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Meta Media Holdings Limited

超媒體控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	Variance
Revenue	381,415	370,891	3%
Loss for the year	(34,535)	(72,233)	-52%
Loss per share			
– Basic and diluted (<i>RMB</i>)	(0.0807)	(0.1625)	-50%
Total assets	677,468	716,680	-5%

The Board does not recommend the payment of final dividend for the year ended 31 December 2023 (2022: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Meta Media Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”, “**Meta Media Group**” or “**we**”) is pleased to announce the audited consolidated results for the year ended 31 December 2023 (the “**Year**”) together with comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue	3	381,415	370,891
Cost of sales		<u>(238,022)</u>	<u>(255,878)</u>
Gross profit		143,393	115,013
Other income	4	2,119	3,790
Other losses, net	5	(5,865)	(1,549)
Distribution expenses		(59,492)	(49,952)
Administrative expenses		<u>(100,294)</u>	<u>(127,983)</u>
Loss from operations		<u>(20,139)</u>	<u>(60,681)</u>
Finance expenses	6	(10,696)	(7,858)
Share of losses of a joint venture		<u>(561)</u>	<u>(1,684)</u>
Loss before tax	8	(31,396)	(70,223)
Income tax expenses	7	<u>(3,139)</u>	<u>(2,010)</u>
Loss for the year		<u>(34,535)</u>	<u>(72,233)</u>

	<i>Notes</i>	2023 RMB'000	2022 <i>RMB'000</i>
Other comprehensive income, net of tax			
<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		<u>(7,622)</u>	–
		<u>22,864</u>	–
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>5,170</u>	<u>9,991</u>
Other comprehensive income for the year		<u>28,034</u>	<u>9,991</u>
Total comprehensive expenses for the year		<u>(6,501)</u>	<u>(62,242)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(34,842)	(70,188)
Non-controlling interests		<u>307</u>	<u>(2,045)</u>
		<u>(34,535)</u>	<u>(72,233)</u>
Total comprehensive expenses for the year attributable to:			
Owners of the Company		(6,345)	(62,213)
Non-controlling interests		<u>(156)</u>	<u>(29)</u>
		<u>(6,501)</u>	<u>(62,242)</u>
Loss per share			
	10		
– Basic (RMB per share)		<u>(0.0807)</u>	<u>(0.1625)</u>
– Diluted (RMB per share)		<u>(0.0807)</u>	<u>(0.1625)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		122,186	144,245
Right-of-use assets		55,422	66,146
Investment properties		79,880	36,170
Intangible assets		32,251	37,402
Goodwill		36,615	36,013
Investment in a joint venture		3,755	4,316
Software development in progress		52	52
Prepayment for property, plant and equipment, and intangible assets		–	832
Deferred income tax assets		–	1,630
		<u>330,161</u>	<u>326,806</u>
Current assets			
Inventories		88,245	85,158
Trade and other receivables	11	193,136	213,885
Pledged bank deposits		30,000	50,000
Cash and cash equivalents		35,926	40,831
		<u>347,307</u>	<u>389,874</u>
Current liabilities			
Trade and other payables	12	130,602	121,940
Contract liabilities		6,113	9,870
Borrowings	13	163,265	175,017
Lease liabilities		13,652	12,775
Current income tax liabilities		8,609	8,088
		<u>322,241</u>	<u>327,690</u>
Net current assets		<u>25,066</u>	<u>62,184</u>
Total assets less current liabilities		<u>355,227</u>	<u>388,990</u>

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Non-current liabilities		
Amount due to a non-controlling shareholder of a subsidiary	4,521	4,197
Lease liabilities	49,073	58,231
Deferred income tax liabilities	17,294	9,963
	<u>70,888</u>	<u>72,391</u>
NET ASSETS	<u>284,339</u>	<u>316,599</u>
EQUITY		
Share capital	3,853	3,853
Reserves	216,295	233,529
	<u>220,148</u>	<u>237,382</u>
Equity attributable to owners of the Company	64,191	79,217
Non-controlling interests	<u>284,339</u>	<u>316,599</u>
TOTAL EQUITY	<u>284,339</u>	<u>316,599</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal places of business in the People’s Republic of China (the “**PRC**”) and Hong Kong are at Units 213, 2/F, Block 2, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC and 7/F, Global Trade Square, No. 21 Wong Chuk Hang Road, Aberdeen, Hong Kong respectively. Its registered office is at Tricor Services (Cayman Islands) Limited, Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

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

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

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 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 consolidated financial statements and amounts reported for the current year and prior years.

