Maoyan Entertainment
貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1896

2024
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Zheng Zhihao *(Chief Executive Officer)*

Non-executive Directors

Mr. Wang Changtian *(Chairman)*
Ms. Li Xiaoping
Ms. Wang Jian
Mr. Sun Zhonghuai
Mr. Chen Shaohui
Mr. Tang Lichun

Independent Non-executive Directors

Mr. Wang Hua
Mr. Chan Charles Sheung Wai
Mr. Yin Hong
Ms. Liu Lin

AUDIT COMMITTEE

Mr. Chan Charles Sheung Wai *(Chairman)*
Mr. Wang Hua
Ms. Liu Lin

NOMINATION COMMITTEE

Mr. Wang Hua *(Chairman)*
Mr. Chan Charles Sheung Wai
Mr. Zheng Zhihao

REMUNERATION COMMITTEE

Mr. Wang Hua *(Chairman)*
Ms. Liu Lin
Mr. Zheng Zhihao

JOINT COMPANY SECRETARIES

Ms. Zheng Xia
Mr. Cheng Ching Kit

AUTHORIZED REPRESENTATIVES

Mr. Zheng Zhihao
Mr. Cheng Ching Kit

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 3 Building, Yonghe Hangxing Garden
No. 11 Hepingli East Street
Dongcheng District
Beijing, PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISORS

As to Hong Kong law:
Linklaters

As to Cayman Islands law:
Walkers (Hong Kong)

As to the law of the People's Republic of China:
Commerce & Finance Law Offices

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL BANKERS

China Merchants Bank, Beijing Branch
Ping An Bank, Garden Road Sub-Branch

STOCK CODE

1896

COMPANY'S WEBSITE

www.maoyan.com

CEO's Statement

I am pleased to present our annual results for the year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

Our revenue decreased by 14.2% to RMB4,082.2 million in 2024 from RMB4,757.4 million in 2023. Our gross profit decreased by 31.9% to RMB1,625.0 million in 2024 from RMB2,384.9 million in 2023. Our profit for the year in 2023 was RMB907.8 million whereas our profit for the year in 2024 was RMB181.9 million, representing a year-over-year decrease of 80.0%. Our adjusted EBITDA in 2024 was RMB361.6 million, decreasing from adjusted EBITDA of RMB1,249.7 million in 2023, representing a year-over-year decrease of 71.1%. Our adjusted net profit[Note] was RMB309.6 million in 2024, decreasing from adjusted net profit[Note] of RMB1,029.0 million in 2023, representing a year-over-year decrease of 69.9%.

BUSINESS REVIEW

According to the data released by the China Film Administration (國家電影局) for 2024, the total box office nationwide reached RMB42.502 billion, representing a decrease of 22.6% compared to 2023. The offline performance market maintained its growth trend, with commercial performance box office revenue nationwide reaching RMB57.954 billion for the full year, reflecting a year-on-year increase of 15.37%, according to the National Performance Market Development Briefing for 2024 (《2024全國演出市場簡報》) released by the China Association of Performing Arts (中國演出行業協會).

During the Reporting Period, the number of released movies in which the Company was involved and their box office performance continued to rank at the top among industry leaders. With our enhanced promotion and distribution service capabilities, the movies for which we acted as a lead distributor reached record highs at the box office contribution. Our live entertainment business continued to outperform the overall market in both revenue and GMV growth, further strengthening our market competitiveness. By continuing to optimize the revenue structure, the Company maintained its profitability.

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortisation of intangible assets resulting from business combinations.

Entertainment content services

As a leading promoter and distributor of domestic movies, as well as a premier movie producer and self-developer in China, we actively serve the industry and contribute to the distribution, production and development of various genres of domestic movies. In 2024, we were involved in a total of 63 released domestic movies, achieving a cumulative box office of approximately RMB23.2 billion, with both the number of films we participated in and the market share reaching historic highs for the same period. We also increased the number of top-tier movies we participated in and deepened our presence. Out of the top 10 domestic films in terms of box office in 2024, Maoyan was involved in the production/distribution of 8 movies, including 6 movies for which we acted as a lead distributor.

During the Reporting Period, we continued to refine our promotion and distribution capabilities and methodologies, while maintaining a keen sense of market conditions and project evaluation. From early-stage insights into themes, release dates, and evolving user demands to refined operations, we continued to improve and streamline our promotion and distribution capabilities, product systems, and organizational development. We also further standardized our promotion and distribution processes, covering various areas including pre-release marketing, short videos, materials, and collaborative promotion and distribution coordination. At the same time, we persisted in iterating and optimizing our product promotion and distribution capabilities, embraced new technologies and capabilities, and continued exploring synergies among various industries. For instance, we collaborated with mainstream platforms including Baidu, Tencent, and Douyin on AI technology applications in a number of movies, effectively enhancing the movies' promotional effects and user engagement.

CEO's Statement

Leveraging our high-quality promotion and distribution services, as well as our long-standing and ever-growing movie selection and data capabilities, during the Reporting Period, we participated in the promotion and distribution of 60 domestic movies, among which we acted as a lead distributor for 36 domestic movies, setting new records in terms of both the number of movies and the box office. Many of these movies performed exceptionally well in the following release periods:

- During the 2024 New Year, *Shining For One Thing* (一閃一閃亮星星), *Johnny Keep Walking!* (年會不能停!) and *The Goldfinger* (金手指), for which we acted as a lead distributor/producer ranked among the top three in box office for the release period.

- During the 2024 Labour Day Holiday, *The Last Frenzy* (末路狂花錢), for which we acted as the lead distributor/producer ranked second in box office for the release period.

- During the 2024 Dragon Boat Festival, *Be My Friend* (我才不要和你做朋友呢), for which we acted as a lead distributor/producer ranked No. 1 in box office, respectively for the release period.

- During the 2024 summer movie season, *Successor* (抓娃娃) and *A Place Called Silence* (默殺), for which we acted as a lead distributor/producer ranked first and second in box office for the release period.

- During the 2024 National Day, *The Volunteers: The Battle of Life and Death* (志願軍：存亡之戰), for which we acted as a lead distributor/producer ranked first in box office for the release period.

Moreover, several of the aforementioned movies won or were nominated for awards at the Hundred Flowers Awards (大衆電影百花獎), the China Golden Rooster Awards (中國電影金雞獎), the Changchun Film Festival (長春電影節), the Hong Kong Film Awards (香港金像獎), the Asian Film Awards (亞洲電影大獎), and the Tokyo International Film Festival (東京國際電影節).

In particular, during the last five consecutive Spring Festivals, from 2021 to 2025, movies for which we acted as a lead distributor achieved outstanding performances and claimed the top two spots in the corresponding film seasons, including *DETECTIVE CHINATOWN 1900* (唐探1900) in 2025, *Pegasus 2* (飛馳人生2) in 2024, *Full River Red* (滿江紅) (ranking No. 7 in China's movie history) in 2023, *Too Cool To Kill* (這個殺手不太冷靜) in 2022, and *Hi, Mom* (你好，李煥英) (ranking No. 4 in China's movie history) in 2021. These successes again demonstrated our consistent and reliable ability to identify and capture high-quality content.

CEO's Statement

We continued to focus on self-production and creation, strengthened our own IP development, and enhanced our ability to develop and produce excellent content, achieving further breakthroughs in the production domain. During the Reporting Period, we successively released several self-produced movies including *A Place Called Silence* (默殺), *The Umbrella Fairy* (傘少女), *Go For Broke* (重生), *Panda Plan* (熊貓計劃), and *Honey Money Phony* (「騙騙」喜歡你). Many of these movies achieved outstanding box office performance and reputation, including:

- *A Place Called Silence* (默殺) grossed RMB1.351 billion at the box office, making it the second-highest grossing film of the 2024 summer movie season, and received multiple awards and nominations at the 37th Tokyo International Film Festival (第37屆東京國際電影節) and the 19th Changchun Film Festival (第19屆長春電影節).

- *Panda Project* (熊貓計劃) was the best family bonding movie for the National Day season.

- *Honey Money Phony* (「騙騙」喜歡你) achieved outstanding box office performance during the 2024 New Year's Eve and 2025 New Year's Day seasons, ranking the third-highest box office revenue in both periods.

Furthermore, we remain committed to the animated film industry with a long-term, patient approach. To date, we have made strategic investments and taken concrete steps in talent development, deep collaboration with content creators, IP incubation and growth, technological innovation, and capacity expansion. This year, *Endless Journey of Love* (時間之子), the first 3D animated movie that we self-produced, is set to meet the audience on May 30, 2025. Furthermore, we involve in the production/distribution of animated movies that have either already been or are about to be scheduled, such as *Nobody: Lang Lang Ago* (小妖怪的夏天). Moving forward, we will continue to invest and remain committed to creating long-term value in animation movies.

Currently, a series of movies for which we acted as a distributor/producer are already released, such as, *The Dumpling Queen* (水餃皇后), *A Gilded Game* (獵金•游戲), *Endless Journey of Love* (時間之子), *The Litchi Road* (長安的荔枝) and *Panda Plan 2* (熊貓計劃2). Furthermore, we continue to maintain a diverse and abundant pipeline of movie content covering varied themes. An array of movies in our pipeline are steadily progressing, such as, *De Xian Jin Zhi* (得閑謹制), *Malice* (惡意), *Intercross* (人•魚), *VANISHED PEOPLE* (消失的人), *The Adventure* (奇遇) and *Nobody: Lang Lang Ago* (小妖怪的夏天), as well as several of our self-produced films, such as *Running In The Rain* (千金不換), and *Casual Revenge* (即興謀殺).

CEO's Statement

Online Entertainment Ticketing Services

Since 2024, the offline performance market has maintained rich supply and strong demand. We have consistently invested in and developed our offline performance ticketing business, further enhancing our market competitiveness. During the Reporting Period, the total revenue and GMV of our offline performances reached new highs compared to the same period in previous years. As for large-scale performance events, in addition to continuing to provide ticketing services for several top-tier domestic artists' tours, including Jacky Cheung, Eason Chan, and Jay Chou, we also provided high-quality ticketing and on-site services for various top-tier international artists' concerts in China, including Kanye West and Mariah Carey. During the Reporting Period, the GMV of concerts for which Maoyan provided ticketing services grew by approximately 90% year-on-year. For local performance events, our market share continued to increase, and the category coverage of our services continues to grow and evolve. For instance, we actively promoted the online penetration of local Quyi shows, with their GMV increasing by approximately 90% year-on-year. We also supported cultural activities organised by local governments by distributing millions of consumption vouchers, driving GMV growth of over RMB10 million. In overseas regions, in addition to support services for various performances in Hong Kong through the Urban Ticketing System (城市售票網), we continued to expand the performance lineup of our self-operated ticketing platform, UUTIX, in the Hong Kong and Macau regions, serving multiple performances, including Macau 2049 (澳門2049) directed by Zhang Yimou (張藝謀) and ComplexCon Hong Kong. We have also established long-term ticketing business partnerships with several entertainment groups in Macau. In addition, we have actively explored cooperation opportunities in multiple regions, including Southeast Asia, the Middle East, and Latin America, and have established in-depth cooperation with several apps in these local regions. We will continue to strengthen our partnerships in the performance business going forward.

In 2024, we continued to provide high-quality movie ticketing services to the industry, maintaining our market-leading position and continuously strengthening our competitiveness. During the Reporting Period, we continued to enrich our product offerings with "Cloud Block Booking" (雲包場) and other services, exploring and satisfying our users' diverse needs. In addition, we proactively expanded into new ticketing scenarios by leveraging emerging formats such as live streaming and merchandise promotions to broaden our user service coverage. Furthermore, we continued to enhance our service capabilities for film festivals and government cultural activities. During the Reporting Period, Maoyan served as the official ticketing platform for the 14th Beijing International Film Festival (第十四屆北京國際電影節) for the fourth consecutive year. We also provided ticketing and special promotions for multiple film festivals, including the 49th Hong Kong International Film Festival (第49屆香港國際電影節), the 11th Silk Road International Film Festival (第11屆絲綢之路國際電影節), and the 6th Hainan Island International Film Festival (第6屆海南島國際電影節). Furthermore, we conducted various public welfare activities at the provincial, municipal, and district levels across the country, including movie ticket discounts, a combination of movies and performance, and "savoring food through movies" (跟著電影品美食) campaigns.

Advertising Services and Others

In terms of promotional and marketing services, we fully leveraged our resource integration capabilities and deepened cooperation with a number of internet platforms. Leveraging our strategic foresight and advantages in products and resources, we expanded our audience reach to lower-tier markets and provided rich advertising promotions for films. During the Reporting Period, we upgraded our comprehensive live streaming marketing services, further diversifying our commercial offerings to boost online film promotions. These efforts generated over RMB10 million in commercialization revenue. To date, our content matrix has attracted a total number of more than 80 million fans.

We continue to serve the movie industry with our "technology + big data" approach, while also keeping abreast of the integration of AI technology into the film and television industry. During the Reporting Period, we independently developed AI film creation software, designed to perform intelligent script analysis, intelligent character creation and other functions, effectively enhancing the efficiency of front-end script creation and communication processes. At the same time, we collaborated with multiple AI companies in the industry to jointly explore and advance the application of AI technology in animation production and visual storytelling.

Maoyan Pro (貓眼專業版) continues to update and iterate its tool products, leading to a steady increase in industry influence, with the daily average visits reaching a historic high during the 2025 Spring Festival season. Maoyan Pro's global box office data service was further upgraded with more accurate and timely global box office data. This service currently covers major markets including North America, Japan, South Korea, the UK, and Australia, offering the industry a comprehensive and precise reference for global box office performance. As the first authoritative data and information platform in the industry to provide information on domestic movies' overseas release and box office performance, Maoyan Pro has become a key resource for the domestic film and television industry to gauge market performance abroad. Furthermore, during the Reporting Period, we officially launched Maoyan Pro's PC Professional Edition, providing multi-dimensional and scenario-based data query combinations. This upgrade helps our industry partners better formulate their promotion and distribution strategies.

Maoyan Research Institute remains committed to leveraging precise and scientific data analysis to provide in-depth, systematic data services for films at every stage of their lifecycle, by closely monitoring market trends, audience preferences, and consumption habits. During the Reporting Period, Maoyan Research Institute published an array of data insights and analysis reports on audience profiles, viewing demands, and audience sentiments during multiple key seasons. Concurrently, Maoyan Research Institute actively expanded its early-stage user research, furnishing concept testing and IP research services for movie projects in development. This helps to keep the industry informed of audience feedback, thereby influencing content creation at its source.

CEO's Statement

OUTLOOK

As of March 26, 2025, the total box office for the domestic film market in 2025 had exceeded RMB24.2 billion. Notably, six movies, including *NE ZHA 2* (哪吒之魔童鬧海), were released during the Spring Festival season. Their total box office reached RMB9.51 billion with 187 million movie viewers, both setting new records for the Spring Festival season.

As a key participant in China's film industry, we will adhere to the core development strategy of "Technology + Pan-entertainment" to deepen our presence in the pan-entertainment industry. With a firm commitment to improving our core competitiveness and profitability, we will uphold our original aspiration of serving the entire entertainment ecosystem, while driving high-quality development in the cultural and entertainment industry and making positive contribution to the development of a culture powerhouse.

- We will continue to strengthen our strategic investment in the entertainment content business, further solidifying our leading advantages and capabilities in movie promotion and distribution. We will also deepen our participation in the distribution and production of blockbusters. Moreover, we will remain committed to the long-term development of animated movies, as well as value creation.

- Live entertainment remains one of our Company's strategic development priorities. We will closely track market trends while continuing to increase our long-term investment in our performance business, enhancing our infrastructure and service capabilities to further strengthen our market competitiveness. At the same time, building on our existing platforms and business collaborations in Hong Kong and Macau, we will further expand commercial cooperation in these regions and beyond as we seek new growth opportunities and possibilities for the Company's development.

- Furthermore, we will continue to explore and expand innovative business opportunities, such as the integration of AI technology into film creation and new collaborative scenarios with cinemas and other partners.

Last but not least, we would like to express our sincere gratitude to all of our colleagues, shareholders, and industry partners for their trust and support. Let us forge ahead together and propel the high-quality development of the film industry, advancing China's transformation into a cinematic powerhouse.

Executive Director and Chief Executive Officer
Zheng Zhihao

Hong Kong
March 27, 2025

Management Discussion and Analysis

2024 REVIEW

	Year ended December 31,			
	2024		2023	
	RMB million	**%**	RMB million	%
Revenue	**4,082.2**	**100.0**	4,757.4	100.0
Cost of revenue	**(2,457.2)**	**(60.2)**	(2,372.5)	(49.9)
Gross profit	**1,625.0**	**39.8**	2,384.9	50.1
Selling and marketing expenses	**(939.8)**	**(23.0)**	(842.5)	(17.7)
General and administrative expenses	**(363.3)**	**(8.9)**	(371.6)	(7.8)
Net impairment losses on financial assets	**(129.6)**	**(3.2)**	(120.5)	(2.5)
Other income	**44.2**	**1.1**	51.1	1.1
Other losses, net	**(40.6)**	**(1.0)**	(3.2)	(0.1)
Operating profit	**195.9**	**4.8**	1,098.2	23.1
Finance income	**121.4**	**3.0**	81.0	1.7
Finance costs	**(9.6)**	**(0.3)**	(5.1)	(0.1)
Finance income, net	**111.8**	**2.7**	75.9	1.6
Share of losses of investments accounted for using the equity method	**(1.6)**	**(0.0)**	(2.1)	(0.1)
Impairment loss on investments accounted for using the equity method	**(4.8)**	**(0.1)**	(18.4)	(0.4)
Profit before income tax	**301.3**	**7.4**	1,153.6	24.2
Income tax expenses	**(119.4)**	**(2.9)**	(245.8)	(5.2)
Profit for the year	**181.9**	**4.5**	907.8	19.1
Non-IFRS Measures:				
EBITDA	**322.6**	**7.9**	1,219.7	25.6
Adjusted EBITDA	**361.6**	**8.9**	1,249.7	26.3
Adjusted net profit (Note)	**309.6**	**7.6**	1,029.0	21.6

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortisation of intangible assets resulting from business combinations.

Management Discussion and Analysis

Revenue

Our revenue decreased by 14.2% to RMB4,082.2 million in 2024 from RMB4,757.4 million in 2023. The decrease was primarily a result of the decrease in revenue from entertainment content services and online entertainment ticketing services due to the decrease of the national box office in 2024 caused by a shortage of top-tier film releases. The following table sets forth our revenues by service for the years ended December 31, 2024 and 2023.

	Year ended December 31,			
	2024		2023	
	RMB million	**%**	RMB million	%
Revenue				
Entertainment content services (Note)	**1,959.8**	**48.0**	2,300.4	48.4
Online entertainment ticketing services	**1,921.6**	**47.1**	2,258.6	47.5
Advertising services and others	**200.8**	**4.9**	198.4	4.1
Total	**4,082.2**	**100.0**	4,757.4	100.0

Note: This amount included fair value gain on the Group's investment in movie and TV series amounting to RMB27.5 million for the year ended December 31, 2024 and fair value loss on the Group's investment in movie and TV series amounting to RMB3.2 million for the year ended December 31, 2023.

Entertainment Content Services

Revenue from our entertainment content services decreased by 14.8% to RMB1,959.8 million in 2024 from RMB2,300.4 million in 2023. The decrease in revenue from our entertainment content services was due to the less-than-expected box office performance of some of movies.

Online Entertainment Ticketing Services

Revenue from our online entertainment ticketing business decreased by 14.9% to RMB1,921.6 million in 2024 from RMB2,258.6 million in 2023. According to the data released by the China Film Administration (國家電影局), the total box office of the PRC film market in 2024 reached RMB42.502 billion, representing a decrease of 22.6% as compared to 2023.

Advertising Services and Others

Revenue from our advertising services and others increased by 1.2% to RMB200.8 million in 2024 from RMB198.4 million in 2023, which was mainly due to an increase in revenue from advertising business.

Cost of Revenue

Our cost of revenue increased by 3.6% to RMB2,457.2 million in 2024 from RMB2,372.5 million in 2023. The increase in our cost of revenue was mainly due to an increase in content production cost and internet infrastructure cost.

The following table sets forth our cost of revenue by amount, as a percentage of total cost of revenue and as a percentage of total revenues for the years indicated:

	Year ended December 31,					
	2024			2023		
	RMB million	**% of cost**	**% of revenue**	RMB million	% of cost	% of revenue
Content distribution and promotion cost	**677.0**	**27.6**	**16.6**	779.8	32.9	16.4
Content production cost	**631.7**	**25.7**	**15.5**	408.0	17.2	8.6
Internet infrastructure cost	**528.9**	**21.5**	**13.0**	459.5	19.4	9.7
Ticketing system cost	**424.2**	**17.3**	**10.3**	528.1	22.3	11.1
Amortisation of intangible assets	**88.7**	**3.6**	**2.2**	91.2	3.8	1.9
Depreciation of property, plant and equipment	**9.9**	**0.4**	**0.2**	9.5	0.4	0.2
Other expenses	**96.8**	**3.9**	**2.4**	96.4	4.0	2.0
Total	**2,457.2**	**100.0**	**60.2**	2,372.5	100.0	49.9

Gross Profit and Gross Margin

Our gross profit decreased by 31.9% to RMB1,625.0 million in 2024 from RMB2,384.9 million in 2023, and our gross margin was 50.1% and 39.8% in 2023 and 2024, respectively. The decrease in our gross profit was mainly due to the decline in the box office of the PRC film market in 2024, as well as the less-than-expected box office performance of some of movies in which the Group was significantly involved.

Management Discussion and Analysis

Selling and Marketing Expenses

Our selling and marketing expenses increased by 11.5% to RMB939.8 million in 2024 from RMB842.5 million in 2023, primarily due to the increase in marketing and promotion expenses of our business and the increase in number of sales staff.

General and Administrative Expenses

Our general and administrative expenses decreased by 2.2% to RMB363.3 million in 2024 from RMB371.6 million in 2023, basically remaining stable.

Net Impairment Loss on Financial Assets

We recorded net impairment loss on financial assets of RMB129.6 million in 2024, as compared to net impairment loss of financial assets of RMB120.5 million in 2023. For accounts receivables, an impairment loss of RMB76.4 million was recognised for the year ended December 31, 2024, primarily due to an increase of RMB204.8 million in the gross carrying amount of accounts receivables as of December 31, 2024 as compared to December 31, 2023 and the increase in trade receivables with long age. For other receivables, an impairment loss of RMB53.2 million was recognised for the year ended December 31, 2024, primarily due to an increase of RMB383.4 million in the gross carrying amount of other receivables as of December 31, 2024 as compared to December 31, 2023.

Other Income and Other Losses, Net

We recorded other income of RMB44.2 million in 2024, representing a decrease of 13.5% as compared to RMB51.1 million in 2023, mainly due to a decrease in tax credit of input tax additional deduction. We recorded net other losses of RMB40.6 million in 2024, compared to net other losses of RMB3.2 million in 2023, mainly due to the impact of foreign exchange losses.

Operating Profit

As a result of the foregoing, our operating profit was RMB195.9 million in 2024, compared to an operating profit of RMB1,098.2 million in 2023.

Finance Income, Net

Our net finance income increased from RMB75.9 million in 2023 to RMB111.8 million in 2024, primarily due to the improvement of our fund management efficiency.

Income Tax Expenses

We had income tax expenses of RMB119.4 million in 2024, compared to the income tax expenses of RMB245.8 million in 2023. This was primarily due to the decrease in our operating profit.

Management Discussion and Analysis

Profit for the Year

As a result of the foregoing, our profit for the year was RMB181.9 million in 2024, compared to profit for the year of RMB907.8 million in 2023.

Non-IFRS Financial Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use EBITDA, adjusted EBITDA and adjusted net profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures, which have excluded certain effects of one-off or non-cash projects and M&A transactions for the previous years, facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the EBITDA, adjusted EBITDA and adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

Adjusted Net Profit, EBITDA and Adjusted EBITDA

The following tables reconcile our adjusted net profit and EBITDA and adjusted EBITDA for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Year ended December 31,	
	2024	2023
	RMB million	RMB million
Reconciliation of net profit to adjusted net profit		
Net profit for the year	**181.9**	907.8
Add:		
Share-based compensation	**39.0**	30.0
Amortisation of intangible assets resulting from business combinations	**88.7**	91.2
Adjusted net profit *(Note)*	**309.6**	1,029.0

Note: We defined adjusted net profit as net profit for the year adjusted by adding back share-based compensation and amortisation of intangible assets resulting from business combinations.

Management Discussion and Analysis

	Year ended December 31,	
	2024	2023
	RMB million	RMB million
Reconciliation of operating profit to EBITDA and adjusted EBITDA		
Operating profit for the year	**195.9**	1,098.2
Add:		
Depreciation of property, plant and equipment	**15.6**	12.4
Amortisation of intangible assets	**92.7**	95.1
Depreciation of right-of-use assets	**18.4**	14.0
EBITDA *(Note)*	**322.6**	1,219.7
Add:		
Share-based compensation	**39.0**	30.0
Adjusted EBITDA *(Note)*	**361.6**	1,249.7

OTHER FINANCIAL DATA AND INFORMATION

Capital Structure

The Company continued to maintain a healthy and sound financial position. Our total assets decreased from RMB12,540.1 million as of December 31, 2023 to RMB12,505.6 million as of December 31, 2024, whilst our total liabilities decreased from RMB3,501.8 million as of December 31, 2023 to RMB3,457.3 million as of December 31, 2024. Our liabilities-to-assets ratio remained basically the same with that in 2023.

Note: We defined EBITDA as operating profit for the year adjusted for depreciation and amortisation expenses. We add back share-based compensation to EBITDA to derive adjusted EBITDA.

Liquidity, Financial Resources, and Gearing

We have historically funded our cash requirements principally from cash generated from operations, and to a lesser extent, equity and debt financing. We adopt prudent treasury policies in cash and financial management. To achieve better risk control and minimise cost of funds, our treasury activities are centralised. Cash is generally placed in short-term deposits mostly denominated in RMB or US dollars. Our liquidity and financing requirements are reviewed regularly. We will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

As of December 31, 2024, we had cash and cash equivalents and other forms of bank deposits of RMB2,378.0 million, which were predominantly denominated in RMB and US dollars. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, and other funds raised from the capital markets from time to time.

As of December 31, 2024, our total borrowings were approximately RMB470.4 million, which were all bank borrowings denominated in RMB. The following table sets forth further details of our banking borrowings as of December 31, 2024:

	RMB million	Interest rate
Guaranteed	470.4	1.95%~2.85%
Total	**470.4**	**1.95%~2.85%**

As of December 31, 2024, we had unutilized banking facilities of RMB700.0 million.

As of December 31, 2024, we did not have any significant contingent liabilities.

We monitor capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, net of cash and cash equivalent, restricted bank deposits and term deposit with original maturity over three months. Total capital is calculated as "equity" as shown in the consolidated statement of financial position. As at December 31, 2023 and 2024, the Group had a net cash position.

Management Discussion and Analysis

Capital Expenditure

Our capital expenditures primarily included purchase of equipment and intangible assets. Our capital expenditures decreased by 41.9% to RMB14.3 million in 2024 from RMB24.6 million in 2023. We plan to fund our planned capital expenditures using cash generated from operations.

Material Acquisitions and Future Plans for Major Investments

As of December 31, 2024, the Group did not have any plans for major investments and capital assets. During the year ended December 31, 2024, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Major Investments Held

On March 12, 2019, we entered into a subscription agreement and a strategic cooperation agreement with Huanxi Media Group Limited. Pursuant to the subscription agreement, we have conditionally agreed to subscribe for, and Huanxi Media Group Limited has conditionally agreed to allot and issue to us, 236,600,000 shares at a total consideration of HK$390,555,620. Under such agreements, we planned to establish strategic cooperation with Huanxi Media Group Limited in entertainment content services. On March 19, 2019, the subscription was completed and the consideration was duly paid. For further details, please see our announcement dated March 13, 2019 and our Annual Report for 2018 and 2019. As at December 31, 2024, we held 5.7% equity interest of Huanxi Media Group Limited.

Foreign Exchange Risk Management

Our businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. We manage foreign exchange risk by performing regular reviews of our foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

Management Discussion and Analysis

Employees and Remuneration Policy

As of December 31, 2024, we had 896 full-time employees, all of whom were based in mainland China and Hong Kong, primarily at our headquarters in Beijing, with the remainder in Shanghai and various other cities in China.

Committed to establishing a competitive, fair remuneration and benefits system, we continually refine our remuneration and incentive policies through market research and comparison with our competitors, in order to ensure that our employees receive competitive remuneration packages. We also purchase commercial health and accidental insurance for our employees. We also provide regular and specialized trainings tailored to the needs of our employees in different departments, so that our employees may stay up to date with the latest industrial developments and technological advancements. In order to incentivize our Directors, senior management and other employees for their contribution to our Group and to attract and retain suitable personnel, we have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

As required under the PRC regulations, we participate in housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which the Group and its employees who are based in mainland China are required to make monthly contributions to these plans at specified percentages of the salaries of the employees. There was no forfeited contribution utilized to offset employers' contributions for the year ended December 31, 2024, and there was no forfeited contribution available to reduce the contribution. The Group also provides a mandatory provident fund scheme for employees employed under the Hong Kong Employment Ordinance.

Profiles of Directors and Senior Management

EXECUTIVE DIRECTOR

Mr. Zheng Zhihao (鄭志昊), aged 55, is an executive Director and the Chief Executive Officer of the Company and has held directorships and senior management positions at various subsidiaries within the Group, including as a director and the general manager of Tianjin Maoyan Weying since April 2016, and as an executive director, the legal representative as well as the manager of Maoyan Technology from February 2018 to July 2021.

Mr. Zheng has extensive experience in the Internet and media industries. From April 2001 to February 2005, Mr. Zheng served as a senior consultant in Microsoft Corporation, a company listed on the NASDAQ (Stock Code: MSFT). From February 2005 to September 2006, Mr. Zheng successively served as the senior program manager and the group manager in Microsoft (China) Co., Ltd. Shanghai Branch (微軟(中國)有限公司上海分公司). Mr. Zheng then served as a department general manager and the vice president of Tencent Technology (Shenzhen) Company Limited (騰訊科技(深圳)有限公司) from September 2006 to April 2015. Mr. Zheng also served as the president and the chief product officer at Dianping Holdings Ltd. between March 2014 and November 2015, responsible for its overall operations and the management of various products, including the development of the movie department and the management of the entertainment business such as the movie ticketing services business, and as the president of the platform business group of Meituan between November 2015 and April 2016, mainly in charge of the management of various products, including the movie ticketing services, product operations and technologies.

Mr. Zheng received a bachelor's degree in applied chemistry from Shandong University (山東大學) in Shandong, the PRC in July 1992 and a master's degree in science from University of Kentucky in Kentucky, the United States, in December 1996.

NON-EXECUTIVE DIRECTORS

Mr. Wang Changtian (王長田), aged 59, is a non-executive Director and the Chairman of the Company and the chairman of the board of Tianjin Maoyan Weying since July 2016. Mr. Wang also holds directorships and senior management positions in companies across various industries: in the media industry, Mr. Wang has served as the chairman of the board and general manager of Enlight Media since April 2000, and held directorships at its various subsidiaries, including the chairman of Beijing Enlight Pictures Co., Ltd. (北京光線影業有限公司) ("Enlight Pictures") since October 2004 and the director of Horgos Colorful (Enlight) Pictures Co., Ltd. (霍爾果斯彩條屋影業有限公司) since July 2015; and in the finance sector, Mr. Wang has served as a director of China Renaissance Securities (China) Co., Ltd. (華興證券有限公司) and Beijing Zhongguancun Bank Co., Ltd. (北京中關村銀行股份有限公司) since August 2016 and June 2017, respectively.

Mr. Wang received a bachelor's degree in journalism from Fudan University (復旦大學) in Shanghai, the PRC in July 1988.

Profiles of Directors and Senior Management

Ms. Li Xiaoping (李曉萍), aged 50, is a non-executive Director of the Company and a director of Tianjin Maoyan Weying since September 2017. Ms. Li also holds directorships and senior management positions at various companies in the media industry where she has served as a deputy general manager of Enlight Media since October 1999 and as its director since July 2009, as the president of Enlight Pictures since March 2011, and also as a director of various other subsidiaries of Enlight Media including Beijing Chuanmei Zhiguang Advertising Co., Ltd. (北京傳媒之光廣告有限公司) and Beijing Enlight Yishi Internet Technology Co., Ltd. (北京光線易視網絡科技有限公司).

Ms. Wang Jian (王華), aged 53, is a non-executive Director of the Company and holds directorships and senior management positions at various companies within the Group, including as a director of Tianjin Maoyan Weying since July 2016, as an executive director and the manager of Maoyan Pictures since August 2016, and as an executive director, the general manager as well as the legal representative of Beijing Maoyan since August 2016. Currently, Ms. Wang also holds directorships and senior management positions at various subsidiaries of Enlight Media, including as a director and the general manager of Shannan Enlight Pictures Co., Ltd. (山南光線影業有限公司) since August 2017. Ms. Wang has also served as a director at Enlight Holdings since January 2009.

Previously, Ms. Wang served as the chief financial officer of Enlight Media from June 2000 to September 2011 and from August 2012 to August 2018. She also served as a board secretary of Enlight Media from July 2009 to February 2016.

Mr. Sun Zhonghuai (孫忠懷), aged 51, has been appointed as a non-executive Director of the Company on November 16, 2022. Mr. Sun has approximately 20 years of experience in media industry and management. He joined Tencent in July 2003 and currently serves as vice president of Tencent and chief executive officer of Tencent Video. Between September 24, 2021 and January 24, 2025, Mr. Sun served as a non-executive director of Linmon Media Limited (檸萌影視傳媒有限公司, a company listed on the Stock Exchange under the stock code of 9857).

Mr. Sun obtained an Executive Master of Business Administration degree from Renmin University of China (中國人民大學) in June 2009.

Profiles of Directors and Senior Management

Mr. Chen Shaohui (陳少暉), aged 44, is a non-executive Director of the Company and a director of Tianjin Maoyan Weying since March 2017.

Mr. Chen has extensive experience in investment and strategic management. Between June 2004 and October 2005, he worked as an analyst at A.T. Kearney. From October 2005 to August 2008, he was employed as an investment manager at WI Harper Group (中經合集團). Between January 2011 and October 2014, he served as an investment director at Tencent. In November 2014, he joined Meituan and currently serves as its chief financial officer and senior vice president. Between July 2018 and March 2023, he served as a director at Enlight Media.

Mr. Chen received a bachelor's degree in economics from Peking University (北京大學) in Beijing, the PRC in June 2004 and a master's degree in business administration from Harvard Business School in Massachusetts, the United States, in May 2010.

Mr. Tang Lichun (唐立淳), aged 39, is a non-executive Director of the Company since January 15, 2020. Mr. Tang has over ten years of experience in media technology and investment. Mr. Tang has served as a director of FountainVest Partners Asia Limited since May 2012. Mr. Tang worked at PricewaterhouseCoopers from October 2007 to April 2012 and served as a manager.

Mr. Tang graduated from Shanghai Jiao Tong University (上海交通大學) in August 2007 with a bachelor's degree in business administration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Hua (汪華), aged 47, has been appointed as an independent non-executive Director of the Company on August 22, 2018, effective in January 2019.

Mr. Wang is the founder of and currently serves as a managing partner in the investment department of Sinovation Ventures (創新工場), an established Chinese technology-savvy investment firm. Mr. Wang has extensive experience in capital investment and information technology industry. He founded Shanghai Yinda Technology Co., Ltd. (上海音達科技集團有限公司), a company providing technical solutions to telecommunication carriers and equipment providers. Between September 2006 and October 2009, Mr. Wang served as the strategic partner manager in Google China.

Mr. Wang received a bachelor's degree in automation from Shanghai University of Electric Power (上海電力大學) in Shanghai, the PRC in July 1999 and a master's degree of business administration from Stanford University in California, the United States in June 2006.

Mr. Chan Charles Sheung Wai (陳尚偉), aged 71, has been appointed as an independent non-executive Director of the Company on August 22, 2018, effective in January 2019.

Mr. Chan holds directorships in various companies. Since December 20, 2022, Mr. Chan has served as an independent non-executive director of S.F. Holding Co., Ltd. (順豐控股股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002352). Since January 31, 2021, Mr. Chan has served as an independent non-executive director of Sun Art Retail Group Limited (高鑫零售有限公司), a company listed on the Stock Exchange (Stock Code: 6808). Since June 2019, Mr. Chan has served as an independent non-executive director of Hansoh Pharmaceutical Group Company Limited (翰森製藥集團有限公司), a company listed on the Stock Exchange (Stock Code: 3692). Between November 24, 2020 and June 21, 2024, Mr. Chan served as an independent non-executive director of Shanghai Bio-heart Biological Technology Co., Ltd. (上海百心安生物技術股份有限公司), a company listed on the Stock Exchange on December 23, 2021 (Stock Code: 2185). Between July 2012 and October 31, 2022, Mr. Chan served as an independent non-executive director of SRE Group Ltd. (上置集團有限公司), a company listed on the Stock Exchange (Stock Code: 1207).

Between 1977 and 1994, Mr. Chan worked in Arthur Andersen Canada. Between 1994 and 2002, Mr. Chan served as a partner and head of audit and business advisory division in Arthur Andersen China/Hong Kong, during which he had been a global partner since 1998. Between July 2002 and June 2012, he held various management positions at PricewaterhouseCoopers Zhong Tian CPAs Limited, including a partner in audit department.

Mr. Chan received a bachelor's degree in commerce from University of Manitoba in Manitoba, Canada in May 1977. Mr. Chan has been a Chartered Accountant in Canada and a Certified Public Accountant in Hong Kong since 1980 and 1995, respectively. Mr. Chan was a member of Council, Hong Kong Society of Accountants (now named Hong Kong Institute of Certified Public Accountants). Between 1998 and 2001, he was a member of Listing Committee of the Stock Exchange. Mr. Chan was a member of the First Election Committee for the Hong Kong Legislature in April 1998.

Profiles of Directors and Senior Management

Mr. Yin Hong (尹紅，alias: Yin Hong (尹鴻)), aged 63, has been appointed as an independent non-executive Director of the Company on October 28, 2020. Mr. Yin has been serving as a professor of Tsinghua University (清華大學) since 1999, and concurrently serving as a distinguished professor and the dean of Academy of Film at Macau University of Science and Technology (澳門科技大學) since 2017. Between December 1984 and August 1986, Mr. Yin served as a teaching assistant of Sichuan University (四川大學). Between September 1989 and August 1999, Mr. Yin served in Beijing Normal University (北京師範大學) with his last position as a professor. Mr. Yin is a well-known film theorist, critic, and planner in China. He has served as a consultant, producer, and art director for a number of film and television works, and concurrently assumes many important positions within several national associations and societies including the vice chairman of the China Literature and Art Critics Association (中國文藝評論家協會) and the vice chairman of the China Film Association (中國電影家協會).

Mr. Yin obtained the bachelor degree in Chinese language and the master degree in modern Chinese literature from Sichuan University (四川大學) in 1982 and 1984, respectively, and the doctoral degree in modern Chinese literature from Beijing Normal University (北京師範大學) in 1989. Mr. Yin received the Special Government Allowances of the State Council (國務院政府特殊津貼) from the State Council of the PRC in 2010 and was awarded the Top Ten Film Workers of Beijing (北京十佳電影工作者) by departments including Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局), Beijing Federation of Literary and Art Circles (北京市文學藝術界聯合會) and Beijing Television Artists Association (北京電視藝術家協會) in 2013.

Ms. Liu Lin (劉琳), aged 49, has been appointed as an independent non-executive Director of the Company on June 9, 2020. Between March 2016 and May 2020, Ms. Liu served as a senior vice president of Meituan. Between April 2003 and March 2016, Ms. Liu served as the general manager of the human resources department of Tencent and the general manager of Tencent Consulting successively.

Ms. Liu obtained a master degree in economics from Nankai University (南開大學) in December 2006.

CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed in this Annual Report, for the year ended December 31, 2024, the Company does not have any information required for disclosure in accordance with Rule 13.51B(1) of the Listing Rules.

SENIOR MANAGEMENT

Mr. Zheng Zhihao (鄭志昊) is the executive Director and the Chief Executive Officer of the Company. See "Executive Director" above for his biographical details.

JOINT COMPANY SECRETARIES

Ms. Zheng Xia (鄭霞) was appointed as a Joint Company Secretary of the Company in August 2018. Ms. Zheng joined the Company in May 2018 and currently serves as vice president and other positions of the Company. Ms. Zheng has more than ten years of experience as a lawyer.

Ms. Zheng received a bachelor's degree in law and a master's degree in law from China University of Political Science and Law (中國政法大學) in Beijing, the PRC, in June 2004 and January 2011, respectively. Ms. Zheng also obtained a LL.M degree from the University of Southern California in May 2012. Ms. Zheng is qualified as a lawyer in New York, and has obtained the PRC legal professional qualification.

Mr. Cheng Ching Kit (鄭程傑) was appointed as a Joint Company Secretary of the Company in August 2018. Mr. Cheng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over ten years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

In addition, he holds a bachelor of commerce degree in finance from the University of Queensland, Australia and a master of laws degree in Chinese law from the University of Hong Kong.

Directors' Report

The Board presents the directors' report together with the audited consolidated financial statements of our Group for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES

We are a leading provider of "Technology+Pan-Entertainment" service in China, offering online entertainment ticketing services, entertainment content services and advertising services and others.

RESULTS OF OPERATIONS

The results of our Group for the year ended December 31, 2024 are set out in the consolidated statement of comprehensive income on pages 105 to 106 of this Annual Report.

FINANCIAL SUMMARY

The financial summary of our Group between 2020 and 2024 is set out in the section headed "Financial Summary" on page 223 in this Annual Report.

BUSINESS REVIEW

For 2024, the total box office nationwide reached RMB42.502 billion, representing a decrease of 22.6% compared to 2023 (according to the data released by the China Film Administration (國家電影局)). The offline performance market maintained its growth trend. Under this background, the number of released movies in which the Company was involved and their box office performance continued to rank at the top among industry leaders. With our enhanced promotion and distribution service capabilities, the movies for which we acted as a lead distributor reached record highs at the box office contribution. Our live entertainment business continued to outperform the overall market in both revenue and GMV growth, further strengthening our market competitiveness. By continuing to optimize the revenue structure, the Company maintained its profitability. With the opportunity of development, we will adhere to the core development strategy of "Technology + Pan-entertainment" to deepen our presence in the pan-entertainment industry. With a firm commitment to improving our core competitiveness and profitability, we will uphold our original aspiration of serving the entire entertainment ecosystem, while driving high-quality development in the cultural and entertainment industry and making positive contribution to the development of a culture powerhouse.

For more details of the business development and performance of our Group for the Year, please refer to the sections headed "CEO's Statement" and "Management Discussion and Analysis" in this Annual Report.

Principal risks and uncertainties

Please refer to the section headed "Risk Management and Internal Control" in the corporate governance report in this Annual Report for the principal risks and uncertainties facing the Group.

Important events occurred since the end of the financial year

There have been no other significant events affecting the Company from December 31, 2024 up to the date of this Annual Report.

Future development

Looking to the future, we will continue to strengthen our strategic investment in the entertainment content business, further solidifying our leading advantages and capabilities in movie promotion and distribution. We will also deepen our participation in the distribution and production of blockbusters. Moreover, we will remain committed to the long-term development of animated movies, as well as value creation. Live entertainment remains one of our Company's strategic development priorities. We will closely track market trends while continuing to increase our long-term investment in our performance business, enhancing our infrastructure and service capabilities to further strengthen our market competitiveness. At the same time, building on our existing platforms and business collaborations in Hong Kong and Macau, we will further expand commercial cooperation in these regions and beyond as we seek new growth opportunities and possibilities for the Company's development. Furthermore, we will continue to explore and expand innovative business opportunities, such as the integration of AI technology into film creation and new collaborative scenarios with cinemas and other partners.

