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Meta Media Holdings Limited

超媒體控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

	2022	2021	Variance
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	370,891	422,895	-12%
(Loss)/profit for the year	(72,233)	4,374	N/A
Loss per share			
– Basic and diluted (<i>RMB</i>)	(0.1625)	(0.0232)	600%
Total assets	716,680	705,107	2%

The Board does not recommend the payment of final dividend for the year ended 31 December 2022 (2021: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Meta Media Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**” or “**We**”) is pleased to announce the audited consolidated results for the year ended 31 December 2022 (the “**Year**”) together with comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue	3	370,891	422,895
Cost of sales		<u>(255,878)</u>	<u>(235,504)</u>
Gross profit		115,013	187,391
Other income	4	3,790	4,975
Other losses, net	5	(1,549)	(321)
Distribution expenses		(49,952)	(69,062)
Administrative expenses		<u>(127,983)</u>	<u>(113,648)</u>
(Loss)/profit from operations		<u>(60,681)</u>	<u>9,335</u>
Finance expenses	6	(7,858)	(6,441)
Share of losses of a joint venture		<u>(1,684)</u>	<u>–</u>
(Loss)/profit before tax	8	(70,223)	2,894
Income tax (expenses)/credit	7	<u>(2,010)</u>	<u>1,480</u>
(Loss)/profit for the year		<u>(72,233)</u>	<u>4,374</u>
Other comprehensive income/(expenses), net of tax			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		9,991	(2,679)
Exchange differences reclassified to profit or loss on disposal of an overseas branch office		<u>–</u>	<u>644</u>
Other comprehensive income/(expenses) for the year		<u>9,991</u>	<u>(2,035)</u>
Total comprehensive (expenses)/income for the year		<u>(62,242)</u>	<u>2,339</u>

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(70,188)	(10,026)
Non-controlling interests		(2,045)	14,400
		<u>(72,233)</u>	<u>4,374</u>
Total comprehensive (expenses)/income for the year attributable to:			
Owners of the Company		(62,213)	(11,812)
Non-controlling interests		(29)	14,151
		<u>(62,242)</u>	<u>2,339</u>
Loss per share			
	10		
– Basic (RMB per share)		<u>(0.1625)</u>	<u>(0.0232)</u>
– Diluted (RMB per share)		<u>(0.1625)</u>	<u>(0.0232)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		144,245	142,633
Right-of-use assets		66,146	60,830
Investment properties		36,170	37,700
Intangible assets		37,402	45,570
Goodwill		36,013	39,841
Investment in a joint venture		4,316	–
Software development in progress		52	52
Prepayment for property, plant and equipment, and intangible assets		832	3,285
Deferred income tax assets		1,630	2,870
		<u>326,806</u>	<u>332,781</u>
Current assets			
Inventories		85,158	61,609
Trade and other receivables	11	213,885	238,007
Pledged bank deposits		50,000	25,231
Cash and cash equivalents		40,831	47,479
		<u>389,874</u>	<u>372,326</u>
Current liabilities			
Trade and other payables	12	121,940	84,425
Contract liabilities		9,870	8,316
Borrowings	13	175,017	146,953
Lease liabilities		12,775	15,579
Current income tax liabilities		8,088	8,485
		<u>327,690</u>	<u>263,758</u>
Net current assets		<u>62,184</u>	<u>108,568</u>
Total assets less current liabilities		<u>388,990</u>	<u>441,349</u>

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current liabilities		
Amount due to a non-controlling shareholder of a subsidiary	4,197	4,303
Lease liabilities	58,231	47,830
Deferred income tax liabilities	9,963	10,375
	<u>72,391</u>	<u>62,508</u>
NET ASSETS	<u>316,599</u>	<u>378,841</u>
EQUITY		
Share capital	3,853	3,853
Reserves	233,529	295,742
	<u>237,382</u>	<u>299,595</u>
Equity attributable to owners of the Company	237,382	299,595
Non-controlling interests	79,217	79,246
	<u>316,599</u>	<u>378,841</u>
TOTAL EQUITY	<u>316,599</u>	<u>378,841</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

Meta Media Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 8 March 2007 and registered as an exempted company with limited liability under the Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal places of business in the People’s Republic of China (the “**PRC**”) and Hong Kong are at Units 213, 2/F, Block 2, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC and 7/F, Global Trade Square, No. 21 Wong Chuk Hang Road, Aberdeen, Hong Kong respectively. Its registered office is at Tricor Services (Cayman Islands) Limited, Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 September 2009.

The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in the provision of multi-media advertising services, printing and distribution of magazines, provision of advertising-related services, artwork trading and related services and restaurant operation.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2022. IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-makers mainly include senior executive management of the Company. They review the Group’s internal reports in order to determine the operating segments, assess performance and allocate resources based on these reports.

Senior executive management considers the business from a business perspective, and assesses the performance of the business segment based on revenue and adjusted earnings before interest, taxes, depreciation and amortization (the “**EBITDA**”) without allocation of depreciation, amortisation, finance expenses, change in fair value of investment properties, impairment loss on goodwill, impairment loss on software development in progress, impairment loss on intangible assets, share of losses of a joint venture, loss on disposal of an overseas branch office and other unallocated head office and corporate expenses.

The amount provided to senior executive management with respect to total assets is measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of segment. Investment properties, deferred income tax assets, certain other receivables, investment in a joint venture, pledged bank deposits, cash and cash equivalents and corporate and unallocated assets are not considered to be segment assets but rather are managed by the treasury function.

Information about segment liabilities are not regularly reviewed by chief operating decision-makers. Accordingly, segment liability information is not presented.

