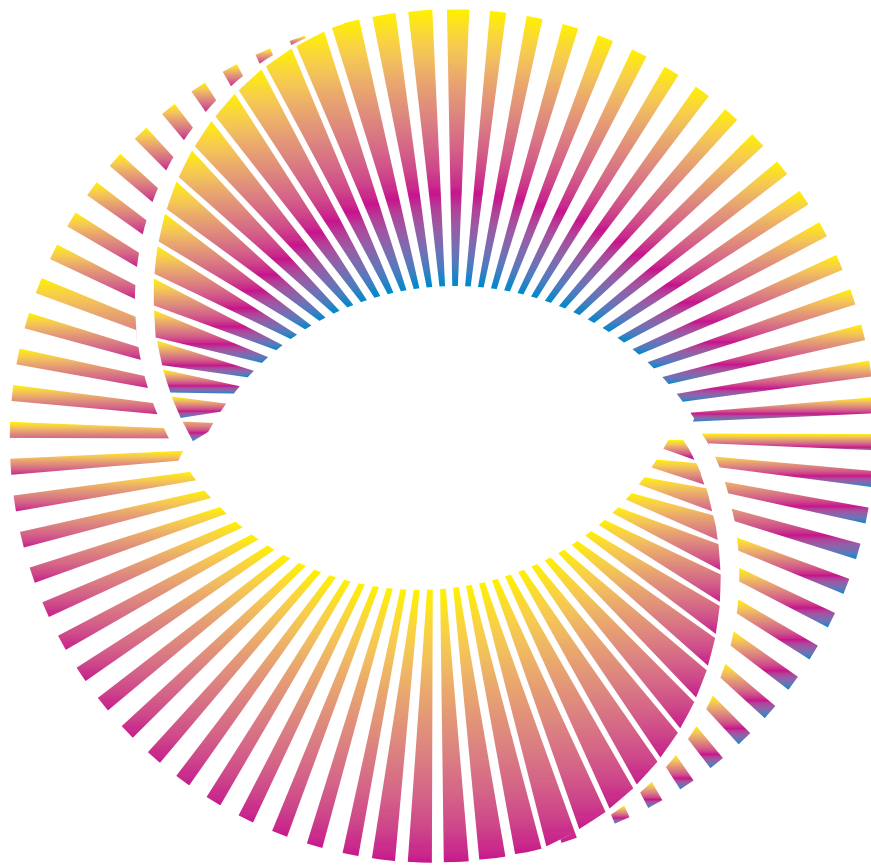


INTERIM REPORT

2020

STOCK CODE : 00623



SinoMedia[®]

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	16
Notes to the Unaudited Interim Financial Report	18
Other Information	31

Corporate Information

EXECUTIVE DIRECTORS

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

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

Financial Summary

<i>RMB'000</i>	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Change (%)
Revenue	542,545	656,714	-17%
Profit/(loss) from operations	31,279	(105,059)	>100%
Profit/(loss) attributable to equity shareholders of the Company	12,389	(96,792)	>100%
Earnings/(losses) per share			
— Basic and diluted (<i>RMB</i>)	0.025	(0.196)	>100%

REVENUE:	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Change (%)
<i>RMB'000</i>			
TV media resources management	435,921	525,242	-17%
Integrated communication services and Content operations	27,235	50,687	-46%
Digital marketing and Internet media	51,934	56,101	-7%
Rental income	32,242	29,749	+8%
Sales taxes and surcharges	(4,787)	(5,065)	-5%
	542,545	656,714	

Management Discussion and Analysis

OVERVIEW

In the first half of 2020, due to the impact of COVID-19, the overall advertising market showed a significant decline. The pandemic had significant impact on the consumption, transportation, entertainment and leisure, commerce and service industries. Advertisers took a more cautious and shrinking strategy in advertising to avoid risks, and the motivation of advertising was obviously insufficient. The advertising expenses of convergent media in March 2020 shrank 34.6% from a year ago, and dropped by 12.6% in June 2020 as compared with the same period last year, due to the impact of the pandemic, based on the market study released by CTR Media Intelligence. Data show that the impact of COVID-19 on the advertising market continues. With the stable control of the pandemic in China and the full resumption of work and production, the advertising market has gradually turned for the better, but the overall growth is still negative. (Source: CTR Media Intelligence, August 2020).

BUSINESS REVIEW

TV ADVERTISING AND CONTENT OPERATIONS

I. TV Media Resources Management

During the period under review, the Group had a total of approximately 958 minutes of advertising resources on CCTV-1 (General)/CCTV-News, CCTV-4 (Chinese International), and the exclusive underwriting right for 61,968 minutes of all advertising resources of CCTV-9 (Documentary Channel) and CCTV-14 (Children's Channel). It covered the markets of news, politics, culture and children programs, and also brought more diversified communication channels to clients. Its specific media resources include: The "News 30" (新聞30分) jointly broadcast on CCTV-1 (General)/CCTV-News, programs and resource periods including "Today's Focus" (今日關注) on CCTV-4 (Chinese International), as well as all advertising resources of CCTV-9 (Documentary Channel) and CCTV-14 (Children's Channel). Facing the market environment severely impacted by the pandemic, the Group overcame the difficulties and continued to strengthen the capability of developing and serving clients in the area of TV advertisement marketing and improve the competitiveness through innovating marketing strategy and media product portfolios during the period.

