



# 星空華文控股有限公司 STAR CM Holdings Limited

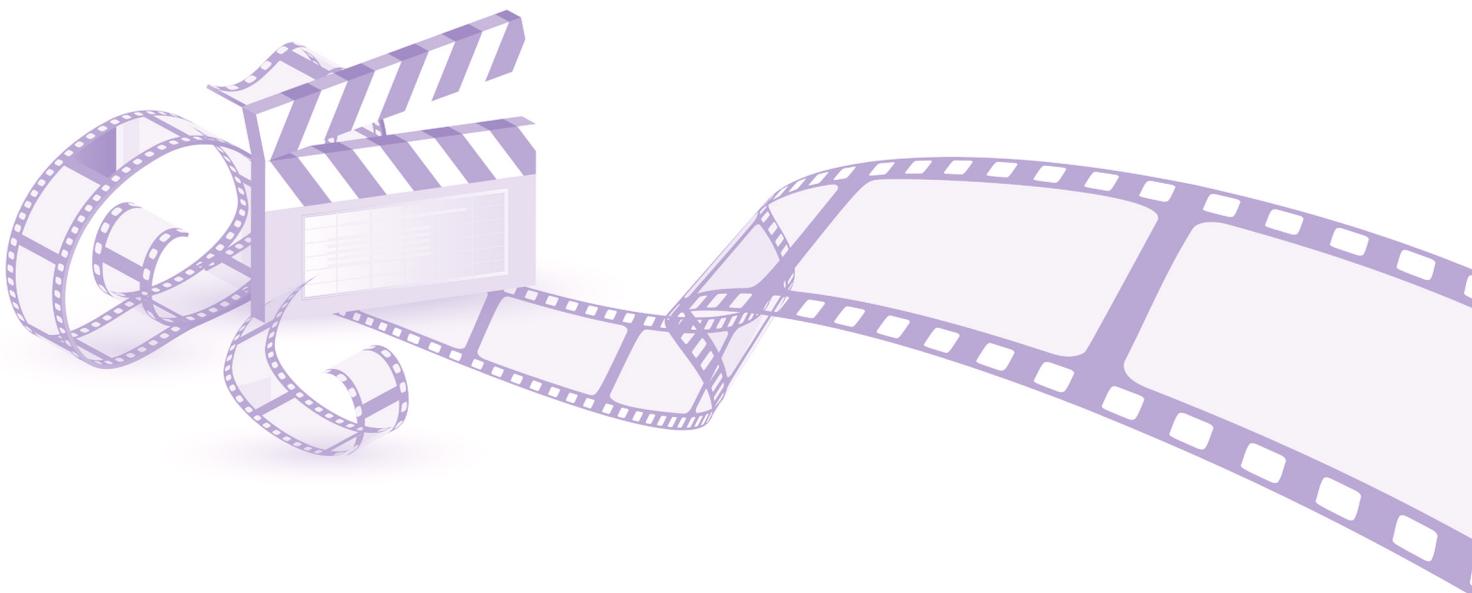
(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 6698



# 2023 INTERIM REPORT

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Tian Ming (*Chairman and Chief Executive Officer*)

Mr. Jin Lei

Mr. Xu Xiangdong

Mr. Lu Wei

Ms. Wang Yan

### Non-Executive Director

Mr. Lee Wei Choy

### Independent Non-executive Directors

Mr. Li Liangrong

Mr. Chen Rehao

Mr. Sheng Wenhao

## AUDIT COMMITTEE

Mr. Chen Rehao (*Chairman*)

Mr. Li Liangrong

Mr. Sheng Wenhao

## REMUNERATION COMMITTEE

Mr. Li Liangrong (*Chairman*)

Mr. Jin Lei

Mr. Chen Rehao

## NOMINATION COMMITTEE

Mr. Tian Ming (*Chairman*)

Mr. Chen Rehao

Mr. Li Liangrong

## JOINT COMPANY SECRETARIES

Ms. Wang Yan

Ms. Leung Wing Han Sharon

## AUTHORIZED REPRESENTATIVES

Ms. Wang Yan

Ms. Leung Wing Han Sharon

## COMPLIANCE ADVISOR

China Securities (International)  
Corporate Finance Company Limited  
18/F, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

## AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## REGISTERED OFFICE

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Grand Cayman KY1-1104  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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No. 158 Longqi Road  
Shanghai, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

## LEGAL ADVISORS

### As to Hong Kong law

Zhong Lun Law Firm LLP  
4/F., Jardine House  
1 Connaught Place  
Central, Hong Kong

### As to PRC law

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6/10/11/16/17F  
Two IFC, 8 Century Avenue  
Pudong New Area, Shanghai  
PRC

### As to Cayman Islands law

Maples and Calder (Hong Kong) LLP  
26th Floor, Central Plaza  
18 Harbour Road  
Wan Chai, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKS

China CITIC Bank Shanghai Wanping  
Road Sub Branch  
203 Wanping South Road  
Shanghai  
PRC

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

China Merchants Bank Shanghai Branch  
No. 1092 Hualing Road  
Baoshan District, Shanghai  
PRC

## STOCK CODE

6698

## COMPANY WEBSITE

[www.starcmgroup.com](http://www.starcmgroup.com)

# Management Discussion and Analysis

## BUSINESS OVERVIEW AND PROSPECTS

Our Group is one of the largest variety program IP creators and operators in China. Our Group also owns and operates a large library of Chinese film IPs and is a music IP creator and operator in China. Having built an ecosystem underpinned by abundant IP resources, our Group attracts people with our original and entertaining content. Bringing enjoyment to people's everyday lives, our Group has accumulated an audience base which serves as the basis of our diversified IP-related business. For the six months ended June 30, 2023, our Group generated revenue in the form of revenue sharing, commission fees, licensing fees and other fees for (i) variety program IP production, operation and licensing; (ii) music IP operation and licensing; (iii) film and drama series IP operation and licensing; and (iv) other IP-related business.

In the first half of 2023, we completed the broadcast of two variety programs, namely, Remember Me (百川樂時空) and the Great Dance Crew 2023 (了不起！舞社 2023), fewer than the same period of previous years as affected by the COVID-19 pandemic at the end of 2022. In the second half of 2023, we plan to launch "Sing! China 2023" (中國好聲音 2023), "Street Dance of China 2023" (這！就是街舞 2023) and "Guess the Singer 2023!" (蒙面唱將猜猜猜 2023), as well as producing and launching new talent and talk show variety programs, aiming to further diversify and expand our variety program IPs.

In the first half of 2023, revenue from our Company's other IP-related business increased by approximately 103.1% as compared to the same period last year. From the second quarter of 2023, our Company's artist management, commercial performance and in-person appearances resumed rapidly, partly because the domestic entertainment market was in full swing after the end of the COVID-19 pandemic, providing numerous business opportunities to our Company's contracted artists. Besides, our Company's core managed artists also gained more market attention, some of our Company's managed artists appeared as guests on major media platform variety shows, which further improved the commercial value of the artists.

Moreover, since May 2023, our Company has launched the "Good Voice and Goods" (好聲音暢享好物) live streaming business on Taobao, which not only allows the online communication of music and variety program production, but also provides an innovative consumption model for customers visiting the live streaming studio online, thus representing a key step taken forward by our Company to establish a new integrated entertainment consumption ecosystem with high-quality IPs.

On May 17, 2023, our Company formed a joint venture with Nfkings Productions Limited to leverage the strengths of each party to establish a new Web3 entertainment platform enabling an inclusive, social and flexible digital economy for traditional variety entertainment content. According to the press conference held by our Company on July 14, 2023, "Sing! Meta 耀音", the first meta-universe application of "Sing! China", will be launched later this year. For details, please refer to the announcement of our Company dated July 14, 2023, published on the website of the Hong Kong Stock Exchange.

## Management Discussion and Analysis

On July 23, 2023, our Company successfully organized the 24th “China Music Awards (CMA) and Asian Influential Awards” (CMA全球華語榜中榜暨亞洲影響力大典) ceremony in Macau, which attracted a number of domestic and international celebrities from the music sector.

“Sing! China 2023” (中國好聲音 2023) was first released on July 28, 2023. On August 25, 2023, Zhejiang Satellite TV Station, being the primary broadcasting platform of “Sing! China 2023” (中國好聲音 2023), had announced the temporary suspension of broadcasting the program, pending further investigation into certain incidents revealed in recent media reports. For details, please refer to the voluntary announcement of our Company dated August 25, 2023, published on the website of the Hong Kong Stock Exchange.

### Business Analysis by Business Segment

#### (i) Variety Program IP Production, Operation and Licensing

For the six months ended June 30, 2023, our Group successfully released a total of two variety programs, comprising Remember Me (百川樂時空) and Great Dance Crew 2023 (了不起！舞社2023).

Our Group will continue to innovate and create popular variety program IPs. As of the date of this report, our Group had several pipeline variety programs underway, primarily consisting of music variety programs, dance variety programs, talent shows and talk shows, which are expected to be released within 2023.

The revenue, gross profit and gross profit margin of our variety programs are affected by multiple factors, including but not limited to (i) the cooperation model we adopted for programs, (ii) our negotiations with investing media platforms, (iii) overall economic environment, and (iv) shifts in audience preferences. As a result, our financial performance may fluctuate from year to year due to the inherent risk in the business model of our variety program IP production, operation and licensing. For details, see the section headed “Financial Review” in this report.

#### (ii) Music IP Operation and Licensing

As of June 30, 2023, our Group had a music library of 9,164 IPs, consisting of 3,717 live music recordings we produced during the creation of our music variety programs, 3,413 songs we produced for our managed artists, and 2,034 lyrics and music compositions.

#### (iii) Film and Drama Series IP Operation and Licensing

At its disposal, our Group has taken the opportunity of our extensive film library, experienced in-house professional teams and long-term cooperative relationships with media platforms, actively making inroads into the fields of film licensing and drama series production and licencing. As of June 30, 2023, our Group owned and operated a large library consisting of 757 Chinese film IPs and one drama series “Reading class (閱讀課)” produced by our Group.

## Management Discussion and Analysis

Our Group generally licenses our films to domestic and overseas TV networks and online video platforms for reruns in exchange for a fixed licensing fee during a specified term. The licensing fee is usually determined on factors including the number of films licenced and the length of the licensing period.

