

# INTERIM REPORT

2024

STOCK CODE : 00623



**SinoMedia**<sup>®</sup>

中視金橋國際傳媒控股有限公司  
SinoMedia Holding Limited



# CONTENTS

Corporate Information	2
Financial Summary	3
Management Discussion and Analysis	4
Condensed Consolidated Statement of Profit or Loss	10
Condensed Consolidated Statement of Comprehensive Income	11
Condensed Consolidated Statement of Financial Position	12
Condensed Consolidated Statement of Changes in Equity	14
Condensed Consolidated Cash Flow Statement	15
Notes to the Unaudited Interim Financial Report	16
Other Information	31

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Chen Xin (*Chairman*)  
Ms. Liu Jinlan  
Mr. Li Zongzhou  
Ms. Liu Zhiyi

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing  
Ms. Ip Hung  
Dr. Tan Henry  
Dr. Zhang Hua

## AUDIT COMMITTEE

Mr. Qi Daqing (*Chairman*)  
Ms. Ip Hung  
Dr. Zhang Hua

## REMUNERATION COMMITTEE

Ms. Ip Hung (*Chairman*)  
Mr. Chen Xin  
Dr. Zhang Hua

## NOMINATION COMMITTEE

Mr. Chen Xin (*Chairman*)  
Mr. Qi Daqing  
Dr. Tan Henry

## COMPLIANCE COMMITTEE

Mr. Li Zongzhou (*Chairman*)  
Mr. Wang Yingda

## COMPANY SECRETARY

Mr. Wang Yingda

## AUTHORISED REPRESENTATIVES

Mr. Chen Xin  
Mr. Wang Yingda

## PRINCIPLE PLACE OF BUSINESS

7/F, The Place — SinoMedia Tower,  
No. 9 Guanghua Road, Chaoyang District,  
Beijing, PRC

Unit 15D, Xintian International Plaza,  
No. 450 Fushan Road, Pudong New District,  
Shanghai, PRC

## REGISTERED OFFICE OF THE COMPANY

Unit 417, 4th Floor, Lippo Centre,  
Tower Two, No. 89 Queensway, Admiralty,  
Hong Kong

## AUDITORS

KPMG  
Public Interest Entity Auditor registered in accordance  
with the Financial Reporting Council Ordinance

## SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited  
2103B, 21/F, 148 Electric Road, North Point,  
Hong Kong

## WEBSITE

[www.sinomedia.com.hk](http://www.sinomedia.com.hk)

# Financial Summary

<b>RMB'000</b>	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023	Change (%)
<b>Revenue</b>	<b>333,120</b>	373,097	-11%
<b>Profit from operations</b>	<b>20,863</b>	51,183	-59%
<b>Profit attributable to equity shareholders of the Company</b>			
<b>Earnings per share</b>	<b>29,879</b>	42,470	-30%
— Basic and diluted (RMB)	<b>0.065</b>	0.092	-29%

<b>REVENUE</b>	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023	Change (%)
<b>RMB'000</b>			
<b>TV media resources management</b>	<b>176,511</b>	209,644	-16%
<b>Content operations, Other integrated communication services and others</b>	<b>43,731</b>	52,418	-17%
<b>Digital marketing and Internet media</b>	<b>95,550</b>	87,246	+10%
<b>Rental income</b>	<b>17,328</b>	23,789	-27%
	<b>333,120</b>	373,097	

# Management Discussion and Analysis

## OVERVIEW

In the first half of 2024, the intensification of global trade friction brought more uncertainties to the economic recovery, and the continuous adjustment of the domestic real estate market also adversely affected consumer demand, resulting in weak market expectations and insufficient effective demand. According to market research data released by CTR Media Intelligence, TV advertising spending in the first half of 2024 decreased by 3.4% year-on-year, among which TV advertising spending in June decreased by 9.2% year-on-year. (Source: CTR Media Intelligence, August 2024).

In the face of an increasingly complex market environment, during the period under review, the Group maintained flexibility and innovation, optimized its business structure, stepped up sales promotion, embraced new consumption trends and consumption patterns, strived to overcome market pressure, and firmly pushed forward the building of brand marketing capabilities with cross-screen creative communication services as the core, committed to providing clients with high-quality and diversified creative products and communication services.

## BUSINESS REVIEW

### TV Advertising and Content Operations

#### I. TV Media Resources Management

During the period under review, the Group had the exclusive underwriting right for a total of 65,336 minutes of China Media Group advertising resources on “Boutique Financial Records” on CCTV-2 (Financial Channel), “Focus Today” and “Across the Strait” on CCTV-4 (Chinese International), CCTV-9 (Documentary Channel) and CCTV-14 (Children’s Channel). It covered the market of finance and economics, current politics, culture and children, and brought diversified communication channels to clients. During the period, the Group endeavoured to maintain its leadership in the television advertising market by stretching its edges and experience in TV communications, actively exploring new horizons, overcoming difficulties and continuously optimising its marketing strategies and media product portfolio.

#### II. Content Operations

The Group provided clients with comprehensive and professional video creative and production services. During the period under review, the Group successively served Mcdonald’s, Milkground, PICC and other clients, providing services involving advertising video shooting, producing and editing and graphic design.

The Group continued to develop its content marketing business centered on the R&D and production of video content, and provide tailor-made creative video contents for clients, to realize the brand communication value of clients by means of content marketing. During the period under review, focusing on the market demand of family consumption, through live broadcast interaction, short video, content implantation, animation development and publicity activities, the Group provided creative content communication services to clients including Chimelong Group, Bank of Beijing, Sinotruk, NBA China and other clients.

