term

Risks and Opportunities		Potential Impact	Time Frame
Technological innovation	Driven by national policies, the Company's investment in the research and development and application of low-carbon technologies will increase	In order to meet the requirements of low-carbon emissions, the exploration and research investment of new technologies will be increased, and transformation of existing equipment is required, thereby increasing operating costs	Long term
Physical risks			
Acute physical risks	Extreme weather conditions such as floods, droughts, heavy rain, snow disasters, extreme cold and extreme heat	Possible threats to the safety of employees and the infrastructure of the Company, resulting in disruption of data center operations and subsequently cause property losses	Medium term
Chronic physical risks	Changes in climate patterns such as average temperature changes and sea level rise	Climate change may lead to higher operating costs for companies, rising demand for various types of energy, and exacerbating emission pressure	Long term

Risks and Opportunities		Potential Impact	Time Frame
Opportunities			
Products and services	The rise of low-carbon market helps the Company establish a market-oriented strategic development direction, expand the coverage of products, and enhance the depth of products and services	SaaS can serve as an emerging tool to enhance the efficiency of carbon emission management, supporting the Company to expand market demand and enhance its reputation	Medium term
Resource efficiency	Climate change brings about the demand for refined management of resources	Optimized resource utilization model, and improved utilization efficiency of energy and water resources can reduce the operating costs of the Company	Long term

4.2.3 Risk Management

We incorporate climate change risks into the overall risk management of the Group and implement a comprehensive climate change risk management process covering "risk identification – risk assessment – risk control" to identify and assess climate-related impacts, risks and opportunities, and formulate and implement management measures for climate risks and opportunities.

For climate change risks, we have established a cross-departmental collaboration mechanism to deepen the integration of climate risk response strategies and business decision-making, and actively promote the enhancement of climate risk awareness among the management and employees. For climate change opportunities, we focus on dialogue and cooperation with external stakeholders, and explore industry-leading resilience construction paths to lay a foundation for building a sustainable operational ecosystem.

4.2.4 Indicators and Targets

We actively promote the development of green codes, strengthen the synergy of digital carbon reduction, and strive to achieve energy efficiency and carbon emission targets. Meanwhile, we have established a continuous monitoring and regular review mechanism for greenhouse gas emissions to further promote climate change management and disclosure.

Indicator[2]	Unit	2024
Scope 1	tonnes CO_2e	16.95
Scope 2	tonnes CO_2e	2,115.79
Total greenhouse gas emissions	tonnes CO_2e	2,132.74
Intensity of greenhouse gas emissions	tonnes CO_2e/million revenue	1.37

[2] The calculation method and emission factors of greenhouse gas emissions mainly refer to the national average CO_2 emission factors for electricity in 2022 as stipulated in the Announcement on the Release of CO_2 Emission Factors for Electricity in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China.

5. BUILDING A BEAUTIFUL SOCIETY TOGETHER

Marketingforce is committed to building a standardized, stable and responsible supply chain management system and continuously consolidates high-quality supply chain cooperative relationships through a complete supplier management system. Meanwhile, we actively participate in various exchange activities in the industry and encourage employees to take part in community public welfare activities to jointly create a harmonious and beautiful society and work together to create long-term value.

5.1 Responsible Supply Chain

5.1.1 Supply Chain Management

Marketingforce has formulated internal systems such as the Procurement Management System (《採購管理制度》) to standardize the access, evaluation, review and hierarchical management of suppliers. We have established a management system covering the entire life cycle of suppliers, aiming to reduce supply chain risks and create a healthy and standardized supply and demand relationship. As of the end of the Reporting Period, Marketingforce had a total of 187 suppliers, including 177 domestic suppliers and 10 overseas suppliers.

Access assessment

- Consider various factors such as the importance, timeliness, business risks and market environment of win-win suppliers
- Review the qualifications of suppliers and their trial products, and comprehensively assess their risk control capabilities and planning capabilities

Assessment and evaluation

- Regularly carry out performance evaluations of suppliers, with assessment dimensions covering multiple aspects such as delivery, quality and service
- Conduct on-site audits of key suppliers to assess their capabilities in business, technology, quality, safety and environmental protection, etc., to ensure that they meet the requirements

Supplier elimination

- To ensure the overall quality of suppliers, relevant systems and standards for supplier elimination have been formulated to strengthen supervision and risk prevention and control of suppliers, and take management measures such as freezing, elimination and withdrawal for problem suppliers

Full life cycle management of suppliers

5.1.2 Sustainable Supply Chain

Marketingforce has incorporated considerations of ESG-related factors into the full life cycle management process of suppliers to continuously reduce existing and potential ESG risks in business procurement activities. We give priority to cooperation with suppliers that provide environmentally friendly products and services, and actively promote the business ethics management and integrity culture construction of suppliers.

We pay great attention to the performance of our suppliers in terms of environmental protection, occupational health and safety, and business ethics, and conduct assessment and supervision through regular questionnaires and other means. In the quality agreements signed with suppliers, we explicitly require that the anti-commercial bribery clauses be included in the contract and the supplier integrity agreements be signed. The agreements shall detail the Company's anti-corruption policies, integrity requirements and reporting channels, which serve as an important basis for regulating our business practices. In addition, we conduct business ethics training for our suppliers every year to continuously strengthen their compliance awareness and jointly build a clean and transparent business ecosystem.

5.2 Industry Ecosystem

Marketingforce has always adhered to the concept of "innovation-driven development, win-win cooperation", and has joined hands with all parties to actively promote the co-construction of the industry and the coordinated development of the industry with an open attitude. We are committed to exploring new paths for industry development with our partners and contributing to the construction of a more prosperous and sustainable industrial ecosystem.

Marketingforce builds an industry-education integration community to cultivate high-quality talents

Building an "industry-education integration community" can effectively break through the limitations of cooperation between a single enterprise and a college, follow the dual laws of industrial development and educational development, and achieve the organic integration of the industry chain, education chain, knowledge chain and talent chain on a broader scale and at a deeper level.

During the Reporting Period, we actively participated in the 2024 Annual Work Conference of the National Digital Business Industry-Education Integration Community. With our leading AI+SaaS technological strength, we demonstrated our deep layout in the fields of industry-education integration and the education industry. At the conference, we signed strategic cooperation agreements with ten universities to deeply embed AI Agent capabilities into the education system, covering multiple key scenarios, assisting colleges and enterprises in achieving intelligent connection throughout the entire chain, and promoting collaborative innovation and high-quality development of education and industry.

Contributor to Marketing Automation (MA) Standard

As an innovation leader in the field of AI SaaS, Marketingforce has been deeply involved in the compilation of the Marketing Automation (MA) Industry Standard (《營銷自動化(MA)行業標準》). By virtue of our rich practical experience and technical insights in the field of digital marketing, we led and completed the framework construction of core chapters, filling the gap in the standardization construction of the MA field in China. As a major contributor, the experience and professional knowledge of Marketingforce have provided crucial support for the formulation of the standard, which has not only promoted technological progress in the AI SaaS industry but also laid a solid foundation for the healthy and sustainable development of the industry.

5.3 Community Contribution

Marketingforce has always been concerned about social needs and has expanded a variety of public welfare paths. Relying on our unique advantages in the industry, we have joined hands with all sectors of society to carry out a number of public welfare planning activities with focus on different groups, and strive to convey warmth and strength, and fulfill social responsibilities. During the Reporting Period, the donation amount of Marketingforce reached RMB407,300.

Support small and medium-sized enterprises in going global to stimulate the momentum of economic development

Marketingforce actively participates in policy propaganda and enterprise empowerment. During the Reporting Period, Marketingforce was invited to attend the export policy propaganda conference held by Xinxiang Municipal Bureau of Commerce to help "specialized, refined, distinctive and innovative" enterprises and small and micro foreign trade enterprises to expand the international market by using AI SaaS intelligent marketing tools, thereby assisting foreign trade enterprises in Xinxiang to stimulate export momentum and drive local economic development.

Support knowledge sharing and contribute to educational equity

During the World Book Day in 2024, Marketingforce donated 500 books to local schools to support students' educational development and knowledge acquisition. This move demonstrates Marketingforce's concern for educational equity and its active practice of social welfare, aiming to help more students have better learning resources and growth opportunities.

Support community care and convey warmth with actions

To carry forward the traditional Chinese virtues of "respecting, loving and supporting the elderly", and to care for the physical and mental health of the elderly, during the Reporting Period, the Party branch of Marketingforce organized a community elderly care visit activity, where they had a cordial conversation with the elderly, inquired about their living conditions and health status, and distributed care packages worth RMB3,300 to the elderly.

Support environmental protection and jointly build a green future

During the Arbor Day in 2024, Marketingforce actively fulfilled its corporate social responsibility by organizing its employees to participate in the "Green Earth, Shared Future" campaign to contribute to promoting green and sustainable development while enhancing the environmental awareness of employees.

APPENDIX

Appendix I: ESG Key Performance in 2024

Environmental

Category	Name	Unit	2024
Greenhouse Gas	Scope 1: Direct greenhouse gas emissions	Tonnes of CO_2 equivalent	16.95
	Direct greenhouse gas emission intensity	Tonnes of CO_2 equivalent/ RMB million of revenue	0.01
	Scope 2: Indirect greenhouse gas emissions	Tonnes of CO_2 equivalent	2,115.79
	Indirect greenhouse gas emission intensity	Tonnes of CO_2 equivalent/ RMB million of revenue	1.36
	Total greenhouse gas emissions	Tonnes of CO_2 equivalent	2,132.74
	Total greenhouse gas emission intensity	Tonnes of CO_2 equivalent/ RMB million of revenue	1.37
Waste	Total amount of hazardous waste	Tonnes	0.014
	Hazardous waste discharge intensity	Tonnes/RMB million of revenue	0.00001
	Total amount of non-hazardous waste	Tonnes	260.50
	Non-hazardous waste discharge intensity	Tonnes/RMB million of revenue	0.17
Energy	Total direct energy consumption	kWh	65,342.61
	Total indirect energy consumption	kWh	3,613,027.80
	Total comprehensive energy consumption	kWh	3,678,370.41
	Comprehensive energy consumption intensity	kWh/RMB million of revenue	2,360.05
Water Consumption	Total water consumption	m^3	15,627.50
	Water consumption intensity	m^3/RMB million of revenue	10.03

Social

Category	Name	Unit	2024
Employee	Total employees	Person	1,563
Total Employees/by Gender	Male employees	Person	819
	Female employees	Person	744
Total Employees/by Employment	Full-time employees	Person	1,563
	Part-time employees	Person	0
Total Employees/by Age	Under 30	Person	996
	30-50	Person	563
	Above 50	Person	4
Total Employees/by Region	East China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	Person	949
	South China (Guangdong, Guangxi, Hainan)	Person	356
	Central China (Hubei, Hunan, Jiangxi, Henan)	Person	213
	North China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	Person	11
	Northwest China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	Person	0
	Southwest China (Sichuan, Yunnan, Guizhou, Xizang, Chongqing)	Person	31
	Northeast China (Liaoning, Jilin, Heilongjiang)	Person	0
	Hong Kong, Macau and Taiwan	Person	3
	Overseas (Regions outside the PRC, Hong Kong, Macao and Taiwan)	Person	0
Total Employees/by Rank	Senior Management	Person	15
	Middle Management	Person	68
	Grassroots employees	Person	1,480
Employee Turnover Rate	Overall employee turnover rate	%	42.47

Category	Name	Unit	2024
Employee Turnover Rate/ by Gender	Male employees	%	42.51
	Female employees	%	42.44
Employee Turnover Rate/ by Age	Under 30	%	43.60
	30-50	%	40.46
	Above 50	%	0
Employee Turnover Rate/by Region	East China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	%	39.39
	South China (Guangdong, Guangxi, Hainan)	%	46.62
	Central China (Hubei, Hunan, Jiangxi, Henan)	%	45.57
	North China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	%	72.73
	Northwest China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	%	0
	Southwest China (Sichuan, Yunnan, Guizhou, Xizang, Chongqing)	%	55.56
	Northeast China (Liaoning, Jilin, Heilongjiang)	%	0
	Hong Kong, Macau and Taiwan	%	0
	Overseas (Regions outside the PRC, Hong Kong, Macao and Taiwan)	%	0
Work-related Injuries and Fatalities	Number of work-related fatalities of employees	Person	0
	Rate of work-related fatalities of employees	%	0
	Number of working days lost due to work-related injuries	Day	29
	Number of work-related fatalities of suppliers and contractors	Person	0
	Rate of work-related fatalities of suppliers and contractors	%	0
Total Number of Employees Trained	Total number of employees trained	Person	1,563
Percentage of Employees Trained/by Gender	Male employees	%	52.4
	Female employees	%	47.6

