Meta Media 超媒体

Meta Media Holdings Limited
Annual Report 2024
超媒體控股有限公司 2024 年年報

Stock Code: 72
股份代號：72

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ABOUT META MEDIA

Meta Media Holdings Limited (the "Company" or "Meta Media") and its subsidiaries (collectively, the "Group" or "Meta Media Group" or "Meta Media Holdings Group" or "we") is a new and innovative international composite media group. Internationalisation, style, refined taste and social responsibility are our corporate genes. No matter how the market changes, with the spirit of "Modern China, Global Version", establishing an international media based in China is our will, power and dream that has never changed.

In 2022, the name of the Company was changed from "Modern Media Holdings Limited" to "Meta Media Holdings Limited". The new name "Meta Media" is a name with a great sense of future and a symbol of the spirit of the times, representing the Group's transformation from "Modern" to "Ultra Modern".

The Group has been established for more than 30 years. Developing from a local original cultural communication group, from modern broadcasting to hypermedia, it is thirty years of riding the waves, and also thirty years of non-stop modernity. Through the continuous practice of internationalisation, fashion, refined taste and social responsibility, we spread the truth, virtue and beauty and lead the trend of life and culture, creating a miracle for thirty years. We have been striving to build Meta Media Group into a leading, high-end media group in China. Over 30 years of entrepreneurship, Meta Media Group has become one of the most innovative and internationalised high-end media group in China. The Group has different types of innovative content including business, culture, art, fashion, lifestyle, and multimedia integration strategic platforms which combine digital technology, space platform and AI platform. The Group has established years of partner relationships with the most influential international media agencies and organisations, such as Bloomberg Limited Partnership, Time Inc., UK Publishing Groups, French Publishing Groups and other renowned international media groups. In recent years, we acquired the controlling equity interest of NOWNESS, one of the world's most influential online platform for young people's creative and cultural video broadcasting, from the famous French luxury brand Louis Vuitton and we own the controlling shareholding in ArtReview, an art commentary magazine with a history of over 75 years. All these have further expanded the presence of Meta Media Group in the global market and further enhanced its international recognition and influence.

Reshaping the future of business with art and technology and reconstructing value with IP and ecology is our vision. We aim to construct a new framework with innovative concepts, leverage cutting-edge technology and take proactive steps to stride into a new era.

In this era of AI, technology drives the advancement of content production, which is intriguing and meaningful for us as a company that produces content. In order to achieve this, "ArtReview" and "NOWNESS", two media outlets of the Group, co-founded MC2. Art, an AI art platform, which focuses on the integration of art and technology, particularly on artificial intelligence and future image production. With the academic support from MC2. Art, the Group is building the Meta Eye, a platform that perfectly integrates "image" and "art", to develop the transcendental integration of Artificial Intelligence Generated Content (AIGC) and Apple's head-mounted display into a new opportunity, and to provide a professional-level movie-like artificial intelligence video production and dissemination platform using "AI + Visual Creation" as the carrier. Meta Eye is committed to integrating the latest technological and artistic developments with the emerging lifestyle of the general public, to create a comprehensive platform that integrates technology, art, culture and lifestyle.

We believe that the future of media lies in: brand + taste + AI. Creating an international business organisation with a global vision has always been our philosophy. We believe that Chinese companies should move away from the "China value chain" mindset and adhere to the "global value chain" mindset, by integrating global resources, learning from global companies, cooperating and competing with them, and form a worldclass enterprise with strong hard and soft power through learning, cooperation, and competition.

While developing business, Meta Media Group has always been committed to social public welfare. Since 16 years ago, we have been assisting the development of special education in China. In Songzi, Hubei Province, we helped to build a "Modern Media Special Education School" which won numerous government awards and honors in China. Moreover, we established the "Modern Media Special Education Foundation" as a charitable organisation to further expand the support and development for special education. Social responsibility has always been the DNA of Meta Media Group, in which, we hope to make more efforts and contributions.

超媒體大平台
META MEDIA PLATFORM

藝術 Art

周末画报 MODERN WEEKLY

InStyle 优家画报

NOWNESS 现在

MMart+

艺术世界 ArtReview

ArtReview Asia

ArtReview

LEAP

COLLECTION/AUCTION 收藏/拍卖

THE ART-JOURNAL 艺术新闻

BROWNIE

商业周刊/中文版 Bloomberg Businessweek

Bloomberg Businessweek 彭博商業周刊/中文版

LIFEMAGAZINE 生活

Numéro CHINA

IDEAT 理想家 CONTEMPORARY LIFE

誌屋

Modern Art KITCHEN

數碼 Digital

W

Bw

InStyle

IDEAT

A

[A] ArtCalendar

VERA CITY

iFASHION

现在

NOWNESS 现在

科技 AI

meta(eye)

MC2

meta city

meta city 元邦

meta eye 超界

THREE MAJOR BUSINESS SECTORS OF META MEDIA GROUP

1. AI – LEADING THE FUTURE

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

Reshaping the future of business with art and technology is the Group's new strategy. During the Year, the Group combined the world's leading art and technology strengths and started to build an innovative content platform integrating Professional Generated Content (PGC), User Generated Content (UGC) and AIGC to seize the new opportunities of AI development.

In 2024, the first "Meta Eye Festival (超界影像藝術節)" sponsored by the Group unveiled. This international video art event brought a series of spectacular exhibitions, an immersive multi-media audiovisual feast and a series of dialogue events. Meta Eye Festival is a brand new art event that explores the integration of art and technology with commercial space. The Group's latest development strategy is "Reimagining the Future of Business with Art and Technology". We focus on, three dimensions, namely space, media and narrative, and regard image and digital content creation, as our main research target.

From Modern Media to Meta Media, it is a shift from traditional media to hypermedia, and we want to create a media platform that is "Beyond The Future".

2. ART PLATFORM – LEADING THE SPIRIT OF THE ERA

The art platform of Meta Media Group consists multiple dimensions, including art marketing, print publishing and space magazine. Through a wide range of art resources, art and high-end lifestyle content production, leading-edge creativity is incorporated into products that are popular with readers, users, art lovers and premium customers.

Art Marketing

Being one of the first batch of media groups that introduce world-class art magazines and curate art exhibitions in China, Meta Media Group has been deeply involved in this field for over a decade. For example, in 2010, we published the new international edition of "LEAP"; in 2013, we co-founded "Art Newspaper/Chinese Edition" and the daily updated digital version of "iArt"; in 2014, we co-founded "PHOTOFAIRS | Shanghai"; in 2018, we established a strategic partnership with the world-renowned art and design museum, Victoria & Albert Museum ("V&A Museum"); in 2019, we further acquired a majority of shareholdings of "ArtReview" and "ArtReview Asia", which are international authoritative platforms with over 75 years of history. By the end of 2022, the Group launched ArtReview China. By the end of 2023, "Art News/The Art – Journal" was launched, and in 2024, "Collection/Auction" magazine was added to the Group's art media matrix, bringing with it a whole new range of columns and content. Our new art media matrix is designed to provide brands with diversified art marketing solutions.

The Group's philosophy is to integrate art into life and rebuild society with art. As a cultural product, Meta Media has always prioritized the mission to reshape and structure urban culture, urban art, and lifestyle. The Group's art platform has created a new IP (intellectual property) – MMAF (Meta Media Art Festival). Since its launch in 2023, the Meta Media Art Festival, co-organized by the Group and Swire Properties, has been successfully held in Shanghai for two

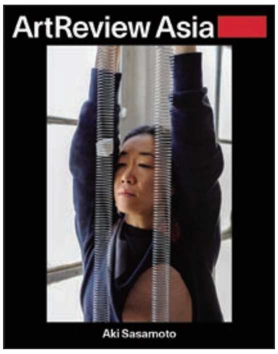
consecutive years. The event has evolved into a new business model, becoming a key IP project that drives revenue for the Group. During the event, it has become a world of media, a “magazine” that involves people from three-year-old children to eighty-year-old seniors. Through this innovative IP, the Group aims to embrace more culture and reconstruct a new space for business and art by collaborating with real estate developers, brands, and artists.

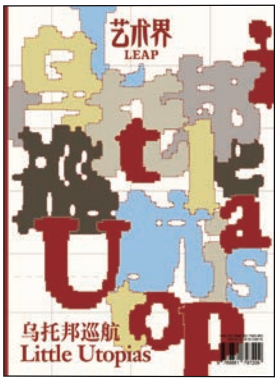
Through the power of art, MMAF sparks imagination and leads the exploration of the diverse possibilities of urban future culture. It creates a unique space for consumers to blend public art with city life, and helps to promote the cultural atmosphere and artistic heritage of the city. Art consumption has become a main consumption pattern for China’s new high-income population.

Looking at the world from an artistic perspective and using the value of art to illuminate society, the Group believes that the art platform will continue to be an indispensable source of income and profit center in the future, driven by rising income of Chinese consumers and diversification of consumer demand, especially a strong growth in demand for spiritual and experiential consumption such as culture and art.

藝術平台 – 平面出版

ART PLATFORM – PRINT PUBLISHING





Print Publishing

Over the years, Meta Media Group has cooperated extensively with influential international communication agencies, such as co-publishing "Bloomberg Businessweek" (Traditional Chinese edition), "InStyle" ,"IDEAT" , "NUMÉRO" and other magazines. At the same time, we have established more than ten original magazines in mainland China and Hong Kong, including "iWeekly" ," Life Magazine" , "City Magazine" , "LOHAS" , "Arbiter" , etc., inheriting the spirit of "Aspiration Expression (言志)" , leading and reflecting the needs of the times everywhere, and becoming the spiritual enlightenment and life vane of generations.

The flagship magazine "iWeekly" remained no. 1 in weekly market revenue, maintaining an irreplaceable position in the minds of print media brand advertisers. "Bloomberg Businessweek" (Traditional Chinese edition) has always demonstrated its authoritative influence through the organisation of various financial market events and forums.

"INSTYLE" continues to be one of the most popular women's magazines in the mainland China's market and a popular choice for luxury brand advertisers. The elite women's club "You Jia Hui" under it has held a series of activities in various cities in China and is more popular among elite women, and the club membership fees also bring stable income to the Group.

Meta Media Group is no longer as simple as a leading traditional media group, nor is it a group that just follows the trend to transform from traditional magazines to digital media, but a group that regards magazine as an expression of cultural aspirations and aims to communicate with, align, connect to and reshape the international culture.

