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Analysis of the Failure of Himalayan Companies' Initial Public Offering

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Abstract: With the increasing demand for consumer virtual entertainment products, the network audio industry has ushered in huge development opportunities. At the same time, having sufficient funds is a necessary prerequisite to ensure that companies in the network audio industry seize opportunities and take the lead in seizing the market. Subsequently, more and more companies in the network audio industry are seeking to raise funds through initial public offerings. However, the network audio industry is a content provider based on the Internet, which has characteristics such as high initial investment and long profit cycles, resulting in lower IPO pass rates than the overall level. This study delves into the reasons for the IPO failure of Himalayan companies and further proposes specific countermeasures. Finally, based on the case of Himalayan companies, the article provides some suggestions for other network audio industry companies that want to go public and raise funds.

Keywords: Himalayan, IPO, Network Audio

1. Introduction

The online audio industry is an important component of China's national economy. With the continuous development of the Chinese economy, the material needs of the people are gradually being met, and more and more people are pursuing their spiritual satisfaction. At the same time, China has begun to focus on developing the cultural industry and enhancing its cultural soft power. With the rapid development of the Internet, the network audio industry has ushered in huge development opportunities. With this, having sufficient funds is a prerequisite for companies in the network audio industry to seize the opportunity to carry out new projects and achieve high-speed development. As a result, more and more network audio companies are trying to raise funds through IPOs. However, companies in the online audio industry have consistently lower than average IPOs due to their large initial capital investment and long profit cycles. Due to trade frictions between China and the United States, Chinese companies that want to register and list in the United States will face stricter scrutiny. Since the Hong Kong Stock Exchange raised the total profit during the operating period and profit standards for different operating periods in 2022, while China faces stricter audit standards, the issue of difficulty for companies in the network audio industry to go public urgently needs to be addressed.

With the rapid development of China's economy, the online audio industry is crucial in assisting social and cultural development and improving the spiritual and living standards of the people. At present, in the research on the IPO of the online audio industry, the focus of experts and scholars is on the listing path, listing motivation, listing risks, and financing strategies. However, there is relatively little research on the combination of IPO failures of companies in the online audio industry and specific cases. To fill the gap in this research field and enrich the research system of IPOs in the online audio industry, this study will be based on the cases of multiple IPO failures of Himalayan companies, Thoroughly understand and analyze the reasons for the IPO failure of companies in the network audio industry and propose feasible improvement suggestions. In the current era of the Internet, the online audio industry has achieved unprecedented development, but Chinese online audio companies have a low success rate in going public due to their own characteristics. This article will analyze the characteristics of film and television industry companies and the IPO review standards, understand the overview of whether film and television industry companies have been approved for IPO, and then select a representative Himalayan company in the network audio industry to combine theory with practice to analyze the specific reasons for its multiple failed IPOs. Finally, based on the analysis of the conclusions obtained and the characteristics of the industry, suggestions are proposed to improve the low IPO pass rate of companies in the network audio industry. This will have reference significance for companies in the network audio industry that want to go public in the future. Based on the analysis of the overall IPO situation of Chinese network audio industry companies in recent years, this paper conducts in-depth research on the three failed IPOs of Himalaya Company, a specific network audio company, to analyze the specific reasons for its IPO failure, and proposes targeted suggestions to provide reference and guidance for other film and television industry companies to go public. This article compares Litchi FM, which is also a network audio industry but has successfully listed on the Nasdaq Stock Exchange and achieved profitability, to analyze the reasons for its Himalayan company's three failed listings and provide some relevant suggestions.

2. Literature Review

In the global stock market, the IPO review system in various countries is mainly divided into three types: review system, approval system, and registration system, and the choice of the three mainly depends on the specific development status of the market. It is generally believed that the approval system, the approval system, and the registration system are the three forms of the stock market from immature to transitional to mature stages, and the mainstream view is that the registration system is superior to the approval system and the approval system: the review efficiency is higher, and it also reduces the possibility of regulators taking bribes. Research related to the system mainly focuses on the analysis of the reasons why the registration system is better than the approval system. For example, Barberis and Shleifer et al. believe that government intervention in the market and quality requirements have to some extent bred corporate bribery of officials, as new shares must be strictly approved by regulatory agencies before issuance, and companies can obtain listing opportunities through bribery of relevant officials [1].