The Group has two (2021: two) reportable segments as described below, which are the Group's strategic business units. The chief operating decision-makers assess the performance of the operating segments mainly based on segment revenue and profit/loss of each operating segment. Segment information below is presented in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment. The following describes the operations in each of the Group's reportable segments:

- Art platform: this segment engages in the sale of advertising space in the publication of and the distribution of the Group's magazines and periodicals; and artwork trading and auction, art exhibition and education and revenue from restaurant operation.
- Digital platform: this segment is a digital media platform in which the Group publishes multiple digital media products and sells advertising spaces; and engages in the production of customised contents for brand advertisers.

(a) **Revenue**

The Group derives revenue from the transfer of goods and services over time and at a point in time from external customers in the following major product lines:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Reportable segment:		
– Art platform	215,866	255,265
– Digital platform	157,162	167,543
	373,028	422,808
Revenue derived from other operations	187	1,508
Less: sales taxes and other surcharges	(2,324)	(1,421)
	370,891	422,895
Types of goods or services:		
– Advertising income	243,597	291,286
– Production, event and service income	111,511	112,418
– Sales of artworks and goods	–	250
– Circulation and subscription income	14,247	16,650
– Revenue from restaurant operation	1,536	2,291
	370,891	422,895
Timing of revenue recognition under IFRS 15:		
– At a point in time	1,536	2,541
– Over time	369,355	420,354
Revenue from contract with customers	370,891	422,895

(b) Adjusted EBITDA

The adjusted EBITDA of the Group for the years ended 31 December 2022 and 2021 were set out as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Reportable segment results:		
– Art platform	(42,439)	2,904
– Digital platform	32,134	50,261
	(10,305)	53,165
Revenue derived from other operations	187	1,508
Depreciation	(30,265)	(27,072)
Amortisation	(8,043)	(10,467)
Finance expenses	(7,858)	(6,441)
Impairment loss on goodwill	(3,630)	(3,620)
Impairment loss on software development in progress	–	(636)
Impairment loss on intangible assets	(3,296)	–
Share of losses of a joint venture	(1,684)	–
Loss on disposal of an overseas branch office	–	(363)
Change in fair value of investment properties	(1,530)	–
Unallocated head office and corporate expenses	(3,799)	(3,180)
(Loss)/profit before tax	<u>(70,223)</u>	<u>2,894</u>

	Depreciation <i>RMB'000</i>	Amortisation <i>RMB'000</i>	Finance expenses <i>RMB'000</i>
Year ended 31 December 2022			
Reportable segment:			
– Art platform	17,504	4,652	4,547
– Digital platform	12,744	3,387	3,311
	<u>30,248</u>	<u>8,039</u>	<u>7,858</u>

	Depreciation <i>RMB'000</i>	Amortisation <i>RMB'000</i>	Finance expenses <i>RMB'000</i>
Year ended 31 December 2021			
Reportable segment:			
– Art platform	15,888	6,143	5,987
– Digital platform	10,434	4,034	454
	<u>26,322</u>	<u>10,177</u>	<u>6,441</u>

(c) Total assets

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Reportable segment:		
– Art platform	318,874	294,328
– Digital platform	229,576	243,970
	548,450	538,298
Corporate and unallocated assets	8,933	8,176
Investment properties	36,170	37,700
Deferred income tax assets	1,630	2,870
Other receivables	26,350	45,353
Investments in a joint venture	4,316	–
Pledged bank deposits	50,000	25,231
Cash and cash equivalents	40,831	47,479
Total assets	716,680	705,107

Additions to non-current segment assets during the year were as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Reportable segment:		
– Art platform	16,833	60,033
– Digital platform	14,017	8,458
	<u>30,850</u>	<u>68,491</u>

(d) Geographic information

The geographical location of the Group’s property, plant and equipment, right-of-use assets, investment properties, intangible assets, goodwill, investment in a joint venture, software development in progress, and prepayments for property, plant and equipment and intangible assets (“**specified non-current assets**”) are mainly in the PRC, Hong Kong and the United Kingdom (the “**UK**”) as at 31 December 2022 and 2021.

The geographical location of the specified non-current assets is based on (i) the physical location of the asset, in the case of property, plant and equipment, right-of-use assets, investment properties and prepayments for property, plant and equipment and intangible assets; and (ii) the location of the operation to which they are allocated, in the case of intangible assets, goodwill, investment in a joint venture and software development in progress.

Specified non-current assets by geographical location as at 31 December 2022 and 2021 are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
The PRC, excluding Hong Kong	222,224	239,979
Hong Kong, the PRC	83,412	77,967
The UK	19,540	11,965
	<u>325,176</u>	<u>329,911</u>

Revenue by geographical location for the years ended 31 December 2022 and 2021 were as follows:

	2022 RMB'000	2021 <i>RMB'000</i>
The PRC, excluding Hong Kong	317,405	372,143
Hong Kong, the PRC	29,727	32,476
The UK	23,759	18,276
	<u>370,891</u>	<u>422,895</u>

Revenue from customers which individually contributed over 10% of the Group's revenue for art platform and digital platform segment was as follows:

	2022 RMB'000	2021 <i>RMB'000</i>
Customer A	<u>39,226</u>	<u>N/A*</u>

* The revenue from Customer A contributed not over 10% of the Group's revenue for art platform and digital platform segment in 2021, therefore the amount is not disclosed.