II. Integrated Communication Services

The Group has gained recognition by a large number of well-known clients for its professional and highly efficient communication services and caring client service philosophy. During the period under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integrated communication services to clients including Feihe Dairy, Ping An, Hubei Agricultural Products, Suzhou Tourism and Didi.

In respect of international business, the Group actively offered overseas clients with Chinese market promotion, media propaganda, creative planning and other services. The main clients during the period under review include Ottawa Tourism Board, Washington Tourism Board, Tourism Toronto, etc.

III. Content Operations

The Group provided clients with comprehensive and professional commercial advertisement production services. During the period under review, the Group successively served China Banknote Printing and Minting Corporation, Sinopec, PICC, Zhengzhou Tourism and other clients, providing services involving graphic design, advertising video shooting, producing and editing.

In the first half of this year, the Group, based on the market and client demand, provided customized creative content and communication solutions for clients through new products such as cloud live broadcast, short video and integrated media interaction, organized the new media matrix based on the Group's media resources and actively explored the cooperation space at the upstream and downstream of the industry chain. During the period under review, the Group served clients such as Feihe Dairy, Brooke, Chimelong Group, SK Group, Leleketang.com, Yashily, Strong, Banmayingyu.com, etc. The pre-production of one of the two cartoons produced by the Group is expected to be completed within this year. In addition, the first batch of video program series independently developed by the Group, "If Animals Can Talk", has been completed and purchased by TV stations.

DIGITAL MARKETING AND INTERNET MEDIA

I. Digital Marketing

The Group continuously upgraded its self-developed intelligent programming advertising placement platform, and continued to improve the Internet integrated service capacity, providing clients with one-stop digital marketing solutions through technologies of big data and precision placement. During the year under review, the Group successively served Feihe Dairy, Dazhong Appliances, GOME, Qiaofudayuan and other clients, receiving a high degree of recognition and praise therefrom.

II. Internet Media

COVID-19 has caused the change in Internet users' usage habits, usage scenarios and interest hot spots. Therefore, the Group's broadcasting and video network (www.boosj.com) launched new contents in two vertical areas: children talent cultivation and middle-aged and elderly healthy life, in order to expand the number of users and continuously improve the ability of integrated marketing of the whole network through multi-channel and multi-platform content distribution and operation of live broadcast and short video. During the period under review, the broadcasting and video network expanded the live broadcasting service with the theme of "parent-child companionship", and integrated online content and offline training institution resources. In the future, video courses, talent shows, teaching interactions, events and other contents and services will be provided. At the same time, broadcasting and video network constantly expanded the scene coverage of square dance video, and continued to build IP influence. In addition to multiple channels of "We-Media", we have also set up new video distribution channels of IPTV and special speakers to provide interactive fitness and entertainment options for square dancing lovers trapped in their homes during the pandemic.

Management Discussion and Analysis

FINANCIAL REVIEW

REVENUE AND PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

For the six months ended 30 June 2020, the Group recorded revenue of RMB542,545 thousand, representing a decrease of 17% from RMB656,714 thousand for the same period last year.

Revenue details for the period under review are as follows:

- (I) Revenue recorded from TV media resources management was RMB435,921 thousand, representing a decrease of 17% from RMB525,242 thousand for the same period last year. This decline in revenue was mainly due to the cautious TV advertising placement of advertisers under the impact of COVID-19 and the continued weakness of the overall advertising market in the first half of the year, resulting in the significant decline in the advertising placement of clients from tourism, healthcare, finance and insurance as compared with the same period last year. In the face of challenges, the Group continued to innovate its media product portfolio and intensified its customer development efforts. As the impact of the pandemic gradually fades, the sales is expected to gradually improve.
- (II) Revenue recorded from integrated communication services and content operations was RMB27,235 thousand in total, representing a decrease of 46% from RMB50,687 thousand in the same period last year. Among which: (1) Revenue recorded from integrated communication services was RMB22,047 thousand, representing a decrease of 54% from RMB47,828 thousand for the same period last year. Affected by the settlement cycle of media suppliers, the commission obtained from media suppliers during the period under review was less than that for the same period last year. (2) The revenue from content operations was RMB5,188 thousand, representing an increase of 81% from RMB2,859 thousand in the same period of last year. Revenue from this business was mainly from content production of programs and creative production of commercial advertisements. During the period under review, centering on the core marketing positioning of “parent-child companionship”, the Group focused on creating the “parent-child branding plan”, providing customers with more diversified contents and creative service options. The Group’s online live interactive programs for customers and the special Children’s Day programs produced together with CCTV and other projects have recorded a big increase in revenue compared with the same period last year.
- (III) Revenue recorded from digital marketing and Internet media was RMB51,934 thousand in total, representing a decrease of 7% from RMB56,101 thousand in the same period last year. Among which: (1) the Group’s self-developed intelligent programming advertising placement platform operates well, the advertising placement from qualified clients remained stable, and the digital marketing revenue was flat with the same period last year; (2) revenue from Internet media declined as compared with the same period last year.
- (IV) The rental income was RMB32,242 thousand, representing an increase of 8% compared with RMB29,749 thousand in the same period last year, mainly because the rental prices of some property office buildings began to increase in the second half of last year, which had a carry-over effect on the year-on-year increase in the first half of this year.