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

3. REVENUE AND SEGMENT INFORMATION

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

Senior executive management considers the business from a business perspective, and assesses the performance of the business segment based on revenue and adjusted earnings before interest, taxes, depreciation and amortization (the “**EBITDA**”) without allocation of depreciation, amortisation, finance expenses, change in fair value of investment properties, impairment loss on goodwill, impairment loss on 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 consolidated financial statements. These assets are allocated based on the operations of segment. Investment properties, deferred income tax assets, certain other receivables, investment in a joint venture, pledged bank deposits, cash and cash equivalents and corporate and unallocated assets are not considered to be segment assets but rather are managed by the treasury function.

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

The Group has two (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.

(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:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Reportable segment:		
– Art platform	230,509	215,866
– Digital platform	152,302	157,162
	382,811	373,028
Revenue derived from other operations	391	187
Less: sales taxes and other surcharges	(1,787)	(2,324)
	381,415	370,891
Types of goods or services:		
– Advertising income	209,480	243,597
– Production, event and service income	154,825	111,511
– Circulation and subscription income	14,953	14,247
– Revenue from restaurant operation	2,157	1,536
	381,415	370,891
Timing of revenue recognition under IFRS 15:		
– At a point in time	2,157	1,536
– Over time	379,258	369,355
Revenue from contract with customers	381,415	370,891

(b) Adjusted EBITDA

The adjusted EBITDA of the Group for the years ended 31 December 2023 and 2022 were set out as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment results:		
– Art platform	(20,788)	(42,439)
– Digital platform	36,045	32,134
	15,257	(10,305)
Revenue derived from other operations	391	187
Depreciation	(25,453)	(30,265)
Amortisation	(5,025)	(8,043)
Finance expenses	(10,696)	(7,858)
Impairment loss on goodwill	–	(3,630)
Impairment loss on intangible assets	(1,369)	(3,296)
Share of losses of a joint venture	(561)	(1,684)
Change in fair value of investment properties	(1,520)	(1,530)
Unallocated head office and corporate expenses	(2,420)	(3,799)
Loss before tax	<u>(31,396)</u>	<u>(70,223)</u>

	Depreciation <i>RMB'000</i>	Amortisation <i>RMB'000</i>	Finance expenses <i>RMB'000</i>
Year ended 31 December 2023			
Reportable segment:			
– Art platform	15,311	3,022	6,445
– Digital platform	10,116	1,997	4,251
	<u>25,427</u>	<u>5,019</u>	<u>10,696</u>

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

(c) Total assets

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Reportable segment:		
– Art platform	294,728	318,874
– Digital platform	199,267	229,576
	<u>493,995</u>	548,450
Corporate and unallocated assets	9,062	8,933
Investment properties	79,880	36,170
Deferred income tax assets	–	1,630
Other receivables	24,850	26,350
Investments in a joint venture	3,755	4,316
Pledged bank deposits	30,000	50,000
Cash and cash equivalents	35,926	40,831
	<u>677,468</u>	<u>716,680</u>
Total assets	<u>677,468</u>	<u>716,680</u>

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Reportable segment:		
– Art platform	3,259	16,833
– Digital platform	3,909	14,017
	<u>7,168</u>	<u>30,850</u>

(d) Geographic information

The geographical location of the Group’s property, plant and equipment, right-of-use assets, investment properties, intangible assets, goodwill, investment in a joint venture, software development in progress, and prepayments for property, plant and equipment and intangible assets (“**specified non-current assets**”) are mainly in the PRC, Hong Kong and the United Kingdom (the “**UK**”) as at 31 December 2023 and 2022.