### **III. Other Integrated Communication Services and Others**

The Group has gained recognition from a large number of renowned clients for its professional and efficient communication services and the philosophy of caring services. During the period under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integration communication services to clients including China Feihe, CITIC Group, Tencent, Geely Auto, FAW-Volkswagen, China Duty Free Group and Bamboo Leaf Green Tea and other clients.

In respect of the international business, the Group actively offered Chinese market promotion, media propaganda, creative planning and other services to overseas clients. The main clients during the period under review included Destination DC, Tourism Yukon, Queen Sirikit National Convention Center and YTL Hotels.

### **Digital Marketing and Internet Media**

#### **I. Digital Marketing**

The Group continued to focus on its core competence in digital marketing and strengthened its internet integration service capability to provide customised one-stop digital marketing solutions to its clients. Meanwhile, the Group leveraged the advantages of its internet media resource matrix, integrated quality traffic and optimised placement strategies through its intelligent advertisement placement system, and established close partnerships with data providers, advertisement trading platforms and effect monitoring agencies to jointly promote the development of programmatic advertisement placement. During the period under review, the Group successively served China Feihe, Huaxia Bank, CITIC Bank, South Asset Management, CZBank, PICC and Bausch & Lomb and other clients, and was highly recognized and praised by the clients.

#### **II. Internet Media**

www.boosj.com of the Group focused on the video content operation in healthy life field. In the two vertical areas of parent-child education and middle-aged and elderly healthy life, www.boosj.com continued to enhance content construction and we-media matrix deployment, and deeply explore the needs of family users. In addition, on the basis of community operation and video content aggregation of users, www.boosj.com combines the MCN streamer matrix to enrich the content and form of live broadcast, and consolidate the channel functions of brand marketing and e-commerce delivery.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2024, the Group recorded revenue of RMB333,120 thousand, representing a year-on-year decrease of 11% from RMB373,097 thousand for the same period last year.

Details of revenue for the period under review are as follows:

- (I) Revenue from TV media resources management amounted to RMB176,511 thousand, representing a year-on-year decline of 16% from RMB209,644 thousand for the same period last year. With the weakening of the festival effect in the first quarter of 2024, the TV advertising spending began to decline since the second quarter. Among them, the advertising amount of clients in maternal and infant products, building materials, furniture and electrical appliances decreased significantly compared with the same period last year. The Group will continue to pay attention to changes in demand, innovate media product portfolio, improve operational efficiency and product competitiveness, and strive to overcome the difficulties and challenges brought about by market fluctuations.
- (II) Revenue from content operations, other integrated communication services and other businesses amounted to RMB43,731 thousand, representing a year-on-year decrease of 17% over RMB52,418 thousand for the same period last year. Among which: (1) Revenue from content operations amounted to RMB7,961 thousand, representing a year-on-year decline of 45% from RMB14,528 thousand for the same period last year. Affected by the shrinking budgets of certain clients, content creative marketing revenue and commercial advertising video production revenue both declined compared with the same period last year. (2) Revenue from other integrated communication services and other businesses amounted to RMB35,770 thousand, representing a year-on-year decline of 6% over RMB37,890 thousand for the same period last year. Revenue from this business mainly comes from the commission income obtained from media suppliers by the Group as an agent to procure media resources for clients. The commission income earned during the period under review decreased slightly compared with the same period last year, due to influence of the commission settlement cycle of media providers.
- (III) Revenue from digital marketing and internet media amounted to RMB95,550 thousand, representing a year-on-year increase of 10% from RMB87,246 thousand for the same period last year. Among which: (1) the Group's self-developed intelligent programming advertising placement platform operated well, and the advertising placement from high-quality clients was enhanced, significantly improving the digital marketing revenue when compared with the same period last year; (2) the revenue from internet media declined slightly as compared with the same period last year.
- (IV) The investment properties held by the Group are offices on multiple floors located at The Place-SinoMedia Tower, No. 9 Guanghai Road, Chaoyang District, Beijing, PRC, with a total gross floor area of 16,130.64 sq.m. and a land use right of 50 years from 8 August 2007 to 7 August 2057. The rental income generated from the investment properties amounted to RMB17,328 thousand, representing a year-on-year decrease of 27% from RMB23,789 thousand for the same period last year. Due to the combined effect of the disposal of certain investment properties in the first half of last year and the decrease in rental prices of existing rental properties, the revenue from this business was lower than that of the same period last year.

## Operating Expenses

For the six months ended 30 June 2024, the Group's operating expenses were RMB48,753 thousand in aggregate, representing a year-on-year decrease of 14% from RMB56,636 thousand for the same period last year, and accounting for 14.6% of the Group's revenue (the same period last year: 15.2%). The Group continuously strengthened the budget management for operating expenses, reduced the non-essential expenditures, and steadily implemented the measures for cost reduction and efficiency improvement, resulting in a decrease in operating expenses as compared to the same period last year.

Among which:

- (I) Selling and marketing expenses amounted to RMB17,597 thousand, representing a year-on-year increase of RMB1,525 thousand from RMB16,072 thousand for the same period last year, and accounting for 5.3% of the Group's revenue (the same period last year: 4.3%).
- (II) General and administrative expenses amounted to RMB31,156 thousand, representing a year-on-year decrease of RMB9,408 thousand from RMB40,564 thousand for the same period last year, and accounting for 9.3% of the Group's revenue (the same period last year: 10.9%). The decrease in general and administrative expenses was mainly due to a decrease of RMB8,729 thousand in impairment losses on receivables as compared with the same period last year.