For the six months ended 30 June 2020, the profit attributable to equity shareholders of the Company was RMB12,389 thousand as compared a loss of RMB96,792 thousand attributable to equity shareholders of the Company for the same period last year.

OPERATING EXPENSES

For the six months ended 30 June 2020, the Group's operating expenses were RMB67,303 thousand in aggregate, representing a year-on-year decrease of 3% from RMB69,089 thousand for the same period last year, and accounted for 12.4% of the Group's revenue (the same period last year: 10.5%). The Group actively coped with the market environment change and operating pressure brought by COVID-19. On the premise of resolutely responding to the government's call and ensuring the basic stability of employees' employment positions, we have implemented a number of measures to reduce operating expenses, so as to keep the proportion of operating expenses to income stable.

Among which:

- (I) Selling and marketing expenses amounted to RMB16,078 thousand, representing a year-on-year decrease of approximately RMB10,672 thousand from RMB26,750 thousand for the same period last year, and accounted for 3.0% of the Group's revenue (the same period last year: 4.1%). The main reason for the decrease in selling and marketing expenses was that marketing business was hindered by the impact of the pandemic, and the marketing expenses such as publicity and promotion expenses and travel expenses were reduced compared with the same period of last year.
- (II) General and administrative expenses amounted to RMB51,225 thousand, showing a year-on-year increase of approximately RMB8,886 thousand from RMB42,339 thousand in the same period of last year, and accounted for 9.4% of the Group's revenue (the same period last year: 6.4%). The increase of general and administrative expenses was mainly because: (1) Due to the negative impact of the pandemic on the economy, the impairment loss of receivables increased by approximately RMB20,302 thousand compared with the same period of last year; (2) The Group implemented corresponding adjustment measures for the assessment of responsibility for last year's performance decline, and the labor cost of non-marketing personnel decreased by approximately RMB10,072 thousand compared with the same period of last year.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

In June 2020, the Group disposed of approximately 3.6 million shares of China Feihe Limited, with a proceeds of approximately RMB46,995 thousand. As of 30 June 2020, the transaction has been completed.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity was adequate with a stable financial position as a whole. As at 30 June 2020, cash and bank balances amounted to RMB697,471 thousand (31 December 2019: RMB583,677 thousand), of which approximately 88% was denominated in RMB and the remaining 12% in HK dollars and other currencies. Bank time deposits with maturity over three months held by the Group in RMB amounted to RMB37,451 thousand (31 December 2019: RMB30,436 thousand). During the period, details of the Group's cash flows status were as follows:

- (I) Net cash inflow from operating activities was RMB154,134 thousand (the same period in the last year: net cash outflow of RMB87,521 thousand), which was mainly because: (1) Due to the settlement period of advertising agency costs of media suppliers, the balance of prepaid media agency costs decreased by approximately RMB116,177 thousand compared with the end of last year; (2) The balance of accounts receivable and notes receivable decreased by approximately RMB58,278 thousand compared with the end of last year; and (3) Income tax, sales tax and tax surcharge totaling approximately RMB34,338 thousand were paid.
- (II) Net cash outflow from investing activities was RMB33,492 thousand (the same period last year: RMB25,343 thousand), which was mainly attributable to payment for equity investments of approximately RMB82,000 thousand; payment for time deposits with maturity over three months of approximately RMB7,015 thousand; the proceeds from disposal of equity securities of approximately RMB46,995 thousand, and the receipt of bank deposit interest of approximately RMB6,495 thousand.
- (III) Net cash outflow from financing activities was RMB7,232 thousand (the same period last year: RMB8,913 thousand), which was mainly attributable to the funds used to repurchase the equity of the Company of approximately RMB6,130 thousand.

As at 30 June 2020, the Group's total assets amounted to RMB1,904,818 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,580,420 thousand, and non-controlling interests of RMB-6,479 thousand. As at 30 June 2020, the Group had no interest-bearing debts.

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

HUMAN RESOURCES

As at 30 June 2020, the Group had 215 employees in total, slightly less than that at the beginning of the year. During the period under review, the Group continued to control the number of positions for low-efficiency business segments, while at the same time maintained the basic salary and performance bonus for professional positions in sales and marketing, and implemented dynamic performance related remuneration policies for all the employees, so as to intensify the connection between working results and personal interests. In the aspect of employee training, due to the impact of COVID-19, the Group provided regular training sessions on advertising resources, sales skills, case study, professional quality and other topics through online + offline mode, with an aim to comprehensively improve the employees' professional knowledge and practical capabilities. In addition to guaranteeing the mandated benefits, the Group continued to provide festival gift money to the elderly parents of employees. 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 19,652,000 units.