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

Specified non-current assets by geographical location as at 31 December 2023 and 2022 are as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
The PRC, excluding Hong Kong	226,853	222,224
Hong Kong, the PRC	79,077	83,412
The UK	24,231	19,540
	<u>330,161</u>	<u>325,176</u>

Revenue by geographical location for the years ended 31 December 2023 and 2022 were as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
The PRC, excluding Hong Kong	324,844	317,405
Hong Kong, the PRC	38,040	29,727
The UK	18,531	23,759
	<u>381,415</u>	<u>370,891</u>

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Customer A	<u>N/A*</u>	<u>39,226</u>

* The revenue from Customer A contributed not over 10% of the Group's revenue for art platform and digital platform segment in 2023, therefore the amount is not disclosed.

4. OTHER INCOME

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government subsidies (<i>Note a</i>)	1,471	3,176
Bank interest income	281	300
Others	367	314
	<u>2,119</u>	<u>3,790</u>

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

5. OTHER LOSSES, NET

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Change in fair value of investment properties	1,520	1,530
Net gains on disposal of property, plant and equipment	(28)	(405)
Exchange differences	4,373	454
Net gain on termination of leases	–	(30)
	<u>5,865</u>	<u>1,549</u>

6. FINANCE EXPENSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Lease interests	3,311	2,945
Interest expenses on:		
– Secured bank borrowings	6,997	4,913
– Other payables to a non-controlling shareholder of a subsidiary	388	–
	<u>10,696</u>	<u>7,858</u>

7. INCOME TAX EXPENSES

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current income tax – Hong Kong Profits Tax		
Provision for the year	504	73
Over-provision in prior years	–	(56)
Current income tax – PRC Corporate Income Tax		
Provision for the year	1,385	1,136
Deferred income tax	<u>1,250</u>	<u>857</u>
	<u>3,139</u>	<u>2,010</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 December 2023 and 2022. No provision for PRC Corporate Income Tax has been made since the Group has sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the years ended 31 December 2023 and 2022. No provision for UK Corporation Tax has been made since the Group did not generate any assessable profits for the years ended 31 December 2023 and 2022. During the year ended 31 December 2023, current income tax included a payment of approximately RMB1,385,000 (2022: RMB1,136,000) in respect of withholding income tax on services income charged to the Group's PRC subsidiaries.

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	<u>(31,396)</u>	<u>(70,223)</u>
Tax calculated at statutory tax rate of 25%	(7,849)	(17,556)
Tax effect of		
– effect of differential tax rate on income	(1,081)	886
– temporary differences not recognised	67	(480)
– non-deductible expenses	1,914	4,051
– non-taxable income	(748)	(794)
– utilisation of previously unrecognised tax losses	(3,420)	(539)
– tax losses not recognised	12,731	14,941
– income tax on service charge	1,385	1,136
– adjustment in respect of prior years	–	(56)
– tax effect of share of losses of a joint venture	<u>140</u>	<u>421</u>
Income tax expenses	<u>3,139</u>	<u>2,010</u>

8. LOSS BEFORE TAX

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of restaurant operation	673	445
Staff costs (including Directors' emoluments)		
– Salaries, wages and other benefits	95,844	86,581
– Pension costs-defined contribution plans	20,880	19,247
	116,724	105,828
Impairment loss on goodwill	–	3,630
Impairment loss on intangible assets	1,369	3,296
Amortisation of intangible assets	5,025	8,043
Depreciation of property, plant and equipment and right-of-use assets	25,453	30,265
Auditors' remuneration		
– Audit services	1,330	1,330
– Non-audit services	200	200
Change in expected credit loss (the "ECL") allowance for trade receivables	266	(1,921)
Expenses related to short-term leases	481	400

9. DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 December 2023 and 2022.

10. LOSS PER SHARE

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss		
Loss for the year for the purpose of calculating basic and diluted loss per share	<u>(34,842)</u>	<u>(70,188)</u>
Number of shares	<i>'000</i>	<i>'000</i>
Issued ordinary shares as at 1 January	438,353	438,353
Weighted average number of treasury shares held	<u>(6,359)</u>	<u>(6,359)</u>
Weighted average number of ordinary shares in issue	<u>431,994</u>	<u>431,994</u>

The basic and diluted loss per share for the years ended 31 December 2023 and 2022 were the same as the Company had no dilutive potential ordinary shares in issue during both years.