Category	Name	Unit	2024
Percentage of Employees Trained/by Rank	Senior Management	%	1.0
	Middle Management	%	4.4
	Grassroots employees	%	94.6
Average Hours of Employee Training/by Gender	Male employees	Hour	60.31
	Female employees	Hour	40.69
Average Hours of Employee Training/By Rank	Senior Management	Hour	106.03
	Middle Management	Hour	80.17
	Grassroots employees	Hour	49.07
Number of Suppliers by Region	The PRC	Company	177
	Outside the PRC (including Hong Kong, Macau and Taiwan)	Company	10
Customer Complaints	Product and service complaints	Case	71
	Percentage of safety and health-related recalls	%	0
Information Security and Data Protection	Number of information security audits	Time	1
	Number of data breach incidents	Case	0
Social Welfare	Capital investment in public welfare	RMB	407,300

Appendix II: Index of HKEX's Environmental, Social and Governance Reporting Guide

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
Environmental		
A1: Emissions		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.1 Environmental Protection
A1.1	The types of emissions and respective emissions data.	4.1 Environmental Protection
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Response to Climate Change
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Environmental Protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Environmental Protection
A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.1 Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.1 Environmental Protection

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	4.1 Environmental Protection
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.1 Environmental Protection
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.1 Environmental Protection
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.1 Environmental Protection
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1 Environmental Protection All water used by Marketingforce comes from the municipal water supply in the operating area
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Based on the current business situation of Marketingforce, this indicator is not applicable
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	4.1 Environmental Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.1 Environmental Protection 4.2 Response to Climate Change

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.2 Response to Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.2 Response to Climate Change
Social		
B1: Employment		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Employees' Rights and Interests
B1.1	Total workforce by gender, employment type, age group and geographical region.	3.1 Employees' Rights and Interests
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Employees' Rights and Interests
B2: Health and Safety		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to providing a safe working environment and protecting employees from occupational hazards.	3.3 Employee Care
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Employee Care
B2.2	Lost days due to work injury.	3.3 Employee Care
B2.3	Description of occupational health and safety measures adopted, how they have been implemented and monitored.	3.1 Employees' Rights and Interests

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2 Employee Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Employee Development
B3.2	The average training hours completed per employee by gender and employee category.	3.2 Employee Development
B4: Labour Standards		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to preventing child and forced labour.	3.1 Employees' Rights and Interests
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Employees' Rights and Interests
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employees' Rights and Interests
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.1 Responsible Supply Chain
B5.1	Number of suppliers by geographical region.	5.1 Responsible Supply Chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.1 Responsible Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1 Responsible Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1 Responsible Supply Chain

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
B6: Product Responsibility		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress.	2.3 Data and Privacy Security
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Based on the current business situation of Marketingforce, this indicator is not applicable
B6.2	Number of products and service-related complaints received and how they were dealt with.	2.2 High-quality Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2 High-quality Service
B6.4	Description of quality assurance processes and recall procedures.	Based on the current business situation of Marketingforce, this indicator is not applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Data and Privacy Security

Environmental, Social and Governance Areas, General Disclosures and KPIs		Chapter
B7: Anti-corruption		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer related to bribery, extortion, fraud, and money laundering.	1.3 Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.3 Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.3 Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	1.1 Corporate Governance
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take in to consideration the communities' interests.	5.3 Community Contribution
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.3 Community Contribution
B8.2	Resources contributed (e.g. money or time) to the focus area.	5.3 Community Contribution

Independent Auditor's Report

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Independent auditor's report
To the shareholders of Marketingforce Management Ltd
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Marketingforce Management Ltd (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 134 to 215, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	**How our audit addressed the key audit matter**
Revenue recognition of precision marketing services For the year ended 31 December 2024, the Group generated revenue from precision marketing services amounting to RMB716 million. The determination of whether revenue should be reported on a gross or net basis is based on the assessment of whether the Group acts as a principal or an agent in the transactions, taking into account the nature of specified services and whether the Group obtains controls of the specified services before transferring to advertisers. Management considers together whether (a) the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) the Group has inventory risk; and (c) the Group has discretion in establishing the prices. We focused on this area due to the judgements involved in determining the Group's role as a principal or an agent in recognising precision marketing service revenue which will impact the presentation of revenue and related costs in the consolidated financial statements. The accounting policies, significant accounting judgements, estimates and disclosures in relation to revenue recognition of precision marketing service are included in notes 2.4, 3 and 5 to the consolidated financial statements.	We performed the following procedures to address this key audit matter: 1. Understood, evaluated and tested the key controls in place over the Group's revenue recognition assessment, including management's approval and review of sales contracts and other supporting documents; 2. Inquired the management and obtained an understanding of the indicators and judgements management considered when assessing the revenue recognition on a gross or net basis under each different circumstance. 3. Obtained sales contracts, on a sampling basis, and performed the contract review including the relevant contract terms and checked against management's explanations and other supporting documents regarding the judgements applied for the selected sales contracts. 4. On a sampling basis, obtained the deliveries produced by the Group, conducted interviews with different advertisers, and compared the business nature to management's explanations and the Group's business arrangements. 5. Assessed the adequacy of the Group's disclosures related to revenue recognition of precision marketing services in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	**How our audit addressed the key audit matter**
Impairment of receivables	
The Group had receivables, including trade and bills receivables, and other receivables, from customers for revenue contracts amounting to RMB2,014 million as at 31 December 2024. Impairment losses of RMB60 million were recognised for the year ended 31 December 2024. Management recognises a loss allowance for lifetime expected credit losses (ECLs) on these receivables. Lifetime ECLs are estimated based on a number of factors which include the ageing of overdue receivables, customers' repayment history, customers' financial position, current market conditions and forecast of future economic conditions. Such assessment involves a significant degree of management's judgement and estimation. We focused on this area because the assessment of loss allowance for receivables is inherently subjective and requires significant management's judgement, which increases the risk of error or potential management bias. The accounting policies, significant accounting judgements, estimates and disclosures in relation to impairment of receivables are included in notes 2.4, 3, 19 and 20 to the consolidated financial statements.	We performed the following procedures to address this key audit matter: 1. Understood, evaluated and tested the key controls in place over the Group's processes of credit assessment. 2. Tested management's calculation of expected credit losses in respect of receivables and checked the accuracy of the ageing of receivables on a sampling basis. 3. Assessed the reasonableness of management's estimation of expected credit losses by checking against subsequent settlements on a sampling basis, and taking into account the customers' credit history, business performance and financial capability, and the industry trend and market development. 4. Assessed the adequacy of the Group's disclosures related to impairment of receivables in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence.

Ernst & Young
Certified Public Accountants
Hong Kong

31 March 2025

Consolidated Statements of Profit or Loss

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**1,558,586**	1,232,120
Cost of services		**(732,793)**	(525,938)
GROSS PROFIT		**825,793**	706,182
Other income and gains	6	**28,379**	39,904
Selling and distribution expenses		**(327,480)**	(326,798)
Administrative expenses		**(264,747)**	(203,892)
Research and development expenses		**(245,449)**	(210,037)
Fair value changes of convertible redeemable preferred shares	26	**(780,539)**	(107,815)
Other expenses	9	**(13,653)**	(585)
Impairment for financial assets		**(59,672)**	(31,143)
Finance costs	8	**(39,302)**	(35,239)
LOSS BEFORE TAX	7	**(876,670)**	(169,423)
Income tax expense	12	**–**	(55)
LOSS FOR THE YEAR AND ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(876,670)**	(169,478)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB)	14	**(4.13)**	(1.01)

Consolidated Statements of Comprehensive Income

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
LOSS FOR THE YEAR		**(876,670)**	(169,478)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods			
– Change in fair value of financial assets at fair value through other comprehensive income	21	**7**	13
– Exchange differences on translation of foreign operations		**(8,488)**	(9,381)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods			
– Exchange differences on translation of the Company		**7,968**	(10,334)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(513)**	(19,702)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR AND ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(877,183)**	(189,180)

Consolidated Statements of Financial Position

31 December 2024

	Notes	**31 December 2024 RMB'000**	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**52,980**	93,353
Right-of-use assets	16	**68,405**	115,316
Intangible assets	17	**3,782**	2,884
Prepayments, other receivables and other assets	20	**14,076**	17,459
Contract acquisition costs	5	**2,217**	1,390
Total non-current assets		**141,460**	230,402
CURRENT ASSETS			
Trade and bills receivables	19	**143,697**	112,663
Contract acquisition costs	5	**54,287**	38,406
Prepayments, other receivables and other assets	20	**1,737,966**	1,711,324
Financial assets at fair value through other comprehensive income	21	**56**	1,602
Tax recoverable		**3**	–
Restricted cash	22	**1,074**	20,481
Time deposit with original maturity of more than three months	22	**183,304**	50,000
Cash and cash equivalents	22	**790,916**	138,022
Total current assets		**2,911,303**	2,072,498
CURRENT LIABILITIES			
Trade payables	23	**75,094**	50,950
Other payables and accruals	24	**757,413**	612,701
Interest-bearing bank and other borrowings	25	**1,022,586**	619,812
Lease liabilities	16	**37,991**	54,304
Contract liabilities	5	**361,916**	509,788
Tax payable		**40**	7
Convertible redeemable preferred shares	26	**–**	1,223,789
Other current liabilities	27	**23,080**	32,894
Total current liabilities		**2,278,120**	3,104,245
NET CURRENT ASSETS/(LIABILITIES)		**633,183**	(1,031,747)
TOTAL ASSETS LESS CURRENT LIABILITIES		**774,643**	(801,345)

Consolidated Statements of Financial Position

31 December 2024

	Notes	**31 December 2024 RMB'000**	31 December 2023 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	16	**49,432**	89,643
Other payables and accruals	24	**2,132**	3,370
Contract liabilities	5	**64,985**	66,337
Total non-current liabilities		**116,549**	159,350
Net asset/(liabilities)		**658,094**	(960,695)
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	**1**	1
Other reserves	29	**658,093**	(960,696)
Total equity		**658,094**	(960,695)

Zhao Xulong
Director

Xu Jiankang
Director

Consolidated Statements of Changes in Equity

31 December 2024

		Attributable to owners of the Company							
	Notes	Share capital RMB'000	Capital reserve* RMB'000	Share-based payment reserve* RMB'000	Fair value reserve* RMB'000	Statutory reserve** RMB'000	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
As at 1 January 2024		**1**	**(222,349)**	**46,700**	**(8)**	**9,558**	**(103,999)**	**(690,598)**	**(960,695)**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**–**	**(876,670)**	**(876,670)**
Other comprehensive loss for the year:									**–**
– Change in fair value of financial assets at fair value through other comprehensive income	21	**–**	**–**	**–**	**7**	**–**	**–**	**–**	**7**
– Exchange differences on translation		**–**	**–**	**–**	**–**	**–**	**(520)**	**–**	**(520)**
Total comprehensive loss for the year		**–**	**–**	**–**	**7**	**–**	**(520)**	**(876,670)**	**(877,183)**
Net proceeds from issue of shares from initial public offering		**–**	**232,141**	**–**	**–**	**–**	**–**	**–**	**232,141**
Issue of shares from placing (note 28)		**–**	**101,393**	**–**	**–**	**–**	**–**	**–**	**101,393**
Automatic conversion of convertible redeemable preferred shares upon the global offering	26	**–**	**2,007,355**	**–**	**–**	**–**	**–**	**–**	**2,007,355**
Equity-settled share option arrangements	30	**–**	**–**	**155,083**	**–**	**–**	**–**	**–**	**155,083**
Transfer to statutory reserve**		**–**	**–**	**–**	**–**	**3,302**	**–**	**(3,302)**	**–**
As at 31 December 2024		**1**	**2,118,540**	**201,783**	**(1)**	**12,860**	**(104,519)**	**(1,570,570)**	**658,094**

		Attributable to owners of the Company							
	Notes	Share capital RMB'000	Capital reserve* RMB'000	Share-based payment reserve* RMB'000	Fair value reserve* RMB'000	Statutory reserve* RMB'000	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
As at 1 January 2023		1	(222,349)	38,322	(21)	5,213	(84,284)	(516,775)	(779,893)
Loss for the year		–	–	–	–	–	–	(169,478)	(169,478)
Other comprehensive loss for the year:									
– Change in fair value of financial assets at fair value through other comprehensive income	21	–	–	–	13	–	–	–	13
– Exchange differences on translation		–	–	–	–	–	(19,715)	–	(19,715)
Total comprehensive loss for the year		–	–	–	13	–	(19,715)	(169,478)	(189,180)
Equity-settled share option arrangements	30	–	–	8,378	–	–	–	–	8,378
Transfer to statutory reserve**		–	–	–	–	4,345	–	(4,345)	–
As at 31 December 2023		1	(222,349)	46,700	(8)	9,558	(103,999)	(690,598)	(960,695)

* These reserve accounts comprise the consolidated reserves of RMB658,093,000 (2023: RMB(960,696,000)) in the consolidated statements of financial position.