For more details of the future development of the Group, please refer to "CEO's Statement" of this Annual Report.

Environmental policies and performance

We are not subject to significant environmental risks. During the year ended December 31, 2024 and up to the date of this Annual Report, we were not been subject to any fines or other penalties due to non-compliance with environmental regulations.

For more details of the environment policies and performance of the Company, please refer to the section headed "Environmental, Social and Governance Report" of this Annual Report.

Compliance with the relevant laws and regulations

Our Group is subject to applicable laws and regulations in the PRC in respect of its business operations, including but not limited to those relating to value-added telecommunications services, information security and privacy protection, film distribution, radio and television programs, and Internet advertisement. During the year ended December 31, 2024 and up to the date of this Annual Report, we had not been and were not involved in any non-compliance incidents that led to fines, coercive measures or other penalties that could, individually or in the aggregate, have a material adverse impact on our business, financial condition or results of operations, and had complied with all relevant PRC laws and regulations that are applicable to us in all material respects.

Directors' Report

Relationships with stakeholders

The Group's success depends on the support from key stakeholders which comprise our Directors and senior management members, employees, customers and suppliers.

Employees

As of December 31, 2024, we had 896 full-time employees, all of whom were based in mainland China and Hong Kong, primarily at our headquarters in Beijing, with the remainder in Shanghai and various other cities in China.

Committed to establishing a competitive, fair remuneration and benefits system, we continually refine our remuneration and incentive policies through market research and comparison with our competitors, in order to ensure that our employees receive competitive remuneration packages. As required under the PRC regulations, we participate in housing fund and various employee social security plan that are organized by applicable local municipal and provincial governments. We also purchase commercial health and accidental insurance for our employees, and provide regular and specialized trainings tailored to the needs of our employees in different departments as well, so that our employees may stay up to date with the latest industrial developments and technological advancements. In order to incentivize our Directors, senior management and other employees for their contribution to our Group and to attract and retain suitable personnel, we have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

Customers

Our customers primarily include cinemas, entertainment content producers and distributors, and advertisers. Pursuant to the ticket sales agreements with cinemas, we typically act as a non-exclusive online ticketing service provider for tickets sold outside of cinemas.

Suppliers

Our suppliers primarily include ticketing system companies who help establish and maintain our connection with cinemas' ticketing systems. We generally enter into separate agreements with these ticketing system companies supplementary to our agreements with cinemas, to establish a connection between our platform and the ticketing system of each cinema and to ensure the smooth integration of its ticketing system into our network. The settlement period with ticketing system companies is typically one month.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended December 31, 2024, the percentage of the total revenue attributable to the five largest customers was less than approximately 30% of the total revenue of the Group, and the percentage of the total cost attributable to the five largest suppliers was approximately 40.3% of the total cost of the Group, while the percentage of the cost attributable to the largest suppliers was approximately 11% of the total cost of the Group. To the knowledge of the directors, during the Reporting Period, save for Meituan, a shareholder of the Company holding 7.18% of the shares of the Company as of December 31, 2024, and Tencent, a shareholder of the Company holding 13.65% of the shares of the Company as of December 31, 2024, being one of the five largest suppliers, respectively, none of the other directors and their associates or any shareholders holding more than 5% of the issued shares of the Company have any rights or interests in our five largest suppliers.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the year ended December 31, 2024 are set out in Note 14 to the audited consolidated financial statements.

FINAL DIVIDEND

The Board recommended the payment of a final dividend HK$0.32 per Share for the year ended December 31, 2024. Subject to the approval by the Shareholders at the annual general meeting to be held on June 25, 2025, the final dividend will be paid on or around August 22, 2025 to the Shareholders whose name appear on the register of member of the Company at the close of business on July 4, 2025.

The dividend will be paid to all Shareholders on an all-cash basis by default. Eligible shareholders will also be provided with an option to receive the final dividend wholly in the form of new fully paid Shares in lieu of cash. The scheme is conditional upon the passing of the relevant resolution at the AGM and the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the scheme. Shareholders not making any election will be receiving the whole dividend in cash. For the avoidance of doubt, Shareholders cannot elect to receive the final dividend partly in cash and partly in the form of new Shares, except for Hong Kong Securities Clearing Company Nominees Limited which may elect to receive its entitlement partly in cash and partly in the form of new Shares. As at the date of this Annual Report, the Board is not aware of any arrangement under which any Shareholder has waived or agreed to waive any dividends.

Reference is made to the Company's announcement dated March 27, 2025, the Company announced its commitment to creating long-term value for the Shareholders and enhancing their returns. Based on the rules as determined under the Dividend Policy adopted on March 25, 2019 and subject to the factors set out therein, in the event the Company decides to recommend or declare dividends for the financial years 2025, 2026, and 2027, the Company targets to distribute no less than 20% of the profit attributable to owners of the Company for the relevant financial years.

CLOSURES OF THE REGISTER OF MEMBERS

The Company will hold the AGM on Wednesday, June 25, 2025. The register of members of the Company will be closed from Friday, June 20, 2025 to Wednesday, June 25, 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, June 19, 2025.

The proposed final dividend is subject to the passing of ordinary resolutions by the shareholders at the AGM. The register of members of the Company will be closed from Wednesday, July 2, 2025 to Friday, July 4, 2025, both days inclusive, in order to determine the entitlement to the proposed final dividend，during which period no share transfers will be registered. The record date for entitlement to the proposed final dividend is Friday, July 4, 2025. In order to be eligible to receive the proposed final dividend, all properly completed transfer forms accompanied by the relevant Share certificates, must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, June 30, 2025. If approved by the Shareholders at the forthcoming AGM, the payment date of the proposed final dividend is expected to be or around Friday, August 22, 2025.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 36 to the audited consolidated financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended December 31, 2024 are set out in Note 28 to the audited consolidated financial statements.

RESERVES

Details of the movement in the reserves of the Group and the Company during the year ended December 31, 2024 are set out in Notes 29 and 35 respectively to the audited consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of the Company's reserves available for distribution to the Shareholders, calculated in accordance with the provisions of the Companies Act, as at December 31, 2024, are set out in Note 35 to the audited consolidated financial statements.

BORROWINGS

Details of the borrowings of the Group are set out in the paragraph headed "Liquidity, Financial Resources and Gearing" in the section headed "Management Discussion and Analysis" in this Annual Report and Note 25 to the audited consolidated financial statements.

ISSUE OF DEBENTURE

The Group has not publicly issued any debentures during the year ended December 31, 2024.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reasons of their holding of the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended December 31, 2024, the Company repurchased a total of 7,099,800 shares on the Stock Exchange for an aggregate consideration of approximately HK$49.75 million (before expenses). The repurchased shares were subsequently cancelled. The repurchases was effected for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

Month of purchase in 2024	No. of shares purchased	Purchase consideration per share Highest price paid HKD	Purchase consideration per share Lowest price paid HKD	Aggregate consideration paid HKD
July	2,999,000	8.36	7.83	24,549,165.60
August	2,096,600	6.36	5.97	12,845,965.38
September	1,672,200	6.05	5.90	9,968,587.34
October	332,000	7.20	7.20	2,390,400.00
Total	7,099,800			49,754,118.32

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, or the law of Cayman Islands being the jurisdiction in which the Company is incorporated, under which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CHARITABLE DONATIONS

During the Reporting Period, the Group made charitable donations of approximately RMB0.5 million.

DIRECTORS

The Directors during the Reporting Period and as of the date of this Annual Report are:

Executive Director

Mr. Zheng Zhihao *(Chief Executive Officer)*

Non-executive Directors

Mr. Wang Changtian *(Chairman)*
Ms. Li Xiaoping
Ms. Wang Jian
Mr. Sun Zhonghuai
Mr. Chen Shaohui
Mr. Tang Lichun

Independent Non-executive Directors

Mr. Wang Hua
Mr. Chan Charles Sheung Wai
Mr. Yin Hong
Ms. Liu Lin

The biographical details of the Directors and senior management are set out in the section headed "Profiles of Directors and Senior Management" in this Annual Report.

In accordance with Article 109(a) of the Articles of Association, Mr. Zheng Zhihao, Ms. Li Xiaoping, Mr. Chen Shaohui and Mr. Wang Hua shall retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

Our executive Director has entered into a service contract with the Company for term of three years from June 29, 2024. Either party has the right to give not less than three months' prior written notice to terminate the agreement.

Each of the non-executive Directors and independent non-executive Directors (excluding Mr. Sun Zhonghuai , Mr. Tang Lichun, Ms. Liu Lin and Mr. Yin Hong) has entered into an appointment letter with the Company. The term for their appointment shall be three years from June 29, 2024 or until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Mr. Sun Zhonghuai has entered into an appointment letter with the Company on November 16, 2022; Mr. Tang Lichun has entered into an appointment letter with the Company on January 15, 2023; Ms. Liu Lin has entered into an appointment letter with the Company on June 9, 2023; and Mr. Yin Hong has entered into an appointment letter with the Company on October 28, 2023. The term for their appointment shall be three years from the date of their appointment or until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

There was no service contract entered into/appointment letter signed by the Company and any Director to be re-elected at the forthcoming AGM which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Our Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 37 to the Consolidated Financial Statements and in the section headed "Connected Transactions" of a Directors' Report in this Annual Report, no Director nor an entity connected with a Director has or had material beneficial interest, directly or indirectly in any transaction and arrangement or contract of significance subsisting as at December 31, 2024, or at any time during the year ended December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of December 31, 2024, Mr. Wang Changtian, our Chairman and non-executive Director, (i) indirectly held approximately 24.14% and 16.81% interests in our Company's issued share capital through Vibrant Wide Limited (a wholly owned subsidiary of Mr. Wang) and Hong Kong Pictures International Limited (a wholly owned subsidiary of Enlight Media), respectively; and (ii) directly held 95% interests in Enlight Holdings (in which the remaining 5% is held by Ms. Wang Jian, being Mr. Wang's sister), which owned approximately 37.4% interests in Enlight Media.

As disclosed in the Prospectus, Enlight Media is primarily engaged in investment and production of entertainment content, including movies, TV series, comics and animation, video, music and literature, as well as movie and TV series promotion and distribution. For details of the delineation of the businesses of our Group and of Enlight Media, please refer to the section headed "Relationship with Enlight and Tencent" in the Prospectus.

Saved as disclosed above, as of December 31, 2024, none of the Directors nor their respective close associates had interests in businesses, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2024.

REMUNERATION OF DIRECTORS

In compliance with the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. Directors' remuneration is subject to Shareholders' approval at general meetings or shall be fixed by the Board with the authorization. Other emoluments are determined by the Board with reference to Directors' duties and responsibilities, the recommendations of the Remuneration Committee and the performance and results of the Group. No Director, or any of their respective associates, was involved in deciding his/her own remuneration.

Details of the remuneration of the Directors and the five highest paid individuals during the year ended December 31, 2024 are set out in Notes 9 and 37 to the audited consolidated financial statements respectively.

During the year ended December 31, 2024, none of the Directors had waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

EQUITY-LINKED AGREEMENT

Except for the employee incentive schemes as set out in this Annual Report, no equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2024.

EMPLOYEE INCENTIVE SCHEMES

In order to provide incentives and rewards to directors, senior management and employees of the Group and other eligible individuals and entities, the Company adopted a series of employee incentive scheme, including Pre-IPO Share Option Scheme, Post-IPO Share Option Scheme, RSU Scheme and Restricted Share Agreement (collectively, the "ESOP Plan") on July 23, 2018 (the "Adoption Date").

The total number of Shares issued or issuable pursuant to the ESOP Plan shall not be more than 117,033,705 Shares, representing approximately 10.2% of the total issued share capital of the Company as at the date of this Annual Report.

PRE-IPO SHARE OPTION SCHEME

The Pre-IPO Share Option Scheme was adopted by the Company as a continuation and restructuring of the employee share incentive scheme originally adopted by Tianjin Maoyan Weying on November 8, 2016 (the "2016 ESOP") following the Reorganization, which was established to recognise and reward the contribution of the participants to the growth and development of Tianjin Maoyan Weying. The 2016 ESOP was terminated as a result of the adoption of the ESOP Plan. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as our Pre-IPO Share Option Scheme will not involve the grant of options by us to subscribe for new Shares of the Company.

The Pre-IPO Share Option Scheme shall be valid and effective for the period of time commencing on the Adoption Date and unless amended, altered, suspended or terminated by the Board and Shareholders, the Pre-IPO Share Option Scheme shall continue in effect for a term of eight (8) years and shall terminate on the eighth anniversary of the Adoption Date. As of the date of this Annual Report, the Pre-IPO Share Option Scheme shall continue in effect for next two years, upon which any Pre-IPO Share Options granted or agreed to be granted pursuant to the Pre-IPO Share Option Scheme and any offer of such a grant shall be of no effect, and for which no claim whatsoever shall be made against the Company.

Directors' Report

Participants of the Pre-IPO Share Option Scheme, (the "Pre-IPO Eligible Participants") include the directors, senior management and employees of the Group and any other persons as the Board may deem appropriate provided that such Pre-IPO Eligible Participants shall have satisfied certain conditions. Nil consideration is required to be paid by the grantee of Pre-IPO Share Option Scheme (the "Grantee") for the grant of any Pre-IPO Share Options under the Pre-IPO Share Option Scheme.

The maximum number of Shares that may be issued upon exercise of all options granted and to be granted under the Pre-IPO Share Option Scheme shall be no more than 42,544,600 (which have been reserved by the Company), representing approximately 3.7% of the total issued share capital of the Company as at the date of this Annual Report.

A Grantee may exercise his or her option in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) at any time during the period which may be specified by the Board or the CEO in the grant letter (the "Pre-IPO Exercise Period") by the Grantee (or in the case of his death, his legal personal representatives) giving notice in writing to the Company stating that the Pre-IPO Share Options are thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of exercise price (the "Pre-IPO Exercise Price") for the Shares in respect of which the notice is given.

The vesting of the Pre-IPO Share Options to each Grantee shall follow the vesting schedule in each of such Grantee's grant letter. The vesting period shall commence on the date of the grant letter or any other date as the CEO may agree. Notwithstanding the foregoing, in order to match the vested options under the 2016 ESOP, certain Pre-IPO Share Options shall be vested to the Grantees upon the date of the grant letter but shall only become exercisable as and when permitted by applicable laws, which will be more specifically set out in the grant letter. All the underlying Shares pursuant to the share options granted and to be granted under the Pre-IPO Share Option Scheme are subject to lock-up for a period of six months following the Listing during which no employee shall dispose of the underlying Shares issued to such employee.

In the case of retirement, voluntary termination of employment or engagement of the Grantee, any unvested Pre-IPO Share Options at such termination will be automatically forfeited and any Pre-IPO Share Option not exercised prior to the expiry of the ninety-day period will lapse.

The Pre-IPO Share Options exercise price shall be as specified by the Board or the CEO in the grant letter and may be determined by reference of the market practice and the historical value of the Shares during the capitalisation period of the Company, which shall in no event be lower than the par value of the Shares in the Company.

Movements of the options granted by the Company pursuant to the Pre-IPO Share Option Scheme during the Reporting Period are as follows:

Category	Exercise price per Share Category (HK$)	Date of grant	Exercise period	Closing price immediately prior to grant	Outstanding as of January 1, 2024	Granted during the period	Exercised during the period	Weighted average closing price immediately prior to exercise (HK$)	Lapsed during the period	Cancelled during the period	Outstanding as of December 31, 2024	Vesting Period (note)
	0.1009	2016/8/1 to 2018/3/1	Eight years from the date of grant	N/A	461,515	–	8,310	9.0420	295	–	452,910	1(a)
Employee	14.8000	2018/2/1 to 2018/8/1	Eight years from the date of grant	N/A	1,888,068	–	–	N/A	789,725	–	1,098,343	1(b)
		2018/4/11 to 2018/6/1		N/A	7,710,890	–	–	N/A	–	–	7,710,890	1(a)
Total					**10,060,473**	**–**	**8,310**	**N/A**	**790,020**	**–**	**9,262,143**	

Directors' Report

Notes:

1. The options granted under the scheme are subject to a vesting schedule and can be exercised in the following manner:

a. Category A

Vesting Date	Percentage that can be exercised
First vesting date	Up to 25% of the options granted
First anniversary of first vesting date	Up to 50% of the options granted
Second anniversary of first vesting date	Up to 75% of the options granted
Third anniversary of first vesting date	Up to all of the options granted

b. Category B

Vesting Date	Percentage that can be exercised
First vesting date	Up to 50% of the share options granted
First anniversary of first vesting date	Up to 75% of the share options granted
Second anniversary of first vesting date	Up to all of the share options granted

POST-IPO SHARE OPTION SCHEME

The purpose of the Post-IPO Share Option Scheme is to provide incentives and rewards to directors, senior management and employees of the Group and any other eligible individuals and/or entities in order to provide incentives and rewards to them for their contribution, and to align the corporate objectives and interests between the Group and its key talents.

The Post-IPO Share Option Scheme was conditionally adopted together with the Restricted Share Agreement, Pre-IPO Share Option Scheme and the RSU Scheme by the Shareholders' resolutions on the Adoption Date. The total number of Shares which may be issued upon exercise of options that may be granted under the Post-IPO Share Option Scheme and the RSU Scheme shall not in aggregate exceed 55,211,880 Shares ("Post-IPO Share Option and RSU Total Limit") (which have been reserved by the Company), representing approximately 4.8% of the total issued share capital of the Company as at the date of this Annual Report. The total number of Shares issued and which may be issued pursuant to the options granted or to be granted under the Post-IPO Share Option Scheme does not exceed 23,293,595 Shares (the "Post-IPO Share Option Scheme Limit") (which has been reserved by the Company), representing approximately 2.0% of the total issued share capital of the Company as at the date of this Annual Report.

The participants for the Post-IPO Share Option Scheme (the "Post-IPO Eligible Participants") include the directors, senior management and employees (whether full time or part time) of the Group (including persons who are granted Options under the Plan as an inducement to enter into employment contracts with the Group), provided that such participant shall have satisfied the relevant conditions, or any other conditions as agreed by the Board. The subscription price in respect of any option shall be a price determined by the Board which shall be no less than (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of the grant letter; (ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant letter of the relevant Post-IPO Share Options; and (iii) the par value of the Share on the date of the grant letter.

Where any grant of Options to a participant would result in the total number of Shares issued and to be issued in respect of all Awards and Options granted (excluding any Awards and Options lapsed in accordance with the terms of RSU Scheme and Share Option Scheme) under RSU Scheme and Share Option Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such participant and his/her close associate (or associates, if the participant is a connected person), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of the Options to be granted to such participant must be fixed before the approval of the Shareholders.

Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options, RSUs and Awards granted (excluding any Options and Awards lapsed in accordance with the terms of RSU Scheme and Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options must be approved by shareholders of the Company in general meeting (with such selected person, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Subject to otherwise determined by the Board/the CEO (as the case may be) at its/his/her sole absolute discretion, the grantee is not required to pay any grant or purchase price or make any other payment to the Company to accept the Options granted.

Subject to the terms of the Post-IPO Share Option Scheme and unless otherwise specified in the grant letter pursuant to Post-IPO Share Option Scheme, the granted Post-IPO Share Options shall vest 1) 25% per year within four (4) anniversary years or 2) 50% upon/within the second (2) anniversary year with an equal proportion of the remaining balance upon/within the third (3) and fourth (4) anniversary year, respectively. Save for other specified thereunder, the vesting period shall not be less than twelve months or other periods as may be required or permitted under the Listing Rules. The vesting period shall commence on the grant date or any other date as the Board or the CEO (as the case may be) may agree.

Directors' Report

A person entitled to any Post-IPO Share Option in consequence of the death of the original grantee (or in the case of his death, his legal personal representatives) may exercise his Post-IPO Share Options in whole or in part (but if in part, only in respect of a board lot or any integral multiple thereof) at any time during the Post-IPO Exercise Period which may be specified by the Board in the grant letter in the manner by giving notice in writing (in such form as the Company may from time to time specify) to the Company stating that the Post-IPO Share Options are thereby exercised and the number of Shares in respect of which it is exercised with a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

Subject to the rules of the Post-IPO Share Option Scheme, options may be exercised by a Post-IPO Eligible Participant, in whole or in part, at any time during the period commencing from the grant date and such expiry date as determined by the Board in the grant letter (the "Post-IPO Exercise Period").

Subject to earlier termination by our Company in general meeting or by the Board, the Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the effective date. As of the date of this Annual Report, the Post-IPO Share Option Scheme shall continue in effect for next three years. After the expiration of the 10-year period, no further options will be granted by the provisions of the scheme, but the provisions of the scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

Amendments have been made to the Chapter 17 of the Listing Rules for the purpose of regulating share option schemes and share award schemes, with effect from January 1, 2023 (the "Amended Listing Rules"). The Company has amended the Post-IPO Share Option Scheme to bring it in line with the Amended Listing Rules. The adoption of the proposed amended Post-IPO Share Option Scheme was approved by the Shareholders on June 28, 2023 by way of an ordinary resolution at the AGM. For further details, please refer to the circular of the Company dated April 26, 2023.

Directors' Report

Movements of the options granted by the Company pursuant to the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Category	Exercise price per Share (HK$)	Date of grant	Exercise Period	Closing price immediately prior to grant (HK$)	Outstanding as of January 1, 2024	Granted during the period	Exercised during the period	Weighted average closing price immediately prior to the date of exercise of share options (HK$)	Lapsed during the period	Cancelled during the period	Outstanding as of December 31, 2024	Vesting Period (note)
Employee	16.2000	2019/5/2	Ten years from the date of grant	16.1000	–	–	–	N/A	–	–	–	1(b)
	14.7600	2019/5/10	Ten years from the date of grant	14.1000	1,578,410	–	–	N/A	272,965	–	1,305,445	1(b)
					138,795	–	–	N/A	–	–	138,795	1(a)
	11.4360	2019/11/1	Ten years from the date of grant	11.3200	–	–	–	N/A	–	–	–	1(b)
	10.5000	2020/4/29	Ten years from the date of grant	10.3200	1,269,646	–	–	N/A	230,000	–	1,039,646	1(a)
					250,000	–	–	N/A	–	–	250,000	1(b)
Director												
Zheng Zhihao	13.1360	2021/1/19	Ten years from the date of grant	12.6200	7,533,000	–	–	N/A	1,391,942	–	6,141,058	1(a)
Total					**10,769,851**	**–**	**–**	**N/A**	**1,894,907**	**–**	**8,874,944**	

Notes:

1. Please refer to note under sub-section headed "Pre-IPO Share Option Scheme" above.

2. As at January 1, 2024 and December 31, 2024, the total numbers of Post-IPO Share Options available for grant under the Post-IPO Share Option Scheme were 11,889,550 and 13,784,457, respectively.

3. All the above grants were made prior to the effective date of the amendments to Chapter 17 of the Listing Rules.

4. There were no share options granted by the Company for the year ended December 31, 2024.

RSU SCHEME

The purposes of the RSU Scheme is to recognise and reward participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain within the Group and further promote the success of its business.

An award of restricted share units under the RSU Scheme (the "Award(s)") gives a participant in the RSU Scheme a conditional right when the Award vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the Board in its absolute discretion. An Award may include, if so specified by the Board in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests.

The participants for the RSU Scheme (the "RSU Participants") include the directors, senior management and employees (whether full time or part time) of the Group (including persons who are granted RSU under the Scheme as an inducement to enter into employment contracts with the Group) provided that such participants shall have satisfied the following conditions, or any other conditions as agreed by the Board: having entered into the agreements with the Company in terms of employment, confidentiality, intellectual properties and non-competition in the form and content to the satisfaction of the Company

Where any grant of Awards to a participant would result in the total number of Shares issued and to be issued in respect of all Awards and Options granted (excluding any Awards and Options lapsed in accordance with the terms of Scheme and Share Option Scheme) under Scheme and Share Option Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such participant and his/her close associate (or associates, if the participant is a connected person), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of the Award to be granted to such participant must be fixed before the approval of the Shareholders.

Where any grant of RSUs under this Scheme to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all RSUs and awards granted (excluding any RSUs lapsed in accordance with the terms of this Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of RSUs must be approved by shareholders of the Company in general meeting (with such participant, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Where any grant of RSUs to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all RSUs, options and awards granted (excluding any Awards and Options lapsed in accordance with the terms of Scheme and Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of RSUs must be approved by shareholders of the Company in general meeting (with such selected person, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting). In such event, the Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Subject to otherwise determined by the Board/the CEO (as the case may be) at its/his/her sole absolute discretion, the grantee is not required to pay any grant or purchase price or make any other payment to the Company to accept the RSUs granted. Subject to any early termination as may be determined by the Board and Shareholders, the RSU Scheme shall be valid and effective for the period of eight years commencing on the date of adoption (the "Term of the RSU Scheme"). As of the date of this Annual Report, the RSU Scheme shall continue in effect for next one year. Thereafter, no further Awards will be granted, but the provisions of the RSU Scheme shall in all other respects remain in full force and effect and Awards that are granted during the Term of the RSU Scheme may continue to be exercisable in accordance with their terms of issue.

On and subject to the terms of the RSU Scheme and the terms and conditions that the Board and/or the CEO (as the case may be) imposes, the Board and the CEO shall be entitled at any time during the term of the RSU Scheme to make a grant to any RSU Participant as the Board or the CEO may in its respective absolute discretion determine. The amount of an Award may be determined at the sole and absolute discretion of the Board and the CEO (as the case may be) and may differ among selected participants.

No Award shall be granted pursuant to the RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares (being in a board lot or an integral multiple thereof) (or, where cash is awarded in lieu of Shares, the aggregate number of Shares as are equivalent to the amount of cash so awarded) underlying all grants made pursuant to the RSU Scheme (excluding Awards that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) will exceed in total 31,918,285 Shares (the "RSU Scheme Limit") (which have been reserved by the Company), representing approximately 2.8% of the total issued share capital of the Company as at the date of this annual report.

Directors' Report

The Company has appointed a professional Trustee (the "RSU Trustee") to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme.

Subject to the terms of the RSU Scheme and the specific terms and conditions applicable to each Award, the RSUs granted in an Award shall vest 1) 25% per year within four (4) anniversary years; or 2) 50% upon/within the second (2) anniversary year with an equal proportion of the remaining balance upon/within the third (3) and fourth (4) anniversary year, respectively. Save for other specified thereunder, the vesting period shall not be less than twelve months or other periods as may be required or permitted under the Listing Rules. The vesting period shall commence on the grant date or any other date as the CEO may agree. All Awards granted as of the date of this Annual Report, have been settled or will be settled by way of new shares issued or to be issued by the Company.

Subject to the execution of documents by the grantee, the RSUs which have vested shall be satisfied at the Board's or the CEO's absolute discretion.

The RSU Scheme may be terminated at any time prior to the expiry of its term by the Board and Shareholders provided that the Company shall protect all subsisting rights of all grantees hereunder, including the repayment of consideration or transfer price payable under the RSU Scheme. In this event no further Awards shall be granted after the RSU Scheme is terminated but in all other respects the provisions of the RSU Scheme shall remain in full force and effect. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid.

The Company has amended the RSU Scheme to bring it in line with the Amended Listing Rules. The adoption of the proposed amendments to the RSU Scheme was approved by the Shareholders on June 28, 2023 by way of an ordinary resolution at the AGM. For further details, please refer to the circular of the Company dated April 26, 2023.

The award shares granted by the Company for the year ended December 31, 2024 are as follows:

Category	Date of grant	Total amount of award shares granted	Closing price immediately prior to grant of Awards (HK$)	Outstanding as of January 1, 2024	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Outstanding as of December 31, 2024	Vesting Period (note)
Employee	2019/5/2	655,425	16.1000	–	–	–	–	–	–	1(b)
	2019/10/8	3,336,336	12.0200	–	–	–	–	–	–	1(a)
	2019/11/1	729,200	11.3200	–	–	–	–	–	–	1(b)
	2020/4/29	8,528,779	10.3200	1,285,842	–	1,285,842	–	–	–	1(a)
		80,000		20,000	–	20,000	–	–	–	1(b)
	2021/5/1	349,378	15.4800	–	–	–	–	–	–	1(b)
		100,000		–	–	–	–	–	–	1(a)
	2021/11/26	760,000	9.2900	335,000	–	167,500	–	–	167,500	1(a)
		754,100		342,500	–	151,250	40,000	–	151,250	1(b)
	2022/5/1	200,000	6.2600	200,000	–	100,000	–	–	100,000	1(b)
	2022/11/26	80,000	6.6400	–	–	–	–	–	–	1(b)
	2023/5/4	384,333	8.2800	164,633	–	–	–	–	164,633	1(b)
		518,400		518,400	–	129,600	388,800	–	–	1(a)
	2023/9/20	8,150,000	11.6800	8,130,000	–	2,017,500	142,500	–	5,970,000	1(a)
	2023/11/1	237,600	9.3200	237,600	–	–	137,300	–	100,300	1(b)
	2024/5/6	410,100	9.9900	–	410,100	–	44,100	–	366,000	1(b)
Total				**11,233,975**	**410,100**	**3,871,692**	**752,700**	**–**	**7,019,683**	

Directors' Report

Notes:

1. Please refer to note under sub-section headed "Pre-IPO Share Option Scheme" above.

2. As at January 1, 2024 and December 31, 2024, the total numbers of RSUs available for grant under the RSU Scheme were 13,243,560 and 13,586,160, respectively.

3. The fair value of Award granted on May 6, 2024 as at the grant dates was HK$9.82 per share. The fair value of these RSUs was determined with reference to the share price of the Company as at the date of grant. As the Company had no history of dividend payment, no expected dividends were taken into account in calculating the fair value of these RSUs.

4. The weighted average closing price of Shares immediately preceding the vesting date of the Awards vested during the year 2024 was HK$7.75 per share.

5. The purchase price per share of RSUs was nil.

6. There were no performance targets for all the Awards granted for the year ended December 31, 2024.

7. The total number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year divided by the weighted average number of the Shares in issue during the year is 0.04%.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at December 31, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors/ Chief Executive	Capacity	Nature of Interests	No. of Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Zheng Zhihao[1]	Interest in controlled corporations	Long Position	19,277,225	1.67
	Beneficial owner	Long Position	11,013,597[2]	0.96
Mr. Wang Changtian[3]	Interest in controlled corporations	Long Position	471,465,845	40.95
Ms. Wang Jian	Beneficial owner	Long Position	450,000	0.04

Notes:

1. As at December 31, 2024, Rhythm Brilliant Limited directly held 19,277,225 Shares in our Company. Rhythm Brilliant Limited is a wholly-owned subsidiary of Mr. Zheng Zhihao. Therefore, Mr. Zheng Zhihao is deemed to be interested in the 19,277,225 Shares held by Rhythm Brilliant Limited for purpose of Part XV of the SFO.

2. These interests include 6,141,058 options granted by the Company to Mr. Zheng Zhihao under the Post-IPO Share Option Scheme on January 19, 2021, entitling him to subscribe for 6,141,058 shares of our Company. As of December 31, 2024, Mr. Zheng Zhihao has not exercised any options.

3. As at December 31, 2024, Vibrant Wide Limited and Hong Kong Pictures International Limited directly held 277,979,625 Shares and 193,486,220 Shares in our Company, respectively. Vibrant Wide Limited is owned by Mr. Wang Changtian as to 100% of its equity interests. Hong Kong Pictures International Limited is a wholly-owned subsidiary of Enlight Media, which is owned by Enlight Holdings as to approximately 37.4% of its equity interests, which in turn is owned by Mr. Wang Changtian as to 95% of its equity interests. Therefore, Mr. Wang Changtian is deemed to be interested in the 471,465,845 Shares held by Vibrant Wide Limited and Hong Kong Pictures International Limited for purpose of Part XV of the SFO. Mr. Wang Changtian serves as a director at Vibrant Wide Limited, Hong Kong Pictures International Limited and Enlight Holdings, respectively.

Save as disclosed above, as at December 31, 2024, neither the Directors nor chief executive of the Company (including their spouses and children under 18 years of age) had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2024, so far as the Directors or the chief executive of the Company were aware, the Substantial Shareholders, other than the Directors or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Substantial Shareholders	Capacity	Nature of Interest	No. of Shares	Approximate percentage of the issued share capital of the Company (%)
Vibrant Wide Limited	Beneficial owner	Long position	277,979,625	24.14
Hong Kong Pictures International Limited	Beneficial owner	Long position	193,486,220	16.81
Inspired Elite Investments Limited[1]	Beneficial owner	Long position	82,693,975	7.18
Meituan[1]	Interest in a controlled corporation	Long position	82,693,975	7.18
Crown Holdings Asia Limited[1]	Interest in a controlled corporation	Long position	82,693,975	7.18
Songtao Limited[1]	Interest in a controlled corporation	Long position	82,693,975	7.18
TMF (Cayman) Ltd.[1]	Trustee	Long position	82,693,975	7.18
Wang Xing[1]	Interest in a controlled corporation	Long position	82,693,975	7.18
Image Flag Investment (HK) Limited[2]	Beneficial owner	Long position	157,169,260	13.65
Tencent[2]	Interest in a controlled corporation	Long position	157,169,260	13.65
Interstellar Investment Ltd.[3]	Beneficial owner	Long position	66,127,317	5.74
NottingHill Investment Ltd.[3]	Interest in a controlled corporation	Long position	66,127,317	5.74
FountainVest China Capital Partners Fund III, L.P.[3]	Interest in a controlled corporation	Long position	66,127,317	5.74
FountainVest China Capital Partners GP3 Ltd.[3]	Interest in a controlled corporation	Long position	66,127,317	5.74

Notes:

1. Inspired Elite Investments Limited is wholly-owned by Meituan, which is owned as to 39.18% by Crown Holdings Asia Limited, which is in turn wholly-owned by Songtao Limited. Songtao Limited is in turn wholly-owned by TMF (Cayman) Ltd. and in turn wholly-owned by Mr. Wang Xing. Therefore, Meituan, Crown Holdings Asia Limited, Songtao Limited, TMF (Cayman) Ltd. and Mr. Wang Xing are deemed to be interested in the 82,693,975 shares held by Inspired Elite Investment Limited for purpose of Part XV of the SFO. Mr. Chen Shaohui serves as a director at Inspired Elite Investment Limited.

2. Image Flag Investment (HK) Limited is wholly-owned by Tencent. Therefore, Tencent is deemed to be interested in the 157,169,260 shares held by Image Flag Investment (HK) Limited for purpose of Part XV of the SFO.

3. Interstellar Investment Ltd. is wholly-owned by NottingHill Investment Ltd., which is owned as to 77.34% by FountainVest China Capital Partners Fund III, L.P., which is in turn wholly-owned by FountainVest China Capital Partners GP3 Ltd. Hence, NottingHill Investment Ltd., FountainVest China Capital Partners Fund III, L.P. and FountainVest China Capital Partners GP3 Ltd. are deemed to be interested in the Shares held by Interstellar Investment Ltd.

Save as disclosed above, as at December 31, 2024, so far as the Directors were aware, no other persons (other than the Directors or chief executive) had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Employee Incentive Schemes" above, at no time during the year ended December 31, 2024 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries or any of its holding companies or any of subsidiaries of its holding companies a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus of the Company and so far as the Directors or the chief executive of the Company were aware, the Company did not have any controlling shareholder for the year ended December 31, 2024.

EMPLOYEE RETIREMENT BENEFITS

Particulars of the employee retirement benefits of the Group are set out in Note 9 to the audited consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules. Based on the information that is publicly available to the Company and to the best knowledge and information of the Directors, as at the date of this Annual Report, the number of Shares in public hands of the total issued share capital of the Company satisfies the minimum percentage prescribed in the conditions imposed in the waiver granted by the Stock Exchange from strict compliance with Rule 8.08(1) of the Listing Rules.

CONNECTED TRANSACTIONS

Details of our Group's continuing connected transactions during the Reporting Period are set out as follows:

I. Continuing Connected Transactions with the Enlight Media Group

Non-Exempt Continuing Connected Transactions

As Enlight Media is an associate of Mr. Wang Changtian who is a non-executive Director and a substantial Shareholder of the Company, the transactions with Enlight Media constitute connected transactions of the Company.

1. Enlight Movie and TV series Production Cooperation Framework Agreement

We renewed the movie and TV series production cooperation framework agreement with Enlight Media (for itself and on behalf of its subsidiaries (the "Enlight Media Group")) (the "Enlight Movie and TV series Production Cooperation Framework Agreement") on August 20, 2021, pursuant to which we and the Enlight Media Group agreed to cooperate with each other in the arrangements including but not limited to:

- Making joint investment in the production of movies and TV series.
- Forming joint ventures or other joint arrangements (whether as a partnership, a company or in any other form) in connection with or for the purpose of the investment in production of movies and TV series.

The term of the Enlight Movie and TV series Production Cooperation Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB181.5 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB8.8 million.

2. Enlight Movie and TV series Promotion and Distribution Framework Agreement

2(a). Provision of Movie and TV series Promotion and Distribution Services by Our Group to the Enlight Media Group

We renewed the a movie and TV series promotion and distribution framework agreement with Enlight Media (for itself and on behalf of its subsidiaries) (the "Enlight Movie and TV series Promotion and Distribution Framework Agreement") on August 20, 2021, pursuant to which our Group will provide movie and TV series promotion and distribution services to the Enlight Media Group, and service fees will be paid to us in respect of such services.

- **Movies and TV series promotion services:** we will plan and coordinate various marketing and promotional activities to optimize the performance of movies and TV series, including but not limited to, conducting marketing and publicity campaigns as well as organizing fans gatherings and road shows.

- **Movies and TV series distribution services:** we will coordinate the distribution of marketing materials to cinemas and TV stations, configure marketing strategies and release plans, monitor box office performance and market feedback of movies and TV series.

The term of the Enlight Movie and TV series Promotion and Distribution Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB111.3 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB99.3 million.

2(b). Provision of Movie and TV series Promotion and Distribution Services by the Enlight Media Group to Our Group

Pursuant to the Enlight Movie and TV series Promotion and Distribution Framework Agreement, the Enlight Media Group will also provide movie and TV series promotion and distribution services to our Group, and we will pay service fees to the Enlight Media Group. The principal terms are substantially the same as the terms on which we provide movie and TV series promotion and distribution services to the Enlight Media Group.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB48.4 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.0 million.

3. *Enlight Business Collaboration and Services Framework Agreement*

We renewed the business collaboration and services framework agreement with Enlight Media (for itself and on behalf of its subsidiaries) (the "Enlight Business Collaboration and Services Framework Agreement") on August 20, 2021, pursuant to which our Group and the Enlight Media Group will engage in the following collaboration from time to time.

- **Provision of prepaid card and voucher:** the Enlight Media Group will purchase prepaid card and voucher from us;

- **Provision of advertising services:** we will provide advertising services to the Enlight Media Group, and Enlight Media Group will pay service fees for such advertisement services;

- **Purchase of video display services:** the Enlight Media Group will display movies and videos which are legally owned by us or movies and videos which we have the right to display, on its platform as we request;

- **Purchase of media materials:** our Group will purchase certain media materials from the Enlight Media Group that will be used in our advertising business and publicity activities during the movie and TV series distribution and promotion process;

- **Purchase of other forms of advertisement resources:** our Group will purchase other forms of advertisement resources to be used in our advertising business and publicity activities from the Enlight Media Group. For example, we started to engage artists and other relevant personnel managed by the Enlight Media Group to attend our publicity activities since the second half of 2018.

The term of the Enlight Business Collaboration and Services Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction of provision by the Group of products and services to Enlight Media Group for the year ended December 31, 2024 was RMB19.4 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB1.7 million.

The annual cap for the connected transaction of provision by Enlight Media Group of products and services to the Group for the year ended December 31, 2024 was RMB1.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.04 million.

II. Continuing Connected Transactions with the Represented Tencent Group

Non-exempt continuing connected transactions

As Tencent is a substantial Shareholder of the Company, the transactions with the Represented Tencent Group constitute connected transactions of the Company.

4. Tencent Movie and TV series Promotion and Distribution Framework Agreement

4(a). Provision of movie and TV series promotion and distribution services by our Group to the Represented Tencent Group

We renewed the movie and TV series promotion and distribution framework agreement with Tencent Computer (for itself and on behalf of its group members, excluding China Literature Limited and its subsidiaries, and Tencent Music Entertainment Group and its subsidiaries, (the "Represented Tencent Group")) (the "Tencent Movie and TV series Promotion and Distribution Framework Agreement") on August 20, 2021, pursuant to which we will provide movie and TV series promotion and distribution services to the Represented Tencent Group, and service fees will be paid to us in respect of such services:

- **Movies and TV series promotion services:** we will plan and coordinate various marketing and promotional activities to optimize the performance of movies and TV series, including but not limited to, conducting marketing and publicity campaigns as well as organizing fans gatherings and road shows.

- **Movies and TV series distribution services:** we will coordinate the distribution of marketing materials to cinemas and TV stations, configure marketing strategies and release plans, monitor box office performance and market feedback of movies and TV series.

The term of the Tencent Movie and TV series Promotion and Distribution Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the provision of movie and TV series promotion and distribution services by the Group to the Represented Tencent Group for the year ended December 31, 2024 was RMB256.8 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.2 million.

4(b). Provision of Movie and TV Series Promotion and Distribution Services by the Represented Tencent Group to our Group

Pursuant to the Tencent Movie and TV series Promotion and Distribution Framework Agreement, the Represented Tencent Group will also provide movie and TV series promotion and distribution services to our Group, and we will pay service fees to the Represented Tencent Group. The principal terms are substantially the same as the terms on which the Group provides movie and TV series promotion and distribution services to the Represented Tencent Group.

The annual cap for the connected transaction for the provision of movie and TV series promotion and distribution services by the Represented Tencent Group to the Group for the year ended December 31, 2024 was RMB72.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB4.0 million.

5. *Payment Services Cooperation Framework Agreement*

We renewed the payment services cooperation framework agreement (the "Payment Services Cooperation Framework Agreement") with Tencent Computer (for itself and on behalf of the Represented Tencent Group) on August 20, 2021, pursuant to which the Represented Tencent Group will provide us with payment services through its payment channels so as to enable our users to conduct online transactions and we will pay service commissions to the Represented Tencent Group in respect of such services.

The term of the Payment Services Cooperation Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB120.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB83.2 million.

6. *Cloud Services and Technical Services Framework Agreement*

We renewed the cloud services and technical services framework agreement (the "Cloud Services and Technical Services Framework Agreement") with Tencent Computer (for itself and on behalf of the Represented Tencent Group) on August 20, 2021, pursuant to which the Represented Tencent Group will provide cloud services and other technical services to us for service fees. Cloud services and other technical services include but not limited to provision of cloud services, cloud storage, technical support related to cloud services, and domain name resolution services.

The term of the Cloud Services and Technical Services Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB66.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB63.6 million.

7. ***Tencent Business Collaboration and Services Framework Agreement***

We renewed the business collaboration and services framework agreement with Tencent Computer (for itself and on behalf of the Represented Tencent Group) (the "Tencent Business Collaboration and Services Framework Agreement") on August 20, 2021, pursuant to which our Group and the Represented Tencent Group will engage in the following collaboration from time to time.

- **Provision of prepaid card and voucher:** the Represented Tencent Group will purchase prepaid card and voucher from us;

- **Licensing of broadcasting rights:** our Group will license the broadcasting rights of entertainment content, including movies, concerts, shows and events, to the Represented Tencent Group for a licensing fee;

- **Provision of advertising services:** we will provide advertising services to the Represented Tencent Group, and the Represented Tencent Group will pay service fees for such advertisement services;

- **Provision of online entertainment event ticketing services:** our Group will provide online ticketing services to the Represented Tencent Group for service fees;

- **Purchase of advertising services:** the Represented Tencent Group will provide advertising services to us for service fees;

- **Purchase of other forms of advertisement resources:** our Group will purchase other forms of advertisement resources to be used in our advertising business and publicity activities from the Represented Tencent Group. For example, we will engage artists managed by the Represented Tencent Group to attend our publicity activities.