INDUSTRY AND GROUP OUTLOOK

The market environment in the second half of 2020 is still expected to be affected by many uncertainties, such as the slowdown of global economic growth and the continuous fermentation of Sino-US trade frictions. The operation and development of the advertising industry as a whole will still face great challenges. To actively respond to market changes and operating pressures, the Group will continue to implement a number of measures to increase revenue and reduce expenditure, improve efficiency, and make preparations for addressing short-term market challenges and capturing future development opportunities.

According to the "2020 Advertisers Marketing Survey Report" of CTR, advertisers still value the authority and positive value of TV media, which is also a value difficult to be replaced by the Internet platform for the moment. With the advent of 5G era, the household large screen segment represented by TV media will present a new prospect in the future. The investigation report shows that the advertisers' advertising choice is more concentrated in CCTV, as a concentrated representative of the value of television media.

As a leading comprehensive media operation group in China, the Group always has confidence in and good expectations on the mid-and-long term economy prosperity. Looking forward to the future, the Group will continue to strengthen the core competitiveness of creative communication to improve its operational efficiency. In terms of TV media resources management, the Group will adhere to the client-oriented product and service strategies, retain existing qualified clients while scaling up efforts in new client development, and increase the brand value of clients based on the individualities of and policies on each industry by using the efficient communication of TV advertising. In addition, the Group will further give play to its experience and capacity in video content creation and brand communication, actively seek industrial cooperation opportunities, expand the brand development space of consumer goods and cultural travel market, and accelerate the continuous optimization and development of the medium and long term business structure.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2020 - unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2020 RMB'000	2019 RMB'000
Revenue	4	542,545	656,714
Cost of services		(499,877)	(694,798)
Gross profit/(loss)		42,668	(38,084)
Other revenue	5	55,914	2,114
Selling and marketing expenses		(16,078)	(26,750)
General and administrative expenses		(51,225)	(42,339)
Profit/(loss) from operations		31,279	(105,059)
Finance income	6(a)	6,495	8,456
Finance costs	6(a)	(297)	(106)
Net finance income		6,198	8,350
Profit/(loss) before taxation		37,477	(96,709)
Income tax	7	(25,159)	—
Profit/(loss) for the period		12,318	(96,709)
Attributable to:			
Equity shareholders of the Company		12,389	(96,792)
Non-controlling interests		(71)	83
		12,318	(96,709)
Earnings/(losses) per share	8		
Basic earnings/(losses) per share (RMB)		0.025	(0.196)
Diluted earnings/(losses) per share (RMB)		0.025	(0.196)

The notes on pages 18 to 30 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 16(a).

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2020 – unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Profit/(loss) for the period	12,318	(96,709)
Other comprehensive income/(loss)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company and overseas subsidiaries	2,990	(79)
Other comprehensive income/(loss) for the period	2,990	(79)
Total comprehensive income/(loss) for the period	15,308	(96,788)
Attributable to:		
Equity shareholders of the Company	15,379	(96,871)
Non-controlling interests	(71)	83
	15,308	(96,788)

The notes on pages 18 to 30 form part of this interim financial report.

Condensed Consolidated Statement of Financial Position

At 30 June 2020 – unaudited
(Expressed in Renminbi)

	<i>Note</i>	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Non-current assets			
Property, plant and equipment	9	222,577	224,944
Investment property	9	573,113	580,859
Intangible assets		14,585	16,399
Goodwill	10	6,002	6,002
Interests in associates		2,527	4,362
Other non-current financial assets	11	197,524	195,172
Trade and other receivables	12	1,362	1,587
		1,017,690	1,029,325
Current assets			
Other current financial assets		200	2,200
Trade and other receivables	12	152,006	328,203
Time deposits with original maturity over three months		37,451	30,436
Cash and cash equivalents	13	697,471	583,677
		887,128	944,516
Current liabilities			
Trade and other payables	14	106,287	169,132
Contract liabilities	15	181,579	193,105
Lease liabilities		445	1,201
Current taxation		19,696	29,300
		308,007	392,738
Net current assets		579,121	551,778
Total assets less current liabilities		1,596,811	1,581,103
Non-current liabilities			
Lease liabilities		2,228	—
Deferred tax liabilities		20,642	5,708
		22,870	5,708
NET ASSETS		1,573,941	1,575,395

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
CAPITAL AND RESERVES		
Share capital	510,981	510,981
Reserves	1,069,439	1,070,462
Total equity attributable to equity shareholders of the Company	1,580,420	1,581,443
Non-controlling interests	(6,479)	(6,048)
TOTAL EQUITY	1,573,941	1,575,395