Consolidated Statements of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(876,670)**	(169,423)
Adjustments for:			
Depreciation of items of property, plant and equipment	15	**32,777**	41,093
Depreciation of right-of-use assets	16	**37,157**	55,914
Amortisation of intangible assets	17	**2,097**	1,800
Recognition of equity-settled share-based payments	30	**155,083**	8,378
Impairment for financial assets	7	**59,672**	31,143
Gains on modification of right-of-use assets and lease liabilities	6&16	**(5,319)**	(281)
Gains on disposal of right-of-use assets and lease liabilities	6&16	**(5,154)**	(424)
Losses on disposal of items of property, plant and equipment	9	**11,229**	30
Fair value changes of convertible redeemable preferred shares	26	**780,539**	107,815
Finance costs	8	**39,302**	35,239
Bank interest income	6	**(1,131)**	(1,048)
Investment income on time deposits with original maturity of more than three months	6	**(6,490)**	–
Net foreign exchange losses	9	**681**	60
Write-off of tax recoverable		**–**	2,707
Decrease/(Increase) in restricted cash		**19,407**	(11,372)
Increase in trade and bills receivables		**(45,645)**	(896)
Increase in prepayments, other receivables and other assets		**(71,130)**	(339,512)
Increase in contract acquisition costs		**(16,708)**	(24,374)
Increase in trade payables		**24,144**	7,281
Increase in other payables and accruals		**154,991**	36,055
Decrease in financial assets at fair value through other comprehensive income		**1,545**	466
(Decrease)/Increase in contract liabilities		**(149,224)**	92,559
(Decrease)/Increase in other current liabilities		**(9,812)**	4,238
Cash generated from/(used in) operations		**131,341**	(122,552)
Interest received		**6,689**	1,048
Income tax returned		**30**	–
Net cash flows from/(used in) operating activities		**138,060**	(121,504)

Consolidated Statements of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipt from the disposal of property, plant and equipment		**998**	514
Purchase of intangible assets		**(561)**	(939)
Purchases of items of property, plant and equipment		**(9,568)**	(15,676)
Placement of short-term bank deposits		**(374,488)**	(50,000)
Reception of short-term bank deposits		**241,097**	–
Net cash flows used in investing activities		**(142,522)**	(66,101)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	31	**(41,320)**	(73,220)
Proceeds from interest-bearing bank and other borrowings		**1,868,218**	1,019,000
Repayment of interest-bearing bank borrowings		**(1,465,920)**	(800,000)
Interest paid		**(33,803)**	(23,305)
Payments of listing expense		**(691)**	(554)
Net proceeds from issue of shares from initial public offering	28	**227,558**	–
Net proceeds from issue of shares from placing	28	**101,393**	–
Net cash flows generated from financing activities		**655,435**	121,921
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**650,973**	(65,684)
Cash and cash equivalents at beginning of year		**138,022**	203,506
Effect of foreign exchange rate changes, net		**1,921**	200
CASH AND CASH EQUIVALENTS AT END OF YEAR		**790,916**	138,022
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	**975,294**	208,503
Less: Time deposits with original maturity of more than three months	22	**(183,304)**	(50,000)
Less: Restricted cash	22	**(1,074)**	(20,481)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CONSOLIDATED STATEMENTS OF CASH FLOWS	22	**790,916**	138,022

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 23 February 2021 and was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 May 2024. The registered office address of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the business of AI+SaaS business, which provides cloud-based marketing and sales services and intelligent talent management services, and precision marketing services, which provides marketing solutions in the PRC.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, except for Trueland Information Technology (Shanghai) Co., Ltd., which is a company limited by shares, (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Marketingforce (HongKong) Ltd. ("**Marketingforce HongKong**")	Hong Kong 17 March 2021	HKD1	100%	–	Investment holding
American Kaililong International Holding (H.K.) Ltd. ("**American Kaililong**")	Hong Kong 26 March 2009	HKD10,000	100%	–	Marketing and sales services
邁富時網絡技術(上海)有限公司 Marketingforce Network Technology (Shanghai) Co., Ltd. ("**Marketingforce Network Technology**")	PRC/Mainland China 20 April 2021	USD100,000,000	–	100%	Investment holding
珍島信息技術(上海)股份有限公司 Trueland Information Technology (Shanghai) Co., Ltd. ("**Shanghai Trueland**")	PRC/Mainland China 25 September 2009	RMB27,600,000	–	100%	Marketing and sales services
無錫珍島數字生態服務平台技術有限公司 Wuxi Trueland Digital Eco Service Platform Technology Co., Ltd. ("**Wuxi Trueland**")	PRC/Mainland China 20 May 2014	RMB10,000,000	–	100%	Marketing and sales services
無錫珍島智能技術有限公司 Wuxi Trueland Intelligence Technology Co., Ltd. ("**Wuxi Trueland Intelligence**")	PRC/Mainland China 18 October 2019	RMB10,000,000	–	100%	Marketing and sales services
上海珍島智能技術集團有限公司 Shanghai Trueland Intelligence Technology Group Co., Ltd. ("**Shanghai Trueland Intelligence**")	PRC/Mainland China 28 May 2020	RMB100,000,000	–	100%	Marketing and sales services
上海珍島網絡科技有限公司 Shanghai Trueland Network Science & Technology Co., Ltd. ("**Shanghai Trueland Network**")	PRC/Mainland China 28 December 2015	RMB50,000,000	–	100%	Marketing and sales services
邁富時企業管理(上海)有限公司 Marketingforce Enterprise Management (Shanghai) Co., Ltd. ("**Marketingforce Enterprise Management**") (曾用名:珍島數字科技(上海)有限公司) (Former Name: Trueland Digital Technology (Shanghai) Co., Ltd.)	PRC/Mainland China 28 December 2015	RMB100,000,000	–	100%	Marketing and sales services

1. CORPORATE INFORMATION *(Continued)*

Name*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
上海洞察力數字科技集團有限公司 Shanghai Dongchali Digital Technology Group Co., Ltd. ("**Shanghai Insight**")	PRC/Mainland China 24 May 2011	RMB100,000,000	–	100%	Marketing and sales services
成都珍島信息技術有限公司 Chengdu Trueland Information Technology Co., Ltd. ("**Chengdu Trueland**")	PRC/Mainland China 14 September 2015	RMB2,000,000	–	100%	Marketing and sales services
廣東珍島信息技術有限公司 Guangdong Trueland Information Technology Co., Ltd. ("**Guangdong Trueland**")	PRC/Mainland China 29 January 2015	RMB10,000,000	–	100%	Marketing and sales services
杭州珍島信息技術有限公司 Hangzhou Trueland Information Technology Co., Ltd. ("**Hangzhou Trueland**")	PRC/Mainland China 24 February 2016	RMB1,000,000	–	100%	Marketing and sales services
溫州珍島信息技術有限公司 Wenzhou Trueland Information Technology Co., Ltd. ("**Wenzhou Trueland**")	PRC/Mainland China 17 February 2016	RMB2,000,000	–	100%	Marketing and sales services
寧波珍島信息技術有限公司 Ningbo Trueland Information Technology Co., Ltd. ("**Ningbo Trueland**")	PRC/Mainland China 9 September 2015	RMB2,000,000	–	100%	Marketing and sales services
蘇州珍島信息技術有限公司 Suzhou Trueland Information Technology Co., Ltd. ("**Suzhou Trueland**")	PRC/Mainland China 20 January 2016	RMB1,000,000	–	100%	Marketing and sales services
中山珍島信息技術有限公司 Zhongshan Trueland Information Technology Co., Ltd. ("**Zhongshan Trueland**")	PRC/Mainland China 1 April 2020	RMB1,000,000	–	100%	Marketing and sales services
台州珍島信息技術有限公司 Taizhou Trueland Information Technology Co., Ltd. ("**Taizhou Trueland**")	PRC/Mainland China 2 April 2020	RMB1,000,000	–	100%	Marketing and sales services
凱麗隆(上海)軟件信息科技有限公司 Kaililong (Shanghai) Information Technology Co., Ltd. ("**Shanghai Kaililong**")	PRC/Mainland China 16 May 2011	RMB10,000,000	–	100%	Marketing and sales services
凱麗隆(廣州)信息科技有限公司 Kaililong (Guangzhou) Information Technology Co., Ltd. ("**Guangzhou Kaililong**")	PRC/Mainland China 3 March 2016	RMB1,000,000	–	100%	Marketing and sales services
無錫凱麗隆廣告科技有限公司 Wuxi Kaililong Advertising Technology Co., Ltd. ("**Wuxi Kaililong**")	PRC/Mainland China 26 December 2017	RMB10,000,000	–	100%	Marketing and sales services
Kaililong International Holding (H.K) Limited ("**Hongkong Kaililong**")	Hong Kong 29 August 2018	HKD1,000,000	100%	–	Marketing and sales services
湖北省珍島數字智能科技有限公司 Hubei Trueland Digital Intelligent Technology Co., Ltd. ("**Hubei Trueland**")	PRC/Mainland China 1 March 2022	RMB100,000,000	–	100%	Marketing and sales services
珍島數字科技(江西)有限公司 Trueland Digital Technology (Jiangxi) Co., Ltd. ("**Jiangxi Trueland**")	PRC/Mainland China 16 May 2024	RMB20,000,000	–	100%	Marketing and sales services

1. CORPORATE INFORMATION *(Continued)*

Name*	Place and date of incorporation/ establishment and place of operations	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
邁富時數字科技(江西)有限公司 Marketingforce Digital Technology (Jiangxi) Co., Ltd ("**Marketingforce Jiangxi**")	PRC/Mainland China 23 June 2024	USD5,000,000	–	100%	Marketing and sales services
凱麗隆(杭州)軟件信息科技有限公司 Hangzhou Kaililong Software Information Technology Co., Ltd. ("**Hangzhou Kaililong**")	PRC/Mainland China 2 September 2024	RMB10,000,000	–	100%	Marketing and sales services
上海邁富時數字科技有限公司 Shanghai Marketingforce Digital Technology Co., Ltd ("**Marketingforce Shanghai**")	PRC/Mainland China 8 October 2024	USD30,000,000	–	100%	Marketing and sales services
德富時智能技術(嘉興)有限公司 DHRforce Intelligent Technology (Jiaxing) Co., Ltd. ("**Jiaxing DHRforce**")**	PRC/Mainland China 8 November 2024	RMB13,227,513	–	75.6%	Marketing and sales services & Intelligent talent management services

* The English names of these companies represent the best effort made by management of the Company to directly translate the Chinese names as they do not register any official English names.

** As of December 31, 2024, Jiaxing DHRforce had no paid-in capital and the non-controlling interest was nil.

The Group provides certain value-added telecommunications services business which is subject to foreign investment prohibition and restriction in Mainland China. A wholly owned subsidiary of the Company, Marketingforce Network Technology ("**WFOE**"), has entered into contractual arrangements ("**Contractual Arrangements**") with Shanghai Trueland and their respective registered equity holders. The Contractual Arrangements enable the WFOE to exercise effective control over Shanghai Trueland and obtain substantially all economic benefits of Shanghai Trueland. Accordingly, Shanghai Trueland is controlled by the Company based on the Contractual Arrangements though the Company does not have any direct or indirect equity interest in Shanghai Trueland.

All intra-group transactions and balances have been eliminated on consolidation.

2.1 BASIS OF PREPARATION

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

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

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

The Group considers the application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and additional disclosure will be included in the financial statements. Except for IFRS 18 the Group considers these new and revised IFRSs are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement *(Continued)*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than deferred tax assets, financial assets and contract acquisition costs), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets *(Continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

Or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used and estimated useful life for this purpose are as follows:

Office equipment	19%
Furniture and fixtures	19%
Motor vehicles	19%
Leasehold improvements	The shorter of remaining lease terms and the estimated useful live of 1 – 3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The principal annual rate used for this purpose is as follows:

Software	10%-20%

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1 year-6 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases is recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derecognition of financial assets *(Continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

General approach *(Continued)*

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. Debt investments graded in the top investment categories (Very Good and Good) by the Credit Rating Agency are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the Credit Rating Agency both to determine whether the debt instruments have significantly increased in credit risk and to estimate ECLs.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Initial recognition and measurement *(Continued)*

The Group's financial liabilities include trade payables, other payables and accruals, convertible redeemable preferred shares, interest-bearing bank and other borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *AI+SaaS business*

AI+SaaS business revenue primarily generates from a variety of cloud-based marketing and sales solutions. Revenue is generally recognised over time on a ratable basis over the contract term beginning from the date when cloud is accessible to the customer. AI+SaaS business is provided to customers directly, including those sold directly by the Group and through channel partners. The Group is responsible to deliver the cloud-based software and ensure the customers have the right to access the cloud-based software in a stable way.

The channel partners work as the agents and have the contractual obligation to follow the Group's pricing guidance and have no significant performance obligation towards the customers. Therefore the Group is the principal and recognises revenue at the gross amount billed to the customers by the channel partners. The difference between the gross amount billed to the customer by the channel partners and the amount billed to channel partners by the Group is recognised as contract acquisition cost. Contract acquisition costs are charged to selling and distribution expenses on a ratable basis which is in line with the revenue recognition.