Bodie proposed that the IPO registration system in the United States can achieve multi-level regulation and strict sanctions. If a prospective listed company is ultimately found to have made false, omitted, or misleading statements, every official in the IPO review process may be held accountable. Therefore, the Securities and Exchange Commission is responsible for supervising the information disclosure of listed companies and ensuring that potential listed companies will pay a significant price if they commit fraud [2]. Meanwhile, a well-established legal system in the mature capital market is also the advantage of the registration system. For example, Espenlaub and Goyal proposed that a well-established legal system can enhance the prudence of underwriters and relevant personnel in dealing with work, thereby reducing the possibility of fraud [3]. Besides, China, as a market for listing system reform, has also sparked extensive research, mainly focusing on the evolution of the IPO system, IPO costs, and IPO premiums. After studying A-share market data, Chun et al. found that in

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the short term, China's registration system reform significantly increased IPO costs, reduced IPO premiums, and improved overall IPO quality [4].

International research on IPOs mainly focuses on the impact of various factors during the issuance process and empirical testing of various phenomena after new stock listings. Research on IPO failures mainly focuses on analyzing and processing IPO data from various markets and industries in previous years to obtain relevant influencing factors. For example, Ang and Brau once proposed that when a company's IPO information disclosure is more transparent, its listing cost is lower, and then the success rate is higher [5]. The accuracy of financial information is directly related to relevant indicators and the success or failure of IPOs. For example, Wysoki believes that the authenticity of accounting information is positively correlated with the success rate of IPOs [6]. Elizabeth Demers and Philip Joos also proposed that financial accounting indicators such as financial leverage, performance, intangible assets, and other investments are key factors affecting the success or failure of IPOs [7]. Scholars such as Thomas Dalziel believe that excessive governance costs can lead to IPO failure. When companies need to invest a lot of money and effort to meet the review standards for going public, it may backfire and fail to achieve the desired results, leading to a vicious cycle [8]. Colak added some indirect variables and indicators to the research model, and found that the volatility of the company's operating performance, the size of accounts payable, total short-term debt, and some macroeconomic variables are all influencing factors for IPO failure [9].

Compared with direct and clear financial indicators, non-financial factors that affect IPO failure are more diverse. For example, Latham and Braun analyzed data from 124 IPOs and found that CEO equity participation has a U-shaped relationship with IPO success or failure, which means that the degree of CEO ownership increases the risk of IPO failure [10]. Hendricks conducted a study on 570 companies that underwent IPOs in the UK between 1998 and 2008, and concluded that excessive earnings management is an important factor leading to IPO failures [11]. Carpentier and Suret found that company size affects the probability of IPO success, and companies with larger capital requirements are more likely to go public [12]. Mohammad also believes that earnings management will reduce the success rate of IPOs [13]. Thanh found that when the macro economy is in a highly uncertain period, the IPO pass rate will decrease [14]. Colak's research found that the intensity of internal promotions and the salary gap at different levels of the company can also affect the success or failure of IPOs [15].

Compared to foreign countries, Chinese scholars are more enthusiastic about studying the reasons for IPO failures due to the lower passing rate of IPOs during the approval system period. The changes in IPO related data during the registration system reform have also been a hot topic of concern for scholars in recent years. Many studies on the reasons for IPO failure focus on summarizing and summarizing the actual listing situation. For example, Wang summarized and studied 116 companies that went public in 2008, and identified the top ten main reasons for IPO failure: unclear asset sources or lack of reasonable explanations, high dependence, lack of fairness in transaction prices, poor quality of accounting information, high financial risks, weak or lack of control by actual controllers, and poor organizational structure stability The investment direction of the raised funds is unreasonable, and there are historical legacies [16]. After studying 162 companies that failed in IPOs from 2009 to 2011, Li attributed their listing failures to six reasons: deficiencies in sustained profitability, lack of independence, issues with the use of raised funds, issues with financial accounting and information disclosure, non-standard corporate operations, and deficiencies in subject qualifications [17]. In addition to summarizing and summarizing the common factors leading to the failure of IPOs in specific markets at specific times, there are also analyses of specific factors, most of which are conducted from a financial perspective. For example, Wang believes that the company's sustained profitability, including core technology, market level of gross profit margin, and dependence of customers and suppliers, are the primary factors affecting the success or failure of