The notes on pages 18 to 30 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company						Non-Controlling		Total equity RMB'000
	Share Capital	Capital reserve	Statutory reserve	Exchange reserve	Other reserve	Retained profits	Total	interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2019	510,981	28,163	126,886	(1,187)	2,308	929,210	1,596,361	(7,007)	1,589,354
Changes in equity for the six months ended 30 June 2019:									
Loss for the period	–	–	–	–	–	(96,792)	(96,792)	83	(96,709)
Other comprehensive loss	–	–	–	(79)	–	–	(79)	–	(79)
Total comprehensive loss for the period	–	–	–	(79)	–	(96,792)	(96,871)	83	(96,788)
Equity-settled share-based transactions	–	879	–	–	–	–	879	–	879
Purchase of own shares	–	–	–	–	–	(8,913)	(8,913)	–	(8,913)
Dividends declared in respect of the previous year (note 16(a))	–	–	–	–	–	(33,679)	(33,679)	–	(33,679)
Balance at 30 June 2019 and 1 July 2019	510,981	29,042	126,886	(1,266)	2,308	789,826	1,457,777	(6,924)	1,450,853
Changes in equity for the six months ended 31 December 2019:									
Profit for the period	–	–	–	–	–	123,195	123,195	876	124,071
Other comprehensive income	–	–	–	69	–	–	69	–	69
Total comprehensive income for the period	–	–	–	69	–	123,195	123,264	876	124,140
Equity-settled share-based transactions	–	893	–	–	–	–	893	–	893
Dividends declared in respect of the previous year (note 16(a))	–	–	–	–	–	(491)	(491)	–	(491)
Balance at 31 December 2019	510,981	29,935	126,886	(1,197)	2,308	912,530	1,581,443	(6,048)	1,575,395

	Attributable to equity shareholders of the Company							Non-Controlling interests	Total equity
	Share Capital	Capital reserve	Statutory reserve	Exchange reserve	Other reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Balance at 1 January 2020	510,981	29,935	126,886	(1,197)	2,308	912,530	1,581,443	(6,048)	1,575,395
Changes in equity for the six months ended 30 June 2020:									
Profit for the period	—	—	—	—	—	12,389	12,389	(71)	12,318
Other comprehensive income	—	—	—	2,990	—	—	2,990	—	2,990
Total comprehensive income for the period	—	—	—	2,990	—	12,389	15,379	(71)	15,308
Equity-settled share-based transactions	—	454	—	—	—	—	454	—	454
Purchase of own shares	—	—	—	—	—	(6,130)	(6,130)	—	(6,130)
Dividends declared in respect of the previous year (note 16(a))	—	—	—	—	—	(10,726)	(10,726)	—	(10,726)
Dividends to non-controlling interests	—	—	—	—	—	—	—	(360)	(360)
Balance at 30 June 2020	510,981	30,389	126,886	1,793	2,308	908,063	1,580,420	(6,479)	1,573,941

The notes on pages 18 to 30 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2020 – unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Operating activities		
Cash generated from/(used in) operations	188,472	(53,311)
Tax paid	(34,338)	(34,210)
Net cash generated from/(used in) operating activities	154,134	(87,521)
Investing activities		
Payment for purchase of equity securities	(82,000)	(37,006)
Received of other financial asset	2,000	—
Investments to associates	—	(1,075)
Proceeds from disposal of equity securities	46,995	—
Interest received	6,495	8,456
Change in time deposits with initial term over three months	(7,015)	3,980
Other cash flows arising from investing activities	33	302
Net cash used in investing activities	(33,492)	(25,343)

	Note	Six months ended 30 June	
		2020 RMB'000	2019 RMB'000
Financing activities			
Payment for purchase of own shares		(6,130)	(8,913)
Capital element of lease rentals paid		(1,102)	—
Net cash used in financing activities		(7,232)	(8,913)
Net increase/(decrease) in cash and cash equivalents		113,410	(121,777)
Cash and cash equivalents at 1 January	13	583,677	715,109
Effect of foreign exchange rates changes		384	(75)
Cash and cash equivalents at 30 June	13	697,471	593,257

The notes on pages 18 to 30 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi 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 28 August 2020.

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 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 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 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”). This interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2019 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 2019 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 following amendments to IFRS/HKFRSs issued by the IASB/HKICPA to these financial statements for the current accounting period:

- Amendments to IFRS/HKFRS 3, *Definition of a Business*
- Amendment to IFRS/HKFRS 16, *Covid-19-Related Rent Concessions*

Other than the amendment to IFRS/HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs/HKFRSs are discussed below:

Amendments to IFRS/HKFRS 3, Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. The adoption of amendments does not have impact on the financial position and the financial result of the Group.

Amendment to IFRS/HKFRS 16, Covid-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The adoption of amendments does not have impact on the financial position and the financial result of the Group.

