



美亞娛樂資訊集團有限公司

MEI AH ENTERTAINMENT GROUP LTD.

(Incorporated in Bermuda with limited liability)

Stock Code: 391



2023/24

INTERIM REPORT

The directors present the condensed consolidated financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2023. The consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the six months ended 30th September 2023, and the consolidated balance sheet of the Group as at 30th September 2023, all of which are unaudited and condensed, along with selected explanatory notes, are set out as follows:

Condensed Consolidated Income Statement

For the six months ended 30th September 2023

		Unaudited Six months ended 30th September	
		2023	2022
	Note	HK\$'000	HK\$'000
Revenue	4	61,619	29,510
Cost of sales		(20,211)	(8,113)
Gross profit		41,408	21,397
Other income		5,017	5,015
Other losses	5	(11,417)	(14,538)
Selling, distribution and marketing expenses		(334)	(2,874)
Administrative expenses		(34,868)	(35,109)
Operating loss	6	(194)	(26,109)
Finance income		282	58
Finance costs		(3,898)	(4,354)
Finance costs – net	7	(3,616)	(4,296)
Share of losses of associates		(1,192)	(614)
Loss before income tax		(5,002)	(31,019)
Income tax credit	8	410	1,018
Loss for the period		(4,592)	(30,001)
Loss attributable to:			
Owners of the Company		(4,518)	(29,383)
Non-controlling interests		(74)	(618)
		(4,592)	(30,001)
Loss per share attributable to owners of the Company			
Basic and diluted loss per share	9	(0.08 HK cent)	(0.50 HK cent)

Consolidated Statement of Comprehensive Income

For the six months ended 30th September 2023

	Unaudited Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Loss for the period	(4,592)	(30,001)
Other comprehensive income/(loss), net of tax		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Surplus on revaluation of buildings	3,824	14,412
Deferred taxation arising from revaluation surplus of buildings	(675)	(2,502)
Currency translation differences	(72)	–
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	1,586	6,482
Other comprehensive income for the period, net of tax	4,663	18,392
Total comprehensive income/(loss) for the period	71	(11,609)
Total comprehensive income/(loss) attributable to:		
– Owners of the Company	145	(10,991)
– Non-controlling interests	(74)	(618)
Total comprehensive income/(loss) for the period	71	(11,609)

Condensed Consolidated Balance Sheet

As at 30th September 2023 and 31st March 2023

		Unaudited 30th September 2023	Audited 31st March 2023
	Note	HK\$'000	HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		211,478	214,489
Investment properties		197,291	209,271
Right-of-use assets		57,794	62,823
Film rights, films in progress and deposits for film and program rights		91,569	93,348
Interests in associates		7,976	9,168
Other receivables and deposits	11	1,917	2,040
		568,025	591,139
Current assets			
Inventories		224	224
Prepayments, deposits, trade and other receivables	11	42,033	38,009
Financial assets at fair value through profit or loss		1,676	2,895
Restricted bank balance		828	881
Pledged bank deposits		13,500	13,500
Short-term bank deposits		3,729	3,924
Cash and cash equivalents		34,976	37,528
		96,966	96,961
Total assets		664,991	688,100

		Unaudited 30th September 2023	Audited 31st March 2023
	Note	HK\$'000	HK\$'000
Equity			
Equity attributable to owners of the Company			
Share capital	14	118,475	118,475
Share premium		407,428	407,428
Reserves		(194,565)	(194,710)
Shareholders' funds		331,338	331,193
Non-controlling interests		8,439	8,513
Total equity		339,777	339,706
Liabilities			
Non-current liabilities			
Other borrowings	13	93,107	94,948
Accrued liabilities		987	987
Lease liabilities		84,992	94,296
Deferred income tax liabilities		25,728	25,487
		204,814	215,718
Current liabilities			
Trade and other payables	12	73,468	70,808
Contract liabilities		8,507	10,250
Amounts due to associates		3,992	8,780
Bank overdrafts	13	3,451	10,420
Bank loans	13	19,677	20,737
Lease liabilities		7,104	7,380
Current income tax liabilities		4,201	4,301
		120,400	132,676
Total liabilities		325,214	348,394
Total equity and liabilities		664,991	688,100