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IPOs [18]. Feng and Yong found that the internal financial situation of a company is the primary factor affecting the success or failure of an IPO [19, 20]. Huang and Li proposed that the approval rate of Chinese IPOs is negatively correlated with the degree of earnings management of companies, indicating that excessive earnings management can lead to IPO failure [21]. Fu found that the financial reasons for the rejection of the IPO were mainly due to abnormal current operating or financial conditions, significant adverse effects on sustained profitability, ineffective internal control in significant aspects, unfair related party transactions, non-standard accounting basis, and failure to meet quantitative conditions [22]. Cao believes that enterprises should pay attention to maintaining healthy cash flow, standardizing basic financial and accounting work, strengthening internal control, and improving enterprise independence when preparing for listing [23]. Wang pointed out that internal control issues and the standardization of financial accounting are the reasons for most companies' IPOs being rejected [24]. There are also non-financial related factors that have been explored, such as Xiao's finding that inadequate internal control systems are the most important reason for the rejection of IPOs [25]. After analyzing the IPO data of China from 2014 to 2019, Ruan Bin found that choosing a reputable recommendation institution would increase the success rate of IPOs for proposed listed companies [26].

3. Overview of Himalayan Companies

Himalayan Company is a company registered in the Cayman Islands and is an excellent audio sharing platform in China. The Himalayan company is primarily engaged in providing high-quality audio content. Including professional production content at the top, expert production content, and user generated content, including financial, historical, and cultural albums in the knowledge field, novels and entertainment albums in the entertainment field, educational content suitable for teenagers, and classic content suitable for middle-aged and elderly people; The content includes both audio podcasts and audio live broadcasts. In August 2012, the Himalayan company was officially established in Pudong District, Shanghai. In March 2014, the A-round financing was 11.5 million US dollars. In October 2014, the B-round financing was $50 million, with capital investments from Kaipeng Huaying and Haina International. In December 2014, the number of users exceeded 100 million, becoming the largest mobile audio sharing platform in China. In May 2018, Dai Zhikang, the second largest shareholder of Himalayan FM and founder and chairman of Zendai Group, revealed that the valuation of Himalayan FM had reached 20 billion yuan and was expected to be listed on the A-share market in 2019. In April 2021, in the F-round financing, Himalaya received support from Tencent, Xiaomi, Baidu, and Sony Music, with a financing amount of $900 million. On December 23, 2021, Sensor Tower released a report stating that the Himalayas ranked fifth in global revenue for book applications worldwide.

4. Overview of Listing Conditions in the United States, Hong Kong, and China

The United States has the world's largest securities trading center, and according to different listing standards and trading volumes, the US securities market is mainly divided into four levels. The first level is a national stock exchange, mainly the New York Stock Exchange (NYSE) and the American Stock Exchange (AMEX), with the most stringent listing conditions. The second level is the Nasdaq Stock Exchange (NASDAQ), which is also the preferred stock exchange for many Chinese companies to list in the United States. The listing threshold is relatively relaxed. The third level is a local stock exchange, while the fourth level is mainly an OTC market for the circulation of equity of listed companies. Hong Kong's listing is divided into the main board and the ChiNext board. The Hong Kong motherboard is mainly designed for large enterprises with a solid foundation in the market. The

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Growth Enterprise Market (GEM) is an exclusive market designed for innovative and high growth small and medium-sized enterprises.

On February 1, 2023, the China Securities Regulatory Commission issued relevant rules on the comprehensive implementation of the reform of the stock issuance registration system. The positioning of the main board, science and technology innovation board, and growth enterprise board has been clarified, and the listing conditions of the main board under the registration system have been adjusted. The motherboard mainly serves mature large enterprises; Highlight the characteristics of "large market blue chip" and focus on supporting high-quality enterprises with mature business models, stable business performance, large scale, and industry representativeness. The Science and Technology Innovation Board highlights the characteristics of "hard technology" and plays the role of a "test field" for capital market reform, in order to face the forefront of world science and technology, the main battlefield of the economy, and major national needs. Priority should be given to supporting enterprises that possess key core technologies in line with national strategies, have outstanding innovation capabilities, mainly rely on core technologies for production and operation, have stable business models, high market recognition, good social image, and strong growth potential; The ChiNext board mainly serves growth oriented innovation and entrepreneurship enterprises; The Beijing Stock Exchange and the National Equities Exchange System jointly create the main battlefield for serving innovative small and medium-sized enterprises. Due to the fact that the Himalayan company did not attempt to list on the Chinese stock market in its three IPOs, this article will no longer elaborate on the listing conditions of its various sectors.