11. TRADE AND OTHER RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	156,684	176,950
Less: ECL allowance of trade receivables	<u>(4,215)</u>	<u>(5,662)</u>
Trade receivables, net	152,469	171,288
Other receivables:		
Value-added tax recoverable	10,899	11,195
Prepayments	6,760	9,743
Printing deposits	12,062	11,933
Rental, utility and other deposits	5,255	5,883
Advances and loans to employees (<i>note</i>)	1,079	2,483
Amount due from a senior management (<i>note</i>)	1,235	103
Amount due from a joint venture (<i>note</i>)	763	–
Tax recoverable	–	497
Others	<u>2,614</u>	<u>1,592</u>
	<u>193,136</u>	<u>214,717</u>
Less: non-current portion:		
Prepayment for property, plant and equipment, and intangible assets	<u>–</u>	<u>(832)</u>
Current portion	<u><u>193,136</u></u>	<u><u>213,885</u></u>

Note: The amounts due are unsecured, interest-free and repayable on demand.

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<u>Trade receivables, gross</u>		
Within 30 days	51,145	57,898
Over 30 days and within 90 days	54,763	43,885
Over 90 days and within 180 days	24,980	29,193
Over 180 days and within 1 year	13,287	37,918
Over 1 year and within 2 years	6,207	5,935
Over 2 years and within 3 years	4,486	878
Over 3 years	1,816	1,243
	<hr/>	<hr/>
	156,684	176,950
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The credit period granted to advertising and circulation customers is between 30 to 180 days (with a certain limited 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.

12. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	75,131	77,035
Other payables:		
Accrued taxes other than income tax (<i>note a</i>)	5,151	8,247
Other payables (<i>note b</i>)	25,852	21,434
Salaries, wages, bonus and benefits payable	6,093	4,744
Amount due to a joint venture (<i>note c</i>)	–	5,400
Amount due to a director (<i>note c</i>)	3,559	946
Amount due to a non-controlling shareholder of a subsidiary (<i>note d</i>)	14,493	–
Other liabilities	323	4,134
	130,602	121,940

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 30 days	38,416	42,560
Over 30 days and within 90 days	13,227	17,327
Over 90 days and within 180 days	5,172	6,191
Over 180 days	18,316	10,957
	75,131	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: The amounts due were unsecured, interest-free and repayable on demand.

Note d: The amount due was unsecured, bearing interest at 8% per annum as at 31 December 2023 and 10% per annum from 1 January 2024 to 31 December 2024, and repayable on or before 31 December 2024.

13. BORROWINGS

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Secured bank borrowings	<u>163,265</u>	<u>175,017</u>

The borrowings are repayable as follows:

Within one year or on demand	<u>163,265</u>	<u>175,017</u>
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The average interest rates at 31 December were as follows:

	2023	2022
Secured bank borrowings	3.13% – 8.63%	2.88% – 7.5%

Borrowings of approximately RMB90,000,000 (2022: RMB110,000,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

As at 31 December 2023, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB179,082,000 (including in investment properties of approximately RMB79,880,000 and property, plant and equipment of approximately RMB99,202,000) (2022: approximately RMB128,835,000 (including in investment properties of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000)) and/or is guaranteed by Mr. Shao Zhong (“**Mr. Shao**”)/Mr. Shao’s spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB30,000,000 (2022: RMB50,000,000) as at 31 December 2023.

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS SUMMARY

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

	Art platform <i>RMB'000</i>	Digital platform <i>RMB'000</i>	Total <i>RMB'000</i>
2023			
Revenue from reportable segment	230,509	152,302	382,811
(Loss)/profit for reportable segment	(45,555)	19,681	(25,874)
Segment EBITDA	(20,788)	36,045	15,257
2022			
Revenue from reportable segment	215,866	157,162	373,028
(Loss)/profit for reportable segment	(77,751)	12,692	(65,059)
Segment EBITDA	(42,439)	32,134	(10,305)

In 2023, the global economy has not fully recovered from the huge impact of the COVID-19 pandemic in the past three years, on the other hand, the Group's results had improved owing to its continuous innovation and expansion of its business model. During the Year, as compared to 2022, the art platform achieved a reduction in loss, the digital platform achieved profit growth and the overall EBITDA turned from loss into profit. During the Year, loss from the art platform reduced by approximately 41% to RMB45,555,000 (2022: RMB77,751,000), while profit from the digital platform increased by 55% to RMB19,681,000 (2022: RMB12,692,000), resulting in a turnaround of the Group's overall EBITDA from a loss of RMB10,305,000 in 2022 into a profit of RMB15,257,000 in 2023.