## INVESTMENTS, ACQUISITIONS AND DISPOSALS

In January 2024, the Group signed a capital increase agreement with Shenzhen Honghegu Biotechnology Co., Ltd. (深圳市紅禾谷生物科技有限公司) ("Honghegu") to subscribe for a minority stake in Honghegu through capital increase in cash of RMB5,100 thousand. As a new consumption company focusing on tomato products, Honghegu is engaged with the business ranging from the primary processing and deep processing of tomatoes to the whole industrial chain of new consumption brand operation, aiming for providing consumers with healthy, delicious and portable tomato products. As of 30 June 2024, the transaction procedures had been fully completed.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group had a stable financial position as a whole. As at 30 June 2024, cash and cash equivalents of the Group amounted to RMB510,612 thousand (31 December 2023: RMB416,005 thousand), of which approximately 72% was denominated in RMB, 28% in HK dollars and other currencies. As at 30 June 2024, the bank time deposits with maturity over three months held by the Group amounted to RMB508,911 thousand (31 December 2023: RMB505,742 thousand).

During the period, details of the Group's cash flow status were as follows:

- (I) Net cash inflow from operating activities was RMB88,020 thousand (the same period last year: RMB46,119 thousand), which was mainly because: (1) the media agency costs paid in advance increased by RMB19,661 thousand compared with the end of last year; (2) the media costs and deposits payable increased by RMB37,908 thousand compared with the end of last year; (3) the balance of advances from clients increased by RMB77,387 thousand compared with the end of last year; and (4) income tax of RMB25,162 thousand was paid.



# Management Discussion and Analysis

- (II) Net cash inflow from investing activities was RMB9,168 thousand (the same period last year: net cash outflow of RMB302,165 thousand), which was mainly attributable to: (1) the bank deposit interest received of RMB17,748 thousand; and (2) payment of RMB5,100 thousand for equity securities investment.
- (III) Net cash outflow from financing activities was RMB452 thousand (the same period last year: RMB1,026 thousand), which was mainly attributable to the payment of lease rentals.

## PROFIT AND EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

For the six months ended 30 June 2024, the profit attributable to equity shareholders of the Company was RMB29,879 thousand, while the profit attributable to equity shareholders of the Company was RMB42,470 thousand due to the one-off gain on disposal of properties of RMB68,153 thousand recorded in the same period last year.

As at 30 June 2024, the Group's total assets amounted to RMB1,990,417 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,644,189 thousand and non-controlling interests of RMB-8,916 thousand.

As at 30 June 2024, the Group had no interest-bearing debts, and the gearing ratio of the Group was nil (31 December 2023: nil). The gearing ratio was calculated by dividing the sum of the period-end interest-bearing bank borrowings and other borrowings by the period-end total equity, and multiplying 100%.

As at 30 June 2024, the Group had no material contingent liabilities.

The majority of the Group's turnover, expenses and capital investments were denominated in Renminbi.

## HUMAN RESOURCES

As at 30 June 2024, the Group had 205 employees in total, slightly more than that at the beginning of the year. In the first half of the year, despite the volatile market conditions, the Group stayed on course for the policy of maintaining overall stability of the staff team and making moderate adjustment in the business structure. To make it happen, the Group actively embraced new technologies and new trends in the family consumption market to promote the sustainable development of the Group's business by adding a new team for the development of digital imaging technology. Drawing on its scientific job analysis and employee competency assessment, the Group rationally increased the salary and performance bonus for some professional positions in sales and marketing and implemented dynamic performance related remuneration policies for all the employees to constantly intensify the connection between working results and personal interests. In terms of training, the Group developed and organized targeted training strategies and programs for employees and adopted an online + offline professional training mode, including induction training for new employees, professional skills training and other trainings of various levels and categories, with an aim to comprehensively improve employees' professional knowledge, marketing ability and practical ability. In terms of corporate culture, the Group continued to organize activities such as "SinoMedia Second Generation" parent-child carnival and the annual dinner for employees to promote the construction of corporate culture of caring for employees and building happy homes. In order to align the personal interests of employees with those of shareholders, the Company granted share options to employees under share option schemes. Share options that were granted and remained unexercised as of the end of the period totaled 14,852,000 units.



## INDUSTRY AND GROUP OUTLOOK

According to the Purchasing Managers' Index released by the Service Survey Center of NBS and the China Federation of Logistics & Purchasing, in July 2024, the Purchasing Managers' Index (PMI) of China's manufacturing industry was 49.4%, down 0.1 percentage point from the previous month; the business activity index of non-manufacturing industry was 50.2%, down 0.3 percentage points from the previous month; the overall PMI of 50.2% (lower than 50.5% of the previous month) has been declining for four consecutive months since March 2024. (Sources: National Bureau of Statistics, July 2024). As shown by the data, the domestic enterprises' production and business activities remained generally expansive yet at an increasingly slower pace, triggering the market's concern about the downward pressure on the economy in the coming period.

Despite the current challenging market, the Group, as a leading comprehensive media operation group in China, will persist in gaining insight into and capturing changes in consumer demand to continuously strengthen its connection with the consumer market and to enhance its core competitiveness in creative communication and brand strategy. Highly experienced with over 20 years' business strategies, the Group will cope with the complex and volatile economic environment and operating pressure thereunder.