The term of the Tencent Business Collaboration and Services Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction of provision by the Group of products and services to the Represented Tencent Group for the year ended December 31, 2024 was RMB63.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB1.7 million.

The annual cap for the connected transaction of provision by the Represented Tencent Group of products and services to the Group for the year ended December 31, 2024 was RMB1.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.5 million.

Directors' Report

8. ***Tencent Entertainment Content Production Cooperation Framework Agreement***

We renewed the entertainment content production cooperation framework agreement with Tencent Computer (for itself and on behalf of the Represented Tencent Group) (the "Tencent Entertainment Content Production Cooperation Framework Agreement") on August 20, 2021, pursuant to which our Company (for itself and on behalf of our subsidiaries) and the Represented Tencent Group agreed to cooperate with each other in the joint arrangements including but not limited to:

- Making joint investment in the production of several types and formats of entertainment content, including but not limited to, movies, TV series, concerts and live shows.

- Forming joint ventures or other joint arrangements (whether as a partnership, a company or in any other form) in connection with or for the purpose of the joint investment in the production of several types of entertainment content mentioned above.

The term of the Tencent Entertainment Content Production Cooperation Framework Agreement is from January 1, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB430.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.0 million.

9. ***Tencent Marketing Promotion Framework Agreement:***

We entered into the marketing promotion framework agreement with Tencent Computer (for itself and on behalf of the Represented Tencent Group) (the "Tencent Marketing Promotion Framework Agreement") on February 14, 2023, pursuant to which, the Represented Tencent Group will provide to us traffic support and ancillary technical support service by, including but not limited to, authorizing the Company to utilize the Represented Tencent Group's products, channels, software and intellectual property rights.

The term of the Tencent Marketing Promotion Framework Agreement is from February 14, 2023 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

For the year ended December 31, 2024, the annual cap for the connected transaction in respect of the traffic support and ancillary technical support service provided by Tencent Group to the Group was RMB150.0 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB89.7 million.

III. Continuing Connected Transaction with China Literature Group

Non-exempt continuing connected transaction

As China Literature is a subsidiary of Tencent, the transaction with China Literature Group constitute connected transactions of the Company.

10. China Literature Entertainment Content Investment and Production Cooperation Framework Agreement

On August 18, 2022, we and Shanghai Yueting (for itself and on behalf of China Literature Group) entered into the Entertainment Content Investment and Production Cooperation Framework Agreement (the "China Literature Entertainment Content Investment and Production Cooperation Framework Agreement"), pursuant to which the Company (for itself and on behalf of our subsidiaries) and China Literature Group agreed to cooperate with each other in the joint investment for the production of movies.

The term of the China Literature Entertainment Content Investment and Production Cooperation Framework Agreement is from August 18, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for this connected transaction for the year ended December 31, 2024 was RMB502.0 million and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.0 million.

11. China Literature Movies Promotion and Distribution Framework Agreement

11(a). Provision of Movies Promotion and Distribution Services by our Group to China Literature Group

On August 18, 2022, we and Shanghai Yueting (for itself and on behalf of China Literature Group) entered into the Movies Promotion and Distribution Framework Agreement (the "China Literature Movies Promotion and Distribution Framework Agreement"), pursuant to which we will provide movies promotion and distribution services to China Literature Group:

- **Movies promotion services:** the Group will plan and coordinate various online or offline marketing and promotional activities, including but not limited to conducting movies marketing and publicity campaigns, such as organizing fans gatherings and road shows;

- **Movies distribution services:** the Group will coordinate the distribution of marketing materials, configure marketing strategies and release plans, negotiate with cinemas and cinema managers regarding release schedule, and monitor box office performance and market feedback of movies.

The term of the China Literature Movies Promotion and Distribution Framework Agreement is from August 18, 2022 to December 31, 2024, subject to renewal upon the mutual agreement of both parties.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB248.6 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB38.0 million.

11(b). Provision of Movies Promotion and Distribution Services by China Literature Group to our Group

Pursuant to the China Literature Movies Promotion and Distribution Framework Agreement, the China Literature Group will also provide movie and TV series promotion and distribution services to our Group:

- **Movies promotion services:** China Literature Group will plan and coordinate various online or offline marketing and promotional activities, including but not limited to conducting movies marketing and publicity campaigns, such as organizing fans gatherings and road shows;

- **Movies distribution services:** China Literature Group will coordinate the distribution of marketing materials, configure marketing strategies and release plans, negotiate with cinemas and cinema managers regarding release schedule, and monitor box office performance and market feedback of movies.

The annual cap for the connected transaction for the year ended December 31, 2024 was RMB22.3 million, and the actual transaction amount for the year ended December 31, 2024 was approximately RMB0.0 million.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On August 28, 2024, we and the Enlight Media Group agreed to renew aforementioned the Enlight Movie and TV Series Production and Copyright Cooperation Framework Agreement, the Enlight Movie and TV Series Promotion and Distribution Framework Agreement, and the Enlight Business Collaboration and Services Framework Agreement, each with effect from January 1, 2025 to December 31, 2027.

On August 26, 2024, we and the Represented Tencent Group agreed to renew aforementioned the Tencent Entertainment Content Production Cooperation Framework Agreement, Tencent Movie and TV Series Promotion and Distribution Framework Agreement, the Payment Services Cooperation Framework Agreement, the Cloud Services and Technical Services Framework Agreement, the Tencent Marketing Promotion Framework Agreement, and the Tencent Business Collaboration and Services Framework Agreement, each with effect from January 1, 2025 to December 31, 2027.

On August 26, 2024, we and the Represented China Literature Group agreed to renew the aforesaid Entertainment Content Investment and Production Cooperation Framework Agreement and Movie Promotion and Distribution Framework Agreement, each with effect from January 1, 2025 to December 31, 2027.

For more details of the renewal of continuing connected transactions, please refer to the announcements of the Company dated August 26, 2024 and August 28, 2024, respectively.

ANNUAL REVIEW BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS AND THE AUDITOR

The independent non-executive Directors reviewed the aforesaid continuing connected transactions, and confirmed that these continuing connected transactions:

(a) were entered into in the ordinary and usual course of business of the Group;

(b) were either on normal commercial terms or better; and

(c) were conducted in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The auditor of the Company performed certain procedures regarding the continuing connected transactions entered into by the Group during the year ended December 31, 2024, in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA, as set out above and confirms that:

(a) Nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's Board of Directors;

(b) For transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(c) Nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(d) With respect to the aggregate amount of each of the continuing connected transactions (other than those transactions with Consolidated Affiliated Entities) set out in the attached list of continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company; and

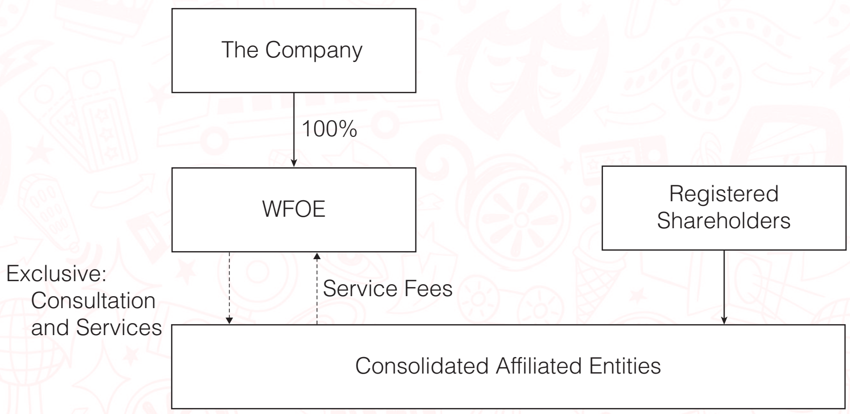
(e) With respect to the disclosed continuing connected transactions with Consolidated Affiliated Entities under the contractual arrangements, nothing has come to their attention that causes the auditor to believe that dividends or other distributions have been made by Consolidated Affiliated Entities to the holders of the equity interests of Consolidated Affiliated Entities which are not otherwise subsequently assigned or transferred to the Group.

Saved as disclosed in this annual report, none of the related party transactions as disclosed in note 33 to the audited consolidated financial statements constituted as connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Due to regulatory restrictions on foreign ownership in Relevant Businesses in the PRC, we conduct a portion of our business through our Consolidated Affiliated Entities in the PRC. We do not hold any equity interests in our Consolidated Affiliated Entities which are held by Registered Shareholders. The Contractual Arrangements enable us to (i) receive substantially all of the economic benefit from our Consolidated Affiliated Entities in consideration for the services provided by Maoyan Technology to the Consolidated Affiliated Entities; (ii) exercise effective control over our Consolidated Affiliated Entities; and (iii) hold an exclusive option to purchase all or part of the equity interests in Consolidated Affiliated Entities when and to the extent permitted by PRC laws.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements as at December 31, 2024:



「——►」 denotes legal and beneficial ownership in the equity interest.

「- - - - -►」 denotes contractual relationship.

SUMMARY OF MAJOR TERMS UNDER THE CONTRACTUAL ARRANGEMENTS

As at December 31, 2024, there were two sets of ongoing Contractual Arrangements in place:

(a) In respect of Tianjin Maoyan Weying, the amended and restated Exclusive Consultation and Service Agreement, the amended and restated Exclusive Option Agreement, the amended and restated Equity Pledge Agreement and the amended and restated Shareholders' Rights Proxy Agreement were entered into among the WFOE, Tianjin Maoyan Weying (as the Operating Entity), Enlight Holdings, Enlight Media, Shanghai Sankuai Technology, Weying Culture, Linzhi Lixin and Historical ESOP Platforms (together as the Registered Shareholders) on August 9, 2018 (the "Existing Contractual Arrangement");

(b) In respect of Tianjin Ganyu, the Exclusive Consultation and Service Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement and the Shareholders' Rights Proxy Agreement were entered into among the WFOE, Tianjin Ganyu (as the Operating Entity) and Tianjin Yunqi (as the Registered Shareholder) on July 15, 2024 (the "New Contractual Arrangement"). For details of the New Contractual Arrangement, please refer to the announcement of the Company dated July 15, 2024.

Each of the above two sets of Contractual Arrangements includes substantially similar terms. A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

Exclusive Consultation and Service Agreement

Pursuant to the Exclusive Consultation and Service Agreement under each of Contractual Arrangements, the relevant Operating Entity agreed to engage the WFOE as its exclusive provider of technical support, consultation and other services, including the following services:

- providing information consultation services in respect of the Consolidated Affiliated Entities' business;
- providing business management consultation;
- providing technical support and professional training services to relevant staff of the Consolidated Affiliated Entities;
- providing order management and customer services;
- providing marketing and promotion services;
- assisting Consolidated Affiliated Entities in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign owned enterprises are prohibited from conducting under PRC laws);
- design, development, maintenance and updating of software in respect of the Consolidated Affiliated Entities' business;

- license and authorization of use of the software, trademarks, domain names and various other types of intellectual properties owned by the WFOE;

- design, installation, daily management, maintenance and updating of network systems, hardware and database;

- maintenance of the local area network of the Consolidated Affiliated Entities' business and anti-virus and security management of the network of the Consolidated Affiliated Entities' business;

- assisting Consolidated Affiliated Entities for transfer, leasing and disposal of equipment and properties;

- providing on-site services upon request from the Consolidated Affiliated Entities, arranging engineers to provide on-site assistance for conferences and other relevant technical support and consultation services; and

- other relevant services requested by the Consolidated Affiliated Entities from time to time to the extent permitted under PRC laws.

Under the Exclusive Consultation and Service Agreement, the service fee shall consist of 100% of the total consolidated profit of the Consolidated Affiliated Entities, after deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, the WFOE may adjust the scope and amount of service fees according to PRC tax law and tax practices, and the relevant Operating Entity will accept such adjustments. The WFOE shall calculate the service fees on a monthly basis and issue a corresponding invoice to the Relevant Operating Entity. The relevant Operating Entity shall make payment to the bank account designated by the WFOE within 10 days upon receipt of the invoice and send payment certificates to the WFOE.

In addition, absent the prior written consent of the WFOE, during the term of the Exclusive Consultation and Service Agreement, with respect to the services subject to the Exclusive Consultation and Service Agreement and other matters, the Consolidated Affiliated Entities shall not directly or indirectly accept the same or any similar services provided by any third party, establish cooperation relationships similar to that formed by the Exclusive Consultation and Service Agreement with any third party, or in its own initiative perform any acts which might affect the confidentiality of the technology and secrets involved in the service provided by the WFOE or the effectiveness and efficiency of the technical supports or allow any third party to do the same. The WFOE may appoint other parties, who may enter into certain agreements with the Consolidated Affiliated Entities, to provide the Consolidated Affiliated Entities with the services under the Exclusive Consultation and Service Agreement.

Directors' Report

The Exclusive Consultation and Service Agreement also provide that the WFOE has the exclusive proprietary rights to and relevant interests in any and all intellectual property rights developed or created by the Consolidated Affiliated Entities during the performance of the Exclusive Consultation and Service Agreement.

In respect of Tianjin Maoyan Weying, the validity period of the Exclusive Consultation and Service Agreement shall start from the execution date and it shall remain effective for 20 years unless terminated (a) by agreement between the WFOE and Tianjin Maoyan Weying; or (b) by a written notice from the WFOE at least 30 days before termination. Tianjin Maoyan Weying is not entitled to unilaterally terminate the agreement. Upon expiration of the agreement and if the WFOE intends to extend it, Tianjin Maoyan Weying shall accept the extension without conditions. In respect of Tianjin Ganyu, the validity period of the Exclusive Consultation and Service Agreement shall start from the execution date and continue to be valid unless terminated (a) by agreement between the WFOE and Tianjin Ganyu; or (b) by a written notice from the WFOE at least 30 days before termination. Tianjin Ganyu is not entitled to unilaterally terminate the agreement. Upon expiration of the agreement and if the WFOE intends to extend it, Tianjin Ganyu shall accept the extension without conditions.

Exclusive Option Agreement

Pursuant to the Exclusive Option Agreement under each of Contractual Arrangements, the WFOE has been granted an irrevocable, unconditional and exclusive right to require the Registered Shareholders to transfer any or all their equity interests in the relevant Operating Entity to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time. The relevant Operating Entity and its Registered Shareholders, among other things, have covenanted that:

- without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the constitutional documents of the Consolidated Affiliated Entities, increase or decrease their registered capital, or change the structure of their registered capital in other manner;

- they shall maintain the Consolidated Affiliated Entities' corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating their business and handling their affairs;

- without the prior written consent of the WFOE, they shall not and shall procure its subsidiaries not, at any time following the date when the Exclusive Option Agreement came into effect sell, transfer, pledge or dispose of in any manner any assets of more than RMB5,000,000, business, operation rights or legitimate interest in the income of Tianjin Maoyan Weying;

- without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not incur, inherit, guarantee or assume any debt, except for payables incurred in the ordinary course of business not generated from loans;

- the Consolidated Affiliated Entities shall always operate all of their businesses during the ordinary course of business to maintain their asset value and refrain from any action/omission that may adversely affect their operating status and asset value;
- without the prior written consent of the WFOE, they shall not cause the Consolidated Affiliated Entities to execute any material contract with a value of more than RMB5,000,000, except the contracts executed in the ordinary course of business;
- without the prior written consent of the WFOE, they shall not cause the Consolidated Affiliated Entities to provide any person with any loan or credit, or guarantee for any third-party debt;
- they shall provide the WFOE with information on the Consolidated Affiliated Entities' business operations and financial condition at the request of the WFOE;
- if requested by the WFOE, they shall procure and maintain insurance in respect of the Consolidated Affiliated Entities' assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of the WFOE, they shall not cause or permit the Consolidated Affiliated Entities to merge, consolidate with, acquire or invest in any person;
- they shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Consolidated Affiliated Entities' assets, business or revenue, as well as any circumstances which may adversely affect the Consolidated Affiliated Entities' existence, business operation, financial situation, assets or goodwill;
- to maintain the ownership by the Consolidated Affiliated Entities of all of their assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not in any manner distribute profits or dividends to their shareholders, provided that upon the request of the WFOE, the Consolidated Affiliated Entities shall immediately distribute all distributable profits to their shareholders;
- at the request of the WFOE, they shall appoint any persons designated by the WFOE as the directors, supervisors and senior management of the Consolidated Affiliated Entities, replace or remove the directors, supervisors and senior management of the Consolidated Affiliated Entities, and go through all relevant resolution procedures and filings;

- without the written consent of the WFOE, the Consolidated Affiliated Entities shall not engage in any business in competition with the WFOE or its affiliates;

- unless otherwise mandatorily required by PRC laws, the Consolidated Affiliated Entities shall not be dissolved or liquidated without prior written consent by the WFOE;

- if the exercise of the rights by the WFOE is obstructed due to the Consolidated Affiliated Entities' or any of their shareholders' non-compliance of their tax duties under applicable laws, the WFOE shall have the right to require them to fulfill such tax duties;

- in the event of bankruptcy, dissolution, liquidation, death or loss of legal capacity (if applicable) of any of Consolidated Affiliated Entities' shareholders, or other circumstances that may affect the Consolidated Affiliated Entities' equity interests, any successor of an existing shareholder shall be deemed to be a party to the Exclusive Option Agreement. The Consolidated Affiliated Entities shall, on or before the day of signing this agreement to make everything properly arranged and signed in order to ensure the documentations, in the event of bankruptcy, dissolution, liquidation, death, incapacity or divorce (if applicable) and any circumstance of their shareholders, will not affect or hinder the fulfillment of the Exclusive Option Agreement. The Exclusive Option Agreement and other contractual arrangements shall prevail any form of agreements relating to disposition of interests in the Consolidated Affiliated Entity unless prior written consent from the WFOE is obtained;

- without the prior written consent of the WFOE, the Consolidated Affiliated Entities will not and shall not assist or permit their shareholders to transfer or otherwise dispose of any option equity or to establish any security interest or other third-party rights on any option equity; and

- if signing and performance of the Exclusive Option Agreement and the stock transfer options granted under the Exclusive Option Agreement shall require any third party's consent, permission, waiver, authorization or any governmental agency's approval, license, immunity, registration or filing in accordance with the law, the Consolidated Affiliated Entities shall make every endeavour to help satisfy the above conditions.

In addition, the Registered Shareholders, among other things, have covenanted that:

- without the written consent of the WFOE, they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in the relevant Operating Entity, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement and the interests prescribed in the Proxy Agreement;

- for each exercise of the equity purchase option, they shall cause the shareholders' meeting and/or the board of directors of the Operating Entity to vote on the approval of the transfer of equity interests and any other action requested by the WFOE;

- Registered Shareholders whose equity interest has not been transferred shall relinquish the pre-emptive right (if any) it is entitled to in relation to the transfer of equity interest by any other shareholders to the WFOE and/or any entity or individual appointed by the WFOE pursuant to Exclusive Option Agreement;

- without the written consent of the WFOE, each of the Registered Shareholders shall not request the relevant Operating Entity to distribute dividends or profits in any form, propose resolutions in relation to this at a general meeting, or vote to pass such resolutions. In any event, unless decided otherwise by the WFOE, if any Registered Shareholder receives corporate income, profits or dividends from the Operating Entity, they shall pay or transfer the received income, profits, dividends to the WFOE or any party designated by the WFOE to the extent allowed by the PRC laws; and

- Registered Shareholders shall also strictly comply with the provisions of the Exclusive Option Agreement between Registered Shareholders, the relevant Operating Entity and the WFOE, and shall faithfully perform the obligations under such agreements and shall not conduct any act and/or omission which shall affect the validity and enforceability of such agreements. If any Registered Shareholder retains any rights on the equities as in the Equity Pledge Agreement or the Proxy Agreement, it shall not exercise such rights unless instructed in writing by the WFOE.

The validity period of the Exclusive Option Agreement shall start from the execution date and it shall remain effective unless terminated if the entire equity interests held by the Registered Shareholders or their successors or the transferees in the relevant Operating Entity have been transferred to the WFOE or their appointee(s).

Equity Pledge Agreement

Pursuant to the Equity Pledge Agreement under each of Contractual Arrangements, each of the Registered Shareholders agreed to pledge all their respective equity interests in the relevant Operating Entity that they own, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in respect of the relevant Operating Entity takes effect upon the completion of change of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders and the relevant Operating Entity under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and the relevant Operating Entity under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreement), unless such default is cured within twenty days following the Registered Shareholders or the relevant Operating Entity's receipt of the written notice which requests for the cure of such default, the WFOE shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreement, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholders.

The equity pledge registrations under the Equity Pledge Agreement as required by the relevant laws and regulations have been completed in accordance with the Equity Pledge Agreement and PRC laws and regulations.

Shareholders' Rights Proxy Agreement

Pursuant to the Shareholders' Rights Proxy Agreement under each of Contractual Arrangements, pursuant to which, each of the Registered Shareholders irrevocably and exclusively appointed the persons designated by the WFOE (including but not limited to Directors of the WFOE's parent company, Maoyan Entertainment, and their successors and liquidators replacing the Directors but excluding those who are non-independent or who may give rise to conflict of interests) as its attorneys-in-fact to exercise on its behalf, any and all right that it has in respect of its equity interests in the relevant Operating Entity, including without limitation:

- to propose to convene and to attend shareholders' meetings of the relevant Operating Entity and to execute any and all written resolutions and meeting minutes in the name and on behalf of such shareholder;
- to exercise all shareholder's rights and shareholder's voting rights in accordance with law and the constitutional documents of the relevant Operating Entity, including but not limited to the sale, transfer, pledge or disposal of any or all of the equity interests in the relevant Operating Entity;
- to nominate, elect, appoint or remove the legal representatives, directors, supervisors, general manager, chief financial officer and other senior management of the relevant Operating Entity;
- to supervise business performance, approve annual budget, declare dividends, and consult financial information of the relevant Operating Entity;
- to permit the relevant Operating Entity to submit any registration documents to relevant governmental authorities and to file documents with company registry;
- to exercise voting rights on behalf of the shareholders prior to liquidation of the relevant Operating Entity;

- If the act of directors and/or senior management harms the interests of the relevant Operating Entity or its shareholders, to file a shareholder action against such directors and/or senior management or to take other legal actions;

- to approve amendments on the articles of association; and

- to exercise any other rights granted to shareholders pursuant to the relevant Operating Entity's articles of association or relevant laws and regulations.

On June 30, 2019, NDRC and the MOFCOM issued Order No.25, and promulgated the Special Administrative Measures for Access of Foreign Investment (Negative List) (the "Negative List (2019)") (2019 Edition, which came into force from July 30, 2019). As advised by our PRC legal advisor, the Negative List (2019) has cancelled foreign investment restrictions for the performance brokerage business, and according to our communication with the competent culture department of Tianjin, it began to accept applications for performance brokerage licenses for wholly foreign-owned enterprises at the end of 2019. Based on this, the performance brokerage business of Maoyan Live JV, our Consolidated Affiliated Entity, is no longer subject to the limit of not more than 50% foreign investment at the time of its establishment. Accordingly, after seeking the advice of our PRC legal advisor, WFOE has established its wholly-owned subsidiaries, namely Maoyan (Guangzhou) Entertainment Culture Co., Ltd. (貓眼(廣州)文化娛樂有限公司), which has applied for a commercial performance license in accordance with the law and will undertake internal performance business in the group. After the transfer of the performance brokerage business, Maoyan Live JV and its subsidiaries will gradually cease operations until it is deregistered.

For the year ended December 31, 2024, save for the release of the Special Administration Measures for Access of Foreign Investment (Negative List) (2024 Edition) (the "Negative List (2024)"), which was issued on September 6, 2024 and came into force from November 1, 2024 and the active measures taken by the Company in response, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2024, we had not encountered interference or encumbrance from any PRC governing bodies in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

The revenue of the Consolidated Affiliated Entities amounted to RMB1,942 million for the year ended December 31, 2024, representing a decrease of 16.0% from RMB2,312 million for the year ended December 31, 2023. As of December 31, 2024, the total assets of the Consolidated Affiliated Entities amounted to RMB8,429 million, representing approximately 67.40% of the total assets of our Group.

Directors' Report

Reasons for Adopting the Contractual Arrangements

Foreign investment activities in the PRC are mainly governed by the Catalogue of Encouraged Industries for Foreign Investment (2022 Edition) (the "Catalogue", which has replaced the Catalogue of Encouraged Industries for Foreign Investment (2020 Edition)) and the Negative List (2024), which have been promulgated and amended from time to time jointly by the MOFCOM and the NDRC. The Catalogue and the Negative List (2024) divide industries into four categories in terms of foreign investment, namely, "encouraged", "restricted", "prohibited" and "permitted" (the last category of which includes all industries not listed under the "encouraged", "restricted" and "prohibited" categories).

As advised by our PRC legal advisor, our (i) value-added telecommunication services business; (ii) movie distribution; and (iii) radio and television program production conducted by our Consolidated Affiliated Entities are subject to foreign investment restriction or prohibition in accordance with the Catalogue and the Negative List (2024).

In order to maintain our business operations in compliance with the applicable PRC laws and regulations, the Company, as a foreign investor under the current regulatory regime, has adopted the Contractual Arrangements, which allow the Company to exercise control over the business operation of our Consolidated Affiliated Entities and enjoy all the economic interests derived therefrom.

For details of the foreign investment restrictions relating to the Contractual Arrangements, please refer to the sections headed "Contractual Arrangements – PRC Regulatory Background" and "Contractual Arrangements – Qualification Requirements under the FITE Regulations" on pages 270 to 275, and the section headed "Contractual Arrangements – Development in the PRC Legislation on Foreign Investment" on pages 291 to 295 of the Prospectus, and the announcement of the Company dated July 15, 2024.

Risks Relating to the Contractual Arrangements

The Company believes the following risks are associated with the Contractual Arrangements:

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretation change in the future, we could be subject to severe consequences, including the nullification of the contractual arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.

- Our contractual arrangements may not be as effective in providing operational control as direct ownership. Tianjin Maoyan Weying or its shareholders may fail to perform their obligations under our contractual arrangements.

- We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are material to our business operations if our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.

- The shareholders and directors of Tianjin Maoyan Weying may have conflicts of interest with us, which may materially and adversely affect our business.

- If we exercise the option to acquire equity ownership or assets of Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

- Our contractual arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our profit and the value of the Shareholders' investment.

Further details of these risks are set out in the section headed "Risk Factors – Risks Relating to Our Contractual Arrangement" on pages 59 to 65 of the Prospectus.

The Foreign Investment Law

The Foreign Investment Law (外商投資法) (the "FIL") promulgated by the National People's Congress on March 15, 2019 and Implementation Regulations for Foreign Investment Law promulgated by the State Council of China on December 26, 2019 (the "Implementation Regulations for FIL") have taken effect on January 1, 2020. The FIL replaces the existing laws regulating foreign investments in PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The FIL and Implementation Regulations for FIL embody an expected regulatory trend in PRC to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

The FIL and Implementation Regulations for FIL do not explicitly stipulate the contractual arrangements as a form of foreign investment. The FIL does not mention concepts including "actual control" and "controlling through contractual arrangements" nor does it specify the regulation on controlling through contractual arrangements. Furthermore, the FIL and Implementation Regulations for FIL do not specifically stipulate rules on the Relevant Businesses. Instead, the FIL and Implementation Regulations for FIL stipulate that "foreign investors invest in PRC through any other methods under laws, administrative regulations, or provisions prescribed by the State Council". In addition, the FIL and Implementation Regulations for FIL do not specify what actions shall be taken with respect to the existing companies with a VIE structure, whether or not these companies are controlled by PRC entities and/or citizens. Therefore, as advised by our PRC legal advisor, our Contractual Arrangements are currently not affected by the FIL and Implementation Regulations for FIL.

Nevertheless, there are possibilities that future laws, administrative regulations or provisions of the State Council of PRC may stipulate contractual arrangements as a way of foreign investments, and then whether our Contractual Arrangements will be recognised as foreign investments, whether our Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how our Contractual Arrangements will be dealt with are uncertain.

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(1) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(2) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(3) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(4) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and review the legal compliance of our WFOE and Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

FROZEN EQUITY INTERESTS OF TIANJIN MAOYAN WEYING

Weying Culture, one of the Registered Shareholders holding 26.9% equity interests in Tianjin Maoyan Weying, and its affiliated company, Weying Technology, have been involved in certain lawsuits as defendants in the PRC. The plaintiffs of the lawsuits applied for, and the relevant PRC courts granted, orders to freeze the equity interests held by Weying Culture in Tianjin Maoyan Weying (the "Frozen Equity Interests") (i.e. Document 2021 Jing 04 Zhi 480 and Document 2022 Jing 01 Zhi 1258), as shown on National Enterprise Credit Information Publicly System. As of the date of this annual report, Weying's debts under the above lawsuits have not been paid off and the freezes are not released.

In response to the above lawsuits, Weying Technology and Weying Culture co-issued the Confirmation Letter to Tianjin Maoyan Weying and WFOE, pursuant to which Weying undertook to comply with and fulfil the terms and conditions, responsibilities and obligations under the Contractual Arrangements including but not limited to fully cooperating with the WFOE's instructions when the WFOE exercises its irrevocable and exclusive right to purchase the Frozen Equity Interests, or transfer the Frozen Equity Interests to the WFOE's assignee at the WFOE's request.

The Directors, based on the advice of Company's PRC legal advisors, consider that the Contractual Arrangements and the Confirmation Letter are in compliance with relevant PRC laws and regulations and are legally binding and enforceable. There is no material adverse impact on the Contractual Arrangements.

WAIVERS GRANTED BY THE STOCK EXCHANGE

In respect of the Existing Contractual Arrangement, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Rules 14A.04 and 14A.105 of the Listing Rules; and (ii) the requirement of setting an annual cap for the transaction under the Existing Contractual Arrangement under Rule 14A.53 of the Listing Rules, for so long as our Share are listed on the Stock Exchange, subject to the certain conditions as disclosed on pages 253 to 256 of the Prospectus.

Confirmation from Independent Non-executive Directors

The Company's independent non-executive Directors have reviewed the Existing Contractual Arrangement and confirmed that:

(i) the transactions carried out during the year ended December 31, 2024 have been entered into in accordance with the relevant provisions of the Existing Contractual Arrangement;

(ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities under the Existing Contractual Arrangement to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2024; and

(iii) any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities under the Existing Contractual Arrangement during the year ended December 31, 2024 are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

Confirmations from the Auditor

The Auditor has confirmed in a letter to the Board that, with respect to the Existing Contractual Arrangement:

(i) nothing has come to their attention that causes the Auditor to believe that those transactions under the Existing Contractual Arrangement have not been approved by the Board;

(ii) nothing has come to their attention that causes the Auditor to believe that those transactions under the Existing Contractual Arrangement were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iii) nothing has come to their attention that causes the Auditor to believe that dividends or other distributions have been made by Consolidated Affiliated Entities under the Existing Contractual Arrangement to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

AUDIT COMMITTEE

The Audit Committee had reviewed together with the Board the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2024.

AUDITOR

The financial statements of the Group for the year ended December 31, 2024 have been audited by PricewaterhouseCoopers, auditor of the Company, who shall retire and, being eligible, have offered itself for re-appointment as auditor at the AGM. The Company has not changed auditor during any of the past three years.

A resolution will be proposed at the AGM to re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the Board to re-authorize the executive Director or the management to fix the remuneration of auditor.

By order of the Board
Maoyan Entertainment
Zheng Zhihao
Executive Director
Hong Kong, March 27, 2025

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its Shareholders.

The Board considered that the Company had complied with all applicable code provisions set out in the Corporate Governance Code during the Reporting Period. Unless otherwise stated, reference of the code provisions made in this corporate governance report in relation to the Corporate Governance Code is referred to the provisions contained in the Appendix C1 to the Listing Rules in force during the year ended December 31, 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

CORPORATE CULTURE

The Company promotes the values of "integrity, excellence, cooperation, and happiness", serving as the tenet of advancing our sustainability development and proactive progress. By adopting a number of policies and measures to promote the integration of corporate values into our business operations, including but not limited to promoting the cultural atmosphere of equality and win-win, the Company continues to deepen its service capabilities, strengthen infrastructure construction, and provide diversified services, creating more value for the industry. By doing so, we expect to become a brand trusted by users and partners in the market.

THE BOARD OF DIRECTORS

Board composition

The Board currently comprises one executive Director, six non-executive Directors and four independent non-executive Directors. The composition of the Board during the Reporting Period and as of the date of this Annual Report is set out as follows:

Executive Director

Mr. Zheng Zhihao *(Chief Executive Officer)*

Corporate Governance Report

Non-Executive Directors

Mr. Wang Changtian[1] *(Chairman)*

Ms. Li Xiaoping

Ms. Wang Jian[2]

Mr. Sun Zhonghuai

Mr. Chen Shaohui

Mr. Tang Lichun

Independent Non-Executive Directors

Mr. Wang Hua

Mr. Chan Charles Sheung Wai

Mr. Yin Hong

Ms. Liu Lin

Notes:

1. Mr. Wang Changtian is the brother of Ms. Wang Jian.

2. Ms. Wang Jian is the sister of Mr. Wang Changtian.

The biographical details of the Directors are set out in the section headed "Profiles of Directors and Senior Management" in this Annual Report.

During the Reporting Period, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his or her independence pursuant to the factors set out in Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Chairman and Chief Executive Officer

The positions of the chairman of the Board ("Chairman") and the chief executive officer ("Chief Executive Officer") of the Company are held separately. The role of Chairman is held by Mr. Wang Changtian, and the role of Chief Executive Officer is held by Mr. Zheng Zhihao. The Chairman is responsible for chairing the general meetings and board meetings of the Company, making decision on and guiding the Company for the significant matters in respect of the Company's external affairs and financial planning and the Company's important business activities. The Chief Executive Officer is responsible for operating management and the daily management of Company's business, making decision on the Company's major plan and development and investment proposals, and leading and managing the Company's business with the delegated power.

The division of responsibilities between the Chairman and the Chief Executive Officer is defined and established in writing.

Board Meetings, Board Committees Meetings and General Meetings

The attendance record of each director at the board meetings, general meetings and board committee meetings held during the Reporting Period is set out in the table below:

	Number of meetings attended/held[1]				
Name of directors	**Board meeting**	**General meeting**	**Audit committee**	**Nomination committee**	**Remuneration committee**
Executive Director					
Mr. Zheng Zhihao	6/6	1/1	N/A	1/1	2/2
Non-executive Directors					
Mr. Wang Changtian	6/6	1/1	N/A	N/A	N/A
Ms. Li Xiaoping	6/6	1/1	N/A	N/A	N/A
Ms. Wang Jian	6/6	1/1	N/A	N/A	N/A
Mr. Sun Zhonghuai[2]	4/4	0/1	N/A	N/A	N/A
Mr. Chen Shaohui[3]	2/2	0/1	N/A	N/A	N/A
Mr. Tang Lichun	6/6	1/1	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Wang Hua	5/6	1/1	3/3	1/1	2/2
Mr. Chan Charles Sheung Wai[4]	5/5	1/1	3/3	1/1	N/A
Mr. Yin Hong	5/6	0/1	N/A	N/A	N/A
Ms. Liu Lin	6/6	0/1	3/3	N/A	1/2

Notes:

1. Excluding the number of meetings attended by the alternate directors .

2. Due to business engagement, Mr. Sun Zhonghuai entrusted each of Ms. Qiao Ning (喬甯) and Ms. Zheng Yanjing (鄭焱晶) as alternate directors to attend one meeting.

3. Due to business engagement, Mr. Chen Shaohui entrusted each of Ms. Xia Xuan (夏萱) and Ms. Tao Rongrong (陶融融) as alternate directors to attend two meetings.

4. Due to business engagement, Mr. Chan Charles Sheung Wai entrusted Mr. Zheng Zhihao as an alternate director to attend one meeting.

During the Reporting Period, the Company held 6 board meetings, and the chairman held one meeting with the independent non-executive Directors without the presence of other Directors.

The 2024 annual general meeting of the Company was held at No. 3 Building, Yonghe Hangxing Garden, No. 11 Hepingli East Street, Dongcheng District, Beijing, the PRC on June 26, 2024, considered and approved the resolutions regarding audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company and auditor for the year ended December 31, 2023, re-election of retiring directors and authorizing the Board to fix remuneration of the Directors, re-appointment of PricewaterhouseCoopers as the auditor of the Company and authorizing the Board to delegate the executive Director or the management of the Company to fix the remuneration of the auditor, and granting of general mandates to issue new shares and to repurchase shares.

Appointment, Re-election and Removal of Directors

Each of the Directors (including the non-executive Directors and independent non-executive Directors) has entered into a service contract or appointment letter with the Company. Terms of the Directors are set out in the section headed "Directors' Report – Directors' Service Contracts" of this Annual Report.

In accordance with the Articles of Association, all Directors appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

In accordance with the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with Article 109(a) of the Articles of Association, Mr. Zheng Zhihao, Ms. Li Xiaoping, Mr. Chen Shaohui and Mr. Wang Hua shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the section headed "Independent Auditor's Report" in this Annual Report.

Responsibilities of and Delegation by the Board

The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports at the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management systems of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation of the Group and management of the Company are delegated to the management of the Company.

The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or the management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

Corporate Governance Report

Continuous Professional Development

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. During the Reporting Period, the internal audit and inspection department of the Company provided online training to the Directors, including, among others, Director's management on ESG and integrity construction as well as other matters.

Directors	Attending training session	Reading regulatory materials
Executive Director		
Mr. Zheng Zhihao	✔	✔
Non-executive Directors		
Mr. Wang Changtian	✔	✔
Ms. Li Xiaoping	✔	✔
Ms. Wang Jian	✔	✔
Mr. Sun Zhonghuai	✔	✔
Mr. Chen Shaohui	✔	✔
Mr. Tang Lichun	✔	✔
Independent Non-executive Directors		
Mr. Wang Hua		✔
Mr. Chan Charles Sheung Wai	✔	✔
Mr. Yin Hong	✔	✔
Ms. Liu Lin	✔	✔

Corporate Governance Function

The Board recognises that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

– to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

– to review and monitor the training and continuous professional development of Directors and senior management;

– to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

– to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

– to review the Company's compliance with the code provisions of the CG Code and disclosure in the corporate governance report under the Listing Rules.

The Board has reviewed the policies and practices on corporate governance and this corporate governance report.

BOARD COMMITTEES

The Company has established three Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, including the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Charles Sheung Wai, Mr. Wang Hua and Ms. Liu Lin. Mr. Chan Charles Sheung Wai currently serves as the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are as follows:

1. to review significant financial policies of the Company and their implementation, and supervise the financial activities of the Company;

2. to review the financial information and relevant disclosures of the Company;

Corporate Governance Report

3. to consider and approve the risk management and internal control evaluation proposal of the Company, and supervise and evaluate the risk management and internal control of the Company;

4. to consider and approve the audit budget, remuneration of staff and appointment and dismissal of major officers of the Company, supervise and evaluate the work of internal audit of the Company and formulate the medium-to long-term audit plan, annual working plan and internal audit system setting plan of the Company as authorized by the Board, and report to the Board;

5. to propose the appointment or dismissal of an external accounting firm, supervise the work of the external accounting firm, and evaluate the report of the external accounting firm to ensure that the external accounting firm undertakes its audit responsibilities;

6. to facilitate communications and monitor the relationship between the internal audit and supervision department and the external accounting firm;

7. to monitor the non-compliance of the Company in respect of the financial reports and the risk management and internal control; and

8. other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where our Shares are listed and the requirements of the Articles of Association, and as authorized by the Board.

During the Reporting Period, the Audit Committee held three meetings, at each of which, the external auditor was invited without the presence of the executive Directors.

The Audit Committee held a meeting on March 21, 2024 and reviewed, among other things, the audited consolidated results of the Group for the year ended December 31, 2023 and the effectiveness of the risk management and internal control systems of the Company, etc. On August 23, 2024, another meeting was held to review, inter alia, the unaudited consolidated results of the Group for the six months ended June 30, 2024, etc.

PricewaterhouseCoopers ("PwC") is the appointed auditor of the Group. The Audit Committee annually reviews the relationship between the Company and PwC. In addition, the Audit Committee has also reviewed the effectiveness of external audit procedures and the independence and objectiveness of PwC, and is satisfied with the existence of the good relationship. As a result, the Audit Committee recommends the reappointment of PwC at the forthcoming AGM.

Nomination Committee

The Nomination Committee consists of two independent non-executive Directors, namely Mr. Wang Hua and Mr. Chan Charles Sheung Wai and one executive Director, namely Mr. Zheng Zhihao. Mr. Wang Hua currently serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Nomination Committee are as follows:

1. to formulate procedures and standards for the election of Directors and senior management and make recommendations to the Board on the proposed procedures and standards;

2. to make recommendations to the Board on the nomination of candidates for Directors, Presidents and secretary of the Board;

3. to preliminarily examine the eligibility of candidates for Directors and senior management;

4. to make recommendations to the Board on the nomination of candidates for chairmen and members of the Board committees; and

5. other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where our Shares are listed and the requirements of the Articles of Association, and as authorized by the Board.

During the Reporting Period, the Nomination Committee held one meeting.

The Nomination Committee held a meeting on March 20, 2024 and reviewed, among other things, the structure, size and composition of the Board, assessed the independence of independent non-executive Directors to determine their eligibility and discussed re-election of retiring directors and succession planning for directors, considered the renewal of the directors' service contract, assessed whether non-executive directors are devoting sufficient time to their duties and reviewed the Board Diversity Policy and Nomination Policy, etc.

Remuneration Committee

The Remuneration Committee consists of two independent non-executive Directors, namely Mr. Wang Hua and Ms. Liu Lin, and one executive Director, namely Mr. Zheng Zhihao. Mr. Wang Hua currently serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration Committee are as follows:

1. to organize and formulate the remuneration policy and plan of Directors and senior management and submit to the Board for approval, and propose the remuneration distribution plan according to the performance evaluation of Directors and senior management and submit to the Board for approval; and

2. other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where our Shares are listed and the requirements of the Articles of Association, and as authorized by the Board.

During the Reporting Period, the Remuneration Committee held two meetings.

The Remuneration Committee held a meeting on March 20, 2024 to consider the vesting of option of the the Company's CEO , consider the renewal of the directors' service contract and remuneration, and make recommendations as to the aforesaid transactions to the Board. A second meeting was held on December 17, 2024 to discuss the annual routine issues of the Remuneration Committee, which includes, among other things, reviewing the remuneration package of the Directors and the remuneration policy and structure of the Group's senior management, reviewing the share incentive scheme as well as making recommendations to the Board in these regard.

BOARD DIVERSITY POLICY

The Group adopted a board diversity policy (the "Board Diversity Policy") on January 10, 2019. A summary of this policy is disclosed as below:

The purpose of the Board Diversity Policy is to set out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

The Nomination Committee has primary responsibility for identifying candidates, formulating selection standards and procedures, and examining candidates for directors and senior management of the Company, and providing recommendations on the selection. The Nomination Committee will give adequate consideration to this policy in identifying and selecting suitably qualified candidates to become directors of the Company.

Selection of director candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, developing and reviewing measurable objectives for implementing the policy and monitoring the progress on achieving these measurable objectives. The Nomination Committee shall review the Board Diversity Policy and the measurable objectives at least annually to ensure the continuing effectiveness of the Board.

As of the date of this Annual Report, the Company has a total of 11 Directors, covering different gender (there of them are female) and a broad age distribution. There is a diverse mix of experience and background including Internet and media, film industry, information technology, human resource, investment and accounting. The Nomination Committee has reviewed the Board Diversity Policy and considers that, appropriate balance has been stricken among the Board members in terms of skills, experience and perspectives.