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th September 2023

	Attributable to shareholders									
	Share capital	Share premium	Share redemption reserve	Contributed surplus	Exchange difference	Buildings revaluation reserve	Other reserve	Accumulated losses	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group										
At 1st April 2023	118,475	407,428	12	189,009	(4,997)	124,191	(6,380)	(496,545)	8,513	339,706
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	(4,518)	(74)	(4,592)
Other comprehensive income/(loss)										
Surplus on revaluation of buildings	-	-	-	-	-	3,824	-	-	-	3,824
Deferred tax arising from revaluation surplus of buildings	-	-	-	-	-	(675)	-	-	-	(675)
Translation of foreign subsidiaries	-	-	-	-	1,586	(72)	-	-	-	1,514
Total other comprehensive income	-	-	-	-	1,586	3,077	-	-	-	4,663
Total comprehensive income/ (loss) for the period	-	-	-	-	1,586	3,077	-	(4,518)	(74)	71
At 30th September 2023	118,475	407,428	12	189,009	(3,411)	127,268	(6,380)	(501,063)	8,439	339,777

	Attributable to shareholders									
	Share capital	Share premium	Share redemption reserve	Contributed surplus	Exchange difference	Buildings revaluation reserve	Other reserve	Accumulated losses	Non-controlling interests	Total equity
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
The Group										
At 1st April 2022	118,475	407,428	12	189,009	(8,639)	107,114	(6,380)	(447,630)	9,509	368,878
Comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	(29,383)	(618)	(30,001)
Other comprehensive income/(loss)										
Surplus on revaluation of buildings	-	-	-	-	-	14,412	-	-	-	14,412
Deferred tax arising from revaluation surplus of buildings	-	-	-	-	-	(2,502)	-	-	-	(2,502)
Currency translation differences	-	-	-	-	6,482	-	-	-	-	6,482
Total other comprehensive income	-	-	-	-	6,482	11,910	-	-	-	18,392
Total comprehensive income/(loss) for the period	-	-	-	-	6,482	11,910	-	(29,383)	(618)	(11,609)
At 30th September 2022	118,475	407,428	12	189,009	(2,177)	119,024	(6,380)	(477,013)	8,891	357,269

Condensed Consolidated Cash Flow Statement

For the six months ended 30th September 2023

	Unaudited Six months ended 30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities		
Cash generated from operations	22,665	17,851
Income tax paid	(100)	(28)
Net cash generated from operating activities	22,565	17,823
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,233)	(2,596)
Purchase of film rights, films in progress and film royalty deposits	(8,954)	(1,025)
Interest received	282	58
Change in short-term deposits	195	296
Change in pledged bank deposits	–	10,000
Net cash (used in)/generated from investing activities	(9,710)	6,733
Cash flows from financing activities		
New bank loans	–	22,000
Repayments of bank loans	(1,060)	(23,845)
Interest paid on bank loans	(610)	(514)
Repayments of principal elements of lease liabilities	(5,557)	(4,406)
Net cash used in financing activities	(7,227)	(6,765)

	Unaudited	
	Six months ended	
	30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net increase in cash and cash equivalents	5,628	17,791
Cash and cash equivalents at beginning of period	27,108	(11,432)
Exchange differences	(1,211)	(845)
Cash and cash equivalents at end of period	31,525	5,514
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	34,976	16,503
Bank overdrafts	(3,451)	(10,989)
	31,525	5,514

Selected Notes to Condensed Consolidated Interim Financial Information

1. General information

Mei Ah Entertainment Group Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in channel operations, film exhibition and film rights licensing and sub-licensing, cinema operations, concert performances and events organisation and property investment.

The Company is a limited liability company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information was approved for issue on 29th November 2023.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30th September 2023 has been prepared in accordance with HKAS 34, “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st March 2023, which have been prepared in accordance with HKFRSs.

During the period ended 30th September 2023, the Group incurred a net loss of HK\$4,592,000 and as at 30th September 2023, the Group had net current liabilities of approximately HK\$23,434,000 which was improved from the net current liabilities as at 31st March 2023 of approximately HK\$35,715,000.

