

INTERIM REPORT

2022

STOCK CODE : 00623




SinoMedia[®]

中視金橋國際傳媒控股有限公司
SinoMedia Holding Limited



Contents

Corporate Information	2
Financial Summary	3
Management Discussion and Analysis	4
Condensed Consolidated Statement of Profit or Loss	12
Condensed Consolidated Statement of Comprehensive Income	13
Condensed Consolidated Statement of Financial Position	14
Condensed Consolidated Statement of Changes in Equity	16
Condensed Consolidated Cash Flow Statement	17
Notes to the Unaudited Interim Financial Report	18
Other Information	30





Corporate Information

EXECUTIVE DIRECTORS

Mr. Chen Xin (*Chairman*)
Ms. Liu Jinlan
Mr. Li Zongzhou

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing
Ms. Ip Hung
Dr. Tan Henry
Dr. Zhang Hua

AUDIT COMMITTEE

Mr. Qi Daqing (*Chairman*)
Ms. Ip Hung
Dr. Zhang Hua

REMUNERATION COMMITTEE

Ms. Ip Hung (*Chairman*)
Mr. Chen Xin
Dr. Zhang Hua

NOMINATION COMMITTEE

Mr. Chen Xin (*Chairman*)
Mr. Qi Daqing
Dr. Tan Henry

COMPLIANCE COMMITTEE

Mr. Li Zongzhou (*Chairman*)
Mr. Wang Yingda

COMPANY SECRETARY

Mr. Wang Yingda

AUTHORISED REPRESENTATIVES

Mr. Chen Xin
Mr. Wang Yingda

PRINCIPLE PLACE OF BUSINESS

7/F, The Place — SinoMedia Tower,
No. 9 Guanghua Road, Chaoyang District,
Beijing, PRC

Unit 15D, Xintian International Plaza,
No. 450 Fushan Road, Pudong New District,
Shanghai, PRC

REGISTERED OFFICE OF THE COMPANY

Unit 417, 4th Floor, Lippo Centre,
Tower Two, No.89 Queensway, Admiralty,
Hong Kong

AUDITORS

KPMG
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance

SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road, North Point,
Hong Kong

WEBSITE

www.sinomedia.com.hk

Financial Summary

RMB'000	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change (%)
Revenue	352,731	603,029	-42%
(Loss)/Profit from operations	(30,747)	58,934	-152%
(Loss)/Profit attributable to equity shareholders of the Company	(22,441)	40,662	-155%
(Losses)/Earnings per share			
— Basic and diluted (RMB)	(0.048)	0.087	-155%

REVENUE	For the six months ended 30 June 2022	For the six months ended 30 June 2021	Change (%)
RMB'000			
TV media resources management	214,252	468,515	-54%
Content operations and Other integrated communication services	51,669	41,430	+25%
Digital marketing and Internet media	59,575	65,023	-8%
Rental income	31,543	32,445	-3%
Sales taxes and surcharges	(4,308)	(4,384)	-2%
	352,731	603,029	



Management Discussion and Analysis

OVERVIEW

In the first half of 2022, the rising risk of stagflation in economy and the significant growth slowdown in the world, and the repeated outbreaks of COVID-19 in China had a negative impact on the recovering economy and increased the downward pressure on the economy. The advertising market was severely hit in the first half of the year. Due to overall weak demand and the decline of consumer confidence, the advertisers became more cautious and reduced their advertising spending, which adversely affected the business operation of the Group. According to the market research report published by CTR Media Intelligence, the advertising market spending declined by 11.8% year on year in the first half of 2022 and 24.1% year on year in May 2022 only, representing a further decline of 5 percentage points from April 2022. (Sources: CTR Media Intelligence, August 2022)

Facing the pandemic impact and the market pressure from economic slowdown, the Group optimized the media resources and adjusted the business structure in due course, and took a combination of measures to effectively control costs and expenses during the period under review. In addition, the Group was committed to the strategic direction with inter-screen creative communication services as the core, in order to offer clients with quality and diversified creative products and communication services.

BUSINESS REVIEW

TV Advertising and Content Operations

I. TV Media Resources Management

While striving to overcome market difficulties, the Group kept strengthening its client development and service capabilities in TV advertising marketing, and optimizing its marketing strategies and media product portfolios to enhance its competitiveness. During the period under review, the Group had the exclusive underwriting right for a total of 59,759 minutes of China Media Group advertising resources on “Focus Today” (今日關注) on CCTV-4 (Chinese International), CCTV-9 (Documentary Channel) and CCTV-14 (Children’s Channel). It covered the market of politics, culture and children, and brought diversified communication channels to clients. During the period, trapped in a challenging and volatile market environment, the Group optimized and adjusted the media resources and structure in due course to control the scale and cost.



