



META MEDIA HOLDINGS LIMITED INTERIM REPORT 2023

超媒體控股有限公司 2023年 中期報告

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Shao Zhong (*Co-Chairman of the Board, re-designated from the Chairman of the Board on 16 February 2023, and Chief Executive Officer*)

Ms. Yang Ying

Mr. Li Jian

Mr. Deroche Alain, Jean-Marie, Jacques

Non-executive Director

Dr. Cheng Chi Kong, Adrian (*Co-Chairman of the Board, appointed on 16 February 2023*)

Independent Non-executive Directors

Ms. Wei Wei

Mr. Wan Jie

Mr. Yick Wing Fat Simon

AUDIT COMMITTEE

Mr. Yick Wing Fat Simon (*Chairman*)

Ms. Wei Wei

Mr. Wan Jie

REMUNERATION COMMITTEE

Mr. Yick Wing Fat Simon (*Chairman*)

Ms. Wei Wei

Mr. Wan Jie

NOMINATION COMMITTEE

Ms. Wei Wei (*Chairman*)

Mr. Wan Jie

Mr. Yick Wing Fat Simon

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Shao Zhong (*Chairman*)

Mr. Wan Jie

Ms. Zhong Yuanhong

COMPANY SECRETARY

Ms. Chan Sze Ting (*ACG, HKACG*)

AUTHORISED REPRESENTATIVES

Mr. Shao Zhong

Ms. Chan Sze Ting

AUDITORS

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

23/F, Tower 2, Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Kowloon, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Chiu & Partners

40th Floor, Jardine House

1 Connaught Place

Central, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Units 213

2/F, Block 2, Exhibition Centre

No. 1 Software Park Road, Zhuhai City

Guangdong Province, the PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7/F, Global Trade Square

No. 21 Wong Chuk Hang Road

Aberdeen, Hong Kong

PRINCIPAL BANKERS IN HONG KONG

Bank of China (HK) Limited

Wing Lung Bank Limited

Corporate Information *(continued)*

PRINCIPAL BANKERS IN THE PRC

China Merchants Bank
(Shanghai Branch, Xujiahui Sub-branch)
Industrial Bank Co., Limited
(Guangzhou Branch, Haizhu Sub-branch)
China MinSheng Banking Corporation
(Beijing Guangan Men Sub-branch)

REGISTERED OFFICE

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard, Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103 Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard, Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

72

WEBSITE

www.metamediahdg.com

Management Discussion and Analysis

RESULTS SUMMARY

The segment results of Meta Media Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “we”) for the six months ended 30 June 2023 (the “Interim Period”) are as follows:

	Art platform <i>RMB'000</i>	Digital platform <i>RMB'000</i>	Total <i>RMB'000</i>
2023			
Revenue from reportable segment	96,238	62,603	158,841
(Loss)/profit for reportable segment	(23,227)	4,717	(18,510)
Segment EBITDA	(9,953)	13,203	3,250
2022			
Revenue from reportable segment	94,804	76,799	171,603
(Loss)/profit for reportable segment	(23,375)	17,291	(6,084)
Segment EBITDA	(10,694)	29,147	18,453

In the first half of 2023, the global economy has not yet fully recovered from the huge impact of the COVID-19 pandemic in the past three years, which still had an adverse impact on the Group’s business and operations. In view of the economic situation in the first half of 2023, some of the Group’s customers were relatively conservative in their business development expectations and advertising expenses, and therefore, revenue for the Interim Period decreased by approximately 7.2% as compared with the corresponding period of 2022 to approximately RMB158,321,000 (first half of 2022: RMB170,654,000). During the Interim Period, the Group recorded a loss of approximately RMB21,554,000 (loss recorded in the first half of 2022: RMB12,938,000). The Group expects its future results to recover gradually with the steady recovery of the economy.

Management Discussion and Analysis

(continued)

(A) BUSINESS REVIEW

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

In order to accelerate the pace of development of the metaverse businesses, the Group and Beijing Baidu Biwei Enterprise Management Center (Limited Partnership)* (北京百度畢威企業管理中心(有限合夥)) (the “**BV Baidu Ventures**”) cooperated to establish Zhuhai Yuanbang Technology Co., Ltd.* (珠海元邦科技有限公司). Meta ZiWU, as the first practice of the above cooperation, adheres to the goal of “high concept, high life and high technology” and is committed to building a utopian ideal home, integrating art into life, reconstructing society with science and technology, getting rid of the shackles of the real world and creating a new world outlook. As the fourth humanity ecological community of the Group, Meta ZiWU witnessed the development path of the Group from print magazine to mobile magazine, from space magazine to metaverse magazine. Thereafter, ZiWU will become a multi-dimensional hypermedia covering both offline physical space and online metaverse space. The online Meta ZiWU will lead viewers into an intellectual field co-created by artificial intelligence and human beings in the form of an immersive virtual space.

“Yuanbang” APP (“**Yuanbang**”) is a metaverse city virtual reality interactive platform jointly established by the Company, Baidu XiRang and BV Baidu Ventures. As China’s first metaverse city with a feature of Cyber Yuppies, “Yuanbang” is a truly surreal virtual city that deeply integrates art, culture, design, fashion and technology. It is an immersive digital paradise that integrates idealism, futurism and romanticism. It is also the ultimate metaverse experience that will land in physical space and achieve virtual reality interaction. It is China’s first futuristic, international, fashionable, high-grade and society-centered metaverse city. At “Yuanbang”, the continuous ideological summits, art scenes and new species of the metaverse are becoming new landmarks for metaverse. Entering “Yuanbang” means “joining the digital new life”. As described by Mr. Shao Zhong (“**Mr. Shao**”), the founder and core concept architect of “Yuanbang”, “this is a land of fantasy and ideals, connecting the future with classics, and a place that can provide a new contemporary art experience.” The Group’s operational experience in traditional paper media and electronic media in the digital era, artists, and high-quality brand resources provide the Group with unique values and aesthetic values, which will provide a more diversified content application scenario and spatial operation paradigm for the metaverse city, “Yuanbang”, and will gradually become an indispensable revenue source and profit center for the Group in the future.