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

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(a) AI+SaaS business (Continued)

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

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

(b) Precision marketing services

The Group generates revenue from marketing solutions for advertising in a range of industries on media platforms. Precision marketing services include online advertisement solution services and online advertisement distribution services. Under each particular contract with customers, the Group is acting as a principal or an agent in the specific transactions. In determining whether the Group is acting as a principal or as an agent under the contract, management is required to take into account all relevant factors when making the judgement and evaluation, which are (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the Group has inventory risk before or after the specified service or control has been transferred to a customer; and (c) whether the Group has discretion in establishing the prices for the specified service. Specifically, for online advertisement solution service, the Group acts as the principal of these arrangements, correspondingly recognises revenue on a gross basis; while for online advertisement distribution service, the Group acts as the agent and recognises revenue on a net basis.

(1) Online advertisement solution services

The Group provides one-stop cross-media mobile marketing solutions by designing, producing, launching, monitoring and optimizing their advertisement campaigns, with strategic focus on top media platforms. The Group charges the customers mainly based on Cost Per Mille ("**CPM**") and Cost Per Click ("**CPC**"), which is subject to downward adjustments when the unit costs of advertising exceeded the committed levels. Revenue is recognised at a point in time when the customer benefits from the services.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(b) Precision marketing services (Continued)

(1) Online advertisement solution services *(Continued)*

While none of the factors individually are considered presumptive or determinative, in these arrangements the Group is the principal and responsible for (i) identifying and contracting with third-party advertisers which the Group views as customers, the Group is primarily responsible for delivering the specified integrated services to the advertisers and committed not to exceed the unit costs of advertising as agreed with the advertisers; (ii) taking certain risk of loss to the extent that the cost incurred for producing contents, formulating advertisement campaign and acquiring traffic from media platforms cannot be compensated by the total consideration received from the advertisers; (iii) performing all the billing and collection activities based on prices negotiated by the Group with the advertisers; and (iv) taking responsibility for the advertising content that the Group produced and placed with media platforms. The Group controls the specified service before that service is transferred to the advertiser and acts as the principal of these arrangements and therefore recognises revenue earned and costs incurred related to these transactions on gross basis. Under these arrangements, the rebates obtained from the media platforms are recorded as reduction of cost of sales. Rebates offered to the advertisers are recognised as deduction of revenue.

(2) Online advertisement distribution services

The Group provides traffic acquisition service to distribute the advertisements produced by the advertisers or the Group. The advertisements are published on the targeted media platforms as determined by the customers. Besides, the Group provides advertisements account charging service to customers upon the request from customers. Revenue is recognised at a point in time when the distribution of advertisements and charging of advertisement accounts are completed.

The Group is not the principal in this arrangement as the Group does not control the specified service (i.e., the traffic) before that service is delivered to the customer, because (i) it is the targeted media platform, rather than the Group, who is primarily responsible for providing the media publishing service; (ii) the media platforms are identified and determined by the customers, rather than the Group, and the Group did not commit to acquire the traffic before transferring to the customers. Therefore, the Group is not the principal in executing these transactions. The Group reports the amount received from the customers and the amounts paid to the media platforms related to these transactions on a net basis. Under these arrangements, rebates granted by the media platforms are recorded as revenue in the consolidated statements of profit or loss. Rebates offered to the advertisers are recognised as a deduction of revenue.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract acquisition costs

Contract acquisition cost is recognised as an asset when the channel partners of the AI+SaaS business secure contracts on behalf of the Group and the cost is expected to be recovered. It is amortised and charged to selling and distribution expenses on a ratable basis which is in line with the pattern of revenue recognition.

Share-based payments

The Company operates a share incentive plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using discounted cash flow method and back-solve method, further details of which are given in note 30.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Share-based payments *(Continued)*

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other Employee benefits

Pension scheme

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The financial statements are presented in RMB, which is different from the Company's functional currency, the United States dollar ("**USD**"). As the major revenues and assets of the Group are derived from operations in Mainland China, RMB is chosen as the presentation currency to present the financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual arrangements

Shanghai Trueland provides value-added telecommunications services to customers. Due to regulatory prohibition and restriction on foreign ownership in providing value-added telecommunications services in the PRC, the Group exercises control over Shanghai Trueland and enjoys all economic benefits of Shanghai Trueland through the Contractual Arrangements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

Contractual arrangements *(Continued)*

The Group considers that it controls Shanghai Trueland, notwithstanding the fact that it does not hold a direct equity interest in Shanghai Trueland, as it has power over the financial and operating policies of Shanghai Trueland and receives substantially all of the economic benefits from the business activities of Shanghai Trueland through the Contractual Arrangements. Accordingly, Shanghai Trueland has been accounted for as a subsidiary of the Company for the year ended 31 December 2023 and 2024.

Principal versus agent considerations – revenue from provision of precision marketing services

In determining whether the Group is acting as a principal or as an agent in the provision of precision marketing services requires judgements and considerations of all relevant facts and circumstances. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The Group considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstance. The Group reported online advertisement solution services on a gross basis and reported online advertisement distribution services on a net basis.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Share-based payments

The Group has set up employee incentive platforms for the Company's directors and the Group's employees. The fair value of the restricted shares is determined by the discounted cash flow method at the grant dates. Valuation techniques are certified by an independent valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Some inputs, such as the discount rate for lack of marketability ("**DLOM**"), discount rate and volatility, require management estimates. Should any of the estimates and assumptions change, it may lead to a change in the fair value to be recognised in profit or loss. Further details are contained in note 30.

Variable consideration for rebates earned from media platforms

Media platforms may grant the Group rebates in various forms. The Group records such rebates as reduction of cost of services under gross basis (where the Group acts as principal), or as revenue under net basis (where the Group acts as agent). The rebates earned by the Group from media platforms come with a variety of structures and rates, which are primarily determined based on the contract terms with these media platforms, their applicable rebate policies, the business performances of the Group and the discretionary incentive programs as set up by the media platforms.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Variable consideration for rebates earned from media platforms *(Continued)*

The Group accrues rebates from media platforms based on evaluation as to whether the contractually stipulated thresholds of advertising spend are likely to being reached, or other benchmarks or certain prescribed classification are likely to being qualified. This determination requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates based on the past experience and regular monitoring of various performance factors set within the rebate policies. Such rebates as a percentage of gross spending of the Group and the advertisers may fluctuate and are reviewed and adjusted from time to time.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Financial liabilities measured at fair value through profit or losses

The instruments issued to investors are not traded in an active market and the respective fair value is determined by using valuation techniques, including the discounted cash flow method, the back-solve method and equity allocation model. Such valuation is based on key parameters about discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 26.

Deferred tax assets

Deferred tax assets are recognised for all accumulated tax losses and deductible temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 18.

Provision for expected credit losses on receivables

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the customer industry, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Provision for expected credit losses on receivables *(Continued)*

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's receivables is disclosed in notes 19 and 20.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 15, 16 and 17, respectively. In accordance with the management's estimation, the recoverable amount of non-financial assets has been determined on the basis of value in use by estimating future pre-tax cash flows using key assumptions including budgeted gross margins, revenue growth rates and discount rates. The budgeted gross margins used in the impairment testing were determined by the management on the basis of past performance and its expectation for market development of the AI+SaaS business and precision marketing services. The expected revenue growth rates are based on the business plan approved by the Company. Discount rates reflect market assessments of the time value and the specific risks relating to the industry. Based on the result of the assessment, the directors are of the view that the carrying amount of non-financial assets does not exceed the recoverable amount and thus no provision for impairment is required for non-financial assets as at the end of each reporting period.

4. SEGMENT INFORMATION

Operating 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 is principally engaged in the provision of AI+SaaS business and precision marketing services in Mainland China. Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment, mainly based on segment revenue and segment gross profit. The segment gross profit is calculated as segment revenue minus segment cost of services. Cost of services for AI+SaaS business segment primarily comprised of employee benefit expenses and other direct services costs. Cost of services for precision marketing service segment primarily comprised of traffic purchase cost.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the 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.

	AI+SaaS business RMB'000	Precision marketing service RMB'000	Total RMB'000
Year ended 31 December 2024			
Segment revenue	**842,161**	**716,425**	**1,558,586**
Segment cost of services	**115,666**	**617,127**	**732,793**
Gross profit	**726,495**	**99,298**	**825,793**
Year ended 31 December 2023			
Segment revenue	702,378	529,742	1,232,120
Segment cost of services	86,223	439,715	525,938
Gross profit	616,155	90,027	706,182

Geographical information

Since almost all of the Group's non-current assets were located in Mainland China and almost all of the revenue of the Group is derived from operations in Mainland China during the reporting period, no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

4. SEGMENT INFORMATION *(Continued)*

Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during each reporting period are set out below:

	2024 RMB'000	2023 RMB'000
Customer A	**420,188**	302,252
Customer B	**N/A***	142,781

* The corresponding revenue of the customer is not disclosed as the amount did not individually account for 10% or more of the Group's revenue for the reporting period.

5. REVENUE

An analysis of revenue is as follows:

(a) Disaggregated revenue information

Types of services

	2024 RMB'000	2023 RMB'000
Precision marketing service	**716,425**	529,742
AI+SaaS business	**842,161**	702,378
	1,558,586	1,232,120

Timing of revenue recognition

	2024 RMB'000	2023 RMB'000
Precision marketing service		
At a point in time	**716,425**	529,742
AI+SaaS business		
At a point in time	**87,655**	14,927
Over time	**754,506**	687,451
	1,558,586	1,232,120

5. REVENUE *(Continued)*

(b) Performance obligations

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

AI+SaaS business

For AI+SaaS service, the performance obligation is mainly satisfied over the contractual term starting from the date when the customer has access to one or more of the cloud applications. For services that are recognised at a point in time, they are recognised when the services are completed. The Group applies both credit policy and advance payments policy to the customers.

For customised software development project, the performance obligation is satisfied after the software is delivered and accepted by the customer and payment is generally due within 30 days from the billing date, except that certain percentage of contract sum is required to be prepaid by the customer.

Precision marketing service

The performance obligation is satisfied on benefiting from the services, advertisements distributing or advertisement accounts charging. The performance obligation is satisfied when the customer benefits from the services or the distribution of advertisements and charging of advertisement accounts are completed. The Group provides the recognised and creditworthy third parties with specific credit terms throughout precision marketing service arrangements.

(c) Revenue recognised in relation to contract liabilities

The Group recognised the following revenue-related contract liabilities:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Contract liabilities	**426,901**	576,125

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the reporting period:		
Precision marketing service	**3,642**	2,602
AI+SaaS business	**506,146**	416,246
	509,788	418,848

5. REVENUE *(Continued)*

(c) Revenue recognised in relation to contract liabilities *(Continued)*

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each reporting period and the amounts disclosed below do not include variable consideration which is constrained:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Expected to be satisfied		
Within 1 year	**361,916**	509,788
Over 1 year*	**64,985**	66,337
Contract liabilities	**426,901**	576,125

* The Group expects the remaining performance obligations will be mainly satisfied in 1 to 2 years.

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

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

	31 December 2024 RMB'000	31 December 2023 RMB'000
Contract acquisition costs (current)	**54,287**	38,406
Contract acquisition costs (non-current)	**2,217**	1,390
	56,504	39,796

The Group has recognised assets in relation to incremental costs to acquire the AI+SaaS business offering contracts. This is presented within "Contract acquisition costs" in the consolidated statements of financial position.

	2024 RMB'000	2023 RMB'000
Amortisation into selling expenses related to AI+SaaS business during the year	**38,406**	14,314

5. REVENUE *(Continued)*

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

The Group has also recognised the following assets in relation to costs to fulfil its customised software development contracts. This is presented within "Prepayments, other receivables and other assets" in the consolidated statements of financial position.

	31 December 2024 RMB'000	31 December 2023 RMB'000
Contract fulfilment costs (current)	**11,768**	6,663

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2024 RMB'000	2023 RMB'000
Investment income on time deposits with original maturity of more than three months	**6,490**	–
Government grants*	**6,122**	12,727
Gains on modification of right-of-use assets and lease liabilities	**5,319**	281
Gains on disposal of right-of-use assets and lease liabilities	**5,154**	424
Additional deductible input VAT**	**3,998**	25,332
Bank interest income	**1,131**	1,048
Others	**165**	92
	28,379	39,904

* Government grants received during the reporting period primarily comprised the financial subsidies received from various local government authorities in the Mainland China. There are no unfulfilled conditions or contingencies relating to these incomes.

** Amount represents additional VAT deduction allowed under the PRC tax law, generated from AI+SaaS business and precision marketing services. There are no unfulfilled condition or contingencies relating to these grants.