The directors are of the opinion that, having taken into account the anticipated cash inflows generated from the Group’s operations, as well as the possible changes in its operating performance, and the availability of bank and other facilities, including the financial support from the controlling shareholder of the Company, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30th September 2023. Accordingly, the directors consider that the Group will be able to continue as a going concern; and thus have prepared the consolidated financial statements on a going concern basis.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st March 2023, as described in those annual financial statements, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31st March 2024. Details of the changes in accounting policies are set out below:—

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimate
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from Single Transaction

The above standards did not have any significant impact on the Group's accounting policies.

Impact of new and amended standards and interpretation issued but not yet applied by the Group

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1st April 2023 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1st January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1st January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1st January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1st January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has commenced, but not yet completed, an assessment of the impact of the new standards and amendments to standards on its results of operations and financial position. The Group is not yet in a position to state whether these new standards, amendments to standards and interpretations would have any significant impact on its results of operations and financial position.

4. Segment information

An analysis of the Group's revenues and results for the period by business segments, being the primary reporting format, is as follows:

	Unaudited						Group
	Six months ended 30th September 2023						
	Channel operations	Film exhibition and film rights licensing and sub-licensing	Cinema operations	Concert performance and events organisation	Property investment	Others	
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
Segment revenue	16,083	27,760	15,167	2,541	-	68	61,619
Reportable segment profit/(loss)	6,131	8,338	(2,735)	(104)	(7,748)	(632)	3,250
Depreciation of property, plant and equipment	(112)	(18)	(1,861)	-	-	(18)	(2,009)
Depreciation of right-of-use assets	-	-	(2,192)	-	-	-	(2,192)
Fair value deficit on revaluation of investment properties	-	-	-	-	(10,198)	-	(10,198)
Amortisation for film rights	(930)	(8,500)	-	-	-	-	(9,430)
Finance costs	-	-	(3,288)	-	-	-	(3,288)
Additions to property, plant and equipment	9	1,167	30	-	-	27	1,233
Additions to film rights, films in progress and deposits for film and program rights	666	8,288	-	-	-	-	8,954
As at 30th September 2023							
Reportable segment assets	13,617	136,937	45,441	11,982	204,116	17,233	429,326
Reportable segment liabilities	(8,091)	(42,675)	(150,993)	(10,728)	(1,860)	(2,396)	(216,743)

Unaudited
Six months ended 30th September 2022

	Channel operations	Film exhibition and film rights licensing and sub-licensing	Cinema operations	Concert performance and events organisation	Property investment	Others	Group
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
					<i>(note (a))</i>		
Segment revenue	15,186	7,291	7,002	-	-	31	29,510
Reportable segment profit/(loss)	3,764	(2,976)	(11,630)	(523)	(9,892)	(586)	(21,843)
Depreciation of property, plant and equipment	(113)	(65)	(5,811)	-	-	(109)	(6,098)
Depreciation of right-of-use assets	-	-	(2,965)	-	-	-	(2,965)
Fair value deficit on revaluation of investment properties	-	-	-	-	(12,086)	-	(12,086)
Amortisation for film rights	(1,519)	(85)	-	-	-	-	(1,604)
Finance costs	-	-	(3,839)	-	-	-	(3,839)
Additions to property, plant and equipment	5	-	255	-	-	2,336	2,596
Additions to film rights, films in progress and deposits for film and program rights	736	289	-	-	-	-	1,025
As at 31st March 2023							
Reportable segment assets	14,547	130,289	53,825	10,126	214,935	16,889	440,611
Reportable segment liabilities	(8,504)	(38,821)	(163,433)	(10,117)	(2,908)	(1,575)	(225,358)

Profit or loss

	Unaudited	
	Six months ended	
	30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment profit/(loss)	3,250	(21,843)
Unallocated amounts:		
Unallocated other income	–	9
Unallocated other losses	(1,219)	(2,452)
Unallocated finance costs – net	(328)	(457)
Unallocated depreciation of property, plant and equipment	(4,374)	(3,898)
Unallocated depreciation of right-of-use assets	(394)	(394)
Unallocated share of losses of associates	(1,192)	(614)
Unallocated corporate expenses	(745)	(1,370)
Loss before income tax	(5,002)	(31,019)
	Unaudited	Audited
	30th	31st
	September	March
	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets		
Reportable segment assets	429,326	440,611
Unallocated assets:		
Unallocated property, plant and equipment and right-of-use assets	225,339	227,453
Unallocated other receivables	–	5,784
Unallocated financial assets at fair value through profit or loss	1,676	2,895
Unallocated cash and cash equivalents	78	187
Unallocated interests in associates and joint ventures	7,976	9,168
Unallocated corporate assets	596	2,002
Total assets	664,991	688,100