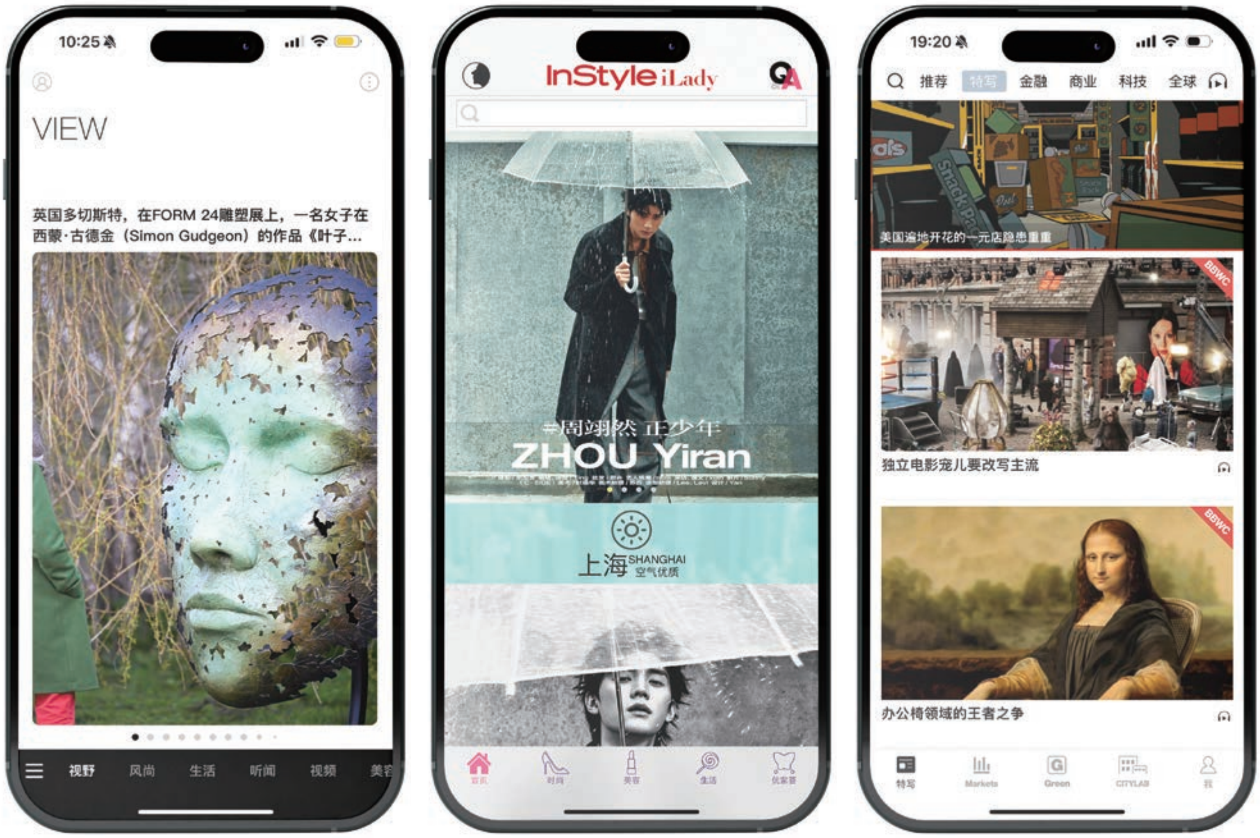





Space Magazine

Looking to the future, Meta Media Group has jumped out of the traditional paper and digital media framework, and created a new form of "space magazine", which includes ZiWU, Modern Art Base, Modern Studio, Modern Workshop, Modern Art Kitchen and various three-dimensional space locations and event landmarks, forming a three-dimensional matrix.

Through continuing to introduce high-quality themed exhibitions and events on art, design, fashion, music, etc., ZiWU, which has been established for more than four years, has become one of the most frequent gathering place for elites from all walks of life with the positioning of "a new paradise for urban culture omnivores", attracting a great number of visitors including designers, artists, cultural figures, film and television stars and senior executives, and holding a number of appealing exhibitions, including exhibitions of new works by masters such as Chen Danqing, Zhang Huan and Wu Jianan.



3. DIGITAL PLATFORM – TECHNOLOGICAL PIONEER INNOVATION

With regard to digital platform, iWeekly APP has become a major competitive force with its constantly upgraded layout and rich global content. As at the end of the year ended 31 December 2024 (the "Year"), the number of its users on the terminals of smartphones and tablet PC has reached 15.1 million. In order to increase the number of readers' browsing and usage frequency of the application, iWeekly specially added the "daily news radio broadcast" function.

As a comprehensive information platform for elite women, the INSTYLE iLady APP has accumulated more than 7.33 million users by the end of 2024, and become a main source of income for the Group's digital platform business, mainly due to the high conversion rate generated by the "Ready-to-Buy" omnibus-directional experience provided by the platform for users, which effectively attracts traffic to certain advertisers' shopping platforms or their official websites.

The number of users of the "Bloomberg Businessweek" (Traditional Chinese edition) APP has also increased to approximately 14.22 million by the end of 2024, and paid content forms a key revenue growth driver.

"NOWNESS" has become a place for inspiration and influence with its unique programme planning. It attracts more and more users to subscribe, thus building a customer base covering high-end brand advertisers. Its contents cover art, design, fashion, beauty, music, food and travel. As at the end of the Year, the cumulative number of downloads was over 13,000,000. As a platform for the development of short films in the global arena and the ongoing discovery of new directors, "NOWNESS" has long been an important innovation base for young artists.

CHAIRMAN'S STATEMENT

創辦人，董事會聯席主席兼
行政總裁

邵忠

Shao Zhong

Founder, Chairman of the Board &
Chief Executive Officer

Chairman's Statement

Transmedia in the Hyper-Cultural Era

Meta Media, Meta Link — Reconstructing Business Future with Art and Technology

Shao Zhong

On 17 March 2025, Meta Media Group released its 2024 annual results announcement. Although the global economy continues to face turbulence caused by the aftermath of the pandemic, geopolitical conflicts, inflation, and monetary tightening policies, the Group has achieved improved performance through continuous innovation and expansion of its business model by the management team, along with a series of cost control measures. As a result, the overall EBITDA increased by 32%, rising from RMB15.257 million in 2023 to RMB20.17 million in 2024.

This year marks the dawn of the AI era: dare to go beyond can achieve the extraordinary. As the world moves forward, we ascend higher.

No IP, no business; no AI, no entrepreneurship. Reconstructing business future with art and technology, and creating a better world, is the Group' s strategic choice and vision. The integration of high-tech and high-touch represents a new philosophy for the future.

Meta Media, Meta Link - connecting the world' s excitement - is a phrase that conveys the Group' s core values.

AI helps the Group provide rich and inspiring content through diversified media platforms, promote cultural exchanges and enhance the quality of life of users. "Exploring the unknown and embracing the future" has always been our pursuit, attitude and belief. In the era of artificial intelligence and AI generation, we must continue to innovate and develop, something that can only be achieved by making miracles happen. But we can utilize AI to help make miracles happen!

The Year 2025 marks the 32nd anniversary of the Group' s founding. We advocate building a new landscape with new mindsets, embracing new technologies, and taking new actions to stride into a new era. There are four meanings of hypermedia. The first is hyper-advanced media, the second is hyper media, the third is hyper-boundary, and the fourth is hyper-verified media.

Through its media outlets ArtReview and NOWNESS, Meta Media Group co-founded the AI art platform MC2.Art, which is by the mass-energy equation of the theory of relativity (E=mc2), and focuses on the fusion of art and technology, with a particular focus on artificial intelligence and the exploration of the future field of image production.

ArtReview and NOWNESS previously released a joint global study exploring the impact of artificial intelligence on art, film, and culture. The findings reveal how AI is transforming artistic practices, while also sparking discussions on the ethics of machine learning and its future applications in the cultural sphere.

The Group's new strategy is to reshape the future of business through the fusion of art and technology. MC2 aims to integrate world-leading forces in art and technology to build an innovative content platform that encompasses PGC, UGC, and AIGC.

To this end, the Group has partnered with Zero One Everything to advance and deepen the development and application of specialized AI-driven vertical content. metamedia.ai has officially become the new engine driving Meta Media Group into the AGI era, further accelerating the convergence of culture, business, fashion, and other domains.

Looking ahead, Meta Media Group believes that by further implementing the strategy of expanding the new media platform and innovating business models, transitioning from hypermedia to a new digital life platform will bring new opportunities and growth momentum to the Group. As a high-profile media group with a history of 32 years in China and one of the most influential, well-known and high-end media groups with a leading position in areas such as fashion, culture, art, commerce, AI, and metaverse, Meta Media Group will reshape the business future with art and technology, aiming to become a world's leading content empowerment company. The Group will always take the Group's core values of attitude, belief, ideas and vision as the driving force, always aim at high standards, quality, and efficiency, and create more brilliant achievements with passion.

COMPANY NEWS

Opening of the V&A Photography Center donated by Meta Media Group and the Shao Foundation

The new photography centre of the Victoria and Albert Museum (V&A) was officially opened to the public, and the existing exhibition space was doubled. The Modern Media Gallery will be included in the new collection of galleries, which will become a “window” of “cultural studies” around the development of media. Martin Barnes, a senior curator of the museum’s photography department, said, “this is why we call it a photography center”. In October 2018, the photography center was unveiled by Kate Middleton, the Duchess of Cambridge and also the patron of the museum. This opening marks the completion of the first phase of the ￡3 million project, which was jointly supported by Meta Media Group, the Shao Foundation and the Bern Schwartz Family Foundation.

SOCIAL RESPONSIBILITY AND COMMON GOOD OF THE ENTERPRISE

Internationalisation, refined taste, style and social responsibility are the corporate genes that Meta Media Group has adhered to for many years. While achieving successful commercial and creative development, the Group has always been committed to social public welfare and contributed to the common good of society. 15 years ago, the Group was already involved in special education, and was the first to assist in the construction of “Modern Media Special Education School” in Songzi County, Hubei Province, which won numerous government awards and honors in China. Moreover, the Group established the “Modern Media Special Education Foundation” as a charity organization to expand the support and development for special education. The social responsibility has always been the corporate genes of Meta Media Group, in which, the Group hopes to make more effort s and contributions in the future.

To this end, in order to give back to society and support the development of special education, the first “Shao Zhong Special Education Fund Award” ceremony was held in September 2021 at the Modern Media Special Education School in Songzi County, recognising talents who have made outstanding contributions to special education.

Regarding the original intention of establishing the Shao Zhong Special Education Fund Award, Mr. Shao stated, “through many years of public welfare activities, I have felt the hardship and greatness of special education. In order to draw more attention to special education, enhance the attraction of special education and strengthen the sense of success of special educators, I set up the “Zhong Special Education Fund Award.” With love and spreading true feelings, the Group let the light of hope to shine on special groups that are often overlooked, and using the best care to awaken special children’s longing for the future.

In light of this background, in addition to being awarded the “Golden Pine Education Award” by the Songzi Municipal Committee and the municipal government of Hubei Province in September 2020 to recognise his contributions in the field of education, Mr. Shao was also appointed as the honorary principal of the Modern Media Special Education School in Songzi County in 2021.

He remarked out of personal feeling, “as an entrepreneur, I always believe that the goal of a company is not just to make money, but to contribute to society in a corporate way. The essence of business is to express goodwill to society in a market-oriented way, in order to continuously improve the well-being of the people and promote the comprehensive development of humanity.”

In addition, in August 2008, Mr. Shao also founded “Shao Zhong Art Development Foundation”, a non-profit making organization, which is dedicated to the incubation, development and dissemination of modern art. Since its establishment, it has supported and participated in a number of art-related public welfare projects, and will continue to promote the diversified development of modern art.