Management Discussion and Analysis

(continued)

In order to better meet the general trend of the development of the brand new metaverse and artificial intelligence chatbot, on 16 February 2023, Dr. Cheng Chi Kong, Adrian (“**Dr. Cheng**”), the chief executive officer of New World Development Company Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 17)) and the founder of K11 brand, was appointed as the Co-Chairman of the board (the “**Board**”) of directors (the “**Directors**”) of the Company and a non-executive Director. For further details, please refer to the announcement of the Company dated 16 February 2023. Further, Dr. Cheng was appointed as the honorary chairman of “NOWNESS”, the Group’s platform for creative lifestyle short videos, in April 2023. Together with Dr. Cheng’s keen insight into the integration of cultural business and digital technology, the Group will further energize the content business, leading the Group to better embrace the new digital development cycle. Dr. Cheng is also the honorary vice chairman and chief strategic adviser of the Group. Both Dr. Cheng and Mr. Shao share the same vision and are focusing on creative content, seeking an ideal relationship model among culture, art and social commerce, and engaging in dialogue and communication with readers in a way that keeps pace with the times. In the future, they will work with teams to open up a new and more international path in the digital space of fashion, brand, design and creative industries in China, the Asia Pacific region and (to the extent possible) across the globe.

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

In February 2023, the Group reached an ecological partnership, becoming one of the first testers of ERNIE Bot, which is developed by Baidu Group. This move marks the first landing of conversational-style language model technology in the scene of “Yuanbang”.

In April 2023, “Digital Mangrove Wetland Preservation Park”, the first metaverse mangrove forest experience base in the world, was launched on “Yuanbang”, which, as an immersive digital paradise of idealism, futurism and romanticism, aims to fulfil the obligation of ecological conservation in the real world with a virtual response to Dreamy Utopia, and to enhance public awareness of ecological protection.

In April 2023, Meta Art Academy, the metaverse art academy jointly built by the Group and China Academy of Art, was officially established. As a mixed reality interface of immersive experience, Meta Art Academy is a virtual art school with ultra-immersive course-based theme world, super audio-visual sympathetic theater and hyper-dimensional mixed reality gateway, boasting one diversified metaverse customized for one person and one theme world for one course. The Group, as a forerunner of art education in the era of metaverse, pursues the integration of art and technology together with the China Academy of Art, being one of the most reputable art schools in China.

Management Discussion and Analysis

(continued)

Digital platform

The revenue of digital platform segment of the Group is primarily generated from its mature mobile applications and online platforms, such as “iWeekly”, “InStyle iLady”, “Bloomberg Businessweek” and “NOWNESS”, among which, “NOWNESS”, winning the favour of global luxury brands with creativity and quality, delivered the best performance. Profit for the first half of 2023 in “NOWNESS” rose by 56% as compared with the corresponding period of last year, and it is expected that there will be great development potential in the future and the profit will maintain steady growth.

In addition, “NOWNESS” promoted new business development strategies respectively in the European and American region and other areas of the Asian region after the pandemic, set plans to invest more resources to strengthen brand influence and further utilised its ample customer resources, with the aim of achieving sustainable growth.

Having built a diversified and multi-dimensional digital matrix, the Group attained good reputation and brand image, solid customer base of fashion and luxury brands and high market recognition as it remained devoted to further developing the aforesaid applications and other digital media products and vigorously advancing the digital media business.

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

Management Discussion and Analysis

(continued)

Art platform

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

The first solo exhibition of the artist Christopher Doyle in China, Hommage à cinema, Maggie et al, was presented in ZiWU the Bridge in Shanghai in April 2023, which revealed Christopher Doyle's 50-year filming career and displayed his prominent cinematography, portrait photography and collage uniqueness, unfolding Shanghai's beauty via the perception of the generation of Hong Kong filmmakers and highlighting Shanghai's long-lasting and profound influence as a semi-transparent picture to the photographing practice of Asia. The exhibition attracted about 10,000 visitors, which significantly strengthened ZiWU's influence in Shanghai.

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

Management Discussion and Analysis

(continued)

Metaverse business

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

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

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

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

The official launch of the pioneering “Yuanbang” Meta City at the end of 2022, marks a new milestone for Baidu XiRang and the Group after the creation of Meta ZIWU.

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

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

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

Management Discussion and Analysis

(continued)

(B) BUSINESS OUTLOOK

In July 2023, the Group launched “NOWReview”, a fashionable technological tool, to build a leading AI-enabled visual platform across the world. Positioning as a dream factory for Artificial Intelligence Generated Content (AIGC) art empowering technology, NOWReview provides professional and film-grade AI video production and distribution services by integrating “vision” and “art” and taking “AI + visual creation” as the carrier. Being the derivative of two international media platforms, “NOWNESS” and “ArtReview”, NOWReview fuses “artistic vision” with “artistic text”, positions itself as a dream factory for art empowering technology and becomes the genuine hypermedia of the Group.

Further, in July 2023, the Group through “NOWNESS” created the world’s leading super content IP of Professional Generated Content (PGC), User Generated Content (UGC) and Artificial Intelligence Generated Content (AIGC) for the new application Threads, an application of the Meta platform.

“Yuanbang” will work with Lang Lang to present his first virtual recital in November 2023. Through creating a digital twin of Lang Lang, it will incorporate leisure and social activities into the virtual space and introduce online UGC creation to offline communication for virtual marketing. The event will break the geographical limit, fuse virtuality with reality, promote online and offline interaction, break through the traditional pattern and display the creative integration of music and technology, offer an immersive experience that indulges everyone in live performance and real-time interaction and set the direction for music to develop in the future. Meanwhile, Lang Lang will attend the ceremony for the Group’s 30th anniversary, where he will perform classic songs with his digital twin on the stage of “Yuanbang” Virtual Concert. Visually, the performance will be a presentation of mixed virtuality and reality and the first piano duet Lang Lang plays with his “twin” in the metaverse, and will be a visual feast of music and scenes.

The world’s first metaverse architecture biennale will be launched on “Yuanbang” in November 2023, which will invite nine renowned architects, contemporary artists and designers from home and abroad to design digital buildings on the virtual cities of “Yuanbang”, to demonstrate their new perceptions of the meta space. These virtual buildings, which are open to visitors, are like hyperspace gateways that lead people to new dimensions of perception of the physical body, space, knowledge and time, exploring the “intermediate zone” between “virtuality” and “reality” which is full of ambiguity and possibility.