4. OTHER INCOME

	2022 RMB'000	2021 <i>RMB'000</i>
Government subsidies (<i>Note a</i>)	3,176	4,322
Bank interest income	300	21
Interest income from investments at fair value through profit and loss	–	535
Others	314	97
	<u>3,790</u>	<u>4,975</u>

Note a: Government subsidies represented unconditional subsidies received from the PRC and the UK governmental authorities by several subsidiaries of the Group.

5. OTHER LOSSES, NET

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Change in fair value of investment properties	1,530	–
Net (gains)/losses on disposal of property, plant and equipment	(405)	134
Exchange differences	454	187
Net gain on termination of leases	(30)	–
	1,549	321

6. FINANCE EXPENSES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Lease interests	2,945	1,748
Interest expenses on:		
– Secured bank borrowings	4,913	4,587
– Other unsecured borrowings	–	106
	7,858	6,441

7. INCOME TAX EXPENSES/(CREDIT)

Income tax has been recognised in consolidated profit or loss as following:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current income tax – Hong Kong Profits Tax		
Provision for the year	73	268
(Over)/under-provision in prior years	(56)	222
Current income tax – PRC Corporate Income Tax		
Provision for the year	1,136	900
Deferred income tax	857	(2,870)
	2,010	(1,480)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 December 2022 and 2021. No provision for PRC Corporate Income Tax has been made since the Group has sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the years ended 31 December 2022 and 2021. No provision for UK Corporation Tax has been made since the Group did not generate any assessable profits for the years ended 31 December 2022 and 2021. During the year ended 31 December 2022, current income tax included a provision of approximately RMB1,136,000 (2021: RMB900,000) in respect of withholding income tax on services income charged to the Group's PRC subsidiaries.

The reconciliation between the income tax expenses/(credit) and the product of (loss)/profits before tax multiplied by the applicable tax rates is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit before tax	<u>(70,223)</u>	<u>2,894</u>
Tax calculated at statutory tax rate of 25%	(17,556)	724
Tax effect of		
– effect of differential tax rate on income	886	1,163
– temporary differences not recognised	(480)	281
– non-deductible expenses	4,051	4,135
– non-taxable income	(794)	(1,080)
– utilisation of previously unrecognised tax losses	(539)	(8,770)
– tax losses not recognised	14,941	945
– income tax on service charge	1,136	900
– adjustment in respect of prior years	(56)	222
– tax effect of share of losses of a joint venture	<u>421</u>	<u>–</u>
Income tax expenses/(credit)	<u><u>2,010</u></u>	<u><u>(1,480)</u></u>

8. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is stated after charging/(crediting) the following:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of artworks sold	–	86
Cost of restaurant operation	445	1,123
Staff costs (including Directors' emoluments)		
– Salaries, wages and other benefits	77,825	82,425
– Pension costs-defined contribution plans	19,002	14,394
	96,827	96,819
Impairment loss on goodwill	3,630	3,620
Impairment loss on intangible assets	3,296	–
Impairment loss on software development in progress	–	636
Amortisation of intangible assets	8,043	10,467
Depreciation of property, plant and equipment and right-of-use assets	30,265	27,072
Loss on disposal of an overseas branch office	–	363
Auditors' remuneration		
– Audit services	1,330	1,280
– Non-audit services	200	232
Change in expected credit loss (the "ECL") allowance for trade receivables	(1,921)	1,125
Expenses related to short-term leases	400	611

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 December 2022 and 2021.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

	2022 RMB'000	2021 <i>RMB'000</i>
Loss		
Loss for the year for the purpose of calculating basic and diluted loss per share	<u>(70,188)</u>	<u>(10,026)</u>
Number of shares	'000	<i>'000</i>
Issued ordinary shares as at 1 January	438,353	438,353
Weighted average number of treasury shares held	<u>(6,359)</u>	<u>(6,359)</u>
Weighted average number of ordinary shares in issue	<u>431,994</u>	<u>431,994</u>

The basic and diluted loss per share for the years ended 31 December 2022 and 2021 were the same as the Company had no dilutive potential ordinary shares in issue during both years.

11. TRADE AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	176,950	190,297
Less: ECL allowance of trade receivables	<u>(5,662)</u>	<u>(8,818)</u>
Trade receivables, net	171,288	181,479
Other receivables:		
Value-added tax recoverable	11,195	13,137
Prepayments	9,743	14,668
Printing deposits	11,933	11,176
Rental, utility and other deposits	5,883	7,811
Advances and loans to employees (<i>note</i>)	2,483	5,736
Amount due from a senior management (<i>note</i>)	103	1,239
Tax recoverable	497	–
Others	<u>1,592</u>	<u>6,046</u>
	<u>214,717</u>	<u>241,292</u>
Less: non-current portion:		
Prepayment for property, plant and equipment, and intangible assets	<u>(832)</u>	<u>(3,285)</u>
Current portion	<u><u>213,885</u></u>	<u><u>238,007</u></u>

Note: The amount due from a senior management and advances and loans to employees are unsecured, interest-free and repayable on demand.

The ageing analysis of trade receivables, based on invoice dates, before ECL allowance, was as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<u>Trade receivables, gross</u>		
Within 30 days	57,898	50,037
Over 30 days and within 90 days	43,885	53,399
Over 90 days and within 180 days	29,193	40,443
Over 180 days and within 1 year	37,918	21,982
Over 1 year and within 2 years	5,935	17,473
Over 2 years and within 3 years	878	3,096
Over 3 years	1,243	3,867
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	176,950	190,297
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12. TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	77,035	50,817
Other payables:		
Accrued taxes other than income tax (<i>note a</i>)	8,247	6,551
Other payables (<i>note b</i>)	21,434	15,400
Salaries, wages, bonus and benefits payable	4,744	4,317
Amount due to a joint venture (<i>note c</i>)	5,400	–
Amount due to a director (<i>note c</i>)	946	3,523
Other liabilities	4,134	3,817
	<u>121,940</u>	<u>84,425</u>

The ageing analysis of the trade payables of the Group, based on the invoice dates, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 30 days	42,560	19,773
Over 30 days and within 90 days	17,327	10,404
Over 90 days and within 180 days	6,191	5,536
Over 180 days	10,957	15,104
	<u>77,035</u>	<u>50,817</u>

Note a: Accrued taxes other than income tax mainly consist of value-added tax payables, surtax payables and related surcharges, and individual income tax payables.