Shao Foundation’s ART HOUSE, located in Meilin Lake, Huadu, Guangzhou, regularly holds invitational exhibitions for artists and collectors. Since its opening, it has hosted several important domestic and international exhibitions, such as “China Dream, Thirty Years: A Major Solo Exhibition of the Photography of Liu Heung Shing”, “Two Projects by Liu Xiaodong”, “From Callahan to Jeff Koons: Collection from Charles Jin” and Yang Jiecang’s solo exhibition “Mustard Seed Garden - Meilin Lake”. Its sense of responsibility to the world and society is in line with the mission of Meta Media Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shao Zhong *(Chairman of the Board and Chief Executive Officer)*
Ms. Yang Ying
Mr. Li Jian

Independent Non-executive Directors

Ms. Wei Wei
Mr. Wan Jie
Mr. Yick Wing Fat Simon

AUDIT COMMITTEE

Mr. Yick Wing Fat Simon *(Chairman)*
Ms. Wei Wei
Mr. Wan Jie

REMUNERATION COMMITTEE

Mr. Yick Wing Fat Simon *(Chairman)*
Ms. Wei Wei
Mr. Wan Jie

NOMINATION COMMITTEE

Ms. Wei Wei *(Chairman)*
Mr. Wan Jie
Mr. Yick Wing Fat Simon

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Shao Zhong *(Chairman)*
Mr. Wan Jie
Ms. Zhong Yuanhong

COMPANY SECRETARY

Ms. Chan Sze Ting *(FCG, HKFCG)*

AUTHORISED REPRESENTATIVES

Mr. Shao Zhong
Ms. Chan Sze Ting

AUDITORS

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kowloon, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Units 213
2/F, Block 2, Exhibition Centre
No. 1 Software Park Road, Zhuhai City
Guangdong Province, the PRC

CORPORATE INFORMATION (continued)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

7/F, Global Trade Square
No. 21 Wong Chuk Hang Road
Aberdeen, Hong Kong

PRINCIPAL BANKERS IN HONG KONG

Bank of China (HK) Limited
Wing Lung Bank Limited

PRINCIPAL BANKERS IN THE PRC

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

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands
(became effective on 31 December 2024)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands
(became effective on 31 December 2024)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

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WEBSITE

www.metamediahldg.com

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS SUMMARY

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

	Art platform	Digital platform	Total
	RMB'000	*RMB'000*	*RMB'000*
2024			
Revenue from reportable segment	187,727	175,056	362,783
(Loss)/profit for reportable segment	(33,397)	20,637	(12,760)
Segment EBITDA	(16,441)	36,611	20,170
2023			
Revenue from reportable segment	230,509	152,302	382,811
(Loss)/profit for reportable segment	(45,555)	19,681	(25,874)
Segment EBITDA	(20,788)	36,045	15,257

After global economy suffered from years of instabilities caused by the COVID-19 pandemic, conflict, inflation and monetary tightening, the domestic market started to show a sign of recovery in 2024 although some uncertainties still existed. With regard to the Group, its financial performance improved due to the continuous efforts the management had made in the continuous innovation and expansion of the business model and the adoption of a series of cost control measures, with the art platform achieving a reduction in losses and the digital platform delivering profit growth. Overall EBITDA increased by 32% to RMB20,170,000 (the corresponding period in 2023: RMB15,257,000), while losses contracted by 45% to RMB19,154,000 (the corresponding period in 2023: RMB34,535,000).

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

(A) BUSINESS REVIEW

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

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

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

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

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

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

Reshaping the future of business with art and technology is the Group’s new strategy. During the Year, the Group combined the world’s leading art and technology strengths and started to build an innovative content platform integrating PGC, UGC and AIGC to seize the new opportunities of AI development.

In April 2024, the first “Meta Eye Festival (超界影像藝術節)”sponsored by the Group unveiled. To celebrate the 60th anniversary of the establishment of diplomatic relations between China and France, the international video art event was themed “BOND LIVING THROUGH META EYE (眼界隨行)”, and brought a series of spectacular exhibitions, an immersive multi-media audio-visual feast and a series of dialogue events. Meta Eye Festival is a brand new art event that explores the integration of art and technology with commercial space. The Group’s latest development strategy is “Reimagining the Future of Business with Art and Technology”. We focus on the three dimensions, namely space, media and narrative, and regard image and digital content creation as our main research target. From Modern Media to Meta Media, it is a shift from traditional media to hypermedia, and we want to create a media platform that is “Beyond The Future”.

In May 2024, "Art Review" and "NOWNESS", two media outlets of the Group, being inspired by the mass-energy equation of the theory of relativity (E = mc^2), co-founded MC2.Art, an AI art platform, which focuses on the integration of art and technology, particularly on artificial intelligence and future image production. The platform will focus on the presentation of born-digital moving images, relevant news and in-depth contents to provide insights into global art and emerging technologies, as well as organising a series of exhibitions and events. In the same month, the AI image pilot event titled "Weaving the Unseen: Artificial Intelligence and Visual Narrative"was held to understand the current status and trends of AI visual narratives from different perspectives and dimensions, including technology and ideas, principles and cases, the present and the future.

The MC2 AI image pilot event marks the launch of new strategy and area of the Group's endeavour to reimagine the future of business through art and technology, with the aim of envisioning and imagining future possibilities beyond what is currently imagined. The Group will endeavour to integrate the world's leading arts and technologies to construct a content platform involving a composite of PGC, UGC and AIGC innovatively. We will not only showcase innovative applications of technologies and arts, but also promote the integration of trendy cultures and digital technologies, as well as the development of AI image art.

With the academic support from MC2, the Group is building the Meta Eye, a platform that perfectly integrates "image" and "art", to develop the transcendental integration of AIGC and Apple's head-mounted display into a new opportunity, and to provide a professional-level movie-like artificial intelligence video production and dissemination platform using "AI + Visual Creation" as the carrier. Meta Eye is committed to integrating the latest technological and artistic developments with the emerging lifestyle of the general public, to create a comprehensive platform that integrates technology, art, culture and lifestyle.

Digital platform

The revenue of digital platform segment of the Group is primarily generated from its mature mobile applications and online platforms, such as "iWeekly", "InStyle iLady", "Bloomberg Businessweek" and "NOWNESS". During the Year, the profits of the aforementioned platforms have all increased to varying degrees. It is expected that there will be great development potential in the future and the profit will maintain steady growth.

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

"NOWNESS" has become a place for inspiration and influence with its unique programme planning. Its contents cover art, design, fashion, beauty, music, food and travel. As at the end of the Year, the cumulative number of downloads was over 13,000,000. As a platform for the development of short films in the global arena and the ongoing discovery of new directors, "NOWNESS" has long been an important innovation base for young artists. Since 2019, six sessions of NOWNESS China New Talent Awards have been successfully held. This programme aims to discover outstanding Chinese new-generation filmmakers, stimulate their creativity, and display their video works with international platform resources. The Group has discovered a group of creative and talented young film creators and created a series of short videos with the characteristics of the times. Similar to blaze, they were expressing different ideas of this era, and redefining the perception of this era.

Art platform

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

In March 2024, a solo exhibition, "Thousands", by Dr. He Jianping ("**Dr. He**") was presented in ZiWU the Bridge in Shanghai. Dr. He is an internationally renowned graphic designer, and was the first Chinese designer to win the gold medal at the International Poster Biennale in Warsaw, Poland (波蘭華沙國際海報雙年展). The exhibition retraced Dr. He's major art and design projects from 2003 to 2023, and presented for the first time his installation "Thousands", which illustrates the relationship between spatial and visual design.

In March 2024, under the name of "Sitting for a while", "Modern Weekly" launched activities in Beijing, Shanghai, Shenzhen and Chengdu, to explore a new mode of mapping on paper – "Inspiration Roaming Handbook". Through the special conveners in the four cities, who are photographers, designers, musicians, curators, etc., we recommended interesting local bookstores, pubs, restaurants, cafes, record shops and art spaces, and invited readers to join us in discovering new inspirational spaces and reading spaces, and recounting the stories and traces of these cities behind them.

In April 2024, "Life in Shanghai", a series of podcast programs co-organised by "Shanghai Literature" and "Life Monthly", was launched in "iWeekly". It was a virtual city walk in the form of literature, which was not confined to a certain landmark, but a freer literary walk in the scope of city of Shanghai, a walk linked by the writers' experiences, memories and imaginations.

In May 2024, the third session of the InStyle Women of TIMES, organised by "InStyle", was held in Shanghai. "InStyle" always believes that the definition of women of the new times is not only confined to their outward appearance, but also focuses more on their spirit at the modern times, i.e. every woman faces her inner self, is courageous to take on challenges, and is born to be true to her true self with "self-confidence, freedom and self discipline". Therefore, InStyle Women of TIMES has been exploring the power of women from different fields, honouring women in different industries who have made outstanding contributions to the times, and has been trying to use their stories to inspire more modern women to explore themselves and keep abreast with the times.

In August 2024, the Horst: Photographer of Style – V&A World Tour, which premiered at Shanghai Taikoo Li Qiantan in 2023, made its way to northern China, debuting at Beijing Taikoo Li Sanlitun. This exhibition, a collaborative effort between the Group and London's Victoria and Albert Museum (V&A), garnered widespread acclaim, successfully bringing photographic art to a broader audience. It showcased meticulously reproduced versions of treasured photographs from the V&A Museum and the Horst Estate, offering a deep dive into the creative process behind these iconic images. Among the highlights were some of the most celebrated masterpieces in the history of fashion photography.

In October 2024, the second Meta Media Art Festival (MMAF) were held under the theme “Art Forward! Transcendent Imagination”, a concept that resonated with the spirit of competitive sports – humanity’s relentless pursuit of challenging oneself and pushing beyond limits. The festival creatively integrated sports, art, and culture into the urban landscape, transforming public spaces into vibrant stages for cross-cultural dialogue while exploring how art can act as a catalyst for social resonance. A highlight of the festival was the “La Beauté et le Geste” sculpture series by French artist Laurent Perbos, which had previously been exhibited at the Palais Bourbon during the 2024 Paris Olympics. Commissioned specifically for the Olympic Games, these sculptures offer a contemporary interpretation of classical art and athletic movement, portraying Venus as a symbol of resilience, ambition, and self-transcendence – perfectly embodying the Art Forward! ethos. This theme reflects a relentless pursuit of artistic innovation, challenging traditional boundaries and exploring the limitless potential of creativity. It inspires a vision for the future of art while evoking a collective imagination of humanity’s quest for excellence and self-improvement in the digital age.

Since its launch in 2023, the Meta Media Art Festival, co-organized by the Group and Swire Properties, has been successfully held in Shanghai for two consecutive years. The event has evolved into a new business model, becoming a key IP project that drives revenue for the Group.

Amid the ever-changing tides of commerce, the Group actively explores new opportunities, launches innovative ventures, and dedicates itself to creating groundbreaking business models that deeply integrate with commercial spaces. At the end of 2024, the Group partnered with Zhangyuan in Shanghai to further explore the fusion of commerce and art, opening new possibilities for business operations. Shanghai Zhangyuan, once Shanghai’s most renowned entertainment and leisure venue, Zhangyuan, was known as the “Best Garden in Shanghai”. By revitalizing Zhangyuan’s role as a public space, the Group breathed new life into these century-old buildings, reconnecting the public with their rich history, the memories they hold, and the philosophical reflections they inspire. As a cutting-edge intellectual and artistic space, guided by the concept of “Chinese Modern” and inspired by the spirit of “Challenging Oneself, Defining New Norms”, the project introduces a fresh cultural lifestyle through the innovative Space Zine concept. Visitors are invited to navigate a dynamic interplay between reality and virtuality, tradition and modernity, East and West, immersing themselves in a multi-dimensional exploration of culture, aesthetics, and the meaning of life. This experience fosters the creation of new scenarios that reflect the future of living. The collaboration between the Group and Zhangyuan represents a groundbreaking model of synergy between cultural enterprises and commercial spaces. By integrating diverse resources and leveraging its robust editorial and creative capabilities, the Group empowers commercial spaces with cultural vitality, injecting new energy into their operations. This project is poised to rapidly evolve into a flagship IP, driving significant revenue growth for the Group.