Management Discussion and Analysis

(continued)

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

In order to better integrate art and technology, the Group integrated resources such as ArtReview, the world's most historical and influential art review magazine, Power 100, and ArtReview Asia, the only Asian contemporary art review magazine, to create MArt+, being one of the most international contemporary art media platforms in China. Through MArt+ and the online and offline new scene art space ZiWU, which integrates art, fashion and culture, the Group has established long-term and good cooperative relationships with the world's important art galleries, art institutions and art fairs, and has become a sponsor of the V&A Museum Photography Center, which has been named with Meta Media Gallery. In celebration of the Group's 30th anniversary, the Group will introduce the sensational photo exhibition of V&A Museum, the retrospective exhibition of Horst P. Horst, a German-born American fashion photographer considered as a legend of 20th Century, to Shanghai in September 2023. Moreover, Artketing, a platform under MArt+, relies on the rich media resources of the Group to become a platform for interaction between enterprises and society through culture and art, empowering brands through art and creativity.

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

Management Discussion and Analysis

(continued)

DIVIDEND

To preserve more financial resources in response to the market stagnancy, the Directors do not recommend the payment of any interim dividend for the Interim Period (2022: nil). The Directors will consider the payment of final dividend after evaluating the full-year financial performance of 2023.

LIQUIDITY AND FINANCIAL RESOURCES

Net cash flows

During the Interim Period, the Group recorded a net cash inflow in operating activities of RMB13,678,000 (corresponding period of 2022: RMB11,898,000). During the Interim Period after the Group's performance improved, the Group recorded a net cash inflow in investment activities of RMB167,000 (corresponding period of 2022: net cash outflow RMB1,848,000).

Gearing ratio

The gearing ratio of the Group as at 30 June 2023 was 31.6% (as at 31 December 2022: 32.9%). The gearing ratio decreased mainly due to the decrease of net debt.

The gearing ratio is calculated based on net debts divided by total capitals at each reporting date. Total debts include borrowings and lease liabilities.

Capital expenditure and commitment

Capital expenditures of the Group for the Interim Period include expenditures on property, plant and equipment of approximately RMB1,427,000 (corresponding period of 2022: approximately RMB7,724,000).

Management Discussion and Analysis

(continued)

CAPITAL STRUCTURE

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

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

Save for the corporate guarantee given to banks and the Group's major printing suppliers to secure the banking facilities and printing credit line respectively, as at 30 June 2023, the Group did not have any material contingent liabilities or guarantees other than those disclosed below.

As at 30 June 2023, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB160,228,000 (including investment properties of approximately RMB81,400,000 and property, plant and equipment of approximately RMB78,828,000) (as at 31 December 2022: approximately RMB128,835,000 (including investment property of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000)) and/or was guaranteed by Mr. Shao/Mr. Shao's spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB50,000,000 (as at 31 December 2022: approximately RMB50,000,000) as at 30 June 2023.

FOREIGN CURRENCY RISKS

The Group mainly operates in the PRC, Hong Kong and the UK and majority of the transactions are denominated and settled in RMB, HK\$ or Great British Pounds, being the functional currency of the group entities to which the transactions relate. Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. As at 30 June 2023, the Group did not have significant foreign currency risk from its operations.

EMPLOYEES

As at 30 June 2023, the Group had a total of 418 staff (as at 31 December 2022: 420 staff), whose remunerations and benefits are determined based on market rates, State policies and individual performance.

SIGNIFICANT EVENT AFTER THE INTERIM PERIOD

On 22 August 2023, e-Starship Limited (the "**Purchaser**") (a direct wholly-owned subsidiary of the Company), Hong Kong Septwolves Invest-Holding Limited (香港七匹狼投資控股有限公司) (the "**Vendor**"), and the Company (as warrantor of the Purchaser) entered into the conditional sale and purchase agreement (the "**SP Agreement**"). Pursuant to the SP Agreement, the Purchaser has conditionally agreed to acquire (and the Vendor has conditionally agreed to sell) 100,000 shares in Modern Digital Holdings Limited (現代數碼控股有限公司) (the "**Targetco**") (representing approximately 7% of Targetco's issued share capital) (the "**Acquisition**") at the consideration of initially RMB24,492,600 to be paid in cash.

Management Discussion and Analysis

(continued)

Subject to and upon completion of the Acquisition (which is subject to the fulfilment or waiver (where applicable) of the conditions precedent as set out in the SP Agreement), the Purchaser's interest in Targetco's issued share capital will increase from approximately 70% to 77%, and Targetco will become an approximately 77% owned subsidiary of the Company. The financial results of Targetco has been and will continue to be consolidated in the financial statements of the Group.

Details of the Acquisition have been set out in the Company's announcement dated 22 August 2023.

Save as disclosed above, there has been no other significant event affecting the Group since 30 June 2023 and up to the date of this report.

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

Hong Kong, 28 August 2023

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

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the Directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") or as otherwise notified to the Company:

Long positions in the Company

Name of Director	Capacity	Number of ordinary shares of the Company held	Approximate % of the total number of issued ordinary shares of the Company
Mr. Shao	Beneficial owner	326,370,000	74.45%
Ms. Yang Ying	Beneficial owner	110,000	0.03%
Mr. Deroche Alain, Jean-Marie, Jacques	Beneficial owner	94,000	0.02%

* As at 30 June 2023

Long positions in the associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Approximate % of equity interest
Mr. Shao	北京現代雅格廣告有限公司 (Beijing Modern Yage Advertising Co., Ltd.*, "Beijing Yage")	Interest of controlled corporations (Note 1)	100%
Mr. Shao	北京雅格致美廣告傳播有限公司 (Beijing Yage Zhimei Advertising Media Co., Ltd.*, "Beijing Yage Zhimei")	Interest of controlled corporations (Note 2)	100%
Mr. Shao	廣州現代資訊傳播有限公司 (Guangzhou Modern Information Media Co., Ltd.*, "Guangzhou Modern Information")	Beneficial owner	100%
Mr. Shao	廣州現代圖書有限公司 (Guangzhou Modern Books Co., Ltd.*, "Guangzhou Modern Books")	Beneficial owner	90%