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Liabilities		
Reportable segment liabilities	216,743	225,358
Unallocated liabilities:		
Unallocated bank and other borrowings	72,349	80,682
Unallocated amounts due to associates	3,992	8,780
Unallocated current income tax liabilities	4,201	4,301
Unallocated deferred tax liabilities	25,728	25,487
Unallocated corporate liabilities	2,201	3,786
Total liabilities	325,214	348,394

Secondary reporting format – geographical segment

The Group's is domiciled in Hong Kong. The results of its revenue from external customers and non-current assets other than financial assets located in Hong Kong and other countries are summarized below:

	Revenues from external customers Unaudited Six months ended 30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	16,433	16,013
People's Republic of China	38,941	8,570
Taiwan	4,064	3,516
Other countries	2,181	1,411
	61,619	29,510

	Non-current assets (other than financial assets)	
	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	416,152	428,683
People's Republic of China	127,614	136,716
Taiwan	22,342	23,700
	566,108	589,099

Note: The revenue attributable to the segment "property investment" has been included in other income.

5. Other losses

	Unaudited Six months ended 30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deficit on revaluation of investment properties	(10,198)	(12,086)
Fair value losses on financial assets at fair value through profit or loss	(1,219)	(2,452)
	(11,417)	(14,538)

6. Expenses by nature

Expenses included in cost of sales, selling and marketing expenses, administrative expenses are analysed as follows:

	Unaudited Six months ended 30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of film rights	9,430	1,604
Depreciation of property, plant and equipment	6,383	9,996
Depreciation of right-of-use assets	2,586	3,359
Employee benefit expenses	16,934	16,189

7. Finance costs – net

	Unaudited Six months ended 30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
– Interest income on short-term bank deposits	282	58
Finance costs		
– Interest on bank and other borrowings	(1,839)	(1,813)
– Interest on lease liabilities	(2,059)	(2,541)
	(3,898)	(4,354)
Finance costs – net	(3,616)	(4,296)

8. Income tax credit

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period.

	Unaudited	
	Six months ended	
	30th September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax	–	(156)
Deferred income tax	410	1,174
Income tax credit	410	1,018

9. Loss per share**(a) Basic**

The calculation of basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK\$4,518,000 (2022: HK\$29,383,000) and on the weighted average of 5,923,739,000 (2022: 5,923,739,000) ordinary shares in issue during the period.

(b) Diluted

For the six months ended 30th September 2023 and 2022, the diluted loss per share was the same as the basic loss per share as there were no outstanding potential ordinary shares during the period.

10. Dividends

The board does not recommend the payment of an interim dividend for the six months ended 30th September 2023 (2022: Nil).

11. Prepayments, deposits, trade and other receivables

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	39,210	36,632
Less: provision for impairment of receivables	(19,868)	(19,868)
Trade receivables – net	19,342	16,764
Prepayments	2,042	5,939
Other receivables and deposits	52,131	54,942
	73,515	77,645
Less: impairment losses on other receivables	(29,565)	(37,596)
	43,950	40,049
Less: deposits – non current portion	(1,917)	(2,040)
Current portion	42,033	38,009

The ageing analysis of trade receivables based on invoice date is as follows:

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 3 months	14,003	11,518
4 to 6 months	2,000	–
Over 6 months	23,207	25,114
	39,210	36,632

The Group's credit terms to trade receivables generally ranges from 7 to 90 days.

12. Trade and other payables

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	6,669	6,892
Other payables and accruals	66,799	63,916
	73,468	70,808

The ageing analysis of trade payables is as follows:

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 3 months	5,535	3,464
4 to 6 months	–	–
Over 6 months	1,134	3,428
	6,669	6,892

13. Bank and other borrowings

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank overdrafts – secured	3,451	10,420
Secured bank loans – current portion	19,677	20,737
Total bank borrowings	23,128	31,157
Other borrowing – non-current portion	93,107	94,948
Total borrowings	116,235	126,105

(a) The bank borrowings are repayable in the following periods:

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 year	17,341	24,437
Between 1 to 2 years	1,890	2,213
Between 2 to 5 years	3,897	4,507
	23,128	31,157

Bank borrowings repayable beyond one year are classified as current liabilities as they contain a repayment on demand clause.