Note b: Other payables mainly represents advertising production expenses, office expenses and marketing and promotion expenses.

Note c: Amount due to a director and a joint venture were unsecured, interest-free and repayable on demand.

13. BORROWINGS

The analysis of the carrying amount of borrowings is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Secured bank borrowings	<u>175,017</u>	<u>146,953</u>

The borrowings are repayable as follows:

Within one year or on demand	<u>175,017</u>	<u>146,953</u>
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The average interest rates at 31 December were as follows:

	2022	2021
Secured bank borrowings	2.88% – 7.5%	2.25% – 4%

Borrowings of approximately RMB110,000,000 (2021: RMB85,000,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

As at 31 December 2022, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB128,835,000 (including in investment properties of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000) (2021: approximately RMB125,951,000 (including in investment properties of approximately RMB37,700,000 and property, plant and equipment of approximately RMB88,251,000)) and/or is guaranteed by Mr. Shao Zhong (“**Mr. Shao**”)/Mr. Shao’s spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB50,000,000 (2021: RMB25,231,000) as at 31 December 2022.

During the year, the Group has violated several covenants attached to the interest-bearing borrowings. Breaches in meeting the covenants would permit the bank to immediately call borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS SUMMARY

The results of each segment of the Group for the Year are as follows:

	Art platform <i>RMB'000</i>	Digital platform <i>RMB'000</i>	Total <i>RMB'000</i>
2022			
Revenue from reportable segment	215,866	157,162	373,028
(Loss)/profit for reportable segment	(77,751)	12,692	(65,059)
Segment EBITDA	(42,439)	32,134	(10,305)
2021			
Revenue from reportable segment	255,265	167,543	422,808
(Loss)/profit for reportable segment	(29,393)	34,992	5,599
Segment EBITDA	2,904	50,261	53,165

A new wave of COVID-19 pandemic broke out in China during 2022 which caused serious impact to the economic development, and also affected the Group's clients, including but not limited to, budget cuts of certain clients of the Group and certain business conferences, exhibitions and offline events of certain clients of the Group originally scheduled to be held in 2022 were postponed to 2023. As a result, revenue for the Year decreased by approximately 12% to approximately RMB373,028,000 (2021: RMB422,808,000) as compared to 2021. The Group recorded a loss of approximately RMB72,233,000 for the Year (2021: profit of RMB4,374,000).

In the early 2022, the English name of the Company was changed from "Modern Media Holdings Limited" to "Meta Media Holdings Limited" and the Chinese name of the Company was changed from "現代傳播控股有限公司" to "超媒體控股有限公司". The new name "Meta Media" is a name with a great sense of future and a symbol of the spirit of the times, representing the Group's transformation from "Modern" to "Ultra Modern" and full entry into the field of metaverse and artificial intelligence chatbot.

(A) BUSINESS REVIEW

Meta Media Group is always at the forefront of the times. After the success of print publication, digital platform, and art marketing, the Group formally changed its name from “Modern Media” to “Meta Media” in 2022. The Group has been actively expanding its presence in the metaverse ecosystem, and has successively created China’s first Meta ZiWU, and China’s first metaverse city, Yuanbang, with the aesthetic style of Cyber Yuppies.

In April 2022, the Group entered into an investment agreement with Beijing Baidu Biwei Enterprise Management Center (Limited Partnership)* (北京百度畢威企業管理中心(有限合夥)) (the “**BV Baidu Ventures**”), pursuant to which the parties agreed to jointly contribute RMB10 million to the registered capital of Zhuhai Yuanbang Technology Co., Ltd.* (珠海元邦科技有限公司)(the “**JV Company**”, a subsidiary of the Company), and to jointly create “Yuanbang” Meta City, construct a city of consensus, sharing and empathy, create a new metropolitan structure, and seek a paradigm to achieve the “perfect combination of technology and humanity” for the real society, so as to build an international spiritual ideal residence with style and refined taste. The capital injection and industrial and commercial registration process for the above transaction have been completed in July 2022. The Group and BV Baidu Ventures contributed 60% and 40% to its registered capital, respectively, and such registered capital will be the first seed incubation funds (種子孵化資金)for the JV Company to accelerate the development of metaverse. For further details, please refer to the announcement of the Company dated 26 April 2022. In the future cooperation planning, the Group will introduce a number of partners from various specific fields (including architecture, design, fashion, culture, art, etc.), and the JV Company will design and complete the construction and operation planning of Meta City.

Meta ZiWU, as the first practice of the above cooperation, adheres to the goal of “high concept, high life and high technology” and is committed to building a utopian ideal home, integrating art into life, reconstructing society with science and technology, getting rid of the shackles of the real world and creating a new world outlook. As the fourth humanity ecological community of the Group, Meta ZiWU witnessed the development path of the Group from print magazine to mobile magazine, from space magazine to metaverse magazine. Thereafter, ZiWU will become a multi-dimensional hypermedia covering both offline physical space and online metaverse space. The online Meta ZiWU will lead viewers into an intellectual field co-created by artificial intelligence and human beings in the form of an immersive virtual space.