Corporate Governance and Other Information *(continued)*

Name of Director	Name of associated corporation	Capacity	Approximate % of equity interest
Mr. Shao	Guangzhou Modern Books	Interest of controlled corporations (Note 3)	10%
Mr. Shao	上海格致廣告有限公司 (Shanghai Gezhi Advertising Co., Ltd.*, “Shanghai Gezhi”)	Interest of controlled corporations (Note 4)	100%
Mr. Shao	上海雅格廣告有限公司 (Shanghai Yage Advertising Co., Ltd.*, “Shanghai Yage”)	Interest of controlled corporations (Note 5)	100%
Mr. Shao	深圳市雅格致美資訊傳播有限公司 (Shenzhen Yage Zhimei Information Media Co., Ltd.*, “Shenzhen Yage Zhimei”)	Interest of controlled corporations (Note 6)	100%
Mr. Shao	珠海現代致美文化傳播有限公司 (Zhuhai Modern Zhimei Culture Media Co., Ltd.*, “Zhuhai Modern Zhimei”)	Interest of controlled corporations (Note 7)	100%
Mr. Shao	珠海市銀弧廣告有限公司 (Zhuhai Yinhu Advertising Co., Ltd.*, “Zhuhai Yinhu”)	Beneficial owner	90%
Mr. Shao	Zhuhai Yinhu	Interest of controlled corporations (Note 8)	10%
Mr. Shao	摩登傳媒影業(廣州)有限公司 (Modern Media Films (Guangzhou) Co., Ltd.*, “Modern Media Films”) (previously known as 廣州摩登視頻傳媒有限公司 (Guangzhou Modern Video Media Co., Ltd.*))	Interest of controlled corporations (Note 9)	100%
Mr. Shao	廣州現代移動數碼傳播有限公司 (Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited*, “Guangzhou Xiandai”)	Interest of controlled corporations (Note 10)	100%
Mr. Shao	上海森音信息技術有限公司 (Shanghai Senyin Information Technology Co., Ltd.*, “Shanghai Senyin”)	Beneficial owner (Note 11)	100%

* denotes English translation of the name of a Chinese company or entity is provided for identification purposes only

Corporate Governance and Other Information *(continued)*

Notes:

1. Beijing Yage is held as to 80% by Guangzhou Modern Information and as to 20% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporations.
2. Beijing Yage Zhimei is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage Zhimei held by Zhuhai Modern Zhimei which is Mr. Shao's indirectly controlled corporation.
3. Guangzhou Modern Books is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Guangzhou Modern Books held by Guangzhou Modern Information, which is Mr. Shao's controlled corporation.
4. Shanghai Gezhi is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Gezhi held by Zhuhai Modern Zhimei, which is Mr. Shao's indirectly controlled corporation.
5. Shanghai Yage is held as to 90% by Guangzhou Modern Information and as to 10% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporation.
6. Shenzhen Yage Zhimei is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shenzhen Yage Zhimei held by Zhuhai Modern Zhimei, which is Mr. Shao's indirectly controlled corporation.
7. Zhuhai Modern Zhimei is held as to 100% by Zhuhai Yinhu, the equity interest of which is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Zhuhai Modern Zhimei held by Guangzhou Modern Information, which is Mr. Shao's controlled corporation.
8. Zhuhai Yinhu is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Zhuhai Yinhu held by Guangzhou Modern Information which is Mr. Shao's controlled corporation.
9. Modern Media Films is held as to 100% by Guangzhou Xiandai. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Modern Media Films held by Guangzhou Xiandai which is Mr. Shao's controlled corporation.
10. Guangzhou Xiandai is held as to 95% by Mr. Shao and as to 5% by Shanghai Senyin. Mr. Shao is accordingly deemed by the SFO to be interested in the 5% equity interest in Guangzhou Xiandai held by Shanghai Senyin which is Mr. Shao's controlled corporation.
11. Shanghai Senyin is held as to 95% by Mr. Shao and 5% by Ms. Zhong Yuanhong, an employee of the Group, on trust for Mr. Shao.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code or as otherwise notified to the Company.

Corporate Governance and Other Information *(continued)*

SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST OR SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

The register of interests in the shares and short positions maintained by the Company under Section 336 of the SFO shows that as at 30 June 2023, the Company had been notified of the following shareholders of the Company (the “Shareholders”) other than the Directors or chief executive of the Company having interests in the shares representing 5% or more of the Company’s issued shares:

Long positions in the Company

Name of Shareholder	Capacity	Number of ordinary shares of the Company held	Approximate % of the total number of issued ordinary shares of the Company
Madam Zhou Shao-min (Note 1)	Interest of spouse	326,370,000	74.45%

* As at 30 June 2023

Note:

1. Madam Zhou Shao-min is the spouse of Mr. Shao. She is deemed to be interested in the shares held by Mr. Shao under the SFO.

Save as disclosed above, as at 30 June 2023, the Directors were not aware that there were any persons (not being the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme (the “Expired Scheme”) was conditionally adopted by a resolution in writing passed by the then sole Shareholder on 24 August 2009. The Expired Scheme has expired on the tenth anniversary of such adoption date. Under the Expired Scheme, the Directors may grant options to subscribe for the shares of the Company to eligible participants, including without limitation employees of the Group, Directors and its subsidiaries. No share option was granted, exercised, cancelled or had lapsed under the Expired Scheme during the Interim Period. No share option was outstanding under the Expired Scheme as at 30 June 2023. Following the expiry of the Expired Scheme, no further share option may be or has been granted thereunder.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Interim Period.

Corporate Governance and Other Information *(continued)*

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews its corporate governance practices to meet the rising expectations of Shareholders and to comply with increasingly stringent regulatory requirements. In the opinion of the Directors, the Company applied the principles and complied with the relevant code provisions in the Corporate Governance Code (“CG Code”) as set out in Part 2 of Appendix 14 to the Listing Rules during the Interim Period with the exception that the roles of the Chairman and the chief executive officer of the Company have not been segregated as required by code provision C.2.1 of the CG Code.

During the Interim Period, Mr. Shao served as the Chief Executive Officer of the Group. He was also the Chairman of the Board until 16 February 2023, when he was re-designated as the Co-Chairman of the Board. The Board believes that with the support of the management, the dual role of Mr. Shao (being the founder of the Group) as Chairman (or Co-Chairman) and Chief Executive Officer can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. The Board therefore considers that this structure will not impair the balance of power and authority between the Board and the management of the Company.