Specifically, in respect to TV advertising, the Group will adhere to the client-oriented product and service strategies, constantly optimize media resources, and enhance the brand value of clients by providing one-stop solutions such as brand positioning, visual creativity, communication strategy, media execution and effect evaluation. In respect to content operation, the Group will, leveraging its experience and capabilities in video content creation and brand communication, further develop content marketing business centering video content R&D and production, customize creative video for clients to promote the in-depth combination of brand communication and creative content. In respect to the digital marketing and internet media, the Group will continue to expand high-quality media resources, enhance the technological iteration of intelligent programming advertising placement platforms, and improve the online placement efficiency and brand influence with the expertise in precision communication.

The Group will further optimize its business structure, deepen the deployment in family consumption industry through the synergy of creative communication and brand investment management business, and accelerate the development of brand operation business in the field of FMCG. In addition, the Group will also continue to enhance its operational resilience through prudent financial management in an effort to minimize the impact of market volatility on the Group and to generate long-term returns for shareholders.

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	4	333,120	373,097
Cost of services		(262,597)	(331,988)
<b>Gross profit</b>		<b>70,523</b>	41,109
Other (loss)/income	5	(907)	66,710
Selling and marketing expenses		(17,597)	(16,072)
General and administrative expenses		(31,156)	(40,564)
<b>Profit from operations</b>		<b>20,863</b>	51,183
Finance income	6(a)	17,748	13,273
Finance costs	6(a)	(920)	(171)
<b>Net finance income</b>		<b>16,828</b>	13,102
<b>Profit before taxation</b>		<b>37,691</b>	64,285
Income tax	7	(7,894)	(21,726)
<b>Profit for the period</b>		<b>29,797</b>	42,559
<b>Attributable to:</b>			
Equity shareholders of the Company		29,879	42,470
Non-controlling interests		(82)	89
<b>Profit for the period</b>		<b>29,797</b>	42,559
<b>Earnings per share</b>	8		
Basic and diluted (RMB)		0.065	0.092

The notes on pages 16 to 30 form part of this interim financial report.

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024 — unaudited  
(Expressed in RMB)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Profit for the period</b>	<b>29,797</b>	42,559
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)	—	(8,696)
Exchange differences on translation of financial statements of the Company	<b>2,144</b>	15,412
	<b>2,144</b>	6,716
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the overseas subsidiaries	<b>(835)</b>	(156)
Other comprehensive income for the period	<b>1,309</b>	6,560
<b>Total comprehensive income for the period</b>	<b>31,106</b>	49,119
Attributable to:		
Equity shareholders of the Company	<b>31,188</b>	49,030
Non-controlling interests	<b>(82)</b>	89
<b>Total comprehensive income for the period</b>	<b>31,106</b>	49,119


The notes on pages 16 to 30 form part of this interim financial report.

# Condensed Consolidated Statement of Financial Position

At 30 June 2024 — unaudited  
(Expressed in RMB)

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	9	164,090	166,644
Investment property	9	515,100	522,517
Intangible assets		2,064	2,490
Other non-current financial assets	10	137,290	134,514
Deferred tax assets		671	267
		<b>819,215</b>	826,432
<b>Current assets</b>			
Inventories		687	794
Prepayments, trade and other receivables	11	150,992	126,639
Restricted bank deposits		—	760
Bank deposits	12	508,911	505,742
Cash and cash equivalents	13	510,612	416,005
		<b>1,171,202</b>	1,049,940
<b>Current liabilities</b>			
Trade and other payables	14	216,582	121,407
Contract liabilities	15	134,159	56,772
Lease liabilities		628	609
Current taxation		2,016	19,179
		<b>353,385</b>	197,967
<b>Net current assets</b>		<b>817,817</b>	851,973
<b>Total assets less current liabilities</b>		<b>1,637,032</b>	1,678,405

The notes on pages 16 to 30 form part of this interim financial report.



	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
<b>Non-current liabilities</b>		
Lease liabilities	<b>1,554</b>	1,195
Deferred tax liabilities	<b>205</b>	5,190
	<b>1,759</b>	6,385
<b>NET ASSETS</b>	<b>1,635,273</b>	1,672,020
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>510,981</b>	510,981
Reserves	<b>1,133,208</b>	1,169,873
<b>Total equity attributable to equity shareholders of the Company</b>	<b>1,644,189</b>	1,680,854
<b>Non-controlling interests</b>	<b>(8,916)</b>	(8,834)
<b>TOTAL EQUITY</b>	<b>1,635,273</b>	1,672,020

The notes on pages 16 to 30 form part of this interim financial report.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 — unaudited  
(Expressed in RMB)