7. LOSS BEFORE TAX

The Group's loss before tax is as follows:

	Notes	2024 RMB'000	2023 RMB'000
Cost of services rendered (excluding those included in employee benefit expense and depreciation)		**688,284**	500,619
Depreciation of items of property, plant and equipment	15	**32,777**	41,093
Depreciation of right-of-use assets	16	**37,157**	55,914
Amortisation of intangible assets	17	**2,097**	1,800
Research and development expenses (excluding amortisation, depreciation and employee benefit expense)		**127,096**	32,432
Lease expenses not included in the measurement of lease liabilities	16	**2,388**	1,769
Auditor's remuneration		**3,043**	194
Fair value loss on convertible redeemable preferred shares	26	**780,539**	107,815
Listing expenses		**20,260**	25,549
Employee benefit expense (including directors' remuneration (note 10)):			
– Salaries, allowances and benefits in kind		**336,362**	411,058
– Pension scheme contributions (defined contribution scheme)*		**38,143**	45,537
– Share-based payment compensation	30&31	**155,083**	8,378
Net foreign exchange losses	9	**681**	60
Impairment for financial assets	19&20	**59,672**	31,143
Additional deductible input VAT	6	**(3,998)**	(25,332)
Government grants	6	**(6,122)**	(12,727)
Bank interest income	6	**(1,131)**	(1,048)
Investment income on time deposits with original maturity of more than three months	6	**(6,490)**	–
Gains on modification of right-of-use assets and lease liabilities	6&16	**(5,319)**	(281)
Gains on disposal of right-of-use assets and lease liabilities	6&16	**(5,154)**	(424)
Losses on disposal of items of property, plant and equipment, net	9	**11,229**	30

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on interest-bearing bank and other borrowings	**34,279**	23,889
Interest on lease liabilities	**5,023**	11,350
	39,302	35,239

9. OTHER EXPENSES

	2024 RMB'000	2023 RMB'000
Losses on disposal of items of property, plant and equipment	**11,229**	30
Foreign exchange losses, net	**681**	60
Others	**1,743**	495
	13,653	585

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to the directors and chief executive of the Company (including the remuneration for services as chief executives and directors of the group entities prior to becoming the directors of the Company) during the reporting period are as follows:

	2024 RMB'000	2023 RMB'000
Fees	**–**	–
Other emoluments:		
Salaries, allowances and benefits in kind	**2,480**	4,923
Pension scheme contributions	**142**	136
Share-based payment compensation	**2,066**	2,066
Total directors' remuneration	**4,688**	7,125

During the reporting period, incentives were granted to directors of the Company in respect of their services to the Group, further details of which are set out in note 30. The fair value of such share incentive awards, which has been recognised in profit or loss immediately upon the date of grant or over the vesting period, was determined as at the date of grant and the amounts included in the financial statements for the reporting period is set out in the above directors' remuneration disclosures.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Share-based payment compensation RMB'000	Total remuneration RMB'000
Year ended 31 December 2024					
Executive directors					
Mr. Zhao Xulong	–	1,274	71	–	1,345
Mr. Xu Jiankang	–	1,008	71	2,066	3,145
	–	2,282	142	2,066	4,490
Non-executive directors					
Ms. Zhao Fangqi	–	–	–	–	–
Mr. Huang Shaodong (a)	–	–	–	–	–
Mr. Chen Chen (b)	–	66	–	–	66
Mr. Qin Ci (b)	–	66	–	–	66
Mr. Yang Tao (b)	–	66	–	–	66
	–	198	–	–	198
	–	2,480	142	2,066	4,688

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

	Fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Share-based payment compensation RMB'000	Total remuneration RMB'000
Year ended 31 December 2023					
Executive directors					
Mr. Zhao Xulong	–	3,075	68	–	3,143
Mr. Xu Jiankang	–	1,848	68	2,066	3,982
	–	4,923	136	2,066	7,125
Non-executive directors					
Ms. Zhao Fangqi	–	–	–	–	–
Mr. Huang Shaodong (a)	–	–	–	–	–
	–	–	–	–	–
	–	4,923	136	2,066	7,125

(a) Mr. Huang Shaodong was appointed as a non-executive director of the Company since April 2022.

(b) Mr. Chen Chen, Mr. Qin Ci and Mr. Yang Tao were appointed as non-executive directors of the company since May 2024.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year include 1 director (2023: 2), respectively, details of whose remuneration are set out in note 10 above. Details of the remaining 4 (2023: 3) highest paid employees who are not directors nor the chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	**6,313**	5,650
Pension scheme contributions	**155**	136
Share-based payment compensation	**6,036**	4,159
	12,504	9,945

11. FIVE HIGHEST PAID EMPLOYEES *(Continued)*

The number of the non-director highest paid employees whose remuneration fell within the following band is as follows:

	2024	2023
HK$1,500,001 to HK$2,000,000	1	–
HK$2,000,001 to HK$2,500,000	1	2
HK$3,000,001 to HK$3,500,000	1	–
HK$5,000,001 to HK$5,500,000	1	–
HK$6,000,001 to HK$6,500,000	–	1

12. INCOME TAX

Cayman Islands

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

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the reporting period.

Mainland China

Under the Law of the PRC on Corporate Income Tax (the "**CIT Law**") and Implementation Regulation of the CIT Law, the CIT rate of the PRC subsidiaries is 25% during the reporting period unless they are subject to tax concession set out below:

(1) Marketingforce Enterprise Management, Shanghai Trueland Network and Wuxi Trueland were accredited as high-tech enterprises in 2018 and 2021. They were entitled to a preferential CIT rate of 15% from January 2018 to December 2023 and a CIT rate of 25% for the year of 2024.

(2) Shanghai Trueland were accredited as a high-tech enterprise in 2012, and was entitled to a preferential CIT rate of 15% for the year of 2023 and 2024.

(3) Shanghai Trueland Intelligence was accredited as a double soft certification enterprise since December 2021, and was exempted from CIT for two years commencing from the first year of profitable, followed by a 50% reduction in the applicable CIT rate for the next three years. Shanghai Trueland Intelligence was accredited as a high-tech enterprise in 2022 and was entitled to a preferential CIT rate of 15% from January 2022 to December 2024.

(4) Hubei Trueland was accredited as a double soft certification enterprise since March 2023, and was exempted from CIT for two years commencing from the first year of profitable, followed by a 50% reduction in the applicable CIT rate for the next three years.

12. INCOME TAX *(Continued)*

Mainland China *(Continued)*

(5) Pursuant to Caishui [2023] circular No.6, the first RMB1,000,000 of assessable profits of these subsidiaries may be calculated as 25% and be taxed at the preferential CIT rate of 20%. The assessable profits between RMB1,000,000 and RMB3,000,000 may be calculated as 25% and be taxed at the preferential CIT rate of 20%. The policy is available during 2022 to 2024. Certain subsidiaries are qualified as small scaled minimal profit enterprises.

The major components of income tax expense of the Group are as follows:

	2024 RMB'000	2023 RMB'000
Current income tax	**–**	–
Deferred income tax (note 18)	**–**	55
Total tax charge for the year	**–**	55

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024 RMB'000	2023 RMB'000
Loss before tax	**(876,670)**	(169,423)
Tax at the statutory tax rate of 25%	**(219,168)**	(42,356)
Effects of preferential tax rates applicable to eligible subsidiaries	**10,121**	19,336
Income not subject to tax	**(646)**	(288)
Expenses not deductible for tax	**196,193**	18,735
Tax losses utilized from previous periods	**(2,055)**	(1,693)
Temporary differences and tax losses for which no deferred income tax asset was recognized	**29,080**	35,440
Accelerated research and development deductible expenses	**(13,525)**	(29,119)
Tax at the effective tax rates	**–**	55

13. DIVIDENDS

During the reporting period, no dividends have been declared or paid by the Company.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares, and the weighted average number of ordinary shares assumed to be in issue after taking into account the retrospective adjustments on the assumption that the Company's share split as disclosed in note 28 had been in effect on 1 January 2023.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the convertible redeemable preferred shares and share awards outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	2024	2023
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation (RMB'000)	**(876,670)**	(169,478)
Shares		
Weighted average number of ordinary shares assumed to be in issue during the year used in the basic and diluted loss per share calculation	**212,441,051**	168,093,200
Loss per share (basic and diluted) (RMB)	**(4.13)**	(1.01)

15. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

	Office equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2024:					
Cost	142,775	5,279	10,107	98,075	256,236
Accumulated depreciation	(95,549)	(3,243)	(7,199)	(56,892)	(162,883)
Net carrying amount	47,226	2,036	2,908	41,183	93,353
At 1 January 2024, net of accumulated depreciation	47,226	2,036	2,908	41,183	93,353
Additions	4,131	–	202	298	4,631
Disposals	(1,506)	(70)	(118)	(10,533)	(12,227)
Depreciation provided during the year	(16,589)	(897)	(1,203)	(14,088)	(32,777)
At 31 December 2024, net of accumulated depreciation	33,262	1,069	1,789	16,860	52,980
At 31 December 2024:					
Cost	123,261	5,009	9,688	87,840	225,798
Accumulated depreciation	(89,999)	(3,940)	(7,899)	(70,980)	(172,818)
Net carrying amount	33,262	1,069	1,789	16,860	52,980

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

31 December 2023

	Office equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2023:					
Cost	141,812	5,209	9,756	86,665	243,442
Accumulated depreciation	(76,910)	(2,377)	(5,911)	(36,822)	(122,020)
Net carrying amount	64,902	2,832	3,845	49,843	121,422
At 1 January 2023, net of accumulated depreciation	64,902	2,832	3,845	49,843	121,422
Additions	1,420	383	355	11,410	13,568
Disposals	(412)	(132)	–	–	(544)
Depreciation provided during the year	(18,684)	(1,047)	(1,292)	(20,070)	(41,093)
At 31 December 2023, net of accumulated depreciation	47,226	2,036	2,908	41,183	93,353
At 31 December 2023:					
Cost	142,775	5,279	10,107	98,075	256,236
Accumulated depreciation	(95,549)	(3,243)	(7,199)	(56,892)	(162,883)
Net carrying amount	47,226	2,036	2,908	41,183	93,353

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the reporting period, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between one and three years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the reporting period are as follow:

	2024 RMB'000	2023 RMB'000
Carrying amount at the beginning of the year	**115,316**	172,663
Additions	**22,064**	5,591
Lease modification	**(17,908)**	(4,731)
Lease termination	**(13,910)**	(2,293)
Depreciation provided during the year	**(37,157)**	(55,914)
Carrying amount at the end of the year	**68,405**	115,316

(b) Lease Liabilities

The carrying amounts of lease liabilities and the movements during the reporting period are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at the beginning of the year	**143,947**	207,955
Additions	**22,064**	5,591
Interest during the year	**5,023**	11,350
Lease modification	**(23,227)**	(5,012)
Lease termination	**(19,064)**	(2,717)
Payments during the year	**(41,320)**	(73,220)
Carrying amount at the end of the year	**87,423**	143,947
Analysed into:		
Current portion	**37,991**	54,304
Non-current portion	**49,432**	89,643

The maturity analysis of lease liabilities is disclosed in note 36.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	5,023	11,350
Gains on modification of right-of-use assets and lease liabilities	(5,319)	(281)
Gains on disposal of right-of-use assets and lease liabilities	(5,154)	(424)
Depreciation charge of right-of-use assets	37,157	55,914
Expense relating to short-term leases	2,388	1,769
Total amount recognised in profit or loss	34,095	68,328

(d) The total cash outflow for leases is disclosed in note 31.

17. INTANGIBLE ASSETS

31 December 2024

	Software RMB'000	Total RMB'000
At 1 January 2024		
Cost	20,514	20,514
Accumulated amortisation	(17,630)	(17,630)
Net carrying amount	2,884	2,884
Cost at 1 January 2024, net of accumulated amortisation	2,884	2,884
Additions	2,995	2,995
Amortisation provided during the year	(2,097)	(2,097)
At 31 December 2024	3,782	3,782
At 31 December 2024		
Cost	23,509	23,509
Accumulated amortisation	(19,727)	(19,727)
Net carrying amount	3,782	3,782

17. INTANGIBLE ASSETS *(Continued)*

31 December 2023

	Software RMB'000	Total RMB'000
At 1 January 2023		
Cost	19,591	19,591
Accumulated amortisation	(15,830)	(15,830)
Net carrying amount	3,761	3,761
Cost at 1 January 2023, net of accumulated amortisation	3,761	3,761
Additions	923	923
Amortisation provided during the year	(1,800)	(1,800)
At 31 December 2023	2,884	2,884
At 31 December 2023		
Cost	20,514	20,514
Accumulated amortisation	(17,630)	(17,630)
Net carrying amount	2,884	2,884

18. DEFERRED TAX

The movements in deferred tax during the reporting period are as follows:

Deferred tax assets

	Impairment of financial assets RMB'000	Lease liabilities RMB'000	Tax losses RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024	**–**	**20,168**	**1,199**	**21,367**
Deferred tax charged to profit or loss during the year	**–**	**(5,634)**	**(825)**	**(6,459)**
At 31 December 2024	**–**	**14,534**	**374**	**14,908**
31 December 2023				
At 1 January 2023	11	27,305	2,450	29,766
Deferred tax (charged)/credited to profit or loss during the year	(11)	(7,137)	(1,251)	(8,399)
At 31 December 2023	–	20,168	1,199	21,367

Deferred tax liabilities

	Right-of-use assets RMB'000	Total RMB'000
31 December 2024		
At 1 January 2024	**21,367**	**21,367**
Deferred tax credited to profit or loss during the year	**(6,459)**	**(6,459)**
At 31 December 2024	**14,908**	**14,908**
31 December 2023		
At 1 January 2023	29,711	29,711
Deferred tax charged to profit or loss during the year	(8,344)	(8,344)
At 31 December 2023	21,367	21,367

18. DEFERRED TAX *(Continued)*

Deferred tax liabilities *(Continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The deferred tax balances of the Group as at 31 December 2024 and 2023 were nil respectively.