The balance of power and authority is also ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. There is a strong independent element in the composition of the Board. Among the eight Board members, three are independent non-executive Directors. The Board believes that such structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently and the interests of the Shareholders will be adequately and fairly represented. The Board believes that the appointment of Mr. Shao as Chairman (or Co-Chairman) and the Chief Executive Officer is beneficial to the business prospects and management of the Company.

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

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

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

Corporate Governance and Other Information *(continued)*

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) currently comprises three independent non-executive Directors, namely Mr. Yick Wing Fat Simon (Chairman), Ms. Wei Wei and Mr. Wan Jie. The chairman of the Audit Committee possesses appropriate professional qualification and experience in financial matters.

The Audit Committee has reviewed the unaudited consolidated interim results of the Group and the interim report of the Company for the six months ended 30 June 2023 with no disagreement with the accounting treatment adopted by the Company.

REMUNERATION COMMITTEE

The remuneration committee of the Board currently comprises three independent non-executive Directors, namely Mr. Yick Wing Fat Simon (Chairman), Ms. Wei Wei and Mr. Wan Jie. They are responsible for making recommendations to the Board on setting policy on the remuneration of the Directors and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors.

NOMINATION COMMITTEE

The nomination committee of the Board currently comprises three independent non-executive Directors, namely Ms. Wei Wei (Chairman), Mr. Wan Jie and Mr. Yick Wing Fat Simon. They are responsible for reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board and the appointment or re-appointment of Directors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The environment, social and governance committee of the Board currently comprises one executive Director, namely Mr. Shao Zhong (Chairman), one independent non-executive Director, namely Mr. Wan Jie, and Ms. Zhong Yuanhong (a member of the senior management of the Group). They are responsible for formulating policies and implementing procedures to deal with environment, social and governance affairs of the Group.

CHANGE OF DIRECTOR’S INFORMATION SINCE THE DATE OF LAST ANNUAL REPORT

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the Directors’ information since the date of the last annual report of the Company are set out as follows:

Dr. Cheng Chi Kong, Adrian was appointed as a non-executive Director and a Co-Chairman of the Board and Mr. Shao was re-designated from the Chairman of the Board to Co-Chairman of the Board on 16 February 2023.

Save as disclosed above, there was no other change in the information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code. In response to a specific enquiry by the Company, all the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the Interim Period.

Independent Review Report



TO THE BOARD OF DIRECTORS OF META MEDIA HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 22 to 48 which comprises the condensed consolidated statement of financial position of Meta Media Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Pang Hon Chung

Practising Certificate Number P05988

Hong Kong, 28 August 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	5	158,321	170,654
Cost of sales		(97,377)	(97,378)
Gross profit		60,944	73,276
Other income	6	1,577	598
Other (losses)/gains – net	7	(711)	394
Distribution expenses		(31,864)	(24,937)
Administrative expenses		(44,388)	(58,442)
Loss from operations		(14,442)	(9,111)
Finance expenses	8	(5,548)	(3,827)
Share of losses of a joint venture		(513)	–
Loss before income tax	9	(20,503)	(12,938)
Income tax expense	10	(1,051)	–
Loss for the period		(21,554)	(12,938)
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Revaluation surplus upon transfer from property, plant and equipment to investment properties		30,486	–
Tax effect relating to revaluation surplus upon transfer from property, plant and equipment to investment properties		(7,622)	–
		22,864	–
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		4,367	2,765
Other comprehensive income for the period, net of tax		27,231	2,765
Total comprehensive income/(expenses) for the period		5,677	(10,173)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
(Loss)/profit for the period attributable to:			
Owners of the Company		(20,098)	(19,790)
Non-controlling interests		(1,456)	6,852
		(21,554)	(12,938)
Total comprehensive income/(expenses) for the period attributable to:			
Owners of the Company		7,407	(18,453)
Non-controlling interests		(1,730)	8,280
		5,677	(10,173)
Loss per share			
	11		
– Basic (RMB per share)		RMB(0.0465)	RMB(0.0458)
– Diluted (RMB per share)		RMB(0.0465)	RMB(0.0458)

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	127,620	144,245
Right-of-use assets		58,629	66,146
Investment properties		81,400	36,170
Intangible assets		35,379	37,402
Goodwill	13	36,710	36,013
Investment in a joint venture		4,030	4,316
Software development in progress		52	52
Prepayment for property, plant and equipment, and intangible assets	14	–	832
Deferred income tax assets		1,630	1,630
		345,450	326,806
Current assets			
Inventories		88,880	85,158
Trade, bills and other receivables	14	170,724	213,885
Pledged bank deposits		50,000	50,000
Cash and cash equivalents		51,508	40,831
		361,112	389,874
Current liabilities			
Trade and other payables	15	95,428	121,940
Contract liabilities		7,556	9,870
Borrowings	16	185,740	175,017
Lease liabilities		12,774	12,775
Current income tax liabilities		8,607	8,088
		310,105	327,690
Net current assets		51,007	62,184
Total assets less current liabilities		396,457	388,990

Condensed Consolidated Statement of Financial Position *(continued)*

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current liabilities			
Amount due to a non-controlling shareholder of a subsidiary		4,572	4,197
Lease liabilities		51,921	58,231
Deferred income tax liabilities		17,688	9,963
		74,181	72,391
NET ASSETS		322,276	316,599
EQUITY			
Share capital	17	3,853	3,853
Reserves	17	237,938	233,529
Equity attributable to owners of the Company		241,791	237,382
Non-controlling interests		80,485	79,217
TOTAL EQUITY		322,276	316,599