(b) Other borrowings

As at 30th September 2023, the Group has a borrowing with outstanding principal of RMB30,000,000 (approximately HK\$32,190,000) (31st March 2023: RMB30,000,000 (approximately HK\$34,260,000)) and interest of RMB10,900,000 (approximately HK\$11,696,000) (31st March 2023: RMB9,775,000 (approximately HK\$11,163,000)). The borrowing is interest-bearing at a fixed rate of 7.5% per annum and unsecured. The principal and interest are not repayable until 31st October 2024. The lender is a company partially owned by a brother of the Group's controlling shareholder.

At 30th September 2023, the Group also had another borrowing with a principal amount of HK\$25,000,000 (31st March 2023: HK\$25,000,000) provided by an associate of the Group. The borrowing is unsecured, interest-free and is not repayable before 31st December 2024.

At 30th September 2023, the Group had a borrowing with a principal amount of HK\$24,221,000 (31st March 2023: HK\$24,525,000) provided by the controlling shareholder of the Company. The borrowing is unsecured, interest-free and is not repayable before 31st December 2024.

14. Share capital

	Number of ordinary shares		Ordinary shares	
	Unaudited 30th September 2023	Audited 31st March 2023	Unaudited 30th September 2023	Audited 31st March 2023
	'000	'000	HK\$'000	HK\$'000
Authorised	15,000,000	15,000,000	300,000	300,000
Issued and fully paid	5,923,739	5,923,739	118,475	118,475

15. Capital commitments

As at 30th September 2023, the Group had contracted commitments but not provided for in the financial information as follows:

	Unaudited 30th September 2023	Audited 31st March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Film rights, films in progress and deposits for film and program rights	51,460	48,397

16. Related party transactions

Save as disclosed elsewhere in the condensed consolidated interim financial information, significant related party transactions, which were carried out in the ordinary course of the Group's business, are as follows:

	Unaudited Six months ended 30th September 2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Payout, post-production, origination and project development services payable to an associated company	384	1,612
Rental income receivable from associated companies	655	655
Management fee income receivable from an associated company	138	138
Other administrative costs payable to an associated company	32	155

Interim Dividend

The board does not recommend the payment of an interim dividend for the six months ended 30th September 2023 (2022: Nil).

Business Review and Management Discussion and Analysis

During the six months ended 30th September 2023, the Company and its subsidiaries (together the “Group”) recorded a consolidated revenue of HK\$61,619,000 (2022: HK\$29,510,000), gross profit of HK\$41,408,000 (2022: HK\$21,397,000) and loss attributable to owners of the Company of HK\$4,518,000 (2022: HK\$29,383,000). The adjusted profit excluding the losses on revaluation of investment properties and financial assets at fair value through profit and loss of HK\$11,417,000 (2022: HK\$14,538,000) in aggregate was HK\$6,899,000 (2022: adjusted loss of HK\$14,845,000). The improvement in net results was mainly attributable to the increased revenues in film rights licensing and cinema operations following the recovery from pandemic situation.

The contribution of revenues from the Group’s channel operations segment for the period increased slightly from approximately HK\$15.2 million to HK\$16.1 million, and is still one of the major revenue generating segments of the Group.

In Hong Kong, the Group is supplying a Chinese movie channel with hundreds of movies to TVB’s new media platform, namely myTV Super, as well as its OTT APP in PRC. In Taiwan, we provide a Chinese movie/drama channel to viewers through the telecom/OTT platform of Chung Hwa Telecom Company Limited.

In the recent years, new media companies and traditional media companies suffered from the cut-throat price competition strategy to enter into the media industry, especially during the period of occurrence of COVID-19. In 2023, certain OTT platforms started to change their pricing strategy and to increase their monthly subscription fees. Despite that there were no significant drops in their subscriber numbers which shows a healthy signal to the market.

Although the industry had faced a difficult time, the media business of the Group was still strong in terms of both the rating and revenues in Hong Kong and Taiwan. With smart content acquisition strategies and careful program scheduling, our movie channels ranked number 2 among 21 movie channels in Taiwan Chung Hwa Telecom MOD services and ranked number 1 of all acquired channels in HK TVB myTV Super services. We had a single digit growth of revenue in Taiwan and kept the revenue level in Hong Kong in 2023.