### (iv) Other IP-related Business

Our Group's other IP-related business primarily includes (i) artist management; (ii) concert organization and production; (iii) art education and training; (iv) mobile apps; (v) consumer products; and (vi) themed attractions. As of June 30, 2023, we had a total number of 120 managed artists and had more than 1.3 million registered users on our Group's "Sing! China" app.

## PROSPECTS AND FUTURE DEVELOPMENT

Looking ahead, leveraging our strengths and experience, our Group is dedicated to creating more entertainment IPs to accommodate the fast-changing market demands and audience preferences in the industry. Our development initiatives include:

- Further strengthen our IP creation and operation capabilities: We will continue to operate our music IP library and film IP library. We will further enhance our capabilities of content production in the field of variety programs, music, film and drama series, and diversify the genres and topics of our IPs.
- Further expand our audience outreach and brand influence to enhance our monetization capabilities: We will continue to set up distribution channels to reach wider audience. We will increase the number of partner TV networks, online video platforms and music service providers and diversify our distribution channels and offer onsite experience through IP-centered experience halls, electronic music centers and street dance centers. Leveraging the growth of the global entertainment industry, we will strengthen our efforts to recruit content production professionals in the overseas entertainment market and attract talented artists globally in order to further enhance our influence and value of our entertainment IPs in the global market.
- Further expand our business through mergers and acquisitions: We will keep a close watch on and continuously evaluate high-quality merger and acquisition targets that are complementary to our business and in line with our strategies. We aim to effectively integrate premium industry resources in the upstream and downstream of the entertainment value chain, further accelerating the expansion of our Group.
- Continue to attract talents and build our team: We provide excellent training and highly competitive compensation and incentive plan for our employees. We plan to attract top talents in the fields of IP production, operation and management via continuous improvement in our talent acquisition and retention system.

## FINANCIAL REVIEW

### Overview

For the six months ended June 30, 2023, we recorded a revenue of RMB144.1 million and a gross profit of RMB47.4 million. Our net loss amounted to RMB17.2 million for the six months ended June 30, 2023, as compared with a net loss of RMB13.4 million for the same period last year. Our adjusted net loss in the first half of 2023 was RMB17.2 million as compared with the adjusted net loss of RMB6.3 million in the same period last year. The increase in net loss was mainly because of a reduction in the number of variety programs commenced 2022 year-end initial broadcast and lasting until the subsequent year as compared with the corresponding period of 2023 as a result of the adverse effects of COVID-19 pandemic in the year-end of 2022. This was offset by the increased business activities in film and drama series IP operation and licensing and other IP-related business.

### Revenue by Business Segment

For the six months ended June 30, 2023 and 2022, we generated our revenues primarily from (i) variety program IP production, operation, and licensing, (ii) music IP operation and licensing, (iii) film and drama series IP operation and licensing, and (iv) other IP-related business. Revenue from variety program IP production, operation and licensing business was the largest component of our total revenues for the six months ended June 30, 2023 and 2022, accounting for approximately 52.3% and 74.7%, respectively. The table below sets forth a breakdown of our revenues by business segments for the six months ended June 30, 2023 and 2022:

	For the six months ended	
	June 30,	
	2023	2022
	<i>(RMB in millions)</i>	
Variety program IP production, operation, and licensing	75.4	136.5
Music IP operation and licensing	19.2	19.5
Film and drama series IP operation and licensing	23.3	13.7
Other IP-related business	26.2	12.9
<b>Total</b>	<b>144.1</b>	<b>182.6</b>

## Management Discussion and Analysis

### (i) Variety Program IP Production, Operation and Licensing

Our revenue generated from variety program IP production, operation and licensing consists primarily of (i) revenue from advertising sales; (ii) commission received from producing variety programs; (iii) licensing fees received from licensing the broadcasting rights of our variety programs; and (iv) licensing fees received from licensing the right to host offline entertainment events. The following table sets forth a breakdown of our revenue from variety program IP production, operation and licensing by nature during the six months ended June 30, 2023 and 2022:

	For the six months ended June 30,	
	2023	2022
	<i>(RMB in millions)</i>	
Advertising sales	9.2	23.6
Commissioned programs	49.7	100.4
Licensing of broadcasting rights	–	0.1
Licensing of offline entertainment events	16.5	12.4
<b>Total</b>	<b>75.4</b>	<b>136.5</b>

Our Group's revenue generated from variety program IP production, operation and licensing decreased by 44.8% from RMB136.5 million for the six months ended June 30, 2022 to RMB75.4 million for the six months ended June 30, 2023, primarily due to a reduction in the number of variety programs commenced 2022 year-end initial broadcast and lasting until the subsequent year as compared with the corresponding period as a result of the adverse effects of COVID-19 pandemic in the year-end of 2022.

### (ii) Music IP Operation and Licensing

Our revenue generated from music IP operation and licensing consists primarily of the royalties or licensing fees received from licensing the music IPs we produced to music service providers such as (i) online music platforms; (ii) media companies and (iii) karaoke operators. Revenue generated from music IP operation and licensing remained relatively stable at RMB19.5 million and RMB19.2 million for the six months ended June 30, 2022 and 2023, respectively.

### (iii) Film and Drama Series IP Operation and Licensing

Our revenue generated from film and drama series IP operation and licensing consists primarily of the licensing fees received from licensing the broadcasting rights of the films in our film IP library. Revenue generated from film and drama series IP operation and licensing increased by 70.1% from approximately RMB13.7 million for the six months ended June 30, 2022 to approximately RMB23.3 million for the six months ended June 30, 2023, primarily due to the increase in revenue generated from our overseas markets through film IP licensing business as compared with the corresponding period in 2022.

## Management Discussion and Analysis

### (iv) Other IP-related Business

Our revenue generated from other IP-related business consists primarily of (i) service fees received from customers who engaged our artists for concerts, tours, in-person appearances and endorsement deals, and (ii) ticket sales from the concerts that we organized. Revenue generated from other IP-related business increased by 103.1% from approximately RMB12.9 million for the six months ended June 30, 2022 to approximately RMB26.2 million for the six months ended June 30, 2023, which is primarily due to the increase in revenue generated from our artist management business following the gradual recovery of the market from the adverse effect from the COVID-19 pandemic since the start of 2023.

### Cost of Sales

The following table sets forth our cost of sales by business segment for the six months ended June 30, 2023 and 2022:

	For the six months ended June 30,	
	2023	2022
	<i>(RMB in millions)</i>	
Variety program IP production, operation, and licensing	59.3	107.5
Music IP operation and licensing	16.7	7.0
Film and drama series IP operation and licensing	6.2	5.5
Other IP-related business	14.5	6.1
<b>Total</b>	<b>96.7</b>	<b>126.1</b>

#### (i) Variety Program IP Production, Operation and Licensing

Cost of sales associated with variety program IP production, operation, and licensing decreased by 44.8% from RMB107.5 million for the six months ended June 30, 2022 to RMB59.3 million for the six months ended June 30, 2023, which is in line with the decrease in revenue generated from the variety program IP production, operation, and licensing for the six months ended June 30, 2023.

#### (ii) Music IP Operation and Licensing

Cost of sales associated with music IP operation and licensing increased by 138.6% from RMB7.0 million for the six months ended June 30, 2022 to RMB16.7 million for the six months ended June 30, 2023, primarily due to the increase in costs incurred in connection with the re-licensing of the old music songs of our Group's music library as compared with the same period of last year.

## Management Discussion and Analysis

### (iii) Film and Drama Series IP Operation and Licensing

Cost of sales associated with film and drama series IP operation and licensing increased by 12.7% from RMB5.5 million for the six months ended June 30, 2022 to RMB6.2 million for the six months ended June 30, 2023, in line with the increase in revenue from the same business segment.

### (iv) Other IP-related Business

Cost of sales associated with other IP-related business increased by 137.7% from RMB6.1 million for the six months ended June 30, 2022 to RMB14.5 million for the six months ended June 30, 2023, in line with the revenue increase from our artist management business for the six months ended June 30, 2023.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by each business segment for the six months ended June 30, 2023 and 2022:

	For the six months ended June 30,			
	2023		2022	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>(RMB in millions except in percentage)</i>			
Variety program IP production, operation, and licensing	16.1	21.4%	29.0	21.2%
Music IP operation and licensing	2.5	13.0%	12.5	64.1%
Film and drama series IP operation and licensing	17.1	73.4%	8.2	59.9%
Other IP-related business	11.7	44.7%	6.8	52.7%
<b>Total</b>	<b>47.4</b>	<b>32.9%</b>	<b>56.5</b>	<b>30.9%</b>

As a result of the foregoing, our gross profit decreased by 16.1% from RMB56.5 million for the six months ended June 30, 2022 to RMB47.4 million for the six months ended June 30, 2023.

### (i) Variety Program IP Production, Operation and Licensing

Our gross profit for variety program IP production, operation, and licensing decreased by 44.5% from RMB29.0 million for the six months ended June 30, 2022 to RMB16.1 million for the six months ended June 30, 2023 which is in line with the decrease in revenue from the same business segment. Our gross profit margin remained relatively stable at 21.2% and 21.4% for the six months ended June 30, 2022 and 2023, respectively.

## Management Discussion and Analysis

### (ii) Music IP Operation and Licensing

As a result of the foregoing, our gross profit for music IP operation and licensing decreased by 80.0% from RMB12.5 million for the six months ended June 30, 2022 to RMB2.5 million for the same period this year. Our gross profit margin also decreased from 64.1% for the six months ended June 30, 2022 to 13.0% for the six months ended June 30, 2023, primarily due to the higher costs allocated in connection with the re-licensing of the old songs of our Group's music library with lower profitability for the six months ended June 30, 2023.

### (iii) Film and Drama Series IP Operation and Licensing

Our gross profit for film and drama series IP operation and licensing increased by 108.5% from RMB8.2 million for the six months ended June 30, 2022 to RMB17.1 million for the same period this year. Our gross profit margin increased to 73.4% for the six months ended June 30, 2023 from 59.9% for the six months ended June 30, 2022. The increase in our gross profit margin was primarily due to the increase in revenue for this business segment.

### (iv) Other IP-related Business

As a result of the foregoing, our gross profit for other IP-related business increased by 72.1% from RMB6.8 million for the six months ended June 30, 2022 to RMB11.7 million for the same period this year. Our gross profit margin decreased from 52.7% for the six months ended June 30, 2022 to 44.7% for the same period this year. The decrease was primarily due to the adjustments made in terms of settlement method for certain artists management contracts with our Group's managed artists.