Note	Attributable to equity shareholders of the Company						Non-controlling		Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	interests RMB'000	
<b>Balance at 1 January 2024</b>	<b>510,981</b>	<b>31,033</b>	<b>126,817</b>	<b>14,480</b>	<b>(73,000)</b>	<b>1,070,543</b>	<b>1,680,854</b>	<b>(8,834)</b>	<b>1,672,020</b>
<b>Changes in equity for the six months ended 30 June 2024:</b>									
Profit for the period	—	—	—	—	—	29,879	29,879	(82)	29,797
Other comprehensive income	—	—	—	1,309	—	—	1,309	—	1,309
Total comprehensive income	—	—	—	1,309	—	29,879	31,188	(82)	31,106
Dividends declared to equity shareholders of the Company 16(a)	—	—	—	—	—	(67,853)	(67,853)	—	(67,853)
<b>Balance at 30 June 2024</b>	<b>510,981</b>	<b>31,033</b>	<b>126,817</b>	<b>15,789</b>	<b>(73,000)</b>	<b>1,032,569</b>	<b>1,644,189</b>	<b>(8,916)</b>	<b>1,635,273</b>
Balance at 1 January 2023	510,981	31,033	126,886	8,958	(52,951)	992,738	1,617,645	(8,421)	1,609,224
Changes in equity for the six months ended 30 June 2023:									
Profit for the period	—	—	—	—	—	42,470	42,470	89	42,559
Other comprehensive income	—	—	—	15,256	(8,696)	—	6,560	—	6,560
Total comprehensive income	—	—	—	15,256	(8,696)	42,470	49,030	89	49,119
Dividends declared by a subsidiary to non-controlling equity owner	—	—	—	—	—	—	—	(300)	(300)
Dividends declared to equity shareholders of the Company 16(a)	—	—	—	—	—	(19,153)	(19,153)	—	(19,153)
Balance at 30 June 2023	510,981	31,033	126,886	24,214	(61,647)	1,016,055	1,647,522	(8,632)	1,638,890

The notes on pages 16 to 30 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024 — unaudited  
(Expressed in RMB)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Operating activities</b>			
Cash generated from operations		113,182	79,828
Income tax paid		(25,162)	(33,709)
Net cash generated from operating activities		88,020	46,119
<b>Investing activities</b>			
Payment for purchase of equity securities		(5,100)	(56,320)
Net increase in bank deposits		(3,169)	(350,451)
Proceeds from disposal of investment properties		—	91,333
Proceeds from disposal of financial assets		—	4,500
Dividends received from investments in securities		546	632
Interest received		17,748	8,260
Other cash flows used in investing activities		(857)	(119)
Net cash generated from/(used in) investing activities		9,168	(302,165)
<b>Financing activities</b>			
Capital element of lease rentals paid		(412)	(978)
Interest element of lease rentals paid	6(a)	(40)	(48)
Net cash used in financing activities		(452)	(1,026)
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at 1 January	13	416,005	704,635
Effect of foreign exchange rate changes		(2,129)	12,044
<b>Cash and cash equivalents at 30 June</b>	13	<b>510,612</b>	<b>459,607</b>

The notes on pages 16 to 30 form part of this interim financial report.



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”) and Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorized for issue on 26 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted by SinoMedia Holding Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 and HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards and Hong Kong Financial Reporting Standards (“HKFRSs”). This interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amended IAS/HKAS and IFRS/HKFRS issued by the IASB/HKICPA to this interim financial report for the current accounting period:

- Amendments to IAS/HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to IAS/HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to IFRS/HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS/HKAS 7, *Statement of cash flows* and IFRS/HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

For the six months ended 30 June 2024, there are RMB2,072 thousand of revenue generated from outside Mainland China (six months ended 30 June 2023: RMB1,818 thousand). As at 30 June 2024, the balances of non-current assets, which are based on the physical location of the assets located outside Mainland China, are amounting to RMB6 thousand (31 December 2023: RMB7 thousand).

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 4 REVENUE

The Group is principally engaged in TV advertising, creative content production and digital marketing services.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS/HKFRS 15</b>		
– Revenue from TV media resources management	176,511	209,644
– Revenue from content operations, other integrated communication services and others	43,731	52,418
– Revenue from digital marketing and internet media	95,550	87,246
	<b>315,792</b>	349,308
<b>Revenue from other sources</b>		
– Revenue from rental	17,328	23,789
	<b>333,120</b>	373,097

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Disaggregated by timing of revenue recognition</b>		
– Point in time	19,115	22,958
– Over time	296,677	326,350
	<b>315,792</b>	349,308

The Group's customer base is diversified and include one customer with whom transactions have exceeded 10% of the Group's revenue. During the six months ended 30 June 2024, revenue from this customer amounted to RMB137,300 thousand (six months ended 30 June 2023: RMB140,867 thousand).

## 5 OTHER (LOSS)/INCOME

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Gains on disposal of investment properties		—	68,153
Unrealised losses on other financial assets	(i)	(2,426)	(8,367)
Government grants	(ii)	—	2,562
Others		1,519	4,362
		<b>(907)</b>	66,710

Note:

- (i) The unrealised losses were from the investment in China Feihe Limited.
- (ii) It is the unconditional discretionary grants received from the local government authorities in recognition of the Group's contribution to the development of the local economy.

## 6 PROFIT BEFORE TAXATION

### (a) Finance income and costs

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income on bank deposits	17,748	12,899
Net foreign exchange gain	—	374
Finance income	17,748	13,273
Net foreign exchange loss	(880)	—
Interest on lease liabilities	(40)	(48)
Others	—	(123)
Finance costs	(920)	(171)
Net finance income	16,828	13,102

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 6 PROFIT BEFORE TAXATION (Continued)

### (b) Other items

The following expenses are included in cost of services, selling and marketing expenses and general and administrative expenses.