II. Content Operations

The Group provided clients with comprehensive and professional video production services. During the period under review, the Group successively served China Feihe, Sinopec, PICC, Sunshine Insurance, Hong Kong Tourism Board and other clients, providing services involving advertising video shooting, producing and editing, and graphic design.

The Group continued to develop its content marketing business centered on the R&D and production of video program content, and provide tailor-made creative video programs for clients, to realize the brand communication value of clients by means of content marketing. During the period under review, the Group provided creative content communication services to clients such as Aptamil, Nutrilon, Anta, Reecen, Panpan Foods, Country Garden and Migu Video around the marketing positioning of “parent-child companionship and leading consumption”, and by various means such as live interactive, short video, content implantation, program planning, animation development and promotional activities.

III. Other Integrated Communication Services

The Group has gained recognition from a large number of renowned clients for its professional and efficient communication services and the philosophy of caring services. During the period under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integration communication services to clients including Tencent, China Feihe, Ping An, Huaxia Bank, China Duty Free Group, Gansu Agricultural Products, Bamboo Leaf Green Tea, Gani Marble Tiles, Yangyuan Six Walnuts and Panpan Foods.

In respect of international business, the Group offered overseas clients with services including market promotion, media propaganda and creative planning in China. During the period under review, clients mainly included Washington Tourism Board, Tourism Toronto, Tourism Ottawa, Go Turkey Tourism and YTL Hotels.



Management Discussion and Analysis

Digital Marketing and Internet Media

I. Digital Marketing

The Group enhanced its internet integrated service capability through big data and precision placement technologies, to offer clients with one-stop digital marketing solutions covering IP customization, identity authorization, publicity and promotion. Following the tendency of integrated media interaction, the Group integrated high-quality media resources to strengthen the core competitiveness of digital marketing, and achieve the synergistic effect of large screen by grasping the smart TV watching habits of audience during the pandemic and accelerating the trend of returning to the large screen at home. During the period under review, the Group successively served China Feihe, China CITIC Bank, PICC, Tianyancha.com, GOME, Dazhong Electronics, So-Young International Inc., and other clients, and was highly recognized and praised by the clients.

II. Internet Media

www.boosj.com (播視網) of the Group focused on the video content operation in healthy life field. www.boosj.com maintained stable video content output in two vertical fields, namely parent-child talent training and healthy life of the middle-aged and elderly, providing clients with high-quality content products. In addition, it integrated the user base following the operation strategy of “online communication + offline activities” and achieved the communication value for brand clients through the combination of “video content + marketing products”. During the period under review, www.boosj.com provided creative video and internet communication services to Aiben high-end infant formula, Gome.com.cn, Xiaohutuxian, Yangtze River Pharm and other brands.

www.wugu.com.cn (吾谷網) of the Group continued to focus on practical information of agricultural entrepreneurship and wealth creation, play the role of agricultural information aggregation, and provide efficient services for players in the agricultural industry chain through the integration and precise distribution of contents. While streamlining operation and reducing costs, the Group still focused on the key directions, and helped open up the supply and demand channels between agricultural products and consumers through professional creative brand marketing and platform-based information communication services, based on the agricultural regional public brand communication needs in the general trend of rural revitalization.



FINANCIAL REVIEW

Revenue and Loss/Profit attributable to Equity Shareholders of the Company

For the six months ended 30 June 2022, the Group recorded revenue of RMB352,731 thousand, representing a year-on-year decline of 42 % from RMB603,029 thousand for the same period last year.

Details of revenue for the period under review are as follows:

- (i) Revenue from TV media resources management amounted to RMB214,252 thousand, representing a year-on-year decline of 54% from RMB468,515 thousand for the same period last year. To deal with the economic slowdown and balance the risks and opportunities facing the advertising market, the Group optimized and adjusted its media resources, appropriately controlled the scale and cost, and ceased to be the exclusive agent of the advertising resources of “News 30” (新聞30分) on CCTV-1 (General)/CCTV-News since the beginning of the year. In addition, due to the pandemic impact and weak consumption demand, some clients reduced the advertising spending or suspended the advertising placement plan. The advertising placement of clients in consumer goods and tourism declined significantly compared with the same period last year. Facing the operation pressure and challenges, the Group will strive to develop new clients and stop the decline in sales revenue in the second half of the year.
- (ii) Revenue from content operations and other integrated communication services amounted to RMB51,669 thousand, representing a year-on-year increase of 25% over RMB41,430 thousand for the same period last year. Among which: (1) Revenue from content operations amounted to RMB15,164 thousand, representing a year-on-year decline of 42% from RMB26,167 thousand for the same period last year. Revenue in this business was mainly generated from content creative marketing and commercial advertising video production. During the period under review, the business income declined compared to the same period last year, due to the extended filming and acceptance closing cycles caused by the pandemic. (2) Revenue from other integrated communication services amounted to RMB36,505 thousand, representing a year-on-year increase of 139% over RMB15,263 thousand for the same period last year. Revenue from this business mainly comes from the commission income obtained from media suppliers by the Group as an agent to procure media resources for clients. Affected by the commission settlement cycle of media suppliers, the commission income during the period under review increased compared with the same period last year.