Our Youtube business continues growing during the period. The number of subscribers of Cinema 8, of which we are the major supplier of contents, was approximately 700,000 as at 30th September 2023, representing a substantial growth in the last 12 months. With the success of Cinema 8, we launched the second Youtube channel, namely Cinema Mei Ah in late 2023. In addition, we also started dubbing our movies in Vietnamese serving the Youtube viewers with satisfactory performance in terms of viewership and revenue, and we are planning to launch Thai dubbing of our movies to serve Thai speaking viewers in 2024.

Looking forward, the Group will continue to explore other opportunities to increase contributions from its channel operations.

The contribution of revenues from the Group's film exhibition and film rights licensing and sublicensing segment increased from approximately HK\$7.3 million to HK\$27.8 million. Since 2018, the Group started to authorise and broadcast its film library content through new media platforms in the PRC and other territories, including iQiyi, Youku, Ixigua, Bilibili, Tencent and Disneyplus. During the period, the completion of contracts with platforms of iQiyi and Tencent led to an increase in film rights licensing revenues. These cooperations further confirm the Group's important expansion strategy, as a content provider, of entering into the new media market and also release the worth of our film library. The Group will continue to seek cooperations with other major new media platforms in order to further cultivate the vast media market.

During the period, no new film titles was released, however, the Group invested in and was in the progress of producing of a number of new film and animation titles. Certain other titles which shooting have been completed will be released shortly in the forthcoming year. Our film library content will further be enriched following the continuous investments and production activities.

Besides self producing and investing, the Group also makes use of its wide distribution network developed for years for its business of film distribution agency. Equipped by the Group's film library and through the Group's experience and network in program sourcing, the Group is confident that it will continue to provide high quality and customised programs to its audiences. The Group is also planning to make use of its intellectual properties developed during its years of experiences in film production and investment to expand and explore its business in the near future.

The Group has started to penetrate into the China theatrical market and established its first cinema in Tianjin since 2011. In 2019, the Group's cinema in Guangzhou and another 20% equity investment in a Beijing cinema commenced operations. The Group's cinema are all digital and equipped with 3-D movie broadcasting functions. Operations in cinemas, as affected by COVID-19, were suspended time to time during the same period last year and following the release of anti-epidemic measures since late 2022, the operations of our cinemas were gradually back to normal and revenues contributed from this segment during the period increased from approximately HK\$7 million to HK\$15 million.

Due to the outbreak of COVID-19, the operating segment of concert performance and event organisation was suspended in the same period last year. During the year, the segment has been re-activated and generated approximately HK\$2.5 million to the Group. The Group has signed up and scheduled to invest in a number of various concerts and events in the second half of the financial year and also the forthcoming year and is confident that the segment will bring increasing contribution to the Group.

During the period, following the changes in the investment market conditions, the Group's financial assets at fair value through profit or loss recorded a fair value loss of approximately HK\$1.2 million (2022: HK\$2.5 million). The investment properties portfolio of the Group contributed a deficit on revaluation of approximately HK\$10.2 million (2022: HK\$12.1 million). Such unrealised losses have no effect on the Group's cash flow.

During the past few years, COVID-19 posted unprecedented challenges to worldwide economy, and the entertainment industry was one of the worst hit segments. Looking forward, the Group will continue to seek investment opportunities that are related and/or creating synergies to the Group's existing businesses and generate greatest returns for its shareholders and reward their long-term support.

Liquidity and financial resources

At 30th September 2023, the Group has available banking facilities of approximately HK\$38.5 million, of which approximately HK\$23 million were utilised. Corporate guarantees executed by the Company and certain of the Group's deposits and properties with aggregate net book values of HK\$69.5 million were pledged to banks to secure banking facilities. The Group's gearing ratio of 35.1% as at 30th September 2023 was based on the total of bank and other borrowings of HK\$116,235,000 (of which HK\$17,341,000, HK\$94,997,000 and HK\$3,897,000 are repayable within one year, in the second year and in the third to fifth year respectively) and the shareholders' funds of approximately HK\$331,338,000. The Group's bank balances and borrowings are primarily denominated in HK\$ and RMB. The Group will monitor its foreign currency exposure closely. During the six months ended 30th September 2023, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency. At 30th September 2023, the Group had commitments in respect of films and program rights amounting to approximately HK\$51.5 million. The commitments will be financed by the Group's internal resources and banking and other available facilities.