The Group adopted a series of cost control measures in 2023, including strengthening budget management, optimising the organisation structure, etc. In addition to the development and innovation of its art and digital platforms, the Group achieved advancements in the improvement of related processes and refinement of its cost control.

With the various measures taken by the Group, the Group expects its future results may improve as the economy gradually recovers.

(A) BUSINESS REVIEW

The Group is always at the forefront of the times. Capitalising on the success of print publication, digital platform, and art marketing, the Group formally changed its name from “Modern Media” to “Meta Media” in 2022, which marked the beginning of a new era of development.

By 2023, Meta Media Group has reached its 30th anniversary. Developing from a local original cultural communication group, from modern broadcasting to hypermedia, it is thirty years of riding the waves, and also thirty years of non-stop modernity. Through the continuous practice of internationalisation, fashion, refined taste and social responsibility, we spread the truth, virtue and beauty and lead the trend of life and culture, creating a miracle for thirty years.

In November 2023, to celebrate the Group’s 30th anniversary, Meta Media 30th Anniversary Ceremony and “Meta Wave Awards” were held at the Shangri-La Hotel in Shanghai New Bund. On the same day, the first Meta Media Art Festival (MMAF) was also officially opened to stimulate imagination through the power of art, to lead the exploration of the future city’s cultural diversity, to create a unique space for consumers to integrate public art and urban life, and to avail the city’s humanistic atmosphere and artistic heritage to flourish. The Group plans to build MMAF into a replicable business model that can be injected into more commercial spaces and become a future profit growth point.

For its domestic operation, after the COVID-19 pandemic, the Group has embarked on more commercial activities and launched multi-dimensional cooperation with its brand clients, combining art, fashion and business. In line with the Group’s business philosophy of “no IP (Intellectual Property), no business”, the Group has leveraged on its strengths in creative thinking and capabilities to strengthen its existing IPs, while endeavouring to develop more sustainable and commercially viable IPs.

Therefore, in 2023, in addition to developing the abovementioned business IPs and refining the business model of MMAF, the Group continued to strengthen the following existing business IPs.

1. “The Year Ahead Summit” organised by Business Weekly/Chinese Edition, which gathered elites from various sectors around the world to forecast the economic trends and business changes in the coming year, and explored the upcoming opportunities and challenges in the business world together;

2. The annual ceremony, INSTYLE 優家畫報 Icon Awards, which brought together icons of the times from various fields, such as actors, singers, musicians, models, athletes, content creators, etc., and invited everyone to witness the glorious moments of the pioneers of the times; and
3. NOWNESS China New Talent Awards, which focused on contemporary Chinese culture, explored China's outstanding new-generation of directors, stimulated their creative passions, and provided them with an international platform for dissemination using creative voices, and nurtured their careers in China and around the world.

On the international front, the Group is no longer satisfied with focusing only on Chinese contemporary and fashion in the Chinese-speaking world, but has expanded its vision to include international contemporary society, culture and arts.

In order to enhance its influence in the international art market and to meet the art needs of high-consumption groups in other countries and regions, the Group has made efforts to promote the development of “ArtReview” in Asia and Europe. On the one hand, it has restructured the creative team of “ArtReview Asia”, and on the other hand, it has participated in important art events, such as the Singapore Art Fair (ART SG), and developed its customer base in countries such as Singapore and South Korea to promote its development in Southeast Asia.

“NOWNESS” is also a very important development strategy of the Group as it has huge potential for growth. In 2023, for the first time, NOWNESS teamed up with the London Short Film Festival (LSFF) to bring together 23 short films previously shortlisted for NOWNESS China New Talent Awards for screenings and forums at the Institute of Contemporary Arts and the Barbican Centre.