5. Himalayan Company's IPO plan

According to data from iResearch Consulting, China has the world's largest group of online audio users, and it is expected that by 2023, the number of online audio users in China will exceed 900 million. Meanwhile, China is the world's second largest online audio market after the United States, with online audio revenue accounting for about 15% of the world's total in 2018 and expected to grow at a compound annual growth rate of 44%. From the perspective of the capital market, on the audio track, there were former audio players such as Dragonfly FM and Litchi FM, and later new players represented by Tencent Music and NetEase Cloud Music entered the market. At present, from podcasts to long audio, the overall pattern of the audio market is quietly changing as giants compete for the "ear economy". The market is already in a competitive situation, and which company can obtain financing first, which company can quickly seize the opportunity to expand the market. The Himalayan company has made three attempts to go public, first submitting a prospectus to the US Securities and Exchange Commission in April 2021, with the intention of listing on the Nasdaq Stock Exchange. However, the application was withdrawn in September 2021, and in the same month, an IPO application was submitted on the Hong Kong Stock Exchange with the intention of listing on the main board, which expired in March 2022. Two weeks later, on March 30, 2022, the Himalayan company submitted its third listing application to the Hong Kong Stock Exchange and applied for listing on the main board. On June 24, 2022, according to market news, the Himalayan listing plan in Hong Kong has been suspended. This study focuses on the case study of its second listing failure.

6. Analysis of the Reasons for the Failure of Himalayan Company's IPO Plan

6.1. Financial Reasons

According to the 2022 prospectus information of Himalaya Company (seen from Fig. 1), it can be calculated that Himalaya Company had a negative working capital for a total of two years from 2019 to 2021, indicating that the company's operations are likely to stop at any time due to poor turnover. In addition, the company had a current ratio of less than 2:1 in 2019 and 2021, indicating that its

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short-term solvency is weak. Finally, the company's asset liability ratio was around 400% from 2019 to 2022, which means that the company's financial structure is unstable and there are potential risks in its long-term debt repayment ability.

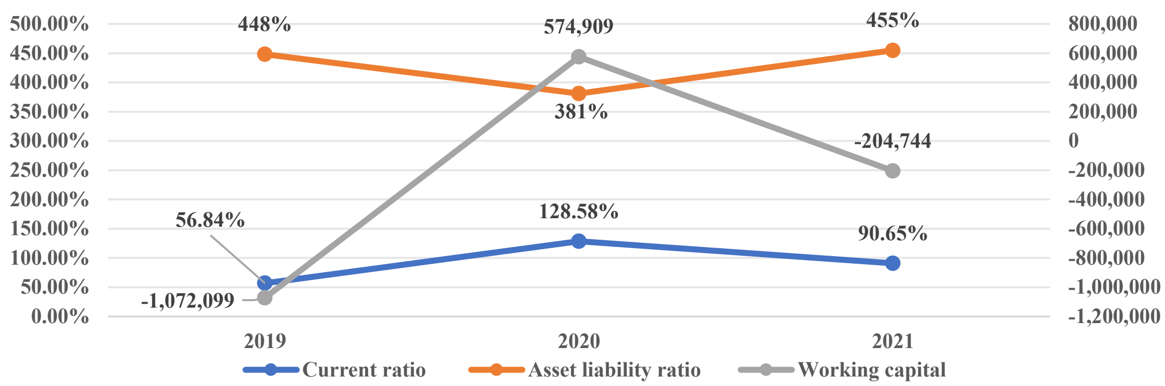

Figure 1: Analysis of Debt Repayment Ability of Himalayan Companies.

Table 1: Profitability Analysis of Himalayan Companies.