## Other Income and Gains

Our other income and gains decreased by 19.1% from RMB9.4 million for the six months ended June 30, 2022 to RMB7.6 million for the six months ended June 30, 2023, primarily due to the decrease in both interest income and government subsidies our Group received.

## Selling and Distribution Expenses

Our selling and distribution expenses increased by 29.3% from RMB9.2 million for the six months ended June 30, 2022 to RMB11.9 million for the six months ended June 30, 2023, primarily due to the increase in traveling and business development expenses resulting from an increase in our sales and marketing activities upon the gradual recovery from the adverse impact of the COVID-19 pandemic.

## Management Discussion and Analysis

### **Administrative Expenses**

Our administrative expenses increased by 6.2% from RMB51.5 million for the six months ended June 30, 2022 to RMB54.7 million for the same period this year, primarily due to the increase in office expenses following the end of the pandemic, as well as the professional service fees and expenses required for daily operations subsequent to the Listing.

### **Impairment of Goodwill**

Our Group did not record any impairment loss on goodwill for the six months ended June 30, 2022 and 2023, respectively.

### **Impairment Losses on Financial Assets**

We recorded impairment losses on financial assets of RMB3.1 million for the six months ended June 30, 2023 (for the six months ended June 30, 2022: RMB9.8 million). The change was primarily due to the higher expected loss of certain trade receivables based on our assessment in the six months ended June 30, 2022.

### **Changes in Fair Value of Financial Assets at Fair Value Through Profit or Loss**

We recorded a gain in changes in fair value of financial assets at fair value through profit or loss of RMB0.1 million for the six months ended June 30, 2023 while recording a loss in changes in fair value of financial assets at fair value through profit or loss of RMB4.6 million for the same period last year. The gain was primarily due to the increase in the fair values of our investment of short-term bond investments.

### **Other Expenses**

Our other expenses were relatively stable at RMB0.4 million and RMB0.5 million for the six months ended June 30, 2022 and 2023, respectively.

### **Finance Costs**

Our finance costs were relatively stable at RMB1.0 million and RMB1.5 million for the six months ended June 30, 2022 and 2023, respectively.

### **Share of Profits and Losses of Joint Ventures and Associates**

Our share of losses of joint ventures increased to RMB1.1 million for the six months ended June 30, 2023 from RMB0.2 million for the same period last year. Our share of losses from associates for the six months ended June 30, 2023 increased to RMB2.2 million from RMB1.5 million for the same period last year.

### **Income Tax Expenses**

We recorded income tax credit of RMB2.7 million for the first half of 2023 as compared with income tax expenses of RMB1.1 million for the same period last year, primarily due to losses before tax incurred for the six months ended June 30, 2023.

### **Loss for the Period**

As a result of the above, we recorded a net loss of RMB17.2 million for the six months ended June 30, 2023 as compared with a net loss of RMB13.4 million in the same period last year. We recorded an adjusted net loss (non-IFRS measures) of RMB17.2 million for the six months ended June 30, 2023, as compared with an adjusted net loss (non-IFRS measures) of RMB6.3 million for the same period last year, primarily due to a reduction in the number of variety programs commenced 2022 year-end initial broadcast and lasting until the subsequent year as compared with the corresponding period as a result of the adverse effects of COVID-19 pandemic in the year-end of 2022.

### **Non-IFRS Measure**

To supplement our interim condensed consolidated financial information which are presented under IFRS, we also use adjusted net profit/(loss) (non-IFRS measures) and adjusted net profit/(loss) margin (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of certain items. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit/(loss) (non-IFRS measures) and adjusted net profit/(loss) margin (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

## Management Discussion and Analysis

The following table sets forth our adjusted net loss for the six months ended June 30, 2023 and 2022, respectively.

	For the six months ended June 30,	
	2023	2022
	<i>(RMB in millions)</i>	
Loss for the period	(17.2)	(13.4)
Adjusted for:		
Listing expenses	–	7.1
<b>Adjusted net loss<sup>(a)</sup> (non-IFRS measures)</b>	<b>(17.2)</b>	<b>(6.3)</b>
<b>Adjusted net loss margin<sup>(b)</sup> (non-IFRS measures)</b>	<b>(11.9%)</b>	<b>(3.5%)</b>

Notes:

- (a) Adjusted net profit/(loss) (non-IFRS measures) is defined as profit/(loss) for the period adjusted for listing expenses. Listing expenses mainly include professional fees paid to legal advisers and reporting accountants for their services rendered in relation to the Listing and Global Offering.
- (b) Adjusted net profit/(loss) margin (non-IFRS measures) is defined as adjusted net profit/(loss) (non-IFRS measures) divided by revenue.

## FINANCIAL POSITION

### Property, Plant and Equipment

Our property, plant and equipment amounted to RMB181.7 million as of June 30, 2023, representing an increase of RMB9.3 million or 5.4% from RMB172.4 million as of December 31, 2022. The increase was primarily due to the increased investments in the construction of our “Songjiang Star Variety Program, Film and Drama Series Production Base”.

### Goodwill

Our goodwill amounted to RMB1,498.6 million as of June 30, 2023, representing an increase of RMB10.3 million or 0.7% from RMB1,488.3 million as of December 31, 2022, which was primarily due to the fluctuations in the foreign exchange rates, as the assets of Fortune Star Media Limited (“FSML”) is measured in US dollars.

## Management Discussion and Analysis

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

	As at	
	June 30, 2023	December 31, 2022
	<i>(RMB in millions)</i>	
Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd. ("MXQY") unit	1,215.6	1,215.6
FSML unit	283.0	272.7
	1,498.6	1,488.3

### Significant Investments

Our investments in associates remained stable at RMB617.9 million and RMB616.9 million as of December 31, 2022 and June 30, 2023, respectively. Our investments in joint ventures remained stable at RMB402.0 million and RMB400.9 million as of December 31, 2022 and June 30, 2023, respectively. Save as disclosed in this report, we did not make or hold any significant investments (including any investment in an investee company with a value of 5.0 percent or more of our Company's total assets) during the reporting period. For details, please refer to Notes 10 and 11 to the interim condensed consolidated financial information.

### Amounts Due from Related Parties

Amounts due from related parties increased by RMB27.5 million or 6.1% to RMB481.1 million as of June 30, 2023 from RMB453.6 million as of December 31, 2022, primarily due to the increase in amounts due from related parties. For details, please refer to note 18 to the interim condensed consolidated financial information.

### Other Intangible Assets

Our other intangible assets decreased by RMB11.5 million or 7.1% to RMB150.5 million as of June 30, 2023 from RMB162.0 million as of June 30, 2022, primarily due to re-licensing of the old songs of our Group's music library and regular amortization of our intangible assets.

### Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss amounted to RMB254.7 million as of June 30, 2023, representing an increase of RMB228.0 million or 8.5 times from RMB26.7 million as of December 31, 2022, primarily due to purchases of items of financial assets at fair value through profit or loss during the six months ended June 30, 2023.

## Management Discussion and Analysis

### Restricted Cash

Our restricted cash remained relatively stable at RMB62.3 million and RMB 62.6 million for the year ended December 31, 2022 and for the six months ended June 30, 2023, respectively.

### Program Copyrights

Our program copyrights amounted to RMB119.4 million as of June 30, 2023, representing an increase of RMB9.3 million or 8.4% from RMB110.1 million as of December 31, 2022, which was primarily due to the increased number of variety programs under production for release in the second half of 2023.

### Trade and Notes Receivables

Our trade and notes receivables amounted to RMB459.1 million as of June 30, 2023, representing a decrease of RMB166.9 million or 26.7% from RMB626.0 million as of December 31, 2022, which was primarily due to the collection of trade receivables of our variety programs produced in 2022.

### Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets remained stable at RMB116.0 million and RMB116.9 million as of June 30, 2023 and December 31, 2022, respectively.

### Trade Payables

Our trade payables amounted to RMB157.1 million as of June 30, 2023, representing a decrease of RMB96.2 million or 38.0% from RMB253.3 million as of December 31, 2022, primarily due to the settlement of trade payables incurred in relation to our variety produced and initially broadcasted in 2022.

### Other Payables and Accruals

Our other payables and accruals amounted to RMB213.0 million as of June 30, 2023, representing a mild increase of RMB7.2 million or 3.5% from RMB205.8 million as of December 31, 2022.

### Lease Liabilities

Our lease liabilities amounted to RMB12.5 million as of June 30, 2023, representing a decrease of RMB3.1 million or 19.9% from RMB15.6 million as of December 31, 2022, primarily due to the lease payments made over time while there was no lease renewal during the first half of 2023.

### Liquidity and Capital Resources

As of June 30, 2023, we funded our cash requirements primarily from cash flows mainly through equity financing and the retained earnings of our Company. We had cash and cash equivalents of RMB404.9 million and RMB587.6 million as of June 30, 2023 and December 31, 2022, respectively.

## Management Discussion and Analysis

Our principal uses of cash have been for our business operations and expansion plans which require a significant amount of capital, including costs for variety program production, costs for music IPs production, and other working capital requirements. In the foreseeable future, our Company believes that our liquidity requirements will be satisfied by a combination of cash flow generated from our operating activities, the net proceeds received from our Company's Global Offering, and other funds raised from capital markets from time to time.

The following table sets forth a summary of our cash flows for the periods indicated, respectively:

	<b>For the six months ended June 30, 2023</b>	For the year ended December 31, 2022
	<i>(RMB in millions)</i>	
(Loss)/profit before tax	<b>(19.9)</b>	104.4
Adjustments	<b>33.9</b>	65.6
Change in working capital	<b>74.3</b>	169.9
Income tax paid	<b>(9.9)</b>	(19.1)
Interest received	<b>2.3</b>	5.4
Net cash flows from operating activities	<b>80.7</b>	326.2
Net cash flows used in investing activities	<b>(269.9)</b>	(602.3)
Net cash flows from financing activities	<b>4.4</b>	310.8
Net (decrease)/increase in cash and cash equivalents	<b>(184.8)</b>	34.7
Cash and cash equivalents at the beginning of the period	<b>587.6</b>	547.2
Effect of foreign exchange rate changes, net	<b>2.1</b>	5.7
<b>Cash and cash equivalents at the end of the period</b>	<b>404.9</b>	587.6

### Funding and Treasury Policy

Our Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. Our Group's liquidity and financing requirements are regularly reviewed. Our Board closely monitors our Group's liquidity position to ensure that our Group can meet its funding requirements for business development from time to time and seize future growth opportunities as and when such opportunities appear.