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Amortisation – intangible assets	426	426
Depreciation – property, plant and equipment and investment property – right-of-use assets	10,081 486	11,512 631
	10,567	12,143
Provision of impairment losses – trade debtors	1,441	10,170
Auditors' remuneration – audit services	1,325	1,325
Direct operating expenses (excluding depreciation) – investment property	590	327

## 7 INCOME TAX

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Current tax</b>		
Provision for income tax for the period	12,015	37,003
Under/(over)-provision in respect of prior years	1,268	(252)
	<b>13,283</b>	36,751
<b>Deferred tax</b>		
Reversal of temporary differences	(5,389)	(15,025)
Total income tax expense	<b>7,894</b>	21,726

- (i) The provision for Hong Kong profits tax of the Company and its subsidiary incorporated in Hong Kong is based on the applicable rates on the estimated assessable profits in accordance with the relevant income tax rules and regulations of Hong Kong. For the six months ended 30 June 2024 and 2023, the Company and its subsidiary in Hong Kong are under the two-tiered profits tax regime. The first HKD2 million of assessable profits earned by a corporation is taxed at half of the current tax rate (i.e. 8.25%) whilst the remaining profits will continue to be taxed at 16.5%.

The Company and its subsidiary incorporated in Hong Kong did not have assessable profits subject to Hong Kong profits tax for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

- (ii) The corporate income tax rate of the Company's subsidiary in Singapore is 17% (2023: 17%). No provision has been made for Singapore income tax as the Company's subsidiary in Singapore did not have assessable profits for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).
- (iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

During the six months ended 30 June 2024 and 2023, certain Group entities established in the PRC are at a preferential rate of 20% as small meager-profit enterprises. Other Group entities established in the PRC are subject to PRC corporate income tax rate of 25%.

- (iv) For the six months ended 30 June 2024 and 2023, the Company applied dividends withholding tax rate at 5% as it obtained the certificate of resident of the Hong Kong Special Administrative Region under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect of Taxes on income".

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB29,879 thousand (six months ended 30 June 2023: RMB42,470 thousand) and the weighted average of 461,635,370 ordinary shares (six months ended 30 June 2023: 461,635,370 shares) in issue during the period.

There were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2024 (six months ended 30 June 2023: nil). The effect of the deemed issue of shares under the Company's share option scheme was not included in the calculation of diluted earnings per share as they are anti-dilutive during the six months ended 30 June 2024 and 2023.

## 9 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of RMB857 thousand (six months ended 30 June 2023: RMB134 thousand).

No items of investment properties were disposed during the six months ended 30 June 2024. The Group disposed certain investment properties with a net book value of RMB23,180 thousand during the six months ended 30 June 2023, resulting in a gain on disposal of RMB68,153 thousand (note 5).

## 10 OTHER NON-CURRENT FINANCIAL ASSETS

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	<i>Note</i>		
Financial assets measured at FVPL			
– Equity securities listed in Hong Kong	(i)	13,322	15,646
Equity securities measured at FVOCI			
– Investments in unlisted equity securities	(ii)	123,968	118,868
		137,290	134,514

Notes:

- (i) As at 30 June 2024, the Group holds approximately 0.045% shares of China Feihe Limited (stock code: 6186) and designated the investment at fair value through profit or loss ("FVPL"). Dividends received on this investment were HKD600 thousand (approximately RMB546 thousand) during the six months ended 30 June 2024 (six months ended 30 June 2023: HKD696 thousand (approximately RMB632 thousand)).
- (ii) Investments in unlisted equity securities mainly represent shares in Bloks Group Limited and Beijing AIQI Technology Company Limited. The Group designated its investments in unlisted equity securities at fair value through other comprehensive income ("FVOCI") (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the date of revenue recognition and net of loss allowance, is as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 3 months	81,014	83,783
3 months to 6 months	14,154	8,261
6 months to 12 months	6,555	4,431
Over 12 months	464	533
Trade debtors and bills receivable, net of loss allowance	<b>102,187</b>	97,008
Deposits to media suppliers	6,792	9,126
Advances to employees	3,828	2,059
Other debtors, net of loss allowance	1,337	728
Financial assets measured at amortised cost	<b>114,144</b>	108,921
Prepayments to media suppliers	29,725	10,064
Other prepayments	2,615	2,464
Input VAT to be deducted	4,508	5,190
	<b>36,848</b>	17,718
Prepayments, trade and other receivables, net of loss allowance	<b>150,992</b>	126,639

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Credit terms are granted to the customers, depending on credit assessment carried out by management on an individual basis. The credit terms for trade receivables are generally from nil to 90 days.



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 12 BANK DEPOSITS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Bank deposits	508,911	505,742

At 30 June 2024, bank deposits of the Group were all fixed-term deposits in UBS AG Hong Kong Branch, with annual interest rates ranging from 5.155% to 5.230% (31 December 2023: 5.112% to 5.330%).

## 13 CASH AND CASH EQUIVALENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash on hand	566	279
Cash at banks	510,046	415,726
	510,612	416,005

## 14 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	<i>Note</i>		
Within 3 months		<b>23,939</b>	36,645
3 months to 6 months		<b>62,731</b>	11,425
6 months to 12 months		<b>11,927</b>	8,882
Over 12 months		<b>1,940</b>	5,677
Total trade payables		<b>100,537</b>	62,629
Payroll and welfare expense payables		<b>4,394</b>	5,352
Other tax payables	<i>(i)</i>	<b>8,316</b>	4,550
Other payables and accrued charges	<i>(ii)</i>	<b>33,752</b>	47,550
Dividends payable		<b>69,583</b>	1,326
Financial liabilities measured at amortised cost		<b>216,582</b>	121,407

Notes:

- (i) Other tax payables mainly comprise value-added tax payable.
- (ii) Other payables mainly represent deposits paid by tenants.
- (iii) All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 15 CONTRACT LIABILITIES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Media services contracts – Billings in advance of performance	123,751	47,165
Rental contracts – Billings in advance of performance	10,408	9,607
	<b>134,159</b>	56,772

Contract liabilities primarily arise from the advance payments made by customers while the underlying services are yet to be provided. Contract liabilities would be recognised as revenue upon the rendering of services.