The Meta ZiWU virtual building was inaugurated with the presentation of the first metaverse exhibition, “Post-Sinofuturism”, which revived the video essay “Post-Sinofuturism (1839–2046AD)” created and completed by artist, Lawrence Lek, in 2016 in a local context, and re-examined the act of remembering inherited from “manifesto”, “programming”, “replication” and “game” in the metaverse for Chinese audience. At the same time, an artist, Chen Yujun, was specifically invited to support this exhibition with his selected work, “The Endogenous Scenery”, displayed in his physical exhibition in ZiWU Beijing. When the deconstruction and reconstruction of the landscape take place in the metaverse in a virtual form, the reflection on the ecological conditions, cultural environment and social trends of human beings in the present are also escalated simultaneously. As we search for answers between nomadism and exile, we should have realised that tracing our own natural and humanistic genes is the start of awakening our mission to embrace a wider universe.

On 28 April 2022, the Group and Dior collaborated to create a new metaverse exhibition – “ON THE ROAD” – at the Meta ZiWU. The exhibition aims to create an interactive experience that is unprecedented for the young generation, based on the spirit of Dior Men’s Fall 2022 Collection and with the cutting-edge metaverse technology, to witness the unrestrained fashion attitude and the creativity towards the future.

In July 2022, the “Shallow-Chen Danqing Prints” organised by Meta ZiWU was officially launched for the first time at the Meta ZiWU auction. It was the first auction of Chen Danqing’s prints in the metaverse. There were more than 120,000 people entered the showroom with more than 100 bids. Six prints were sold with a transaction rate of 100%.

On 20 July 2022, Guangzhou Arbitration Commission and the Group entered into an agreement to cooperate on building the Meta City Yuanbang Arbitration Commission. The first metaverse arbitration commission in the world entered Meta City to achieve integration of “internet + law”, to actively explore building the first virtual arbitration tribunal and virtual arbitration secretary, to promote virtual legislation at appropriate time, in order to help purify the internet space and ensure network safety. This would necessarily promote digital transformation and upgrade of arbitration service, and provide more and better legal protection in the virtual world.

At the end of July 2022, Lawrence Lek’s “Post-Sinofuturism” metaverse mirror exhibition officially started at ZiWU Shanghai ZiWU the Bund. It continued the first specially invited exhibition in April 2022 and was the first artist exhibition held parallelly in metaverse and physical space in China. This represents the change in the exhibition mode in the post-tech era and explores the unlimited directions of creations of artists when building the virtual world.

In August 2022, Prada fall/winter 2022 menswear and womenswear fashion show metaverse live was held at Meta ZiWU with approximately 200,000 people entering the showroom. This first metaverse fashion show jointly held by Meta ZiWU and Prada brought the integration experience of reality and virtual space and created a moment of milestone in the fashion industry.

In August 2022, six signed prints with the authorization of Ding Yi were presented at Meta ZiWU auction showroom. Through the auction system jointly developed by the Group and Baidu XiRang, users can experience a complete art viewing and auction scene in the metaverse. In September 2022, another special auction was held for six signed prints by Tan Ping at Meta ZiWU. There were more than 2,000,000 people entered these two auction showrooms, with more than 400 bids for the prints. All prints were sold with a transaction rate of 100%.

In November 2022, the “First Standard Chartered China Metaverse ESG Forum”, hosted by Standard Chartered China in collaboration with Business Weekly/Chinese Edition and supported by Baidu XiRang, was held at Meta ZiWU. During the forum, more than 350,000 users entered “Meta ZiWU” via Baidu XiRang to watch, and more than 1.02 million people watched the live of such event online. This forum is the first environmental, social and governance (“ESG”) green forum in Baidu XiRang’s metaverse. As a result, for the first time, we have the opportunity to explore ESG in the metaverse and build a blueprint for sustainable development with more diversified and profound thinking methods.

On 20 December 2022, Yuanbang APP was officially launched online. Yuanbang APP is a metaverse city virtual reality interactive platform jointly established by the Company, Baidu XiRang and BV Baidu Ventures. As China’s first metaverse city with a feature of Cyber Yuppies, Yuanbang is a truly surreal virtual city that deeply integrates art, culture, design, fashion, and technology. It is an immersive digital paradise that integrates idealism, futurism, and romanticism. It is also the ultimate metaverse experience that will land in physical space and achieve virtual reality interaction. It is China’s first futuristic, international, fashionable, high-grade and society-centered metaverse city. At “Yuanbang”, the continuous ideological summits, art scenes and new species of the metaverse are becoming new landmarks for metaverse. Entering Yuanbang means “joining the digital new life”. As described by Mr. Shao, the founder and core concept architect of Yuanbang, “this is a land of fantasy and ideals, connecting the future with classics, and a place that can provide a new contemporary art experience.”

In December 2022, Yuanbang Meta City APP, presented the first metaverse concert, a brand new mirage that brought participants unparalleled epic experience. Artist Lu Sisi was the visual consultant for the current session of NOWNESS Short Film Talent Awards, building a complete visual system with a theme of linking to the future with image. Among them, the online parallel exhibition linked to Yuanbang in the future imaging unit of the NOWNESS Short Film Talent Awards will also crisscross the virtual and the real, replicating the scene of the metaverse at the NOWNESS Short Film Talent Awards, allowing the audiences to immerse themselves.

In December 2022, the Group held the first Metaverse Art Exhibition – Polytopia in China’s first Meta City Yuanbang with the aesthetic style of Cyber Yuppies. “The Year Ahead 2023 Summit” organised by Business Weekly/Chinese Edition was also live on metaverse.