In addition, the Group has continuously released POWER 100 at the end of each year, which is an authoritative ranking of the most influential people in the international contemporary art world published by the magazine, Art Review. The review committee comprises writers, artists, curators and critics. They select information from global media, including the BBC, Figaro, Die Welt, Guardian, The Times, Financial Times, Wall Street Journal, Los Angeles Times, Moscow Times and Art News, as well as art and cultural blogs around the world, in order to determine the list of ranking.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

(B) BUSINESS OUTLOOK

Reshaping the future of business with art and technology and reconstructing value with IP and ecology is our vision. We aim to construct a new framework with innovative concepts, leverage cutting-edge technology and take proactive steps to stride into a new era. There are four meanings of Meta Media. The first is hyper-advanced media, the second is hyper media, the third is hyper-boundary media, and the fourth is hyper-experience media, which is a composite media of PGC, UGC and AIGC. Our goal is to transform Meta Media into a media conglomerate that transcends boundaries and embodies a transcultural essence.

"Beyond The Future" is the latest corporate vision of the Group. It is a phrase that represents the possibilities and expectations of going beyond or surpassing the future. It implies going beyond the current known or predicted state or concept. It may also mean a belief in progress and surpassing the currently imagined progress. In conclusion, "Beyond The Future" conveys the idea of envisioning the future and the possibilities of surpassing current imagination, as well as representing our expectations for our own future.

In 2025, the Group will fully implement our new philosophy and strategic choices and layout, "no IP (Intellectual Property), no business, and no AI, no entrepreneurship." Reshaping the future of commerce through art and technology, and creating a better world for all, is our strategic choice and direction. The integration of "High-tech and High-touch" is our new philosophy.

At the beginning of 2025, Art Basel Hong Kong officially announced a media partnership with our Group. This year's Art Basel Hong Kong was held grandly at the Hong Kong Convention and Exhibition Centre from 28 to 30 March. During this time, our Group joined hands with Asia's most significant international art fair, Art Basel Hong Kong, to present an unparalleled art extravaganza for global art enthusiasts. Leveraging our top-tier art and cultural media platforms spanning Beijing, Shanghai, Hong Kong, and London, the Group provided comprehensive communication support for the event, delivering a series of special publications and offline activities. This collaboration offered our partners unique opportunities to engage with the world's premier art fair and its global audience.

In February 2025, the Group planned to collaborate with Beijing Zero One All Things Technology Co., Ltd. ("Zero One All Things") to jointly promote the deep application and content development of artificial intelligence in vertical fields. This partnership aims to reshape the future of commerce through the integration of art and technology, guided by the philosophy of "High-tech, High-touch", and to establish itself as a globally leading content empowerment platform, encompassing the entire media ecosystem from PGC and UGC to AIGC.

As one of the first partners of Zero One All Things' industrial large model base, the Group will collaborate to develop the Bloomberg Businessweek Chinese Edition large model and further drive the integration of culture, commerce, fashion, and other fields.

Additionally, the Group plans to develop a global online art platform dedicated to connecting art enthusiasts, collectors, galleries, museums, and artists. The platform aims to drive the digitalization of the art market through technology and data, enabling more people to discover and collect art. This platform will serve not only as an art trading hub, but also as a bridge connecting the global art community, offering more digital and open possibilities for the art industry.

China is the second largest art market in terms of modern image art. In this regard, the Group plans to cooperate with Montgomery Group to organize PHOTOFAIRS Shanghai in May 2025. Since its debut in 2014, the exhibition has grown to be a leading platform for collecting contemporary photography in China. Since its inception, PHOTOFAIRS Shanghai has been upholding the pioneering spirit, focusing on the international frontiers and offering museum-quality class exhibition sections and contents to provide collectors, visitors and professionals in the Asia-Pacific region with an excellent experience for appreciating and discovering the art of image. The Group will combine its resources to bring a new PHOTOFAIRS Shanghai.

On the international front, the Group will strengthen its co-operation with the Montgomery Group and plans to actively organize Tokyo Gendai in 2025. Tokyo has one of Asia's leading art institutions and a tradition of collecting contemporary art, and it was the first art market launched in Asia. Participation in world-class international contemporary art exhibitions will effectively expand the Group's international brand recognition and influence.

Meanwhile, the Group is no longer content with merely covering contemporary China in the Chinese-speaking world. Rather, it is widening its horizons to cover the international contemporary community. In the aftermath of the COVID-19 pandemic, the Asia-Pacific art circle has been revitalised by means of various art events and exhibitions. Taking this opportunity, the Group plans to actively explore the Japanese market and further enhance its presence in Japan through the platforms "Art Review" and "NOWNESS".

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

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

(C) FINAL DIVIDEND

To preserve more financial resources in response to the market stagnancy, the directors of the Company ("Directors") do not recommend the payment of any final dividend for the Year (2023: Nil).

(D) EVENTS SINCE 31 DECEMBER 2024 AND UP TO THE DATE OF THIS REPORT

Save as disclosed in this report, there have been no other important events affecting the Group since 31 December 2024 and up to the date of this report.

LIQUIDITY AND FINANCIAL RESOURCES

Net cash flows

During the Year, the Group recorded a net cash inflow in operating activities of approximately RMB28,716,000 (2023: RMB25,279,000). The Group recorded a net cash inflow in investing activities of approximately RMB25,587,000 (2023: RMB19,566,000). The net cash outflow of the Group from financing activities amounted to approximately RMB51,455,000 (2023: RMB53,252,000).

Borrowings and gearing ratio

As at 31 December 2024, the Group's outstanding borrowings was approximately RMB161,997,000 (2023: RMB225,990,000). The total borrowings comprised secured bank borrowings of approximately RMB151,012,000 (2023: RMB163,265,000), and lease liabilities of approximately RMB10,985,000 (2023: RMB62,725,000). The gearing ratio as at 31 December 2024 was 31.7% (2023: 36.0%), which was calculated based on the net debt divided by total capital at the end of the year and multiplied by 100%. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits. Total borrowings include borrowings and lease liabilities. Total capital is calculated as "equity" as shown in the consolidated financial statements plus net debt.

CAPITAL EXPENDITURE AND COMMITMENT

Capital expenditure of the Group for the Year included expenditure on maintenance of leased properties, and prepayments for property, plant, equipment and intangible assets of approximately RMB2,528,000 (2023: RMB1,107,000).

The Group do not have a capital commitment of purchasing of property, plant and equipment as at 31 December 2024 (2023: Nil).

CAPITAL STRUCTURE

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

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

Save for the corporate guarantee given to banks and the Group's major printing supplier to secure the banking facilities and printing credit line respectively, as at 31 December 2024 and 2023, the Group did not have any material contingent liabilities or guarantees other than those disclosed below.

As at 31 December 2024, borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB157,305,000 (including in investment properties of approximately RMB77,960,000 and property, plant and equipment of approximately RMB79,345,000) (2023: approximately RMB179,082,000 (including in investment properties of approximately RMB79,880,000 and property, plant and equipment of approximately RMB99,202,000)) and/or is guaranteed by Mr. Shao/Mr. Shao's spouse/Mr. Shao's son/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB30,000,000 as at 31 December 2023.

FOREIGN CURRENCY RISK

The Group mainly operates in the PRC, Hong Kong and the UK and majority of the transactions are denominated and settled in Renminbi, Hong Kong dollars or Great British Pounds, being the functional currency of the entities of the Group to which the transactions relate. Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. As at 31 December 2024 and 2023, the Group did not have significant foreign currency risk from its operations.

EMPLOYEES

As at 31 December 2024, the Group had a total of 379 staff (2023: 386 staff), total staff costs (including Directors' remuneration) recognised in profit or loss were approximately RMB113,306,000 (2023: RMB116,724,000). The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (the "**Treasury Shares**") within the meaning under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) during the Year. As at 31 December 2024, the Company did not hold any Treasury Shares.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE REPORT

The Company is committed to ensuring high standards of corporate governance in the interests of the Shareholders and devotes considerable efforts to identifying and formalising best practices.

CORPORATE GOVERNANCE REPORT

The Company has adopted the principles and code provisions set out in Part 2 of Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). This report discloses how the Company has applied the principles of the CG Code for the Year.

Other than disclosed below in the paragraphs headed "Chairman and Chief Executive", the Directors are of the opinion that the Company has compiled with the code provisions set out in the CG Code throughout the Year. The Group also adheres to the recommended best practices of the CG Code insofar as they are relevant and practicable.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix C3 to the Listing Rules (the "Model Code"). The Company has made specific enquiries to all Directors and all Directors have confirmed with the Company that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Year.

THE BOARD OF DIRECTORS

The board of Directors of the Company (the "Board") recognises its responsibility to act in the interests of the Company and its Shareholders as a whole. As at 31 December 2023, the Board has six Directors: three executive Directors and three independent non-executive Directors. Independent non-executive Directors represent more than one-third of the Board.

During the year ended 31 December 2024 and up to the date of this report, the Directors are:

Executive Directors:

Mr. Shao Zhong *(Chairman of the Board, Chief Executive Officer and chairman of the Environmental, Social and Governance (ESG) Committee)*

Ms. Yang Ying

Mr. Li Jian

Independent non-executive Directors:

Mr. Yick Wing Fat Simon *(chairman of the Audit Committee and Remuneration Committee and member of the Nomination Committee)*

Ms. Wei Wei *(chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee)*

Mr. Wan Jie *(member of the Audit Committee, Remuneration Committee, Nomination Committee and ESG Committee)*

The biographies of all the Directors, including their relationships (if any), are set out on pages 67 to 70 of this annual report. Mr. Shao is the Chairman of the Board and the Chief Executive Officer of the Group, who oversees the daily operation and management and has also actively involved in the Group's restructuring, business transformation, development of art business and other development of the Group's business. He provides leadership to and oversee the management of the Board, and focuses on overall corporate strategies, policy-formulating, instilling corporate philosophy as well as strategic planning, development and expansion of the Group's new media businesses. Each Director brings a wide range and years of business experience to the Board. The Directors' combined knowledge, expertise and experience are extremely valuable in overseeing the Group's business. The Board sets the strategic direction and oversees the performance of the Group's business and management. The following key matters must be approved by the Board before decisions are made on behalf of the Company:

- Strategic direction
- Budgets
- Interim and annual financial results
- Interim and annual financial reports
- Significant investments
- Major acquisitions and disposals
- Major financings, borrowings and guarantees
- Material contracts
- Risk management

In addition, the Board discusses major operating issues, evaluates opportunities and business risks, and considers corporate communications and human resources issues. Decisions and conduct of matters other than those specifically reserved to the Board are delegated to management.

The Board will review the arrangements between the responsibilities of the Board and the matters delegated to management from time to time to ensure that they remain appropriate to the needs of the Group and its business.

Board Proceedings

The Board holds regular meetings quarterly, and also meets at such other times as are necessary. Agenda of Board meetings are presented to the Directors for comments and approval and notices of regular Board meetings are sent at least 14 days before the meetings. The Board is provided with adequate, timely and reliable information about the Group's business and developments before each Board meeting at which the Directors actively participate and hold informed discussions. All Directors are asked to review and comment on the Board minutes within a reasonable time after the meetings to maintain accurate records of Board discussions and decisions. The number of Board meetings held and meetings attended by each of the Directors during the Year were as follows:

Name of Director	Meetings attended	Meetings held during the term of office during 2024
Executive Directors:		
Mr. Shao Zhong	4	4
Ms. Yang Ying	4	4
Mr. Li Jian	4	4
Independent non-executive Directors:		
Mr. Yick Wing Fat Simon	4	4
Ms. Wei Wei	4	4
Mr. Wan Jie	4	4

Apart from the abovementioned Board meetings, the Chairman also held a meeting with the independent non-executive Directors without presence of executive Directors during the Year.