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company											
	Share capital	Treasury shares	Share premium	Other reserves	Statutory surplus reserves	Property revaluation reserve	Fair value	Translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
							(non-					
							recycling)					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2023 (audited)	3,853	(6,983)	145,302	2,859	54,663	16,465	(6,569)	3,713	24,079	237,382	79,217	316,599
Loss for the period (unaudited)	-	-	-	-	-	-	-	-	(20,098)	(20,098)	(1,456)	(21,554)
Other comprehensive income/(expenses) for the period (unaudited):												
- Revaluation surplus upon transfer from property, plant and equipment to investment properties, net of tax (unaudited)	-	-	-	-	-	22,864	-	-	-	22,864	-	22,864
- Exchange differences on translation of foreign operations (unaudited)	-	-	-	-	-	-	-	4,641	-	4,641	(274)	4,367
Total comprehensive income/(expenses) for the period (unaudited)	-	-	-	-	-	22,864	-	4,641	(20,098)	7,407	(1,730)	5,677
Equity transaction with non-controlling interests of a subsidiary (unaudited)	-	-	-	-	-	-	-	-	(2,998)	(2,998)	2,998	-
At 30 June 2023 (unaudited)	3,853	(6,983)	145,302	2,859	54,663	39,329	(6,569)	8,354	983	241,791	80,485	322,276
At 1 January 2022 (audited)	3,853	(6,983)	145,302	2,859	54,578	16,465	(6,569)	(4,262)	94,352	299,595	79,246	378,841
Loss/(profit) for the period (unaudited)	-	-	-	-	-	-	-	-	(19,790)	(19,790)	6,852	(12,938)
Other comprehensive income for the period (unaudited):												
- Exchange differences on translation of foreign operations (unaudited)	-	-	-	-	-	-	-	1,337	-	1,337	1,428	2,765
Total comprehensive (expenses)/income for the period (unaudited)	-	-	-	-	-	-	-	1,337	(19,790)	(18,453)	8,280	(10,173)
At 30 June 2022 (unaudited)	3,853	(6,983)	145,302	2,859	54,578	16,465	(6,569)	(2,925)	74,562	281,142	87,526	368,668

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cash flows from operations		
Cash generated from operations	14,262	11,898
Income tax paid	(584)	–
<i>Net cash generated from operating activities</i>	13,678	11,898
Cash flows from investing activities		
Purchase of property, plant and equipment	(595)	(3,360)
Proceeds from disposal of property, plant and equipment	140	1,204
Change in pledged bank deposits	–	231
Interest received	622	77
<i>Net cash generated from/(used in) investing activities</i>	167	(1,848)
Cash flows from financing activities		
Proceeds from borrowings	18,840	–
Repayments of borrowings	(10,149)	(1,493)
Repayment of lease liabilities and interest	(8,020)	(8,475)
Interest paid	(3,839)	(2,550)
<i>Net cash used in financing activities</i>	(3,168)	(12,518)
Net increase/(decrease) in cash and cash equivalents	10,677	(2,468)
Cash and cash equivalents at beginning of the period	40,831	47,479
Cash and cash equivalents at end of the period	51,508	45,011
Analysis of cash and cash equivalents		
Bank and cash balances	51,508	45,011

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. GENERAL INFORMATION

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

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

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

The condensed consolidated statement of financial position as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes of equity and the condensed consolidated statement of cash flows for six-month period then ended, and other explanatory notes (collectively defined as the “**Interim Financial Information**”) of the Group have been approved by the Board (the “**Board**”) of Directors (the “**Directors**”) on 28 August 2023.

The Interim Financial Information are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated.

This Interim Financial Information have been reviewed, not audited.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2022.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards (“IFRSs”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

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

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENTS *(Continued)*

(a) Disclosures of level in fair value hierarchy:

Description	Fair value measurement using:			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2023 (Unaudited)				
Investment properties				
– Commercial units – PRC	–	–	81,400	81,400

Description	Fair value measurement using:			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2022 (Audited)				
Investment property				
– Commercial unit – PRC	–	–	36,170	36,170

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENTS *(Continued)*

(b) Reconciliation of assets measured at fair value based on level 3:

Investment properties

	For the six months ended 30 June 2023 RMB'000 (Unaudited)
At 1 January	36,170
Transfer from property, plant and equipment	45,230
At 30 June	81,400
	For the year ended 31 December 2022 RMB'000 (Audited)
At 1 January	37,700
Total gains or losses recognised in profit or loss ^(#)	(1,530)
At 31 December	36,170
^(#) Include gains or losses for assets held at end of reporting period	(1,530)

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENTS *(Continued)*

(c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2023 and 31 December 2022:

The Directors are responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

The Group's investment properties are revalued at 30 June 2023 and 31 December 2022 by independent professionally qualified valuer, Cushman & Wakefield Shenzhen Valuation Co., Ltd., who has the recent experience in the location and category of properties being valued. The fair value measurement is based on the properties' highest and best use, which does not differ from their actual use.

Key unobservable inputs used in level 3 fair value measurements are mainly:

Description	Valuation techniques	Significant unobservable inputs	Range		Effect on fair value for increase of inputs
			As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)	
Investment properties	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m)	208–237	197–228	Increase
		Capitalisation rate of reversionary income	6.50%	6.50%	Decrease
	Market comparison approach	Price per square metre (RMB/sq.m)	35,484–39,662	35,393–43,289	Increase

During the six months ended 30 June 2023 and year ended 31 December 2022, there were no changes in the valuation techniques used.

During the six months ended 30 June 2023 and year ended 31 December 2022, there was no transfer between Level 1, Level 2 or transfer into or out of Level 3.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. REVENUE AND SEGMENT REPORTING

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

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

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

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

The Group has two (30 June 2022: two) reportable segments as described below, which are the Group's strategic business units. The chief operating decision-makers assess the performance of the operating segments mainly based on segment revenue and profit/loss of each operating segment. Segment information below is presented in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment. The following describes the operations in each of the Group's reportable segments:

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

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Revenue

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Reportable segment:		
– Art platform	96,238	94,804
– Digital platform	62,603	76,799
	158,841	171,603
Revenue derived from other operations	233	270
Less: sales taxes and other surcharges	(753)	(1,219)
	158,321	170,654
Types of goods or services:		
– Advertising income	82,923	110,548
– Production, event and service income	70,282	47,788
– Circulation and subscription income	4,088	11,282
– Revenue from restaurant operation	1,028	1,036
	158,321	170,654
Timing of revenue recognition under IFRS 15:		
– At a point in time	1,028	1,036
– Over time	157,293	169,618
	158,321	170,654

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Adjusted EBITDA

The adjusted EBITDA of the Group for the six months ended 30 June 2023 and 2022 were set out as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Reportable segment:		
– Art platform	(9,953)	(10,694)
– Digital platform	13,203	29,147
	3,250	18,453
Revenue derived from other operations	233	270
Depreciation	(13,153)	(15,220)
Amortisation	(2,864)	(4,149)
Finance expenses	(5,548)	(3,827)
Impairment loss on intangible assets	–	(1,648)
Share of losses of a joint venture	(513)	–
Unallocated head office and corporate expenses	(1,908)	(6,817)
Loss before income tax	(20,503)	(12,938)