# Management Discussion and Analysis

## Gearing Ratio

Our gearing ratio, representing the total debt (including interest-bearing borrowings amounts, amounts due to related parties and lease liabilities) divided by total equity, was 0.3% as of June 30, 2023. (December 31, 2022: 0.3%)

## Material Acquisitions and Disposals

Save as disclosed in this report, we did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the reporting period.

## Loan and Guarantee

As of June 30, 2023, our Group had not made any loan or provided any guarantee for loan, directly or indirectly, to Directors, senior management of our Company, the Controlling Shareholders or any of their respective connected persons.

## Pledge of Assets

As of June 30, 2023, pledged time deposit amount to RMB62.6 million was pledged for the purchase of leasehold land and litigation.

## Contingent Liabilities

As of June 30, 2023, except for the lawsuits set out in Note 16 to the interim condensed consolidated financial information, our Group had no other significant contingent liabilities.

## Foreign Exchange Exposure

Our Group's businesses are principally conducted in RMB. We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As of June 30, 2023, major non-RMB assets are cash and cash equivalents which denominated in HK\$ or US\$. Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect our Group's results of operations. Our Group does not intend to hedge its exposure to foreign exchange fluctuations. We will constantly monitor the economic situation and our Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

## CONTINUING CONNECTED TRANSACTIONS

Reference is made to our Company's annual report for the year ended December 31, 2022 published on April 26, 2023 (the "**2022 Annual Report**") in relation to our Company's continuing connected transactions under the Contractual Arrangements. Unless otherwise defined, terms used herein this section shall bear the same meaning as defined in the 2022 Annual Report.

We hereby provide additional information in relation to the transaction dates of the Contractual Arrangements pursuant to Rule 14A.71(1) of the Listing Rules:

### (1) Exclusive Consulting and Service Agreements

WFOE and Canxing Culture entered into an exclusive consulting and service agreement on July 23, 2021. Further, WFOE and each of Beiye Culture and Canxing Film entered into exclusive consulting and service agreements on November 7, 2022.

### **(2) Exclusive Purchase Option Agreements**

WFOE, the Registered Shareholders and Canxing Culture entered into an exclusive purchase option agreement on July 23, 2021. Further, WFOE, Canxing Culture and Canxing Film entered into an exclusive purchase option agreement on November 7, 2022.

### **(3) Equity Pledge Agreements**

WFOE, Canxing Culture and the Registered Shareholders entered into an equity pledge agreement on July 23, 2021. Further, WFOE, Canxing Culture and each of Beiyi Culture and Canxing Film entered into equity pledge agreements on November, 7 2022.

### **(4) Voting Right Trust Agreements**

WFOE, Canxing Culture and the Registered Shareholders entered into a voting right trust agreement on July 23, 2021. Further, WFOE, Canxing Culture and each of Beiyi Culture and Canxing Film entered into voting rights trust agreements on November 7, 2022.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

Save as already disclosed in this report, our Company has no other plans for material investments or capital assets, except the intended use of proceeds as disclosed in our Prospectus.

## **EMPLOYEE AND REMUNERATION POLICY**

As of June 30, 2023, our Group had 339 employees. Total staff remuneration expenses including Directors' remuneration in the first half of 2023 amounted to RMB44.0 million. Remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policies of our Group are determined based on prevailing market levels and performance of the respective Group companies and individual employees. These policies are reviewed on a regular basis. Our Group strongly believes that our staff is an invaluable asset to our Group and is significant to our Group's business. Therefore, our Group recognizes the importance of maintaining a good relationship with employees. In addition to salary, our Group also offers to its employees other fringe benefits, including year-end bonus, discretionary bonus, allowances and benefits in kind and pension scheme contributions.

# Management Discussion and Analysis

## MATERIAL LITIGATIONS

Our Group was involved in a number of pending/ongoing/concluded litigations during the six months ended June 30, 2023 and up to the date of this report.

### (i) The ongoing concluded litigation with Hummingbird Music Ltd.

From May to June 2016, an artist participated in the production of three episodes of “Heroes of Remix (盖世英雄)”, one of our variety programs. In July 2022, the artist's then management company, Hummingbird Music Ltd. (蜂鳥音樂有限公司) (“**Hummingbird**”), brought a lawsuit against us at the Primary People's Court of Changning District of Shanghai, claiming performance service fee of RMB16.3 million and attorney's fee of RMB200,000. In June 2023, the court rendered a judgment in our favor, absolving us of any obligation to provide compensation. On July 6, 2023, Hummingbird filed a petition to the Shanghai High People's Court for appeal against this judgment.

### (ii) The ongoing litigation with Munhwa Broadcasting Corporation

In February 2016, our Group entered into an agreement with Munhwa Broadcasting Corporation (“**MBC**”) (the “**February 2016 Agreement**”), under which MBC agreed to provide program licensing services in exchange for a program licensing fee of US\$2.8 million per season to jointly produce seasons two to four of a variety program “King of Mask Singer (蒙面歌王)” with our Group. In June 2016, in light of regulatory changes in the PRC, our Group entered into a supplemental agreement with MBC in October 2015, pursuant to which, both parties clarified that the service to be provided under the February 2016 Agreement was production consulting services and the parties agreed to co-develop a music variety program in 2016 and two subsequent seasons. In October 2016, our Group entered into another agreement with MBC, under which US\$2.6 million of the down payment our Group already made to MBC under the February 2016 Agreement was to be returned to our Group, but only in the form of down payment for a new variety program, “Outdoor Reality Show,” to be jointly produced by MBC and our Group.

In July 2020, MBC brought a lawsuit against our Group to the Primary People's Court of Xuhui District of Shanghai Municipality for breach of contract, claiming an aggregate amount of RMB124.4 million from us. In January 2021, our Group filed a counterclaim against MBC for the return of US\$1.6 million down payment we paid to MBC, and to pay us US\$480,000 in damages for breach of contract. The court rendered judgment in November 2022 and awarded MBC an aggregate amount of RMB11.9 million, less than one-tenth of the amount claimed by MBC. Both parties filed petitions for appeal against the first instance judgment of which the hearing commenced on June 16, 2023. As of the date of this report, the court is yet to render judgment on this case.

Saved as disclosed in this section, the Directors are not aware of any material litigations or claims that are pending or threatened against our Group during the reporting period and up to the date of this report.

## Other Information

### DISCLOSURE OF INTERESTS

#### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of our Company or Any of Its Associated Corporations

As of June 30, 2023, the interests and short positions of the Directors and chief executives of our Company's Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

#### Interest in our Company

Name of Director	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(3)</sup>	Long position/ Short position
Mr. Tian Ming	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	316,206,377	79.34%	Long position
Mr. Jin Lei	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	316,206,377	79.34%	Long position
Mr. Xu Xiangdong	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	316,206,377	79.34%	Long position

## Other Information

### Notes:

- (1) As of June 30, 2023, the ultimate controlling shareholders of our Company are Chinese Culture, Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiaodong (together the **"Ultimate Controlling Shareholders"**).
- (2) As of June 30, 2023, Unionstars is owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively. East Brothers is owned as to 81.76%, 6.22% and 12.02% by Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong, respectively. Goldenbroad is wholly-owned by Mr. Jin Lei. Beamingstars is owned as to 51.99% and 48.01% by SH Zhihua and Harvest Sky, respectively. Harvest Sky is wholly-owned by Mr. Tian Ming. SH Zhihua is wholly-owned by CMC (Shanghai). CMC (Tianjin) is the general partner of CMC (Shanghai). Pursuant to a joint control agreement dated August 3, 2021 entered into by and among our Ultimate Controlling Shareholders and each of Unionstars, East Brothers, Goldenbroad, Beamingstars, Harvest Sky, Mr. Tian Ming, Mr. Jin Lei, Mr. Xu Xiangdong, SH Zhihua, CMC (Shanghai) and CMC (Tianjin) (together, the **"Controlling Group Entities"**), each of the Controlling Group Entities agreed to vote unanimously at board meetings and general meetings (as applicable) at all levels along the control chain to jointly exercise control over our Company. Therefore, each of the Controlling Group Entities is deemed to be interested in the 236,465,996 Shares held by Unionstars and the 79,740,381 Shares held by Harvest Sky under the SFO. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Offshore Restructuring – Step 5. Signing of the Joint Control Agreement" of the Prospectus.
- (3) The calculation is based on the total number of 398,538,168 Shares in issue as of June 30, 2023.

### Interest in our associated corporations

Name of Director	Capacity/Nature of interest	Associated Corporations	Approximate Percentage of Shareholding <sup>(1)</sup>	Long position/ Short position
Mr. Tian Ming	Interest in a controlled corporation	Shaanxi Star Shulan Real Estate Co., Ltd	100.0% <sup>(2)</sup>	Long position
	Interest in a controlled corporation	Shaanxi Star Yuanlv Real Estate Co., Ltd.	100.0% <sup>(3)</sup>	Long position
	Beneficial interest	Canxing Culture	1.77%	Long position
	Interest in a controlled corporation		23.09% <sup>(4)</sup>	Long position
	Interest in a controlled corporation; interest held jointly with other persons		73.71% <sup>(5)</sup>	Long position
Mr. Jin Lei	Interest in a controlled corporation; interest held jointly with other persons	Canxing Culture	73.71% <sup>(5)</sup>	Long position
Mr. Xu Xiangdong	Interest in a controlled corporation; interest held jointly with other persons	Canxing Culture	73.71% <sup>(5)</sup>	Long position

*Notes:*

- (1) To the best knowledge of our Company, as of the Latest Practicable Date and based on publicly available information.
- (2) As of June 30, 2023, Shaanxi Star Shuolan Real Estate Co., Ltd. was owned as to 60% by SH Zhouxing Investment Co., Ltd., a company wholly-owned by Mr. Tian Ming and 40% by Qinhan New City Star Chinese Culture Media Co., Ltd., a wholly-owned subsidiary of our Company in which Mr. Tian Ming controlled more than one-third of voting power, respectively. Therefore Mr. Tian Ming is deemed to be interested in the Shares in Shaanxi Star Shuolan Real Estate Co., Ltd. held by SH Zhouxing Investment Co., Ltd. and the Shares in Qinhan New City Star Chinese Culture Media Co., Ltd. held by our Company under the SFO.
- (3) As of June 30, 2023, Shaanxi Star Yuanlv Real Estate Co., Ltd. was owned as to 60% by SH Zhouxing Investment Co., Ltd., a company wholly-owned by Mr. Tian Ming and 40% by Qinhan New City Star Chinese Culture Media Co., Ltd., a wholly-owned subsidiary of our Company in which Mr. Tian Ming controlled more than one-third of voting power, respectively. Therefore Mr. Tian Ming is deemed to be interested in the shares in Shaanxi Star Yuanlv Real Estate Co., Ltd. held by SH Zhouxing Investment Co., Ltd. and the shares in Qinhan New City Star Chinese Culture Media Co., Ltd. held by our Company under the SFO.
- (4) As of June 30, 2023, SH Zhouxing Investment Co., Ltd. was wholly-owned by Mr. Tian Ming. Therefore Mr. Tian Ming is deemed to be interested in the shares in Canxing Culture held by SH Zhouxing Investment Co., Ltd. under the SFO.
- (5) Each of Mr. Tian Ming, Mr. Jin Lei, and Mr. Xu Xiangdong is a party to the Canxing JCA. See "History, Reorganization and Corporate Structure – Reorganization" of the Prospectus. In light of the Canxing JCA, each of Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong is deemed to be interested in the shares in Canxing Culture held by SH Xingtou under the SFO. For further details, see "History, Reorganization and Corporate Structure – Our History and Corporate Development – Entering into the Canxing JCA and Joint-stock Reform" of the Prospectus.