Notes:

1. On 3 December 2009, the Board resolved that, for transactions falling under Chapter 14 of the Listing Rules but with the amount involved less than HK$20 million and that all relevant percentage ratios not exceeding 5%, the same may be approved by any two executive Directors, provided that within 5 working days from the date of signing of the agreement(s) for the transaction, a copy of such agreement(s) must be circulated to all Directors (including independent non-executive Directors). Out of the above Board meetings held, none falls within such category of meeting.

2. The annual general meeting of the Company for the year ended 31 December 2023 was held on 28 June 2024. All the Directors attended the said annual general meeting.

All the Directors have access to the advice and services of the company secretary of the Company ("Company Secretary") to ensure all board procedures are followed. There are also written procedures for the Directors to obtain independent professional advice at the Company's expense.

Appointment, Re-election and Removal of Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years. Furthermore, the Board confirms the term of appointment and functions of all independent non-executive Directors and Board committee members with formal letters of appointment. Each of the independent non-executive Directors is appointed for an initial term of two years.

Directors who are appointed to fill vacancies are subject to re-election at the first annual general meeting of the Company after his or her appointment. In addition, every Director, including every independent non-executive Director, shall retire from office by rotation at least once every three years. One-third of the Directors are required to retire by rotation from office at every annual general meeting under the Company's articles of association (the "Articles"). A retiring Director is eligible for re-election.

Induction and Continuing Development of Directors

The Directors keep abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company. The training records of each Director for the Year were as follows:

Name of Director	Perusing materials relevant to the Company's business or to their duties and responsibilities	Attending training courses on the topics related to corporate governance or regulations
Executive Directors:		
Mr. Shao Zhong	✓	✓
Ms. Yang Ying	✓	✓
Mr. Li Jian	✓	✓
Independent non-executive Directors:		
Mr. Yick Wing Fat Simon	✓	✓
Ms. Wei Wei	✓	✓
Mr. Wan Jie	✓	✓

During the Year, all Directors received regular updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the Directors. They also attended regulatory update sessions and seminars on relevant topics. All Directors were requested to provide the Company with their respective training record pursuant to the CG Code.

Remuneration of Directors and Senior Management

The Directors' fees and all other reimbursements and emoluments paid or payable to the Directors during the Year are set out, on an individual and named basis, in note 12 to the consolidated financial statements of this annual report on page 148. The remuneration policy of the Group is set out on page 64 of this annual report.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors whose particulars are contained in the section headed "Biographical Details of Directors & Senior Management" in this annual report by band) is set out below:

	Number of individuals	
	2024	**2023**
Less than HK$1,000,000	3	3
HK$1,000,001 – HK$1,500,000	1	1
HK$2,000,001 – HK$2,500,000	1	1

Independence of Independent non-executive Directors

The Company recognizes independent non-executive Directors to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments as of the date of this report, and therefore the Company is of the view that the independent non-executive directors comply with the independence requirements set out in Rule 3.13 of the Listing Rules.

The Board is of the view that all independent non-executive Directors are independent and is grateful for the contribution and independent advice and guidance that they have been giving to the Board and the Board committees.

Other matters relating to the Board

In relation to financial reporting, all Directors acknowledge their responsibilities for preparing the accounts of the Group. The Group has appropriate insurance in place to cover the liabilities of the Directors and senior executives of the Group.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

During the year ended 31 December 2024, Mr. Shao is the Chairman of the Board and the Chief Executive Officer of the Group. The Board believes that with the support of the management, vesting the roles of both the Chairman and Chief Executive Officer in Mr. Shao, the founder of the Group, can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. The Board therefore considers that this structure will not impair the balance of power and authority between the Board and the management of the Company.

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

Board Independence Evaluation

The Company has established a board independence evaluation mechanism (the "Board Independence Evaluation Mechanism") during the Year which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board independence evaluation report (the "Independence Evaluation Report") will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2024, all Directors have completed the independence evaluation in the form of a questionnaire individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

BOARD COMMITTEES

The Board has established the Audit, Remuneration, Nomination and ESG Committees with written terms of reference to deal with certain corporate governance aspects of the Group. The terms of reference of these committees are published on the Company's website (www.metamediahldg.com) and the Stock Exchange's website (www.hkexnews.hk). From time to time, the Board also establishes other board committees to deal with specific aspects of its business. Each committee is appointed with written terms of reference and each member of the committee has a formal letter of appointment setting out key terms and conditions relating to his/her appointment. Each committee meets as frequently as required by business developments and the operation of the Group. Committee members are provided with adequate and timely information before each meeting or discussion. All committee members are asked to review and comment on the minutes of their meetings within a reasonable time after the meetings. The procedures and arrangements relating to the meetings of the Board apply to meetings of the Board committees wherever appropriate.

AUDIT COMMITTEE

The Company has established the Audit Committee in 2009 with written terms of reference. As at 31 December 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Yick Wing Fat Simon (Chairman), Ms. Wei Wei and Mr. Wan Jie.

The Audit Committee members have professional qualifications and experience in financial matters that enable the Audit Committee to exercise its powers effectively and provide the Board with independent views and recommendations in relation to financial matters.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and the internal control procedures of the Group. The terms of reference of the Audit Committee are aligned with the recommendations as set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The main duties of the Audit Committee are as follows:

(a) to consider the appointment of the external auditors and any question of resignation or dismissal;

(b) to discuss with the external auditors before the audit commences, the nature and scope of the audit;

(c) to review the half-year and annual financial statements before submission to the Board, focusing particularly on:

  (i) any changes in the accounting policies and practices adopted by the Group;

  (ii) major accounting estimates and judgmental areas;

  (iii) significant adjustments following the audit;

  (iv) the going concern assumption;

  (v) compliance with accounting standards; and

  (vi) compliance with the requirements of the Stock Exchange and related legal requirements;

(d) to discuss problems and reservations arising from the audits, and any matters the external auditors may wish to discuss (in the absence of management where necessary);

(e) to review the audit program of the internal audit function (if applicable); and

(f) to oversee the Company's financial reporting system and internal control system, and in particular the risk management system.

The Audit Committee holds two regular meetings annually and also meets at such other times as are necessary. Any Audit Committee member may convene a meeting of the committee. The external auditors may also request the Chairman of the Audit Committee to convene a meeting of the Audit Committee. The Audit Committee may invite the external auditors and/or members of management to attend any of the meetings. Special meetings may be called at the discretion of the Chairman of the Audit Committee or at the request of management to review significant internal control or financial issues. The Chairman of Audit Committee reports to the Board at least twice a year on the Audit Committee's activities and highlights any significant issues. The number of meetings of the Audit Committee held and attended by each of the Audit Committee members during the Year were as follows:

Name of Director	Meetings attended	Meetings held during the term of office in 2024
Mr. Yick Wing Fat Simon *(Chairman)*	2	2
Ms. Wei Wei	2	2
Mr. Wan Jie	2	2

The following is a summary of the work performed by the Audit Committee during the year ended 31 December 2024:

(a) reviewed the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(b) discussed with the external auditors regarding the nature and scope of the 2024 audit;

(c) reviewed the half–year and annual financial statements of the Group before the submission to the Board for the approval;

(d) reviewed the Group's financial reporting, internal controls and risk management processes; and

(e) met the external auditors without the presence of the executive Directors.

The Board has not taken any view that is different from that of the Audit Committee nor rejected any recommendation presented by the Audit Committee in 2024.

The external auditors were invited to attend the Audit Committee meetings held during the Year to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters. The Chairman of the Audit Committee provided the Board with a briefing on the significant issues after each Audit Committee meeting. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year ended 31 December 2024.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee in 2009 with written terms of reference. As at 31 December 2024, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Yick Wing Fat Simon (Chairman), Ms. Wei Wei and Mr. Wan Jie. The primary duties of the Remuneration Committee are to make recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management of the Company by making reference to market rates, their duties and responsibility to determine on behalf of the Board the specific remuneration packages and conditions of employment for all the executive Directors and senior management of the Company.

The duties of the Remuneration Committee, as set out in its terms of reference, adhere to the relevant CG Code. The Remuneration Committee usually meets once a year and at such other time as is necessary. Any Remuneration Committee member may convene a meeting of the Remuneration Committee. The number of meetings of the Remuneration Committee held and attended by each of the Remuneration Committee members during the Year were as follows:

Name of Director	Meetings attended	Meetings held during the term of office in 2024
Mr. Yick Wing Fat Simon *(Chairman)*	1	1
Ms. Wei Wei	1	1
Mr. Wan Jie	1	1

During the year ended 31 December 2024, the Remuneration Committee has performed the following work:

(a) reviewed, discussed and determined the remuneration policy of the Group and the remuneration packages of the Directors and the senior management members;

(b) reviewed the remuneration of the executive Directors; and

(c) assessed performance of the executive Directors.

Details of the remuneration of each Director and the remuneration of the members of the senior management of the Group by band for the year ended 31 December 2024 are set out in note 12 to the consolidated financial statements and the paragraph headed "CORPORATE GOVERNANCE REPORT – Remuneration of Directors and Senior Management" in this annual report, respectively.

NOMINATION COMMITTEE

The Company has established the Nomination Committee in 2012 with written terms of reference. As at 31 December 2024, the Nomination Committee comprises three independent non-executive Directors, namely Ms. Wei Wei (Chairman), Mr. Yick Wing Fat Simon and Mr. Wan Jie. The primary duties of the Nomination Committee are reviewing the structure, size and composition of the Board annually, making recommendation on any proposed changes to the Board and the appointment or re-appointment of Directors having regard to the balance of skills and experience appropriate to the Group's business and the Board diversity.

The duties of the Nomination Committee, as set out in its terms of reference, adhere to the relevant CG Code. The Nomination Committee usually meets once a year and at such other time as is necessary. Any Nomination Committee member may convene a meeting of the Nomination Committee. The number of meetings of the Nomination Committee held and attended by each of the Nomination Committee members during the Year were as follows:

Name of Director	Meetings attended	Meetings held during the term of office in 2024
Ms. Wei Wei *(Chairman)*	1	1
Mr. Yick Wing Fat Simon	1	1
Mr. Wan Jie	1	1

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including but not limited to the following in assessing the suitability of the proposed candidate:

(a) the needs of the Board and the respective committees of the Board and the current size and composition of the Board;

(b) the proposed candidate's character, experience and integrity;

(c) the proposed candidate's accomplishment and reputation in the business and other relevant sectors relating to the Group's business or development;

(d) the proposed candidate's commitment in respect of sufficient time and attention to the Company's business;

(e) in accordance with the Board diversity policy ("Board Diversity Policy") stated in the paragraph headed "BOARD DIVERSITY POLICY" below, diversity in all aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender;

(f) the proposed candidate's ability to assist and support management and make significant contributions to the Company's success;

(g) the proposed candidate's understanding of the fiduciary responsibilities that is required of a director and the commitment of time and energy necessary to diligently carry out those responsibilities; and

(h) any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and Shareholders.

Once the Nomination Committee determines that an additional or replacement director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or management.

During the year ended 31 December 2024, the Nomination Committee performed the following work:

(a) reviewed and discussed the structure and composition of the Board;

(b) reviewed and discussed the policy for the nomination of Directors; and

(c) assessed the independence of the independent non-executive Directors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Company has established the ESG Committee in 2016 with written terms of reference. As at 31 December 2024, the ESG Committee comprises one executive Director, namely Mr. Shao (Chairman), an independent non-executive Director, namely Mr. Wan Jie and a senior management member, namely Ms. Zhong Yuan Hong. The primary duties of the ESG Committee are (i) to formulate and implement the ESG policies and strategies; (ii) to set-up the key performance indicators and monitor the progresses and the end-results; and (iii) to review and revise the ESG policies to ensure the effectiveness of its implementation.