The Group has accumulated tax losses arising in Mainland China of RMB1,177,236,000 and RMB894,454,000 as at 31 December 2024 and 2023, respectively, that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has accumulated tax losses arising in Hong Kong of RMB17,659,000 and RMB11,682,000 at the end of 2024 and 2023, respectively, that will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group has deductible temporary differences of RMB85,037,000 and RMB66,507,000 at the end of 2024 and 2023, respectively.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses and the deductible temporary differences can be utilised.

19. TRADE AND BILLS RECEIVABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Bills receivables	**890**	1,436
Trade receivables	**175,324**	129,139
Impairment	**(32,517)**	(17,912)
	143,697	112,663

The Group's trading terms with its precision marketing service customers are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2024, the principal amount of bank borrowing of RMB20,000,000 and unpaid borrowing interest of RMB10,000 are secured by trade receivables of RMB993,000 and other receivables of RMB71,526,000.

As at 31 December 2023, the principal amount of bank borrowing of RMB20,000,000 and unpaid borrowing interest of RMB14,000 are guaranteed by a related party (Liu Huan) and also secured by trade receivables of RMB4,258,000 and other receivables of RMB87,037,000.

19. TRADE AND BILLS RECEIVABLES *(Continued)*

As at 31 December 2024, the principal amount of other borrowing from a third party of RMB90,000,000 (2023: RMB90,000,000) and unpaid borrowing interest of RMB880,000 (2023: RMB780,000) are guaranteed by Shanghai Trueland. and also secured by trade receivables of RMB1,784,000 (2023: RMB15,535,000) and other receivables of RMB128,596,000 (2023: RMB252,974,000).

As at 31 December 2024, the Group discounted bills receivable accepted by banks ("**Discounted Bills**") in Mainland China with a carrying amount of RMB53,009,000 (2023: RMB35,600,000). The Group has derecognised part of Discounted Bills ("**Derecognised Bills**"), which amounted to RMB52,212,000 (2023: RMB35,600,000). The Derecognised Bills had a maturity of 6 months and 6 months at 31 December 2024 and 2023, respectively. And for the remaining discounted bills receivable, in the opinion of the directors, the Group has retained the substantial risks and rewards of certain Discounted Bills, which include default risks relating to such Discounted Bills. Those Discounted Bills were accounted as bank borrowings, which amounted to RMB797,000 (2023: nil), respectively. Subsequent to the discount, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties.

In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. During the reporting period, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discount has been made evenly throughout the year.

19. TRADE AND BILLS RECEIVABLES *(Continued)*

An ageing analysis of the bills receivables and trade receivables as at the end of each reporting period, based on the date of recognition and net of allowance, is as follows:

(a) Bills receivables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 1 year	**886**	1,425

(b) Trade receivables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 90 days	**90,749**	72,757
90 days – 180 days	**13,736**	20,530
181 days – 1 year	**38,325**	14,128
Over 1 year	**1**	3,823
	142,811	111,238

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

(a) Bills receivables

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**11**	134
Reversal of impairment	**(7)**	(123)
Balance at end of year	**4**	11

(b) Trade receivables

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**17,901**	11,429
Impairment	**14,628**	6,592
Write off	**(16)**	(120)
Balance at end of year	**32,513**	17,901

19. TRADE AND BILLS RECEIVABLES *(Continued)*

Impairment under IFRS 9 for the reporting period

An impairment analysis was made based on expected credit loss model on the recoverability of trade and bills receivables. The identification of impairment requires management's judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group's bills receivables and trade receivables using a provision matrix:

(a) Bills receivables

	31 December 2024 Within 1 year	31 December 2023 Within 1 year
Expected credit loss rate	**0.45%**	0.77%
Gross carrying amount (RMB'000)	**890**	1,436
Expected credit losses (RMB'000)	**4**	11

(b) Trade receivables

As at 31 December 2024

	Individual basis	**Collective basis**					
		Within 90 days	**91-180 days**	**181 days-1 year**	**Over 1 year**	**Subtotal**	**Total**
Expected credit loss rate	**100.00%**	**4.62%**	**4.69%**	**4.74%**	**75.00%**	**4.66%**	**18.54%**
Gross carrying amount (RMB'000)	**25,531**	**95,147**	**14,412**	**40,230**	**4**	**149,793**	**175,324**
Expected credit losses (RMB'000)	**25,531**	**4,398**	**676**	**1,905**	**3**	**6,982**	**32,513**

As at 31 December 2023

	Individual basis	Collective basis					
		Within 90 days	91-180 days	181 days-1 year	Over 1 year	Subtotal	Total
Expected credit loss rate	100.00%	2.06%	1.77%	2.05%	5.28%	2.12%	13.86%
Gross carrying amount (RMB'000)	15,495	74,286	20,899	14,423	4,036	113,644	129,139
Expected credit losses (RMB'000)	15,495	1,529	369	295	213	2,406	17,901

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current:		
Prepayments for purchase of items of property, plant and equipment	1,703	90
Deposits	14,129	18,581
Impairment allowance	(1,756)	(1,212)
Total	14,076	17,459
Current:		
Other receivables in relation to prepayment on behalf of advertisers – third parties*	1,698,188	1,670,000
Other prepayments	31,262	23,637
Other tax recoverable	62,498	27,966
Deposits	7,161	12,603
Prepayments for purchasing advertising traffic	5,225	4,758
Capitalisation of listing expenses	–	1,146
Contract fulfilment costs (note 5)	11,768	6,663
Others	6,078	5,034
Impairment allowance	(84,214)	(40,483)
Total	1,737,966	1,711,324

* In the online advertisement distribution services, sometimes, the Group makes prepayments to the media platforms on behalf of the advertisers before receiving the advance payment from these advertisers, these prepayments on behalf of advertisers are recognised as other receivables. As at 31 December 2024, other receivables of RMB200,122,000 (2023: RMB340,011,000) are pledged for bank and other borrowings respectively, further details are given in notes 19 and 25.

An impairment analysis was made based on expected credit loss model on the recoverability of certain other receivables items, which are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Other receivables in relation to prepayment on behalf of advertisers – third parties	1,698,188	1,670,000
Deposits	21,290	31,184
Others	6,078	5,034
	1,725,556	1,706,218

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS *(Continued)*

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

	2024 RMB'000	2023 RMB'000
Balance at beginning of year	**41,695**	25,276
Impairment	**45,051**	24,675
Write off	**(776)**	(8,256)
Balance at end of year	**85,970**	41,695

In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data.

Set out below is the information about the credit risk exposure on the Group's other receivables using a provision matrix:

As at 31 December 2024

	12-month ECLs	**Lifetime ECLs**		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Expected credit loss rate	**4.59%**	**11.58%**	**100.00%**	**4.98%**
Gross carrying amount (RMB'000)	**1,688,726**	**32,175**	**4,655**	**1,725,556**
Expected credit losses (RMB'000)	**77,590**	**3,725**	**4,655**	**85,970**

As at 31 December 2023

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
Expected credit loss rate	2.01%	6.47%	100.00%	2.44%
Gross carrying amount (RMB'000)	1,659,990	40,525	5,703	1,706,218
Expected credit losses (RMB'000)	33,369	2,623	5,703	41,695

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2024 RMB'000	31 December 2023 RMB'000
Bills receivables at fair value through other comprehensive income	**57**	1,610
Less: Change in fair value of financial assets at fair value through other comprehensive income	**(1)**	(8)
	56	1,602

22. CASH AND CASH EQUIVALENTS

	31 December 2024 RMB'000	31 December 2023 RMB'000
Cash on hand	**22**	90
Cash at banks	**970,980**	188,985
Cash equivalents	**4,292**	19,428
Less: Short-term bank deposit with original maturities of more than three months*	**(183,304)**	(50,000)
Less: Restricted cash**	**(1,074)**	(20,481)
Cash and cash equivalents	**790,916**	138,022
Denominated in:		
RMB	**675,620**	132,540
USD	**13,378**	5,396
HKD	**101,918**	86
Total cash and bank balances	**790,916**	138,022

22. CASH AND CASH EQUIVALENTS *(Continued)*

* As at 31 December 2024, the short-term bank deposit with original maturities of more than three months amounting to USD25,500,000 with an effective interest rate of 5.75% is pledged to secure a bank borrowing of RMB166,000,000 and unpaid borrowing interest of RMB152,000.

As at 31 December 2023, the effective interest rate of short-term bank deposit with maturities of more than three months was 1.95%.

** As at 31 December 2024, the restricted cash was specifically earmarked for the purpose of settling potential liabilities arising from ongoing lawsuits.

As at 31 December 2023, pursuant to a tripartite agreement dated 25 March 2022 entered into among the Group, a supplier and a factoring company in relation to online advertisement business, when the Group is unable to make timely payment, the factoring company will pay the supplier unconditionally when there is no commercial dispute. To guarantee the payment, the factoring company supervised the bank account of the Group of RMB12,968,000 with restriction. Pursuant to a facility agreement dated 30 December 2022 entered into between the Group and a bank, a specific account is required to set up to guarantee the bank borrowing, and the bank supervised the special account of the Group of RMB7,427,000 with restriction.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit or short-term bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23. TRADE PAYABLES

An ageing analysis of trade payables as at the end of each reporting period, based on the date of recognition, is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 1 year	**43,587**	45,952
Over 1 year	**31,507**	4,998
	75,094	50,950

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

24. OTHER PAYABLES AND ACCRUALS

	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current:		
Deferred revenue	**2,132**	3,370
Current:		
Cost payable to media platforms on behalf of customers*	**502,040**	312,649
Advance from advertisers**	**169,062**	183,836
Payroll and welfare payables	**26,571**	35,441
Other payables	**24,639**	29,805
Deposits	**20,078**	18,757
Other tax payables	**7,908**	4,310
Purchase of long-term assets	**3,709**	6,253
Accrued listing expenses	**2,138**	18,120
Deferred revenue	**1,268**	3,530
	757,413	612,701

* Cost payable to media platforms on behalf of customers represents the traffic acquisition costs paid for our customers in the online advertisement distribution service.

** Advance from advertisers represents the pre-collected payment from customers seeking for our online advertisement distribution services.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 31 December 2024

	Effective interest rate	Maturity	RMB'000
Bank loans – secured (a)	**2.85%-4.60%**	**3 months-1 year**	**930,909**
Other borrowing – secured (b)	**8.00%**	**6 months**	**90,880**
Discounted Bills	**1.7%~3.2%**	**6 months**	**797**
			1,022,586

As at 31 December 2023

	Effective interest rate	Maturity	RMB'000
Bank loans – secured (a)	3.24%-5.20%	1 year	529,032
Other borrowing – secured (b)	8.00%	1 year	90,780
			619,812

	31 December 2024 RMB'000	31 December 2023 RMB'000
Analysed into:		
Bank and other loans repayable:		
Within one year or on demand	**1,022,586**	619,812
	1,022,586	619,812

25. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

(a) As at 31 December 2024, bank loans amounting to RMB930,909,000 (2023: RMB529,032,000) are secured by relevant parties, receivables and time deposits as outlined in (i), (ii), (iii), respectively.

(i) The guarantee amounts provided by the relevant parties including the related parties as at 31 December 2024 and 2023 are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Shanghai Kaililong, Marketingforce Network Technology	**334,351**	139,147
Shanghai Kaililong	**241,151**	150,197
Shanghai Trueland	**99,227**	–
Marketingforce Network Technology	**50,000**	20,000
Marketingforce Network Technology, Shanghai Trueland	**20,018**	–
Mr. Liu Huan, Ms. Shen Liyao, Shanghai Kaililong	**–**	119,616
Mr. Liu Huan, Ms. Shen Liyao, Shanghai Kaililong, Marketingforce Network Technology	**–**	70,047
Mr. Liu Huan	**–**	20,014
Mr. Liu Huan, Ms. Shen Liyao, Shanghai Trueland	**–**	10,011
	744,747	529,032

(ii) As at 31 December 2024, the principal amount of bank borrowing of RMB20,000,000 and unpaid borrowing interest of RMB10,000 are secured by trade receivables of RMB993,000 and other receivables of RMB71,526,000, further details are given in note 19.