Save as disclosed above, as of June 30, 2023, none of our Directors or chief executives of our Company had or was deemed to have any interests or short positions in our Shares, underlying shares or debentures of our Company or any of its associated corporations.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As of June 30, 2023, so far as our Directors are aware, the following parties (other than our Directors or chief executives of our Company) had interests or short positions in our Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(5)</sup>	Long position/ Short position
Unionstars <sup>(1)(2)</sup>	Beneficial interest	236,465,996	59.33%	Long position
	Interest held jointly with other persons	79,740,381	20.01%	Long position
Harvest Sky <sup>(1)(2)</sup>	Beneficial interest	79,740,381	20.01%	Long position
	Interest in a controlled corporation; interest held jointly with other persons	236,465,996	59.33%	Long position

## Other Information

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(5)</sup>	Long position/ Short position
Mr. Tian Ming <sup>(1)(2)(3)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
East Brothers <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
Goldenbroad <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
Beamingstars <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
Mr. Jin Lei <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
Mr. Xu Xiangdong <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
SH Zhihua <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
CMC (Shanghai) <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
CMC (Tianjin) <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	316,206,377	79.34%	Long position
Tibet Yuanhe Enterprise Management Co., Ltd. <sup>(3)(4)</sup>	Beneficial interest	21,851,163	5.48%	Long position
Zhefu Group <sup>(3)(4)</sup>	Interest in a controlled corporation	21,851,163	5.48%	Long position

*Notes:*

- (1) As of June 30, 2023, the Ultimate Controlling Shareholders of our Company are Chinese Culture, Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiaodong.
- (2) As of June 30, 2023, Unionstars is owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively. East Brothers is owned as to 81.76%, 6.22% and 12.02% by Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong, respectively. Goldenbroad is wholly-owned by Mr. Jin Lei. Beamingstars is owned as to 51.99% and 48.01% by SH Zhihua and Harvest Sky, respectively. Harvest Sky is wholly-owned by Mr. Tian Ming. SH Zhihua is wholly-owned by CMC (Shanghai). CMC (Tianjin) is the general partner of CMC (Shanghai). Pursuant to a joint control agreement dated August 3, 2021 entered into by and among our Company's Controlling Group Entities agreed to vote unanimously at board meetings and general meetings (as applicable) at all levels along the control chain to jointly exercise control over our Company. Therefore, each of the Controlling Group Entities is deemed to be interested in the 236,465,996 Shares held by Unionstars and the 79,740,381 Shares held by Harvest Sky under the SFO. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Offshore Restructuring – Step 5. Signing of the Joint Control Agreement" of the Prospectus.
- (3) Tibet Yuanhe Enterprise Management Co., Ltd. (西藏源合企業管理有限公司) ("**Tibet Yuanhe**"), a company established in the PRC on August 31, 2015 and one of our Pre-IPO investors. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Pre-IPO Investments – Information about the Pre-IPO Investors" of the Prospectus.
- (4) As of June 30, 2023, Tibet Yuanhe was wholly-owned by Zhefu Holding Group Co., Ltd. (浙富控股集團股份有限公司) ("**Zhefu Group**"). Therefore Zhefu Group is deemed to be interested in the Shares held by Tibet Yuanhe under the SFO.
- (5) The calculation is based on the total number of 398,538,168 Shares in issue as of June 30, 2023.

Save as disclosed above, as of June 30, 2023 based on publicly available information, no other person (other than our Directors or chief executives of our Company) had an interest or short position in the Shares or underlying Shares of our Company which were required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept under section 336 of the SFO.

## Other Information

### CORPORATE GOVERNANCE PRACTICES

Our Board is committed to achieving corporate governance standards.

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

Our Company has adopted the principles and code provisions of the CG Code as contained in Appendix 14 of the Listing Rules as the basis of our Company's corporate governance practices. Our Company has also applied the principles of the CG Code on our corporate governance structure and operation in the manner as stated in this report, and will always and has complied with all applicable code provisions of the CG Code for the Reporting Period. Our Company will continue to review and oversee the corporate governance practices to ensure its compliance with the CG Code.

Code provision C.2.1 of the CG Code recommends that the roles of chairman and chief executive officer to be separate and not be performed by the same individual. Our Company deviates from this provision as Mr. Tian Ming performs both the roles of chairman of our Board and the chief executive officer of our Company. As Mr. Tian Ming has been managing our Group's business and overall strategic planning for several years, our Directors consider that vesting the roles of chairman and chief executive officer in Mr. Tian Ming is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that our Group implemented, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, our Directors are not aware of any deviation from code provisions in the CG Code as set out in Appendix 14 to the Listing Rules.

## MODEL CODE FOR SECURITIES DEALINGS BY DIRECTORS

Our Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions.

Specific enquiry has been made of all of our Directors and our Directors have confirmed that they have complied with the Model Code during the Reporting Period.

Our Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to our Company or our securities. The Employees Written Guidelines stipulate that insiders should not deal with the securities of our Company or should report his/her securities transactions in advance. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by our Company.

## PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

During the Reporting Period, neither our Company nor any of our subsidiaries has purchased, sold or redeemed any of our Company's securities listed on the Stock Exchange.

## USE OF NET PROCEEDS FROM GLOBAL OFFERING

Our Company's Shares were listed on the Stock Exchange on December 29, 2022. Net proceeds from the Listing (including the partial exercise of the over-allotment option) of HK\$328.3 million (equivalent to RMB293.0 million), after deducting the underwriting commissions, fees and expenses payable by us in connection with the Listing, will be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Set out below is the status of use of proceeds from the Global Offering by the Group.

Purpose	% of use of proceeds	Net proceeds as of		Unutilized proceeds as of	Net proceeds as of June 30, 2023, (including net proceeds from the partial exercise of the over-allotment option dated January 19, 2023)	Utilized for the six months ended June 30, 2023	Unutilized proceeds as of June 30, 2023	Expected timeline of the intended use of the unutilized proceeds as of December 31, 2022	Expected timeline of the intended use of the unutilized proceeds as of June 30, 2023
		December 31, 2022	Utilized for the year ended December 31, 2022						
		(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)		
(1) To fund our Company's IP production and operations	80.0	254.3	-	254.3	262.6	89.5	173.1	December 2025	December 2025
(i) To fund our Company's variety program IP creation and operation;	70.0	222.5	-	222.5	229.8	85.8	144.0	December 2025	December 2025

## Other Information

Purpose	% of use of proceeds	Net	Utilized for	Unutilized	Net	Utilized for	Unutilized	Expected	Expected
		proceeds as of December 31, 2022	the year ended December 31, 2022	proceeds as of December 31, 2022	proceeds as of June 30, 2023, (including net proceeds from the partial exercise of the over-allotment option dated January 19, 2023)	the six months ended June 30, 2023	proceeds as of June 30, 2023	proceeds as of December 31, 2022	timeline of the intended use of the unutilized proceeds as of December 31, 2022
		(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)		
(ii) To fund our Company's music IP production and operation;	4.0	12.7	-	12.7	13.1	3.7	9.4	December 2025	December 2025
(iii) To fund our Company's film and drama series IP production and operation;	4.0	12.7	-	12.7	13.1	-	13.1	December 2025	December 2025
(iv) To fund the purchase and upgrade of equipment, hardware and software for our Company's technical team, production team and short-video team.	2.0	6.4	-	6.4	6.6	-	6.6	December 2025	December 2025
(2) To expand our Company's audience reach to provide better customer service and build our Company's established entertainment IP Industry value chain.	20.0	63.6	-	63.6	65.7	-	65.7	December 2025	December 2025
<b>Total</b>	<b>100.0</b>	<b>317.9</b>	<b>-</b>	<b>317.9</b>	<b>328.3</b>	<b>89.5</b>	<b>238.8</b>		

From the Listing Date up to the Latest Practicable Date, there was no change in the intended use of net proceeds as disclosed in the Prospectus. The expected timeline of full utilization set out above is based on our Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions. Should there be any change in the use of proceeds, further announcement(s) will be made by our Company as soon as practicable.

### INTERIM DIVIDEND

Our Board has resolved not to declare an interim dividend for the Reporting Period.

### EVENTS AFTER THE REPORTING PERIOD

Saved as already disclosed as of the date of this report, there were no significant events that might affect our Group since the end of the Reporting Period.

### CHANGE IN INFORMATION OF DIRECTORS

There is no change in information of the Directors during the period up to the date of this report.

### AUDIT COMMITTEE

The Board has established an audit committee ("**Audit Committee**") with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Rehao (Chairman), Mr. Li Liangrong and Mr. Sheng Wenhao. The primary duties of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, reviewing the Group's financial information, financial controls, internal control and risk management systems.

### REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with our Company's management, the accounting principles and practices adopted by the Group, has discussed internal control and financial reporting matters and has reviewed the unaudited condensed consolidated financial information of the Group for the Period.

The Audit Committee is satisfied that the unaudited condensed consolidated financial information of the Group for the period were prepared in accordance with the applicable accounting standards and fairly present the Group's financial position and results for the Period.