The duties of the ESG Committee, as set out in its terms of reference, adhere to the relevant CG Code. The ESG Committee shall meet at least once a year and at such other time as is necessary. Any ESG Committee member may convene a meeting of the ESG Committee. The ESG Committee did not hold any meetings during the Year.

BOARD DIVERSITY POLICY

On 15 August 2013, the Company adopted the Board Diversity Policy in accordance with the requirement set out in code provision of the CG Code. The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as essential in achieving a sustainable and balanced development of the Group.

The Board has considered measurable objectives based on the following focus areas: (i) professional skills, experience, knowledge and expertise; (ii) gender; (iii) age; and (iv) culture and ethnicity. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

As at 31 December 2024, the Board comprises six Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, in particular, in terms of professional expertise and experience, age, culture and ethnicity. In addition, the Board has two female members, namely Ms. Yang Ying and Ms. Wei Wei, which brings diversity to the Board and the Board will continue to maintain the current level.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender
Male: 4 Directors
Female: 2 Directors

Designation
Executive Directors: 3 Directors
Independent Non-executive Directors: 3 Directors

Nationality
Chinese: 5 Directors
Canadian: 1 Director

Age Group
41-50: 2 Directors
51-60: 1 Director
61-70: 3 Directors

Educational Background
Business Administration: 2 Directors
Accounting & Finance: 1 Director
Other: 3 Directors

Business Experience
Accounting & Finance: 1 Director
Experience Related to the Company's Business: 5 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

Appropriate emphasis on maintaining gender diversity has been placed in the reviews of board composition, board diversity and succession planning. All appointments of Directors will take into account the measurable objectives set out in the Board Diversity Policy and the benefits of diversity on the Board, so as to maintain a pipeline of potential successors to the Board to maintain gender diversity.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this Annual Report:

	Female	Male
Board	33.3% (2)	66.7% (4)
Senior management	60.0% (3)	40.0% (2)
Other employees	74.7% (275)	25.3% (93)
Overall workforce	73.9% (280)	26.1% (99)

The Board had targeted to achieve and had achieved at least 33.3% (2) of female Directors, 60% (3) of female senior management and 74.7% (275) of female employees of the Group and considers that the above current gender diversity is satisfactory.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on page 95 of this annual report.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

For the year ended 31 December 2024, the Board held one meeting to:

(a) review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) review and monitor the training and continuous professional development of the Directors and senior management;

(c) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) review and monitor the Company's code of conduct regarding Directors' securities transactions and compliance of the Model Code; and

(e) review the Company's compliance with the CG Code and disclosure in this corporate governance report.

INTERNAL CONTROLS

The Group has established internal controls in all material aspects of its business including financial, operational, compliance and risk management functions. These internal controls are intended to safeguard the Shareholders' investments and the Group's assets. To the extent relevant, the Group's internal control framework uses aspects from the internal control and risk management framework proposed by the HKICPA.

The responsibilities for maintaining the Group's internal controls are divided between the Board and management. The Board is responsible for setting and reviewing internal control policies to monitor the Group's internal control systems. The Board delegates the implementation of these policies to management. Management is responsible for identifying, evaluating and managing the risks faced by the Group and for designing, operating and monitoring an effective internal control system which implements the policies adopted by the Board. The Company has set up its own internal audit department to perform an internal audit function in 2010. Audit plans, risk assessments and internal audit reports are presented to and reviewed by the Audit Committee and the Board. The Board acknowledges that it is responsible for the Group's risk management and systems of internal control and for reviewing their effectiveness. Preliminary reviews of the Group's financial controls, internal control and risk management systems prior to formal reviews by the Board have been delegated to the Audit Committee in accordance with its terms of reference. The Audit Committee reviews the Group's financial controls, internal control and risk management systems at its regular Audit Committee meetings. It should be noted, however, that while a sound and well-designed system of internal control helps to provide reasonable safeguards to assist the Group in achieving its business objectives, the system itself cannot provide protection with certainty against the Group failing to meet its business objectives or against all material errors, losses, fraud or breaches of laws or regulations. In other words, such systems are designed to manage rather than eliminate the risk of failure to achieve objectives. For this reason, the Board's review of the internal controls can only provide reasonable but not absolute assurance that one of the risks mentioned above would not materialise. The Board reviewed the effectiveness of the Group's material controls, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, qualifications and experience of staff of its accounting and financial reporting function and their training programs and budget during the Year and considered the Group's risk management and system of internal controls to be effective and adequate.

Regarding the procedure and internal control over handling and dissemination of the inside information, the Group has established monitoring measures to ensure that the potential inside information could be promptly recognized, assessed and then provided to the Board for their decision that whether a disclosure is required.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors have acknowledged their responsibilities for preparing the consolidated financial statements of the Group for the year ended 31 December 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

EXTERNAL AUDITORS

ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA") was first appointed as the external auditors of the Group in 2020.

During the year ended 31 December 2024, ZHONGHUI ANDA provided the following audit and non-audit services to the Group:

	RMB'000
Audit services	1,230
Other non-audit services	150
Total	1,380

ZHONGHUI ANDA will retire and offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

A statement by ZHONGHUI ANDA about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report section of this annual report on pages 106 to 109.

COMPANY SECRETARY

Ms. Chan Sze Ting ("Ms. Chan") has been engaged and appointed by the Company as the Company Secretary in the capacity of an external service provider. The Company has designated Mr. Shao, an executive Director and the Chairman of the Board, to be the primary corporate contact person of Ms. Chan pursuant to code provision C.6.1 of the CG Code as set out in Appendix C1 to the Listing Rules. Ms. Chan has attained no less than 15 hours of relevant professional training during the Year. Her biographical details are set out in page 70 of this annual report.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

All of the Company's shares are ordinary shares carrying equal voting rights. As at the date of this annual report, sufficient shares of the Company were on public float as required by the Listing Rules. The Board and management recognise their responsibility to act in the best interests of the Company and its Shareholders as a whole. Shareholder relations play an integral part in corporate governance. The Group keeps Shareholders informed of its performance, operations and significant business developments by adopting a transparent and timely corporate disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. The Company reports on financial and operating performance to Shareholders twice each year through annual and interim reports. The Company gives Shareholders the opportunity to raise concerns or propose recommendations to the Board at the Company's annual general meetings. A representative of the Company's external auditors is requested to attend the annual general meetings to answer questions about the external audit and the audit report. Shareholders may visit our website: www.metamediahldg.com for up-to-date financial and other information about the Group and its activities.

The Company promotes fair disclosure of information to all investors and care is taken to ensure that analyst briefings and other disclosures made by the Company comply with the Listing Rules' prohibition against selective disclosure of inside information. Shareholders have specific rights to convene extraordinary general meetings under the Articles.

1. Procedure for Shareholders to convene an extraordinary general meeting

1.1 The following procedures for Shareholders to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the Articles:

(1) One or more Shareholders (the "Requisitionist(s)") holding, at the date of the 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 shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.

(2) Such Requisition shall be made in writing to the Board or the Company Secretary via email at the email address of the Company at hk@metamedia.com.hk.

(3) The EGM shall be held within two months after the deposit of such Requisition.

(4) If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself/herself (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 Directors shall be reimbursed to the Requisitionist(s) by the Company.

2. Procedure for raising enquiries

To ensure effective communication between the Board and the Shareholders, the Company has adopted the Shareholder Communication Policy on 29 February 2012.

2.1 Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar, TRICOR INVESTOR SERVICES LIMITED, via send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong.

2.2 Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at hk@metamedia.com.hk, fax: (852) 2891 9719 or mail to 7/F, Global Trade Square, 21 Wong Chuk Hang, Aberdeen, Hong Kong. Shareholders may call the Company at (852) 2250 9188 for any assistance.

3. Procedure and contact details for putting forward proposals at Shareholders' meetings

3.1 To put forward proposals at a general meeting of the Company, Shareholders should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at hk@metamedia.com.hk.

3.2 The identity of the Shareholder and his/her/its request will be verified by the Company's branch share register in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board will determine in its sole discretion whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

3.3 The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

(1) Notice of not less than 21 clear days in writing if the Proposal requires approval by way of an ordinary resolution in an annual general meeting or a special resolution of the Company;

(2) Notice of not less than 14 clear days in writing if the Proposal requires approval in meeting other than an annual general meeting.

Up to the date of this annual report, no Shareholder has requested the Company to convene an EGM.

The Company has reviewed the implementation and effectiveness of its Shareholders' communication policy during the Year. Having regard to the measures and procedures implemented, it considers such policy as effective.

The Company's next annual general meeting will be held on 27 June 2025. For details, please refer to the notice of the annual general meeting to be published on the Company's and the Stock Exchange's websites.

CONSTITUTIONAL DOCUMENTS

The memorandum of association of the Company and the Articles were amended according to a special resolution approved on 30 June 2022. The latest Articles is available on the Stock Exchange's and Company's websites. During the Year, there were no changes in the Articles.

CONCLUSION

The Company strongly believes that good corporate governance can safeguard the effective allocation of resources and protect Shareholders' interest and the management tries to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

BUSINESS REVIEW

Key financial and business performance indicators

The key financial and business performance indicators comprise profitability growth, return on equity, dividend growth and gearing ratio. Details of profitability analysis are set out in "Management Discussion and Analysis" section of this annual report. The Group's return on equity, based on loss for the year to net assets, showed improvement in 2024 as compared to 2023, increasing from -12.1% to -7.2%, which was mainly due to the Group's continuous innovation and expansion of its business model, as well as the implementation of cost control measures, resulting in enhanced performance. The global economy has not yet fully recovered. The Directors do not recommend the payment of any final dividend for the year ended 31 December 2024 to preserve more financial resources in response to the market stagnancy. The Group's gearing ratio as at 31 December 2024 was 31.7% (31 December 2023: 36%), which was calculated based on the net debt divided by total capital at the end of the year and multiplied by 100%. The Group will continue to safeguard its capital adequacy position, whilst to maintain a balance between business growth and risk management.

Environmental, social and governance

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creates a sustainable return to the Group.

In 2016, the Board established the ESG Committee to formulate the policies and implement the procedures to deal with environmental, social and governance affairs of the Group. Please refer to the ESG Report on pages 71 to 105 of this annual report.

Environmental protection

The Group has implemented internal recycling program on a continuous basis for consumable goods such as toner cartridges and paper in order to minimise the impact on the environment and natural resources being caused by the Group's operations. Recycled papers have also been used as the Group's key printing materials. The Group also implemented energy saving practices in offices and branch premises where applicable. The Group also plans to complete the upgrade of air-conditioning and electricity systems to achieve the energy saving and provision of clear air to workplace where possible.

Workplace quality

The Group is an equal opportunity employer and encourages diversity regardless of age, gender, marital status and race. The Board Diversity Policy, with the aim of enhancing the Board's performance by diversity, was adopted in August 2013.

The Group believes that employees are the most important and valuable assets of the Group and regards human resources as its corporate wealth. The Group is people-focused, we attract and retain key personnel and talents with appropriate skills, experience and competence which would complement and meet the corporate and business objectives of the Group.

We provide on-the-job training and development opportunities to promote staff self-actualisation and enhance our employees' career progression. We also encourage staff participation of external seminars and lectures to keep abreast of changes and updates on areas of legal, compliance, financial accounting and tax knowledge. It is believed that staff knowledge and skills are aligned and enhanced through relevant, systematic and planned trainings which in return can improve the efficiency and productivity of the Group.