EMPLOYEE DIVERSITY

The Company follows the concept of diversity in hiring and has a roughly equal gender ratio among employees (including senior management). As of December 31, 2024, males account for approximately 46.89% and females account for approximately 53.11% of the 917 employees of the Company. To maintain gender diversity in the workforce, we welcome individuals of all genders and promise to provide equal opportunities in recruitment, training and development, promotion, and compensation and benefits for all employees regardless of gender. The Company believes that we have achieved a satisfactory level of gender diversity in our current workforce composition.

MECHANISMS FOR ENSURING INDEPENDENT VIEWS AND INPUT

The Company recognises that independence of the Board is a key element of good corporate governance. The Company has established effective mechanisms, including but not limited to entitling the Directors to seek independent professional advice on matters relating to the Company where appropriate at the Company's expense, to ensure independent views are available to the Board. These mechanisms in place are subject to annual review by the Board that underpins a strong independent Board.

NOMINATION POLICY

The Company adopted a policy for nomination (the "Nomination Policy") on March 25, 2019, pursuant to which, the Nomination Committee shall advise the Board on the appointment of any director in accordance with the following procedures and process:

1. The Nomination Committee shall, upon completing the assessment over the current composition and size of the Board, produce a description of the responsibilities and capabilities required for the specific appointment with reference to the findings of such assessment.

2. Taking into consideration these conditions of identifying or selecting suitable candidates, the Nomination Committee may seek any source of assistance as it sees fit, including referrals from existing directors, use of public advertisement or external consultancy services, and recommendations from the shareholders of the Company.

3. The Nomination Committee shall conduct preliminary review over the qualifications and conditions of the candidates for directorship before recommending suitable candidates for directorship to the Board, while the Remuneration Committee shall review the letter of appointment or major terms of such appointment in regard to the candidates for directorship.

4. As for the procedures for shareholders to nominate a person for election as a director, please refer to the "Procedures for Shareholders to Nominate a Person for Election as a Director" set out on the website of the Company.

5. The Board is entitled to final decision in connection with all matters involving election of the recommended candidates at a general meeting.

In assessing the candidates, the Nomination Committee shall take into the following factors, including but not limited to:

- reputation for individual character, integrity, and others;

- achievements and experiences in the related industry;

- time available for performing duties;

- diversity of the Board in various aspects, including but not limited to gender, age, cultural and education backgrounds, ethnicity, professional experiences, skills, knowledge, and length of services;

- independence from the Company, as well as potential or actual conflict of interest; and

- potential contributions to the Board.

REMUNERATION OF THE MEMBERS OF THE SENIOR MANAGEMENT BY BAND

Details of the remuneration of the Directors are set out in Note 37 to the audited consolidated financial statements. Save as disclosed therein, there is other individual of senior management. Pursuant to paragraph E.1.5 of the CG Code, their remuneration by band for the year ended December 31, 2024 is set out below:

Remuneration bands	Number of individual
RMB1 to RMB5,000,000	1
RMB5,000,001 to RMB10,000,000	–
RMB10,000,001 to RMB50,000,000	–
RMB50,000,001 to RMB100,000,000	–

EXTERNAL AUDITOR'S REMUNERATION

The remunerations paid or payable to the external auditor of the Company in respect of audit and non-audit services provided to the Group for the year ended December 31, 2024 are set out as below. The non-audit services conducted by the Auditor mainly include professional services on tax advisory and environmental, social and governance report advisory.

	Fees payable or paid RMB'000
Services Category	
Audit Services	4,700
Non-audit Services	591
Total Fees	5,291

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibilities and Oversight of the Board

The Board has overall responsibility for the risk management and internal control systems of the Company to safeguard the interest of our shareholders and the assets of the Company. The Board is committed to implementing an effective and sound risk management and internal control system and has appointed the management to implement related tasks within the delegated scope. The management is responsible for overseeing financial, operational, compliance, and risk management functions, and regularly reviews all associated control measures.

Responsibilities of the Management

The Board acknowledges that it is the responsibility of the Board to ensure that the Company has established and maintained adequate and effective risk management and internal control systems and to review their effectiveness. The Board delegates its responsibility to the Audit Committee to review the practices of management with respect to risk management and internal control, including the design, implementation and supervision of the risk management and internal control systems on an annual basis. Furthermore, the Audit Committee also reviews the effectiveness of the risk management and internal control systems.

Three-Line Defence Model

To ensure that the risk management and internal control systems are effective, the Company, under the supervision and guidance of the Board and factoring the actual needs of the Company, has adopted the “Three Lines” model as an official organizational structure for risk management and internal control.

1. ***First Line – Core Business Departments***

   The First Line is comprised of various business departments of the Company, which is responsible for daily operation and management of related business lines of the Company, and related positions of departments are responsible for design and implementation of related risk management and internal control systems for their respective departments. The head of each business segment leads and directs the operations and works, promotes the achievement of the Company’s organizational and operational objectives, and monitors the Company’s operations and risk management of relate business lines to ensure compliance with legal, regulatory and ethical requirements by business departments.

2. *Second Line – Functional Departments*

The Second Line is comprised of various functional departments of the Company, which is responsible for supporting management in establishing and optimizing business functions and management processes, continuously overseeing the enforcement of policies related to the risk management and internal control of the Company, assisting the First Line in establishing and improving its risk management and internal control system. The Second Line is also responsible for providing necessary support and training to achieve a uniform understanding and standardized implementation of risk management and internal control across the Company, as well as discharging supervisory functions of the Company in respect of risk management and internal control across various functional departments. Furthermore, reasonable queries will be raised on risk management related work, and corresponding solutions and proposals shall be communicated.

3. *Third Line – Internal Audit Department*

The Third Line is established by the internal audit and supervision department, which is responsible for providing independent assessment the effectiveness of risk management and internal control systems as a whole and assisting departments in establishing and improving control systems. The internal audit department regularly Third Line regularly monitors, and assesses the implementation of various systems and provides independent consultation to the management to drive continuous improvement within the Company. The organizational structure is designed to manage risks but cannot completely eliminate all potential risks, particularly in providing reasonable assurance against material misstatement or loss.

Risk Management

The Company continuously improves the risk management system, including structure, process and culture development, through the enhancement of risk management ability, to ensure the business compliance and sustainable development of the Company.

The Company has established a comprehensive risk management system and has defined the roles and responsibilities of each relevant party as well as established risk management measures and control systems in accordance with the Three Lines model. Each operation line of the Company, on a regular basis, identifies and assesses potential risk that may negatively impact the achievement of its objectives, and formulates appropriate response measures. The Company's staff also provided with training in relation to risk management and internal controls to ensure the effective implementation of risk management and internal control systems.

Corporate Governance Report

Risk Management Process

The Company has established a dynamic risk management process:

- Business and functional departments of each operation line identify, assess and respond to risks in the course of operation in a systematic manner and communicate results to the internal audit and supervision department;

- The internal audit and supervision department collects, analyses, and consolidates a list of significant risks at the company level, and provides input on risk response strategies and control measures for such risks. The corresponding risk responses and control measures against these significant risks will be reviewed by the Audit Committee before reporting to the Board;

- The internal audit and supervision department tracks, reviews and evaluates the responses to significant risks from time to time, and reports to the Audit Committee at least once a year; and

- The Audit Committee, on behalf of the Board, assesses and determines the nature and level of the risks that the Company is willing to take in order to achieve the organization and operational targets of the Company and formulates appropriate response strategies which include designating responsible departments for handling each significant risk. The Audit Committee provides guidance to the Company's management to implement effective risk management system with supports from the internal audit and supervision department.

Significant Risks of the Company

In 2024, the management identified four significant risks in accordance with the abovementioned risk management process. The Board has monitored the overall risk exposure of the Company and reviewed the nature and potential Impact of such significant risks facing the Company. The Board is of opinion that the management has implemented appropriate measures to control these significant risks to an acceptable level.

Set out below is a summary over the significant risks currently facing the Company and the countermeasures implemented against these risks. As a result of changes in the external landscape, the Company also identified changes in the significant risks during the year, and the risk exposure against the Company may at any time change. Therefore, the list as follows is not exhaustive.

1. *Legal and policy risks*

The industry in which the Company operates is subject to the supervision and management of the relevant laws, regulations and industry policies of the national and local governments, particularly in areas such as dissemination of social opinion, content review, consumer rights protection and ticketing operations. In recent years, policies and regulations have been continuously optimized, covering aspects such as the Law on the Protection of Consumer Rights and Interests, the Personal Information Protection Law and the Regulations on the Administration of Commercial Performances (營業性演出管理條例), imposing higher requirements on online ticketing operations and contract compliance. Meanwhile, in the course of overseas business expansion, the Company is also required to comply with local laws and regulations, ensure the compliance of its overseas operations, and respond to the relevant regulatory requirements. Any failure to promptly identify and properly address changes in the relevant laws, policies and industry regulations may expose the Company to legal risks such as administrative penalties and litigation, which may in turn affect the Company's brand reputation and sustainable business development.

To this end, the Company has always adhered to the principle of compliant operation, set up a legal department and a government affairs department, and engaged external legal advisers to assist the Company in continuously monitoring and interpreting the latest changes in policies and regulations, thereby ensuring timely adjustments to the Company's operational strategies and mitigating compliance risks related to laws and policies. The government affairs department of the Company is responsible for collecting the rules and regulations promulgated by regulatory authorities, interpreting industry policies, and ensuring that all business lines are kept informed of and implement such policies in a timely manner. The business departments will exercise strict control over content production to ensure that the subject matters of such entertainment contents are positive in intent and comply with legal and regulatory requirements. Rigorous reviews are conducted for videos, platform copywriting, user comments, and other content to prevent the dissemination of inappropriate information, with prompt action taken to address any violations. In terms of the protection of consumer rights and interests, the platform further enhances the transparency of information disclosure for performances and strengthens the standardization of user agreement terms to improve user experience. Meanwhile, the legal department continuously reviews the operational qualifications of the Company and its partners and promptly adjusts relevant contractual terms in response to regulatory changes to ensure that the Company maintains stable operations amid an evolving legal environment.

Corporate Governance Report

2. *Risks of box office and investment return volatility*

The Company is committed to exploring and investing in high-quality film and television works, contributing more premium film and television contents to the industry. However, the entertainment content industry is highly susceptible to changes in consumer preferences, and market trends may experience unforeseen fluctuations. Given the long production cycles and possible large initial investments in film and television content, investment and promotion projects are subject to uncertainties, including delays in film releases, intense competition during release schedules, or poor box office performance after release. Such factors may lead to the inability to achieve expected returns or recoup investments, thereby affecting the Company's operating performance and financial conditions.

To mitigate the aforementioned risks, the Company, leveraging its industry position and extensive investment experience, has established a scientific investment decision-making system and formed a professional investment project management team to exercise control at each stage of investment, thereby enhancing its ability to identify quality content and make prudent investment decisions. In addition, the Company has improved its mechanisms to safeguard investment returns by establishing early warning and exit mechanisms to reduce investment project risks, while also advancing its settlement rights over box office revenue to minimize collection risks. Through an integrated distribution and promotion system combining "data + tools + ecosystem", the Company achieves comprehensive audience outreach via an online and offline distribution and promotion matrix. and, with its industry-leading "wish-list gathering" (想看) real-time update mechanism, utilizes AI technology to forecast box office trends and dynamically adjust distribution and promotion strategies, continuously enhancing data collection and technology investment to strengthen its market competitiveness. The Company maintains resilience amid industry fluctuations, strives to mitigate investment risks arising from market uncertainties, safeguards investment returns, and pursues sustainable growth.

3. *Public opinion risks*

As a player in the fields of film investment, promotion, distribution, and live entertainment business, the Company is exposed to various public opinion risks, including compliance controversies in the performance market, as well as brand reputation impacts arising from incidents involving partners, artists or negative market reports. Such external public discourse dynamics may influence public perception of the Company's brand, films and television works and performance projects, thereby affecting the operating results, market position and investment returns of the Company. In particular, under the fast-paced dissemination environment of the internet and social media, the scope and magnitude of public opinion risks may escalate rapidly, causing unforeseeable damage to the Company.

To this end, the Company has established a public opinion monitoring and early warning mechanism, set up a dedicated public opinion monitoring team, and collaborates with third-party public opinion analysis agencies to monitor real-time developments related to the Company's platform, films, performance projects, artists and partners. Hot topics and sources are flagged and graded to promptly identify potential public opinion risks and assess their escalation level. At the same time, the Company continuously improves its crisis communication response mechanism, forming a crisis management team comprising senior management and professional public relations personnel. In the event of public opinion risks escalating into a crisis, the team swiftly assesses their developments, formulates response plans, and releases information to the public in a timely manner. Upholding the principle of accountability to the market and its fans, the Company ensures that its crisis management covers information disclosure, media communication and public education, in order to prevent secondary misunderstandings and the spread of misinformation. These efforts aim to minimize the impact of public opinion incidents on the Company's brand reputation and enable the Company to maintain stable development amid a complex and evolving public opinion environment.

4. *Market competition risks*

With the rapid evolution of the entertainment industry, emerging entertainment forms such as performances, short plays, and stand-up comedy continue to iterate. Consumer scenarios are gradually expanding to diversified channels, including mini-programs, online live streaming, and private domain traffic, leading to diverse consumer behaviors among users. Failure to timely capture market dynamics and changes in user behavior and market conditions, and adjust business strategies accordingly, may expose the Company to competitive pressures in the market, thereby affecting the operating performance and financial conditions of the Company.

To this end, the Company capitalizes on its extensive experience in the film and television industry and profound understanding of entertainment content user demands to establish a dedicated user research and survey team. The team conducts regular market research and data analysis to identify emerging user needs and market trends. At the same time, by integrating AI-powered box office prediction technologies and big data analysis, the Company continues to advance the integration of "technology + big data" to empower the development of the film industry. On this basis, the Company continuously launches innovative products and services, actively expands its business channels, and optimizes its consumer scenario deployment to precisely align with user needs and refine its operational strategies, thereby enhancing its market competitiveness. Furthermore, the Company continues to strengthen its cooperation with industry partners and, through technological innovation and optimized market positioning, secures a robust standing in a highly competitive landscape, providing more premium services to the industry.

Corporate Governance Report

Internal Control

The management of the Company is responsible for the formulation, implementation and maintenance of the effectiveness of risk management and internal control systems. The Board and the Audit Committee are responsible for monitoring and overseeing the performance of the internal control systems by the management to ensure it is appropriate and effective.

The Company's internal control systems clearly define roles and responsibilities of each party as well as authorizations and approvals required for key actions of the Company. Policies and procedures are put in place for the key business processes. Such information is also clearly shared with employees. All employees must strictly follow the policies which cover, amongst other things, financial, legal and operational issues that set the control standards for the management of each business process.

The functional departments assist the business departments in the construction work involving the risk management and internal control systems, as well as carrying out the risk management work, and ensure that appropriate management measures are implemented. The internal audit and supervision department, serving as the independent third line, provides independent and objective confirmation and consultation on the effectiveness of the Company's risk management and internal control systems, while performing the supervisory, monitoring, investigational, and assessment functions, the findings or results of which will be reported to the Audit Committee.

Inside Information

The Company has established an inside information policy, and actively reminded the Directors and employees of due compliance with all policies regarding inside information. To ensure adequate attention to whistleblowing, the Company has established a reporting mechanism to handle and discuss internal whistleblowing of financial, operational, internal control and fraud issues. Major internal control deficiencies or whistle-blowing issues will be submitted to the Audit Committee.

Effectiveness of Risk Management and Internal Control Systems

The Board conducted an annual review over the effectiveness of risk management and internal control systems of the Company for the year ended December 31, 2024, and the management confirmed the effectiveness of the risk management and internal control systems within their terms of reference during the year. As a result, the Board is confident, without any evidence to the contrary, that the Company has provided reasonable assurance as to compliance with the risk management and internal control systems for the year ended December 31, 2024, which has prevented any significant financial misstatement or loss, and included protection of assets, appropriate maintenance of accounting records, reliability of financial data, compliance with applicable laws and regulations, and identification and control of business risks. In connection with the effectiveness of risk management and internal control systems, the Board has confirmed that no significant areas of concern have been identified and believes that the system remains effective and adequate, including accounting, internal audit, and financial reporting functions.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Ms. Zheng Xia and Mr. Cheng Ching Kit.

Ms. Zheng Xia joined the Company in May 2018 and currently serves as vice president of the Company and other positions. Mr. Cheng Ching Kit is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over ten years of experience in corporate secretarial field. Mr. Cheng Ching Kit's primary corporate contact person at the Company is Ms. Zheng Xia.

During the Report Period, Ms. Zheng Xia and Mr. Cheng Ching Kit were fully in compliance with the Rule 3.29 of the Listing Rules as both received no less than 15 hours of professional training.

SHAREHOLDERS' RIGHTS

The Company encourages the Shareholders to attend the general meetings of the Company.

The Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM") and for Putting Forward Proposals at General Meeting

Pursuant to Article 64 of the Articles of Association, an extraordinary general meeting of the Company shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company at the headquarter of the Company in the PRC, which is presently situated at No. 3 Building, Yonghe Hangxing Garden, No. 11 Hepingli East Street, Dongcheng District, Beijing, PRC, for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and signed by the requisitionist(s) (the "Requisitionist(s)").

Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 114 of the Articles of Association provides that no person, other than a retiring director of the Company, shall, unless recommended by the Board of the Company for election, be eligible for election to the office of director of the Company (the "Director") at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodging the notices as required under the Articles of Association will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a director of the Company at the general meeting, the following documents must be validly served at the registered office of the Company, namely (1) his/her notice of intention to propose a resolution at the general meeting; (2) a notice signed by the nominated candidate of his/her willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data.

DIVIDEND POLICY

The Company adopted a dividend policy on March 25, 2019.

The Company intends to achieve a balance between maintaining sufficient capital for the Group's business development and operation and rewarding the shareholders of the Company with dividends.

In accordance with the dividend policy, in deciding whether to propose the payment of dividends and the amount of dividend payable, the Board will take into consideration the following factors affecting the Group, including but not limited to:

- actual and expected financial results of the Group;
- distributable profits of the Company and other subsidiaries of the Group;
- dividend income attributable to subsidiaries;
- future operation and profitability;
- capital requirements, earnings, and future expansion plans;
- the overall financial conditions of the Group, including the level of debts, liquidity, and future commitments;
- any contractual limitation on payment of dividends by the Company or payment of dividends by subsidiaries of the Company to the Company;
- taxation factors, as well as legal and regulatory restrictions; and
- other factors as the Board may consider.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

To promote effective communication, the Company adopts a shareholders' communication policy, which aims at establishing a two-way relationship and communication between the Company and the Shareholders. During the Reporting Period, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy. The Company also maintains a website of the Company (https://ir.maoyan.com/), where the Company's announcements, financial information and other information are available for public access.

Shareholders, investors and members of the public should direct their questions about their shareholdings to the Company's Hong Kong Share Registrar. The contact details for the Hong Kong Share Registrar are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
Telephone: (852) 2862 8555
Fax: (852) 2865 0990
Email: hkinfo@computershare.com.hk

Should any questions as to the Company arise, shareholders and investors who wish to make inquiries with the Board may contact the Company. The contact details of the Company are as follows:

Maoyan Entertainment
No. 3 Building, Yonghe Hangxing Garden
No. 11 Hepingli East Street
Dongcheng District
Beijing, PRC
Email: ir@maoyan.com

CONSTITUTIONAL DOCUMENTS

During the year ended December 31, 2024, there was no significant change in the constitutional documents of the Company.

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Maoyan Entertainment

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Maoyan Entertainment (the "Company") and its subsidiaries (the "Group"), which are set out on pages 105 to 222, comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of goodwill
- Expected credit losses assessment of accounts and other receivables

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill Refer to Notes 2.2.2, 4(a) and 16 to the consolidated financial statements. As at December 31, 2024, there was goodwill with carrying amount of approximately RMB4,505 million arising from the acquisitions of Beijing Weige Shidai Entertainment Technology Co., Ltd, Shenzhen Ruihai Fangyuan Technology Co., Ltd. and Hangzhou Soushi Network Co., Ltd in the previous years, which represented approximately 36.0% of the total assets of the Group. Management performed goodwill impairment test by comparing the recoverable amounts of cash generating unit ("CGU") to the carrying amounts. Management determined the recoverable amounts of the CGU based on value in use ("VIU"), which is the present value of the future cash flows expected to be derived from the Group's CGU. Based on the assessments, management considered no impairment is necessary in respect of the goodwill as at December 31, 2024. We focused on this area due to the magnitude of the carrying amounts of goodwill and the fact that significant judgements were required by management as the VIU of the related CGU is determined based on assumptions used in the cash flow forecast. The key assumptions adopted by management include the revenue growth rate, gross margin, terminal growth rate and pre-tax discount rate.	Our procedures in relation to impairment assessment of goodwill included: – We obtained an understanding of management's internal control and process of the estimation of goodwill impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity and subjectivity; – We evaluated and tested management's key controls in respect of the goodwill impairment assessment, including the determination of CGU, the valuation model and assumptions used in the calculation of VIU; – We evaluated the historical accuracy of the cash flow forecast by, for example, comparing the forecast used in the prior year to the actual performance of the business in the current year; – We evaluated the reasonableness of the key assumptions used in the cash flow forecast, such as revenue growth rate, terminal growth rate and gross margin taking into account industry forecasts and market developments, the Group's management approved budget, plan and historical performance; – We involved our internal valuation expert to evaluate the pre-tax discount rate applied in the calculation by comparing with the industry or market data to assess whether the pre-tax discount rate applied was within the range of those adopted by comparable companies in the same industry and check the calculation of the pre-tax discount rate; and – We evaluated management's sensitivity analysis over the revenue growth rate, gross margin, terminal growth rate and pre-tax discount rate as adopted in the impairment test so as to assess the potential implication on the results of the impairment test for changes of assumptions within a reasonable range. Based on the above procedures, we considered that the key assumptions adopted in management's impairment assessment of goodwill were supportable by the evidence we obtained.

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit losses assessment of accounts and other receivables Refer to Notes 3.1(b), 22 and 23 to the consolidated financial statements. As at December 31, 2024, the gross amount of the Group's accounts and other receivables amounted to approximately RMB3,061 million which represented approximately 24.5% of the total assets of the Group. Management has estimated the expected credit losses ("ECL") on the accounts and other receivables and a loss allowance of approximately 942 million was made against the accounts and other receivables as at December 31, 2024. The loss allowances for accounts and other receivables reflected management's best estimate to determine the ECL at the balance sheet date under IFRS Accounting Standards 9. For accounts receivables that do not share same risk characteristics with others, management assessed their expected credit losses on an individual basis. For accounts receivables that share same risk characteristics with others, the management applied the simplified approach to provide for their ECL, by first grouping accounts receivables based on their nature and risk characteristics and then recalculating their historical credit loss information before further incorporating forward-looking adjustments to reflect the management's forecasts of macroeconomic factors in different scenarios as this affects the debtors' abilities to settle the receivables. For other receivables, the management assessed whether their credit risk had increased significantly since their initial recognition and applied the three-stage approach to provide for their ECL using a modelling approach that incorporated key parameters and assumptions (including probability of default, loss given default, exposure at default, etc.). We focused on this area due to the magnitude of the balance of accounts and other receivables and the fact that significant judgements were required by management in assessing the ECL of accounts and other receivables.	Our procedures in relation to management's assessment on the ECL of accounts and other receivables include: – We obtained an understanding of management's internal control and process of the estimation of the ECL on accounts and other receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity and subjectivity; – We evaluated and tested management's key control in relation to the estimate of the ECL on accounts and other receivables; – We performed the following procedures regarding the reasonableness of methods and assumptions used and judgements made by management: • We assessed the appropriateness of the ECL provisioning methodology adopted by management; • We tested, on a sample basis, the accuracy of the key data inputs such as the aging schedules of accounts and other receivables; • We evaluated the reasonableness of grouping of accounts receivables, including those assessed on an individual basis, and staging determination for other receivables against their nature and risk characteristics; • We challenged the reasonableness of the detailed application of key ECL model parameters and assumptions including possibility of default, loss given default, exposure at default by considering, the historical default rates and past collection information; • We evaluated the appropriateness of forward looking information with reference to independent data and our industry knowledge including multiple economic scenarios and parameters; and • We tested, on a sample basis, the mathematical accuracy of the calculations of expected credit loss rates based on the historical loss and forward-looking information. Based on the above procedures, we considered that the significant judgements and estimates made by management in relation to the assessment of the ECL on accounts and other receivables were supportable by available evidences.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cecilia, Lai Ting Yau.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 27, 2025

Consolidated Statement of Comprehensive Income

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Revenue	*6*	**4,082,178**	4,757,369
Cost of revenue	*7*	**(2,457,176)**	(2,372,504)
Gross profit		**1,625,002**	2,384,865
Selling and marketing expenses	*7*	**(939,810)**	(842,476)
General and administrative expenses	*7*	**(363,269)**	(371,606)
Net impairment losses on financial assets	*3.1(b)*	**(129,564)**	(120,547)
Other income	*8*	**44,225**	51,129
Other losses, net	*8*	**(40,704)**	(3,140)
Operating profit		**195,880**	1,098,225
Finance income	*10*	**121,429**	81,039
Finance costs	*10*	**(9,554)**	(5,120)
Finance income, net	*10*	**111,875**	75,919
Share of losses of investments accounted for using the equity method	*17*	**(1,662)**	(2,073)
Impairment losses of investments accounted for using the equity method	*17*	**(4,768)**	(18,392)
Profit before income tax		**301,325**	1,153,679
Income tax expenses	*11*	**(119,420)**	(245,842)
Profit for the year		**181,905**	907,837
Profit is attributable to:			
– Owners of the Company		**181,905**	910,412
– Non-controlling interests		**–**	(2,575)
		181,905	907,837

Consolidated Statement of Comprehensive Income

	Note	Year ended December 31, 2024 RMB'000	2023 RMB'000
Earnings per share attributable to owners of the Company (expressed in RMB per share)			
– Basic earnings per share	*12*	**0.16**	0.79
– Diluted earnings per share	*12*	**0.16**	0.79
Profit for the year		**181,905**	907,837
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Currency translation differences from foreign operations		**18,889**	(26,426)
Items that will not be reclassified to profit or loss			
Currency translation differences from the Company		**25,432**	28,988
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	*3.3,20*	**(209,556)**	(74,557)
Other comprehensive loss for the year, net of tax		**(165,235)**	(71,995)
Total comprehensive income for the year		**16,670**	835,842
Total comprehensive income attributable to:			
– Owners of the Company		**16,670**	838,417
– Non-controlling interests		**–**	(2,575)
Total comprehensive income for the year		**16,670**	835,842

The notes on pages 113 to 222 are integral parts of these consolidated financial statements.

Consolidated Statement of Financial Position

		As at December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	*14*	**25,946**	28,338
Right-of-use assets	*15*	**9,803**	27,084
Intangible assets	*16*	**4,763,537**	4,855,105
Investments accounted for using the equity method	*17*	**7,971**	14,401
Other financial assets measured at amortised cost	*18*	**580,762**	–
Financial assets at fair value through profit or loss	*3.3*	**30,074**	36,857
Financial assets at fair value through other comprehensive income	*3.3*	**325,198**	458,866
Deferred income tax assets	*20*	**40,570**	34,741
Prepayments, deposits and other receivables	*23*	**54,836**	11,947
		5,838,697	5,467,339
Current assets			
Inventories	*21*	**33,995**	39,431
Accounts receivables	*22*	**876,162**	747,741
Prepayments, deposits and other receivables	*23*	**3,109,664**	2,564,857
Prepaid income tax		**123,833**	20,090
Financial assets at fair value through profit or loss	*3.3*	**145,246**	15,264
Restricted bank deposits	*24*	**16,907**	261,104
Term deposits with original maturity over three months	*24*	**1,458,033**	1,277,048
Cash and cash equivalents	*24*	**903,058**	2,147,222
		6,666,898	7,072,757
Total assets		**12,505,595**	12,540,096
EQUITY			
Equity attributable to owners of the Company			
Share capital	*28*	**155**	154
Treasury shares	*28*	**(1)**	–
Reserves	*29*	**8,178,175**	8,353,274
Retained earnings		**869,983**	687,760
		9,048,312	9,041,188
Non-controlling interests		**–**	(2,911)
Total equity		**9,048,312**	9,038,277

Consolidated Statement of Financial Position

		As at December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	*20*	**101,579**	90,586
Lease liabilities	*15*	**–**	11,705
		101,579	102,291
Current liabilities			
Borrowings	*25*	**470,442**	250,000
Accounts payables	*26*	**752,805**	880,584
Other payables, accruals and other liabilities	*27*	**2,095,682**	2,182,673
Lease liabilities	*15*	**10,773**	16,766
Current income tax liabilities		**26,002**	69,505
		3,355,704	3,399,528
Total liabilities		**3,457,283**	3,501,819
Total equity and liabilities		**12,505,595**	12,540,096

The notes on pages 113 to 222 are integral parts of these consolidated financial statements.

The consolidated financial statements on pages 105 to 222 were approved for issue by the Board of Directors on March 27, 2025 and were signed on its behalf.

Zheng Zhihao
Executive Director and Chief Executive Officer

Miao Boshu
Financial Director

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company						
	Note	Share capital RMB'000	Treasury shares RMB'000	Reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2024		154	–	8,353,274	687,760	9,041,188	(2,911)	9,038,277
Profit for the year		–	–	–	181,905	181,905	–	181,905
Currency translation differences		–	–	44,321	–	44,321	–	44,321
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	*3.3,20*	–	–	(209,556)	–	(209,556)	–	(209,556)
Total comprehensive income		–	–	(165,235)	181,905	16,670	–	16,670
Transfer of gain upon disposal of financial assets at fair value through other comprehensive income to retained earning		–	–	(318)	318	–	–	–
Transactions with owners of the Company								
Issuance of new shares under share option scheme	*28,29*	–	–	1	–	1	–	1
Insurance of new shares under restricted shares units scheme	*28*	2	(2)	–	–	–	–	–
Share-based compensation expenses	*30*	–	–	38,960	–	38,960	–	38,960
Transfer of vested restricted share units from treasury shares	*28,29*	–	1	(1)	–	–	–	–
Repurchase of the shares of the Company		–	(45,596)	–	–	(45,596)	–	(45,596)
Cancellation of repurchased shares		(1)	45,596	(45,595)	–	–	–	–
Transactions with non-controlling interests		–	–	(2,911)	–	(2,911)	2,911	–
Total transactions with owners of the Company		1	(1)	(9,546)	–	(9,546)	2,911	(6,635)
As at December 31, 2024		155	(1)	8,178,175	869,983	9,048,312	–	9,048,312

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company					
		Share capital RMB'000	Reserves RMB'000	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2023		154	8,328,722	(156,516)	8,172,360	1,415	8,173,775
Profit for the year		–	–	910,412	910,412	(2,575)	907,837
Currency translation differences		–	2,562	–	2,562	–	2,562
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	*3.3,20*	–	(74,557)	–	(74,557)	–	(74,557)
Total comprehensive income		–	(71,995)	910,412	838,417	(2,575)	835,842
Transfer of gain upon disposal of financial assets at fair value through other comprehensive income to retained earning		–	(1,039)	1,039	–	–	–
Transactions with owners of the Company							
Issuance of new shares under share option scheme	*28,29*	–	63	–	63	–	63
Share-based compensation expenses		–	30,348	–	30,348	(279)	30,069
Profit appropriations to statutory reserves		–	67,175	(67,175)	–	–	–
Liquidation of a subsidiary *(a)*		–	–	–	–	(1,472)	(1,472)
Total transactions with owners of the Company		–	97,586	(67,175)	30,411	(1,751)	28,660
As at December 31, 2023		154	8,353,274	687,760	9,041,188	(2,911)	9,038,277

Note a: In December 2023, the Group liquidated a subsidiary with the non-controlling shareholder withdrew RMB1,472,000 after the liquidation.

The notes on pages 113 to 222 are integral parts of these consolidated financial statements.

Consolidated Statement of Cash Flows

		Year ended December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
Cash flows from operating activities			
Cash (used in)/generated from operations	*31(a)*	**(576,534)**	1,773,739
Interest paid	*10*	**(8,125)**	(3,752)
Income tax paid		**(261,603)**	(274,478)
Net cash (used in)/generated from operating activities		**(846,262)**	1,495,509
Cash flows from investing activities			
Purchases of property, plant and equipment	*14*	**(13,253)**	(22,398)
Purchases of intangible assets	*16*	**(1,093)**	(2,240)
Payments for financial assets at fair value through profit or loss	*3.3*	**(786,750)**	(34,999)
Proceeds from disposals of financial assets at fair value through profit or loss	*3.3*	**685,415**	28,944
Payments for financial assets at fair value through other comprehensive income	*3.3*	**(71,268)**	(106,146)
Proceeds from disposals of financial assets at fair value through other comprehensive income	*3.3*	**1,765**	8,383
Interest received		**91,400**	72,655
Advance of receivables from investments in movies and TV series		**(24,143)**	–
Repayment of receivables from investments in movies and TV series		**60,210**	14,467
Advance of loans to third parties		**(36,500)**	(69,314)
Repayment of loans to third parties		**–**	17,392
Payments for term deposits with original maturity over three months		**(2,597,631)**	(2,588,188)
Proceeds from disposals of term deposits with original maturity over three months		**2,465,371**	1,847,787
Proceeds from disposals of investments accounted for using the equity method	*17*	**–**	4,381
Dividend received	*17*	**–**	36
Payment for investments accounted for using the equity method	*17*	**–**	(2,000)
Payment for other financial assets measured at amortised cost		**(580,304)**	–

Consolidated Statement of Cash Flows

		Year ended December 31,	
		2024	2023
	Note	**RMB'000**	RMB'000
Net cash used in investing activities		**(806,781)**	(831,240)
Cash flows from financing activities			
Proceeds from short-term borrowings	*31(b)*	**470,442**	250,000
Repayments of short-term borrowings	*31(b)*	**(250,000)**	(335,000)
Payments for repurchase of shares		**(45,596)**	–
Principal elements of lease payments	*15(c),31(b)*	**(23,846)**	(14,432)
Proceeds from disposals of restricted bank deposits		**250,000**	106,000
Payments for restricted bank deposits		**–**	(250,000)
Issuance of new shares under share option scheme	*28,29*	**1**	63
Net cash generated from/(used in) financing activities		**401,001**	(243,369)
Net (decrease)/increase in cash and cash equivalents		**(1,252,042)**	420,900
Cash and cash equivalents at beginning of year		**2,147,222**	1,720,875
Exchange gain on cash and cash equivalents		**7,878**	5,447
Cash and cash equivalents at end of year		**903,058**	2,147,222

The notes on pages 113 to 222 are integral parts of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Maoyan Entertainment (the "Company") was incorporated in the Cayman Islands on December 8, 2017 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company's registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on February 4, 2019.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "Group"), are principally engaged in the provision of online entertainment ticketing services, entertainment content services, movies and TV series investments, advertising services and others in the People's Republic of China (the "PRC").

The financial statements for the year ended December 31, 2024 are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated. The financial statements for the year ended December 31, 2024 have been approved for issue by the Company's board of directors (the "Board") on March 27, 2025.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the requirements of the Hong Kong Companies Ordinance Cap.622. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards
- Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are carried at fair value.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

New and amended standards and interpretations adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The adoption of these new and amended standards and interpretation does not have any material impact on amounts recognised in prior periods and are not expected to significantly affect the current or future period.

New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards issued by the International Accounting Standards Board have been published that are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Group. The adoption of IFRS Accounting Standards 18 will not impact the recognition or measurement of items in the consolidated financial statements, and will only impact on presentation and disclosure, in particular those related to the consolidated statement of comprehensive income and providing management-defined performance measures within the consolidated financial statements. Except for IFRS Accounting Standards 18, none of these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

New and amended standards and interpretations not yet adopted *(continued)*

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS Accounting Standards 9 and IFRS Accounting Standards 7	Disclosures' on classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
New standards IFRS Accounting Standards 18	Presentation and Disclosure in Financial Statements	January 1, 2027

2.2 Summary of material accounting policies

2.2.1 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Office equipment	3-5 years
Computer equipment	3 years
Leasehold improvements	the shorter of their useful lives and the lease terms

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.2 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licenses have finite useful lives and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives. The Group determined the acquired trademarks and licenses to have useful lives of 9 to 10 years based on the brand awareness of acquiree, expected future renewal rates and the best estimate of the Group.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.2 Intangible assets *(continued)*

(c) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Considering this acquired software licenses are well-developed off the shelf software, there is no contractual term of these software license, and the Group can use the software as long as it can meet the Group's business needs. Based on the current functionalities equipped by this software and the daily operation needs, the Group considers a useful life of 3 -10 years is the best estimation under current business needs.

(d) Business cooperation agreement

Business cooperation agreement represents platform agreement with Tencent. It has a finite life and is carried at cost less accumulated amortisation.

(e) Contractual customer relationship

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. The Group determined the acquired contractual customer relationship to have a useful life of 10 to 15 years based on the rule-of-thumb approach, considering the increase rate of revenue from these customers and customer churn rate, to determine the estimated benefit period of the contractual customer relationship.

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Trademarks and licenses	9-10 years
Software	3-10 years
Business cooperation agreement	5 years
Contractual customer relationship	10-15 years

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.3 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.4 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent change in fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.4 Financial assets *(continued)*

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.4 Financial assets (continued)

***(c) Measurement** (continued)*

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other losses, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other losses, net" and impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other losses, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other losses, net" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.4 Financial assets *(continued)*

(d) Impairment

The Group has types of financial assets subject to IFRS Accounting Standards 9's expected credit loss model:

- Accounts receivables;
- Other receivables;
- Cash and cash equivalents, restricted bank deposits and term deposits with original maturity over three months, and
- Other financial assets measured at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach permitted by IFRS Accounting Standards 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. To manage risk arising from cash and cash equivalents, restricted bank deposits, term deposits with original maturity over three months and other financial assets measured at amortised cost, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.4 Financial assets *(continued)*

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.2.5 Accounts receivables and other receivables

Accounts receivables are amounts due from customers for services performed or inventories sold in the ordinary course of business. If collection of accounts and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. See Note 2.2.4(d) for a description of the Group's impairment policy for accounts receivables.

2.2.6 Revenue recognition

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition *(continued)*

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group uses the output methods to measure the progress towards, recognising revenue based on direct measurements of the value transferred to the customer. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due from the customer).

The Group principally derives revenue from movie services, merchandising and membership business, advertising business and other entertainment services.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition (continued)

(a) Online entertainment ticketing services

Online entertainment ticketing services consist primarily of online movie ticketing as well as entertainment event ticketing service.

(i) Online movie ticketing

The Group provides an e-commerce platform that enables cinemas to sell their movie tickets to users through the platform. Users can select cinemas, movies, order the seats and pay for the tickets through the Group's platform. The Group identifies cinemas as the customers for the online movie ticketing services.

Revenue from online movie ticketing services is recognised on a net basis as the Group is not regarded as the primary obligor and not responsible for film shown and does not have the ability to determine the pricing of the tickets. The Group only receives commission fee from the cinemas.

The payments from users are cancellable and refundable before the films are shown. The Group initially recorded the payments from the users as other payables and recognises commission revenue when the films are shown.

The Group offers ticket refund and exchange services on the platform for some cinemas and receive extra service fee from cinemas. The payments arising from ticket refund and exchange are non-refundable. Revenue is recognised when the cinemas complete the ticket refund and exchange for users.

(ii) Online entertainment event ticketing

The Group offers ticketing services for entertainment events, such as concerts, live performances, exhibitions and sports events on its platform. Subject to the capabilities of the theaters and other venues, the Group provides online seat area selection for certain entertainment events.

The Group works with event promoters including theaters and other venues. Tickets are sold on the Group's platform at the face value determined by the event promoters. The Group provides the event promoters with convenient and stable ticketing system and managerial assistance through the system.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition (continued)

***(a) Online entertainment ticketing services** (continued)*

(ii) Online entertainment event ticketing (continued)

The Group identifies theaters and other venues as the customers for online entertainment event ticketing services.

Ticket refund and exchange, as well as the extra service fee, are subject to the terms and conditions made by the event promoters. If events are cancelled or postponed, the event promoters will refund the value of the ticket prices to our users through the Group, and the event promoters are responsible for any expenses, liability claims, disputes and litigation resulting from such cancellation.

Revenue is recognised on a net basis as the Group is not regarded as the primary obligor and is not responsible for the event and does not take inventory risk. The Group only receives commission fee from the theaters and other venues.

The Group initially recorded the payments from the users as other payables and recognises commission revenue when the events are started.

(b) Entertainment content services

The Group operates an integrated platform to provide entertainment content services, including distribution, promotion to production, for various entertainment formats including movies, entertainment events, TV series, web series, web movies and variety shows.

(i) Movie distribution and promotion services

The Group offers movie distribution and promotion services for content producers which are identified as customers of the Group. Movie distribution and promotion carried out by the Group include tailored audience incentive programs, promotion campaign in cooperation with movie fans club, movie presale and test screenings.

Since the Group normally has the ability to determine the pricing of the services and has taken responsibility for monitoring the quality of services provided and to negotiate the service terms, the Group is regarded as the primary obligor and recognises revenue from movie distribution and promotion services on a gross basis.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition *(continued)*

(b) Entertainment content services *(continued)*

(i) Movie distribution and promotion services (continued)

Revenue from distribution and promotion is generated from the following sources: (i) a fixed-amount distribution cost as payment for the Group's distribution and promotion expenses, which is normally deducted from box office proceeds prior to payments to movie producers; and (ii) a distribution fee which can be either a fixed amount or a percentage of the movie, after deducting all necessary costs and expenses for production and distribution.

Revenue from distribution and promotion is recognised over the movie schedule according to the process of box office revenue. The Group uses the output methods to measure the progress towards, recognising revenue based on direct measurements of the value transferred to the producers. Accounts receivable is recorded when revenue is recognised due to the Group has an unconditional right to consideration.

(ii) Movies production/investment

The Group provides market-oriented advice to the production crew on the shooting and edition processes, leveraging the Group's big data analytical capabilities and extensive experience of movie distribution and promotion, and makes capital investment in the production as a co-producer or a producer.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition (continued)

(b) Entertainment content services *(continued)*

(ii) Movies production/investment (continued)

When the Group is not involved in the determination of idea origination, production crew and cast selection, shooting and post-production but only participates in the distribution and promotion. The Group is not considered to be involved in the movie production process and the main purpose of the investment in the movies is to obtain the distribution right of the movies from the movie production companies and to earn the distribution fee. Given that distribution services are provided by the Group to the producers/movie production companies, and the investment in the relevant movie made by the Group is also paid to the same producer/movie production company, such investment cost is considered as in substance a consideration payable to a customer of the Group, and as a result, such investment cost shall be accounted for as a reduction of revenue. Therefore, revenue from this type of investment in movie projects arising from the revenue share of the movie, based on the interest percentage owned by the Group, is recognised over the movie screening period according to the box office, after the reduction of the Group's investment cost (on a net basis). Accounts receivables are recorded when revenue recognised due to the Group has an unconditional right to consideration.

When the Group is fully involved as a principal in the determination of idea origination, production crew and cast selection, shooting and post-production. The Group controlled the movie production process and is considered to be a producer. Therefore, revenue from this type of movie production represents the Group's share of box office sales from movies exhibited in movie theatres, after the payment of taxes and other charges by movie theatres and associates of movie theatres, is recognised over the movie screening period according to the box office (on a gross basis).

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition (continued)

(b) Entertainment content services *(continued)*

(ii) Movies production/investment (continued)

The corresponding movie production costs are initially capitalised under "Contract fulfilment costs for movie productions" in Note 23 and stated at cost less any provision for impairment losses. Provisions are made for costs which are in excess of the expected future revenues generated by these films. They are subsequently amortised to profit or loss under cost of revenue in the same pattern of the aforesaid revenue recognition when the associated movies are exhibited in movie theatres.

The Group also strategically invested in movies and TV series as one of the principal activities of the Group. Therefore, the Group has presented the changes in fair value on the investment in movies, TV series and entertainment events as revenue of the Group in the consolidated statement of comprehensive income.