All contract liabilities are expected to be recognised as revenue within one year.

## 16 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

#### (i) Dividends payable to equity shareholders of the Company attributable to the interim period

No interim dividend for the six months ended 30 June 2024 has been declared by the Company (six months ended 30 June 2023: nil).

#### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year approved during the interim period

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Final dividend in respect of the previous financial year, approved during the interim period of HKD9.20 cents (equivalent to approximately RMB8.35 cents) (2023: HKD4.50 cents (equivalent to approximately RMB4.15 cents)) per share	38,534	19,153
Special dividend in respect of the previous financial year, approved during the interim period of HKD7.00 cents (equivalent to approximately RMB6.35 cents) (2023: nil)) per share	29,319	—
	<b>67,853</b>	19,153

Dividends in respect of the previous financial year of RMB67,853 thousand has been paid in July 2024.

## 16 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

### (b) Equity settled share-based transactions

Each share option entitles the holder to subscribe for one ordinary share of the Company. No share options were granted or exercised during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

At 30 June 2024, there were 14,852,000 unexercised share options (31 December 2023: 15,252,000).

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

#### ***Fair value hierarchy***

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS/HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### (a) Financial assets and liabilities measured at fair value (Continued)

#### Fair value hierarchy (Continued)

Fair value measurement as at 30 June 2024 categorised into				
	Fair value at 30 June 2024 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Asset</b>				
Listed equity securities	13,322	13,322	—	—
Unlisted equity securities	123,968	—	—	123,968

Fair value measurement as at 31 December 2023 categorised into				
	Fair value at 31 December 2023 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Asset</b>				
Listed equity securities	15,646	15,646	—	—
Unlisted equity securities	118,868	—	—	118,868

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### Information about Level 3 fair value measurements

The fair value of the unlisted equity investment is determined using the price/sales ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

### (a) Financial assets and liabilities measured at fair value *(Continued)*

#### **Information about Level 3 fair value measurements *(Continued)***

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Unlisted equity securities:		
At 1 January	118,868	81,897
Additional equity securities acquired	5,100	56,320
Net unrealised losses recognised in other comprehensive income during the period	—	(8,696)
At 30 June	123,968	129,521

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

### (b) Fair value of financial assets carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 18 MATERIAL RELATED PARTY TRANSACTIONS

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Rental of office	(i)	343	344
Service provided to a joint venture		—	478

Note:

- (i) CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Group, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Group Limited, which was effectively controlled by the ultimate controlling shareholder of the Group.

## 19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There is no significant non-adjusting event after the reporting period.

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

As at 30 June 2024, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

### (i) Interests in the Company — Long Positions

Name of director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives (Note 1)	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	262,122,169 (Note 2)	2,800,000	264,922,169	57.39%
Chen Xin	Founder of discretionary trust and beneficiary of trust	258,469,165 (Note 3)	—	258,469,165	55.99%
Li Zongzhou	Beneficial interest	—	2,000,000	2,000,000	0.43%
Liu Zhiyi	Beneficial interest	—	300,000	300,000	0.06%
Qi Daqing	Beneficial interest	—	300,000	300,000	0.06%

#### Notes:

- The equity derivatives were the outstanding share options granted to the directors of the Company under the share option schemes, details of which are set out in the section headed "Share Option Schemes" in this report.
- Liu Jinlan is deemed to be interested in 262,122,169 shares of the Company. These shares are held by three discretionary trusts, namely UME Trust (which assets comprised 27,101,344 shares held by United Marine Enterprise Company Limited), DFS (No. 2) Trust (which assets comprised 24,038,312 shares held by SinoMedia Investment Ltd.) and CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), all founded by Liu Jinlan. In respect of 210,982,513 shares therein held by CLH Trust, Liu Jinlan is also a beneficiary of the trust.
- Chen Xin is deemed to be interested in 258,469,165 shares of the Company. These shares are held by three discretionary trusts, namely MHS Trust (which assets comprised 25,921,344 shares held by Merger Holding Service Company Limited), DFS (No. 1) Trust (which assets comprised 21,565,308 shares held by Digital Finance Service Company Limited) and CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), all founded by Chen Xin. In respect of 210,982,513 shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.



# Other Information

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

### (ii) Interests in associated corporations of the Company — Long Positions

Name of director	Name of associated corporation	Nature of interest	Approximate percentage of issued share capital of the associated corporation
Liu Jinlan	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%
	CTV Golden Bridge International Media Group Co., Ltd.	Corporate interest	0.3%
Chen Xin	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%

Apart from the foregoing, as at 30 June 2024, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme on 27 May 2008 (the “Share Option Scheme”), whereby the directors of the Company have been authorised, at their discretion, to invite any full time employee, director of any member of the Group or any person approved by the board or shareholders of the Company (collectively the “Eligible Persons”) to take up options (the “Options”) to subscribe for shares of the Company. The Share Option Scheme is designed to encourage Eligible Persons to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and to motivate them to achieve higher levels of good corporate governance. The Share Option Scheme has expired in 2018 after which no further Option will be granted but provisions of the Scheme shall remain in full force and effect in all other respects as regard all Options which have been granted but have not been exercised.