	2019	2020	2021
Gross margin	44.5%	49.1%	54.0%
Operating profit	-796,415	-723,488	-1,669,253
Operating margin	-29.52%	-17.75%	-28.50%
Return on Total Assets	-28.74%	-17.38%	-38.15%

According to the information displayed in the Himalayan prospectus (shown in Table 1), although the company's gross profit from 2019 to 2021 was considerable, in terms of operating profit, the company's operating profit for three consecutive years was negative, indicating that the company had suffered losses for three consecutive years. Furthermore, after calculation, it was found that the company's operating profit margin and total asset return were both negative, and the total asset return even reached a new low in three years in 2021. This indicates that the company's profitability is weak.

Table 2: Analysis of Himalayan Company's Operating Capacity.

	2019	2020	2021
Accounts receivable turnover ratio	5.68	10.05	12.24
Current asset turnover ratio	1.91	1.58	2.95
Total assets turnover ratio	0.97	0.98	1.34

Table 3: Analysis of the Development Capability of Himalayan Companies.

	2020	2021
Total Assets Growth Rate	50.23%	5.08%
Owner's equity Growth rate	-21.11%	-32.95%
Operating revenue growth rate	51.1%	43.7%
Operating profit growth rate	9.16%	-130.72%

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Seen from Table 2, it can be found that the accounts receivable growth rate, current asset turnover rate, and total asset turnover rate of Himalayan companies are within a generally acceptable range, indicating that Himalayan companies have good operational capabilities. From the calculation results in the Table 3, though the company's total asset growth rate is relatively objective, especially in 2020 when the total asset growth rate reached 50.23%, the company's owner's equity growth rate has been increasing in the opposite direction year by year, and the growth rate of operating revenue has also shown a slowing trend. More noteworthy is that the company's operating profit showed a cliff like decline in 2021. The above data mostly proves that the company has poor development capabilities. The revenue of Himalaya Company from 2019 to 2021 was 2.68 billion yuan, 4.07 billion yuan, and 5.86 billion yuan, respectively. As given in Table 4, from 2019 to 2021, the losses of the Himalayas during the year were 1.925 billion yuan, 2.882 billion yuan, and 5.106 billion yuan, respectively; This means that the Himalayan company has accumulated a loss of 9.913 billion yuan over the past three years. From Figures 1, it can be seen that in 2021, the Himalayas achieved a revenue of 5.857 billion yuan. Although there was an increase in revenue compared to 2020, the growth rate showed a significant slowdown, dropping from 51.07% in the same period last year to 43.69%. In addition, the annual loss also increased by 77.17% compared to 2020. This means that the rate of revenue growth for Himalayan companies is far from the rate of losses. Secondly, as a company that focuses on audio content as its product, its operating costs should mainly be generated by its purchase of copyright content. However, the sales and marketing expenses of the Himalayan company reached 1.219 billion yuan, 1.707 billion yuan, and 2.63 billion yuan, respectively, accounting for 81.38%, 82.35%, and 97.63% of the operating costs. It's like a company advertising a lot, but there aren't many real products in the store. In addition, after calculation, it is known that the company's fund utilization rate was too low from 2019 to 2021. Companies on the market generally have this value at the level of 80%, indicating that the company has serious deficiencies in utilizing funds to achieve value appreciation (seen from Table 5). Finally, based on the information in the prospectus, it can be calculated that the Himalayan company's earnings for three consecutive years from 2019 to 2021 were negative and the amount was relatively large, which did not meet the requirements for company earnings related to listing on the Hong Kong Main Board.

Table 4: Income Statement of Himalayan Companies (Partial).

	2019	2020	2021
Income	2,697,522	4,076,114	5,856,651
Operating costs	1,497,503	2,073,042	2,693,924
Gross profit	1,200,019	2,003,072	3,162,727
Loss during the year	1,924,800	2,882,096	5,105,982

Table 5: Revenue Statement of Himalayan Companies.

	2019	2020	2021
Revenue	-796,534	-723,645	-1,669,134

6.2. Non Financial Reasons

Due to the fact that Himalaya Company is a company that focuses on knowledge audio content as its profit point, mainly utilizing PGC, PUGC, and UGC resources as its profit points, its subscription services that can achieve about half of its revenue mainly depend on its PGC and PUGC, but their proportion in the total is too small: the two together are close to 0.1%. The company needs to increase the quantity of its PGC and PUGC resources and improve their quality (seen from Table 6).

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Table 6: Percentage of UGC Revenue of Litchi FM Company in Total Revenue.