The Group’s operational experience in traditional paper media and electronic media in the digital era, artists, and high-quality brand resources provide the Group with unique values and aesthetic values, which will provide a more diversified content application scenario and spatial operation paradigm for the Yuanbang Meta City APP, and will gradually become an indispensable revenue source and profit center for the Group in the future.

Art platform

With continuous development and upgrade of modern consumption, the spiritual and material pursuits of consumer groups have continuously diversified. While traditional media focuses on the digital channels, the Group has walked out of the traditional paper and digital media framework to eye on the development of the art platform. Through the use of art marketing, along with the combination of brand and art, the Group locates the contact points between brands and high-end consumers, and at the same time enhances the brand’s taste and spiritual values, cultivates potential consumers and improves the competitiveness of enterprises. A review on the Group’s development path in the art platform sector shows no signs of stopping.

The Company has continuously released POWER 100, which is the authoritative ranking of the most influential people in the international contemporary art world published by the London-based magazine ArtReview. The list is determined by ArtReview together with a 20-member committee comprises writers, artists, curators, and critics. They select information and make decisions from global media, including the BBC, Figaro, Die Welt, Guardian, The Times, Financial Times, Wall Street Journal, Los Angeles Times, Moscow Times and Art News, as well as art and cultural blogs around the world.

The Group has established strategic cooperation with the Arles International Photography Festival (which is known as the “Oscar” in the international photography industry, the top cultural IP in France, and the world’s largest, oldest, and most influential international photography festival) for many years. The original project of the Arles International Photography Festival was held at PHOTOFAIRS Shanghai, making world art closer to China.

In addition, in order to enhance its influence in the Asian art market and meet the artistic needs of high-profile consumer groups in the Asian region, the Group has focused on promoting the development of ArtReview in the Asian region. The Group has formed a team of ArtReview China and the first issue of ArtReview China was published at the end of 2022. At the same time, ArtReview Singapore Branch was established to promote its development in Southeast Asia.

Digital platform

Among all business lines of the digital platform, the best performing one is the App of “Nowness”, the world’s leading platform for creative lifestyle short videos. During the period from 1 January to 31 December 2022, the revenue of “NOWNESS” increased by 59% as compared with that of 2021.

“NOWNESS” has become a place for inspiration and influence with its unique programme planning. Its contents cover art, design, fashion, beauty, music, food and travel. As at the end of the Year, the cumulative number of downloads was approximately 5,100,000. As a platform for the development of short films in the global arena and the ongoing discovery of new directors, “NOWNESS” has long been an important innovation base for young artists. Since 2019, four sessions of NOWNESS Short Film Talent Awards have been successfully held. This programme aims to discover outstanding Chinese new-generation filmmakers, stimulate their creativity, and display their video works with international platform resources. The Group has discovered a group of creative and talented young film creators and created a series of short videos with the characteristics of the times. They are like flames, expressing different ideas of this era, and redefining the perception of this era. With the development of short video in Asia, the Group has established the NOWNESS Asia Pacific branch in Singapore in 2022 to quickly seize the lead and further explore the Asian market.

From “iWeekly” (which has more than 15,000,000 users), to “INSTYLE iLady” (with growing advertising revenue), to “Bloomberg Businessweek” (one of the best domestic Apps), to “NOWNESS” (the global short film website platform which wins the favour of global luxury brands with creativity and quality). The Group has forged a diversified and multidimensional digital matrix. We are confident that the digital business will further generate considerable revenue in the future and achieve significant business growth.

(B) BUSINESS OUTLOOK

The metaverse is a “large scale, interoperable scene network consisting of real-time rendered 3D virtual world” that will reshape the future of business. In the future, it is expected that the metaverse economy may account for 30% of the digital economy.

Metaverse+, 5 new models for reshaping the future of business are as follows:

- I. Metaverse + Education, from virtual to on-site learning scenes
- II. Metaverse + Life, a comprehensive subversion of our lifestyle
- III. Metaverse + Entertainment, virtual production allows us to imagine and experience entertainment in a new way
- IV. Metaverse + Advertising, a blue ocean opportunity of seizing new growth
- V. Metaverse + Industry, to open up the future of intelligent manufacturing

The best way to predict the future is by achieving our goals. No matter how the metaverse arrives, it will only be of real value if it makes people's real life better.

With the official launch of the pioneering Yuanbang Meta City App at the end of 2022, this is a new milestone for Baidu XiRang and the Group after the creation of Meta ZiWU. At “Yuanbang”, the continuous ideological summits, art scenes and new species of the metaverse are becoming new landmark scenes for metaverse. Entering Yuanbang means “joining the digital new life.” As described by Mr. Shao, the founder and core concept architect of Yuanbang, “this is a land of fantasy and ideals, connecting the future with classics, and a place that can provide a new contemporary art experience.”

Creativity and content production are undoubtedly the core competitiveness of Yuanbang. Yuanbang will create a metaverse spirit field full of art, culture and fashion genes, attract creators from the fields of art, design and creativity, and vigorously support the creator economy, jointly present cool art exhibition, fashion show, exciting concert, and the most popular expositions.

In terms of education and ideological dissemination, Yuanbang will greatly stimulate the storage and production of knowledge systems, and establish a complete set of metaverse teaching systems such as metaverse universities, professional colleges, museums, and libraries. Various forums and seminars will be held regularly at Yuanbang to stimulate various ideas and cultures, ignite the flame of knowledge transmission, turn knowledge into economy, and make innovation into productivity.