The total number of shares of the Company which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the shares of the Company in issue on the date of commencement of dealing in the shares of the Company on the Stock Exchange. The 10% limit may be refreshed with the approval of the shareholders in general meeting. The maximum number of shares of the Company which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the issued shares of the Company from time to time. Unless approved by the shareholders of the Company in general meeting (with the relevant Eligible Person and his associates abstaining from voting), the maximum number of shares issued or to be issued upon exercise of Options granted to any one Eligible Person in a 12-month period shall not exceed 1% of the issued shares of the Company. Options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates must be approved by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, would result in the shares issued and to be issued upon exercise of all Options already granted and to be granted to such person in 12 months to exceed 0.1% of the shares of the Company in issue and with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, must be approved by the shareholders of the Company.

An Option offer shall be deemed to be accepted by each grantee when the duplicate offer letter comprising acceptance of the offer of the grant of the Options duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the specified acceptance date, being a date not later than 28 days after the offer date. The Share Option Scheme does not specify any minimum holding period or vesting period. The exercise period of the Options granted is determined and notified by the Board to each grantee. The subscription price in respect of any Option is determined by the Board in its absolute discretion at the time of grant of the relevant Option, but shall not be less than the highest of (i) the closing price of the Company’s shares on the Stock Exchange on the date of grant; (ii) the average closing price of the Shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

# Other Information

## SHARE OPTION SCHEME (Continued)

As at 1 January 2024, the total number of shares of the Company that could be issued upon exercise of all outstanding Options granted under the Share Option Scheme were 15,252,000 shares, which represented about 3.30% of the total number of issued shares of the Company as at 1 January 2024. As at 30 June 2024, the total number of shares of the Company that could be issued upon exercise of all outstanding Options granted under the Share Option Scheme were 14,852,000 shares, which represented about 3.22% of the total number of issued shares of the Company as at 30 June 2024.

As at the date of this interim report, the total number of shares of the Company that could be issued upon exercise of all outstanding Options granted under the Share Option Scheme was 14,852,000 shares which represented approximately 3.22% of the total number of issued shares of the Company as at the date of this interim report.

Movements of the Options under the Share Option Scheme for the six months ended 30 June 2024 are as follows:

	No. of options outstanding as at 1 January 2024	No. of options granted during the period	No. of options exercised during the period	No. of options cancelled during the period	No. of options lapsed during the period	No. of options outstanding as at 30 June 2024	Date of grant	Exercise price	Exercise period	Share closing price immediately before the date of grant of Options	Weighted average share closing price immediately before the exercise date
<b>Directors</b>											
Liu Jinlan	2,800,000	–	–	–	–	2,800,000	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Li Zongzhou	2,000,000	–	–	–	–	2,000,000	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Liu Zhiyi	300,000	–	–	–	–	300,000	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Qi Daqing	300,000	–	–	–	–	300,000	30 August 2017	HKD1.77	Note	HKD1.75	N/A
<b>Employees</b>											
in aggregate	9,852,000	–	–	(400,000)	–	9,452,000	30 August 2017	HKD1.77	Note	HKD1.75	N/A

Note:

An Option holder may exercise a maximum of 25% of the total number of the Options granted after the lapse of one full year from the date of grant of the Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Options granted, up to eight years from the date of grant. The exercise of Options by the holder is also subject to certain conditions, including the individual performance assessment conducted by the board of directors of the Company and the financial performance of the Group.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES — LONG POSITIONS

As at 30 June 2024, so far as known to the directors and chief executives of the Company, the following corporations (other than a director or chief executives of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Tricor Equity Trustee Limited	Trustee ( <i>Note 1</i> )	309,608,821	67.07%
CLH Holding Limited	Corporate interest ( <i>Note 2</i> )	210,982,513	45.70%

Notes:

- Tricor Equity Trustee Limited is deemed to be interested in 309,608,821 shares of the Company as it is the trustee of CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), MHS Trust (which assets comprised 25,921,344 shares held by Merger Holding Service Company Limited), UME Trust (which assets comprised 27,101,344 shares held by United Marine Enterprise Company Limited), DFS (No. 1) Trust (which assets comprised 21,565,308 shares held by Digital Finance Service Company Limited) and DFS (No. 2) Trust (which assets comprised 24,038,312 shares held by SinoMedia Investment Ltd.).
- These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 210,982,513 shares of the Company held by Golden Bridge International Culture Limited.

Save as disclosed above, so far as known to the directors and chief executives of the Company, as at 30 June 2024, there was no other person or corporation (other than a director or chief executives of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

# Other Information

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2024, the Company had fully complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviation:

*Under Code Provision F.2.2, the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend.*

Due to other pre-arranged business engagements which must be attended by him, Mr. Qi Daqing, the chairman of the Audit Committee and an Independent Non-executive Director of the Company, could not attend the annual general meeting held on 12 June 2024. However, Mr. Chen Xin, the chairman of the Board, invited the other two members of the Audit Committee, Ms. Ip Hung and Dr. Zhang Hua, to attend the said annual general meeting to ensure effective communication with the shareholders thereat.

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, the directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The Audit Committee has, together with the management of the Company, reviewed the Group's unaudited consolidated financial statements and the interim report for the six months ended 30 June 2024, including the accounting principles and practices adopted by the Group.