	2018/12/31	2019/9/30	2019/12/31
Entertainment audio revenue (thousand yuan)	237,609	325,196	360,353
Income (in thousands of yuan)	239,976	328,712	365,278
Proportion (in thousands of yuan)	99%	99%	99%

In addition, as a company that belongs to the same network audio industry as the Himalayan company but has successfully listed on NASDAQ and achieved profitability, Litchi FM has a much stronger ability to achieve commercial monetization in using UGC resources for voice live streaming, fan rewards, and audio recording activities. Himalayan companies need to improve the efficiency of utilizing UGC resources or change their strategies for using their existing UGC resources.

Table 7: List of Major Shareholders of Himalayan Companies in 2022.

Name of shareholder	Number of Shares
Class A shares	
Ms.Yuxin Chen	46,039,256
Mr. Mingwang Xiong	34,129,560
Tencent Holdings Limited	26,993,968
Class B shares (one Class B share equals ten Class A shares)	
Mr. Jianjun Yu (Founder)	43,079,029

According to Sina Technology (seen from Table 7), in May 2019, in the early stages of Himalayan companies' first attempt to list and raise funds on the Nasdaq Stock Exchange, early investors in Himalaya began a wave of withdrawal. Tianjin Jinxing Venture Capital Co., Ltd., a venture capital company under Xiaomi, withdrew from its shareholder list. The registered capital of the company decreased by approximately 3.14 million yuan, a reduction of 5.22%. 12 directors, including Xiaomi Vice President Hong Feng, withdrew, leaving only the CEO of Himalaya FM, Yu Jianjun. In December of the same year, it was announced that the 60 million yuan previously invested by City Media had been fully recovered, with an investment income of 119 million yuan. According to the prospectus, Himalaya signed a capital reduction agreement with 21 entities in March 2019 and repurchased all registered capital held by old shareholders in Himalaya. Among them, including Tianjin Jinxing under Xiaomi, Xinxin Harmony under TAL, Shanghai Xiangxin, Xima Jitai, etc. Investors exiting on the eve of the US stock market listing will have a negative impact on the market, which is not conducive to the successful listing of Himalayan companies on the US stock market. At present, according to its 2022 Himalayan prospectus, the actual number of shareholders of Himalayan Company is too small, which will also be detrimental to the smooth listing of Himalayan Company on the Hong Kong main board.

7. Comparison and Enlightenment

Based on the comparison (presented in Table 8) between the listing conditions of the Hong Kong Main Board and the current situation of the Himalayan company mentioned earlier, it can be found that the company has not met the profitability test indicators and relevant earnings requirements in terms of financial indicators, making it difficult for the Himalayan company to achieve a successful listing. From the above analysis, it can be seen that the company should select corresponding accounting and financial expert teams within the company to conduct initial screening of listing conditions before the planned listing, in order to avoid paying additional time and capital costs in the

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future due to the inability to meet basic financial or non-financial requirements. According to the hypothesis of rational people, in order to obtain commissions and handling fees, securities firms have the instinct to moderately whitewash small issues when writing prospectuses. Therefore, when selecting intermediary institutions to guide listing, companies should be rational and cautious: based on data statistics, choose intermediary institutions with large business volume, strong professional ability, high pass rate, and few or no illegal activities. On January 1, 2022, in order to improve the quality of companies listed on the Hong Kong Main Board and ChiNext, the Hong Kong Stock Exchange issued and implemented the latest revised listing system for overseas issuers. However, the Himalayan company launched its third Hong Kong main board listing plan in March 2022, which proved to be a poor timing choice. Subsequently, companies intending to be listed should try to avoid changes in listing policies, especially during periods of increasing listing requirements.

Table 8: Comparison between the Financial Indicator Requirements for Listing on the Hong Kong Main Board and the Current Situation of Himalayan Companies.