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.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi 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	
	2020 RMB'000	2019 RMB'000
Revenue from contracts with customers within the scope of IFRS/HKFRS 15		
– Revenue from TV media resources management	435,921	525,242
– Revenue from integrated communication services and content operations	27,235	50,687
– Revenue from digital marketing and internet media	51,934	56,101
Less: Sales taxes and surcharges	(1,022)	(1,400)
	514,068	630,630
Revenue from rental		
– Revenue from rental	32,242	29,749
Less: Sales taxes and surcharges	(3,765)	(3,665)
	28,477	26,084
	542,545	656,714

5 OTHER REVENUE

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Unrealised gains on other financial assets	30,698	—
Gains on disposal of other financial assets	16,743	—
Government grant	7,374	189
Share of profits less losses of associates	813	1,868
Others	286	57
	55,914	2,114

6 PROFIT/(LOSS) BEFORE TAXATION

(a) Finance income and costs

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Interest income on bank deposits	6,495	8,456
Finance income	6,495	8,456
Net foreign exchange loss	(262)	(77)
Other finance costs	(35)	(29)
Finance costs	(297)	(106)

(b) Other items

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Amortisation	1,833	1,826
Depreciation		
— owned property, plant and equipment	11,651	11,340
— right-of-use assets	1,044	509
Impairment losses for doubtful debts	24,428	4,126

7 INCOME TAX

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Current tax — PRC income tax	8,130	—
Deferred taxation	17,029	—
	25,159	—

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

7 INCOME TAX *(Continued)*

- (i) The provision for profits tax and deferred tax of the Company is based on the applicable rates on the estimated assessable profits in accordance with the relevant income tax rules and regulations of the Hong Kong. Hong Kong implements two-tiered profits tax rate. The first HK\$2 million of assessable profits earned by a corporation will be taxed at half of the current tax rate (i.e. 8.25%) whilst the remaining profits will continue to be taxed at 16.5%. No provision has been made for Hong Kong profits tax as the Company did not have assessable profit subject to Hong Kong profits tax during the six months ended 30 June 2019.
- (ii) No provision has been made for Hong Kong profits tax as the Company's subsidiary in Hong Kong had unutilised tax losses brought forward from prior years which was sufficient to set-off against assessable profit generated during the six months ended 30 June 2020. No provision has been made for Hong Kong profits tax as the Company's subsidiary in Hong Kong did not have assessable profit subject to Hong Kong profits tax during the six months ended 30 June 2019.
- (iii) No provision has been made for Singapore income tax as the Company's subsidiary in Singapore had unutilised tax losses brought forward from prior years which was sufficient to set-off against assessable profit generated during the six months ended 30 June 2020 and 2019.
- (iv) Pursuant to the currently applicable income tax rules and the PRC regulations, the Group's entities in the PRC were liable to the PRC Corporate Income Tax at a rate of 25%, except that Beijing Lotour Huicheng Internet Technology Company Limited is at a rate of 15% and Beijing Laite Laide Management Consultancy Company Limited is at a preferential rate of 20% as a small-scale and low-profit enterprise, during the six months ended 30 June 2020 and 2019.

8 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,389 thousand (six months ended 30 June 2019: loss of RMB96,792 thousand) and the weighted average number of 488,882 thousand ordinary shares in issue during the interim period (2019: 494,530 thousand shares).

(b) Diluted earnings/(losses) per share

The calculation of diluted earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,389 thousand (six months ended 30 June 2019: loss of RMB96,792 thousand) and the weighted average number of 488,882 thousand ordinary shares after adjusting for the effect of share options in issue (2019: 494,530 thousand shares).

9 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(a) Right-of-use assets

During the six months ended 30 June 2020, the Group entered into a number of lease agreements for use of offices, and therefore recognised the additions to right-of-use assets of RMB2,566 thousand.

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of RMB3,140 thousand (six months ended 30 June 2019: RMB70 thousand) and did not acquire any items of investment property (six months ended 30 June 2019: nil). Items of property, plant and equipment with a net book value of RMB53 thousand were disposed of during the six months ended 30 June 2020, resulting in a gain on disposal of RMB39 thousand (six months ended 30 June 2019: loss of RMB23 thousand).

10 GOODWILL

	The Group RMB'000
Cost	
At 1 January 2019, 31 December 2019 and 1 January 2020	23,644
At 30 June 2020	23,644
Accumulated impairment losses	
At 1 January 2019, 31 December 2019 and 1 January 2020	17,642
Impairment loss	—
At 30 June 2020	17,642
Carrying amount	
At 30 June 2020	6,002
At 31 December 2019	6,002

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 OTHER NON-CURRENT FINANCIAL ASSETS

	Note	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Financial assets measured at FVPL			
– Equity securities listed in Hong Kong	(i)	75,524	73,172
Equity securities measured at FVOCI			
– Equity securities not held for trading	(ii)	122,000	122,000
		197,524	195,172

Notes:

- (i) The Group now holds approximately 5.3 million shares of China Feihe Limited and designated the investment at FVPL. No dividends were received on this investment during the period.
- (ii) The unlisted equity securities are shares in Shanghai Putao Technology Co., Ltd. The Group obtained 2.85% of its equity interests in 2019. The Group designated its investment in Shanghai Putao Technology Co., Ltd. at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the period.