Management Discussion and Analysis

- (iii) Revenue from digital marketing and internet media amounted to RMB59,575 thousand, representing a year-on-year decline of 8% from RMB65,023 thousand for the same period last year. Due to the weak demand in the market and the reduction of advertising placement in the first half of the year, the Group's revenue from digital marketing and internet media declined compared with the same period last year.
- (iv) Revenue from rental amounted to RMB31,543 thousand, basically flat with RMB32,445 thousand for the same period last year.

For the six months ended 30 June 2022, the loss attributable to equity shareholders of the Company of RMB22,441 thousand, while the profit attributable to equity shareholders of the Company was RMB40,662 thousand in the same period last year.

Operating Expenses

For the six months ended 30 June 2022, the Group's operating expenses were RMB40,921 thousand in aggregate, representing a year-on-year decrease of 4% from RMB42,430 thousand for the same period last year, and accounted for 11.6% of the Group's revenue (the same period last year: 7.0%). The Group continuously strengthened and improved the comprehensive budget management for operating expenses, reduced the non-essential expenditures, and implemented the measures for cost reduction and efficiency improvement, so as to enhance operating efficiency.

Among which:

- (i) Selling and marketing expenses amounted to RMB13,630 thousand, representing a year-on-year decrease of approximately RMB1,913 thousand from RMB15,543 thousand for the same period last year, and accounted for 3.9% of the Group's revenue (the same period last year: 2.6%). The decline of selling and marketing expenses was mainly due to lower spending on marketing and travel activities and lower operating revenue, which resulted in decrease in performance incentives for marketing staff.
- (ii) General and administrative expenses amounted to RMB27,291 thousand, basically flat with RMB26,887 thousand for the same period last year, and accounted for 7.7% of the Group's revenue (the same period last year: 4.4%).



INVESTMENTS, ACQUISITIONS AND DISPOSALS

In April 2022, the Group signed a capital increase subscription agreement with Jinan Jiyuan Biological Technology Co., Ltd. (“Jiyuan Biological”) to subscribe for a minority stake in Jiyuan Biological through capital increase in cash of RMB8,696 thousand. Jiyuan Biological is a professional comprehensive application developer of Antarctic krill resources in China, focusing on the research and development of unique active formula and efficient production and utilization of Antarctic krill oil. At present, it owns such brands as Antarctic Haibao, Lanbao Doctor and Shenhajji. As of 30 June 2022, the transaction procedures have been completed.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had a stable financial position as a whole. As at 30 June 2022, cash and bank balances amounted to RMB841,710 thousand (31 December 2021: RMB849,648 thousand), of which approximately 60% was denominated in RMB, 40% in HKD and other currencies. As at 30 June 2022, the Group had no bank time deposits with maturity over three months (31 December 2021: nil).

During the period, details of the Group’s cash flow status were as follows:

- (i) Net cash outflow from operating activities was RMB3,824 thousand (the same period last year: net cash inflow of RMB36,874 thousand), which was mainly because: (1) the balance of trade and bills receivable decreased by approximately RMB35,382 thousand compared with the end of last year; (2) the prepayment of media agency costs and deposits decreased by approximately RMB50,332 thousand compared with the end of last year, (3) the media agency cost payable increased by approximately RMB31,703 thousand compared with the end of last year, (4) the balance of advertising fee received in advance from clients decreased by approximately RMB77,202 thousand compared with the end of last year, and (5) income tax, sales taxes and surcharges totaling approximately RMB22,212 thousand were paid.
- (ii) Net cash outflow from investing activities was RMB3,489 thousand (the same period last year: net cash inflow of RMB68,426 thousand), which was mainly attributable to (1) bank deposit interest received of approximately RMB5,223 thousand; and (2) payment of investment fund of approximately RMB8,696 thousand.
- (iii) Net cash outflow from financing activities was RMB15,937 thousand (the same period last year: RMB38,445 thousand), which was mainly attributable to the payment of the 2021 final dividend of approximately RMB15,316 thousand.



Management Discussion and Analysis

As at 30 June 2022, the Group's total assets amounted to RMB1,938,196 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,643,740 thousand, and non-controlling interests of RMB-8,032 thousand.