In addition, the Group has re-examined its development strategy for NOWNESS in Europe and Asia. The platform planned to invest more resources to strengthen the brand's presence and further leverage its strong customer base to achieve orderly growth.

The Group has also 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. Meta ZiWU, 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, Meta 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 Group, Baidu XiRang 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)). As China's first metaverse city with the Cyber Yuppies features, "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 class and society-centered metaverse city.

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 year of 2023 in “NOWNESS” rose by 22% as compared with 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, it also set plans to invest more resources to strengthen brand influence and further utilise 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 Year, 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, five sessions of NOWNESS China New 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. Similar to blaze, they were expressing different ideas of this era, and redefining the perception of this era.

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”, and it positions itself as a dream factory for art empowering technology and in order to become the genuine Meta Media.

Art platform

With the 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 focus 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. An examination on the Group's path in the art platform sector shows no signs of stopping in its development.

In March 2023, K11 Art Foundation and ArtReview launched a one-year artist residency programme to promote exchange and collaboration amongst creatives around the world. As an integral part of the K11 Art Festival, this collaboration aims to bring China's young creative forces to a wider stage.

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 uniqueness of his collage experiments, 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 photographic practice of Asia. The exhibition attracted about 10,000 visitors, which significantly strengthened ZiWU's influence in Shanghai.

From September to November 2023, the Group (through ZiWU) and the Victoria & Albert Museum (“**V&A Museum**”) in London, introduced the large-scale retrospective exhibition “Horst: Photographer of Style” of Horst P. Horst, a legendary American fashion photographer in the 20th century, to Shanghai. This exhibition collected remastered versions of rare photographs from the collections of the V&A Museum and Horst's estate committee, as well as the creative process behind the photographs, including some of the most recognisable masterpieces in the history of fashion photography.

In addition, 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 ArtReview, one of the world's most historical and influential art review magazines. The list of ranking is determined by ArtReview together with a 20-member committee comprising writers, artists, curators and critics. They select information 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, in order to determine the list of ranking.

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 up to 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; and
- 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 pioneering “Yuanbang” Meta City officially launched at the end of 2022, which marked a new milestone for Baidu XiRang and the Group after the creation of Meta ZiWU.

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 the China.

In November 2023, at the Meta Media 30th Anniversary Ceremony, pianist Lang Lang presented the world premiere of “Sounds of Metaverse”, Franz Liszt’s famous piece “Liebestraum” and the renowned Chinese classical folk song “Jasmine Flower”, bringing together the East and the West, and connecting the realms of reality and virtuality. Lang Lang’s deeply sensational and captivating performance, accompanied by the visually stunning art show presented by the artist team “Gather Together”, resonated with the thrilling sound of “Yearning for Life” in the AI era.

During the Year, the world’s first metaverse architecture biennale was officially launched on “Yuanbang”, which invited nine globally well-known artists, architects, film directors, and designers to design digital buildings in the virtual cities of “Yuanbang”, to demonstrate their new perceptions of the meta space. This project also served as the fifth chapter of the inaugural Meta Media Art Festival, titled “Metaverse Art”, bridging the gap between the virtual and the real, focusing on exploring the relationships and fluidity among media, art, and the public, and aiming to lead people to re-examine the world from a cutting-edge, hypermedia perspective.

In December 2023, the “Telling True Stories – Conversation with Pulitzer Prize Winners” cultural salon discussion was broadcasted live on Yuanbang. The event featured the presence of Kai Bird, author of “American Prometheus: The Triumph and Tragedy of J. Robert Oppenheimer”, and documentary photographer Liu Heung Shing, who were invited to participate in a multifaceted dialogue, exploring various aspects such as their creation backgrounds, history, characters, and experiences, and leading the audience to contemplate the significance of cultural impact and innovation in the context of our time.

(B) BUSINESS OUTLOOK

We aim to construct a new framework with innovative concepts, leverage cutting-edge technology and take proactive steps to stride into a new era. Our goal is to transform Meta Media into a media conglomerate that transcends boundaries and embodies a transcultural essence.