	Hong Kong Mainboard Requirements	Current situation of Himalayan companies (in thousands of yuan)	Conclusion
Financial indicators (one of the three is sufficient): profit testing	The profit in the past year is>=35 million Hong Kong dollars (the cumulative profit in the first two fiscal years is not less than 45 million Hong Kong dollars, that is, the profit in the past three years is>=80 million Hong Kong dollars).	Operating profit in 2019:-796,415 Operating profit in 2020:-723,488 Operating profit in 2021:-1,669,253	Not satisfied
Financial indicators (one of the three can be met): market value/earnings test	The planned market value for listing is>=HKD 4 billion, and the revenue for the past year is>=HKD 500 million.	Revenue in 2019:-796,554 Revenue in 2020: -723,645 Revenue in 2021:-1,669,133	Revenue conditions not satisfied
Financial indicators (one of the three is sufficient): Market value/income cash flow test	The planned market value for listing is>=2 billion Hong Kong dollars, with a revenue of>=500 million Hong Kong dollars in the past year, and cash inflows of>=100 million Hong Kong dollars in the past three years.	Revenue in 2019:-796,554 Revenue in 2020: -723,645 Revenue in 2021:-1,669,133	Revenue conditions not satisfied

8. Conclusion

Based on the above financial and non-financial analysis, it can be concluded that the reason for the failure of the Himalayan company to go public is that the company invested a large amount of funds in market promotion instead of purchasing PGC and PUGC copyrights and improving the liquidity of UGC resources. For a company that primarily focuses on audio content, it should build a content

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moat in its PGC and PUGC aspects. Litchi FM company in the same industry has been listed on the NASDAQ Stock Exchange and has taken the lead in introducing AI voice technology and launched innovative functions such as chat robot, and has reached cooperation with intelligent car companies such as Xiaopeng, and achieved profitability in 2023. At the same time, ByteDance Company launched the "Tomato Listening" Tencent in Kuwo Listening and Lazy Listening, which is merged into Lazy Listening in 2020; NetEase Cloud Music has added audio books and podcast entries; In the context of the acquisition of Cat Ear FM by Bilibili, network audio industry companies such as Himalaya should seize well-known IPs in the early stages of other companies' track layout rather than investing funds in promotion activities. Consumers are more likely to choose to enter the platform and provide paid value-added services due to the works of a well-known expert, rather than spending time and money on a company with strong promotion efforts but limited content, While being able to increase its operating revenue, it also meets the profitability requirements for listing. After the consumer traffic reaches a certain scale, advertisers often cooperate with them, which can increase their advertising revenue. In addition, well-known IPs can also serve as intangible assets for a company to increase its total asset value and make its balance sheet more eye-catching. In addition, in the context of the Internet economy, efficiently utilizing its UGC resources and opening its live streaming reward business to a specific group of special needs can help improve the commercial monetization ability of UGC resources. This can help the company achieve profitability or demonstrate a positive trend, thereby attracting more investors to invest in the company, while also attracting other potential investors, allowing the market to see its development potential and achieve a successful listing.

There are still some shortcomings in this study. In the process of studying Himalayan companies in this article, most of the data comes from public sources for research, while some key information and confidential information are not easily involved. For example, there are limitations in selecting internal IPO team members and intermediary agencies such as securities firms for the company's management, as well as in the actual business strategy of the company. This article also hopes to attract more experts and scholars with more abilities to solve the problem of difficult listing of companies in the online audio industry by investigating internal information and conducting interviews with company management. With the rapid development of China's economy, the online audio industry is crucial in assisting social and cultural development and improving the spiritual and living standards of the people. At present, in the research on the IPO of the online audio industry, the focus of experts and scholars is on the listing path, listing motivation, listing risks, and financing strategies. However, there is relatively little research on the combination of IPO failures of companies in the online audio industry and specific cases. To fill the gap in this research field and enrich the research system of IPOs in the online audio industry, this article will be based on the cases of multiple IPO failures of Himalayan companies. Thoroughly understand and analyse the reasons for the IPO failure of companies in the network audio industry and propose feasible improvement suggestions.

In the current era of the Internet, the online audio industry has achieved unprecedented development, but Chinese online audio companies have a low success rate in going public due to their own characteristics. This article will analyse the characteristics of film and television industry companies and the IPO review standards, understand the overview of whether film and television industry companies have been approved for IPO, and then select a representative Himalayan company in the network audio industry to combine theory with practice to analyse the specific reasons for its multiple failed IPOs; Finally, based on the analysis of the conclusions obtained and the characteristics of the industry, suggestions are proposed to improve the low IPO pass rate of companies in the network audio industry. This will have reference significance for companies in the network audio industry that want to go public in the future.

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