As at 30 June 2022, the Group had no interest-bearing debts, and the gearing ratio of the Group was nil (31 December 2021: nil). The gearing ratio was calculated by dividing the sum of the period-end interest-bearing bank borrowings and other borrowings by the period-end total equity, and multiplying 100%.

As at 30 June 2022, the Group had no material contingent liabilities.

The majority of the Group's turnover, expenses and capital investments were denominated in Renminbi.

HUMAN RESOURCES

As at 30 June 2022, the Group had 185 employees in total, basically flat with that at the beginning of the year. During the period under review, the Group continued to optimize the business structure, and implemented dynamic performance related remuneration policies for all employees, so as to intensify the relevance between working results and personal interests. In the first half of the year, due to the cluster outbreaks of the pandemic in many places in China, the Group developed and organized targeted training strategies and programs, provided online and offline professional training sessions on media and brand communication, with an aim to comprehensively improve the employees' professional knowledge and practical capabilities. In addition to providing the mandated benefits, the Group continued to provide festival gift money to the elderly parents of employees, and held parent-child fun puzzle activities for employees. In order to align the personal interests of employees with those of shareholders, the Company granted share options to employees under share option schemes. Share options that were granted and remained unexercised as of the end of the period totaled 16,692,000 units.



INDUSTRY AND GROUP OUTLOOK

According to the Purchasing Managers Index released by the Department of Service Statistics of NBS and China Federation of Logistics and Purchasing, in July 2022, the Purchasing Manager Index (PMI) of China's manufacturing industry was 49%, a decrease of 1.2 percentage point compared with last month, below the critical point. The business activity index of non-manufacturing industry was 53.8%, slightly lower than that of the previous month by 0.9 percentage point, but still in the expansion range and representing a recovery growth for two consecutive months. The business activity index of the service industry was 52.8%, 1.5 percentage points lower than that of the previous month; the new order index of the service industry was 49.5%, down 4.2 percentage points from the previous month. It shows that the economic prosperity in China declined, and the economic recovery was still on shaky ground. (Source: National Bureau of Statistics, July 2022)

According to the PMI report for Chinese service industry in July issued by Caixin, the service companies' confidence in the business outlook for the coming year improved, with optimism rising from its lows, but still below the historical average of the index.

As a leading comprehensive media operation group in China, the Group will integrate its strengths, strengthen the core competitiveness of creative communication and brand strategy, and enhance synergies between business segments to cope with the pressure from market downturn impact and business challenges brought by the repeated outbreaks of COVID-19. In respect to TV advertising, the Group will continue upholding the client-oriented product and service strategies, optimizing media resources, appropriately control the scale and cost, and enhancing the brand value of clients by providing one-stop solutions such as brand positioning, visual creativity, communication strategy, media execution and effect evaluation. In respect to content operation, the Group will continue leveraging its experience and capabilities in video content creation and brand communication to further develop content marketing business centering video content R&D and production, customize creative video programs for clients and promote the in-depth combination of brand communication and creative content.

In respect to the digital marketing and internet media, the Group will, following the industry trend and tide and combining the integrated media interaction resources, enhance the online placement efficiency and brand influence with the expertise in precision communication. In addition, the Group will continue to focus on the industrial chain of parent-child family consumption, accelerate the market expansion to the consumption sector through brand investment and brand operation management business, actively promote the optimization of business structure, constantly cultivate future growth points and improve the overall anti-risk ability, in order to further accumulate the long-term value of the Group.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Revenue	4	352,731	603,029
Cost of services		(338,065)	(506,719)
Gross profit		14,666	96,310
Other (loss)/income	5	(4,492)	5,054
Selling and marketing expenses		(13,630)	(15,543)
General and administrative expenses		(27,291)	(26,887)
(Loss)/Profit from operations		(30,747)	58,934
Finance income	6(a)	6,052	7,388
Finance costs	6(a)	(73)	(104)
Net finance income		5,979	7,284
Share of profits less losses of an associate and a joint venture		—	(212)
(Loss)/Profit before taxation		(24,768)	66,006
Income tax	7	2,266	(25,183)
(Loss)/Profit for the period		(22,502)	40,823
Attributable to:			
Equity shareholders of the Company		(22,441)	40,662
Non-controlling interests		(61)	161
(Loss)/Profit for the period		(22,502)	40,823
(Losses)/Earnings per share	8		
Basic (losses)/earnings per share (RMB)		(0.048)	0.087
Diluted (losses)/earnings per share (RMB)		(0.048)	0.087

The accompanying notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
(Loss)/Profit for the period		(22,502)	40,823
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income — net movement in fair value reserve (non-recycling)		—	50,714
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of the Company and overseas subsidiaries		16,475	(3,877)
Other comprehensive income for the period		16,475	46,837
Total comprehensive (loss)/income for the period		(6,027)	87,660
Attributable to:			
Equity shareholders of the Company		(5,966)	87,499
Non-controlling interests		(61)	161
Total comprehensive (loss)/income for the period		(6,027)	87,660