(iii) Licensing of broadcasting rights of television series

When the Group controls the television series production process by determined the idea origination, production crew and cast selection, shooting and post-production, the Group determines it's a principal and therefore records revenue on a gross basis. After completing the idea origination and preliminary work, the Group negotiate with online video platforms to sale the license of television series rights.

Revenue from the licensing of broadcasting rights of television series is recognised at the point in time when the television series are available to the licensee and the licensee is able to use and benefit from the license, generally on delivery of the drama series after the approval from the National Radio and Television Administration of the PRC ("the NRTA") or receipt of the licence for distribution of television series from the provincial counterpart of the NRTA when a customer is provided with a right to broadcast the television series as it exists at the point in time when the licence is granted.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition *(continued)*

(b) Entertainment content services *(continued)*

(iii) Licensing of broadcasting rights of television series (continued)

In certain agreements with online video platform customers, the Group is entitled to additional bonus based on the actual broadcasting performance. Revenue from such additional bonus is recognised when the amount is determined and confirmed by the customers.

(c) Advertising services and others

The Group's platform offers online ordering of in-cinema food and beverage, sale of IP-centric movie merchandise and movie ticket membership subscriptions for the cinemas. Users can order the food, beverage and others and pay for it through the Group's platform in advance.

The varieties and price of food, beverage and other items are determined by the individual cinemas. The Group also acts as an agent in the transaction and only earns pre-agreed commission revenue from cinemas. Revenue from e-commerce services is recognised on a net basis as the Group is not regarded as the primary obligor.

The payments from users are cancellable and refundable before the users enjoy the goods or services. The Group initially records the payments from the users as other payables and recognises commission revenue when the users enjoy the goods and services.

The Group provides advertising services to advertisers as well as advertising agencies in both the movie industry and other industries.

The Group also provides other advertising services, including advertisements incorporated into the entertainment content in the form of news feeds and articles published through the official accounts across several social media platform, as well as various offline marketing resources such as cinemas, movie roadshows, and cross-industry advertisement cooperation.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.6 Revenue recognition *(continued)*

(c) Advertising services and others *(continued)*

Advertising revenue mainly comprise revenue derived from displaying advertisements on its platform. The Group recognises the revenue on a straight-line basis over the contracted period with customers in which the advertisements are displayed.

Since the Group has the ability to determine the pricing of the advertising services and to take responsibility for monitoring the quality of advertising services provided and to negotiate the service terms, the Group is regarded as the primary obligor and recognises revenue from advertising on a gross basis.

Advertisers usually pay the advertisement after the display is completed. The Group records accounts receivables when the revenue recognised since the Group has unconditional rights to payments of advertising services which are due according to the contract terms.

(d) Transaction price allocated to the remaining performance obligation

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less.

2.2.7 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group (Note 2.2.7(f)).

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 Principles of consolidation and equity accounting (continued)

***(a) Subsidiaries** (continued)*

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed here necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Subsidiaries controlled through contractual arrangements

Maoyan Entertainment (HK) Limited ("Maoyan Entertainment HK"), the subsidiary of the Group, established Tianjin Maoyan Weying Technology Co., Ltd (the "WFOE"), who has entered into contractual arrangements ("Existing Contractual Arrangements") with Tianjin Maoyan Weying Cultural Media Co., Ltd. ("Tianjin Maoyan Weying") and its registered shareholders. On July 15, 2024, the WFOE has entered into new contractual arrangements, which comprised the same set of agreements constituting the Existing Contractual Arrangements in substantially the same form, with Tianjin Ganyu Information Technology Co., Ltd.("Tianjin Ganyu") and its registered shareholders. These contractual arrangements enable the WFOE and the Group to:

- Exercise effective control over the Tianjin Maoyan Weying, Tianjin Ganyu and their subsidiaries (the "Operating Entities");

- Exercise owners' voting rights of the Operating Entities;

- Receive substantially all of the economic interests and returns generated by the Operating Entities in consideration for the technical support, consulting and other services provided exclusively by the WFOE, at the WFOE's discretion;

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 Principles of consolidation and equity accounting (continued)

***(a) Subsidiaries** (continued)*

Subsidiaries controlled through contractual arrangements (continued)

- Obtain an irrevocable and exclusive right to purchase all equity interests in Tianjin Maoyan Weying and Tianjin Ganyu from their registered shareholders at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration and in which case the purchase consideration shall be such amount. Where the purchase consideration is required by the relevant government authorities to be an amount other than a nominal amount, the registered shareholders of Tianjin Maoyan Weying and Tianjin Ganyu shall return the amount of purchase consideration they have received to the WFOE. At the WFOE's request, the registered shareholders of Tianjin Maoyan Weying and Tianjin Ganyu will promptly and unconditionally transfer their respective equity interests of Tianjin Maoyan Weying and Tianjin Ganyu to the WFOE (or its designee within the Group) after the WFOE exercises its purchase right; and

- Obtain pledges over the entire equity interests in Tianjin Maoyan Weying and Tianjin Ganyu from their registered shareholders to secure, among others, performance of their obligations under the contractual arrangement.

The Group does not have any equity interest in the Operating Entities. However, as a result of the contractual arrangement, the Group has rights to variable returns from its involvement with the Operating Entities and has the ability to affect those returns through its power over the Operating Entities and is considered to control the Operating Entities. Consequently, the Company regards the Operating Entities as controlled structure entities and consolidated the financial position and results of operations of these entities in the consolidated financial statements of the Group during the years ended December 31, 2024 and 2023.

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The Directors of the Group, based on the advice of its legal counsel, consider that the use of contractual arrangements does not constitute a breach of relevant laws and regulations.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 Principles of consolidation and equity accounting *(continued)*

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 2.2.7(d) below), after initially being recognised at cost.

(c) Joint arrangements

Under IFRS Accounting Standards 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Group has assessed the nature of its certain investments in movie production and determined them to be joint operations. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenue and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the revenues recognition related to investments in movie production classified as joint operation are set out in Note 2.2.6(b) (ii).

Interests in joint ventures are accounted for using the equity method (see 2.2.7(d) below), after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 Principles of consolidation and equity accounting *(continued)*

(d) Equity method *(continued)*

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.2.3.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 *Principles of consolidation and equity accounting* (continued)

(e) *Changes in ownership interests* *(continued)*

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(f) *Business Combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- The fair values of the assets transferred,
- The liabilities incurred to the former owners of the acquired business,
- The equity interests issued by the Group,
- The fair value of any asset or liability resulting from a contingent consideration arrangement, and
- The fair value of any pre-existing equity interest in the subsidiary.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 Principles of consolidation and equity accounting (continued)

(f) Business Combinations *(continued)*

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

For business combinations in which the acquisition date is on or after January 1, 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting issued by International Accounting Standards Board in March 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 or IFRIC 21, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.7 *Principles of consolidation and equity accounting* (continued)

(f) Business Combinations *(continued)*

The excess of the

- The consideration transferred,
- The amount of any non-controlling interest in the acquired entity, and
- The acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.2.8 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Notes to the Consolidated Financial Statements

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.8 Separate financial statements *(continued)*

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.9 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.9 Current and deferred income tax *(continued)*

(b) Deferred income tax *(continued)*

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming that the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.10 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as payroll and welfare payable in the statement of financial position.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.10 Employee benefits *(continued)*

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

(c) Pension obligations

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities. The Group's liability in respect of these plans is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

The Group operates several equity-settled share-based compensation plans (including share option scheme and restricted stock units ("RSUs") scheme), under which the Group receives service from its employees in exchange for the equity instruments of the Group. As disclosed in Note 30, during the years ended December 31, 2024 and 2023. The fair value of the employee service received in exchange for the grant of share options and RSUs is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

– Including any market performance conditions (e.g., the entity's share price);

– Excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

– Including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holdings shares for a specific period of time).

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.10 Employee benefits *(continued)*

(c) Pension obligations *(continued)*

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

(d) Share-based benefits of the Group

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.10 ***Employee benefits*** *(continued)*

(d) Share-based benefits of the Group *(continued)*

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.2.11 ***Research and development expenses***

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalized as intangible assets when the following recognition criteria are fulfilled:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet those criteria are recognised as expenses as incurred. Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalized development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their estimated useful lives.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.12 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

2.2 Summary of material accounting policies *(continued)*

2.2.15 Account payables, other payables and accruals

These amounts represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Account payables and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.2.16 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the years ended December 31, 2024 and 2023.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) ***Market risk*** *(continued)*

(i) ***Foreign exchange risk*** *(continued)*

The following table shows the Group's monetary assets and liabilities (in RMB equivalent) that are denominated in foreign currencies other than the functional currencies of respective group entities:

	Assets		Liabilities	
	As at December 31,		As at December 31,	
Currency denomination	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
Singapore Dollar ("SGD")	**446**	99	**–**	–
United Stated Dollar ("USD")	**9**	7,937	**–**	–
Hong Kong Dollar ("HKD")	**77,765**	59,468	**10,391**	6,560
	78,220	67,504	**10,391**	6,560

The Group may experience a loss as a result of any foreign currency exchange rate fluctuations in connection with monetary assets shown above. The Group has not used any means to hedge the exposure.

If RMB had weakened/strengthened by 5% against the foreign currency dollars with all other variables held constant, profit before income tax for the year ended December 31, 2024 would have been RMB3,391,000 higher/lower (2023: RMB3,047,000).

(ii) ***Fair value interest rate risk***

The Group's interest rate risk arises from interest-bearing bank deposits and bank borrowings. Bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bank borrowings at fixed rates expose the Group to fair value interest rate risk.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) ***Market risk*** *(continued)*

(ii) Fair value interest rate risk *(continued)*

Other than interest-bearing bank deposits, the Group has no other significant interest-bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

As at December 31, 2024 and 2023, the Group's interest-bearing borrowings are all at fixed rates.

(iii) Price risk

The Group is exposed to price risk in respect of the long-term investments and short-term investments measured at financial asset at FVPL and FVOCI held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. Each investment was managed by senior management on a case by case basis.

(b) ***Credit risk***

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted bank deposits and term deposits with original maturity over three months placed with banks and financial institutions as well as accounts receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Risk management

To manage risk arising from cash and cash equivalents, restricted bank deposits and term deposits with original maturity over three months, the Group only transacts with state-owned or reputable financial institutions in Hong Kong and mainland China. There has been no recent history of default in relation to these financial institutions.

The Group has large number of debtors and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these trade and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents, restricted bank deposits and term deposits with original maturity over three months
- Accounts receivables
- Other receivables
- Other financial assets measured at amortised cost

While cash and cash equivalents, restricted bank deposits and term deposits with original maturity over three months, are also subject to the impairment requirements of IFRS Accounting Standards 9, the identified impairment loss was immaterial as they were mainly placed in reputable institutions in Hong Kong and mainland China with sound credit ratings.

Accounts receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS Accounting Standards 9, which permits the use of the lifetime expected loss provision for all accounts receivables. To measure the expected credit losses, accounts receivables have been grouped based on share credit risk characteristics and the days past due.

The expected loss rates are based on the aging profiles of accounts receivables over a period before the December 31, 2024 or January 1, 2024 respectively and the corresponding historical credit losses expected within this period. These historical loss rates are then adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. The Group has identified the “urban per capita disposable income” of the PRC in which it sells its services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor in different scenarios.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(ii) Impairment of financial assets *(continued)*

Accounts receivables (continued)

On such basis, the loss allowance as at December 31, 2024 and 2023 was determined as follows for accounts receivables:

	Current RMB'000	Up to 3 months past due RMB'000	3 to 6 months past due RMB'000	6 to 12 months past due RMB'000	Over 1 year past due RMB'000	Total RMB'000
As at December 31, 2024						
On collective basis						
Expected loss rate	6.37%	13.03%	21.41%	38.85%	82.40%	18.19%
Gross carrying amount	720,925	126,972	25,117	82,947	115,008	1,070,969
Loss allowance provision	45,890	16,541	5,377	32,227	94,772	194,807
On individual basis						
Expected loss rate	–	–	–	–	100.00%	100.00%
Gross carrying amount	–	–	–	–	251,894	251,894
Loss allowance provision	–	–	–	–	251,894	251,894
Total						
Expected loss rate	6.37%	13.03%	21.41%	38.85%	94.48%	33.77%
Gross carrying amount	720,925	126,972	25,117	82,947	366,902	1,322,863
Loss allowance provision	45,890	16,541	5,377	32,227	346,666	446,701

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Accounts receivables (continued)

	Current RMB'000	Up to 3 months past due RMB'000	3 to 6 months past due RMB'000	6 to 12 months past due RMB'000	Over 1 year past due RMB'000	Total RMB'000
As at December 31, 2023						
On collective basis						
Expected loss rate	7.29%	12.09%	15.67%	30.90%	73.12%	16.26%
Gross carrying amount	625,909	112,534	24,703	30,386	99,376	892,908
Loss allowance provision	45,635	13,610	3,871	9,389	72,662	145,167
On individual basis						
Expected loss rate	–	–	–	–	100.00%	100.00%
Gross carrying amount	–	–	–	–	225,115	225,115
Loss allowance provision	–	–	–	–	225,115	225,115
Total						
Expected loss rate	7.29%	12.09%	15.67%	30.90%	91.77%	33.12%
Gross carrying amount	625,909	112,534	24,703	30,386	324,491	1,118,023
Loss allowance provision	45,635	13,610	3,871	9,389	297,777	370,282

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Accounts receivables (continued)

The loss allowances for accounts receivables as at December 31, 2024 and 2023 reconcile to the opening loss allowances as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**370,282**	252,530
Impairment provision	**76,419**	117,752
At the end of the year	**446,701**	370,282

The directors of the Company have carefully re-assessed the lifetime expected credit loss of accounts receivables as at December 31, 2024 and 2023, and accounts receivable are written off where there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in repayment plan with the Group.

Other receivables

Other receivables primarily comprise balances resulted from the Group's principal activities with various business partners primarily in the PRC entertainment industry. The impairment loss of these financial assets carried at amortised cost is measured based on the twelve months expected credit loss. The Directors consider the probability of default upon initial recognition of assets and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- external credit rating;

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Other receivables (continued)

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations; and

- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. Under such case, the other receivables are classified as stage 2 and subject to lifetime expected losses provision. When the other receivables became past due for more than 90 days, they are treated as credit-impaired and therefore classified as stage 3.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where other receivables have been written off, the Company continues to engage in follow-up actions such as enforcement activities to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Management uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Other receivables (continued)

A summary of the assumptions underpinning the Group's expected credit loss model on other receivables is as follows:

Category	The Group's definition of category	Basis for recognition of expected credit loss provision
Stage 1	Other receivables whose credit risk is in line with original expectations and/or past due for less than 30 days.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Other receivables for which a significant increase has occurred compared to original expectations; A significant increase in credit risk is presumed if interest and/or principal repayments are past due for more than 30 days but less than 90 days.	Lifetime expected losses
Stage 3	Interest and/or principal repayments are more than 90 days past due or it becomes probable that a customer will enter bankruptcy.	Lifetime expected losses

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for forward-looking macroeconomic data.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) *Credit risk* *(continued)*

(ii) *Impairment of financial assets* *(continued)*

Other receivables (continued)

The Group provides for credit losses against other receivables as follows:

As at December 31, 2024	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Gross carrying amount				
Deposits and receivables for online entertainment ticketing, e-commerce and other services	893,966	–	229,428	1,123,394
Loans to third parties	103,213	–	145,289	248,502
Amounts due from related parties	127,463	–	19,737	147,200
Receivables for investments in movies and TV series	26,788	–	77,196	103,984
Deposits for rental and others	55,304	–	–	55,304
Receivables from transfer of investments in movies and TV series	10,284	–	–	10,284
Others	39,728	–	9,896	49,624
	1,256,746	–	481,546	1,738,292

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Loss allowance				
Deposits and receivables for online entertainment ticketing, e-commerce and other services	10,557	–	229,428	239,985
Loans to third parties	1,690	–	145,289	146,979
Amounts due from related parties	71	–	19,737	19,808
Receivables for investments in movies and TV series	521	–	77,196	77,717
Deposits for rental and others	406	–	–	406
Receivables from transfer of investments in movies and TV series	201	–	–	201
Others	283	–	9,896	10,179
	13,729	–	481,546	495,275
Expected credit loss rate	1.09%	–	100.00%	28.49%

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Other receivables (continued)

The Group provides for credit losses against other receivables as follows (continued):

As at December 31, 2023	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Gross carrying amount				
Deposits and receivables for online entertainment ticketing, e-commerce and other services	463,602	–	223,354	686,956
Loans to third parties	80,810	–	115,065	195,875
Amounts due from related parties	180,354	–	4,717	185,071
Receivables for investments in movies and TV series	74,196	–	60,432	134,628
Deposits for rental and others	55,727	–	–	55,727
Receivables from transfer of investments in movies and TV series	30,897	–	–	30,897
Others	41,386	–	24,372	65,758
	926,972	–	427,940	1,354,912

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Loss allowance				
Deposits and receivables for online entertainment ticketing, e-commerce and other services	9,179	–	223,354	232,533
Loans to third parties	1,090	–	115,065	116,155
Amounts due from related parties	290	–	4,717	5,007
Receivables for investments in movies and TV series	407	–	60,432	60,839
Deposits for rental and others	1,491	–	–	1,491
Receivables from transfer of investments in movies and TV series	1,040	–	–	1,040
Others	693	–	24,372	25,065
	14,190	–	427,940	442,130
Expected credit loss rate	1.53%	–	100.00%	32.63%

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

(ii) ***Impairment of financial assets*** *(continued)*

Other receivables (continued)

The loss allowances for other receivables as at December 31, 2024 and 2023 reconcile to the opening loss allowances as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**442,130**	439,335
Impairment provision	**53,145**	2,795
At the end of the year	**495,275**	442,130

As at December 31, 2024, the maximum credit risk exposure of other receivables amounted to approximately RMB1,738,292,000 (2023: RMB1,354,912,000).

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include Treasury bonds. The credit risk associated with these financial assets is low, no loss allowance for other financial assets measured at amortised cost as at December 31, 2024 was recognised (2023: nil).

(c) ***Liquidity risk***

The Group aims to maintain sufficient cash and cash equivalents and marketable securities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(c) ***Liquidity risk*** *(continued)*

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at December 31, 2024				
Accounts payables	**752,805**	**–**	**–**	**752,805**
Other payables, accruals and other liabilities (excluding payroll and welfare payable, compensation provision and other taxes liabilities)	**1,924,129**	**–**	**–**	**1,924,129**
Borrowings	**475,882**	**–**	**–**	**475,882**
Lease liabilities	**11,533**	**–**	**–**	**11,533**
	3,164,349	**–**	**–**	**3,164,349**

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total RMB'000
As at December 31, 2023				
Accounts payables	880,584	–	–	880,584
Other payables, accruals and other liabilities (excluding payroll and welfare payable and other taxes liabilities)	2,042,767	–	–	2,042,767
Borrowings	253,510	–	–	253,510
Lease liabilities	17,785	13,336	1,406	32,527
	3,194,646	13,336	1,406	3,209,388

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance owners' value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities, less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position. As at December 31, 2024 and 2023, the Group has a net cash position.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2024 and 2023 by level of the inputs to valuation techniques used to measure fair value. The inputs to valuation techniques are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

As at December 31, 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
Investment in movies, TV series and entertainment events	–	–	145,246	145,246
Unlisted investments	–	–	30,074	30,074
	–	–	175,320	175,320
Financial assets at fair value through other comprehensive income				
Listed investments	133,330	–	–	133,330
Unlisted investments	–	–	191,868	191,868
	133,330	–	191,868	325,198

As at December 31, 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss				
Investment in movies, TV series and entertainment events	–	–	15,264	15,264
Unlisted investments	–	–	36,857	36,857
	–	–	52,121	52,121
Financial assets at fair value through other comprehensive income				
Listed investments	234,592	–	–	234,592
Unlisted investments	–	–	224,274	224,274
	234,592	–	224,274	458,866

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Dealer quotes for similar instruments;

- Other techniques, such as discounted cash flow (DCF) analysis and market approach, are used to determine fair value for financial instruments.

Valuation processes of the Group

The Group has a team of personnel who performs valuation on these level 3 instruments for financial reporting purposes. On a semi-annual basis, the team adopts various valuation techniques to determine the fair value of the Group's level 3 instruments.

The components of the level 3 instruments mainly include investments in movies, TV series and entertainment events and unlisted investments. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including DCF approach and market approach, etc. Major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimates of weighted average cost of capital (WACC), recent market transactions, discount for lack of marketability and other exposure etc. The fair value of these instruments determined by the Group requires significant judgement, including the likelihood of non-performing by the investee company, financial performance of the investee company, market value of comparable companies as well as discount rate, etc.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

Valuation processes of the Group *(continued)*

The investment in movies, TV series and entertainment events mainly represent the investments in certain movies, TV series and entertainment events. The Group used DCF approach to evaluate the fair value of the investments in movies, TV series and entertainment events as at year end. Based on the Group's evaluation, fair value gains of the investments amounting to approximately RMB27,529,000 had been recognised under "revenue" for the year ended December 31, 2024.

The unlisted investments represent the investments in certain privately owned companies. The Group used market approach and DCF approach to evaluate the fair value of the unlisted investments as at December 31, 2024. Besides, management is of the view that there is no significant change in fair value of the unlisted investments which are acquired close to December 31, 2024, during the year ended December 31, 2024, unless there is available information about latest round of financing.

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, restricted bank deposits, term deposits with original maturity over three months, accounts receivables, other receivables, accounts payables, other payables and borrowings approximate to their fair values due to their short maturities.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

Valuation processes of the Group *(continued)*

The following table summarises the information about the key inputs and valuation techniques used in the fair value measurement:

Description	Fair value at December 31, 2024 RMB'000	2023 RMB'000	Unobservable inputs	Range of inputs 2024	2023	Key inputs and relationships of unobservable inputs to fair value
Investment in movies, TV series and entertainment events	**145,246**	15,264	Discount rate	**10.0%-11.0%**	10.0%-11.0%	Expected future cash flows are discounted at rates that reflect the internal rates of return of the underlying investments. The higher internal rates of return, the lower the fair value.
Investment in unlisted equity securities	**221,942**	261,131	Discount rate	**5.0%-12.0%**	5.0%-12.0%	Expected future cash flows are discounted at rates that reflect the internal rates of return of the underlying investments. The higher internal rates of return, the lower the fair value.
			Discount rate for lack of marketability	**15.0%-25.0%**	16.0%-20.0%	Reference to a combination of unobservable inputs, including market multiples, discount rate for lack of marketability, etc.
			Price-to-Book Ratio	**2.03x**	4.77x	The lower the discount rate for lack of marketability the higher the fair value. The higher the market multiples, the higher the fair value.
			Enterprise value to Sales Ratio	**1.63x-4.01x**	6.29x-89.25x	
			Price to Sales Ratio	**8.75x**	NA	

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

Valuation processes of the Group *(continued)*

During the year ended December 31, 2024, there was no transfer between Level 1 and 2 for recurring fair value measurements. The following table presents the changes in FVPL and FVOCI for the years ended December 31, 2024 and 2023:

	Financial assets at fair value through profit or loss			
	Investments in wealth management products RMB'000	**Investments in movies, TV series and entertainment events RMB'000**	**Investments in unlisted equity securities RMB'000**	**Total RMB'000**
As at January 1, 2023	–	42,476	23,245	65,721
Additions	–	34,999	–	34,999
Disposals	–	(28,944)	–	(28,944)
Reclassification	–	(30,100)	–	(30,100)
Fair value (losses)/gains	–	(3,167)	13,612	10,445
As at December 31, 2023	–	15,264	36,857	52,121
As at January 1, 2024	**–**	**15,264**	**36,857**	**52,121**
Additions	**600,000**	**186,750**	**–**	**786,750**
Disposals	**(601,118)**	**(84,297)**	**–**	**(685,415)**
Fair value gains/(losses)	**1,118**	**27,529**	**(6,783)**	**21,864**
As at December 31, 2024	**–**	**145,246**	**30,074**	**175,320**
Includes unrealised losses recognised in profit or loss attributable to balances held at the end of the reporting period*				
2024	**–**	**(122,565)**	**(8,727)**	**(131,292)**
2023	–	(124,518)	(1,944)	(126,462)

* Only for financial assets at fair value through profit or loss classified as level 3.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

Valuation processes of the Group *(continued)*

	Financial assets at fair value through other comprehensive income		
	Investments in listed equity securities RMB'000	**Investments in unlisted equity securities RMB'000**	**Total RMB'000**
As at January 1, 2023	212,767	217,785	430,552
Additions	85,223	20,923	106,146
Disposals	(6,383)	(2,000)	(8,383)
Fair value losses	(61,753)	(15,317)	(77,070)
Currency translation differences	4,738	2,883	7,621
As at December 31, 2023	234,592	224,274	458,866
As at January 1, 2024	**234,592**	**224,274**	**458,866**
Additions *(a)*	**–**	**71,268**	**71,268**
Disposals	**(1,765)**	**–**	**(1,765)**
Fair value losses	**(103,379)**	**(106,076)**	**(209,455)**
Currency translation differences	**3,882**	**2,402**	**6,284**
As at December 31, 2024	**133,330**	**191,868**	**325,198**
Includes unrealised (losses)/gains recognised in profit or loss attributable to balances held at the end of the reporting period*			
2024	**–**	**(99,365)**	**(99,365)**
2023	–	6,711	6,711

* Only for financial assets at fair value through comprehensive income classified as level 3.

(a) During the year ended December 31, 2024, the Group invested in an unlisted company at a consideration of approximately USD10,000,000 (equivalent to approximately RMB71,268,000). Since the Group has no board seat in these companies and the investment is intended to hold as strategic investments without trading purpose, management designated this investment as financial assets at fair value through other comprehensive income.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Management of the Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Recoverability of non-financial assets

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Details of impairment charge, key assumptions which are made by the management and third-party valuer and impact of possible changes in key assumptions are disclosed in Note 16. Based on assessment, the management and directors of the Company are of the view that there is no impairment of goodwill as at December 31, 2024.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of comprehensive income.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

(b) Measurement of the expected credit losses

The measurement of the expected credit losses for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit loss is further detailed in Notes 3.1(b).

A number of judgements are also required in applying the accounting requirements for measuring expected credit loss, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit loss; and
- Establishing the number and relative weightings for forward-looking scenarios and the associated expected credit loss.

(c) Recognition of share-based compensation expenses

The fair value of options is determined by the Binomial model or Monte Carlo model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimate on assumptions, including underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors and the third-party valuer.

(d) Current and deferred income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

(d) Current and deferred income taxes *(continued)*

The Group considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing, by assuming taxation authority will examine those amounts and will have full knowledge of all relevant information. When the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group assesses its judgements and estimates if facts and circumstances change.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

(e) Fair value measurement of FVPL and FVOCI

The fair value determination of FVPL and FVOCI for which there is no observable market price requires the use of valuation techniques. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Details of the key assumptions and inputs used are disclosed in Note 3.3.

(f) Scope of consolidation

Consolidation is required only if control exists. The Group controls an investee when it has all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. Power results from rights that can be straightforward through voting rights or complicated in contractual arrangements. Variable returns are returns that are not fixed and have the potential to vary as a result of the performance of an investee. These three factors cannot be considered in isolation by the Group in its assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on an overall analysis of all of the relevant facts and circumstances.

The Group is required to reassess whether it controls the investee if facts and circumstances indicate a change to one or more of the three factors of control.

5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers, being the executive directors of the Group.

As a result of this evaluation, the executive directors of the Group consider that the Group's operations are operated and managed as a single segment; accordingly no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenue from external customers in the PRC.

As at December 31, 2024 and 2023, substantially all of the non-current assets were located in the PRC.

6 REVENUE

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers under IFRS Accounting Standards 15		
Entertainment content services	**1,932,224**	2,303,584
Online entertainment ticketing services	**1,921,582**	2,258,565
Advertising services and others	**200,843**	198,387
	4,054,649	4,760,536
Gains/(losses) on movies, TV series and entertainment events investments (Note 3.3)	**27,529**	(3,167)
Total revenue	**4,082,178**	4,757,369

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue over time	**2,077,615**	2,418,361
Revenue at a point in time	**1,977,034**	2,342,175
Revenue from contracts with customers under IFRS Accounting Standards 15	**4,054,649**	4,760,536

7 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Marketing and promotion expenses	**680,040**	631,690
Content distribution and promotion cost	**676,958**	779,834
Content production cost	**631,741**	408,041
Internet infrastructure cost	**528,891**	459,476
Staff costs excluding share options and restricted share units granted to directors and employees *(Note 9)*	**462,183**	399,756
Ticketing system cost	**424,174**	528,138
Amortisation of intangible assets *(Note 16)*	**92,661**	95,104
Outsourcing expenses	**42,527**	40,756
Other professional expenses	**40,238**	65,810
Share options and RSUs granted to directors and employees *(Note 9)*	**38,960**	30,348
Tax and levies	**19,210**	20,584
Depreciation of right-of-use assets *(Note 15)*	**18,425**	13,995
Depreciation of property, plant and equipment *(Note 14)*	**15,642**	12,364
Office expenses	**11,148**	22,385
Rental expense for short-term and low-value leases *(Note 15)*	**7,749**	8,422
Auditor's remuneration	**5,291**	6,262
– Audit services	**4,700**	5,800
– Other services	**591**	462
Other expenses	**64,417**	63,621
Total cost of revenues, selling and marketing expenses and general and administrative expenses	**3,760,255**	3,586,586

During the year ended December 31, 2024, the Group incurred expenses for the purpose of research and development of approximately RMB218,964,000 (2023: RMB215,409,000), which comprised employee benefits expenses of approximately RMB204,385,000 (2023: RMB199,172,000).

8 OTHER INCOME AND OTHER LOSSES, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Other income		
Government subsidies	**43,025**	42,704
Tax credit of input tax additional deduction	**1,200**	8,425
	44,225	51,129
Other losses, net		
Net fair (losses)/gains on wealth management investments and unlisted investments classified as financial assets at fair value through profit or loss *(Note 3.3)*	**(5,665)**	13,612
Losses on disposals of property, plant and equipment *(Note 14)*	**(10)**	(173)
Losses on disposals of right of use assets	**(3,575)**	–
Net foreign exchange losses	**(21,594)**	(9,680)
Compensation losses *(a)*	**(27,255)**	–
Gains on write off the net payables that will not need to be paid	**22,571**	–
Losses on disposals of investments accounted for using the equity method *(Note 17)*	**–**	(7,663)
Others	**(5,176)**	764
	(40,704)	(3,140)

(a) Compensation losses are related to penalty for early termination of lease contracts and restoration cost.

9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	**370,124**	321,837
Welfare, medical and other expenses	**56,909**	48,219
Share options and RSUs granted to directors and employees *(Note 30)*	**38,960**	30,348
Contributions to pension plans	**35,150**	29,700
	501,143	430,104

(a) Pensions – defined contribution plans

Majority of the Group's contributions to pension plans are related to the local employees in the PRC. All local employees of the subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong, under which the Group and relevant employees are required to contribute to the scheme monthly, and the Group has no further payment obligations once the contributions have been paid. The Group's contributions to the Mandatory Provident Fund Scheme are expensed as incurred. Except for the contributions made to these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are paid to the respective labor and social welfare authorities and are expensed as incurred. No forfeited contributions were used to reduce the current year's level of contributions (2023: Nil) and no forfeited contribution was available at 31 December 2024 (2023: Nil) to reduce future years' contributions.

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES *(continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include nil director for the year ended December 31, 2024 (2023: 1), whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining 5 individuals during year ended December 31, 2024 (2023: 4) are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Share-based compensation expenses	**13,235**	6,988
Bonuses	**12,300**	9,000
Basic wages and salaries	**7,450**	5,370
Welfare, medical and other expenses	**436**	331
Contributions to pension plans	**340**	259
	33,761	21,948

9 EMPLOYEE BENEFIT EXPENSES *(continued)*

(b) Five highest paid individuals *(continued)*

The emoluments fell within the following bands:

	Number of individuals	
	Year ended December 31,	
	2024	2023
Emolument bands		
HKD4,000,001 – HKD4,500,000	**–**	1
HKD4,500,001 – HKD5,000,000	**–**	–
HKD5,000,001 – HKD5,500,000	**1**	–
HKD5,500,001 – HKD6,000,000	**1**	1
HKD6,000,001 – HKD6,500,000	**–**	–
HKD6,500,001 – HKD7,000,000	**–**	1
HKD7,000,001 – HKD7,500,000	**–**	–
HKD7,500,001 – HKD8,000,000	**2**	1
HKD8,000,001 – HKD11,500,000	**1**	–
HKD11,500,001 – HKD12,000,000	**–**	1

During the years ended December 31, 2024 and 2023, no director or the five highest paid individuals received any emolument from the Group as an inducement to join or upon joining the Group, leave the Group or as compensation for loss of office.

10 FINANCE INCOME, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Finance income:		
– Interest income from bank deposits and loans to third parties	**121,429**	81,039
Finance costs:		
– Interest expense on bank borrowings	**(8,125)**	(3,752)
– Unwinding of interests on lease liabilities *(Note 15(c))*	**(1,429)**	(1,368)
	(9,554)	(5,120)
Finance income, net	**111,875**	75,919

11 INCOME TAX EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax	**114,357**	298,668
Deferred income tax *(Note 20)*	**5,063**	(52,826)
Income tax expenses	**119,420**	245,842

11 INCOME TAX EXPENSES *(continued)*

A reconciliation of the tax expense applicable to profit tax at the statutory rate in Mainland China to the tax expense at the effective rate is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**301,325**	1,153,679
Share of losses of investments accounted for using the equity method	**1,662**	2,073
	302,987	1,155,752
Tax calculated at a tax rate of 25%	**75,747**	288,938
Tax effects of:		
– Effects of different tax rates applicable to different subsidiaries of the Group	**(37,057)**	(70,763)
– Expenses not deductible for tax purposes	**9,482**	6,402
– Tax losses and temporary differences not recognised for deferred tax assets	**43,032**	29,673
– Utilisation of tax losses previously not recognised as deferred tax assets	**(14,386)**	(6,030)
– Withholding tax on earnings expected to be remitted by subsidiaries *(Note 20)*	**34,771**	–
– Under/(over)-provision for prior years	**7,831**	(2,378)
Income tax expenses	**119,420**	245,842

(a) Cayman Islands corporate income tax ("CIT")

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(b) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the years ended December 31, 2024 and 2023.

11 INCOME TAX EXPENSES *(continued)*

(c) PRC corporate income tax

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the years ended December 31, 2024 and 2023. According to the relevant tax circulars issued by the PRC tax authorities, one subsidiary of the Group is taxed at a preferential tax rate of 15% (2023: 15%) under the relevant PRC tax rules and regulations.

(d) BVI income tax

No provision for income tax in BVI has been made as the Group has no income assessable to income tax in BVI for the years ended December 31, 2024 and 2023.

(e) Withholding tax

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland of China to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax.

12 EARNINGS PER SHARE

(a) Basic earnings per share

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	**181,905**	910,412
Weighted average number of ordinary shares outstanding (thousand)	**1,117,572**	1,119,668
Weighted average number of vested restricted shares outstanding (thousand)	**28,587**	25,751
Total weighted average number of shares outstanding (thousand)	**1,146,159**	1,145,419
Basic earnings per share (in RMB)	**0.16**	0.79

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding and weighted average number of vested restricted shares outstanding during the respective years.

12 EARNINGS PER SHARE *(continued)*

(b) Diluted earnings per share

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	**181,905**	910,412
Total weighted average number of shares outstanding (thousand)	**1,146,159**	1,145,419
Adjustments for share-based compensation – share options (thousand)	**211**	219
Adjustments for share-based compensation – RSUs (thousand)	**2,058**	2,442
Weighted average number of shares for diluted earnings per share (thousand)	**1,148,428**	1,148,080
Diluted earnings per share (in RMB)	**0.16**	0.79

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

For the years ended December 31, 2024 and 2023, the Company had dilutive potential ordinary shares of share options and RSUs granted to employees (Note 30). The number of shares that would have been issued assuming the exercise of the share options less the number of shares that would have been issued at assumed exercise price (determined as any amount that the employees must pay upon exercise and the balance of any amounts calculated under IFRS Accounting Standards that have not yet been charged to income statement) are incremental share issued for nil consideration which causes dilution to earnings per share. The number of shares that would have been issued also assuming the exercise of the RSUs less the number of shares that would have been issued at assumed exercise price (determined as the balance of any amounts calculated under IFRS Accounting Standards that have not yet been charged to income statement) are incremental share issued for nil consideration which causes dilution to earnings per share.

Notes to the Consolidated Financial Statements

13 DIVIDENDS

The Board has recommended the payment of a final dividend of HKD0.32 per Share (2023:Nil) out of the distributable reserves for the year ended December 31, 2024, subject to the approval of the Shareholders at the 2025 annual general meeting of the Company or any adjournment thereof. The final dividend proposed after the end of the reporting period will be either payable in cash or in form of new fully paid shares of the Company in respect of all of such final dividend at Shareholders' option. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

14 PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Computer equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended December 31, 2023				
Opening net book amount	2,937	15,148	392	18,477
Additions	14,549	7,849	–	22,398
Disposals	(43)	(130)	–	(173)
Depreciation	(3,985)	(8,239)	(140)	(12,364)
Closing net book amount	13,458	14,628	252	28,338
As at December 31, 2023				
Cost	31,826	56,516	16,508	104,850
Accumulated depreciation	(18,368)	(41,888)	(16,256)	(76,512)
Net book amount	13,458	14,628	252	28,338
Year ended December 31, 2024				
Opening net book amount	**13,458**	**14,628**	**252**	**28,338**
Additions	**4,454**	**8,480**	**319**	**13,253**
Disposals	**–**	**(10)**	**–**	**(10)**
Depreciation	**(6,898)**	**(8,552)**	**(192)**	**(15,642)**
Currency translation differences	**5**	**–**	**2**	**7**
Closing net book amount	**11,019**	**14,546**	**381**	**25,946**
As at December 31, 2024				
Cost	**35,194**	**64,856**	**16,829**	**116,879**
Accumulated depreciation	**(24,175)**	**(50,310)**	**(16,448)**	**(90,933)**
Net book amount	**11,019**	**14,546**	**381**	**25,946**

14 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation expenses have been charged to the consolidated statement of comprehensive income as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of revenue	**9,934**	9,506
Selling and marketing expenses	**3,336**	1,229
General and administrative expenses	**2,372**	1,629
	15,642	12,364

15 LEASES

(a) Amounts recognised in the consolidated statement of financial position

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets		
Opening net book amount	**27,084**	37,596
Additions	**76,219**	3,483
Depreciation	**(18,425)**	(13,995)
Reduction *(Note)*	**(75,075)**	–
	9,803	27,084

Note :

The reduction of right-of-use assets during the years ended December 31, 2024 mainly arose from early termination of lease contracts.

Notes to the Consolidated Financial Statements

15 LEASES *(continued)*

(a) Amounts recognised in the consolidated statement of financial position *(continued)*

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Lease liabilities		
Current portion	**10,773**	16,766
Non-current portion	**–**	11,705
	10,773	28,471

As at December 31, 2024 and 2023, the carrying amounts of the Group's lease liabilities were denominated in RMB.

(b) Amounts recognised in the consolidated statement of comprehensive income relating to leases

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Depreciation of right-of-use assets	**18,425**	13,995
Unwinding of interests on lease liabilities	**1,429**	1,368
Rental expenses for short-term and low-value leases	**7,749**	8,422

(c) Amounts recognised in the consolidated statement of cash flows relating to leases

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Payments for short-term and low-value leases *(i)*	**7,749**	8,422
Payments for interest elements of lease liabilities	**1,429**	1,368
Cash flows used in financing activities		
Principal elements of lease payments	**23,846**	14,432

(i) Payments for short-term and low-value leases were not shown separately but included in the line of "profit before income tax" in respect of the net cash used in operations which were presented in Note 31(a) using the indirect method.

16 INTANGIBLE ASSETS

	Goodwill RMB'000	Trademarks RMB'000	Software RMB'000	Business cooperation agreement RMB'000	Contractual customer relationship RMB'000	Licenses RMB'000	Total RMB'000
Year ended December 31, 2023							
Opening net book amount	4,504,884	319,177	7,255	2,514	90,064	24,075	4,947,969
Additions	–	–	2,240	–	–	–	2,240
Amortisation	–	(68,396)	(3,856)	(2,514)	(15,894)	(4,444)	(95,104)
Closing net book amount	4,504,884	250,781	5,639	–	74,170	19,631	4,855,105
As at December 31, 2023							
Cost	4,504,884	683,955	14,736	245,111	174,832	40,000	5,663,518
Accumulated amortisation	–	(433,174)	(9,097)	(245,111)	(100,662)	(20,369)	(808,413)
Net book amount	4,504,884	250,781	5,639	–	74,170	19,631	4,855,105
Year ended December 31, 2024							
Opening net book amount	**4,504,884**	**250,781**	**5,639**	**–**	**74,170**	**19,631**	**4,855,105**
Additions	**–**	**–**	**1,093**	**–**	**–**	**–**	**1,093**
Amortisation	**–**	**(68,396)**	**(3,927)**	**–**	**(15,894)**	**(4,444)**	**(92,661)**
Closing net book amount	**4,504,884**	**182,385**	**2,805**	**–**	**58,276**	**15,187**	**4,763,537**
As at December 31, 2024							
Cost	**4,504,884**	**683,955**	**15,829**	**245,111**	**174,832**	**40,000**	**5,664,611**
Accumulated amortisation	**–**	**(501,570)**	**(13,024)**	**(245,111)**	**(116,556)**	**(24,813)**	**(901,074)**
Net book amount	**4,504,884**	**182,385**	**2,805**	**–**	**58,276**	**15,187**	**4,763,537**

16 INTANGIBLE ASSETS *(continued)*

Amortisation expenses have been charged to the consolidated statement of comprehensive income as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of revenue	**88,736**	91,250
General and administrative expenses	**3,502**	3,447
Selling and marketing expenses	**423**	407
	92,661	95,104

Goodwill impairment

The goodwill balance mainly arose from the acquisition of 100% equity interests in Beijing Weige Shidai Entertainment Technology Co., Ltd ("Beijing Weige Shidai") and Shenzhen Ruihai Fangyuan Technology Co., Ltd. ("Ruihai Fangyuan") in 2017, and the acquisition of Hangzhou Soushi Network Co., Ltd ("Hangzhou Soushi") in 2019. Goodwill is attributable to the acquired market share and economies of scale expected to be derived from combining with the operations of the Group.

Upon completion of acquisition of 100% equity interest in Beijing Weige Shidai and Ruihai Fangyuan in 2017, and Hangzhou Soushi in 2019, the Group integrated the business (including the management, assets, customers, users and systems) of Beijing Weige Shidai, Ruihai Fangyuan and Hangzhou Soushi with the Group's movie ticketing business in order to improve the operation efficiency. The management considers that the business of Beijing Weige Shidai, Ruihai Fangyuan, Hangzhou Soushi and the Group's remaining business represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. As a result, goodwill of approximately RMB4,504,884,000 arising from the acquisition of Beijing Weige Shidai, Ruihai Fangyuan and Hangzhou Soushi was allocated to the CGU of the Group.

Impairment test on the goodwill of the Group has been conducted by the management as at December 31, 2024. For the purpose of impairment test, the recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a five-year period.