Yuanbang proposed the six cultivations (6S) of metaverse talents: studying ability (Study), professional skills (Skill), personality style (Style), professional spirit (Spirit), master soul (Soul), and share and donation (Share). Yuanbang hopes to establish a big family with a sharing spirit, which is highly inclusive and represents the trend and the spirit of the new era. The metaverse no longer stays in the imaginative space of science fiction movies and novels, instead, it actually enters our real life. This is the beginning of a new era, a digital twin era full of fantasy and rapid iteration.

In January 2023, Porsche held the first official press conference of the “911 Dreamer” digital collection in Shanghai, launching the first series of digital collections customized for Chinese users. At the same time, a special online live streaming activity was launched online on Yuanbang Meta City App.

In February 2023, the Group reached an ecological partnership, becoming one of the first testers of ERNIE Bot, which is developed by Baidu Group. This move marks the first landing of conversational-style language model technology in the scene of Yuanbang, China’s first futuristic, international, fashionable, high-grade and society-centered metaverse city, jointly built by the Group, Baidu XiRang, and BV Baidu Ventures.

Through this cooperation, the Group will give priority to gaining the support of leading AI technologies, integrating the technical capabilities of ERNIE Bot, and deepening cooperation with Baidu in multiple fields such as product development and standard formulation, to create artificial intelligence solutions and services for users with full-scene virtual and real interaction. At the same time, relying on intelligent interconnection and innovative interconnection, the Group will lead the transformation and upgrading of the fashion and art industry.

In order to better meet the general trend of the development of the brand new metaverse and artificial intelligence chatbot, on 16 February 2023, Dr. Cheng Chi Kong, Adrian (“**Dr. Cheng**”), the chief executive officer of New World Development Company Limited, and the founder of K11 brand, was appointed as the Co-Chairman of the Board and the non-executive Director. For further details, please refer to the announcement of the Company dated 16 February 2023. Together with Dr. Cheng’s keen insight into the integration of cultural business and digital technology, the Group will drive content business, leading the Group to better embrace the new digital development cycle. Dr. Cheng is also the honorary vice chairman and chief strategic adviser of the Group.

Both Dr. Cheng and Mr. Shao share the same vision and are focusing on creative content, seeking an ideal relationship model among culture, art, and social commerce, and engaging in dialogue and communication with readers in a way that keeps pace with the times. In the future, they will work with teams to open up a new and more international path in the digital space of fashion, brand, design, and creative industries in China, the Asia Pacific region, and (to the extent possible) across the globe.

We believe Dr. Cheng, who was appointed as the Chairman of the Mega Arts and Cultural Events Committee by the Culture, Sports and Tourism Bureau of the Hong Kong Special Administrative Region Government earlier this year, will bring rich global resources and operation and management experience to the Group, and build a scenario theory that breaks through the imagination space for the construction of a better life in the digital era.

“NOWNESS” also has great development potential for the Group and is a very important development strategy. It has formed a global strategic layout since its establishment four years ago.

In 2023, the Group will continue to promote the development of “Nowness” in Europe, the United States, and other regions in Asia. The Group has planned to allocate more resources to strengthen the brand’s influence and achieve orderly growth. The Group expects that the performance of the digital platform sector will continue to generate ideal growths in 2023 and the coming years.

In March 2023, the Art Basel HK, which featured premier galleries from Asia and beyond was held in Hong Kong. The Group took steps to approach and connect with the Hong Kong galleries during this international art season. The Group aims to create one of the most authoritative international art hypermedia platform in China by holding gallery exhibitions to further link the Group’s art resources.

The Group is no longer satisfied with only reporting China’s contemporary times in the Chinese world. Rather, the Group will widen its horizon to the international contemporary society. After the COVID-19 pandemic in Europe, the art world was rebuilt with various art activities and exhibitions. Taking this opportunity, the Group has despatched the Company’s Chief Operating Officer to be based in Paris to create new distribution channels, actively explore the European market, and further increase the influence of “ArtReview”, “NOWNESS” and other products of the Group in the European region.

In order to better integrate art and technology, the Group integrated resources such as ArtReview, the world's most historical and influential art review magazine, Power 100, and ArtReview Asia, the only Asian contemporary art review magazine, to create the most international contemporary art media platform MMArt+ in China. Through MMArt+ and the online and offline new scene art space ZiWU, which integrates art, fashion, and culture, the Group has established long-term and good cooperative relationships with the world's important art galleries, art institutions, and art fairs, and has become a sponsor of the V&A Museum Photography Center, which has been named with Meta Media Gallery. Artketing, a platform under MMArt+, relies on the rich media resources of the Group's platform to become a platform for interaction between enterprises and society through culture and art, empowering the brands through art and creativity.

Looking ahead, the management of the Group believes that by further implementing the strategy of expanding the new media platform and innovating business models, taking the metaverse as the direction of transition from hypermedia to a new digital life platform will bring new opportunities and growth momentum to the Group. Aiming to become a world's leading content empowerment company, the Group will reshape the business future with art and technology. We believe that as a high-profile media group with a history of 30 years in China and one of the most influential, well-known and high-end media groups with a leading position in areas such as fashion, culture, art, commerce, and metaverse in the Chinese market, which is the world's second largest economy, we will always take the Company's core values of attitude, belief, ideas and vision as the driving force, always aim at high standards, quality, and efficiency, and create more brilliant achievements with passion.

(C) FINAL DIVIDEND

To preserve more financial resources in response to the market stagnancy, the Directors do not recommend the payment of any final dividend for the Year (2021: Nil).