The accompanying notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Financial Position

At 30 June 2022 – unaudited
(Expressed in Renminbi)

	<i>Note</i>	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment	9	208,796	211,162
Investment property	9	537,276	547,007
Intangible assets		3,768	4,194
Other non-current financial assets	10	219,060	213,753
		968,900	976,116
Current assets			
Inventories		6,180	7,765
Trade and other receivables	11	121,406	203,614
Cash and cash equivalents	12	841,710	849,648
		969,296	1,061,027
Current liabilities			
Trade and other payables	13	118,700	99,321
Contract liabilities	14	168,993	246,794
Lease liabilities		1,279	1,224
Current taxation		520	17,985
		289,492	365,324
Net current assets		679,804	695,703
Total assets less current liabilities		1,648,704	1,671,819

Condensed Consolidated Statement of Financial Position

At 30 June 2022 – unaudited
(Expressed in Renminbi)

	<i>Note</i>	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Non-current liabilities			
Lease liabilities		568	1,191
Deferred tax liabilities		12,428	13,105
		12,996	14,296
NET ASSETS		1,635,708	1,657,523
CAPITAL AND RESERVES			
Share capital		510,981	510,981
Reserves		1,132,759	1,154,513
Total equity attributable to equity shareholders of the Company		1,643,740	1,665,494
Non-controlling interests		(8,032)	(7,971)
TOTAL EQUITY		1,635,708	1,657,523

The accompanying notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 — unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company							Non-controlling		
	Note	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	interests RMB'000	Total equity RMB'000
Balance at 1 January 2022		510,981	31,033	126,886	(23,604)	53,022	967,176	1,665,494	(7,971)	1,657,523
Loss for the period		—	—	—	—	—	(22,441)	(22,441)	(61)	(22,502)
Other comprehensive income		—	—	—	16,475	—	—	16,475	—	16,475
Total comprehensive loss for the period		—	—	—	16,475	—	(22,441)	(5,966)	(61)	(6,027)
Dividends declared in respect of the previous year	15(a)	—	—	—	—	—	(15,788)	(15,788)	—	(15,788)
Balance at 30 June 2022		510,981	31,033	126,886	(7,129)	53,022	928,947	1,643,740	(8,032)	1,635,708
Balance at 1 January 2021		510,981	30,807	126,886	(13,549)	2,308	970,916	1,628,349	(6,568)	1,621,781
Profit for the period		—	—	—	—	—	40,662	40,662	161	40,823
Other comprehensive income		—	—	—	(3,877)	50,714	—	46,837	—	46,837
Total comprehensive income for the period		—	—	—	(3,877)	50,714	40,662	87,499	161	87,660
Equity-settled share-based transactions		—	171	—	—	—	—	171	—	171
Purchase of own shares		—	—	—	—	—	(4,068)	(4,068)	—	(4,068)
Dividends to non-controlling interests		—	—	—	—	—	—	—	(600)	(600)
Dividends declared in respect of the previous year	15(a)	—	—	—	—	—	(34,787)	(34,787)	—	(34,787)
Balance at 30 June 2021		510,981	30,978	126,886	(17,426)	53,022	972,723	1,677,164	(7,007)	1,670,157

The accompanying notes form an integral part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2022 — unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Operating activities			
Cash generated from operations		18,388	86,597
Tax paid		(22,212)	(49,723)
Net cash (used in)/generated from operating activities		(3,824)	36,874
Investing activities			
Payment for purchase of equity securities		(8,696)	(1,111)
Proceeds from disposal of equity securities		—	23,900
Time deposits with initial term over three months		—	53,023
Payment for purchase of an associate and a joint venture		—	(14,850)
Dividends received from investments in securities		—	536
Interest received	6(a)	5,223	7,293
Other cash flows used in investing activities		(16)	(365)
Net cash (used in)/generated from investing activities		(3,489)	68,426
Financing activities			
Payment for purchase of own shares		—	(4,068)
Capital element of lease rentals paid		(568)	(549)
Interest element of lease rentals paid	6(a)	(53)	(81)
Dividends paid to equity shareholders of the Company	15(a)	(15,316)	(33,747)
Net cash used in financing activities		(15,937)	(38,445)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at 1 January	12	849,648	788,084
Effect of foreign exchange rates changes		15,312	(3,056)
Cash and cash equivalents at 30 June	12	841,710	851,883

The accompanying notes form an integral part of this interim financial report.



Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”) and Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorized for issue on 29 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted by SinoMedia Holding Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 and HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”). This interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.