The Group encourages continuous professional development training for the Directors and senior management to develop and refresh their knowledge and skills which includes updates on regulatory requirements and development and corporate governance practices through seminars and workshops.

The Group provides competitive remuneration package to attract, retain and motivate the employees. It offers competitive remuneration, medical benefits, insurance and leave entitlement commensurate to market standards, and we regularly review the remuneration package of employees and make necessary adjustments to conform to the market standards. We establish and implement policies that promote a harmonious and productive workplace.

Compliance with laws and regulations

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, it has complied in material aspects with the relevant laws and regulations that have significant impacts on the business and operation of the Company and its subsidiaries.

Relationships with key stakeholders

The Group's success also depends on the support from key stakeholders which comprises employees, customers, service vendors, regulators and Shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognise our staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by providing appropriate trainings and opportunities within the Group for career advancement.

Customers

The Group's principal customers are from 4A advertising companies and branded customers which place their advertisements on our print and digital media products. The Group has the mission to provide excellent and creative customer services whilst maintaining our long-term profitability, business and assets growth. Various means have been established to strengthen the communication between the customers and the Group in order to provide excellent customer services, which in turn achieves further market penetration and expansion.

Service vendors

Sound relationships with key service vendors of the Group are important in supply chain which can generate cost effectiveness and foster long-term business benefits. The key service vendors comprise the printing vendors, overseas and local licensors, contents providers, photos suppliers and other business partners which provide value-added services to the Group.

Regulators

The Group operates in advertising sector which is regulated by the Stock Exchange, the Securities and Futures Commission of Hong Kong, the News and Publication Bureau (新聞出版局) and the Industrial and Communication Department (工業和信息化部) in the PRC and other relevant authorities. It is the Group's desire to keep up-to-date and ensure the compliance with new rules and regulations.

Shareholders

One of the corporate goals of the Group is to enhance corporate value to the Shareholders. The Group is poised to foster business developments for achieving sustainable earnings growth and rewarding the Shareholders by stable dividend payouts taking into account the capital adequacy levels, liquidity positions and business expansion needs of the Group.

Principal risks and uncertainties

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in our businesses and operations as efficiently and effectively as possible. The Board delegates some of this responsibility to various operational departments.

The Group's principal business activities comprise publication of magazines and periodicals in Hong Kong, the PRC and the United Kingdom, provision of advertising agency services, digital publishing business, art work trading and auction, art exhibition and related education and restaurant operations. It will be exposed to a variety of key risks including foreign currency risk, credit risk, liquidity risk and interest rate risk. Details of the aforesaid key risks and risk mitigation measures are elaborated in note 5 to the consolidated financial statements of this annual report.

The Group's business and profitability growth in the Year under review is affected by the volatility and uncertainty of macro-economic conditions in the PRC and Hong Kong. The PRC government had continued on with its anti-corruption crack down which severely impacted the sentiment of the retail market, especially in luxury consumption. The brand advertisers cut down their budget which was reflected in the downward trend of the advertising spending in recent years. The long-term business and profitability growth of the Group is expected to continue to be affected by the changes in macro-economic variables including real GDP growth, consumer price index, credit demand, unemployment rate, etc. of the PRC and Hong Kong.

Future business development

In the coming future, we will continue to foster the implementation of vertical industry chain integration, upgrade and optimise the existing assisted purchase feature on e-commerce, enhance online and offline activity and develop the integrated marketing brand consultancy service. Also, we will further develop the art sector business and metaverse business by leveraging on our existing strengths of our art and commercial media platforms through the organisation of art exhibitions or activities and the provision of art consultation services.

Despite the foregoing, the Group will continue to seek sustainable business expansion and market penetration, and to pursue profitability growth by diversification of our income streams, improvement of cost efficiency and control of bad debts. The Group will also adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the challenges ahead.

On 10 March 2017, the Company entered into an investment agreement (the "Investment Agreement") with Septwolves Invest, pursuant to which each of the Company and Septwolves Invest have agreed to subscribe for certain shares of MDHL, a wholly-owned subsidiary of the Company. The Company is of the view that, apart from providing an immediate funding and increasing the liquidity of the Group, introducing Septwolves Invest, whose ultimate controlling shareholders have the expertise, rich resources and networking, as a strategic shareholder of MDHL would optimise sales network of MDHL, and assist MDHL in developing and strengthening its long-term business development by leveraging on the financial strength and extensive business networks of Septwolves Invest (and its associated corporations). For further details of the investment, please refer to the announcement of the Company dated 10 March 2017, 22 March 2017, 4 August 2017 and 13 July 2019, respectively. Pursuant to the Investment Agreement, the Company has undertaken to Septwolves Invest that the expected revenue after tax of MDHL and its subsidiaries (collectively, "MDHL Group") for each of the three years ended 31 December 2017, 2018 and 2019 will be no less than HK$140 million, HK$162 million, and HK$186 million, respectively. If MDHL fails to achieve the above expected annual performance, Septwolves Invest shall be entitled, on or before 30 April 2020, to require the Company to acquire all shares in MDHL then held by Septwolves Invest. Based on the audited consolidated financial statements of MDHL Group, its revenue after tax for the year ended 31 December 2019 amounted to approximately RMB183.1 million (equivalent to approximately HK$207.7 million). As the revenue after tax of MDHL Group for the year ended 31 December 2019 was in excess of HK$186 million, the expected annual performance for such year as provided under the Investment Agreement was fulfilled.

On 22 August 2023, e-Starship, the Company and Septwolves Invest entered into a conditional sale and purchase agreement in relation to the acquisition of 100,000 shares in MDHL (representing 7% of MDHL's issued share capital). The acquisition was completed on 20 October 2023.

Pursuant to an investment agreement entered into between the Group, 上海尚照電子商務有限公司(Shanghai Shangzhao Co., Ltd.*) ("Shanghai Shangzhao") (an independent third party) and the shareholders of Shanghai Shangzhao (independent third parties) on 8 April 2019, the Group agreed to subscribe for RMB2,365,500 in the registered capital of Shanghai Shangzhao, representing 51% of its enlarged registered capital, at a consideration of RMB15,000,000 (the "Acquisition"). Shanghai Shangzhao and its subsidiary, 上海眾社文化發展有限公司(Shanghai Zhongshe Cultural Development Co., Ltd.*), were established in the PRC with limited liability and are principally engaged in the operation of galleries and cafes, organisation of photography exhibitions, operation of online shop and physical stores for sales of photography artworks in the PRC, all under the "BROWNIE Art Photography" brand in the PRC. The Acquisition was completed on 30 June 2019. Details of the Acquisition were disclosed in the Company's announcements dated 8 and 18 April 2019 respectively.

According to the Investment Agreement entered into by the Group, Art Review (an independent third party) and ART VIEW LTD (an independent third party) on 10 June 2019, the Group agreed to subscribe for 85% of the registered capital of Art Review at a price of GBP800,000. Art Review was established as a limited liability company in the United Kingdom. It mainly publishes and sells ArtReview, the world's top art magazine with a history of 70 years, and ArtReview Asia, the only contemporary art review magazine in Asia with a history of nearly 20 years. It provides services such as exhibition and event planning and implementation. The said acquisition was completed on 30 June 2019.

The aforementioned acquisitions were was made to broaden the income base of the Group to facilitate the development of the Group's business.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The Company is principally engaged in investment holding. The particulars and activities of the Company's subsidiaries are set out in note 37 to the consolidated financial statements of this annual report. An analysis of the Group's performance for the Year by business segments is set out in note 6 to the consolidated financial statements of this annual report.

FINANCIAL RESULTS AND DISTRIBUTABLE RESERVES

The Group's financial performance for the year ended 31 December 2024 and the financial position of the Company and the Group as at 31 December 2024 are set out in the consolidated financial statements on pages 110 to 112 and page 170 of this annual report.

Movements in the reserves of the Company and amounts available for distribution to the Shareholders are disclosed in note 32(b) to the consolidated financial statements of this annual report. Movements in the reserves of the Group are disclosed in the consolidated statement of changes in equity on page 113 of this annual report.

DIVIDEND POLICY

The Group adopted a dividend policy (the "Dividend Policy") on 22 March 2019. The Directors consider the main objectives of the Dividend Policy are to provide sustainable returns and a stable dividend payment to the Shareholders. The basic policy is to pay interim and final dividends in each financial year.

Pursuant to the applicable laws of the Cayman Islands and the Articles, all of the Shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of the Shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution in the form of shares also requires the approval of the Shareholders.

Retained surplus is used to achieve further gains in corporate value. For this purpose, the Board makes effective use of retained surplus to strengthen the operating base and fund growth of established businesses and the development of new businesses.

The Board takes into account the following factors when considering the declaration and payment of dividends:

- liquidity position of the Company;
- financial results;
- Shareholders' interests;
- general business conditions and strategies;
- capital requirements;
- contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries to the Company, if any;
- taxation considerations;
- possible effects on the creditworthiness;
- statutory and regulatory restrictions; and
- any other factors the Board may deem relevant.

The Company will not declare any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

SHARE CAPITAL

There was no movement in the Company's share capital during the Year.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements of this annual report.

MAJOR SUPPLIERS AND CUSTOMERS

The top five suppliers in aggregate and the single largest supplier of the Group accounted for approximately 19.7% and 7.9% of the Group's total purchases for the year ended 31 December 2024 respectively.

The top five customers in aggregate and the single largest customer of the Group accounted for approximately 28.03% and 7.58% of the Group's total sales for the year ended 31 December 2024 respectively.

As far as the Directors are aware, neither the Directors, their close associates, nor Shareholders (which to the knowledge of the Directors own more than 5% of the Company's number of issued shares as at 31 December 2024) had any interest in any of the five largest suppliers and customers disclosed above.