# Unaudited Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2023

	<i>Notes</i>	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Audited) RMB'000
<b>Revenue</b>	5	<b>144,067</b>	182,600
Cost of sales		<b>(96,717)</b>	(126,059)
Gross profit		<b>47,350</b>	56,541
Other income and gains		<b>7,608</b>	9,411
Selling and distribution expenses		<b>(11,888)</b>	(9,238)
Administrative expenses		<b>(54,724)</b>	(51,465)
Impairment losses on financial assets, net		<b>(3,065)</b>	(9,788)
Other expenses		<b>(498)</b>	(449)
Changes in fair value of financial assets at fair value through profit or loss		<b>76</b>	(4,588)
Finance costs		<b>(1,452)</b>	(1,047)
Share of losses of:			
Joint ventures		<b>(1,143)</b>	(168)
Associates		<b>(2,151)</b>	(1,472)
<b>LOSS BEFORE TAX</b>	6	<b>(19,887)</b>	(12,263)
Income tax credit/(expense)	7	<b>2,669</b>	(1,111)
<b>LOSS FOR THE PERIOD</b>		<b>(17,218)</b>	(13,374)
Attributable to:			
Owners of the parent		<b>(15,078)</b>	(11,883)
Non-controlling interests		<b>(2,140)</b>	(1,491)
		<b>(17,218)</b>	(13,374)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)	9	<b>(0.04)</b>	(0.03)

## Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2023

	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Audited) RMB'000
<b>LOSS FOR THE PERIOD</b>	<b>(17,218)</b>	(13,374)
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>29,327</b>	24,731
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>	<b>29,327</b>	24,731
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>29,327</b>	24,731
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>12,109</b>	11,357
Attributable to:		
Owners of the parent	<b>14,249</b>	12,848
Non-controlling interests	<b>(2,140)</b>	(1,491)
	<b>12,109</b>	11,357

# Unaudited Interim Condensed Consolidated Statement of Financial Position

June 30, 2023

	<i>Notes</i>	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>181,726</b>	172,388
Other intangible assets		<b>150,521</b>	161,960
Right-of-use assets		<b>107,217</b>	111,346
Goodwill		<b>1,498,563</b>	1,488,335
Investments in joint ventures	<i>10</i>	<b>400,893</b>	402,036
Investments in associates	<i>11</i>	<b>616,916</b>	617,867
Financial assets at fair value through profit or loss	<i>12</i>	<b>64,627</b>	26,744
Restricted cash		<b>62,603</b>	62,318
Deferred tax assets		<b>66,747</b>	60,165
Prepayments, other receivables and other assets		<b>15,709</b>	15,709
<b>Total non-current assets</b>		<b>3,165,522</b>	3,118,868
<b>CURRENT ASSETS</b>			
Inventories		<b>451</b>	21
Program copyrights		<b>119,385</b>	110,135
Trade and notes receivables	<i>13</i>	<b>459,052</b>	625,956
Prepayments, other receivables and other assets		<b>100,262</b>	101,216
Due from related parties	<i>18(b)</i>	<b>481,145</b>	453,645
Financial assets at fair value through profit or loss	<i>12</i>	<b>190,117</b>	–
Cash and cash equivalents		<b>404,853</b>	587,590
<b>Total current assets</b>		<b>1,755,265</b>	1,878,563
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>14</i>	<b>157,133</b>	253,252
Other payables and accruals		<b>191,607</b>	186,673
Tax payable		<b>34,832</b>	40,636
Lease liabilities		<b>8,533</b>	7,892
<b>Total current liabilities</b>		<b>392,105</b>	488,453
<b>NET CURRENT ASSETS</b>		<b>1,363,160</b>	1,390,110
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,528,682</b>	4,508,978

continued/...

# Unaudited Interim Condensed Consolidated Statement of Financial Position (continued)

June 30, 2023

	<i>Note</i>	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>3,925</b>	7,670
Deferred tax liabilities		<b>3,947</b>	3,841
Other payables and accruals		<b>21,356</b>	19,175
<b>Total non-current liabilities</b>		<b>29,228</b>	30,686
<b>Net assets</b>		<b>4,499,454</b>	4,478,292
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	15	<b>3</b>	3
Reserves		<b>4,482,236</b>	4,458,994
		<b>4,482,239</b>	4,458,997
Non-controlling interests		<b>17,215</b>	19,295
<b>Total equity</b>		<b>4,499,454</b>	4,478,292

\_\_\_\_\_  
**Tian Ming**  
*Director*

\_\_\_\_\_  
**Wang Yan**  
*Director*

## Unaudited Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended June 30, 2023

	Attributable to owners of the parent								
	Share capital RMB'000 (note 15)	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Share award reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non – controlling interests RMB'000	Total equity RMB'000
At January 1, 2023 (audited)	3	3,007,053	129,319	17,335	136,130	1,169,157	4,458,997	19,295	4,478,292
Loss for the period	-	-	-	-	-	(15,078)	(15,078)	(2,140)	(17,218)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	29,327	-	-	29,327	-	29,327
Total comprehensive income for the period	-	-	-	29,327	-	(15,078)	14,249	(2,140)	12,109
Issue of shares (note 15)	-	8,993	-	-	-	-	8,993	-	8,993
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	60	60
At June 30, 2023 (unaudited)	3	3,016,046	129,319	46,662	136,130	1,154,079	4,482,239	17,215	4,499,454

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## Unaudited Interim Condensed Consolidated Statement of Changes In Equity (continued)

For the six months ended June 30, 2023

	Attributable to owners of the parent								
	Share capital RMB'000 (note 15)	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Share award scheme reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non – controlling interests RMB'000	Total equity RMB'000
At January 1, 2022 (audited)	2	2,666,835	129,319	(25,471)	136,130	1,082,239	3,989,054	58,807	4,047,861
Loss for the period	-	-	-	-	-	(11,883)	(11,883)	(1,491)	(13,374)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	24,731	-	-	24,731	-	24,731
Total comprehensive income for the period	-	-	-	24,731	-	(11,883)	12,848	(1,491)	11,357
Capital reduction by non-controlling shareholders	-	-	-	-	-	-	-	(19,600)	(19,600)
Disposal of a subsidiary	-	-	-	-	-	-	-	(17,551)	(17,551)
At June 30, 2022 (audited)	2	2,666,835	129,319	(740)	136,130	1,070,356	4,001,902	20,165	4,022,067

\* These reserve accounts comprise the consolidated reserves of RMB4,482,236,000 in the unaudited interim condensed consolidated statement of financial position as at June 30, 2023.

## Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2023

	<i>Note</i>	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Audited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<b>(19,887)</b>	(12,263)
Adjustments for:			
Bank interest income		<b>(2,320)</b>	(3,685)
Finance costs		<b>1,452</b>	1,047
Depreciation of property, plant and equipment		<b>2,867</b>	3,531
Depreciation of right-of-use assets		<b>5,320</b>	4,536
Amortisation of other intangible assets		<b>20,779</b>	11,523
Share of losses of joint ventures		<b>1,143</b>	168
Share of losses of associates		<b>2,151</b>	1,472
(Reversal of impairment losses)/impairment losses on trade receivables	6	<b>(798)</b>	9,205
Impairment losses on financial assets included in prepayments, other receivables and other assets	6	<b>3,863</b>	583
Gain on disposal of a subsidiary		-	(1,630)
Changes in fair value of financial assets at fair value through profit or loss		<b>(76)</b>	4,588
Interest income from loans to related parties		<b>(1,078)</b>	-
Foreign exchange differences, net		<b>613</b>	1,421
		<b>14,029</b>	20,496
Decrease in trade and notes receivables		<b>167,565</b>	187,984
Increase in prepayments, other receivables and other assets		<b>(5,123)</b>	(20,512)
Increase in inventories		<b>(430)</b>	(3)
Increase in program copyrights		<b>(9,250)</b>	(26,853)
Decrease in trade payables		<b>(96,119)</b>	(121,831)
Increase in other payables and accruals		<b>17,947</b>	45,578
(Increase)/decrease in restricted cash		<b>(285)</b>	4,504
Cash generated from operations		<b>88,334</b>	89,363
Interest received		<b>2,320</b>	3,685
Income tax paid		<b>(9,897)</b>	(12,982)
<b>Net cash flows from operating activities</b>		<b>80,757</b>	80,066

continued/...

## Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended June 30, 2023

	Note	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(25,342)</b>	(49,748)
Prepayment for the investment in an associate		–	(88,861)
Proceeds from disposal of items of property, plant and equipment		–	296
Addition to other intangible assets		<b>(3,404)</b>	(10,737)
Purchases of shareholdings in an associate		–	(1,000)
Disposal of a subsidiary		–	(20,735)
Loan to a joint venture	18(a)	<b>(6,000)</b>	(5,110)
Loan to an associate	18(a)	<b>(19,922)</b>	–
Repayment from a third party		<b>2,000</b>	8,000
Purchases of items of financial assets at fair value through profit or loss		<b>(217,272)</b>	–
<b>Net cash flows used in investing activities</b>		<b>(269,940)</b>	(167,895)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		<b>8,993</b>	–
Repayment of the principal portion of lease liabilities		<b>(4,295)</b>	(2,318)
Capital contribution from non-controlling interests		<b>60</b>	–
Interest paid		<b>(345)</b>	(553)
Capital reduction by non-controlling shareholders		–	(19,600)
Prepaid listing expenses		–	(1,594)
<b>Net cash flows from/(used in) financing activities</b>		<b>4,413</b>	(24,065)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(184,770)</b>	(111,894)
Cash and cash equivalents at beginning of year		<b>587,590</b>	547,182
Effect of foreign exchange rate changes, net		<b>2,033</b>	2,575
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>404,853</b>	437,863
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows		<b>404,853</b>	437,863

# Notes to Interim Condensed Consolidated Financial Information

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on March 29, 2021. The registered office address of the Company is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on December 29, 2022.

The Company is an investment holding company. The Company's subsidiaries were principally involved in variety program intellectual property ("IP") production, operation and licensing, music IP operation and licensing, drama series and film IP operation and licensing and other IP-related business.

In the opinion of the directors, the ultimate controlling shareholders of the Company are Chinese Culture (Shanghai) Equity Investment Center (L.P.), Chinese Culture (Tianjin) Investment Management Co., Ltd., Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong ("Controlling Shareholders").