12 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), is as follows:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Non-current asset		
Other receivables	1,362	1,587
Current asset		
Within 3 months	61,380	95,244
3 months to 6 months	16,734	17,451
6 months to 12 months	5,027	2,405
Over 12 months	5,830	32,149
Trade and bills receivable, net of allowance for doubtful debts	88,971	147,249
Prepayments and deposits to media suppliers	47,137	162,901
Advances to employees	2,258	1,966
Other debtors and prepayments	13,640	16,087
	152,006	328,203
	153,368	329,790

12 TRADE AND OTHER RECEIVABLES (Continued)

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.

13 CASH AND CASH EQUIVALENTS

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Cash and bank balances	697,471	583,677

14 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), is as follows:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Within 3 months	22,023	12,114
3 months to 6 months	7,607	2,732
6 months to 12 months	1,117	1,066
Over 12 months	669	148
Total trade payables	31,416	16,060
Payroll and welfare expenses payables	10,654	10,582
Other tax payables	4,978	12,331
Other payables and accrued charges	47,508	129,514
Dividends payable	11,731	645
Financial liabilities measured at amortised cost	106,287	169,132

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

15 CONTRACT LIABILITIES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Contract liabilities		
Media services contracts		
– Billings in advance of performance	165,409	192,374
Rental contracts		
– Billings in advance of performance	16,170	731
	181,579	193,105

Contract liabilities primarily arises from relates to the considerations received from customers before the Group satisfying performance obligations. It would be recognised as revenue upon the rendering of services.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

No dividend attributable to the interim period has been declared and paid by the Company.

(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	
	2020 RMB'000	2019 RMB'000
Final dividend approved in respect of the previous financial year of approximately RMB2.20 cents per share (six months ended 30 June 2019: RMB6.78 cents per share)	10,726	33,679

16 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Purchase of own shares

During the interim period, the Company bought back its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of Shares bought back	Highest price paid per share <i>HKD</i>	Lowest price paid per share <i>HKD</i>	Aggregate price paid <i>HKD'000</i>	Equivalent to <i>RMB'000</i>
April 2020	3,201,000	0.95	0.91	3,004	2,734
May 2020	278,000	0.95	0.95	269	247
June 2020	3,644,000	0.95	0.91	3,447	3,149
	7,123,000			6,720	6,130

The share buy back was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the bought back shares of RMB6,130 thousand (equivalent to approximately HKD6,720 thousand) was paid wholly out of retained profits.

(c) Equity settled share-based transactions

No equity settled share-based transactions were granted during the six months end 30 June 2020 (2019: nil).

No options were exercised during the six months ended 30 June 2020 (2019: nil).

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

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

The Group	Fair value at	Fair value measurement as at		
	30 June	30 June 2020 categorised into		
	2020	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Listed securities	75,524	75,524	—	—
equity securities not held for trading	122,200	—	—	122,200

The Group	Fair value at	Fair value measurement as at		
	31 December	31 December 2019 categorised into		
	2019	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Listed securities	73,172	73,172	—	—
Other derivative assets	2,000	—	—	2,000
equity securities not held for trading	122,200	—	—	122,200

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2019: 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.

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2020 and 31 December 2019.

18 COMMITMENTS

As at 30 June 2020, the Group and the Company did not have any significant capital commitments.

19 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2020, the Group and the Company did not have any significant contingent assets and liabilities.

20 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Rental of office	361	361
Service provided to associates	9,203	—
Purchases from associates	72	—

CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Company Limited, which was effectively controlled by the ultimate controlling shareholder of the Group, at a price of RMB361 thousand for the six months ended 30 June 2020 and RMB361 thousand for the six months ended 30 June 2019. The amount of rent charged under the lease was determined with reference to amounts charged by Shanghai CTV Golden Bridge International Culture and Communication Company Limited to third parties.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

20 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balance with related parties

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Trade and other receivables — associates	1,940	2,213
Trade and other payables — associates	242	166

21 IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. These contingency measures include but not limited to reassessing changes (if any) to the customers' preferences on the placement of advertisements, negotiating with customers on the possible delay of advertisements, increasing monitoring of the business environment of the Group's customers, and improving the Group's cash position by expediting debtor settlements and negotiating with suppliers on payment terms. The Group will keep the contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the COVID-19 pandemic may cause reduction in the number of long-term customers and a decrease in the advertising cycle, but the directors of the Company consider that such impact could be reduced by the Group's expedition of sales upon the cessation of the COVID-19 and/or the reduction of the cost of services. Those impact will be reflected in the financial information for the year ending 31 December 2020, and the actual impact may differ from estimates as the COVID-19 pandemic situation continues to evolve and when further information may become available.