16 INTANGIBLE ASSETS *(continued)*

Goodwill impairment *(continued)*

The key parameters used for value-in-use calculations on the Group include revenue growth rates, gross margin, terminal growth rate, and pre-tax discount rate:

	As at December 31,	
	2024	2023
Annual revenue growth rate for five-year period	**6.1%-20.2%**	2.2%-13.2%
Gross margin	**44.8%-52.2%**	45.0%-49.0%
Terminal growth rate	**2.0%**	2.2%
Pre-tax discount rate	**16.98%**	17.74%

i) Revenue growth rates

Revenue is directly related to the value of paid transactions on the Group' platform and box office of the Group's business partners. The revenue growth rates are estimated with reference to the industry growth forecast for the market in which the Group operates. When estimating the revenue growth rate of the five-year period, the directors of the Company referred to the industry outlook of China's movie market.

ii) Gross Margin

The budgeted gross margin of the five years between 44.8% and 52.2% (2023: 45.0% and 49.0%) was determined by the management based on past performance, the current market conditions and its expectation for market development. For items of cost of revenue that are related to gross merchandise value of the Group, the Group referred to current fee rate and gross merchandise value projection to project the ticket system cost and internet infrastructure cost.

iii) Terminal growth rate

Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates of 2.0% (2023: 2.2%).

Notes to the Consolidated Financial Statements

16 INTANGIBLE ASSETS *(continued)*

Goodwill impairment *(continued)*

iv) Discount rate

The discount rate used is pre-tax and reflects market assessments of the time value and the specific risks relating to the industry. With the assistance of a valuation performed by a third-party independent valuer, the directors used cash flow projections based on the latest financial budget covering a five-year period and business plan approved by management which had been updated to reflect the changes in market conditions during the period, The directors of the Company considered the uncertainty in PRC entertainment industry due to the enhancement of government regulations and a pre-tax discount rate of 16.98% (2023: 17.74%) was applied.

Based on the result of the goodwill impairment testing, the estimated recoverable amount of the business far exceeded its carrying amount as at December 31, 2024 by approximately RMB4,230,083,000 (2023: RMB5,005,078,000).

The management of the Group has not identified that a reasonable possible change in any of the key assumptions that could cause the carrying amount to exceed the recoverable amount.

The Group performs the sensitivity analysis based on the assumptions that revenue growth rate, gross margin, terminal growth rate or the discount rate have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue growth rate decreases by 10%	**2,211,000**	2,954,000
Gross margin decreases by 10%	**3,827,000**	4,686,000
Terminal growth rate decreases by 10%	**4,120,000**	4,880,000
Discount rate increases by 5%	**3,619,000**	4,423,000

17 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**14,401**	44,946
Additions	**–**	2,000
Impairment provision *(b)*	**(4,768)**	(18,392)
Disposals	**–**	(12,044)
Share of losses	**(1,662)**	(2,073)
Dividend received	**–**	(36)
At the end of the year	**7,971**	14,401

Set out below are the major associates of the Group as at December 31, 2024, which, in the opinion of the directors, none of the associates was individually significant to the Group. The associates as listed below have capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also the principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Notes to the Consolidated Financial Statements

17 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(continued)*

Company name	Date of incorporation	Registered capital (RMB'000)	Percentage of ownership interest attributable to the Group: As at December 31, 2024	Percentage of ownership interest attributable to the Group: As at December 31, 2023	Principal activities and place of operation
Shanghai Mila Television Culture Media Co., Ltd. (上海敉辣影視文化傳播有限公司)	August 14, 2017	6,250	**20%**	20%	The PRC; Film and television culture communication
Beijing Yaoying Movie Distribution Co., Ltd. (北京耀影電影發行有限公司)	June 3, 2016	19,600	**25%**	25%	The PRC; Film distribution
Ningbo Zhenhai Changxiangyuefu Culture Media Co., Ltd. (寧波鎮海唱享樂府文化傳播有限公司)	February 24, 2017	1,000	**30%**	30%	The PRC; Cultural and artistic communication
Xinjiang Weying Network Technology Co., Ltd. (新疆微影網絡科技有限公司)	December 1, 2015	5,000	**30%**	30%	The PRC; Movie ticketing services and performance ticketing services
Ningbo Meishan Bonded Port Area Chenhaiwenjia Investment Management Limited Partnership (寧波梅山保税港區辰海文嘉投資管理合夥企業(有限合夥))	September 28, 2016	6,000	**30%**	30%	The PRC; Economic and trade consultation, Strategic investment
Hangzhou Guanghe Zhizao Food technology Co., Ltd. (杭州光合植造食品科技有限公司) *(a)*	February 26, 2021	1,053	**5%**	5%	The PRC; Imports and exports, sales of pre-packaged food

The English names of the associates represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

17 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *(continued)*

The Group determined that it does not have controlling financial interest in above investees, but rather possesses significant influence. The associates as listed above are private companies and insignificant to the Group. There are no quoted market prices available for their shares. There is no contingent liabilities relating to the Group's interest in the associates.

(a) Management determined that the Group can exercise significant influence over Hangzhou Guanghe Zhizao Food Technology Co., Ltd. through the board representation, notwithstanding the shareholdings are 5%.

(b) Both external and internal sources of information of associates are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the associates, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessment on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

During the year ended December 31, 2024, an aggregate impairment loss of approximately RMB4,768,000 (2023: RMB18,392,000) had been recognised for two associates with impairment indicators. All of these associates were unlisted companies.

18 OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Treasury bond	**580,762**	–

Financial assets measured at amortised cost were primarily treasury bonds of USD80,000,000 with coupon rate ranging from 3.88% to 4.63% and maturity from 3 to 5 years. These financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, so they are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Financial assets-fair value		
– Financial assets at fair value through profit or loss	**175,320**	52,121
– Financial assets at fair value through other comprehensive income	**325,198**	458,866
Financial assets-amortised cost		
– Accounts receivables	**876,162**	747,741
– Deposit and other receivables	**1,243,017**	912,782
– Other financial assets measured at amortised cost	**580,762**	–
– Term deposits with original maturity over three months	**1,458,033**	1,277,048
– Restricted bank deposits	**16,907**	261,104
– Cash and cash equivalents	**903,058**	2,147,222
	5,578,457	5,856,884
Financial liabilities-amortised cost		
– Accounts payables	**752,805**	880,584
– Other payables, accruals and other liabilities (excluding payroll and welfare payable, compensation provision and other taxes liabilities)	**1,924,129**	2,042,767
– Borrowings	**470,442**	250,000
– Lease liabilities	**10,773**	28,471
	3,158,149	3,201,822

20 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Gross deferred income tax assets	**43,021**	41,512
Offsetting	**(2,451)**	(6,771)
Net deferred income tax assets	**40,570**	34,741
– to be recovered within 12 months	**–**	–
– to be recovered after 12 months	**40,570**	34,741
	40,570	34,741
Gross deferred income tax liabilities	**104,030**	97,357
Offsetting	**(2,451)**	(6,771)
Net deferred income tax liabilities	**101,579**	90,586
– to be recovered within 12 months	**22,183**	22,183
– to be recovered after 12 months	**79,396**	68,403
	101,579	90,586
Deferred income tax liabilities, net	**(61,009)**	(55,845)

Notes to the Consolidated Financial Statements

20 DEFERRED INCOME TAX *(continued)*

The movement in deferred income tax assets and liabilities during the years ended December 31, 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Impairment of accounts receivables and other receivables RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2023	–	9,399	–	9,399
Credited/(charged) to consolidated statement of comprehensive income	34,741	(2,628)	–	32,113
As at December 31, 2023	34,741	6,771	–	41,512
As at January 1, 2024	**34,741**	**6,771**	**–**	**41,512**
Credited/(charged) to consolidated statement of comprehensive income	**5,829**	**(4,320)**	**–**	**1,509**
As at December 31, 2024	**40,570**	**2,451**	**–**	**43,021**

20 DEFERRED INCOME TAX *(continued)*

Deferred income tax liabilities

	Change in fair value of financial assets at fair value through other comprehensive income RMB'000	Change in fair value of financial assets at fair value through profit or loss RMB'000	Intangible assets acquired in business combination RMB'000	Withholding tax on the earnings anticipated to be remitted by subsidiaries RMB'000	Right of use assets RMB'000	Total RMB'000
As at January 1, 2023	2,739	–	108,445	–	9,399	120,583
(Credited)/charged to consolidated statement of comprehensive income	(2,513)	4,214	(22,299)	–	(2,628)	(23,226)
As at December 31, 2023	226	4,214	86,146	–	6,771	97,357
As at January 1, 2024	**226**	**4,214**	**86,146**	**–**	**6,771**	**97,357**
Charged/(credited) to consolidated statement of comprehensive income	**101**	**(1,696)**	**(22,183)**	**34,771**	**(4,320)**	**6,673**
As at December 31, 2024	**327**	**2,518**	**63,963**	**34,771**	**2,451**	**104,030**

Deferred income tax assets are recognised for tax losses carrying forward and deductible temporary differences to the extent that realisation of the related tax benefits through future taxable profits is probable. As at December 31, 2024, the Group did not recognise deferred income tax assets in respect of losses and deductible temporary differences of approximately RMB1,827,625,000 (2023: RMB1,190,382,000). All of these tax losses will expire within 5 years.

As at December 31, 2024, the Group recognised the relevant deferred income tax liabilities of RMB34,771,000 (2023: Nil) on retained earnings anticipated to be remitted to the Company by PRC subsidiaries. The Group did not provide for additional deferred income taxes and foreign withholding taxes on the retained earnings presented on the basis of its current intent to permanently reinvest its foreign subsidiaries' earnings. As at December 31, 2024, the total amount of undistributed earnings from the PRC subsidiaries and the VIEs for which no withholding tax has been accrued was RMB1,994,316,000. Determination of the amount of unrecognised deferred tax liability related to these earnings is not practicable.

Notes to the Consolidated Financial Statements

21 INVENTORIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Television and movie scripts	**25,190**	16,001
Marketing materials	**5,588**	21,318
Movie service related merchandises, low-value consumables, and others	**3,217**	2,112
	33,995	39,431

22 ACCOUNTS RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Related parties *(Note 33)*	**35,617**	17,690
Third parties	**1,287,246**	1,100,333
	1,322,863	1,118,023
Less: allowance for impairment *(Note 3.1(b))*	**(446,701)**	(370,282)
	876,162	747,741

(a) The carrying amounts of the accounts receivables balances approximated to their fair value as at December 31, 2024 and 2023.

22 ACCOUNTS RECEIVABLES *(continued)*

(b) Aging analysis of the gross accounts receivables based on recognition date is as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
0-90 days	**586,838**	545,240
91-180 days	**189,434**	172,129
181-365 days	**135,022**	76,163
Over 365 days	**411,569**	324,491
	1,322,863	1,118,023

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Prepayments for:		
– investments and productions in movies, TV series and entertainment events *(a)*	**1,837,226**	1,576,488
– contract fulfilment costs for movie productions *(b)*	**339,708**	180,057
– operating expenses *(c)*	**60,067**	62,811
– others	**7,739**	16,565
Total of prepayments	**2,244,740**	1,835,921
Less: impairment for prepayments *(a)*	**(323,257)**	(171,899)
Total of prepayments – net	**1,921,483**	1,664,022
Deposits and other receivables:		
Deposits and receivables for online entertainment ticketing, e-commerce and other services *(d)*	**1,123,394**	686,956
Loans to third parties *(e)*	**248,502**	195,875
Amounts due from related parties *(Note 33)*	**147,200**	185,071
Receivables from investments in movies and TV series *(f)*	**103,984**	134,628
Deposits for rentals and others	**55,304**	55,727
Receivables from transfer of investments in movies and TV series	**10,284**	30,897
Others	**49,624**	65,758
Total of deposits and other receivables	**1,738,292**	1,354,912
Less: impairment for deposits and other receivables *(Note 3.1 (b))*	**(495,275)**	(442,130)
Total of deposits and other receivables – net	**1,243,017**	912,782
Total of prepayment, deposits and other receivables – net	**3,164,500**	2,576,804
Less: non-current portion	**(54,836)**	(11,947)
	3,109,664	2,564,857

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

(a) The Group offers distribution and promotion services, which is considered as one of the principal activities of the Group. The investments and productions in movies, TV series and entertainment events with distribution and promotion services are designated as prepayments. The impairment provision mainly represents impairment of prepayments for investments and productions in movies, TV series and entertainment events, which are capitalised movie production and distribution costs subject to impairment assessment. During the year ended December 31, 2024, due to factors including but not limited to major actors of certain projects were replaced, the risk of being unable to be released in the foreseeable future, and the deterioration of financial and operational position of the business partners, the Group further assessed the probability of non-performance (i.e. the movies or TV series not able to be exhibited) and made impairment provision of approximately RMB174,848,000, which were recognised in cost of revenue, against prepayments for investments and productions in movies, TV series and entertainment events based on the expected recoverable amount estimated by the directors in light of the aforementioned considerations; and reverse RMB17,090,000 since there was cash receipt from a certain impaired investment, and reverse RMB6,400,000 since the Group entered into withdrawal agreements with business partner.

(b) The contract fulfilment costs for movie productions represents the certain movie production costs when the Group controls the movie production process and is considered to be a producer.

(c) The amounts mainly represents marketing and promotion expenses which would be recognised as expenses when the services are provided to the Group.

(d) In line with the general industry practice and after prudently considering factors including creditworthiness and cooperation relationships with relevant business partners to control potential risk, the Group prepaid deposits or advance payments to some cinemas and large-scale concerts organizers operating within China, and then deducted or recovered such prepayment during the settlement with such business partners at a later stage.

(e) As at December 31, 2024, except for a loan to third party with carrying amount of approximately RMB40,000,000 repayable on or after May 19, 2026, the remaining loans are repayable within 1 year. Except for interest-free and unsecured loans amounting to approximately RMB42,100,000, the remaining loans are interest-bearing at fixed rates ranging from 3% to 13% per annum. Included in the interest-bearing loans, an aggregate of RMB47,974,000 are secured by the debtors' certain receivables.

(f) The amounts mainly represent the investments with fixed returns in certain movies and TV series projects.

Notes to the Consolidated Financial Statements

24 CASH AND BANK BALANCES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Cash and bank balances	**2,377,998**	3,685,374
Restricted bank deposits *(a)*	**(16,907)**	(261,104)
Term deposits with original maturity over three months	**(1,458,033)**	(1,277,048)
Cash and cash equivalents	**903,058**	2,147,222
Maximum exposure to credit risk	**2,377,998**	3,685,374

(a) The restricted bank deposits of RMB16,442,000 (2023: RMB4,196,000) represent cash received from users and placed in a bank supervised account for payments to customers.

As at December 31, 2023, the restricted bank deposits of RMB250,000,000 are held by the accounts as securities for bank borrowings (Note 25).

(b) At the end of the reporting period, the cash and bank balances of the Group denominated in RMB placed in the China amounted to approximately RMB334,197,000 (2023: RMB2,144,690,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

25 BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Bank borrowings – due within one year		
– Guaranteed *(a)*	**470,442**	–
– Secured *(b)*	**–**	250,000
	470,442	250,000

(a) As at December 31, 2024, bank borrowings amounting to RMB470,442,000 were borrowed by a subsidiary and guaranteed by other subsidiaries of the Group or the Company, with fixed rates of 1.95%-2.85% per annum.

(b) As at December 31, 2023, bank borrowings of RMB250,000,000 were secured by restricted bank deposits of RMB250,000,000, with fixed rates of 1.30%-1.80% per annum.

26 ACCOUNTS PAYABLES

Aging analysis of the accounts payables based on invoice date at the respective statement of financial position date is as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
0-90 days	**307,760**	298,753
91-180 days	**74,708**	160,449
181-365 days	**70,541**	164,824
Over 365 days	**299,796**	256,558
	752,805	880,584

Notes to the Consolidated Financial Statements

27 OTHER PAYABLES, ACCRUALS AND OTHER LIABILITIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Payables in respect of online entertainment ticketing, e-commerce services and advance in respect of content production	**1,298,116**	1,471,069
Payables in respect of share in the box office receipts	**517,122**	434,851
Payroll and welfare payable	**143,882**	128,432
Amounts due to related parties *(Note 33)*	**79,919**	110,829
Other tax liabilities	**10,055**	11,474
Others	**46,588**	26,018
	2,095,682	2,182,673

28 SHARE CAPITAL

	Number of ordinary shares	Number of ordinary shares pursuant to restricted share agreement	Total number of shares	Nominal value of shares USD'000	Equivalent nominal value of shares RMB'000	Treasury Shares RMB'000	Total RMB'000
Issued and fully paid:							
As at January 1, 2023	1,119,370,889	24,601,331	1,143,972,220	22.88	154	–	154
Restricted shares vested	–	2,116,644	2,116,644	0.04	–*	–	–*
Issuance of new shares under share option scheme	690,500	–	690,500	0.01	–*	–	–*
As at December 31, 2023	1,120,061,389	26,717,975	1,146,779,364	22.93	154	–	154
As at January 1, 2024	**1,120,061,389**	**26,717,975**	**1,146,779,364**	**22.93**	**154**	**–**	**154**
Insurance of new shares under restricted shares units scheme *(b)*	**–**	**11,644,075**	**11,644,075**	**0.23**	**2**	**(2)**	**–**
Issuance of new shares under share option scheme	**8,310**	**–**	**8,310**	**–***	**–***	**–**	**–***
Repurchase and cancellation of the shares of the Company	**(7,099,800)**	**–**	**(7,099,800)**	**(0.14)**	**(1)**	**–**	**(1)**
Transfer of vested restricted share units from treasury shares *(c)*	**–**	**–**	**–**	**–**	**–**	**1**	**1**
As at December 31, 2024	**1,112,969,899**	**38,362,050**	**1,151,331,949**	**23.02**	**155**	**(1)**	**154**

* The balance was rounded to the nearest thousand

(a) As at December 31, 2024 and 2023, the Company's authorized share capital amounted to USD50,000 was divided into 2,500,000,000 shares of USD0.00002 each.

(b) On January 11, 2024 and May 6, 2024, the Company allotted and issued 11,644,075 ordinary shares to Maoyan Employee Benefit Limited in total. The issuance resulted in the increase in share capital of RMB2,000 and the ordinary shares issued were presented as treasury shares.

(c) During the year ended December 31, 2024, total 3,871,692 (Note 30) restricted share units were vested and transferred from treasury shares to Share-based compensation reserve.

Notes to the Consolidated Financial Statements

29 RESERVES

	Share premium RMB'000	Capital reserves RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Convertible bonds RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Currency translation differences RMB'000	Other reserves RMB'000	Total RMB'000
As at January 1, 2023	2,445,022	5,592,299	(99,552)	(3,676)	337,140	–	65,403	(7,914)	8,328,722
Issuance of new shares under share option scheme	4,803	–	–	–	(4,740)	–	–	–	63
Issuance of new shares under RSU scheme	19,936	–	–	–	(19,936)	–	–	–	–
Share-based compensation expenses	–	–	–	–	30,348	–	–	–	30,348
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax *(Note 3.3 and 20)*	–	–	(74,557)	–	–	–	–	–	(74,557)
Transfer of gains upon disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	(1,039)	–	–	–	–	–	(1,039)
Profit appropriations to statutory reserves	–	–	–	–	–	67,175	–	–	67,175
Currency translation difference	–	–	–	–	–	–	2,562	–	2,562
As at December 31, 2023	2,469,761	5,592,299	(175,148)	(3,676)	342,812	67,175	67,965	(7,914)	8,353,274

Notes to the Consolidated Financial Statements

29 RESERVES *(continued)*

	Share premium RMB'000	Capital reserves RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Convertible bonds RMB'000	Share-based compensation reserve RMB'000	Statutory reserves RMB'000	Currency translation differences RMB'000	Other reserves RMB'000	Total RMB'000
As at January 1, 2024	2,469,761	5,592,299	(175,148)	(3,676)	342,812	67,175	67,965	(7,914)	8,353,274
Issuance of new shares under share option scheme	107	–	–	–	(106)	–	–	–	1
Transfer of vested restricted share units from treasury shares	37,967	–	–	–	(37,968)	–	–	–	(1)
Share-based compensation expenses	–	–	–	–	38,960	–	–	–	38,960
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax (Note 3.3 and 20)	–	–	(209,556)	–	–	–	–	–	(209,556)
Transfer of gains upon disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	(318)	–	–	–	–	–	(318)
Cancellation of repurchased shares	(45,595)	–	–	–	–	–	–	–	(45,595)
Transactions with Non-controlling interests	–	–	–	–	–	–	–	(2,911)	(2,911)
Currency translation difference	–	–	–	–	–	–	44,321	–	44,321
As at December 31, 2024	2,462,240	5,592,299	(385,022)	(3,676)	343,698	67,175	112,286	(10,825)	8,178,175

Notes to the Consolidated Financial Statements

30 SHARE INCENTIVE PLAN

The share options and RSUs granted to directors and employees recognised during years ended December 31, 2024 and 2023 are summarised in the following table:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Share options and RSUs granted to directors and employees	**38,960**	30,348

ESOP Plan of the Company

In order to provide incentives and rewards to directors, senior management and employees of the Group and other eligible individuals and entities, the Company adopted the ESOP Plan on July 23, 2018. The ESOP Plan include Pre-IPO Share Option Scheme, Post-IPO Share Option Scheme and the Post-IPO RSU Scheme.

The total number of shares issued or issuable pursuant to the ESOP Plan shall not be more than 117,033,705 shares of the Company, representing approximately 10.2% of the total issued share capital of the Company as at December 31, 2024, out of which, the maximum number of shares that may be issued upon exercise of all options granted and to be granted under the Pre-IPO Share Option Scheme shall be no more than 42,544,600 shares, and the total number of shares which may be issued upon exercise of options that may be granted under the Post-IPO Share Option Scheme and the RSU Scheme shall not exceed 55,221,880 shares in aggregate.

30 SHARE INCENTIVE PLAN *(continued)*

ESOP Plan of the Company *(continued)*

(a) Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was adopted by the Company as a continuation and restructuring of the 2016 ESOP following the Reorganization, which was established to recognise and reward the contribution of the participants to the growth and development of Tianjin Maoyan Weying. The 2016 ESOP was terminated as a result of the adoption of the Pre-IPO Share Option Scheme.

Movements of Pre-IPO share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price	Number of share options of the Company
Outstanding balance as at January 1, 2023	RMB12.2547	15,779,492
Exercised	RMB0.0869	(221,900)
Lapsed	RMB12.7711	(5,497,119)
Outstanding balance as at December 31, 2023	RMB12.2408	10,060,473
Exercised	**RMB0.0869**	**(8,310)**
Lapsed	**RMB12.7205**	**(790,020)**
Outstanding balance as at December 31, 2024	**RMB12.2108**	**9,262,143**

During the year ended December 31, 2024, the market price of the Company's shares as at the dates of exercise ranges from RMB5.28 per share to RMB8.70 per share (during the year ended December 31, 2023: RMB5.78 per share to RMB10.96 per share).

As at December 31, 2024, out of 9,262,143 share options, 9,262,143 share options were vested and exercisable.

Notes to the Consolidated Financial Statements

30 SHARE INCENTIVE PLAN *(continued)*

ESOP Plan of the Company *(continued)*

(b) Post-IPO Share Option Scheme

Since the initial public offering day, February 4, 2019, the Company granted share options to certain employees and directors under the Post-IPO Share Option Scheme.

Movements of Post-IPO share options outstanding and their related exercise prices are as follows:

	Average exercise prices	**Number of share options of the Company (after Subdivision)**
Outstanding balance as at January 1, 2023	RMB11.0315	15,135,171
Exercised	RMB9.5783	(468,600)
Lapsed	RMB12.6820	(130,220)
Forfeited	RMB10.9930	(3,766,500)
Outstanding balance as at December 31, 2023	RMB11.0883	10,769,851
Lapsed	**RMB15.0941**	**(1,894,907)**
Outstanding balance as at December 31, 2024	**RMB10.2330**	**8,874,944**

During the year ended December 31, 2024, the market price of the Company's shares as at the dates of exercise ranged from RMB5.28 per share to RMB8.70 per share (during the year ended December 31, 2023: RMB5.78 per share to RMB10.96 per share).

As at December 31, 2024, out of 8,874,944 share options, 8,874,944 share options were vested and exercisable.

30 SHARE INCENTIVE PLAN *(continued)*

ESOP Plan of the Company *(continued)*

(b) Post-IPO Share Option Scheme *(continued)*

Expected retention rate

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share options (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive income. As at December 31, 2024, such retention rate was assessed to be close to 99.3% (2023: 99.1%).

(c) Post-IPO RSU Scheme

On May 6, 2024, the Company granted RSUs to certain of the Group's employees (the "Grantees") subject to Post-IPO RSU Scheme, representing ordinary shares of par value USD0.00002 each in the share capital of the Company. The RSUs awarded are subject to a vesting scale in tranches from the grant date over certain period of employment with the Group or period of service to the Group, on the condition that employees remain employed and continue to provide service to the Group without any performance requirements. Once the vesting conditions underlying the respective RSUs are met and the RSUs are released, the shares shall be subject to applicable restrictions in the award and any legal restrictions.

Details of RSUs are as follows:

Grant date	Number of RSUs	Vesting condition
May 6, 2024	410,100	50% are to be vested 24 months from the Grant Date 25% are to be vested 36 months from the Grant Date 25% are to be vested 48 months from the Grant Date

The exercise price is nil per share and will be paid by the Grantees upon the vesting and settlement of each of the RSUs.

Notes to the Consolidated Financial Statements

30 SHARE INCENTIVE PLAN *(continued)*

ESOP Plan of the Company *(continued)*

(c) ***Post-IPO RSU Scheme*** *(continued)*

Expected retention rate

The Group has to estimate the expected percentage of grantees that will stay within the Group at the end of the vesting periods in order to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive income. As at December 31, 2024, such retention rate was assessed to be close to 98.4% (2023: 98.0%).

Movements of the Post-IPO RSU granted are as follows:

	Fair value	Number of shares (after Subdivision)
Outstanding balance as at January 1, 2023	RMB8.8997	4,462,986
Granted	RMB9.5437	9,290,333
Vested	RMB9.4186	(2,116,644)
Forfeited	RMB7.5072	(402,700)
Outstanding balance as at December 31, 2023	RMB9.3844	11,233,975
Granted	**RMB8.9230**	**410,100**
Vested	**RMB9.8065**	**(3,871,692)**
Forfeited	**RMB8.2942**	**(752,700)**
Outstanding balance as at December 31, 2024	**RMB9.2415**	**7,019,683**

31 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**301,325**	1,153,679
Adjustments for:		
– Share options and RSUs granted to directors and employees *(Note 9)*	**38,960**	30,348
– Expenses from other share-based payment transaction	**–**	(279)
– Depreciation of property, plant and equipment *(Note 14)*	**15,642**	12,364
– Amortisation of intangible assets *(Note 16)*	**92,661**	95,104
– Depreciation of right-of-use assets *(Note 15)*	**18,425**	13,995
– Unwinding of interests on lease liabilities *(Note 15)*	**1,429**	1,368
– Loss on disposals of property, plant and equipment *(Note 8)*	**10**	173
– Loss on disposals of right of use assets *(Note 8)*	**3,575**	–
– Share of losses of investments accounted for using the equity method *(Note 17)*	**1,662**	2,073
– Losses on disposals of investments accounted for using the equity method *(Note 8)*	**–**	7,663
– Interest income *(Note 10)*	**(121,429)**	(81,039)
– Interest expense on bank borrowings *(Note 10)*	**8,125**	3,752
– Net impairment losses on financial assets *(Note 3.1(b))*	**129,564**	120,547
– Net impairment losses on prepayment *(Note 23)*	**151,358**	67,983
– Impairment losses on investments accounted for using the equity method *(Note 17)*	**4,768**	18,392
– Fair value changes on financial assets at fair value through profit or loss *(Notes 3.3)*	**(21,864)**	(10,445)
Cash generated from operations before changes in working capital	**624,211**	1,435,678
Changes in working capital:		
– Restricted cash	**(6,979)**	48,626
– Inventories	**5,436**	(20,157)
– Accounts receivables	**(204,840)**	(410,899)
– Prepayments, deposits and other receivables	**(779,592)**	(788,360)
– Accounts payables	**(127,779)**	493,914
– Other payables, accruals and other liabilities	**(86,991)**	1,014,937
	(576,534)	1,773,739

31 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Reconciliation of liabilities arising from financing activities

	Borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at January 1, 2023	335,000	38,052	373,052
Proceeds from borrowings	250,000	–	250,000
Repayment of borrowings	(335,000)	–	(335,000)
Principal elements of lease payments	–	(14,432)	(14,432)
Interest expenses on lease liabilities	–	1,368	1,368
Addition of lease liabilities	–	3,483	3,483
As at December 31, 2023	250,000	28,471	278,471
As at January 1, 2024	**250,000**	**28,471**	**278,471**
Proceeds from borrowings	**470,442**	**–**	**470,442**
Repayment of borrowings	**(250,000)**	**–**	**(250,000)**
Principal elements of lease payments	**–**	**(23,846)**	**(23,846)**
Interest expenses on lease liabilities	**–**	**1,429**	**1,429**
Addition of lease liabilities	**–**	**76,219**	**76,219**
Reduction of lease liabilities	**–**	**(71,500)**	**(71,500)**
As at December 31, 2024	**470,442**	**10,773**	**481,215**

32 CAPITAL AND OTHER COMMITMENTS

As at December 31, 2024, capital expenditure contracted for but not yet incurred by the Group amounted to approximately RMB533,674,000 with respect to investments and productions in certain movies and TV series and equity interest company (2023: RMB553,237,000).

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

Name of the related parties	Nature of relationship
Meituan and its subsidiaries (collectively "Meituan Group")	One of the Company's shareholders
Enlight Holdings Limited and Beijing Enlight Media Co., Ltd. and their subsidiaries (collectively "Enlight Group")	One of the Company's shareholders
Tencent Holdings Limited and its subsidiaries (collectively "Tencent Group")	One of the Company's shareholders
Beijing Yaoying Movie Distribution Co., Ltd.("Beijing Yaoying")	The associate of the Group
Shanghai Mila Television Culture Media Co., Ltd. ("Shanghai Mila")	The associate of the Group
Hangzhou Guanghe Zhizao Food Technology Co., Ltd. ("Hangzhou Guanghe")	The associate of the Group

Save as disclosed elsewhere in the consolidated financial statements, the following significant transactions were carried out between the Group and its related parties during years ended December 31, 2024. In the opinion of the Company's directors, the following related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Notes to the Consolidated Financial Statements

33 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(a) Revenue from transactions with related parties

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Enlight Group	**93,591**	46,015
Tencent Group	**37,604**	6,093
Meituan Group	**7,272**	17,154
Beijing Yaoying	**–**	141
	138,467	69,403

(b) Purchase of management and infrastructure services

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Meituan Group	**271,882**	245,681
Tencent Group	**228,615**	215,571
Enlight Group	**31**	19
	500,528	461,271

(c) Movie cards consideration received on behalf of the Group

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Enlight Group	**1,723**	994

33 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(d) Content distribution costs

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Enlight Group	**–**	11,250

(e) Balances with related parties

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Receivables from related parties		
– Accounts receivables		
Tencent Group	**25,113**	10,684
Enlight Group	**9,826**	6,526
Meituan Group	**422**	224
Beijing Yaoying	**256**	256
	35,617	17,690
Less: allowance for impairment	**(13,479)**	(8,657)
	22,138	9,033
– Deposits and other receivables		
Meituan Group	**117,786**	153,980
Hangzhou Guanghe	**15,000**	15,000
Tencent Group	**9,677**	10,516
Shanghai Mila	**4,717**	4,717
Enlight Group	**20**	858
	147,200	185,071
Less: allowance for impairment	**(19,808)**	(5,007)
	127,392	180,064

33 SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

(e) Balances with related parties *(continued)*

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Payables to related parties		
– Accounts payables		
Meituan Group	**13,938**	8,285
Tencent Group	**7,952**	88,090
	21,890	96,375
– Other payables, accruals and other liabilities		
Tencent Group	**43,510**	55,626
Meituan Group	**21,772**	27,099
Enlight Group	**14,637**	28,104
	79,919	110,829

The receivables and payables due from/to related parties are unsecured, interest-free and are repayable on demand.

(f) Key management compensation

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	**4,169**	4,489
Share-based compensation expenses	**–**	7,284
	4,169	11,773

34 CONTINGENCIES

The Group had no material contingent liabilities outstanding as at December 31, 2024 and 2023.

35 STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY

	Note	As at December 31, 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current asset			
Investment in a subsidiary	*(a)*	**10,386,476**	10,347,194
Other financial assets measured at amortised cost		**291,211**	–
Financial assets at fair value through other comprehensive income		**166,919**	279,838
		10,844,606	10,627,032
Current assets			
Prepayments, deposits and other receivables		**1,105,252**	486,941
Term deposits with the maturity over three months		**1,175,270**	1,226,898
Cash and cash equivalents		**224,496**	225,693
		2,505,018	1,939,532
Total assets		**13,349,624**	12,566,564
EQUITY			
Share capital		**155**	154
Treasury shares		**(1)**	–
Reserves	*(b)*	**24,431,008**	24,529,458
Accumulated losses		**(12,479,648)**	(12,454,355)
Total equity		**11,951,514**	12,075,257
LIABILITIES			
Current liabilities			
Other payables, accruals and other liabilities		**1,398,110**	491,307
Total liabilities		**1,398,110**	491,307
Total equity and liabilities		**13,349,624**	12,566,564

The financial position of the Company was approved for issue by the Board of Directors on March 27, 2025 and were signed on its behalf.

Zheng Zhihao
Executive Director and Chief Executive Officer

Miao Boshu
Financial Director

Notes to the Consolidated Financial Statements

35 STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY *(continued)*

(a) Investment in a subsidiary

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Investment in a subsidiary *(i)*	**22,200,000**	22,200,000
Deemed investments arising from share-based compensation expenses *(ii)*	**449,078**	409,796
Less: allowance for impairment of investment in a subsidiary *(i)*	**(12,262,602)**	(12,262,602)
	10,386,476	10,347,194

(i) As at December 31, 2024, the Company recognised impairment provision of approximately RMB12,262,602,000 (2023: RMB12,262,602,000) on investment in a subsidiary according to the valuation on the recoverable amount of the investment in a subsidiary. The recoverable amount was determined based on value-in-use calculations which use cash flow projections based on financial budgets.

(ii) The amount represents share-based compensation expenses arising from the grant of share options of the Company to employees of the subsidiaries (Note 30) in exchange for their services provided to these subsidiaries, which were deemed to be investments made by the Company into these subsidiaries.

35 STATEMENT OF FINANCIAL POSITION AND EQUITY MOVEMENT OF THE COMPANY *(continued)*

(b) Reserve movement of the Company

	Share premium RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Currency translation differences RMB'000	Other reserves RMB'000	Total RMB'000
As at January 1, 2023	2,445,022	(114,768)	102,494	22,122,062	24,554,810
Issuance of new shares under share option scheme	4,803	–	–	(4,740)	63
Issuance of new shares under RSU scheme	19,936	–	–	(19,936)	–
Share-based compensation expenses	–	–	–	30,348	30,348
Changes in the fair value of equity investments at fair value through other comprehensive income	–	(84,751)	–	–	(84,751)
Currency translation differences	–	–	28,988	–	28,988
As at December 31, 2023	2,469,761	(199,519)	131,482	22,127,734	24,529,458
As at January 1, 2024	**2,469,761**	**(199,519)**	**131,482**	**22,127,734**	**24,529,458**
Issuance of new shares under share option scheme	**107**	**–**	**–**	**(106)**	**1**
Issuance of new shares under RSU scheme	**37,967**	**–**	**–**	**(37,968)**	**(1)**
Share-based compensation expenses	**–**	**–**	**–**	**38,960**	**38,960**
Changes in the fair value of equity investments at fair value through other comprehensive income	**–**	**(117,247)**	**–**	**–**	**(117,247)**
Cancellation of shares	**(45,595)**	**–**	**–**	**–**	**(45,595)**
Currency translation differences	**–**	**–**	**25,432**	**–**	**25,432**
As at December 31, 2024	**2,462,240**	**(316,766)**	**156,914**	**22,128,620**	**24,431,008**

36 SUBSIDIARIES

The Company's major subsidiaries (including controlled and structured entities) as at December 31, 2024 and 2023 are set out below. Unless otherwise stated, they have capital consisting solely of ordinary shares that are held directly by the Group. The place of establishment/incorporation is also their principal place of business.

Company name	Place of incorporation and kind of legal entity	Principal activities	Date of establishment/incorporation	Particulars of registered capital/issued capital	Ownership interest held by the Group As at December 31, 2024	2023
Maoyan Entertainment (BVI) Ltd.	BVI, limited liability company	Investment holding	December 12, 2017	USD50,000	**100%**	100%
Maoyan Entertainment HK	Hong Kong, limited liability company	Investment holding	January 4, 2018	HKD10,000	**100%**	100%
Hong Kong Maoyan Live Entertainment Limited (香港貓眼現場娛樂有限公司)	Hong Kong, limited liability company	Movie ticketing services, Performance ticketing services	June 18, 2019	HKD10,000	**100%**	100%
Tianjin Maoyan Weying (天津貓眼微影文化傳媒有限公司)	PRC, limited liability company	Movie ticketing services, Film investment and distribution	May 27, 2015	RMB86,457,811	**100%**	100%
Beijing Maoyan (北京貓眼文化傳媒有限公司)	PRC, limited liability company	Online ticketing platform services, Film investment and distribution	November 12, 2015	RMB10,000,000	**100%**	100%
Xinjiang Maoyan Network Technology Co. Ltd .(新疆貓眼網絡科技有限公司)	PRC, limited liability company	Movie ticketing services	November 10, 2016	RMB10,000,000	**100%**	100%
Tianjin Maoyan Pictures Co., Ltd. (天津貓眼影業有限公司)	PRC, limited liability company	TV series investment and distribution	June 8, 2015	RMB50,000,000	**100%**	100%
Maoyan Enterprise (天津貓眼企業管理諮詢有限公司)	PRC, limited liability company	Economic and trade consultation, Strategic investment	March 1, 2017	RMB1,000,000	**100%**	100%
Beijing Weige Shidai (北京微格時代娛樂科技有限公司)	PRC, limited liability company	Movie ticketing services, Performance ticketing services	March 9, 2016	RMB5,000,000	**100%**	100%
Ruihai Fangyuan (深圳市瑞海方圓科技有限公司)*	PRC, limited liability company	Online movie ticketing services	July 13, 2017	RMB200,000,000	**–**	100%
Tianjin Maoyan Weying Technology Co., Ltd. (天津貓眼微影科技有限公司)	PRC, limited liability company	Computer technology research, development, advisory; Ticket agency; Film project technology advisory etc.	February 5, 2018	USD200,000,000	**100%**	100%
Maoyan Live JV (天津貓眼現場科技有限公司)	PRC, limited liability company	Computer technology research, development, advisory, Performance ticketing services etc.	June 19, 2018	RMB5,000,000	**100%**	100%

36 SUBSIDIARIES *(continued)*

Company name	Place of incorporation and kind of legal entity	Principal activities	Date of establishment/ incorporation	Particulars of registered capital/ issued capital	Ownership interest held by the Group As at December 31, 2024	Ownership interest held by the Group As at December 31, 2023
Beijing Maoyan Weying Technology Co., Ltd. (北京貓眼微影科技有限公司)	PRC, limited liability company	Computer technology research, development, advisory; Ticket agency; Film project technology advisory etc.	April 29, 2019	RMB5,000,000	**100%**	100%
Shanghai Maoyan Pictures Co., Ltd. (上海貓眼影業有限公司)	PRC, limited liability company	Film investment and distribution	May 15, 2019	RMB50,000,000	**100%**	100%
Hangzhou Soushi Network Technology Co., Ltd. (杭州搜視網絡有限公司)	PRC, limited liability company	Network technology service, development, advisory; Ticket agency; e-Business etc.	April 23, 2008	RMB10,000,000	**100%**	100%
Shanghai Maoyan Network Technology Co., Ltd. (上海貓演網絡科技有限公司)	PRC, limited liability company	Computer technology research, development, advisory, Performance ticketing services etc.	February 13, 2019	RMB1,000,000	**100%**	100%
Shenzhen Maoyan Weying Technology Co., Ltd. (深圳貓眼微影科技有限公司)	PRC, limited liability company	Computer technology research, development, advisory etc.	July 24, 2019	RMB230,000,000	**100%**	100%
Hangzhou Maoyan Time Machine Co., Ltd. (杭州貓眼時光機影業有限公司)	PRC, limited liability company	Movie ticketing services, Film investment and distribution	January 13, 2023	RMB10,000,000	**100%**	100%
Guangzhou Maoyan Pictures Co., Ltd. (廣州貓眼影業有限公司)**	PRC, limited liability company	Movie ticketing services, Film investment and distribution	January 8, 2024	RMB1,000,000	**100%**	–
Tianjin Ganyu Information Technology Co., Ltd. (天津甘雨信息技術有限公司)**	PRC, limited liability company	Movie ticketing services, Film investment and distribution	June 5, 2024	RMB1,000,000	**100%**	–
Tianjin Yunchuan Cultural Media Co., Ltd. (天津雲川文化傳媒有限公司)**	PRC, limited liability company	Movie ticketing services, Film investment and distribution	June 19, 2024	RMB1,000,000	**100%**	–

* The company was deregistered during the year ended December 31, 2024.

** Newly established subsidiaries during the year ended December 31, 2024

37 DIRECTORS' REMUNERATION

The remuneration of each director for the year ended December 31, 2024 are set out as follows:

	Director's fee RMB'000	Salaries and wages RMB'000	Bonuses RMB'000	Pension costs-defined contribution plan RMB'000	Other employee benefits RMB'000	Share-based compensation RMB'000	Total RMB'000
Executive director							
– Mr. ZHENG Zhihao	–	2,153	720	–	–	–	2,873
Non-executive directors							
– Mr. TANG Lichun	–	–	–	–	–	–	–
– Mr. WANG Changtian	–	–	–	–	–	–	–
– Mr. Sun Zhonghuai	–	–	–	–	–	–	–
– Ms. LI Xiaoping	–	–	–	–	–	–	–
– Ms. WANG Jian	–	–	–	–	–	–	–
– Mr. CHEN Shaohui	–	–	–	–	–	–	–
Independent non-executive directors							
– Mr. WANG Hua	324	–	–	–	–	–	324
– Mr. CHAN Charles Sheung Wai	324	–	–	–	–	–	324
– Ms. LIU Lin	324	–	–	–	–	–	324
– Mr. YIN Hong	324	–	–	–	–	–	324
	1,296	2,153	720	–	–	–	4,169

37 DIRECTORS' REMUNERATION *(continued)*

The remuneration of each director for the year ended December 31, 2023 are set out as follows:

	Director's fee RMB'000	Salaries and wages RMB'000	Bonuses RMB'000	Pension costs-defined contribution plan RMB'000	Other employee benefits RMB'000	Share-based compensation RMB'000	Total RMB'000
Executive director							
– Mr. ZHENG Zhihao	–	2,153	1,076	–	–	7,284	10,513
Non-executive directors							
– Mr. TANG Lichun	–	–	–	–	–	–	–
– Mr. WANG Changtian	–	–	–	–	–	–	–
– Mr. Sun Zhonghuai							
– Ms. LI Xiaoping	–	–	–	–	–	–	–
– Ms. WANG Jian	–	–	–	–	–	–	–
– Mr. CHEN Shaohui	–	–	–	–	–	–	–
Independent non-executive directors							
– Mr. WANG Hua	315	–	–	–	–	–	315
– Mr. CHAN Charles Sheung Wai	315	–	–	–	–	–	315
– Ms. LIU Lin	315	–	–	–	–	–	315
– Mr. YIN Hong	315	–	–	–	–	–	315
	1,260	2,153	1,076	–	–	7,284	11,773

37 DIRECTORS' REMUNERATION *(continued)*

(a) Directors' remuneration

During the years ended December 31, 2024 and 2023, no directors received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office; no directors and senior management waived or has agreed to waive any emoluments.

(b) Directors' retirement benefit

During the years ended December 31, 2024 and 2023, no retirement benefits paid to the directors of the Company by a defined benefit pension plan operated by the Group in respect of the director's services as a director of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(c) Directors' termination benefit

During the years ended December 31, 2024 and 2023, no payments to the directors of the Company as compensation for the early termination of the appointment.