Employees

At 30th September 2023, the Group employed 92 full time staff. Remuneration is reviewed periodically based on market trend and individual staff's performance. In addition to the basic salaries, staff benefits include discretionary bonus, medical insurance scheme and contributory provident fund. The Group also has a share option scheme whereby qualified participants may be granted options to acquire shares of the Company. Employee benefit expenses of HK\$16.9 million were charged to the profit or loss during the period.

Share option scheme

Details of the share option scheme approved by the shareholders of the Company at the annual general meeting on 1st September 2014 were disclosed in the Company's circular dated 31st July 2014 and the annual report for the year ended 31st March 2023.

There was no outstanding share option as at 30th September 2023.

Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations

At 30th September 2023, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company were as follows:

(a) Ordinary shares of HK\$0.02 each in Mei Ah Entertainment Group Limited

Name of director	Number of shares beneficially held-long position			% of the issued share capital of the Company as at 30th September 2023
	Personal interests	Family interests	Corporate interests	
Mr. Li Kuo Hsing	590,667,500	189,843,750 <i>Note (i)</i>	2,540,177,550 <i>Note (ii)</i>	56.06%
Mr. Li Tang Yuk	1,940,000	–	–	0.03%
Dr. Dong Ming	5,000,000	–	–	0.08%

Notes:

- (i) These shares are held by Ms. Li Pik Lin, the spouse of Mr Li Kuo Hsing.
- (ii) These shares are held by Kuo Hsing Holdings Limited, a company beneficially controlled by Mr. Li Kuo Hsing.

(b) Interest in subsidiaries of the Company

Mr. Li Kuo Hsing personally holds non-voting deferred shares of HK\$1 each in the following subsidiaries:

Name	No. of non-voting deferred shares held Personal interests
Mei Ah Investment Company Limited	500,000
Mei Ah Press Limited	100,000
Mei Ah Video Production Company Limited	10,000

With the exception of the interests disclosed above,

- (i) at no time during the period was the Company, its subsidiaries, its associated companies, or its holding company a party to any arrangement to enable the directors and chief executives of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation; and
- (ii) at no time during the period, the directors and chief executives (including their spouse and children under 18 years of age) had any interest in or had been granted or exercised, any rights to subscribe for shares of the Company and its associated companies (within the meaning of the SFO).

Substantial shareholders' shares and underlying shares of the Company

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30th September 2023, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition of those disclosed above in respect of the directors and chief executives.

Interests in ordinary shares of HK\$0.02 each in the Company

Name	Note	Number of shares beneficially held – Long position	% of the issued share capital of the Company as at 30th September 2023
Ho Chi Sing	(a)	398,840,000	6.73
IDG-Accel China Growth Fund Associates L.P.	(b)	370,205,516	6.25
IDG-Accel China Growth Fund GP Associates Ltd.	(b)	370,205,516	6.25
Zhou Quan	(b)	370,205,516	6.25
IDG-Accel China Growth Fund – L.P.		307,385,666	5.19
Li Guolin		296,195,000	5.00

Notes:

- (a) Included the 370,205,516 shares as set out in note (b).
- (b) Referred to the same parcel of shares and included the 307,385,666 shares held by IDG-Accel China Growth Fund L.P.

Compliance With The Code Of Corporate Governance Practices

During the six months ended 30th September 2023, the Group has complied with the code provisions set out in the Code of Corporate Governance Practices under Appendix 14 of the Listing Rules.

Compliance With the Model Code

During the six months ended 30th September 2023, the Group has adopted the code of conduct regarding the directors' securities transactions on terms no less exacting than the required standard set out in the Model Code under Appendix 10 of the Listing Rules and having made specific enquiry of all directors, the directors of the Company have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30th September 2023.

Audit Committee

The Company has established an audit committee (the "Audit Committee") comprising the three independent non-executive directors of the Company. The Audit Committee has reviewed the interim results of the Group for the six months ended 30th September 2023.

On behalf of the Board

Li Kuo Hsing

Chairman

Hong Kong, 29th November 2023