2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IAS/HKAS issued by the IASB/HKICPA to this interim financial report for the current accounting period:

- Amendment to IAS/HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to IAS/HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The application of the amendments has had no material impact on the Group's financial results and financial position for the current and prior periods. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

4 REVENUE

The Group is principally engaged in TV advertising, creative content production and digital marketing services.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers within the scope of IFRS/HKFRS 15		
– Revenue from TV media resources management	214,252	468,515
– Revenue from content operations and other integrated communication services	51,669	41,430
– Revenue from digital marketing and internet media	59,575	65,023
Less: Sales taxes and surcharges	(473)	(543)
	325,023	574,425
Revenue from rental		
– Revenue from rental	31,543	32,445
Less: Sales taxes and surcharges	(3,835)	(3,841)
	27,708	28,604
	352,731	603,029

5 OTHER (LOSS)/INCOME

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Unrealised losses on other financial assets	(4,870)	(4,737)
Gains on disposal of other financial assets	—	4,523
Government grant	282	4,616
Others	96	652
	(4,492)	5,054

6 (LOSS)/PROFIT BEFORE TAXATION

(a) Finance income and costs

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest income on bank deposits	5,223	7,293
Net foreign exchange gain	829	95
Finance income	6,052	7,388
Interest on lease liabilities	(53)	(81)
Others	(20)	(23)
Finance costs	(73)	(104)

(b) Other items

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Amortisation	426	426
Depreciation		
— owned property, plant and equipment	11,546	11,561
— right-of-use assets	604	604
Impairment losses for doubtful debts	2,191	2,317
Inventory write-down	2,016	—
Research and development costs	1,458	1,215

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

7 INCOME TAX

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Current tax — PRC income tax	(1,463)	15,995
Current tax — Hong Kong Profits tax	—	2,384
Deferred taxation	(803)	6,804
	(2,266)	25,183

- (i) The provision for profits tax and deferred tax of the Company is based on the applicable rates on the estimated assessable profits in accordance with the relevant income tax rules and regulations of the Hong Kong. Hong Kong implements two-tiered profits tax rate. The first HKD2 million of assessable profits earned by a corporation will be taxed at half of the current tax rate (i.e. 8.25%) whilst the remaining profits will continue to be taxed at 16.5%.
- (ii) No provision has been made for Hong Kong profits tax and Singapore income tax as the Company's subsidiaries in Hong Kong and Singapore had unutilised tax losses brought forward from prior years which was sufficient to set-off against assessable profit generated during the six months ended 30 June 2022 and 2021.
- (iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the Group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng"), Pinmu Ronghe Business Management (Shanghai) Company Limited ("Pinmu Ronghe"), Beijing Laite Laide Management Consultancy Company Limited ("Laite Laide"), Hangzhou Sanji Media Company Limited ("Hangzhou Sanji"), Hangzhou Dalei Internet Technology Company Limited ("Hangzhou Dalei") and Golden Bridge Wisdom Technology (Beijing) Company Limited ("Golden Bridge Wisdom") are at a preferential rate of 20% as a small meager-profit enterprise. Except for the Company and its subsidiaries in Hong Kong and Singapore, Lotour Huicheng, Pinmu Ronghe, Laite Laide, Hangzhou Sanji, Hangzhou Dalei and Golden Bridge Wisdom, applicable income tax rate of other Group entities in the PRC is the statutory tax rate of 25%.

8 (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2022	2021
(Loss)/Profit attributable to equity shareholders of the Company (RMB'000)	(22,441)	40,662
Weighted average number of ordinary shares in issue ('000 shares)	463,629	465,404
(Losses)/Earnings per share (RMB)	(0.048)	0.087

There were no potential dilutive shares for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

9 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2022, the Group acquired items of property, plant and equipment with a cost of RMB16 thousand (six months ended 30 June 2021: RMB396 thousand) and did not acquire any items of investment property (six months ended 30 June 2021: nil). No items of property, plant and equipment were disposed during the six months ended 30 June 2022. Items of property, plant and equipment with a net book value of RMB29 thousand were disposed of during the six months ended 30 June 2021, resulting in a gain on disposal RMB4 thousand.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

10 OTHER NON-CURRENT FINANCIAL ASSETS

		At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
	<i>Note</i>		
Financial assets measured at fair value through profit or loss (FVPL)			
– Equity securities listed in Hong Kong	(i)	31,190	34,579
Equity securities designated at fair value through other comprehensive income (FVOCI)			
– Equity securities not held for trading	(ii)	187,870	179,174
		219,060	213,753

Notes:

- (i) As at 30 June 2022, the Group holds approximately 0.045% shares of China Feihe Limited (stock code:6186) and designated the investment at FVPL. No dividend was received on this investment during the six months ended 30 June 2022 (six months ended 30 June 2021: HKD641 thousand (equivalent to RMB536 thousand)).
- (ii) The unlisted equity securities are mainly shares in Shanghai Bloks Technology Group Co., Ltd. (formerly known as "Shanghai Putao Technology Co., Ltd."). The Group designated these investments at FVOCI (non-recycling), as the investments is held for strategic purposes.