(D) EVENTS SINCE 31 DECEMBER 2022 AND UP TO THE DATE OF THIS ANNOUNCEMENT

Save as disclosed in this announcement, there has been no other important event affecting the Group since 31 December 2022 and up to the date of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

Net cash flows

During the Year, the Group recorded a net cash inflow in operating activities of approximately RMB22,539,000 (2021: outflow RMB5,239,000). The Group recorded a net cash outflow in investing activities of approximately RMB36,504,000 (2021: outflow RMB5,843,000). The net cash inflow of the Group from financing activities amounted to approximately RMB3,663,000 (2021: inflow RMB26,098,000).

Borrowings and gearing ratio

As at 31 December 2022, the Group's outstanding borrowings was approximately RMB246,023,000 (2021: RMB210,362,000). The total borrowings comprised secured bank loans of approximately RMB175,017,000 (2021: RMB146,953,000), and lease liabilities of approximately RMB71,006,000 (2021: RMB63,409,000). The gearing ratio as at 31 December 2022 was 32.9% (2021: 26.7%), which was calculated based on the net debt divided by total capital at the end of the year and multiplied by 100%. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits. Total borrowings include borrowings and lease liabilities. Total capital is calculated as "equity" as shown in the consolidated financial statements plus net debt.

CAPITAL EXPENDITURE AND COMMITMENT

Capital expenditure of the Group for the Year included expenditure on maintenance of leased properties, and prepayments for property, plant and equipment and intangible assets of approximately RMB3,387,000 (2021: RMB6,553,000).

The Group had a capital commitment of purchasing of property, plant and equipment amounting to approximately RMB509,000 (2021: RMB1,401,000) as at 31 December 2022.

CAPITAL STRUCTURE

During the Year, there has been no change in capital structure of the Company. The capital of the Company comprises ordinary shares and capital reserves. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

Save for the corporate guarantee given to banks and the Group's major printing supplier to secure the banking facilities and printing credit line respectively, as at 31 December 2022 and 2021, the Group did not have any material contingent liabilities or guarantees other than those disclosed below.

As at 31 December 2022, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB128,835,000 (including in investment properties of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000) (2021: approximately RMB125,951,000 (including in investment properties of approximately RMB37,700,000 and property, plant and equipment of approximately RMB88,251,000)) and/or is guaranteed by Mr. Shao/Mr. Shao's spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB50,000,000 (2021: RMB25,231,000) as at 31 December 2022.

FOREIGN CURRENCY RISK

The Group mainly operates in the PRC, Hong Kong and the UK and majority of the transactions are denominated and settled in Renminbi (“**RMB**”), Hong Kong dollars (“**HK\$**”) or Great British Pounds (“**GBP**”), being the functional currency of the entities of the Group to which the transactions relate. Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. As at 31 December 2022 and 2021, the Group did not have significant foreign currency risk from its operations.

EMPLOYEES

As at 31 December 2022 and 2021, the Group had a total of 420 staff, total staff costs (including Directors' remuneration) recognised in profit or loss were approximately RMB96,827,000 (2021: RMB96,819,000). The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's memorandum and articles of association or the laws in Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews its corporate governance practices to meet the rising expectations of shareholders and to comply with increasingly stringent regulatory requirements. In the opinion of the Directors, the Company applied the principles and complied with the relevant code provisions in the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix 14 to the Listing Rules during the Year with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by code provision C.2.1 of the Corporate Governance Code. The Company is of the view that it is in the best interest of the Company to let Mr. Shao, the founder of the Group, act in the dual capacity as the Co-Chairman and chief executive officer of the Group given Mr. Shao’s in-depth expertise and knowledge in business and the Group, which can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation.

On 16 February 2023, Dr. Cheng has been appointed as a non-executive Director and a Co-Chairman of the Board. The Company shall have more than one Chairman, and accordingly, Mr. Shao has been re-designated from Chairman of the Board to a Co-Chairman of the Board on 16 February 2023. Following the re-designation, Mr. Shao as a Co-Chairman of the Board will jointly provide leadership to and oversee the management of the Board with Dr. Cheng.

Dr. Cheng possesses experience in the field of art, culture and commerce which would be beneficial to the Group in further developing into the digital world of fashion, branding, design and creative industries in China, the Asia-Pacific region and (to extent possible) across the globe. Having the distinctive background and ample experience of Mr. Shao and Dr. Cheng, by applying their insight and knowledge, they jointly oversee the overall management of the Group’s business, general management and administration, and strategic planning, development and expansion of the Group’s business in their capacity of co-chairmen.

In such connection, the Board considers the Group can be benefited from the joint contribution and cooperation of both Co-Chairmen in the Group’s management and operation, rather than limiting their roles to particular functions.

In addition, the Board is also supervised by three independent non-executive Directors. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company’s business strategies and operation. The Directors will meet regularly to consider major matters affecting the operations of the Group.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the Year have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Group's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this announcement.

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement of the Company for the Year is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.metamediahldg.com) respectively. The Company's 2022 annual report containing all the information as required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company on or before 24 April 2023.

By Order of the Board
Meta Media Holdings Limited
Shao Zhong
Co-Chairman

Hong Kong, 27 March 2023

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. SHAO Zhong, Ms. YANG Ying, Mr. LI Jian and Mr. DEROCHE Alain, Jean-Marie, Jacques; (b) as non-executive Director, Dr. CHENG Chi Kong, Adrian; and (c) as independent non-executive Directors, Mr. YICK Wing Fat, Simon, Ms. WEI Wei and Mr. WAN Jie.

* *English translation or transliteration of Chinese name for identification purpose only*