There are four meanings of hypermedia. The first is hyper-advanced media, the second is hyper media, the third is hyper-boundary media, and the fourth is hyper-experience media, which is a composite media of Professional Generated Content (PGC), User Generated Content (UGC) and AIGC.

“Beyond The Future” is the latest slogan of the Group. It is a phrase that expresses the possibility and expectation of transcendence or going beyond the future. It implies a state of being or a concept beyond what is currently known or predicted, and may also indicate a belief in progress and advancement beyond what is currently imagined. In short, “Beyond The Future” conveys the idea of looking into the future and envisioning possibilities beyond what is currently imagined, as well as our aspirations for our own future.

The Group is no longer satisfied with only focusing on 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 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 January 2024, NOWNESS launched the NOWNESS ASIA short videos platform for the first time in Hong Kong and held a cocktail party and film exhibition. The curation of NOWNESS ASIA reflects a new era of transnational and cross-cultural filmmaking. The films experiment not only with multiple languages, but also with different visual formats and genre boundaries. NOWNESS ASIA is scheduled to present more films during Art Basel in Hong Kong.

In order to better integrate art and technology, the Group integrated resources such as ArtReview, Power 100, and ArtReview Asia, an Asian contemporary art review magazine, to create MMArt+, being one of the most international contemporary art media platforms in China. Through MMArt+ and the online and offline new scene art space ZiWU, which integrates art, fashion and culture, the Group has established long-term and good cooperative relationships with the world's major art galleries, art institutions and art fairs, and has become a sponsor of the V&A Museum Photography Center. Moreover, Artketing, a platform under MMArt+, 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.

Meta Media Group has established the Company as a mature and vibrant “Cool & Fun” community, and is also expected to build the Meta Eye platform to develop new opportunities from the hyper-boundary convergence of AIGC and Apple's headset. In current era of metaverse and AI, technology drives the advancement of content products. In this regard, Meta Eye, a platform that perfectly integrates “image” and “art”, which has been derived from the collaboration of NOWNESS and ArtReview, two internationally renowned media platforms under the Meta Media Group, will open up an AIGC content production platform in the metaverse era, and provide professional and cinematic AI video production and broadcasting platform with “AI + Visual Creation” as the carrier.

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, 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.

Today, we find ourselves in an era of tremendous transformation, where the understanding of every industry is rapidly evolving, and cross-disciplinary approaches are becoming increasingly common. Hypermedia represents a constant pursuit of surpassing oneself as a medium. We never perceive ourselves as a traditional media brand, instead, we believe that we are currently in an iterative process at the intersection of art, fashion, media and technology. Whether we refer to it as a new media brand or a cultural brand, it is a hypercultural hybrid – known as hypermedia.

(C) ACQUISITION OF ABOUT 7% OF THE ISSUED SHARE CAPITAL IN MODERN DIGITAL HOLDINGS LIMITED

On 22 August 2023, e-Starship Limited (“**Purchaser**”, a direct wholly-owned subsidiary of the Company), the Company (as warrantor of the Purchaser) and Hong Kong Septwolves Invest-Holding Limited (“**Vendor**”, an indirect wholly-owned subsidiary of Fujian Septwolves Industry Co., Ltd., a company whose issued shares are listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange (stock code: 002029)) entered into a conditional sale and purchase agreement in relation to the acquisition of 100,000 shares in Modern Digital Holdings Limited (“**Targetco**”) (representing approximately 7% of Targetco’s issued share capital) from the Vendor. Upon completion of the above acquisition on 20 October 2023, the Purchaser’s interest in Targetco’s issued share capital increased from approximately 70% to 77%, and Targetco becomes an approximately 77% owned subsidiary of the Company. The financial results of Targetco continues to be consolidated in the financial statements of the Group. For details, please refer to the announcements published by the Company on the respective websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 22 August 2023 and 20 October 2023.

(D) FINAL DIVIDEND

To preserve more financial resources in response to the market stagnancy, the Directors do not recommend the payment of any final dividend for the Year (2022: Nil).