Other Information

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

As at 30 June 2020, 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 10 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	54.75%
Chen Xin	Founder of discretionary trust and beneficiary of trust	258,469,165 (Note 3)	—	258,469,165	53.42%
Li Zongzhou	Beneficial interest	—	2,000,000	2,000,000	0.41%
Qi Daqing	Beneficial interest	—	300,000	300,000	0.06%

Notes:

- The equity derivatives were the outstanding share options granted to the Directors 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

(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 2020, 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 SCHEMES

The Company has adopted share option schemes on 29 June 2007 (the “Pre-IPO Scheme”) and 27 May 2008 (the “Post-IPO Scheme”) respectively, whereby the directors of the Company have been authorised, at their discretion, to invite any full time employee, director or any person approved by the board or shareholders of the Company (collectively the “Eligible Persons”) to take up options (the “Pre-IPO Options” and the “Post-IPO Options”, respectively) to subscribe for shares of the Company. The Pre-IPO Scheme and the Post-IPO Scheme are 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 Pre-IPO Scheme and the Post-IPO Scheme expired in 2015 and 2018 respectively.

The total number of securities available for issue upon exercise of all outstanding share options granted under the Post-IPO Scheme as at the date of this interim report was 19,302,000 shares which represented approximately 4.03% of the total number of issued shares of the Company as at the date of this interim report.

Movements of the share options granted under the Post-IPO Scheme for the six months ended 30 June 2020 are as follows:

	No. of options outstanding as at 1 January 2020	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 2020	Date of grant	Exercise price	Exercise period
Directors									
Liu Jinlan	2,800,000	–	–	–	–	2,800,000	30 August 2017	HKD1.77	Note 2
Li Zongzhou	2,000,000	–	–	–	–	2,000,000	30 August 2017	HKD1.77	Note 2
Qi Daqing	300,000	–	–	–	–	300,000	30 August 2017	HKD1.77	Note 2
Wang Xin (retired on 6 June 2020)	200,000	–	–	–	–	200,000	11 September 2012	HKD3.22	Note 1
Employees									
in aggregate	800,000	–	–	–	(800,000)	–	9 January 2012	HKD2.36	Note 1
	310,000	–	–	–	–	310,000	11 September 2012	HKD3.22	Note 1
	260,000	–	–	–	–	260,000	12 April 2013	HKD4.31	Note 1
	650,000	–	–	(60,000)	–	590,000	19 July 2013	HKD6.86	Note 1
	800,000	–	–	–	–	800,000	10 September 2014	HKD5.50	Note 1
	640,000	–	–	–	–	640,000	15 September 2015	HKD2.59	Note 1
	12,152,000	–	–	(400,000)	–	11,752,000	30 August 2017	HKD1.77	Note 2

Other Information

SHARE OPTION SCHEMES *(Continued)*

Notes:

1. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO 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 Post-IPO Options granted, up to eight years from the date of grant.
2. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO 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 Post-IPO Options granted, up to eight years from the date of grant. The exercise of Post-IPO Options by the holder is also subject to certain conditions, including the individual performance assessment conducted by the Board and the financial performance of the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES – LONG POSITIONS

As at 30 June 2020, 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	63.99%
CLH Holding Limited	Corporate interest <i>(Note 2)</i>	210,982,513	43.60%
Edgbaston Investment Partners LLP	Investment Manager	34,072,000	7.04%

Notes:

1. 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.).
2. 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 2020, 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2020, the Company purchased 7,123,000 ordinary shares of the Company on The Stock Exchange at an aggregate price of HKD6,675,740. The bought-back shares had been cancelled subsequently. The details of the bought-back shares are as follows:

Date (dd/mm/yyyy)	Number of Shares bought-back	Highest Price HKD	Lowest Price HKD	Total paid HKD
01/04/2020	211,000	0.93	0.92	195,120
02/04/2020	209,000	0.94	0.93	195,370
03/04/2020	24,000	0.93	0.93	22,320
07/04/2020	400,000	0.92	0.91	366,700
08/04/2020	238,000	0.92	0.91	217,100
09/04/2020	338,000	0.93	0.91	311,200
14/04/2020	247,000	0.93	0.91	229,120
15/04/2020	350,000	0.94	0.93	327,500
16/04/2020	100,000	0.94	0.94	94,000
20/04/2020	400,000	0.95	0.94	379,190
21/04/2020	224,000	0.95	0.94	212,060
22/04/2020	210,000	0.95	0.94	199,400
23/04/2020	250,000	0.95	0.94	237,000
29/04/2020	144,000	0.95	0.95	136,800
06/05/2020	134,000	0.95	0.95	127,300
04/06/2020	600,000	0.95	0.91	564,220
08/06/2020	194,000	0.94	0.93	182,100
10/06/2020	300,000	0.95	0.95	285,000
12/06/2020	284,000	0.95	0.94	269,460
15/06/2020	550,000	0.95	0.93	517,660
16/06/2020	288,000	0.94	0.93	270,340
19/06/2020	704,000	0.95	0.92	660,190
22/06/2020	450,000	0.95	0.93	422,000
24/06/2020	274,000	0.94	0.92	254,590
	7,123,000			6,675,740

Other Information

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2020, the Company has fully complied with all code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 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 2020.

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 2020, including the accounting principles and practices adopted by the Group.