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since January 1, 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. Since the Group's policy aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after January 1, 2023, but are not required to disclose such information for any interim periods ending on or before December 31, 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

#### Geographical information

(a) Revenue from external customers

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Mainland China	120,766	168,906
Other regions	23,301	13,694
	<b>144,067</b>	182,600

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	June 30, 2023 (Unaudited) RMB'000	December 31, 2022 (Audited) RMB'000
	Mainland China	2,530,731
Other regions	440,814	428,179
	<b>2,971,545</b>	2,969,641

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 5. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Revenue from contracts with customers	144,067	182,600

#### Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
<b>Types of goods or services</b>		
Variety program IP production, operation, and licensing	75,387	136,483
Music IP operation and licensing	19,238	19,509
Drama series and film IP operation and licensing	23,301	13,733
Other IP-related business	26,141	12,875
Total revenue from contracts with customers	144,067	182,600
<b>Geographical markets</b>		
Mainland China	120,766	168,906
Other regions	23,301	13,694
Total revenue from contracts with customers	144,067	182,600

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 5. REVENUE (CONTINUED)

#### Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
<b>Timing of revenue recognition</b>		
Transferred at a point in time	27,489	53,050
Transferred over time	116,578	129,550
Total revenue from contracts with customers	144,067	182,600

### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Cost of variety program IP production, operation, and licensing	59,321	107,502
Cost of music IP operation and licensing	16,701	7,003
Cost of drama series and film IP operation and licensing	6,194	5,504
Cost of other IP-related business	14,501	6,050
(Reversal of impairment losses)/Impairment losses on trade receivables, net	(798)	9,205
Impairment losses on financial assets included in prepayments, other receivables other assets	3,863	583
Listing expenses	-	7,130

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Pursuant to the relevant tax law of the Macau Special Administrative Region, Macau profits tax has been provided at the rate of 12% (2022: 12%) on the estimated assessable profits arising in Macau during the period.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% (2022: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Canxing Culture and MXQY are qualified as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% (2022: 15%) during the period, which will expire on November 12, 2023.

The major components of income tax expense of the Group during the period are analysed as follows:

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Current – Charge for the period	3,950	1,269
Deferred tax	(6,619)	(158)
Total tax (credit)/charge for the period	(2,669)	1,111

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 8. DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2023 (six months ended June 30, 2022: Nil).

### 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period ended June 30, 2023 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 398,495,465 (six months ended on June 30, 2022: 383,399,768) in issue for the period ended June 30, 2023. The Group had no potentially dilutive ordinary shares in issue during the period ended June 30, 2023 and 2022.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended June 30,	
	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Earnings		
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b>(15,078)</b>	(11,883)

	Number of Shares For the six months ended June 30,	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period	<b>398,495,465</b>	383,399,768

**10. INVESTMENTS IN JOINT VENTURES**

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Share of net assets	<b>400,893</b>	402,036

The Group's loan receivable balances due from a joint venture are disclosed in note 18 to the interim condensed consolidated financial information.

Particulars of the Group's material joint venture are as follows:

Name	Particular of issued shares held	Place of registration and business	Percentage of ownership interest/ profit sharing	Voting power	Principal activities
Mengxiang Qi'an Culture Development (Shanghai) Co., Ltd. ("Mengxiang Qi'an") 夢響啟岸文化發展(上海)有限公司	Ordinary shares	PRC/Mainland China	70%	50%	Real estate development

The Group owns 70% equity interests in Mengxiang Qi'an but only controls 50% voting rights with unanimous consent from all investors required for the relevant activities of Mengxiang Qi'an. Mengxiang Qi'an is accounted for as a joint venture of the Group. The Group's shareholdings in the joint venture comprise completely equity shares held through a wholly-owned subsidiary of the Company.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 10. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Mengxiang Qi'an adjusted for any differences in accounting policies and reconciled to the carrying amount in the interim condensed consolidated financial information:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Cash and cash equivalents	<b>5,570</b>	2,398
Other current assets	<b>45,429</b>	42,160
Non-current assets	<b>1,486,106</b>	1,440,787
Current liabilities	<b>(374,507)</b>	(351,347)
Non-current liabilities	<b>(589,894)</b>	(559,661)
<b>Net assets</b>	<b>572,704</b>	574,337
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	<b>70%</b>	70%
Group's share of net assets of the joint venture	<b>400,893</b>	402,036
Revenue	-	-
Loss for the year	<b>(1,633)</b>	(1,334)
Total comprehensive loss for the year	<b>(1,633)</b>	(1,334)

The following table illustrates the aggregate financial information of the Group's joint venture that are not individually material:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Share of the joint venture's profits and losses for the year	-	(4)
Share of the joint venture's total comprehensive loss for the year	-	(4)
Aggregate carrying amount of the Group's investment in the joint venture	-	-

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Share of net assets	<b>616,916</b>	617,867

The Group's prepayments and loans to associates are disclosed in note 18 to the interim condensed consolidated financial information.

Particulars of the Group's material associates as at June 30, 2023 are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest/ profit sharing	Voting power	Principal activities
Shaanxi Star Shuolan Real Estate Co., Ltd. ("Shuolan") 陝西星空碩藍置業有限公司	Ordinary shares	PRC/Mainland China	40.00%	40.00%	Real estate development and operation
Shaanxi Star Yuanlv Real Estate Co., Ltd. ("Yuanlv") 陝西星空原綠置業有限公司	Ordinary shares	PRC/Mainland China	40.00%	40.00%	Real estate development and operation
Shanghai Binqiao Enterprise management Co., Ltd.* ("Shanghai Binqiao") 上海濱橋企業管理有限公司	Ordinary shares	PRC/Mainland China	17.59%*	17.59%	Real estate development and operation

\* The Group has significant influence even though it holds less than 20 percent of the equity interest of Shanghai Binqiao as it serves as a member of the key management personnel of Shanghai Binqiao by serving one-fifth of the Board's composition, hence the Company has significant influence over its management, including participation in the financial, operating policy and strategic investment decisions.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES (CONTINUED)

The Group's shareholdings in the above associates comprise completely equity shares held through a wholly-owned subsidiary of the Company.

The following table illustrates the summarised financial information in respect of Shuolan adjusted for any differences in accounting policies and reconciled to the carrying amount in the interim condensed consolidated financial information:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Current assets	<b>59</b>	230
Non-current assets	<b>129,202</b>	128,980
Current liabilities	<b>(13,485)</b>	(13,433)
<b>Net assets</b>	<b>115,776</b>	115,777
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>40%</b>	40%
Group's share of net assets of the associate	<b>46,310</b>	46,311
Revenue	-	-
Loss for the year	<b>(2)</b>	(4,223)
Total comprehensive loss for the year	<b>(2)</b>	(4,223)

The following table illustrates the summarised financial information in respect of Yuanlv adjusted for any differences in accounting policies and reconciled to the carrying amount in the interim condensed consolidated financial information:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Current assets	<b>928,251</b>	927,602
Non-current assets	-	-
Current liabilities	<b>(652)</b>	-
<b>Net assets</b>	<b>927,599</b>	927,602
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>40%</b>	40%
Group's share of net assets of the associate	<b>371,040</b>	371,041
Revenue	-	-
Loss for the year	<b>(2)</b>	(500)
Total comprehensive loss for the year	<b>(2)</b>	(500)

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of Shanghai Binqiao adjusted for any differences in accounting policies and reconciled to the carrying amount in the interim condensed consolidated financial information:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Current assets	<b>2,650,000</b>	2,528,112
Non-current assets	<b>54</b>	60
Current liabilities	<b>(1,543,125)</b>	(1,428,172)
Non-current liabilities	<b>(8,821)</b>	–
<b>Net assets</b>	<b>1,098,108</b>	1,100,000
Reconciliation to the Group's interest in the Associate:		
Proportion of the Group's ownership	<b>17.59%</b>	17.59%
Group's share of net assets of the associate	<b>193,157</b>	193,490
Revenue	–	–
Profit for the year	<b>(1,892)</b>	–
Total comprehensive income for the year	<b>(1,892)</b>	–

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Share of the associates' profits and losses for the year	<b>(1,816)</b>	(4,344)
Share of the associates' total comprehensive loss for the year	<b>(1,816)</b>	(4,344)
Aggregate carrying amount of the Group's investment in the associates	<b>6,409</b>	7,025

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Listed stock investments	<b>64,627</b>	26,744
Other investments	<b>190,117</b>	–
	<b>254,744</b>	26,744

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 13. TRADE AND NOTES RECEIVABLES

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Trade receivables	<b>610,324</b>	796,740
Notes receivable	<b>14,251</b>	11,000
	<b>624,575</b>	807,740
Less: Impairment of trade receivables	<b>(165,523)</b>	(181,784)
	<b>459,052</b>	625,956

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days depending on the specific payment terms in each contract. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the transaction dates and net of loss allowance, is as follows:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Within 3 months	<b>167,102</b>	330,921
3 to 6 months	<b>87,756</b>	60,009
6 to 12 months	<b>123,817</b>	19,122
1 to 2 years	<b>21,396</b>	153,905
2 to 3 years	<b>22,948</b>	28,996
Over 3 years	<b>21,782</b>	22,003
	<b>444,801</b>	614,956

### 13. TRADE AND NOTES RECEIVABLES (CONTINUED)

Included in the Group's trade receivables were amounts due from the Group's related parties of RMB313,000 (December 31, 2022: RMB776,000), which were repayable on credit terms similar to those offered to the major customers of the Group.

The Group's notes receivable were all aged within one year and were neither past due nor impaired.

### 14. TRADE PAYABLES

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

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Within 1 year	<b>100,053</b>	191,468
1 to 2 years	<b>34,128</b>	40,689
2 to 3 years	<b>6,858</b>	4,288
Over 3 years	<b>16,094</b>	16,807
	<b>157,133</b>	253,252

The trade payables are non-interest-bearing and are normally settled on 90 to 180 days' terms.

Included in the trade payables are trade payables of RMB9,346,000 as at June 30, 2023 (December 31, 2022: RMB8,832,000) due to the Group's related parties which are repayable within 30 days, which represented credit terms similar to those offered by the related parties to their major customers.