(E) EVENTS SINCE 31 DECEMBER 2023 AND UP TO THE DATE OF THIS ANNOUNCEMENT

Save as disclosed in this announcement, there have been no other important events affecting the Group since 31 December 2023 and up to the date of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

Net cash flows

During the Year, the Group recorded a net cash inflow in operating activities of approximately RMB25,279,000 (2022: RMB22,539,000). The Group recorded a net cash inflow in investing activities of approximately RMB19,566,000 (2022: outflow RMB36,504,000). The net cash outflow of the Group from financing activities amounted to approximately RMB53,252,000 (2022: inflow RMB3,663,000).

Borrowings and gearing ratio

As at 31 December 2023, the Group's outstanding borrowings was approximately RMB225,990,000 (2022: RMB246,023,000). The total borrowings comprised secured bank borrowings of approximately RMB163,265,000 (2022: RMB175,017,000), and lease liabilities of approximately RMB62,725,000 (2022: RMB71,006,000). The gearing ratio as at 31 December 2023 was 36.0% (2022: 32.9%), which was calculated based on the net debt divided by total capital at the end of the year and multiplied by 100%. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits. Total borrowings include borrowings and lease liabilities. Total capital is calculated as "equity" as shown in the consolidated financial statements plus net debt.

CAPITAL EXPENDITURE AND COMMITMENT

Capital expenditure of the Group for the Year included expenditure on maintenance of leased properties, and prepayments for property, plant and equipment and intangible assets of approximately RMB1,107,000 (2022: RMB3,387,000).

The Group had a capital commitment of purchasing of property, plant and equipment amounting to nil (2022: RMB509,000) as at 31 December 2023.

CAPITAL STRUCTURE

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

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

Save for the corporate guarantee given to banks and the Group's major printing supplier to secure the banking facilities and printing credit line respectively, as at 31 December 2023 and 2022, the Group did not have any material contingent liabilities or guarantees other than those disclosed below.

As at 31 December 2023, bank borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB179,082,000 (including in investment properties of approximately RMB79,880,000 and property, plant and equipment of approximately RMB99,202,000) (2022: approximately RMB128,835,000 (including in investment properties of approximately RMB36,170,000 and property, plant and equipment of approximately RMB92,665,000)) and/or is guaranteed by Mr. Shao/Mr. Shao's spouse/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB30,000,000 (2022: RMB50,000,000) as at 31 December 2023.

FOREIGN CURRENCY RISK

The Group mainly operates in the PRC, Hong Kong and the UK and majority of the transactions are denominated and settled in Renminbi, Hong Kong dollars or Great British Pounds, being the functional currency of the entities of the Group to which the transactions relate. Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. As at 31 December 2023 and 2022, the Group did not have significant foreign currency risk from its operations.

EMPLOYEES

As at 31 December 2023, the Group had a total of 386 staff (2022: 420 staff), total staff costs (including Directors' remuneration) recognised in profit or loss were approximately RMB116,724,000 (2022: RMB105,828,000). The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company.

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

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

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews its corporate governance practices to meet the rising expectations of shareholders and to comply with increasingly stringent regulatory requirements. In the opinion of the Directors, the Company applied the principles and complied with the relevant code provisions in the Part 2 of Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Year with the exception that the roles of the chairman and the chief executive officer of the Company have not been separated as required by code provision C.2.1 of the CG Code.

During the Year, Mr. Shao served as the Chief Executive Officer of the Group. He was re-designated as a Co-Chairman of the Board on 16 February 2023 and re-designated as the Chairman of the Board on 5 October 2023. For details, please refer to the announcements published by the Company on the respective websites of the Stock Exchange and the Company on 16 February 2023, 5 October 2023 and 12 October 2023. 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 six 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 of the Company 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.

REVIEW OF ANNUAL RESULTS

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

SCOPE OF WORK OF THE AUDITOR

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

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement of the Company for the Year is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.metamediahldg.com). The Company's 2023 annual report containing all the information as required by the Listing Rules will be made available to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 20 March 2024

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. SHAO Zhong, Ms. YANG Ying and Mr. LI Jian; and (b) as independent non-executive Directors, Mr. YICK Wing Fat, Simon, Ms. WEI Wei and Mr. WAN Jie.

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