(d) Consideration provided to third parties for making available directors' services

During the years ended December 31, 2024 and 2023, the Company did not provide to any third party for making available director's services.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended December 31, 2024 and 2023, no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended December 31, 2024 and 2023.

38 FROZEN EQUITY INTERESTS OF TIANJIN MAOYAN WEYING

As disclosed in Note 2.2.7, Tianjin Maoyan Weying is a PRC subsidiary controlled by the Group through contractual arrangements. Beijing Shiji Weying Culture Development Co., Ltd. ("Beijing Shiji Weying") is a registered shareholder of Tianjin Maoyan Weying and holds approximately 26.9% equity interests (the "Equity interests") of Tianjin Maoyan Weying. As at December 31, 2024, the Equity Interests were frozen due to the following cases:

(a) Frozen case 480

Beijing Weying Shidai Technology Co., Ltd. ("Beijing Weying Shidai"), an affiliated company of Beijing Shiji Weying, which transferred the Equity Interests to Beijing Shiji Weying in 2018 for preparation the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Transfer"). Prior to the Transfer, Beijing Weying Shidai originally entered into contractual agreements with the WFOE, Tianjin Maoyan Weying and its registered shareholders in July 2018. Subsequent to the Transfer, Beijing Shiji Weying signed the contractual agreements in August 2018 as part of the contractual arrangements as disclosed in Note 2.2.7.

Since Beijing Weying Shidai was involved in certain debt disputes involving approximately USD6,058,000 (approximately RMB40.2 million, the "Debt") with a creditor who initiated lawsuits against Beijing Weying Shidai as defendant, a court in the PRC issued a civil paper (Document 2021 Jing 04 Zhi 480) ("Civil Paper 480"), pursuant to which the Equity Interests were frozen for the purpose of cancelling the Transfer and transferring the Equity Interests back to Beijing Weying Shidai.

In May 2022, Beijing Shiji Weying and Beijing Weying Shidai have entered into settlement agreement with the debtor and agreed to repay the amounts by instalments before March 30, 2024. As at the approval date of this financial statements, Beijing Shiji Weying and Beijing Weying Shidai has repaid RMB20.1 million out of the total RMB40.2 million but failed to repay the remaining instalments of RMB20.1 million in total as agreed in the settlement agreement.

(b) Frozen case 1258

Beijing Weying Shidai was involved in another debt disputes involving a principal of approximately RMB75 million and relevant interest calculated at an interest rate of 12% per annum with a shareholder of Beijing Weying Shidai who initiated an arbitration against Beijing Weying Shidai as respondent, a court in the PRC issues a civil paper (Document 2022 Jing 01 Zhi 1258) ("Civil Paper 1258"), pursuant to which the Equity Interests were frozen due to above mentioned debt.

38 FROZEN EQUITY INTERESTS OF TIANJIN MAOYAN WEYING *(continued)*

(b) Frozen case 1258 *(continued)*

Beijing Shiji Weying and Beijing Weying Shidai are still in the process of negotiating with the creditors on the settlement of the debt in dispute. As at December 31, 2024 and the date of approval of the financial statement, the Equity Interests are remained frozen and cannot be changed due to above cases.

In response to the above cases, Beijing Shiji Weying and Beijing Weying Shidai co-issued a letter of confirmation (the "Confirmation") to Tianjin Maoyan Weying and WFOE, pursuant to which they agreed to comply and fulfil all the terms and conditions, responsibilities and obligations under the contractual agreements including but not limited to fully cooperating when WFOE exercises its irrevocable and exclusive right to purchase the Equity Interests, or transfer the Equity Interests to WFOE's assignee at WFOE's request.

The directors of the Company, based on the advice of its PRC legal advisors, considered that the Contractual Arrangements disclosed in the Note 2.2.7 and the Confirmation are in compliance with relevant PRC laws and regulations and are legally binding and enforceable. The Company considers the risk of the Equity Interests been disposed due to above two cases is remote. There is no significant change for these contractual arrangements and the consolidation of Tianjin Maoyan Weying.

Financial Summary

RESULTS

	For the Year ended December 31,				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Continuing operations					
Revenue	1,365,690	3,323,415	2,319,477	4,757,369	**4,082,178**
Gross profits	537,334	1,842,231	1,019,970	2,384,865	**1,625,002**
(Losses)/profits before income tax	(628,621)	534,844	181,291	1,153,679	**301,325**
Income tax expenses	(17,651)	(166,342)	(76,479)	(245,842)	**(119,420)**
(Losses)/profits for the year from continuing operations	(646,272)	368,502	104,812	907,837	**181,905**
(Losses)/profits attributable to:					
Owners of the Company	(646,272)	368,502	105,190	910,412	**181,905**
Non-controlling interests	–	–	(378)	(2,575)	**–**

ASSETS AND LIABILITIES

	As at December 31,				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Total assets	10,608,542	11,028,335	10,258,018	12,540,096	**12,505,595**
Total liabilities	(2,985,483)	(3,040,663)	(2,084,243)	(3,501,819)	**(3,457,283)**
Total equity	7,623,059	7,987,672	8,173,775	9,038,277	**9,048,312**
Non-controlling interests	–	–	1,415	(2,911)	**–**
Equity attributable to equity holders of the Company	7,623,059	7,987,672	8,172,360	9,041,188	**9,048,312**

Environmental, Social and Governance Report

I. ABOUT THE REPORT

This report is aimed at disclosing the performance and results in respect of environmental, social and governance ("ESG") of Maoyan Entertainment (the "Company", or "our Company" or "We" or "Us") to all the stakeholders in 2024. It is prepared in accordance with the Appendix C2 "Environmental, Social and Governance Reporting Code" (the "ESG Reporting Code") of the Listing Rules of the Main Board of the Stock Exchange of Hong Kong Limited and in compliance with the requirements of principles of "materiality", "quantitative" and "consistency" set out in the Code.

(1) **Materiality:** The Company has conducted a materiality assessment of ESG issues by inviting internal and external stakeholders to participate in assessing and prioritizing the materiality of such ESG-related issues, and disclosed the process and results of the materiality assessment in this report. The Board has completed reviewing the results of the materiality assessment of the ESG issues.

(2) **Quantitative:** This report disclosed relevant quantitative environmental and social data, as well as the standards and methods used for their statistics and calculations.

(3) **Consistency:** The data disclosed in this report adopted the same statistical methodology as previous years to ensure the comparability of its contents.

This report covers the period from January 1, 2024 to December 31, 2024, with some data being retrospect to previous years. The information contained in this report is mainly derived from the statistical data and related documents of the Company. We confirm that this report does not contain any false records and misleading statements, and we shall be responsible for the authenticity, accuracy and completeness of its content.

Unless otherwise stated, based on materiality considerations, the scope of disclosure in this report includes the Company and its subsidiaries in China, and covers the same scope as that in the annual report, details of which are set out in note 36 to the consolidated financial statements.

This report is issued together with the annual report. For the content of corporate governance, readers are reminded to read this report in conjunction with the section headed "Corporate Governance Report" in the annual report.

II. BOARD STATEMENT

The Company has always regarded ESG governance as a materiality issue in the course of corporate management and operations, and has broadly explored ESG-specific governance practices, with a view to enhancing and elevating the ESG management capabilities, and integrating the concept of sustainable development into the Company's overall strategy. As the highest decision-making body of ESG that is responsible for formulating and implementing the Company's overall ESG strategy, the Board of Directors of the Company takes responsibility for identifying, assessing, monitoring, and managing the ESG risks, reviewing the assessment results of the ESG materiality issues, as well as promoting the implementation of ESG strategies, policies, goals and key tasks. In addition, the Board of Directors regularly examines the progress made in its ESG goals. The ESG taskforce (the "Taskforce") is composed of the internal audit department, legal affairs department, human resources, administration, and other departments of the Company, and is responsible for assisting the Board in promoting the execution of the specific ESG work, as well as making regular reports to the Board of Directors on ESG risk assessment, key issues of concern, progress made in the goals, and other ESG-related work. Such practice will ensure that the Company will carry out all ESG-related tasks in a steady and orderly manner. Each business department, in conjunction with the actual business operations, identifies relevant ESG issues within the respective business areas, collaborates in the implementation of ESG management strategies and working plans, and provides feedback to the Taskforce on the progress of related work.

III. ESG MANAGEMENT PHILOSOPHY AND STRATEGY

As an important participant in the cultural and entertainment industry, we persist in the core development strategy of "Technology + Pan-Entertainment", and deepen the integration of the ESG management philosophy into, as well as the application in, the overall strategy, policy direction and business arrangements, to provide consumers with high-quality cultural and entertainment contents characterized with positive values. We strive to innovate online entertainment ticketing services, promote the extensive integration of technologies into the cultural and entertainment industry, and proactively deliver premium contents to promote positive social values. We perform a comprehensive review of our corporate culture and business operation models, regularly examine the effectiveness of our ESG management work and broadly explore ways to enhance our ESG performance, thereby contributing to the sustainable development of the cultural and entertainment industry.

Given our ESG management philosophy, we propose the following ESG management strategies:

- **Environmental protection:** to implement the notion of green office practices, by carrying out low-carbon, energy-saving, and environmental measures to promote the green business development, and actively responding to climate change challenges to promote and strengthen the climate resilience.

- **Talent management:** to optimise the talent development and management system, strive to safeguard employee health and safety, and grow together with employees.

- **Consumer protection:** to protect intellectual property rights, pursue responsible marketing practices, create a high-quality and healthy content ecosystem, strengthen data security and privacy protection, strengthen communication with customers to protect the consumer interests and rights.

- **Community care:** to actively engage in community charity as our joint efforts to build a harmonious community ecosystem.

IV. ACTIVELY RESPOND TO THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals ("SDGs") of the United Nations, as part of the core content of the 2030 Agenda for Sustainable Development, aim to promote the global sustainable development by comprehensively and completely resolving the key development issues in society, economy and environment from 2015 to 2030. To guide and promote the implementation of the related work, China has formulated and issued the China's National Plan on Implementation of the 2030 Agenda for Sustainable Development (the "National Plan"). In active response to the SDGs and China's National Plan, by taking into account the characteristics of our business operations, we assess the correlation between our own sustainable development and the SDGs, identify key SDGs issues of concern, and incorporate the concept of sustainable development into our business operations. Furthermore, we continue to report on our actions and progress in implementing the SDGs issues, as part of our endeavour to drive the achievement of the sustainable development goals.

SDGs	China's National Plan of SDGs[1]	Our Sustainable Development Actions
1 NO POVERTY	• Improve the social insurance system and implement a universal social insurance plan.	• Ensure full payment of the five social insurances and housing provident fund for employees. • Provide supplementary commercial medical and accident insurance.
3 GOOD HEALTH AND WELL-BEING	• Ensure equality and accessibility of basic health care services.	• Focus on the health and safety of employees, provide them with annual health checkup, mental health counselling, etc. • Enhance the management of office areas, install fitness facilities, and provide EAP services, to ensure a safe and healthy working environment. • Improve the first aid response system, with first aid equipment equipped and being intact, and actively organize emergency drills.

Note:

1. Contents are extracted from the China's National Plan on Implementation of the 2030 Agenda for Sustainable Development.

SDGs	China's National Plan of SDGs[1]	Our Sustainable Development Actions
5 GENDER EQUALITY	• Raise public awareness of gender equality and eradicate all forms of discrimination and prejudice against women and girls.	• Adhere to the employment principles of fairness, justice, and transparency, providing equal employment opportunities for all types of talent. • Create a workplace atmosphere that is diverse, equal, and inclusive, and firmly oppose any form of discrimination or harassment.
6 CLEAN WATER AND SANITATION	• Fully promote the development of a water-saving society by strengthening the management of water demand and usage processes.	• Promote the use of water-saving devices such as water-efficient taps, and conduct regular inspection and maintenance of water supply facilities. • Carry out water-saving awareness campaigns by displaying water-saving slogans and enhancing employees' water-saving awareness.

Environmental, Social and Governance Report

SDGs	China's National Plan of SDGs[1]	Our Sustainable Development Actions
8 DECENT WORK AND ECONOMIC GROWTH	• Ensure moderate-and high-speed economic growth and moderate-and high-level of production. • Crack down on illegal and criminal activities such as child labor and forced labor in accordance with law and provide special protection for underage workers aged between 16 and 18. • Protect workers' legitimate rights and interests such as remuneration, vacation, social security, and etc. • Improve employment and entrepreneurship services and launch a lifelong vocational training initiative.	• Continue to devote ourselves to the cultural and entertainment industry, practice based on core development strategy "Technology + Pan-Entertainment", improve competitiveness and innovation capacity, pursue close collaboration with suppliers and partners and contribute to economic development. • Attract more talents through various channels such as campus recruitment and social recruitment. • Strictly prohibit child labor and forced labor. • Protect the legitimate rights and interests of employees, by providing a competitive package of remuneration and benefits and welfare, as well as reasonable length of leave, and improving the employee performance incentive mechanism and establishing a transparent and fair promotion system. • Increase employee communication channels, and strengthen the construction of internal communication mechanisms. • Improve an employee training system and diversify the employee training resources to provide resource-based support for their development and growth.

SDGs	China's National Plan of SDGs[1]	Our Sustainable Development Actions
10 REDUCED INEQUALITIES	• Focus on equal opportunities to ensure the rights of the public community to equal participation and equal development.	• Adhere to the employment principles of fairness, equity, and transparency, providing equal job opportunities for talents of different ages, genders, physical conditions, ethnicities, nationalities, races, or religious beliefs.
13 CLIMATE ACTION	• Improve education and publicity on climate change mitigation and environmental protection, spread knowledge about climate change and low-carbon development, and encourage public participation in climate change actions.	• Evangelize about green office, and actively promote the concept of resource conservation and environmental protection to raise employees' awareness of environmental protection, promote waste reduction and improve resource utilization efficiency. • Carry out green business initiatives, leverage the influence of films to promote green environmental knowledge, and guide the public to protect the environment. • Identify climate change risks, capitalize on opportunities arising from climate change, and actively take countermeasures.

SDGs	China's National Plan of SDGs[1]	Our Sustainable Development Actions
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Resolutely correct improper conduct that harms the interests of the general public, and punish corruption. Maintain the pressure and strengthening accountability and enforcement.	• Create a corporate culture of honesty, integrity and fairness. • Strengthen the development of the anti-corruption management system, resolutely oppose corrupt practices, and regulate employee conduct. • Conduct business ethics training to enhance overall compliance awareness. • Standardize the whistleblowing management mechanism, clarify reporting channels, procedures, and requirements for the protection of whistleblowers, and strengthen business ethics control. • Carry out audit procedures to strengthen the business ethics oversight. • Operate in compliance and conduct business with integrity.

V. STAKEHOLDERS RESEARCH AND COMMUNICATION

To deepen the implementation of the communication and collaboration between the Company and all stakeholders for our better fulfilment of commitments to various stakeholders, we have identified major stakeholders, including the government and regulatory authorities, shareholders and investors, customers, employees, suppliers, communities, media and non-governmental organizations based on the value chain distribution and actual business operations, and established multiple, customized and regular communication channels. We have extensively promoted the exchange of ESG concepts and practices, closely monitored the expectations and demands of all stakeholders regarding the Company's sustainable development, and improved our ESG working mechanisms and implementation approaches, so as to optimize and enhance the quality and efficiency of our sustainability management.

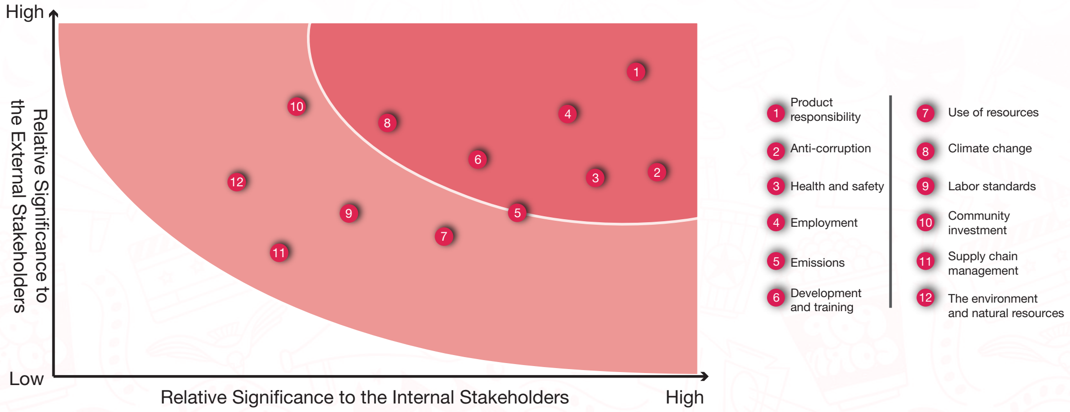
Stakeholders	Major ESG topics of concern	Major communication channels
Government and regulatory authorities	• Employment • Supply chain management • Product responsibility • Anti-corruption	• Written documents or reports • Official website of the Company • On-site communication
Shareholders and investors	• Employment • Product responsibility • Anti-corruption • Climate change	• General meeting of Shareholders • Periodic reports • Results announcements • Investor presentations • Official website of the Company • Investor relations mailbox
Customers	• Product responsibility	• Periodic reports • Customer hotline and email • Premiere events, exhibitions, and other activities • Routine operation and communication

Stakeholders	Major ESG topics of concern	Major communication channels
Employees	• Employment • Health and safety • Development and training • Labor standards	• Internal announcement/email/office system • Internal meetings • Training programs • Team building activities • Daily communication and feedback
Suppliers	• Supply chain management • Anti-corruption	• Supplier evaluation and examination • Public tenders for suppliers • Supplier cooperation agreement • Daily meetings and discussions
Communities	• Community investment	• Charity events • Volunteer work • Social media • Community visit and communication
Media and non-governmental organizations	• Employment • Product responsibility • Community investment • Supply chain management • Emissions • Use of resources • Climate change	• Social media • Company official websites • Press conferences • Communication meetings

Environmental, Social and Governance Report

VI. MATERIALITY ASSESSMENT

The Company has comprehensively considered all aspects of the value chain, actual business operations, and industry development trends, and has integrated stakeholder concerns and feedback to carry out regular materiality assessments over ESG-related issues. A total of 12 materiality issues have been identified, including product responsibility, anti-corruption, employment, development and training, health and safety, and climate change, among others. The materiality of each issue has been assessed and prioritised accordingly. The results of the ESG materiality assessment have been considered and approved by the Board.



VII. ENVIRONMENT

The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, and other laws and regulations, and has formulated and improved relevant administrative regulations such as the Environmental Management System in Office Areas and the Employee Manual. To deepen green and low-carbon requirements, the Company steadily advances various energy-saving and emission-reduction initiatives, adheres to environmental protection philosophy, and effectively reduces the environmental impact of the business operations. At the same time, we actively identify risks and opportunities related to climate change and strive to enhance our resilience to climate change.

1. Emissions Management

As an office enterprise, the Company's daily operations do not involve any production or manufacturing processes, and therefore there are limited environmental impacts related to emissions of exhaust gases and greenhouse gases, discharges to water and land, and generation of hazardous or non-hazardous wastes.

We have established and improved our emissions management system, strengthened emissions control requirements in day-to-day operations, and actively implemented emission reduction measures:

- **Greenhouse Gas:** We promote the use of energy-efficient lighting and low-energy consumption office equipment across all office premises, regulate indoor temperatures to reduce air-conditioning energy consumption, and conduct regular inspections of electricity consumption. These measures are part of our comprehensive low-carbon and energy-saving initiatives aimed at reducing greenhouse gas emissions.

- **Waste:** We strictly implement standardized waste disposal requirements. Office waste is transported by the property management office to designated recycling stations. Obsolete electronic devices are collected and properly handled by suppliers, while hazardous waste such as used toner cartridges and waste toner is recycled or disposed by qualified third-party organisations. Paper recycling bins are placed next to printers to promote reuse and minimise waste generation. Furthermore, in response to national waste sorting policies, we have placed categorized waste bins in office areas and encourage and support employees to sort out waste. Through promoting waste sorting posters and producing and distributing promotional videos on waste sorting, we aim to enhance employees' understanding and judgment regarding waste sorting, thereby facilitating the effective implementation of waste sorting measures.

2. Use and Management of Resources

The Company actively promotes the concept of a circular economy, and adheres to the principles of maximizing utility, comprehensive and circular use, so as to improve resource utilization efficiency across the board and continues to explore sustainable operating models.

- **Electricity Management:** We have strengthened electricity consumption management among employees. From a policy perspective, power consumption requirements have been incorporated into the Employee Manual, which stipulates that employees must switch off lighting, televisions, air conditioners, projectors, and other devices when leaving the office area or after meetings. In terms of daily supervision and practices, our security personnel are arranged to conduct regular inspections and monitor the usage of lighting and electrical appliances in various areas, so as to turn off idle electronic devices in a timely manner. This arrangement will help minimize unnecessary electricity consumption. Furthermore, we prioritize and make full use of natural lighting in our office area, widely replace high-energy lighting with energy-efficient alternatives, and regulate indoor air conditioning temperatures to improve appliance energy efficiency. Meanwhile, low-energy consumption equipment is prioritized when office computers require replacement, in order to reduce electricity usage from office devices.

- **Water Management:** We actively promote water-saving awareness among employees by cultivating daily water-saving practices. Measures include displaying water-saving slogans in office areas to remind employees to implement water-saving actions. We promote the use of water-saving taps and other efficient fixtures, and conduct regular inspections and maintenance of water supply facilities. Any leakage issues, such as broken pipes or dripping taps, are promptly reported to the property management office for repair to avoid water wastage. The Company's daily water consumption is primarily sourced from municipal water supply, and no issues have been identified regarding access to applicable water sources.

- **Paper Management:** We are committed to promoting a paperless office model. Paperless processes have been adopted in areas such as corporate payments, online handling of e-invoices, and personal reimbursement, with employees encouraged to complete work through online platforms and systems. For necessary printed materials, double-sided printing is set as the default, and colour printing is subject to approval, prompting employees to reduce paper usage. Paper recycling bins are placed near printers to facilitate the reuse of waste paper for purposes such as affixing receipts. Furthermore, we proactively advance the digitization of employee records to further reduce paper consumption. At present, labour contracts and related documents have been largely digitized.

3. Environmental Goals

The Company, by taking into consideration the actual business operations, has established three goals focusing on energy conservation, water saving, and paper saving, the progress of which is subject to annual review. Furthermore, we closely keep abreast of the implementation of measures for energy saving and carbon reduction.

Subject of goals	Content of goals	Progress review
Energy conservation	Electricity consumption per capita of the Company shall be no more than 1.2 MWh per year in the next three to five years based on past consumption per capita.	The goal was achieved during the year. The Company strengthened the implementation of electricity management to gradually reduce per capita electricity consumption.
Water saving	Water consumption per capital of the Company shall be no more than 10 tonnes per year in the next three to five years based on past consumption per capita.	The goal was achieved during the year. The Company continued to implement the water saving measures, and deepen the water-saving awareness among employees.
Paper saving	We shall gradually realize the systematic paperless management and online function development, such as online approval of qualifications and licenses, electronic customer invoices, etc., on top of existing electronic signature for employee labor contracts and merchant studio contracts.	During the year, the Company realized the application of electronic customer invoices, and continued to implement the paperless management to promote the paperless office operation model.

4. Environment and Natural Resources

The Company is committed to implementing the concept of sustainable development, carefully identifying and assessing the impact of the operations and business activities on the environment and natural resources, and striving to minimize the negative impact on the environment and natural resources. The Company is dedicated to creating positive environmental benefits through green operations and business initiatives, making contribution to the green development of the industry. The Company is not engaged in large-scale production and manufacturing activities for the business operations, and therefore the impact on the environment and natural resources is comparatively limited.

In the ticketing business, we pay attention to the environmental protection certification (such as ISO 14001) when selecting hardware equipment. All scrapped equipments are disposed to environmentally certified recycling companies, and such adoption of an environmentally friendly scrapping model minimizes the impact on the environment. We actively promote the equipment renewal plan, by replacing large ticketing machines with desktop ticketing machines, and plan to gradually replace the existing standalone ticketing machines in the future to facilitate flexible deployment of equipment and reduce energy consumption during equipment use. In addition, we vigorously promote electronic ticketing services. In 2024, the platform strongly promoted a paperless entry model at performance venues, upholding the environmental protection philosophy and fostering green business practices.

We actively implement environmental protection measures and practice green concepts in all our premiere events. The printing method for the backboards of the premieres has been changed from “vinyl inkjet printing” to the environmentally friendly and odourless “warp-knitted fabric water-based ink heat transfer” process. Wristbands are all printed using an environmentally friendly heat transfer process, and all printed images use water-based environmental inks. Printing materials such as hand cards, ticket stubs, parking permits, and media stickers are also printed using printers with environmental inks to reduce the emission of harmful organic substances. All materials transportation vehicles prioritize the use of new energy vehicles, and bicycles are used for short-distance transfers to reduce carbon emissions. The autograph posters and tote bags for the premiere events are made from 100% recycled white cardboard. Display stand images have been changed from photographic paper to 100% recyclable PP paper. The materials for work badges and microphone nameplates have been changed to environmentally friendly acrylic. Security and material prevention facilities are all made from recyclable materials such as steel, iron, and velvet ropes, effectively promoting the recycling of resources.

Environmental, Social and Governance Report

- ### ***Seed Paper Movie Ticket Stubs***

During the premiere of Never Say Never (《八角籠中》), we utilized seed paper to craft movie ticket stubs. These stubs are fully biodegradable when buried in soil. After the paper decomposes, the embedded seeds can germinate and grow into plants under suitable conditions. This initiative achieves a "zero-waste" closed-loop cycle, reducing white pollution and landfill waste, promoting green business operations and environmental values.

Seed Paper Movie Ticket Stubs

- ### ***Reuse of Film Props and Related Materials***

For the promotional event "Vow Under the Snow Mountain" held at Yulong Snow Mountain in Lijiang for the film That Untold Story (那個不為人知的故事) (for which the Company acted as a producer, promoter and distributor) in 2024, we repurposed idle film props as exhibition pieces. This approach meticulously recreated key cinematic scenes while minimizing material consumption, demonstrating our commitment to resource efficiency.

Reuse of Props and Related Materials

5. Responses to Climate Change

As the impact of climate change on corporate production and operations becomes increasingly significant, it has become a shared global consensus to jointly address climate change and promote low-carbon transition and development. The Company remains committed to enhancing the climate governance framework, and systematically identifying, assessing, and managing climate-related risks and opportunities. We have conducted a comprehensive review of our business operations, and assessed and implemented measures to address climate change, thus strengthening our climate resilience to effectively tackle the challenges brought by climate change. At the same time, we actively seize the development opportunities emerging from climate change by promoting the research and application of green products and services, thereby driving the Company's sustainable and healthy development.

The principal climate-related risks identified by the Company and the corresponding measures are as follow:

Risk Categories	Risk factors	Timeframe[2]	Level of impact	Loss scale	Probability	Risk Description	Corresponding Measures
Transformation Risk	Government regulatory risks	Short-, mid-, and long-term	Medium	Medium	Medium	The government's growing attention to climate change leads to the introduction or updating of related policy requirements; regulatory bodies continue to raise demands for climate change-related information disclosure. The Company's failure to timely identify, address, and comply with relevant laws, regulations, and regulatory requirements may result in administrative penalties and increased operational costs.	Regularly keep track of and study the laws, regulations, and regulatory requirements in the fields of climate change, energy conservation, and environmental protection. By combining these with our own operational characteristics, the Company identifies the potential impact of relevant changes on the Company and promptly communicate key information to the responsible departments to formulate appropriate response strategies and measures.
	Market competition risks	Mid-and long-term	Low	Low	Medium	As consumers become increasingly interested in and raise demands for issues related to climate change, low-carbon practices and environmental protection products and services that are environmentally friendly and low in carbon are gaining popularity. The Company's failure to promptly recognize shifts in consumer preferences could result in poor performance in market competition thereby impacting business performance.	Conduct surveys on users' green and environmental preferences and needs, and collaborate with content producers, distributors, cinemas, and other third parties to develop products and innovate services related to low carbon and environmental protection.

Note:

2. Short-term：1 to 3 years；Mid-term：3 to 10 years；Long-term：10 years or above

Risk Categories	Risk factors	Timeframe[2]	Level of impact	Loss scale	Probability	Risk Description	Corresponding Measures
	Brand and reputational risks	Long-term	Medium	Medium	Medium	As public awareness of climate change and sustainable development issues increases, the Company may face reputational risks when the operations have an impact on the environment. This can lead to questioning and criticism from stakeholders, which can damage the Company's reputation.	The Company actively implements energy conservation and emissions reduction measures to phase out high-energy-consuming filming equipment, proactively accepts social public opinion supervision, and regularly conducts reputation risk assessments.
Physical Risk	Acute risks	Short-, and mid-term	Low	Medium	Low	Sudden extreme weather and natural disasters may lead to suspensions of the Company's projects which the Company developed/invested in, postponement/cancellation of performances for which the Company provides services, or property and personnel damage, resulting in economic loss.	• Include relevant provisions in project contracts to address force majeure events. • In response to different extreme weather conditions, business managers should immediately synchronize their emergency response teams to formulate contingency plans and supervise employees to adjust their shooting plans/performance time in a timely and flexible manner, so as to minimize the impact of extreme weather and natural disasters on property and personnel safety. • Regularly conduct natural disaster preparedness knowledge dissemination to employees to enhance their awareness of safety prevention.

The opportunities as identified by the Company in principal climate-related risks and relevant explanation are as follow:

Type of opportunities	Timeframe	Level of impact	Probability	Description
Opportunities from market competition	Mid-and long-term	Medium	Medium	• Actively implement various low-carbon and environmentally friendly measures in daily operations to conserve resources and reduce operating costs. • Develop low-carbon and environmentally friendly products and services to enhance market competitiveness.

6. Environmental Key Performance Data

The environmental key performance data of the Company during 2024 are set out below. Unless otherwise stated, these data as contained in this section cover the Company's offices in Beijing and Shanghai.

Emissions

Indicators	2023 Figures	2024 Figures
Total Greenhouse Gas ("GHG") emissions (scope 1 and 2) (tonnes CO_2e)[1]	580.14	**451.50**
Total Greenhouse Gas ("GHG") emissions (scope 2) (tonnes CO2e)	580.14	**451.50**
Including: purchased electricity	580.14	**451.50**
Total GHG emissions per capita (tonnes CO_2e per capita)[2]	0.78	**0.58**
Total GHG emissions per floor area (tonnes CO_2e per square metre)	0.08	**0.06**
Total hazardous waste production (tonnes)[3]	0.02	**0.008**
Hazardous waste production per capita (kg per capita)[2]	0.02	**0.01**
Total non-hazardous waste production (tonnes)[4]	33.06	**42.95**
Non-hazardous waste production per capita (tonnes per capita)[2]	0.04	**0.06**

Notes:

1. GHG emissions include carbon dioxide, methane and nitrous oxide, mainly originating from the purchased electricity, which falls into Scope 2 GHG emissions. The Company did not generate Scope 1 GHG emissions during the reporting year. GHG emissions are presented in carbon dioxide equivalents and calculated based on the Notice on the Release of CO2 Emission Factors for Electricity in 2022 issued by the Ministry Ecology and Environment of the People's Republic of China and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 revision) issued by the Intergovernmental Panel on Climate Change (IPCC).

2. The total GHG emissions per capita, hazardous waste production per capita and non-hazardous waste production per capita of the Company are based on the total number of employees in the Beijing and Shanghai office areas (including labor contract employees, labor dispatch employees, retired personnel rehired, and long-term outsourced personnel).

3. Hazardous wastes involved in the operation of the Company primarily include waste toner cartridges and waste toners of printing devices.

4. Non-hazardous wastes involved in the operation of the Company primarily include office waste and disposed office supplies.

Resource consumption

Indicators	2023 Figures	2024 Figures
Total energy consumption (MWh)[1]	869.79	**841.41**
Indirect energy consumption (MWh)	869.79	**841.41**
Including: purchased electricity	869.79	**841.41**
Total energy consumption per capita (MWh per capita)[2]	1.17	**1.08**
Total energy consumption per floor area (MWh per square metre)	0.12	**0.12**
Water consumption (tonnes) [3]	5,311.50	**5,709.63**
Water consumption per capital (tonnes per capital)[2]	7.17	**7.34**
Water consumption per floor area (tonnes per square metre)	0.73	**0.78**
Total consumption of A4 paper (tonnes)	1.46	**1.63**

Notes:

1. Total energy consumption is calculated based on the consumption of electricity, and the conversion factors provided in the national standard of the People's Republic of China, i.e. the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589–2020).

2. The total energy consumption per capita and water consumption per capital of the Company are based on the total number of employees in the Beijing and Shanghai office areas (including labor contract employees, labor dispatch employees, retired personnel rehired, and long-term outsourced personnel).

3. The water consumption includes tap water and reclaimed water. Of which, water consumption of the regional office in Shanghai is controlled by the property management office where it is located, and the water charges are included in property charges. As water consumption cannot be measured separately, we have estimated the water consumption with reference to the national standard, i.e. the Standard for Design of Building Water Supply and Drainage (GB50015–2019) issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China.

4. Packaging data does not apply to the Company.

VIII. RECRUITMENT AND LABOR STANDARDS

The Company consistently regards talents as the import internal drive in promoting our sustainable development, which will facilitate the improvement in the talent development and management systems. In strict compliance with various laws and regulations, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China and Law of the People's Republic of China on the Protection of Women's Rights and Interests, as well as by upholding the cultural values of "integrity, excellence, cooperation, and happiness", we will provide equal and diverse employment opportunities, while constructing reasonable and scientific compensation management system, and fair and impartial promotion mechanism. We also cultivate a cultural atmosphere of openness, inclusivity, and respect, while paying attention to the physical and mental health of employees, by improving the safety and comfort of our office conditions. Furthermore, our diverse training programs are aimed at facilitating employee growth and enhancing their sense of well-being and accomplishment.

1. Recruitment, Dismissal and Labor Standards

The Company implements the philosophy of "recruiting talents", and steadily improves its employment management system by expressly stipulating the recruitment, dismissal and employment requirements in the "Policy on Human Resources Management" in the Employee Manual. We adhere to the employment principles of fairness, transparency and integrity, and attract outstanding talents by offering equal job opportunities for talents of different ages, genders, physical conditions, ethnic groups, nations, races, or religious beliefs, through various channels such as campus recruitment and social hiring. In addition, we strive for a fair, diverse, inclusive, and healthy workplace atmosphere, and oppose any form of discrimination or harassment. Our persistence in building a diversified outstanding talent team will inject fresh vitality into our business development.

The Company prohibits any form of illegal employment. During the recruitment process, we require job candidates to provide valid documents, such as ID cards and graduation certificates, so as to verify their actual age and identity information, which will effectively prevent the occurrence of child labor. At the same time, the Company respects the labor willingness of employees when arranging job assignments, and establish a scientific and rigorous task assignment mechanism, which is aimed at preventing any form of forced labor. In case that any child labor and forced labor (if any) is identified, the Company will forthwith terminate such employment relationship and strictly deal with it in accordance with the relevant laws and regulations. In 2024, there was no child labor or forced labor in the Company.

During the year, the total number of employees of the Company was 917. Set out below is the breakdown of employees by gender, employment type, age groups and regions:

	Data for 2024 (employee(s))
By gender	
Male	**430**
Female	**487**
By employment type	
Full-time	**896**
Part-time	**21**
By age groups	
Aged 30 or below	**391**
Aged 31 to 50	**517**
Aged over 50	**9**
By regions	
Beijing	**519**
Shanghai	**151**
Other regions	**247**

The turnover rate[3] of employees by gender, age groups and regions are shown as below:

	Data for 2024 (%)
By gender	
Male	**13.49**
Female	**13.30**
By age groups	
Aged 30 or below	**22.07**
Aged 31 to 50	**7.07**
Aged over 50	**22.22**
By regions	
Beijing	**13.36**
Shanghai	**13.86**
Other regions	**13.16**

2. Remuneration, Benefits and Development

The Company provides employees with comprehensive remuneration and benefits, adopts a scientific and rigorous performance evaluation mechanism, and establishes a transparent and fair promotion pathway. Besides safeguarding employee interests and rights and supporting their development needs, the Company strives to foster a working environment characterized by equality, unity, collaboration and shared progress.

- **Compensation and Incentives:** The Company strictly complies with national and regulatory requirements and enters into labor contracts with employees in accordance with the law. We upholds the principle of position-based salary and provide fair and competitive compensation to employees at different positions taking into account employees' education background, professional capabilities and overall job performance. We offer an employee share ownership plan for our core employees, enabling them to share in the Company's development.

Note:

3. Employee turnover data covers full-time employees, excluding part-time employees.

- **Benefits:** The Company pays social insurance and housing fund in full for employees, and provides commercial medical and accident insurance, annual physical examination and other forms of benefits. On top of the national statutory holidays, we provide annual paid leave and paid sick leave based on the working age and length of service, as well as paid maternity leave and parental leave for female employees and paid paternity leave for male employees. The Company has established an employee care and support fund, and allocates monthly funds for departmental team-building activities to fully support and implement employee care initiatives. We regularly organize a wide range of engaging activities to alleviate work-related stress and reinforce the Company's cultural values. On our 1024 Programmers' Day, we promoted a culture of engineering excellence through interactive quiz games, and arranged afternoon tea benefits across branch offices to celebrate with employees. To mark our 8th anniversary, the Company produced a commemorative video themed "Journey to the Mountains and Seas with our Boundless Passion". All departments were invited to contribute footage and participate in the production, showcasing employee stories that highlight the value of their roles. Additionally, all staff members received anniversary gifts including themed T-shirts and plush toys. Furthermore, festive gift packs and benefits such as cinema vouchers and red packets were distributed during traditional holidays including the Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival, fostering team spirit and enhancing employees' sense of happiness and belonging.

- **Performance:** The Company has established a scientific and rigorous performance evaluation mechanism, whereby conducting regular assessments for all employees. Performance evaluation cycles are tailored according to business characteristics. The performance evaluation process encompasses the formulation of individual employee development plans, performance improvement, self-assessment of goal achievement, and supervisor assessments. Furthermore, the results of performance evaluations are applied in areas such as talent development, promotions, and bonus allocations. Throughout the performance evaluation process, we maintain ongoing two-way communication and feedback with employees to enhance their competencies and improve performance outcomes. Furthermore, we have introduced awards for outstanding individuals and projects to recognize and honour their significant contributions, thereby inspiring greater enthusiasm and dedication among employees.

- **Promotion:** The Company upholds the principles of objectivity and fairness in promotion, and continues to improve the rules, mechanisms, and procedures for talent development and career advancement. We are committed to providing employees with a clear career development platform, encouraging and supporting them in independently planning their professional paths, and growing together with them. In 2024, we organized promotions through the management track, adopting a fair and transparent promotion interview process. This initiative not only helped strengthen the Company's management talent pool but also provided participating employees with well-rounded growth advice from multiple perspectives, supporting their long-term career development.

3. Work-life Balance

The Company encourages and support employees to maintain a work-life balance, and establishes a scientific and reasonable attendance management system based on the nature of positions and job requirements. The Company mainly implements the standard working hours system, while a flexible working hours system is adopted for some special positions. In principle, overtime is not encouraged. If overtime is necessary due to special circumstances, employees are required to apply in advance and obtain approval before working overtime. For overtime work of employees under the standard working hours system, the Company provides meal allowances and reimburses transportation expenses, thereby ensuring the protection of employees' rights and interests.

4. Health and Safety

The Company is highly concerned about the health and safety of our employees. In strict compliance with national laws and regulations, including the Labor Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, and the Fire Control Law of the People's Republic of China, our internal policies and systems, such as the Employee Code of Conduct, Visitor Entrance Procedures, Fire Safety Management System, Fire Emergency Plan and No-Smoking Regulations, are formulated to ensure the safety and comfort of our office environment and fully protect the physical and mental well-being of our employees.

Focus on employee health and well-being:

- The Company has designated smoking areas in non-office areas and strictly prohibits employees and visitors from smoking or the use of e-cigarettes in our office premises, to avoid negative impacts on the health of other employees;

- The Company provides a fully-facilitated gymnasium and encourages employees to establish, operate and participate in various cultural and sports clubs to enhance their physical fitness and cultivate their sentiments through these activities;

- The Company cares about the mental health of our employees and have engaged professional psychological counseling agencies to provide EAP[4] counseling services to our employees, to help employees deal with emotional or psychological problems, and resolve work-life challenges. We regularly promote EAP services to employees and encourage them to seek help proactively, while evangelizing about maintaining a positive, active, and optimistic attitude towards life and work.

Note:

4. EAP, Employee Assistance Program.

Environmental, Social and Governance Report

Ensuring a safe office environment:

- The Company enhances the fire safety management in the office area. We strictly prohibit any obstruction or misuse of fire protection facilities and equipment or the piling up of miscellaneous objects in fire exits. We also increase the frequency of inspections of fire exits. We require employees to be familiar with emergency evacuation routes and safety doors in the office areas. We raise employee awareness of fire safety by posting the fire evacuation signs, playing fire safety knowledge promotion videos on a rolling basis and other methods, while organizing regular fire drills and emergency training sessions to ensure employees will master the essential safety practice skills.

- The Company has installed automated external defibrillator (AED) equipment in our office areas in Beijing and Shanghai and regularly check the functionality of the equipment to enhance our emergency response capabilities in case of a medical emergency, so as to provide safe and reliable office conditions for our employees.

	Data for 2022	Data for 2023	**Data for 2024**
Total number of work-related fatalities (employee(s))	0	0	**0**
Rate of work-related fatalities (%)	0	0	**0**
Number of work-related injuries (employee(s))	1	1	**2**
Lost days due to work-related injuries (days)	51	41	**58**

5. Employee Training

The Company has enhanced the construction of the employee training system and platform, providing comprehensive learning resources and support for development projects. We have established a diversified and differentiated training curriculum and introduced professional learning resources to help employees enhance their overall capabilities and achieve personal growth that aligns with the Company's development.

We provide all employees with a wide range of online and offline learning resources, and select experienced external industry lecturers to provide their industrial insights. We also encourage our employees to share their experiences accumulated over the years. For employees at different levels and in different positions, we precisely match courses based on business characteristics and talent profiles, and design training contents that cover general skills, professional knowledge, anti-corruption, and other areas. Furthermore, training contents are adjusted in a targeted manner to more effectively improve employees' personal abilities and professional skills. We also empower our training forms by keeping pace with new technologies such as artificial intelligence and new industry trends, and incorporating relevant information and knowledge into our courses. For instance, we have designed and organized AIGC competitions in our campus recruitment and training and introduced immersive scenario-based teaching models in our management courses to enhance the learning experience of our employees.

We continue to promote the application of our online learning platform. Employees can use this platform to register for online courses, sign in, take exams, participate in live sessions, review recorded content, complete surveys, and many other operations. This enables them to study at any time and place, thereby improving their learning efficiency.

- **New employee training:** For newly hired employees, we conduct orientation training that covers the Company's culture, strategic planning, and policies and regulations, which will enhance their adaptability and sense of identification with the Company. We also organize the "1.1.1 Creation Camp Programme" for graduates from campus recruitment. This three-month programme for newly recruited graduates includes a total of 25 courses, which helps them quickly understand and integrate into the Company, acquire professional skills, and improve their professional literacy. In addition, we actively provide opportunities for communication between new and experienced employees, including inviting senior colleagues from campus recruitment, mentors, outstanding employees, and business leaders to share their experiences face-to-face with new employees, helping them to successfully transition from campus to the workplace.