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Current asset		
Within 3 months	38,690	78,689
3 months to 6 months	34,747	30,181
6 months to 12 months	7,635	8,496
Over 12 months	1,134	222
Trade and bills receivable, net of allowance for doubtful debts	82,206	117,588
Prepayments and deposits to media suppliers	29,678	80,010
Advances to employees	3,047	2,962
Other debtors and prepayments, net of loss allowance	6,475	3,054
	121,406	203,614

Credit terms are granted to the customers, depending on credit assessment carried out by management on an individual basis. The credit terms for trade receivables are generally from nil to 90 days.

12 CASH AND CASH EQUIVALENTS

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Cash at banks and on hand	841,710	849,648

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

13 TRADE AND OTHER PAYABLES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within 3 months	38,934	18,180
3 months to 6 months	12,838	5,685
6 months to 12 months	6,776	2,980
Over 12 months	2,285	2,285
Total trade payables	60,833	29,130
Payroll and welfare expense payables	2,975	8,535
Other tax payables	8,153	14,476
Other payables and accrued charges	45,664	46,580
Dividends payable	1,075	600
Financial liabilities measured at amortised cost	118,700	99,321

14 CONTRACT LIABILITIES

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Media services contracts		
– Billings in advance of performance	155,067	232,269
Rental contracts		
– Billings in advance of performance	13,926	14,525
	168,993	246,794

Contract liabilities primarily arises from relates to the considerations received from customers before the Group satisfying performance obligations. It would be recognised as revenue upon the rendering of services.

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

No interim dividend for the six months ended 30 June 2022 has been declared by the Company (six months ended 30 June 2021: nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Final dividend in respect of previous financial year, approved during the interim period, of approximately RMB3.42 cents per share (six months ended 30 June 2021: RMB7.50 cents per share)	15,788	34,787
Final dividend in respect of previous financial year, paid during the interim period	15,316	33,747

(b) Purchase of own shares

The Company had not bought back any of its own shares whether on The Stock Exchange of Hong Kong Limited or otherwise during the six months ended 30 June 2022. During the six months ended 30 June 2021, the Company bought back 4,728,000 its own ordinary shares on The Stock Exchange of Hong Kong Limited, the aggregate amount of HKD4,855 thousand (equivalent to approximately RMB4,068 thousand) was paid wholly out of retained profits.

(c) Equity settled share-based transactions

No equity settled share-based transactions were granted during the six months end 30 June 2022 (six months ended 30 June 2021: nil).

No options were exercised during the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS/HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group	Fair value at	Fair value measurement		
	30 June 2022 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Asset				
Listed securities	31,190	31,190	—	—
Equity securities not held for trading	187,870	—	—	187,870

The Group	Fair value at	Fair value measurement		
	31 December 2021 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Asset				
Listed securities	34,579	34,579	—	—
Equity securities not held for trading	179,174	—	—	179,174

During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2021: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair value of financial assets carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2022 and 31 December 2021.

17 COMMITMENTS

As at 30 June 2022, the Group and the Company did not have any significant capital commitments.

18 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2022, the Group and the Company did not have any significant contingent assets and liabilities.

19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Rental of office	371	361
Service provided to an associate and a joint venture	179	3,252

CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Group Limited, which was effectively controlled by the ultimate controlling shareholder of the Group, at a price of RMB371 thousand for the six months ended 30 June 2022, and RMB361 thousand for the six months ended 30 June 2021. The amount of rent charged under the lease was determined with reference to amounts charged by Shanghai CTV Golden Bridge International Culture and Communication Group Limited to third parties.

(b) Outstanding balance with related parties

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Trade and other receivables — a joint venture	80	—

Other Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interests in the Company – Long Positions

Name of director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives (Note 1)	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	262,122,169 (Note 2)	2,800,000	264,922,169	57.39%
Chen Xin	Founder of discretionary trust and beneficiary of trust	258,469,165 (Note 3)	–	258,469,165	55.99%
Li Zongzhou	Beneficial interest	–	2,000,000	2,000,000	0.43%
Qi Daqing	Beneficial interest	–	300,000	300,000	0.06%

Notes:

- The equity derivatives were the outstanding share options granted to the directors of the Company under the share option schemes, details of which are set out in the section headed "Share Option Schemes" in this report.
- Liu Jinlan is deemed to be interested in 262,122,169 shares of the Company. These shares are held by three discretionary trusts, namely UME Trust (which assets comprised 27,101,344 shares held by United Marine Enterprise Company Limited), DFS (No. 2) Trust (which assets comprised 24,038,312 shares held by SinoMedia Investment Ltd.) and CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), all founded by Liu Jinlan. In respect of 210,982,513 shares therein held by CLH Trust, Liu Jinlan is also a beneficiary of the trust.
- Chen Xin is deemed to be interested in 258,469,165 shares of the Company. These shares are held by three discretionary trusts, namely MHS Trust (which assets comprised 25,921,344 shares held by Merger Holding Service Company Limited), DFS (No. 1) Trust (which assets comprised 21,565,308 shares held by Digital Finance Service Company Limited) and CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), all founded by Chen Xin. In respect of 210,982,513 shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(ii) Interests in associated corporations of the Company – Long Positions

Name of director	Name of associated corporation	Nature of interest	Approximate percentage of issued share capital of the associated corporation
Liu Jinlan	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%
	CTV Golden Bridge International Media Group Co., Ltd.	Corporate interest	0.3%
Chen Xin	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%

Apart from the foregoing, as at 30 June 2022, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SHARE OPTION SCHEMES

The Company has adopted share option schemes on 29 June 2007 (the “Pre-IPO Scheme”) and 27 May 2008 (the “Post-IPO Scheme”) respectively, whereby the directors of the Company have been authorised, at their discretion, to invite any full time employee, director or any person approved by the board or shareholders of the Company (collectively the “Eligible Persons”) to take up options (the “Pre-IPO Options” and the “Post-IPO Options”, respectively) to subscribe for shares of the Company. The Pre-IPO Scheme and the Post-IPO Scheme are designed to encourage Eligible Persons to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and to motivate them to achieve higher levels of good corporate governance. The Pre-IPO Scheme and the Post-IPO Scheme expired in 2015 and 2018 respectively.

The total number of securities available for issue upon exercise of all outstanding share options granted under the Post-IPO Scheme as at the date of this interim report was 16,692,000 shares which represented approximately 3.62% of the total number of issued shares of the Company as at the date of this interim report.

Movements of the share options granted under the Post-IPO Scheme for the six months ended 30 June 2022 are as follows:

	No. of options outstanding as at 1 January 2022	No. of options granted during the period	No. of options exercised during the period	No. of options cancelled during the period	No. of options lapsed during the period	No. of options outstanding as at 30 June 2022	Date of grant	Exercise price	Exercise period
Directors									
Liu Jinlan	2,800,000	–	–	–	–	2,800,000	30 August 2017	HKD1.77	Note 2
Li Zongzhou	2,000,000	–	–	–	–	2,000,000	30 August 2017	HKD1.77	Note 2
Qi Daqing	300,000	–	–	–	–	300,000	30 August 2017	HKD1.77	Note 2
Employees									
in aggregate	800,000	–	–	–	–	800,000	10 September 2014	HKD5.50	Note 1
	640,000	–	–	–	–	640,000	15 September 2015	HKD2.59	Note 1
	10,852,000	–	–	–	(700,000)	10,152,000	30 August 2017	HKD1.77	Note 2

SHARE OPTION SCHEMES (Continued)

Notes:

1. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant.
2. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant. The exercise of Post-IPO Options by the holder is also subject to certain conditions, including the individual performance assessment conducted by the board of the Company and the financial performance of the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES – LONG POSITIONS

As at 30 June 2022, so far as known to the directors and chief executives of the Company, the following corporations (other than a director or chief executives of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Tricor Equity Trustee Limited	Trustee (Note 1)	309,608,821	67.07%
CLH Holding Limited	Corporate interest (Note 2)	210,982,513	45.70%

Notes:

1. Tricor Equity Trustee Limited is deemed to be interested in 309,608,821 shares of the Company as it is the trustee of CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), MHS Trust (which assets comprised 25,921,344 shares held by Merger Holding Service Company Limited), UME Trust (which assets comprised 27,101,344 shares held by United Marine Enterprise Company Limited), DFS (No. 1) Trust (which assets comprised 21,565,308 shares held by Digital Finance Service Company Limited) and DFS (No. 2) Trust (which assets comprised 24,038,312 shares held by SinoMedia Investment Ltd.).
2. These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 210,982,513 shares of the Company held by Golden Bridge International Culture Limited.

Save as disclosed above, so far as known to the directors and chief executives of the Company, as at 30 June 2022, there was no other person or corporation (other than a director or chief executives of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of Part XV of the SFO.



Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2022, the Company has fully complied with all code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, the directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2022.

AUDIT COMMITTEE

The Audit Committee has, together with the management of the Company, reviewed the Group's unaudited consolidated financial statements and the interim report for the six months ended 30 June 2022, including the accounting principles and practices adopted by the Group.