Included in the trade payables are liabilities arising from contracts with suppliers that are subject to legal cases of nil as at June 30, 2023 (December 31, 2022: RMB440,000), details of which are disclosed in note 16 to the interim condensed consolidated financial information.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 15. SHARE CAPITAL

	<b>As at June 30, 2023 USD</b>	As at December 31, 2022 USD
Authorised:		
50,000,000,000 (2022: 50,000,000,000) ordinary shares of USD0.000001 (2022: USD0.000001) each	<b>50,000</b>	50,000
Issued and fully paid:		
398,538,168 (2022: 398,131,368) ordinary shares of USD0.000001 (2022: USD0.000001) each	<b>399</b>	398

A summary of movements in the Company's share capital is as follows:

	<b>Number of shares in issue</b>	<b>Share capital RMB'000</b>
At December 31, 2022 and January 1, 2023	<b>398,131,368</b>	<b>3</b>
New shares issued on January 20, 2023	<b>406,800</b>	—*
At June 30, 2023	<b>398,538,168</b>	<b>3</b>

\* The amounts of share capital were less than RMB500.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 16. CONTINGENT LIABILITIES

During the period, some subsidiaries of the Group were defendants in lawsuits. The Group has accrued the probable liabilities for these lawsuits. The movements of the related liabilities in aggregate are as follows:

For the Period ended June 30, 2023 (unaudited)

	Carrying amount at January 1, RMB'000	Addition RMB'000	Change in estimates RMB'000	Payments RMB'000	Carrying amount at June 30, RMB'000
MBC-Guess the Singer! 2016	11,900	-	-	-	11,900
Others	440	-	-	(440)	-
	<b>12,340</b>	<b>-</b>	<b>-</b>	<b>(440)</b>	<b>11,900</b>

For the year ended December 31, 2022 (audited)

	Carrying amount at January 1, RMB'000	Addition RMB'000	Change in estimates RMB'000	Payments RMB'000	Carrying amount at December 31, RMB'000
MBC-Guess the Singer! 2016	11,900	-	-	-	11,900
MBC – Outdoor Reality Show	10,000	-	-	(10,000)	-
Others	200	1,000	(560)	(200)	440
	<b>22,100</b>	<b>1,000</b>	<b>(560)</b>	<b>(10,200)</b>	<b>12,340</b>

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Contracted, but not provided for:		
Leasehold land and construction in progress	<b>806,997</b>	812,317

### 18. RELATED PARTY TRANSACTIONS

Details of the Company's related parties are as follows:

Name	Relationship with the Company
Star China Media Ltd. ("SCML")	An entity controlled by the Controlling Shareholders
Mengxiang Qi'an	A joint venture
Shanghai Xingkong Shui'an enterprise development Ltd. ("Xingkong Shui'an")	An entity controlled by an associate
Shanghai Binqiao	An associate

**18. RELATED PARTY TRANSACTIONS (CONTINUED)****(a) The Group had the following transactions with related parties during the period:**

		For the six months ended June 30,	
	<i>Notes</i>	<b>2023 (Unaudited) RMB'000</b>	2022 (Audited) RMB'000
Loans to:			
Mengxiang Qi'an	<i>(i)</i>	<b>6,000</b>	5,110
Shanghai Binqiao	<i>(ii)</i>	<b>19,922</b>	–
		<b>25,922</b>	5,110
Rental paid by:			
SCML		<b>350</b>	–
Interest from:			
Mengxiang Qi'an	<i>(i)</i>	<b>590</b>	107
Shanghai Binqiao	<i>(ii)</i>	<b>488</b>	–
		<b>1,078</b>	107
Royalty licensing fee from:			
SCML		<b>313</b>	776

## 18. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) The Group had the following transactions with related parties during the period:  
(continued)

	Note	For the six months ended June 30,	
		2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Receiving services from:			
SCML	(iii)	124	20
Payment on behalf of:			
Xingkong Shui'an		500	–

Notes:

- (i) The loans to Mengxiang Qi'an were unsecured and repayable on demand with interest rates of 5.4%.
- (ii) The loans to Shanghai Binqiao of RMB250,811,000 were unsecured, interest-free and repayable on demand and the remaining loans to Shanghai Binqiao of RMB20,274,000 bear interest at the rate of 6% per annum.
- (iii) The services received from the related party were made based on the published prices and conditions offered by the related parties to their major customers.

**18. RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Outstanding balances with related parties:**

	<i>Notes</i>	<b>June 30, 2023 (Unaudited) RMB'000</b>	December 31, 2022 (Audited) RMB'000
Due from related parties (non-trade):			
Mengxiang Qi'an	<i>(i)</i>	<b>209,072</b>	202,482
Shanghai Binqiao	<i>(iii)</i>	<b>271,573</b>	251,163
Xingkong Shui'an	<i>(iv)</i>	<b>500</b>	–
<b>Total</b>		<b>481,145</b>	453,645
Trade receivables (trade):			
SCML		<b>313</b>	776
Trade payables (trade):			
SCML	<i>(ii)</i>	<b>9,346</b>	8,832

## Notes:

- (i) The amounts due from Mengxiang Qi'an were unsecured and repayable on demand with interest rates ranging from 0.0% to 5.4%.
- (ii) Trade payables were unsecured and interest-free.
- (iii) The loans to Shanghai Binqiao of RMB250,811,000 were unsecured, interest-free and repayable on demand and the remaining loans to Shanghai Binqiao of RMB20,274,000 bear interest at the rate of 6% per annum.
- (iv) The amounts were unsecured, interest-free and repayable on demand.

**(c) Compensation of key management personnel of the Group:**

	<b>For the six months ended June 30, 2023 (Unaudited) RMB'000</b>	2022 (Audited) RMB'000
Salaries, bonuses, allowances and benefits in kind	<b>2,847</b>	3,480
Pension scheme contributions	<b>197</b>	179
<b>Total compensation paid to key management personnel</b>	<b>3,044</b>	3,659

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at June 30, 2023 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable (Level 2)	Significant unobservable (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	64,627	–	190,117	254,744

As at December 31, 2022 (audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable (Level 2)	Significant unobservable (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	26,744	–	–	26,744

The Group did not have any financial liabilities measured at fair value as at June 30, 2023 and December 31, 2022.

During the year ended December 31, 2022 and six months ended June 30, 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets. During the year ended December 31, 2021, the listed equity investment was transferred out of Level 3 to Level 1 due to the contractual restriction having been lifted since February 5, 2021, and no transfers into or out of Level 2 for financial assets.

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (continued)

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and amounts due from related parties approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the restricted cash has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amount of the restricted cash is the same as its fair value.

The fair values of listed equity investments are based on quoted market prices.

The fair values of unlisted equity investments are estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

## 20. EVENTS AFTER THE REPORTING PERIOD

Saved as already disclosed there was no event causing significant impact on the Group since June 30, 2023.

## Definitions

“Articles of Association”	the articles of association of our Company adopted on December 9, 2022 with effect from the Listing Date (as amended from time to time);
“Audit Committee”	the audit committee of our Board;
“Beamingstars”	Beamingstars Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 16, 2021 and owned as to 51.99% by SH Zhihua and 48.01% by Harvest Sky, being one of our controlling shareholders under the Listing Rules;
“Board”	the board of Directors of our Company;
“BVI”	the British Virgin Islands;
“Canxing Culture”	Shanghai CanXing Culture & Media Co., Ltd. (上海燦星文化傳媒股份有限公司), a limited liability company established in the PRC on March 24, 2006 and is one of the Consolidated Affiliated Entities;
“Canxing Film”	Shanghai Canxing Film & Culture Co., Ltd. (上海燦星影視文化有限公司), a limited liability company established in the PRC on August 1, 2018 and a non-wholly owned subsidiary of Canxing Culture, being one of the Consolidated Affiliated Entities;
“China” or the “PRC”	the People's Republic of China, but for the purpose of this Report and for geographical reference only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China;
“Chinese Culture”	CMC (Shanghai) and CMC (Tianjin);
“CMC (Shanghai)”	Chinese Culture (Shanghai) Equity Investment Center (L.P.) (華人文化產業股權投資(上海)中心(有限合夥)), a limited partnership incorporated in the PRC on December 31, 2009 and one of our controlling shareholders under the Listing Rules;

## Definitions

“CMC (Tianjin)”	Chinese Culture (Tianjin) Investment Management Co., Ltd. (華人文化(天津)投資管理有限公司), a company incorporated in the PRC on November 11, 2008, the general partner of CMC (Shanghai) and one of our controlling shareholders under the Listing Rules;
“Company”	STAR CM Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on March 29, 2021;
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2;
“Director(s)”	the director(s) of our Company;
“East Brothers”	East Brothers Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and owned as to 81.76% by Mr. Tian Ming, 6.22% by Mr. Jin Lei and 12.02% by Mr. Xu Xiangdong, being one of our controlling shareholders under the Listing Rules;
“Global Offering”	has the meaning ascribed to it in the Prospectus;
“Group”, “Our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries and Consolidated Affiliated Entities at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries or the Consolidated Affiliated Entities, the business operated by such subsidiaries or the Consolidated Affiliated Entities or their predecessors (as the case may be);
“Goldenbroad”	Goldenbroad Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and wholly owned by Mr. Jin Lei, being one of our controlling shareholders under the Listing Rules;

“Harvest Sky”	Harvest Sky Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and wholly owned by Mr. Tian Ming, being one of our controlling shareholders under the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board;
“IP”s	intellectual properties such as exiting variety programs, music works, films, drama series or other literary or artistic works, concepts, stories and expressions that can be used or considered, entirely or partially, to create and/or produce new variety programs, music works, drama series or films;
“Latest Practicable Date”	September 12, 2023, being the latest practicable date for ascertaining certain information in this interim report before its publication;
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange;
“Listing Date”	December 29, 2022, the date on which our Shares were listed and on which dealings in our Shares were first permitted to take place on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules;
“Mr. Cao”	Mr. Cao Zhigao (曹志高) who joined our Group as chief operating officer of Canxing Culture;

## Definitions

“Mr. Tian”	Mr. Tian Ming (田明) who is the chairman of our Board, executive Director and chief executive officer of our Company;
“Prospectus”	Our Company’s prospectus dated December 15, 2022, a copy of which is available on the Stock Exchange’s website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ;
“Reporting Period”	the six months ended June 30, 2023;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shares”	ordinary share(s) in the share capital of our Company with a par value of US\$0.000001 each;
“SH Zhihua”	Shanghai Zhihua Enterprise Management Partnership (Limited Partnership) (上海至驊企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 23, 2021 and wholly-owned by CMC (Shanghai);
“Shareholder(s)”	holder(s) of our Company’s Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Unionstars”	Unionstars Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 26, 2021 and owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively;
“US\$” or “US dollar(s)”	United States dollars, the lawful currency for the time being of the United States; and
“Zhejiang Satellite TV”	Zhejiang Satellite TV (浙江衛視), a TV network under Zhejiang Radio and Television Group (浙江廣播電視集團), broadcast from Hangzhou, Zhejiang Province