	Depreciation RMB'000 (Unaudited)	Amortisation RMB'000 (Unaudited)	Finance expenses RMB'000 (Unaudited)
Six months ended 30 June 2023			
Reportable segment:			
– Art platform	7,957	1,733	3,365
– Digital platform	5,176	1,127	2,183
	13,133	2,860	5,548

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Adjusted EBITDA *(Continued)*

	Depreciation RMB'000 (Unaudited)	Amortisation RMB'000 (Unaudited)	Finance expenses RMB'000 (Unaudited)
Six months ended 30 June 2022			
Reportable segment:			
– Art platform	8,281	2,257	2,143
– Digital platform	6,698	1,826	1,684
	14,979	4,083	3,827

(c) Total assets

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Reportable segment:		
– Art platform	272,746	318,874
– Digital platform	206,042	229,576
Corporate and unallocated assets	478,788	548,450
Investment properties	9,220	8,933
Deferred income tax assets	81,400	36,170
Other receivables	1,630	1,630
Investment in a joint venture	29,986	26,350
Pledged bank deposits	4,030	4,316
Cash and cash equivalents	50,000	50,000
	51,508	40,831
Total assets	706,562	716,680

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

5. REVENUE AND SEGMENT REPORTING *(Continued)*

(c) Total assets *(Continued)*

Additions to non-current segment assets during the period are as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Reportable segment:		
– Art platform	240	2,996
– Digital platform	355	43
	595	3,039

(d) Geographic information

The geographical location of the Group's property, plant and equipment, right-of-use assets, investment properties, intangible assets, goodwill, investment in a joint venture, software development in progress and prepayment for property, plant and equipment, and intangible assets are mainly in the PRC, Hong Kong and the United Kingdom (the "UK") as at 30 June 2023 and 31 December 2022.

6. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
PRC government subsidy (note)	369	145
Bank interest income	622	77
Others	586	376
	1,577	598

Note: PRC government subsidy represented subsidies received from local governmental authorities by several subsidiaries of the Group.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

7. OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Net (loss)/gain on disposal of property, plant and equipment	(70)	615
Exchange differences	(641)	(221)
	(711)	394

8. FINANCE EXPENSES

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest expense on borrowings	3,839	2,143
Finance charges on lease liabilities	1,709	1,684
	5,548	3,827

9. LOSS BEFORE INCOME TAX

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Depreciation of property, plant and equipment and right-of-use assets	13,153	15,220
Amortisation of intangible assets	2,864	4,149
Reversal of expected credit loss ("ECL") allowance on trade receivables	(964)	(624)
Short term leases charges on land and buildings	423	546

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

10. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2023. No provision for Hong Kong Profits Tax has been made since the Group has sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the six months ended 30 June 2022. No provision for PRC Corporate Income Tax has been made since the Group has sufficient tax losses brought forward to set off against current/prior period's assessable profits or did not generate any assessable profits for the six months ended 30 June 2023 and 2022. No provision for UK Corporation Tax has been made since the Group did not generate any assessable profits for the six months ended 30 June 2023 and 2022. During the six months ended 30 June 2023, current income tax included a provision of approximately RMB584,000 (six months ended 30 June 2022: nil) in respect of withholding income tax on services income charged to the Group's PRC subsidiaries.

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current income tax – Hong Kong Profits Tax, provision for the period	467	–
Current income tax – PRC Corporate Income Tax, provision for the period	584	–
	1,051	–

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

11. LOSS PER SHARE

Basic loss per share

Basic loss per share was computed by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective periods.

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Loss attributable to owners of the Company	(20,098)	(19,790)
	'000	'000
Issued ordinary shares as at 1 January and 30 June	438,353	438,353
Weighted average number of treasury shares hold	(6,359)	(6,359)
Weighted average number of ordinary shares in issue	431,994	431,994

Diluted loss per share were same as the basic loss per share as there was no dilutive event existed during six months ended 30 June 2023 and 2022.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment with a cost of approximately RMB1,427,000 (six months ended 30 June 2022: approximately RMB7,724,000). Certain property, plant and equipment with a net book value of approximately RMB210,000 (six months ended 30 June 2022: RMB589,000) were disposed of by the Group during the six months ended 30 June 2023, resulting in a net loss on disposals of approximately RMB70,000 (six months ended 30 June 2022: net gain of approximately RMB615,000). A building held for own use was reclassified to an investment property upon the management of the subsidiaries decided to cease to occupy the building for own use and started leasing out the building on 30 June 2023, resulting in a net book value of approximately RMB14,744,000 revaluing to approximately RMB45,230,000 and transferring to investment properties (six months ended 30 June 2022: nil).

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

13. GOODWILL

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
At the beginning of the reporting period	36,013	39,841
Impairment loss	–	(3,630)
Currency translation differences	697	(198)
At the end of the reporting period	36,710	36,013

Goodwill is allocated to the Group's cash-generating units identified according to country of operation and operating segment. A segment level summary of goodwill is presented below:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Digital platform – the PRC	28,203	28,203
Digital platform – the UK	8,507	7,810
	36,710	36,013

The recoverable amounts of goodwill relating to the digital platform and art platform in the PRC and UK were determined based on value-in-use calculations as at 30 June 2023, consistent with the methods used as at 31 December 2022.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

14. TRADE, BILLS AND OTHER RECEIVABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade receivables	128,875	176,950
Less: ECL allowance of trade receivables	(4,385)	(5,662)
Trade receivables, net	124,490	171,288
Bills receivable	3,813	–
Other receivables:		
Value-added tax recoverable	11,406	11,195
Prepayments	10,062	9,743
Printing deposits	12,220	11,933
Rental, utility and other deposits	4,736	5,883
Advances and loans to employees (note)	883	2,483
Amount due from a senior management (note)	722	103
Tax recoverable	–	497
Others	2,392	1,592
	170,724	214,717
Less: non-current portion: Prepayment for property, plant and equipment, and intangible assets	–	(832)
Current portion	170,724	213,885

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

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

14. TRADE, BILLS AND OTHER RECEIVABLES

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<u>Trade receivables, gross</u>		
Within 30 days	54,348	57,898
Over 30 days and within 90 days	12,950	43,885
Over 90 days and within 180 days	19,668	29,193
Over 180 days and within 1 year	32,608	37,918
Over 1 year and within 2 years	4,047	5,935
Over 2 years and within 3 years	3,551	878
Over 3 years	1,703	1,243
	128,875	176,950

The credit period granted to advertising and circulation customers is between 30 to 180 days (with a certain limited number of customers granted a credit period of 270 days). No interest is charged on the outstanding trade receivables.