- **Professional competency training:** We have established an employee training system based on the professional requirements of each position. On the technical side, we launched the "Research and Development Quality Month" event, organized several sharing sessions related to "Research and Development Quality Standards and Regulations", and conducted comprehensive assessments for all employees in the technical division. We also regularly hold technical learning seminars, inviting experts from various fields to share their business insights and project experiences based on the needs of employees and the requirements of business positions. In addition, we support employees to participate in external forums and summits on a quarterly basis, which will be used for in-depth discussions and exchanges within the Company to promote knowledge sharing and innovation. On the business side, we have introduced the "Wolf Warrior Training Camp" programme, which conducts a systematic course every quarter. Through mentorship-based sandbox simulations, this programme facilitates the rapid growth of new hires and develops the coaching skills of experienced employees.

- **Leadership training:** We encourage managers to identify and develop high-potential talents, providing opportunities and coaching through talent assessment, training sessions and other scenarios, including Disc assessments, leadership training, and sand table-based business simulation exercises. In 2024, we conducted two sessions of Disc training. Using professional assessment tools, we comprehensively evaluated and prepared reports on each participant's personality traits and behavioural styles, which were combined with our courses to help employees understand themselves and others better. This promotes more effective team collaboration and communication through self-adjustment. We also customized a two-day Leadership Rally training programme for newly promoted managers, covering core content such as role transition, goal setting, trust building, and employee motivation and coaching.

- **Professional qualification and degree programme support:** We encourage and support employees in obtaining job-related professional certifications and pursuing higher academic degrees. We provide financial resources for examination fees and other support to meet job requirements and enhance professional capabilities, thereby helping employees to better achieve their career development. For senior management talents, we offer learning opportunities such as EMBA programmes, covering the tuition fees for a two-year course and providing paid study time support. In addition, we mobilize employees to register for the National Performance Agent Qualification Examination and the Online Audio-Visual Review Certificate Examination. We also arrange dedicated personnel to organize and manage study groups to ensure the systematic and efficient learning process. Furthermore, incentives will be given to employees who pass the exams to further motivate their enthusiasm for learning and career development.

In 2024, the percentage of employees trained[5] by gender and employment types is as follows:

	2024 Figures (%)
By gender	
Percentage of male employees trained	**68.16**
Percentage of female employees trained	**54.66**
By employment types	
Percentage of management employees trained	**21.05**
Percentage of non-management employees trained	**61.92**

In 2024, the average training hours per employee was 4.69 hours, and the breakdown of the average training hours per employee by gender and employment types is as follows:

	2024 Figure (hour)
By gender	
Average training hours per male employee	**5.82**
Average training hours per female employee	**3.68**
By employment types	
Average training hours per management employee	**17.00**
Average training hours per non-management employee	**4.42**

Note:

5. The scope of employee training data covers full-time employees of the Company and excludes part-time employees.

6. Employee Communications

The Company actively fosters a harmonious and open work environment by enriching communication channels for our employees and strengthening internal communication mechanisms, ensuring employee concerns are fully articulated and effectively addressed to promote positive engagement between staff and the organization.

- **Communication channels:** We actively establish diversified communication and feedback channels, providing employees with convenient platforms for interaction. Employees are encouraged to proactively engage in communication through various forms such as online work chat groups, virtual office platforms, feedback email boxes, and offline exchange and sharing sessions. These channels enable them to promptly express their demands and provide objective feedback and suggestions. The Company regularly organizes business communication meetings and face-to-face exchanges with the management to receive and address employee concerns, thereby fostering a harmonious and positive working environment. We also attach great importance to the protection of personal information privacy in employee feedback. Employees may choose to provide feedback anonymously or under their real names according to their own wishes, effectively safeguarding their rights and interests.

- **Communication mechanism:** We have established a two-way communication mechanism within teams to enhance the interaction between supervisors and employees. Supervisors are required to communicate with employees in a timely manner on issues related to personal development and training plans, promotion and performance, and to provide prompt feedback on performance assessments to ensure transparency of information. At the same time, we encourage employees to actively voice their demands and suggestions. Through two-way interaction, mutual trust is strengthened, promoting the personal growth of employees and the overall development of the team.

IX. SUPPLIER MANAGEMENT

The Company has formulated a series of administrative rules, including the Supplier Information Form, Supplier Data Form, Business Ethics Commitment Letter, Supplier Management Rules, and Supplier Procurement Practices, in strict compliance with the Law of the People's Republic of China on Bid Invitation and Bidding, the Implementation Regulations of the People's Republic of China on Bid Invitation and Bidding and other laws and regulations, for the purpose of enhancing the standardisation and transparency of supplier management processes, strictly controlling the environmental and social risks associated with supplier development and admission, evaluation and grading, and daily management. We proactively practice green procurement principles, by focusing on suppliers' performance of environmental and social responsibilities at all stages of the procurement process, while fostering a harmonious and mutually beneficial collaboration with our suppliers.

1. Supplier Development and Admission

The Company strictly complies with the Supplier Management Rules and other systems and regulations, actively conducts supplier access qualification audits through information retrieval, business negotiation, on-site inspection, etc., and strictly implements the requirements of supplier access management. When selecting suppliers, we not only focus on their basic background information such as their scale, product and service quality, delivery time and price, but also pay attention to the suppliers' performance in environmental and social responsibilities, as part of our efforts to rigorously prevent admission of suppliers with identified issues in environmental or social aspects. In our supplier procurement process, we prioritize suppliers with relevant environmental qualifications, such as ISO environmental management certification and European standards certification. For electrical equipment procurement, including computers and printers, we commit to prioritizing suppliers who provide energy-efficient equipment, and proactively encourage suppliers to adopt environmentally friendly products and service practices more broadly, in order to promote the sustainable development of the supply chain.

In 2024, we conducted a comprehensive review of the bidding and tendering process, and assessed whether the products selected by suppliers were environmentally friendly and whether the employment practices were safe. We actively urged suppliers to fulfil their environmental protection and social responsibilities.

2. Evaluation and Grading of Suppliers

The Company strictly implements a supplier evaluation and classification mechanism, and conducts annual reviews of suppliers' agency authorisations and qualifications, focusing on key information such as the validity of supplier credentials. Only suppliers that pass the review are permitted to continue their cooperation with the Company. We regularly conduct comprehensive evaluations of the quality of products and services provided by suppliers, as well as their environmental and social performance using methods such as updating the Supplier Information Form, and engaging in face-to-face negotiations. The evaluation results are considered as important reference factors and standards for subsequent cooperation with suppliers and suppliers grading. The Company will remove suppliers who fail to fulfill their contractual obligations in time to strictly control the quality of products and services from the supplier.

3. Maintenance and Management of Supplier Database

The Company has established and continues to maintain a supplier database, regularly updated and backed up supplier qualifications, supplier list, files and other relevant information, and made clear provisions for the storage and updating of supplier data, enabling efficient management of suppliers. In addition, we regularly identify and continuously monitor the ESG-related risks and performance of suppliers. If a current supplier has abnormal operation, environmental and administrative penalties, legal disputes, or is blacklisted by the relevant authorities, we will promptly remove them from the database and cooperate with stand-by suppliers or newly developed suppliers to ensure our ability to provide uninterrupted quality services, so as to effectively avoid the risk of supply chain disruption.

4. Supplier Integrity Management

The Company adheres to the principles of openness, fairness and impartiality in the business operations and attaches the importance to the suppliers' integrity performance, so as to work together with suppliers to build a clean and ethical supply chain ecosystem. All contracts executed between the Company and the suppliers incorporate the Anti-Commercial Bribery and Anti-Corruption Declaration, explicitly requiring both the Company and partners to adhere to the principles of honesty, trustworthiness, integrity and self-discipline. Meanwhile, we require all suppliers to sign an Integrity Cooperation Agreement when concluding contracts, which standardizes and binds suppliers to comply with anti-corruption and incorruptibility clauses. We explicitly notify suppliers of the Company's whistleblowing channels, stipulating that any instances of malpractice or inequitable practices observed during business collaborations may be reported to the Company via designated hotlines or whistleblowing email addresses. In the course of contract performance, we firmly oppose any form of bribery and corruption. If suppliers are found to engage in any form of fraud, bribery or misconduct, we will take appropriate measures such as isolation, recovery, or termination of cooperation, depending on the severity, and reserve the right to pursue legal actions to maintain a fair and clean cooperative environment.

As at the end of 2024, the Company maintained long-term good relationships with 1,347 suppliers[6], with specific geographical region as follows:

	2024 Figure (supplier)
Number of suppliers by geographical region	
Number of suppliers in China	**1,272**
Numbers of suppliers in Hong Kong, Macau and Taiwan	**64**
Number of suppliers in other regions	**11**

X. PRODUCT RESPONSIBILITY

Adhering to a customer-centric and responsible operational philosophy, the Company strives to provide customers with high-quality products and services. In strict compliance with laws and regulations such as the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and relevant industry requirements, we improve our intellectual property protection management system, strengthen advertising compliance, regulate network content review mechanism, respect the protection of user privacy and data security, actively fulfil our social responsibilities, establish a good brand image, and promote the sustainable development of the Company. The Company is not involved in the recall of sold or shipped products for safety and health reasons, nor is involved in the quality verification or the recall process of products.

1. Intellectual Property Rights Protection

In strict compliance with the relevant laws such as the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and the Implementing Regulations of the Trademark Law of the People's Republic of China, the Implementing Regulations of the Copyright Law of the People's Republic of China, and the Implementing Regulations of the Patent Law of the People's Republic of China, the Company promotes the implementation of intellectual property protection work, and has developed a robust intellectual property management system. We respect the intellectual property rights of others while protecting our own intellectual property rights.

Note:

6. The scope of supplier statistics is all types of qualified suppliers in the supplier database as at the end of 2024.

The Company's intellectual property include trademarks, domain names, copyrights, patents, and other categories. We reasonably safeguard our rights and interests through prompt application, registration or record of our intellectual property rights, and continue to monitor the term of use of intellectual property to ensure timely renewal upon the expiration of the valid period, ensuring the protection of our own legitimate rights and interests. Where the Company's intellectual property rights are infringed, we will safeguard our legitimate interests and rights through legal recourse and resolutely combat infringement acts. In cases where fonts, images, and other elements involved in business cooperation may relate to intellectual property rights, we employ methods such as searching, analyzing, making judgments, and signing contracts with suppliers to maximize the avoidance of infringing upon others' intellectual property rights and effectively protect the rights of all parties involved. Furthermore, as our performing business expands, performance projects entail heightened public scrutiny and brand-related risks. In 2024, we further improved our offline operations team dedicated to on-site project follow-up and management, promoting the protection of our brand.

We promote and conduct knowledge dissemination, training, and promotional activities related to intellectual property rights to enhance employees' ability to identify and respond to infringement incidents. We arrange business training sessions focused on intellectual property rights to employees in relevant departments such as legal department, so as to enhance their awareness of intellectual property protection, effectively preventing infringement events.

2. Advertising Compliance

In strict compliance with all the related laws and regulations, like the Advertising Law of the People's Republic of China, and Measures for the Administration of Internet Advertising, the Company has formulated administration system such as the Maoyan Advertisement Review Standards and Maoyan Advertisement Resource Application Standards to clarify marketing review criteria and processes and strengthen the compliance management of advertising.

Adhering to the concept of fair marketing, we strictly review the authenticity, legality, and expression of advertising content, with a focus on the promotional and display materials and external promotional terms of high risk industries including finance, pharmaceuticals, healthcare, and real estate, etc., in order to avoid misleading consumers with advertising content and marketing terms, and effectively safeguard the legitimate consumer interests and rights, promoting the healthy development of market order.

3. Content Management

The Company has established a standardized content governance mechanism to actively fulfill the main responsibility as a network information content service platform and strive to provide consumers with compliant, healthy and high-quality information content.

We conduct stringent content reviews, primarily focusing on user-uploaded materials, including textual movie commentaries and videos. Key review aspects include identifying inappropriate remarks or third-party platform advertisements in text-based movie commentaries, and verifying compliance of video covers, titles, and content with regulations while detecting improper promotional content. We have optimized and enhanced our review framework by implementing two review defence lines, subjecting all materials to both automated screening and manual inspection to ensure thoroughness and precision. For films addressing special themes or attracting significant public attention, we perform multiple daily investigations and pre-emptive monitoring and preventative measures. During peak seasons such as New Year, Spring Festival, May Day, and summer seasons, we intensify scrutiny on specific movies.

The Company has partnered with multiple third-party review teams to conduct cross-checks on the text, images and videos published on platforms such as the Maoyan App and Maoyan mini-program. Leveraging the three key technologies of content compliance recognition, user behavior review and blacklist keyword identification, we aim to minimize the occurrence of overlooked or misjudged reviews. Meanwhile, we have set unified review requirements for third-party review teams regarding content, frequency and standards, in order to standardize the review system and ensure the quality of reviews. Furthermore, we have established reporting channels and encourage users to proactively report any violations, working together to maintain a healthy online content ecosystem.

For non-compliant content, we identify the type of violation and carry out targeted actions. In cases involving promotional activities linked to other platforms, violators are required to revise their titles and make necessary adjustments. For extreme remarks, the relevant content will be hidden by the backend, and users may be banned depending on the severity of the violation. If users dispute the outcome of comment moderation, we will follow up promptly to address their concerns.

4. Data Security and Privacy Protection

The Company strictly complies with the national laws, regulations and normative documents such as Cyber Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China, the Measures for Determining the Illegal Collection and Use of Personal Information through Apps (*《App違法違規收集使用個人信息行為認定方法》*) and the Regulation of Necessary Personal Information Scope by Common Mobile Internet Application (*《常見類型移動互聯網應用程序必要個人信息範圍規定》*), as well as special action requirements of industry regulators, and have enhanced our privacy and data security management framework, and strengthened internal regulatory frameworks to advance the implementation of privacy and data security protection measures. Meanwhile, we intensify staff awareness campaigns and training programmes to elevate employees' consciousness in safeguarding data security and privacy, comprehensively ensuring robust protection of users' data security and personal privacy.

- ***Management structure***

  The Company has established a Data Security Management Committee, which is responsible for coordinating and maintaining all aspects of the information security work of the Company, formulating specific strategies and plans, and steering the overall direction of information security work. The Chief Technology Officer of the Company serves as the highest leader of the Data Security Management Committee, and is supported by the leaders of the operations and maintenance department and the heads of other first-level departments who serve as members. The operations and maintenance department serves as the executive body for information security work, responsible for implementing various tasks assigned by the Data Security Management Committee. During the year, the Data Security Management Committee strictly enforced online content review standards, and further expanded the coverage of security protection services. At the technical level, we have also strengthened risk control measures on employee terminals and enhanced employees' awareness of phishing and data leakage prevention, thereby reinforcing a comprehensive line of defence for information security.

- ***Regulatory framework***

  The Company has formulated regulations and systems that are applicable to all employees, relevant business units and subsidiaries, such as the Privacy Policy, the Data Security and Confidentiality Regulations, the Data Security Management Regulations and the Sensitive Information Definition Standards and Approval Process of Sensitive Information Acquisition, which clearly define privacy and data security management strategies and responsibilities and strictly regulates the collection, use, storage, protection and management process of user information and data, providing comprehensive protection of user privacy and data security.

- ***Management Measures***

  - **Information and data security classified protection:** We implement tiered access control for information and data of different sensitivity levels, and adopt corresponding security strategies. For the acquisition of sensitive information, we introduce corresponding stringent approval processes and approvers are designated. If it is necessary to access sensitive information from other departments, approval must be given by at least two heads or supervisors of first-level department. We have formulated detailed security regulations to cover the storage, transmission, release and destruction of information, as well as account, office network, and PC security. Furthermore, we provide feedback channels, and introduce well defined measures for rewards and punishments to prevent the divulgence of internal information.

  - **Safeguarding information control rights:** The Company has improved the Maoyan Movie User Agreement to ensure users have full control over their personal information, including the rights to access, rectify, and delete their personal information, as well as the right to terminate their accounts. Convenient functions are provided within the App to ensure that users are well-informed and able to efficiently exercise their rights. We strictly uphold the principle of “minimum necessary” and ensure that all information is collected and used only to the extent necessary. When collecting personal information of our users, we proactively and clearly notify our users the approach, type, purpose, and scope of personal information to be collected, used, stored, and protected. The information is only collected with users’ permission.

- **Emergency response system:** We have established the emergency leadership team, which is responsible for assessing the categories and ratings of information security incidents, and activating the corresponding emergency decision-making mechanism. Furthermore, we have maintained the Network and Information Security Emergency Response Plan, the Standards for Security Vulnerability Rating and Response Processing, and other systems and regulations, which is applicable to all employees, relevant business units and subsidiaries, and established the security vulnerability rating standards, response and restoration time, as well as the standard procedures of system security emergencies, ensuring that emergencies are addressed efficiently and our business continuity is maintained.

- **Information security audit:** During the year, the Company conducted an information security protection level assessment. The assessment covered various aspects, including secure network communications, server and terminal security, application and data security, and security management systems. Assessment results indicate that the Company's information security protection level has reached a "Good" rating.

- **Information security personnel training:** We place great importance on fostering employees' awareness of information security. We incorporate information security and confidentiality training for new employees into their induction training program, and periodically share information security protection contents with all employees through our internal communication tools. For instance, based on security risk event cases, we disseminate educational reminders to raise employees' awareness of safeguarding customer privacy and information security.

- **Third-party data management:** We undertake not to rent, sell, or disclose users' personal data to any third party in any form. User information is only provided in response to formal requests from public security authorities, supported by valid credentials and official stamped documents. The Company does not collect or obtain user information from any third-party sources. In our collaborations with suppliers or partners, we strictly enforce data protection requirements by signing confidentiality agreements with them, which clearly define responsibilities for data security and specify the permitted scope of data usage. We also conduct security qualification reviews of our partners to ensure they possess the necessary capabilities for information security protection, thereby jointly safeguarding user data security and privacy.

In 2024, the Company did not identify security incidents of consumer privacy or user data leakage.

5. Customer Services

Upholding the "Customer-centric" principle, the Company is committed to providing efficient and precise service support. We continue to expand diversified customer communication channels, carefully listen to customer opinions, optimize service processes based on customer feedback to enhance the overall customer experience, and leverage technology to effectively prevent non-compliant behaviour and safeguard customer rights and interests.

■ ***Customer Service Channel Development***

We have introduced online customer service entry points across new platforms including the Douyin Maoyan Films mini-program, Douyin Maoyan Performances mini-program, and Pinduoduo stores, alongside expanding hotline channels to ensure customers can access rapid assistance at all interaction stages. This provides user-friendly support for customers unfamiliar with platform operations while optimizing and enhancing customer experience. Additionally, for B2B cinema clients, we launched a dedicated service quality improvement initiative in 2024 to address pain points such as identity verification processes, which has significantly improved service satisfaction among cinema clients.

■ ***Customer Complaint Management***

We prioritise mid-sales and post-sales phases by conducting keyword-based quality checks to identify risk terms, complemented by manual quality inspections to ensure service accuracy and elevate issue resolution rates. We have also optimized the customer feedback process by collecting satisfaction ratings via SMS, thereby enhancing the authenticity and voluntariness of customer evaluations. We regularly compile key data on complaint volume, complaint rate, resolution rate, satisfaction, government complaint volume, and connection rate, and summarize these findings in weekly, monthly and annual reports. We analyze projects with concentrated customer complaints and high-risk cases, so as to develop effective solutions to increase customer satisfaction. In 2024, we introduced analyses of high service rate projects and government complaint reports to further enhance the development of a comprehensive customer complaint analysis system.

In 2024, we have received a total of 1,126[7] customer complaints regarding our products or feedback, with a 100% customer complaint resolution rate and an overall user satisfaction rate of 89.80%.

Note:

7. The statistical scope of the number of customer complaints is the data of non-customer liability complaints received by the Company for its film business from the Administration for Industry and Commerce, 12315 and 12345 hotline in 2024.

- ***Service Quality Enhancement***

We have updated and refined the customer service quality evaluation framework, assessing key indicators including response speed, daily call volume, first-call resolution rate, and customer satisfaction ratings for service teams. Performance reviews are used to strengthen weaker indicators and elevate overall service standards. During the year, we introduced additional performance indicators for second-line customer service and customer service management, including CPD[8] and issue resolution rate assessments. For performance customer service, we added an accuracy assessment for refund processing to ensure the implementation of standardized procedures. To further enhance service quality, we conduct monthly training sessions for new staff, quarterly training for management personnel, and targeted training for part-time employees during holidays. The training covers business overviews, service standards, system usage, and upgrade procedures, ensuring continuous improvement of the customer service team's professional capabilities.

The Company proactively addresses challenges including "fraudulent ticket scalping and malicious refunds" and "scalper prevention" through technological safeguards to protect the consumer rights and interests, thereby effectively safeguarding customer rights, and fostering the healthy development of the industry ecosystem.

Note:

8. CPD, call per day.

XI. BUSINESS ETHICS MANAGEMENT

The Company adheres to the principles of integrity and compliant development, striving to build a transparent and fair business environment. We continuously improve our systems for anti-corruption and anti-bribery, strengthen employee conduct management, and conduct business ethics training to enhance overall professional standards. In addition, the Company has established a standardized whistleblowing management mechanism to reinforce integrity oversight, and conducts regular audits on business ethics-related matters to ensure that all business activities comply with legal and ethical standards, thereby laying a solid foundation for our sustainable development.

1. Anti-Corruption Management

The Company strictly adheres to laws and regulations including the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Prohibition of Commercial Bribery, and formulates internal regulations such as the Maoyan Entertainment Anti-Corruption Policy tailored to business operations to define standards for commercial conduct. We require all employees to strictly comply with anti-corruption provisions as outlined in the Employee Manual. All new hires must sign, acknowledge, and adhere to a declaration of the relevant code of conduct. An English version of the Staff Code of Conduct has also been prepared for overseas colleagues, enhancing the anti-corruption management framework for overseas staff. The Company continues to optimise and strengthen the anti-corruption management system to ensure the effective implementation of relevant policies. We firmly oppose any conduct that violates business ethics, including corruption, bribery, malpractice, extortion, deception, and money laundering. We strive to foster a workplace that is honest, open, and transparent, and to build an operating environment rooted in integrity and accountability.

The Company has joined the Trust and Integrity Enterprise Alliance, an industry autonomous organization of Internet enterprises for anti-corruption, and the Tencent Sunshine Cloud Platform (騰訊陽光雲平台), an anti-fraud information sharing platform initiated by Tencent, and is committed to jointly combating behaviour that violates business ethics and strengthening the construction of our integrity system through online channels.

In 2024, there was no corruption-specific lawsuit filed and completed against the Company. We will continue to strengthen internal supervision and audit efforts to ensure the compliance and transparency of the Company's operations, upholding the highest standards of business ethics.

2. Business Ethics Training

The Company integrates codes of conduct and internal policies into mandatory induction programmes. We conduct regular integrity training for the new hires, incumbent employees, and directors every year, the content of which includes the impact of integrity on individuals and the Company, the norms and interpretation of the Company's systems, and sharing of relevant job crime cases, and anti-corruption dynamics in the industry, which instils a professional ethical view of integrity and honesty into our employees and enhances their compliance awareness. In 2024, we conducted two business ethics training sessions for directors, focusing on anti-corruption practices, with 11 directors participating. Additionally, we held seven business ethics training sessions for new employees, covering 153 externally recruited employees and 27 campus recruits. These training sessions included anti-corruption and malpractice awareness, conflict of interest declarations, and the code of conduct. Each participant received an average of 0.5 hours of training, with a 100% pass rate on the assessments. We tailored the training cases dynamically according to the different business lines of the new employees to enhance their sense of involvement and participation. This approach helps them better understand the risks of malpractice and bribery from a business perspective and strengthen their ability to respond effectively.

We regularly push articles themed on integrity to all employees through our corporate official account. A total of five articles were disseminated during the year, including "Welcoming the Mid-Autumn Festival and Rejecting Gifts", "Welcoming the Incorruptible New Year in a Civilized and Healthy Way, and Celebrating the Family with Integrity and Frugality", and "Anti-corruption Dynamics in the Industry." Meanwhile, our "Declaration of No Conflict of Interest/Relevance Information" is disseminated to remind employees to proactively report and denounce fraudulent acts, and to enhance their awareness of anti-corruption. Furthermore, we engage in distributing integrity surveys, setting up anti-fraud exhibition stands, and other forms to integrate the concept of incorruptibility and integrity into employees' leisure activities. Therefore, the business ethics standard has become deeply ingrained in our employees.

3. Whistleblowing channel and whistleblower protection

We have established and implemented the Maoyan Entertainment Whistleblowing Policy to regulate the whistleblowing management mechanism, whereby clarifying the whistleblowing channels, procedures, and whistleblower protection requirements. The internal audit and supervision department is responsible for implementing and carrying out the prevention, oversight and management of anti-corruption and anti-bribery practices, and operates under the supervision and overall governance of the Audit Committee of the Board of Directors. We explicitly require that reports of disciplinary offences are investigated by a designated officer from internal audit and supervision department of the Company, and that all related information about acceptance, investigation and decision on the cases must be filed faithfully.

We provide various whistleblowing channels, including an email address for reporting clues for fraud on the homepage of our website, a whistleblowing hotline, official accounts such as Daxiang and other channels, and encourage employees and suppliers to actively report any improper action such as graft and fraud through these channels. We highly appreciate the privacy protection of our whistleblowers, and have clearly defined the whistleblower protection policies and management measures in internal regulations such as the Employee Manual. Real-name whistleblowing and anonymous whistleblowing methods are made available, and the whistleblower's information is strictly kept on a need-to-know basis. Save for consent by the whistleblower in writing, information about the whistleblower will never be publicized. The Company absolutely opposes any form of retaliation against whistleblowers, such as obstruction, threats, intimidation, or harm, and any such behavior will be dealt with seriously in accordance with the law once discovered. For cases that are confirmed, we will impose corresponding punishments based on the degree of discipline violations, and in the event of any unlawful act, we will report to the higher authorities and affix legal liabilities on them as appropriate.

4. Business Ethics Audits

The Company has strengthened the supervision of business ethics performance by regularly conducting internal control and audit projects that cover areas involving business ethics such as employee compliance and corruption risks. These efforts aim to regulate ethical business conduct and strictly control red-line requirements related to anti-bribery, anti-fraud, employee behaviour management, and unfair competition. The internal audit and supervision department formulates the audit plan at the beginning of each year. It conducts a comprehensive assessment of the coverage of audit projects in previous years and determines the audit priorities for each year based on industry risks, business characteristics, and financial item risks. The goal is to cover all business operation units within a three-year cycle. In 2024, the Company's audit work focused on areas related to marketing expenses, with an average of one audit per quarter. The audit covered performance business, reputation business, film publicity business, and platform event business. In addition, we conducted audit checks on the introduction of suppliers, contract signing, performance monitoring, acceptance and settlement, and other aspects, with a particular focus on whether there were undeclared conflicts of interest with suppliers and the authenticity and rationality of the expenses. Based on the audit results, the Company will initiate corresponding investigations and implement various corrective measures.

XII. COMMUNITY INVESTMENTS

The Company adheres to the responsible business philosophy and actively fulfils social responsibility. While providing high-quality entertainment content to consumers, we proactively engage in public welfare and charity, and collaborate with all stakeholders to participate in community construction, creating mutually beneficial and win-win community relations. In line with our business advantages, we proactively coordinate resources and conduct charitable activities in various fields to enhance social welfare. By supporting outstanding film and television talents and works, we promote industry advancement, create social value for the industry, and contribute to the building of a better society.

1. Charitable In-Kind Donations

The Company adheres to the public welfare philosophy of giving back to society and focuses on the development of vulnerable groups. We persist in making charitable donations in kind to charitable institutions every year. By thoroughly understanding the actual needs of children with disabilities, we have procured a range of professional teaching aids for special education institutions, including desks and chairs, watercolor brushes, dance poles, and yoga bricks. This has effectively improved their teaching conditions. Not only have we helped these institutions explore new models of art and sports rehabilitation teaching, but we have also provided support for children with autism and other intellectual disabilities. Through continuous public welfare investment, the Company is committed to fulfilling the corporate social responsibility and contributing to social equity and harmonious development.

2. Public Welfare Initiatives in Films

The Company actively fulfils the social responsibilities through concrete actions, demonstrating the philanthropic spirit of the film industry. The Company participated in the "Movie Viewing for Love with Charity Day of China" (中華慈善日觀影獻愛心) campaign initiated by the China Charity Federation on the occasion of the 9th Charity Day of China and made a donation of RMB460,000, contributing to the fundraising of charitable funds. These funds are designated for public welfare film productions, including those related to AED emergency response, and other charitable cultural initiatives. Through the power of cinema, the campaign aims to raise public awareness of first aid and improve emergency response capabilities for situations such as sudden cardiac arrest.

3. Caring Support for Vulnerable Groups

The Company actively participates in the production and promotion of films characterized by a sense of social responsibility, leveraging the influence of cinema to raise public awareness and encourage public reflection on real-life issues. The film Lose to Win, for which the Company acted as a producer, promoter, and distributor, centers on the Xin Youth community[9], highlighting the challenges they face in everyday life and work in terms of film subject matters, and calling for the public to view this group with empathy and equality. During filming, actors from the Xin Youth community were genuinely cast, providing them with employment opportunities. Furthermore, during the promotional and marketing phase, the production team promoted the knowledge and awareness of this special community by distributing viewing guides for Xin Youth audiences and other forms. This helped the general public gain a deeper understanding and awareness of this community.

Viewing guides for Xin Youth audiences

Note:

9. The Xin Youth community refers to the group of young people with intellectual disabilities.

Definitions and Glossary

"AGM"	the Annual General Meeting of the Company to be held on June 25, 2025
"Articles of Association"	the second amended and restated memorandum and articles of association of the Company adopted on June 28, 2023
"Audit Committee"	the audit committee of the Company
"Beijing Maoyan"	Beijing Maoyan Cultural Media Co., Ltd. (北京貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC on November 12, 2015 with limited liability and a Consolidated Affiliated Entity
"Beijing Weige Shidai"	Beijing Weige Shidai Entertainment Technology Co., Ltd. (北京微格時代娛樂科技有限公司), a company incorporated under the laws of the PRC on March 9, 2016 with limited liability and a Consolidated Affiliated Entity
"Board"	the Board of Directors of the Company
"BVI"	the British Virgin Islands
"Cayman Companies Act" or "Companies Act"	the Companies Act of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Chengdu Pictures"	Chengdu Maoyan Pictures Co., Ltd. (成都貓眼影業有限公司), a company incorporated under the laws of the PRC on October 24, 2024 with limited liability and a Consolidated Affiliated Entity
"China Literature"	China Literature Limited (閱文集團), an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 772)
"China Literature Group"	China Literature Limited, its subsidiaries and its consolidated affiliated entities from time to time
"Company" or "our Company"	Maoyan Entertainment, an exempted company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1896)

Definitions and Glossary

"Confirmation Letter"	In response to the lawsuits in which Weying acted as defendants and the equity interests held by Weying Culture in Tianjin Maoyan Weying were therefore frozen as disclosed in this report, the confirmation letter co-issued by Weying Technology and Weying Culture to Tianjin Maoyan Weying and WFOE, pursuant to which Weying undertook to comply with and fulfil the terms and conditions, responsibilities and obligations under the Contractual Arrangements including but not limited to fully cooperating with the WFOE's instructions when the WFOE exercises its irrevocable and exclusive right to purchase the frozen equity interests, or transfer the frozen equity interests to the WFOE's assignee at the WFOE's request
"Consolidated Affiliated Entities"	entities whose financial have been consolidated and accounted for as subsidiaries of the Company by virtue of the Contractual Arrangements, including the Operating Entity, Maoyan Enterprise, Maoyan Network, Beijing Maoyan, Beijing Weige Shidai, Maoyan Pictures, Chengdu Pictures, Maoyan Live JV, Shanghai Maoyan Network, Tianjin Media, Tianjin Yunchuan, Jiangsu Maoyan, Time Machine, Soushi Network, Haoying Network, Shanghai Maoyan Pictures, Guangzhou Pictures and Miaojuju as of December 31, 2024, during the Reporting Period, Tianjin Meimao, Zhejiang Maoyan Pictures and Ruihai Fangyuan, all of which were former subsidiaries, were deregistered
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, the WFOE, the Operating Entity and the Registered Shareholders
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Enlight"	for illustration purpose, means Mr. Wang Changtian, himself and his controlled entities, including Enlight Holdings and Enlight Media, for the purpose of investment in our Company
"Enlight Holdings"	Enlight Holdings Limited
"Enlight Media"	Beijing Enlight Media Co., Ltd. (北京光線傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300251), our substantial shareholder

Definitions and Glossary

"Global Offering" or "Initial Public Offering"	the offering by the Company of its Shares for subscription by the public in Hong Kong and the offering of Shares by the international underwriters outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act and in the United States to QIBs only in accordance with Rule 144A or any other available exemption from the registration requirement under the U.S. Securities Act in January to February 2019
"gross box office"	box office and the service fees paid for online movie ticketing services
"Group", "our Group", "we" or "us"	the Company, its subsidiaries and the Consolidated Affiliated Entities
"Guangzhou Pictures"	Guangzhou Maoyan Pictures Co., Ltd. (廣州貓眼影業有限公司), a company incorporated under the laws of the PRC on January 8, 2024 with limited liability and a Consolidated Affiliated Entity
"Haoying Network"	Zhejiang Haoying Network Technology Co., Ltd. (浙江浩影網絡有限公司), a company incorporated with limited liability under the laws of the PRC on June 24, 2004, and a Consolidated Affiliated Entity
"Historical ESOP Platforms"	Tianjin Caiyi, Tianjin Caixuan, Tianjin Caiying, Tianjin Caichuang and Tianjin Guanghong
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Jiangsu Maoyan"	Jiangsu Maoyan Culture Media Co., Ltd. (江蘇貓眼文化傳媒有限公司), a company incorporated with limited liability under the laws of the PRC on March 27, 2020, and a Consolidated Affiliated Entity

Definitions and Glossary

"Linzhi Lixin"	Linzhi Lixin Information Technology Co., Ltd. (林芝利新信息技術有限公司), a company incorporated under the laws of the PRC on October 26, 2015 with limited liability and one of our Registered Shareholders
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	February 4, 2019, the date on which the Shares became listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maoyan Enterprise"	Tianjin Maoyan Enterprise Management and Consulting Co., Ltd. (天津貓眼企業管理諮詢有限公司), a company incorporated under the laws of the PRC on March 1, 2017 with limited liability and a Consolidated Affiliated Entity. Maoyan Enterprise is an investment holding company which holds, directly or indirectly, minority equity investments, amounted to approximately RMB30.7 million, in certain companies ("Investee Companies") which engage in businesses subject to foreign investment prohibition or restriction, including value-added telecommunication service, radio and television program production and internet audio-visual programs. Most of the investments are passive. As advised by our PRC legal advisor, foreign investors are either prohibited or restricted from holding equity interest in companies conducting such businesses. The financial results of the Investee Companies are not consolidated into our financial statements and do not form part of our Group, and our minority investment interests in the Investee Companies are immaterial to our financial and operational results.
"Maoyan Live JV"	Tianjin Maoyan Live Technology Co., Ltd. (天津貓眼現場科技有限公司), a company incorporated under the laws of the PRC on June 19, 2018 with limited liability and a joint venture held by the WFOE and Tianjin Ganyu as to 49% and 51% of its equity interests, respectively, and a Consolidated Affiliated Entity
"Maoyan Network"	Xinjiang Maoyan Network Technology Co., Ltd. (新疆貓眼網絡科技有限公司), a company incorporated under the laws of the PRC on November 10, 2016 with limited liability and a wholly-owned subsidiary of Beijing Maoyan, and a Consolidated Affiliated Entity

Definitions and Glossary

"Maoyan Pictures"	Tianjin Maoyan Pictures Co., Ltd. (天津貓眼影業有限公司), a company incorporated under the laws of the PRC on June 8, 2015 with limited liability and a Consolidated Affiliated Entity
"Maoyan Technology/WFOE"	Tianjin Maoyan Weying Technology Co., Ltd. (天津貓眼微影科技有限公司), a company incorporated under the laws of the PRC on February 5, 2018 with limited liability and a wholly owned subsidiary of our Company
"Meituan"	Meituan (美團) (SEHK Stock Code: 3690), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 15, 2015, or Meituan and its subsidiaries and consolidated affiliated entities, as the case may be
"Miaojuju"	Xiamen Miaojuju Media Co., Ltd. (廈門喵劇劇傳媒有限公司), a company incorporated with limited liability under the laws of the PRC on April 2, 2021, and a Consolidated Affiliated Entity
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NASDAQ"	National Association of Securities Dealers Automated Quotations
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Company
"Operating Entity(ies)"	Tianjin Maoyan Weying and Tianjin Ganyu, the holding companies of the other Consolidated Affiliated Entities of our Group
"Post-IPO Share Option Scheme"	the post-IPO share option scheme of our Company as adopted by the Company on July 23, 2018 and amended by way of an ordinary resolution passed by the Shareholders at the general meeting held on June 28, 2023, aiming to provide incentives and rewards to individuals and/or entities for their contribution

Definitions and Glossary

"Post-IPO Share Options"	options granted under the Post-IPO Share Option Scheme
"PRC" or "China"	the People's Republic of China, which, for the purpose of this Annual Report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and the Taiwan region of the PRC
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme of our Company as approved on July 23, 2018, which was adopted by the Company as a continuation and restructuring of the employee share incentive scheme originally adopted by Tianjin Maoyan Weying on November 8, 2016
"Pre-IPO Share Options"	options granted under the Pre-IPO Share Option Scheme
"Prospectus"	the prospectus of the Company dated January 23, 2019
"Registered Shareholders"	Enlight Holdings, Enlight Media, Shanghai Sankuai Technology, Weying Culture, Linzhi Lixin, the Historical ESOP Platforms and Tianjin Yunqi
"Relevant Businesses"	the businesses of value-added telecommunication services business, movie distribution and radio and television program production, etc.
"Remuneration Committee"	the remuneration committee of the Company
"Reorganization"	the offshore and onshore reorganization as set out in section headed "History and Reorganization – Reorganization" of the Prospectus
"Reporting Period"	period from January 1, 2024 to December 31, 2024
"Restricted Share Agreement"	the restricted share agreement entered into among the Company, Mr. Zheng Zhihao and Rhythm Brilliant Limited on July 23, 2018 to recognise and reward the contribution of Mr. Zheng Zhihao to the Group
"RMB"	Renminbi, the lawful currency of the PRC

Definitions and Glossary

"RSU Scheme"	The RSU Scheme of our Company as adopted by the Company on July 23, 2018 and amended by way of an ordinary resolution passed by the Shareholders at the general meeting held on June 28, 2023, aiming to reward participants for their contribution to the Group and attract best available personnel
"Ruihai Fangyuan"	Shenzhen Ruihai Fangyuan Technology Co., Ltd (深圳市瑞海方圓科技有限公司), a company incorporated under the laws of the PRC on July 13, 2017 with limited liability and a Consolidated Affiliated Entity, which was deregistered on November 11, 2024 due to changes in our business demand
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Maoyan Pictures"	Shanghai Maoyan Pictures Co., Ltd. (上海貓眼影業有限公司), a company incorporated with limited liability under the laws of the PRC on May 15, 2019, and a Consolidated Affiliated Entity
"Shanghai Maoyan Network"	Shanghai Maoyan Network Technology Co., Ltd. (上海貓演網絡科技有限公司), a company incorporated under the laws of the PRC on February 13, 2019 with limited liability, a wholly-owned subsidiary of Maoyan Live JV
"SGD"	Singapore Dollar, the lawful currency of Singapore
"Shanghai Sankuai Technology"	Shanghai Sankuai Technology Co., Ltd. (上海三快科技有限公司), a company incorporated under the laws of the PRC on December 19, 2012 with limited liability, an operating entity of Meituan and one of our Registered Shareholders
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.00002
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange" or "SSE"	Shenzhen Stock Exchange (深圳證券交易所)
"Soushi Network"	Hangzhou Soushi Network Technology Co., Ltd. (杭州搜視網絡有限公司), a company incorporated with limited liability under the laws of the PRC on April 23, 2008, and a Consolidated Affiliated Entity

Definitions and Glossary

"Stock Exchange" or "SEHK"	the Stock Exchange of Hong Kong Limited
"Subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Tencent"	Tencent Holdings Limited (SEHK Stock Code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
"Tencent Computer"	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a company established in the PRC on November 11, 1998 and a wholly-owned subsidiary of Tencent
"Tencent Group"	Tencent and its subsidiaries from time to time
"Tianjin Caichuang"	Tianjin Caichuang Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩創企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 6, 2016 and one of our Historical ESOP Platforms
"Tianjin Caixuan"	Tianjin Caixuan Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩絢企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 6, 2016 and one of our Historical ESOP Platforms
"Tianjin Caiyi"	Tianjin Caiyi Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩溢企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 5, 2016 and one of our Historical ESOP Platforms
"Tianjin Caiying"	Tianjin Caiying Enterprise Management and Consultation Partnership (Limited Partnership) (天津彩盈企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 6, 2016 and one of our Historical ESOP Platforms
"Tianjin Guanghong"	Tianjin Guanghong Enterprise Management and Consultation Partnership (Limited Partnership) (天津光鴻企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 6, 2016 and one of our Historical ESOP Platforms

Definitions and Glossary

"Tianjin Ganyu"	Tianjin Ganyu Information Technology Co., Ltd. (天津甘雨信息科技有限公司), a company incorporated under the laws of the PRC on June 5, 2024 with limited liability and one of the Operating Entities
"Tianjin Maoyan Weying"	Tianjin Maoyan Weying Cultural Media Co., Ltd. (天津貓眼微影文化傳媒有限公司), formerly known as Tianjin Maoyan Cultural Media Co., Ltd. (天津貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC on May 27, 2015 with limited liability and a Consolidated Affiliated Entity as well as one of the Operating Entities
"Tianjin Media"	Tianjin Maoyan Cultural Media Co., Ltd. (天津貓眼文化傳媒有限公司), a company incorporated under the laws of the PRC on July 23, 2024, with the limited liability and a Consolidated Affiliated Entity
"Tianjin Meimao"	Tianjin Meimao Cultural Media Co., Ltd. (天津美貓文化傳媒有限公司), a company incorporated under the laws of the PRC on November 22, 2018, with the limited liability and a Consolidated Affiliated Entity, which was deregistered on January 15, 2024 due to changes in our business demand
"Tianjin Yunchuan"	Tianjin Yunchuan Cultural Media Co., Ltd. (天津雲川文化傳媒有限公司), a company incorporated under the laws of the PRC on June 19, 2024, with the limited liability and a Consolidated Affiliated Entity
"Tianjin Yunqi"	Tianjin Yunqi Information Technology Co., Ltd. (天津雲起信息科技有限公司), a company incorporated under the laws of the PRC on June 3, 2024, with the limited liability and one of our Registered Shareholders
"Time Machine"	Hangzhou Maoyan Time Machine Pictures Ltd. (杭州貓眼時光機影業有限公司), a company incorporated with limited liability under the laws of the PRC on January 13, 2023, and a Consolidated Affiliated Entity
"US$" or "US dollars" or "USD"	U.S. dollars, the lawful currency of the United States of America
"Weying"	Weying Culture and Weying Technology
"Weying Culture"	Beijing Shiji Weying Culture Development Co., Ltd. (北京世紀微影文化發展有限公司), a company incorporated under the laws of the PRC on July 22, 2016, with the limited liability and one of our Registered Shareholders

Definitions and Glossary

"Weying Technology"	Beijing Weying Shidai Technology Co., Ltd. (北京微影時代科技有限公司), a company established under the laws of the PRC with limited liability, and/or its subsidiaries, as the case may be
"Year"	the year ended December 31, 2024
"Zhejiang Maoyan Pictures"	Zhejiang Maoyan Pictures Co., Ltd. (浙江貓眼影業有限公司), a company incorporated with limited liability under the laws of the PRC on January 13, 2020, and a Consolidated Affiliated Entity, which was deregistered on June 28, 2024 due to changes in our business demand
"%"	per cent

Maoyan Entertainment