As at 31 December 2023, the principal amount of bank borrowing of RMB20,000,000 and unpaid borrowing interest of RMB RMB14,000 are guaranteed by a related party (Liu Huan), as detailed in (a)(i), and also secured by trade receivables of RMB4,258,000 and other receivables of RMB87,037,000, further details are given in note 19.

(iii) As at 31 December 2024, the short-term bank deposit with maturities of more than three months amounting to USD25,500,000 with an effective interest rate of 5.75% is pledged to secure a bank borrowing of RMB166,000,000 and unpaid borrowing interest of RMB152,000, further details are given in note 22.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

(b) As at 31 December 2024, other borrowings amounting to RMB90,880,000 (2023: RMB90,780,000) are secured by relevant parties and receivables as outlined in (i), (ii), respectively.

(i) The guarantee amounts provided by the relevant parties including the related parties as at 31 December 2024 of and 2023 are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trueland Information Technology (Shanghai) Co., Ltd.	**90,880**	90,780
	90,880	90,780

(ii) As at 31 December 2024, the principal amount of other borrowing from a third party of RMB90,000,000 (2023: RMB90,000,000) and unpaid borrowing interest of RMB880,000 (2023: RMB780,000), as detailed in (b)(i), are also secured by trade receivables of RMB1,784,000 (2023: RMB15,535,000) and other receivables of RMB128,596,000 (2023: RMB252,974,000), further details are given in note 19.

26. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The movements of the convertible redeemable preferred shares are set out as follows:

	Convertible redeemable preferred shares RMB'000
1 January 2023	1,096,475
Fair value loss on financial liabilities at fair value through profit or loss	107,815
Translation exchange adjustments	19,499
31 December 2023 and 1 January 2024	1,223,789
Fair value loss on financial liabilities at fair value through profit or loss	**780,539**
Translation exchange adjustments	**3,027**
Automatic conversion of convertible redeemable preferred shares upon the global offering	**(2,007,355)**
31 December 2024	**–**

On 16 May 2024, the Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong. The completion of the successful IPO has triggered the automatic termination of all the special rights granted to the preferred shares, and all convertible redeemable preferred shares have been converted into 50,594,800 ordinary shares upon completion of the Global Offering. The fair value of each convertible redeemable preferred shares on the conversion date is the offer price in the global offering.

27. OTHER CURRENT LIABILITIES

The other current liabilities are as below:

	31 December 2024 RMB'000	31 December 2023 RMB'000
VAT on contract liabilities	23,080	32,894

28. SHARE CAPITAL

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 23 February 2021 with authorized share capital of USD50,000 divided into (i) 499,660,015 ordinary shares with par value of USD0.0001 each, (ii) 96,259 series A-1 preferred shares with par value of USD0.0001 each, (iii) 18,162 series A-2 preferred shares with par value of USD0.0001 each, (iv) 225,564 series B preferred shares with par value of USD0.0001 each.

On 8 August 2022, each issued and unissued shares of a par value of USD0.0001 each in the capital of the Company was sub-divided into 20 shares of a par value of USD0.000005 each. Subsequent to the share split, the authorized share capital of the Company was USD50,000 divided into 10,000,000,000 shares of a par value of USD0.000005 each.

Upon the completion of the global offering on 16 May 2024, each issued and unissued shares of a par value of USD0.000005 each in the capital of the Company was sub-divided into 10 shares of a par value of USD0.0000005 each and all convertible redeemable preferred shares have been converted into 50,594,800 ordinary shares. Subsequent to the share split, the authorized share capital of the Company was USD50,000 divided into 100,000,000,000 shares of a par value of USD0.0000005 each.

Issued and fully paid:

	2024 RMB'000	2023 RMB'000
Issued and fully paid:		
236,164,100 (2023: 17,861,960) ordinary shares	1	1

28. SHARE CAPITAL *(Continued)*

Movements in the issued share capital from 1 January 2023 to 31 December 2024 were as follows:

	Number of shares in issue	Share capital
		RMB'000
At 1 January 2023 and 1 January 2024	17,861,960	1
Sub-division of shares	160,757,640	–
Share issued upon the global offering*	5,949,700	–
Automatic conversion of Convertible Preferred Shares upon Global Offering (Note 26)	50,594,800	–
Shares issued from placing**	1,000,000	–
At 31 December 2024	236,164,100	1

* On 16 May 2024, the Company issued a total of 5,949,700 ordinary shares of USD0.0000005 each at the price of HKD43.60 per share by means of the global offering.

** On 27 December 2024, the Company completed a placing of 1,000,000 new shares at the price of HKD110.00. The net proceeds from the placing are HKD109.50 million.

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 30.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies in the Group of which the functional currency is not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

30. SHARE-BASED PAYMENTS

Employee incentive platform

Shanghai Hongyu Asset Management Partnership Enterprise (Limited Partnership) (上海竑宇資產管理合夥企業（有限合夥）) ("**Shanghai Hongyu**"), is a limited partnership incorporated in the PRC on 6 November 2015 as the employee stock ownership platform. The general partner of Shanghai Hongyu is Mr. Xu Jiankang, the executive director and senior vice president of the Company.

Shanghai Hongyu Limited, a company incorporated on 9 February 2021 in the British Virgin Islands, was wholly owned by Shanghai Hongyu. Each of Shanghai Hongyu and Mr. Xu Jiankang is deemed to be interested in the shares held by Shanghai Hongyu Limited.

Share incentive plan

In December 2015, Shanghai Trueland adopted a share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the share incentive plan may include any officer, directors, employees of the Group, and any individual consultants or advisors who render or have rendered bona fide services to the Group.

Subject to any restriction contained in the share incentive plan, each vested share shall not be exercisable until the later of the following: (i) the date such share has vested and (ii) 30 days after the listing but shall be exercised no later than 90 days after such vested share become exercisable. The exercise price for each share under the share incentive plan is RMB8.33 before the sub-division of shares.

The underlying shares of the share incentive plan have been changed from Shanghai Trueland to the Company on February 23, 2021.

As at 31 December 2024 and 31 December 2023, 3,000,000 shares of Shanghai Hongyu were outstanding under the share incentive plan.

During the reporting period, the Group recognised share-based compensation expenses of RMB8,378,000 (2023: RMB8,378,000) respectively.

Restricted share unit scheme

Isle Wealth Limited, a business company incorporated in BVI with limited liability and wholly owned by TCT (BVI) Limited, holding the Company's shares pursuant to the restricted share unit scheme ("**RSU Scheme**") on trust for and on behalf of grantees or the Company under the RSU Scheme.

On 10 November 2021, the Group adopted the RSU Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. On 1 March 2024, Isle Wealth Limited granted 1,052,640 shares of restricted share units ("**RSUs**") to certain employees. As at 31 December 2024, 10,526,400 shares of RSUs were granted after the sub-division of shares.

Subject to the terms and conditions as set out in the RSU Scheme, RSUs would be vested in the portions of 50% and 50% on the first and second anniversaries of the grant date of the RSUs, respectively.

30. SHARE-BASED PAYMENTS *(Continued)*

Restricted share unit scheme *(Continued)*

The fair value of services received in return for a RSU is measured by reference to the fair value of the RSU granted less the consideration received by the Group, which is nil. The fair value of the RSU granted is measured as the market value at the grant date, which is determined using the discounted cash flows approach. Key assumptions including the risk-free interest rate, discount rate for lack of marketability ("**DLOM**") and volatility are required to be determined by the directors of the Company with best estimates.

	1 March 2024 RMB'000
Risk-free interest rate	4.97%
DLOM	3.09%-4.56%
Volatility	36.17%

Durning the reporting period, the Group recognised share-based compensation expenses of RMB146,705,000 (2023: nil).

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets of RMB22,064,000 (2023: RMB5,591,000), and non-cash additions to lease liabilities of RMB22,064,000 (2023: RMB5,591,000), in respect of lease arrangements for properties.

During the year, the Group had non-cash subtractions to right-of-use assets of RMB31,818,000 (2023: RMB7,024,000), and non-cash additions to lease liabilities of RMB42,291,000 (2023: RMB7,729,000), in respect of lease modification and termination.

During the year, the Group had non-cash additions to share-based payment reserves of RMB155,083,000 (2023: RMB8,378,000), in respect of share-based payment arrangements.

During the year, the Group had no non-cash subtractions to trade and bills receivables of nil (2023: RMB12,650,000), and nil (2023: RMB12,650,000) to interest-bearing bank and other borrowings in respect of Discounted Bills.

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total liabilities from financing activities RMB'000
As at 1 January 2023	412,878	207,955	1,096,475	1,717,308
Cash flows from/(used in) financing activities	195,695	(73,220)	–	122,475
Non-cash changes:				
New leases	–	5,591	–	5,591
Accrual of interest	23,889	11,350	–	35,239
Lease modification	–	(5,012)	–	(5,012)
Lease termination	–	(2,717)	–	(2,717)
Reclassification	(12,650)	–	–	(12,650)
Translation exchange adjustments	–	–	19,499	19,499
Fair value changes of preferred shares	–	–	107,815	107,815
As at 31 December 2023 and 1 January 2024	619,812	143,947	1,223,789	1,987,548
Cash flows from/(used in) financing activities	**368,495**	**(41,320)**	**–**	**327,175**
Non-cash changes:				
New leases	**–**	**22,064**	**–**	**22,064**
Accrual of interest	**34,279**	**5,023**	**–**	**39,302**
Lease modification	**–**	**(23,227)**	**–**	**(23,227)**
Lease termination	**–**	**(19,064)**	**–**	**(19,064)**
Translation exchange adjustments	**–**	**–**	**3,027**	**3,027**
Automatic conversion of convertible redeemable preferred shares upon the global offering	**–**	**–**	**(2,007,355)**	**(2,007,355)**
Fair value changes of preferred shares	**–**	**–**	**780,539**	**780,539**
As at 31 December 2024	**1,022,586**	**87,423**	**–**	**1,110,009**

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	2024	2023
	RMB'000	RMB'000
Within operating activities	**2,388**	1,769
Within financing activities	**41,320**	73,220
	43,708	74,989

32. COMMITMENTS

At the end of each reporting period, the Group and the Company did not have any significant commitment (2023: nil).

33. RELATED PARTY TRANSACTIONS AND BALANCES

The directors of the Company are of the view that the following parties/companies are related parties that had transactions or balances with the Group during the reporting period.

(a) Name and relationship

Name of related parties	**Relationship with the Group and the Company**
Zhao Xulong	Chief executive director and a shareholder
Tianjin Zhengdao North Beta Consulting Co., Ltd ("**North Beta**")	Ultimate shareholder of the Company
Liu Huan	Senior management
Shen Liyao	The spouse of a senior management

33. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(b) Transactions with related parties

	2024 RMB'000	2023 RMB'000
Purchase of services		
CCBI	–	1,140
North Beta	1,275	300
	1,275	1,440

(c) Other transactions with related parties

Certain of the Group's directors, senior management and shareholder have guaranteed certain bank loans made to the Group as disclosed in note 25.

(d) Compensation of key management personnel of the Group

	2024 RMB'000	2023 RMB'000
Short term employee benefits	7,736	12,430
Contributions to the pension scheme	288	340
Share-based payment compensation	5,510	6,226
	13,534	18,996

Further details of directors' and the chief executive's emoluments are included in note 10.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period were as follows:

As at 31 December 2024

Financial assets

	At amortized cost RMB'000	At FVTOCI RMB'000	Total RMB'000
Financial assets included in prepayments, other receivables and other assets (note 20)	1,639,586	–	1,639,586
Trade and bills receivables (note 19)	143,697	–	143,697
Financial assets at fair value through other comprehensive income (note 21)	–	56	56
Restricted cash (note 22)	1,074	–	1,074
Pledged deposits (note 22)	183,304	–	183,304
Cash and cash equivalents (note 22)	790,916	–	790,916
	2,758,577	56	2,758,633

Financial liabilities

	At amortized cost RMB'000	At FVTPL RMB'000	Total RMB'000
Trade payables (note 23)	75,094	–	75,094
Convertible redeemable preferred shares (note 26)	–	–	–
Financial liabilities included in other payables and accruals (note 24)	548,895	–	548,895
Interest-bearing bank and other borrowings (note 25)	1,022,586	–	1,022,586
	1,646,575	–	1,646,575

34. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

As at 31 December 2023

Financial assets

	At amortized cost RMB'000	At FVTOCI RMB'000	Total RMB'000
Financial assets included in prepayments, other receivables and other assets (note 20)	1,664,523	–	1,664,523
Trade and bills receivables (note 19)	112,663	–	112,663
Financial assets at fair value through other comprehensive income (note 21)	–	1,602	1,602
Restricted cash (note 22)	20,481	–	20,481
Pledged deposits (note 22)	50,000	–	50,000
Cash and cash equivalents (note 22)	138,022	–	138,022
	1,985,689	1,602	1,987,291

Financial liabilities

	At amortized cost RMB'000	At FVTPL RMB'000	Total RMB'000
Trade payables (note 23)	50,950	–	50,950
Convertible redeemable preferred shares (note 26)	–	1,223,789	1,223,789
Financial liabilities included in other payables and accruals (note 24)	385,584	–	385,584
Interest-bearing bank and other borrowings (note 25)	619,812	–	619,812
	1,056,346	1,223,789	2,280,135

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, short-term bank deposits, restricted cash, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the convertible redeemable preferred shares measured at fair value through profit or loss are determined using the back-solve method and the discounted cash flow method. Further details are set out in note 26.