All of the trade receivables are expected to be recovered within one year.

The Group applies simplified approach to estimate ECL prescribed in IFRS 9. Movements in ECL allowance of trade receivables were as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
At the beginning of the reporting period	5,662	8,818
Change in ECL allowance	(964)	(1,921)
Written off	(352)	(1,250)
Exchange difference	39	15
	4,385	5,662

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

15. TRADE AND OTHER PAYABLES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Trade payables	60,030	77,035
Other payables:		
Accrued taxes other than income tax (note a)	6,170	8,247
Other payables (note b)	20,064	21,434
Salaries, wages, bonus and benefits payable	4,307	4,744
Amount due to a joint venture (note c)	–	5,400
Amount due to a director (note c)	1,661	946
Other liabilities	3,196	4,134
	95,428	121,940

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 30 days	24,163	42,560
Over 30 days and within 90 days	15,185	17,327
Over 90 days and within 180 days	12,505	6,191
Over 180 days	8,177	10,957
	60,030	77,035

Note a:

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

Note b:

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

Note c:

Amounts due to a director and a joint venture were unsecured, interest-free and repayable on demand.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

16. BORROWINGS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Secured bank borrowings (note)	185,740	175,017

Note: As at 30 June 2023, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB160,228,000 (including in investment properties of approximately RMB81,400,000 and property, plant and equipment of approximately RMB78,828,000) (as at 31 December 2022: approximately RMB128,835,000 (including in investment property of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000)) and/or was guaranteed by Mr. Shao Zhong ("Mr. Shao")/Mr. Shao's spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB50,000,000 (as at 31 December 2022: approximately RMB50,000,000) as at 30 June 2023.

During the six months ended 30 June 2023, the Group has violated a covenant attached to the interest-bearing borrowings. Breaches in meeting the covenant would permit the bank to immediately call borrowings.

17. SHARE CAPITAL, DIVIDEND AND RESERVES

(a) Share capital

Details of the authorised and issued share capital of the Company were set out as follows:

	Number of shares '000	Share capital HK\$'000
Authorised: Ordinary shares of HK\$0.01 each: At 30 June 2023 (unaudited) and 31 December 2022 (audited)	8,000,000	80,000
Ordinary shares, issued and fully paid: At 30 June 2023 (unaudited) and 31 December 2022 (audited)	438,353	3,853

(b) Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023 and 2022.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

18. COMMITMENTS

(a) Capital commitments

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Contracted but not provided for:		
– Property, plant and equipment	–	509

(b) Other commitments

The Group entered into licensing agreements with the publishing partners to obtain the exclusive rights for the sale of advertising spaces in and the distribution of the magazines. The total future minimum payments under non-cancellable licensing agreements for cooperation titles were as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Licensing agreement expiring:		
– Within 1 year	16,508	19,393
– After 1 year but within 5 years	66,960	67,354
– Over 5 years	19,304	58,151
	102,772	144,898

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

19. RELATED PARTY TRANSACTIONS

- a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Key management compensation		
Salaries and allowances	6,960	9,237
Retirement scheme contributions	182	229
	7,142	9,466

- b) As at 30 June 2023 and 31 December 2022, Mr. Shao is entrusted as registered shareholder of certain investments in subsidiaries on behalf of the Group.

20. PENDING LITIGATIONS

On 6 July 2022, Modern Media Company Limited (“MMCL”), the publisher of the Chinese edition of Bloomberg Businessweek published the 250th issue (“**Chinese Issue**”) with Zhao Changpeng (“ZCP”) on the cover page and published an image of the cover page of the Chinese Issue on Twitter and Facebook.

The cover page of the Chinese Issue contained a headline (“**the Headline**”) which formed part of an article appearing in the Chinese Issue (“**the Chinese Article**”).

Upon being approached by ZCP’s public relations team, MMCL had on a without admission of liability basis taken steps to delete the tweet and Facebook post and recalled the physical publication of the Chinese Issue within Hong Kong.

On 25 July 2022, ZCP commenced civil proceedings against MMCL alleging, among others, the publication of the Chinese Issue, the tweet on Twitter account containing the cover page with the Headline and a Facebook post containing the cover page with the Headline were all defamatory and sought among others, injunction, order to apologize, damages and costs against MMCL.

After taken legal advice from solicitors and counsel, MMCL has been advised that there is an arguable case and has since filed a defence denying the Headline was defamatory. Further, the Chinese Article was published on an occasion of qualified privilege and/or a statement of a matter of public interest; fair and reasonable steps were taken in the gathering and publishing of the information; and it was justifiable to include the Headline in the Chinese Article because the former was part of the story.

Notes to the Condensed Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2023

20. PENDING LITIGATIONS *(Continued)*

The legal proceedings are in still in early stages and MMCL has filed a Defence and will defend strenuously. Although the ultimate result of legal proceedings cannot be predicted with certainty, it is the opinion of the Company's Directors that the outcome of any claim which is pending, either individually or on a combined basis, will not have a material effect on the financial position of the Group, its cash flows and result of operations.

21. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the conditional sale and purchase agreement dated 22 August 2023, the Group conditionally agreed to acquire approximately 7% share capital of Modern Digital Holdings Limited (the "MDHL"), a company engaged in the investment holding, and its subsidiaries are principally engaged in digital media business in the PRC, Hong Kong and the United Kingdom, for a cash consideration of approximately RMB24,493,000 from Hong Kong Septwolves Invest-Holding Limited, a non-controlling shareholder of MDHL. Subject to and upon completion the acquisition, the Group's interest in MDHL's issued share capital will increase from approximately 70% to 77%. Details of the transaction are set out in the announcement issued by the Company dated 22 August 2023.

Other than those disclosed in the condensed consolidated financial statements, there are no other events after the reporting period up to the date of approval of condensed consolidated financial statements that require disclosure in the condensed consolidated financial statements.

22. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the Board on 28 August 2023.

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