The fair values of the bill receivables measured at FVTOCI are determined using the discounted cash flow method. Further details are set out in note 21.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets measured at fair value
As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at FVTOCI	**–**	**–**	**56**	**56**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at FVTOCI	–	–	1,602	1,602

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Liabilities measured at fair value

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial liabilities at fair value through profit or loss	–	–	–	–

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial liabilities at fair value through profit or loss	–	–	1,223,789	1,223,789

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2024 and 2023:

	Valuation technique	Significant unobservable input	Year	Range	Sensitivity of fair value to the input
Convertible redeemable preferred shares	Discounted cash flow method	Risk-free interest rate	2023	4.70%	5% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB393,000/RMB394,000
		DLOM	2023	6.47%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB3,607,000
		Volatility	2023	39.60%	5% increase/decrease in volatility would result in decrease/increase in fair value by RMB3,039,000/RMB3,058,000
Financial assets at fair value through other comprehensive income	Discounted cash flow method	Discount rate	2023	2.51%-2.54%	5% increase/decrease in discount rate would result in decrease/increase in fair value by RMB413
Financial assets at fair value through other comprehensive income	Discounted cash flow method	Discount rate	2024	1.77%-1.89%	5% increase/decrease in discount rate would result in decrease/increase in fair value by RMB24

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, interest-bearing bank and other borrowings, and convertible redeemable preferred shares. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarized below.

Foreign currency risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in Renminbi and United States dollars. The Group has not used any derivative to hedge its exposure to foreign currency risk.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk *(Continued)*

The following table indicates the approximate change in the Group's loss before tax and the Group's equity (excluding retained profits/accumulated losses) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of each reporting period with all other variables held constant:

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
Year ended 31 December 2024			
If RMB weakens against US$	**5**	**963**	**24,483**
If RMB strengthens against US$	**(5)**	**(963)**	**(24,483)**
Year ended 31 December 2023			
If RMB weakens against US$	5	6,747	(53,344)
If RMB strengthens against US$	(5)	(6,747)	53,344

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, short-term bank deposits, restricted cash, trade and bills receivables and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(i) Credit risk of trade receivables

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables, management believes that the credit risk inherent in the Group's outstanding trade receivable balances is not significant.

In calculating the expected credit loss rate, the Group considers the historical loss rates for its customers and adjusts for forward-looking macroeconomic data. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19. As at 31 December 2024, the Group had certain concentrations of credit risk as 14.8% (2023: 24.43%) of the Group's trade receivables were due from the Group's largest debtor 36.9% (2023: 59.79%) of the Group's trade receivables were due from the Group's five largest debtors, respectively.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

(ii) Credit risk of bills receivables, financial assets included in prepayment, other receivables and financial assets at fair value through other comprehensive income

For bills receivables and financial assets included in prepayment, other receivables, other assets and financial assets at fair value through other comprehensive income, management makes periodic collective assessments as well as individual assessment on the recoverability of these instruments based on historical settlement records and past experiences. At 31 December 2024 and 2023, the credit ratings of other receivables, bill receivables and financial assets at fair value through other comprehensive income were assessed. The Group assessed that the expected credit losses for these financial assets were not material under the 12-month expected credit loss model. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the Group's outstanding bills receivables and other receivable balances is not significant.

(iii) Credit risk of cash and cash equivalents, short-term bank deposits and restricted cash

To manage this risk arising from cash and cash equivalents, short-term bank deposits and restricted cash, they are mainly placed with banks with high credit ratings. There has been no recent history of default in relation to these financial institutions. Based on historical data and management's analysis, loss on collection is not material and hence no provision is considered.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of each reporting period. The amounts presented are gross carrying amounts for financial assets.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	175,324	175,324
Bills receivables	890	–	–	–	890
Financial assets included in prepayments, other receivables and other assets					
–Normal**	1,688,726	–	–	–	1,688,726
–Doubtful**	–	32,175	4,655	–	36,830
Financial assets at fair value through other comprehensive income	56	–	–	–	56
Restricted cash	1,074	–	–	–	1,074
Pledged deposits	183,304	–	–	–	183,304
Cash and cash equivalents	790,916	–	–	–	790,916
	2,664,966	32,175	4,655	175,324	2,877,120

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	129,139	129,139
Bills receivables	1,436	–	–	–	1,436
Financial assets included in prepayments, other receivables and other assets					
–Normal**	1,659,990	–	–	–	1,659,990
–Doubtful**	–	40,525	5,703	–	46,228
Financial assets at fair value through other comprehensive income	1,602	–	–	–	1,602
Restricted cash	20,481	–	–	–	20,481
Short-term bank deposits	50,000	–	–	–	50,000
Cash and cash equivalents	138,022	–	–	–	138,022
	1,871,531	40,525	5,703	129,139	2,046,898

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assists and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

Liquidity risk

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2024

	Within 1 year or on demand RMB'000	1 year to 2 years RMB'000	2 years to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	75,094	–	–	–	75,094
Other payables and accruals	548,895	–	–	–	548,895
Interest-bearing bank and other borrowings	1,039,428	–	–	–	1,039,428
Lease liabilities	41,094	34,679	17,153	–	92,926
	1,704,511	34,679	17,153	–	1,756,343

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

31 December 2023

	Within 1 year or on demand RMB'000	1 year to 2 years RMB'000	2 years to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	50,950	–	–	–	50,950
Other payables and accruals	385,584	–	–	–	385,584
Interest-bearing bank and other borrowings	626,927	–	–	–	626,927
Convertible redeemable preferred shares	1,031,077	–	–	–	1,031,077
Lease liabilities	59,082	45,263	51,194	–	155,539
	2,153,620	45,263	51,194	–	2,250,077

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regards net assets as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the reporting period.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each reporting period were as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Total liabilities	**2,394,669**	3,263,595
Total assets	**3,052,763**	2,302,900
Debt-to-asset ratios	**78.44%**	141.72%

37. EVENTS AFTER THE REPORTING PERIOD

On 31 December, 2024, Jiaxing DHRforce entered into a capital increase agreement with Jiaxing Nanhu Keying Equity Investment Partnership (Limited Partnership) ("**Jiaxing Nanhu Keying**") and Shanghai Yitu Enterprise Management Co., Ltd. ("**Shanghai Yitu**"), respectively. According to the capital increase agreements, each of Jiaxing Nanhu Keying and Shanghai Yitu agreed to subscribe for the additional registered capital of RMB2,380,952 and RMB846,561 in Jiaxing DHRforce at a consideration of RMB45 million and RMB16 million, respectively. On 22 January 2025, the capital increase has been completed.

On 28 February 2025, the Company completed a placing of total 20,105,800 new shares at the price of HKD60.00. The net proceeds from the placing are HKD1,201.79 million.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Note:

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**586,121**	577,502
Total non-current assets	**586,121**	577,502
CURRENT ASSETS		
Prepayments, other receivables and other assets	**226,842**	47,844
Cash and cash equivalents	**289,486**	257
Total current assets	**516,328**	48,101
CURRENT LIABILITIES		
Other payables and accruals	**38,262**	42,478
Convertible redeemable preferred shares	**–**	1,223,789
Total current liabilities	**38,262**	1,266,267
NET CURRENT ASSETS/(LIABILITIES)	**478,066**	(1,218,166)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,064,187**	(640,664)
NET ASSETS/(LIABILITIES)	**1,064,187**	(640,664)
EQUITY		
Share capital	**1**	1
Reserves	**1,064,186**	(640,665)
DEFICIENCY IN ASSETS	**1,064,187**	(640,664)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

A summary of the Company's reserves is as follows:

	Share capital RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
As at 1 January 2023	1	(297,774)	38,322	(40,212)	(205,062)	(504,725)
Loss for the year	–	–	–	–	(133,983)	(133,983)
Other comprehensive loss for the year	–	–	–	(10,334)	–	(10,334)
Total comprehensive loss for the year	–	–	–	(10,334)	(133,983)	(144,317)
Equity-settled share option arrangements	–	–	8,378	–	–	8,378
As at 31 December 2023 and 1 January 2024	1	(297,774)	46,700	(50,546)	(339,045)	(640,664)
Loss for the year	**–**	**–**	**–**	**–**	**(799,089)**	**(799,089)**
Other comprehensive loss for the year	**–**	**–**	**–**	**7,968**	**–**	**7,968**
Total comprehensive loss for the year	**–**	**–**	**–**	**7,968**	**(799,089)**	**(791,121)**
Net proceeds from issue of shares from initial public offering	**–**	**232,141**	**–**	**–**	**–**	**232,141**
Issue of shares from placing (note 28)	**–**	**101,393**	**–**	**–**	**–**	**101,393**
Automatic conversion of convertible redeemable preferred shares upon the global offering	**–**	**2,007,355**	**–**	**–**	**–**	**2,007,355**
Equity-settled share option arrangements	**–**	**–**	**155,083**	**–**	**–**	**155,083**
At 31 December 2024	**1**	**2,043,115**	**201,783**	**(42,578)**	**(1,138,134)**	**1,064,187**

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 31 March 2025.

Definitions

"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AGM"	annual general meeting of the Company
"Articles of Association"	the articles of association of the Company (as amended from time to time), conditionally adopted on 25 April 2024
"Board" or "Board of Directors"	the board of directors of our Company
"BVI"	the British Virgin Islands
"Cayman Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended and supplemented from time to time, where references to code provisions in this annual report refer to provisions in the CG Code that came effect on 1 January 2022
"Chairman"	the chairman of the Board
"China" or "the People's Republic of China" or the "PRC"	the People's Republic of China, which for the purpose of this prospectus and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company" or "the Company"	Marketingforce Management Ltd（邁富時管理有限公司）, an exempt company incorporated in the Cayman Islands with limited liability on 23 February 2021
"Consolidated Affiliated Entity"	entities controlled by the Company through the Contractual Arrangements and considered as our subsidiaries, namely Shanghai Trueland and its subsidiaries. For further details of these entities, see "Contractual Arrangements" in this prospectus
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, the WFOE, Shanghai Trueland and the Registered Shareholders as detailed in "Contractual arrangements"
"Director(s)"	the director(s) of our Company

Definitions

"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time
"Main Board"	Main Board of the HKSE
"Marketingforce Network" or "WFOE"	Marketingforce Network Technology (Shanghai) Company Limited（邁富時網絡技術（上海）有限公司）, a company established in the PRC on April 20, 2021, and a wholly-owned subsidiary of our Company
"Marketingforce Enterprise Management"	Marketingforce Enterprise Management (Shanghai) Co., Ltd.（邁富時企業管理（上海）有限公司）
"Prospectus"	the prospectus issued by the Company dated 7 May 2024
"Reporting Period"	the financial year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of our Shares
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance, including any Consolidated Affiliated Entity of the Company
"Shanghai Hongyu"	Shanghai Hongyu Asset Management Partnership Enterprise (Limited Partnership)（上海竑宇資產管理合夥企業（有限合夥））, a limited partnership incorporated in the PRC on November 6, 2015 as the Group's employee stock ownership platform and one of the Registered Shareholders
"Shanghai Kaililong"	Kaililong (Shanghai) Information Technology Co., Ltd.（凱麗隆（上海）軟件信息科技有限公司）, a company established in the PRC on May 16, 2011 and a Consolidated Affiliated Entity

Definitions

"Shanghai Trueland"	Trueland Information and Technology (Shanghai) Co., Ltd. (珍島信息技術(上海)股份有限公司), a company established in the PRC on September 25, 2009 and a Consolidated Affiliated Entity
"Shanghai Zhiyu"	Shanghai Zhiyu Asset Management Partnership Enterprise (Limited Partnership) (上海祉裕資產管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on November 13, 2015 and one of the Registered Shareholders
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"Wuxi Kaililong"	Wuxi Kaililong Advertising Technology Co., Ltd. (無錫凱麗隆廣告科技有限公司), a company established in the PRC on December 26, 2017 and a Consolidated Affiliated Entity
"Wuxi Trueland"	Wuxi Trueland Digital Eco Service Platform Technology Co., Ltd. (無錫珍島數字生態服務平台技術有限公司), a company established in the PRC on May 20, 2014 and a Consolidated Affiliated Entity