PARTICULARS OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

Details of properties held by the Group for investment as at 31 December 2024 are as follows:

Location	Use	Lease term	Group's interest
401, 4/F, and 501, 5/F, No. A2, Workers' Stadium East Road, Chaoyang District, Beijing, the PRC	Commercial	Long-term	100%

FIVE YEAR FINANCIAL SUMMARY

The summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 180 of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws in the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

DIRECTORS

The Directors who held office during the Year and as at the date of this Directors' Report were:

Executive Directors
Mr. Shao Zhong *(Chairman of the Board and Chief Executive Officer)*
Ms. Yang Ying
Mr. Li Jian

Independent non-executive Directors
Mr. Yick Wing Fat Simon
Ms. Wei Wei
Mr. Wan Jie

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

As at 31 December 2024, the Directors and chief executive of the Company had the following interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long positions in the Company

Name of Director	Capacity/ Nature of interest	Number of ordinary shares of the Company held	Approximate % of the total number of issued ordinary shares of the Company*
Mr. Shao Zhong	Beneficial owner	326,574,000	74.50%
Ms. Yang Ying	Beneficial owner	110,000	0.03%

* As at 31 December 2024

Long positions in the associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Approximate % of equity interest
Mr. Shao	北京現代雅格廣告有限公司(Beijing Modern Yage Advertising Co., Ltd.*, "Beijing Yage")	Interest of controlled corporations *(Note 1)*	100%
Mr. Shao	北京雅格致美廣告傳播有限公司(Beijing Yage Zhimei Advertising Media Co., Ltd.*, "Beijing Yage Zhimei")	Interest of controlled corporations *(Note 2)*	100%
Mr. Shao	廣州現代資訊傳播有限公司(Guangzhou Modern Information Media Co., Ltd.*, "Guangzhou Modern Information")	Beneficial owner	100%
Mr. Shao	廣州現代圖書有限公司(Guangzhou Modern Books Co., Ltd.*, "Guangzhou Modern Books")	Beneficial owner	90%
Mr. Shao	Guangzhou Modern Books	Interest of controlled corporations *(Note 3)*	10%
Mr. Shao	上海格致廣告有限公司(Shanghai Gezhi Advertising Co., Ltd.*, "Shanghai Gezhi")	Interest of controlled corporations *(Note 4)*	100%
Mr. Shao	上海雅格廣告有限公司(Shanghai Yage Advertising Co., Ltd.*, "Shanghai Yage")	Interest of controlled corporations *(Note 5)*	100%
Mr. Shao	深圳市雅格致美資訊傳播有限公司(Shenzhen Yage Zhimei Information Media Co., Ltd.*, "Shenzhen Yage Zhimei")	Interest of controlled corporations *(Note 6)*	100%
Mr. Shao	珠海超媒文化有限公司(Zhuhai Meta Media Culture Co., Ltd.*, "Zhuhai Meta Media Culture") (previously known as 珠海現代致美文化傳播有限公司(Zhuhai Modern Zhimei Culture Media Co., Ltd.*))	Interest of controlled corporations *(Note 7)*	100%
Mr. Shao	珠海銀弧廣告有限公司(Zhuhai Yinhu Advertising Co., Ltd.*, "Zhuhai Yinhu")	Beneficial owner	90%
Mr. Shao	Zhuhai Yinhu	Interest of controlled corporations *(Note 8)*	10%
Mr. Shao	廣州超媒影業有限公司(Guangzhou Meta Media Films Co., Ltd.*, "Guangzhou Meta Media Films") (previously known as 摩登傳媒影業(廣州)有限公司(Modern Media Films (Guangzhou) Co., Ltd.*))	Interest of controlled corporations *(Note 9)*	100%
Mr. Shao	廣州現代移動數碼傳播有限公司(Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited.*, "Guangzhou Xiandai")	Interest of controlled corporations *(Note 10)*	100%
Mr. Shao	上海森音信息技術有限公司(Shanghai Senyin Information Technology Co., Ltd.*, "Shanghai Senyin")	Beneficial owner *(Note 11)*	100%

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

Notes:

1. Beijing Yage is held as to 80% by Guangzhou Modern Information and as to 20% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporations.

2. Beijing Yage Zhimei is held as to 100% by Zhuhai Meta Media Culture, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage Zhimei held by Zhuhai Meta Media Culture which is Mr. Shao's indirectly controlled corporation.

3. Guangzhou Modern Books is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Guangzhou Modern Books held by Guangzhou Modern Information, which is Mr. Shao's controlled corporation.

4. Shanghai Gezhi is held as to 100% by Zhuhai Meta Media Culture, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Gezhi held by Zhuhai Meta Media Culture, which is Mr. Shao's indirectly controlled corporation.

5. Shanghai Yage is held as to 90% by Guangzhou Modern Information and as to 10% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporation.

6. Shenzhen Yage Zhimei is held as to 100% by Zhuhai Meta Media Culture, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shenzhen Yage Zhimei held by Zhuhai Meta Media Culture, which is Mr. Shao's indirectly controlled corporation.

7. Zhuhai Meta Media Culture is held as to 100% by Zhuhai Yinhu, the equity interest of which is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Zhuhai Meta Media Culture held by Guangzhou Modern Information, which is Mr. Shao's controlled corporation.

8. Zhuhai Yinhu is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Zhuhai Yinhu held by Guangzhou Modern Information which is Mr. Shao's controlled corporation.

9. Guangzhou Meta Media Films is held as to 100% by Guangzhou Xiandai. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Guangzhou Meta Media Films held by Guangzhou Xiandai which is Mr. Shao's controlled corporation.

10. Guangzhou Xiandai is held as to 95% by Mr. Shao and as to 5% by Shanghai Senyin. Mr. Shao is accordingly deemed by the SFO to be interested in the 5% equity interest in Guangzhou Xiandai held by Shanghai Senyin which is Mr. Shao's controlled corporation.

11. Shanghai Senyin is held as to 95% by Mr. Shao and 5% by Ms. Zhong Yuanhong, an employee of the Group, on trust for Mr. Shao.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of interests or short positions in shares and underlying shares of the Company required to be kept under section 336 of the SFO shows that as at 31 December 2024, the Company had been notified of the following Shareholders other than the Directors or chief executive of the Company having interests in the shares representing 5% or more of the Company's issued shares:

Name of Shareholder	Capacity/ Nature of interest	Number of ordinary shares of the Company held	Approximate % of the total number of issued ordinary shares of the Company*
Madam Zhou Shao-min *(Note 1)*	Interest of spouse	326,574,000	74.50%

* as at 31 December 2024

Note:

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

Save as disclosed above, as at 31 December 2024, the Directors were not aware that there were any persons (not being the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE SCHEME

The share option scheme (the "Expired Scheme") was conditionally adopted by a resolution in writing passed by the then sole Shareholder on 24 August 2009. The Expired Scheme has expired on the tenth anniversary of such adoption date. Under the Expired Scheme, the Directors may grant options to subscribe for the Shares to eligible participants, including without limitation employees of the Group, Directors and its subsidiaries. No share option was granted, exercised, cancelled or had lapsed under the Expired Scheme during the Year. No share option was outstanding under the Expired Scheme as at 31 December 2024. Following the expiry of the Expired Scheme, no further share option may be or has been granted thereunder.

During the Year, the Group did not implement any share incentive scheme or share scheme under Chapter 17 of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors (including their spouses and children below 18 years of age) had been granted by the Company or had exercised any rights to subscribe for shares or debentures of the Company during the year ended 31 December 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Investment in online search services held by Mr. Shao

As at 31 December 2020, Mr. Shao, an executive Director and the controlling Shareholder, held about 6.4% equity interest in a company (the "Online Search Company") incorporated in Beijing, the PRC. As at 31 December 2024, Mr. Shao held less than 5% equity interest in the Online Search Company. The Online Search Company has been principally engaged in the business of operating an internet platform of open community in the form of a network of community members asking and answering questions with high-quality contents generated by users and shared across multiple knowledge domains. He is not in control of such company. Mr. Shao made investments in the said business before the Group's commencement of the digital media business.

As the Group's digital media business currently focuses on online advertising and publication of multiple digital media products, the Directors believe that the business of the Online Search Company currently does not compete with the Group's business. If there is any change in the future, the Company would discuss with (if necessary) Mr. Shao on his ceasing to hold or disposing of such investment.

Save as disclosed above, none of the Directors has any interest in a business which competes or is likely to compete with the business of the Group during the Year.

The independent non-executive Directors have reviewed the compliance with and enforcement of the terms of the non-competition undertakings by Mr. Shao. Based on, among other matters, the annual confirmation from Mr. Shao to the Company on compliance with the terms of the above non-competition undertaking, the Directors (including the independent non-executive Directors) consider that the above non-competition undertakings were complied with and enforced during the Year.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected Transactions" and "Continuing Connected Transactions" below and elsewhere in this annual report, no transaction, arrangement or contract of significance subsisted during or at the end of the Year in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly.

DIRECTORS' SERVICE CONTRACTS

No Director proposed to be re-elected at the forthcoming annual general meeting of the Company has an unexpired service contract with the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

Pursuant to Article 188 of the Articles, every Director is entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of the duties of his office or otherwise in relation thereto (except such is incurred or sustained through his own fraud or dishonesty). Such provision is currently in force and was in force throughout the year ended 31 December 2024.

The Company has taken out and maintained directors' liability insurance throughout the year ended 31 December 2024, which provides appropriate cover for the Directors.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existing during the Year.

CONNECTED TRANSACTIONS

Certain connected transactions took place during the year ended 31 December 2024 and/or subsisted as at 31 December 2024:

Contractual Arrangements

2009 Arrangements

Certain transactions entered into by us constituted non-exempt continuing connected transactions under the Listing Rules but they have been the subject of waiver granted to the Company by the Stock Exchange subject to compliance of certain conditions. Such series of contracts entered into by, among others, 現代傳播(珠海)科技有限公司(Modern Media (Zhuhai) Technology Co., Ltd. ("Zhuhai Technology")), Mr. Shao and the PRC Operational Entities (as defined in the prospectus of the Company dated 28 August 2009 (the "Prospectus")) (the "Contractual Arrangements") serve the purpose of providing the Group with effective control over the PRC Operational Entities to which the Group does not have direct shareholding, and to effectively transfer the economic benefits and pass the risks associated therewith of the PRC Operational Entities to the Company. The 2009 Arrangements include:

(a) management and consultation services agreements dated 24 August 2009 and entered into between Zhuhai Technology and (i) Guangzhou Modern Information, Guangzhou Modern Books, Zhuhai Yinhu and Zhuhai Meta Media Culture (collectively the "Publishing and Investment Holding Entities"); (ii) Shanghai Gezhi, Beijing Yage Zhimei, Shenzhen Yage Zhimei and Guangzhou Yage (collectively the "Sales Entities"); (iii) Shanghai Yage and Beijing Yage (collectively the "Production Entities"), pursuant to which the PRC Operational Entities have engaged Zhuhai Technology on an exclusive basis to provide consultation services in the management, sales and marketing, enterprise management and other supporting services in connection with the PRC Operational Entities' business. In return, each of the PRC Operational Entities agrees to pay fees to Zhuhai Technology fees at the end of each year. Fees payable to Zhuhai Technology by the PRC Operational Entities are equivalent to the total revenue less all the related costs, expenses and taxes of the respective PRC Operational Entities, as audited by such certified public accountants of the PRC. Such management and consultation services agreements became effective when it was executed on 24 August 2009 and would remain effective for a perpetual term;

(b) equity pledge agreements dated 24 August 2009 and entered into between Zhuhai Technology and (i) Mr. Shao; (ii) Mr. Shao and Guangzhou Modern Information; (iii) Zhuhai Yinhu; (iv) Zhuhai Meta Media Culture; (v) Guangzhou Modern Information and Guangzhou Modern Books, the payment of consultations services fees to Zhuhai Technology under the above management and consultation services agreements is secured in that Zhuhai Technology is entitled to exercise its rights to sell the pledged equity interests on occurrence of any non-payment of such fees. Furthermore, Zhuhai Technology is entitled to all dividends derived from the pledged equity interests in the PRC Operational Entities. The Equity Pledge Agreements become effective when it was executed on 24 August 2009;

(c) business operation agreements dated 24 August 2009 entered into between Zhuhai Technology and (i) Mr. Shao and the Publishing and Investment Holding Entities; (ii) Zhuhai Meta Media Culture and the Sales Entities; (iii) Guangzhou Modern Information, Guangzhou Modern Books and the Production Entities, under which no material business transaction can be entered into by the PRC Operational Entities without the prior written consent of Zhuhai Technology. Furthermore, the PRC Operational Entities shall appoint individuals as nominated by Zhuhai Technology to be their directors and key management as and when Zhuhai Technology sees fit. Zhuhai Technology or its nominees is entitled to exercise their rights as if they were the Shareholder of the PRC Operational Entities. Any dividend and/or capital gain derived from the equity interests in the PRC Operational Entities shall also be paid to Zhuhai Technology. The business operation agreements became effective when it was executed on 24 August 2009 and will remain effective for a perpetual term;

(d) option agreements dated 24 August 2009 entered into between Modern Media (HK) and (i) Mr. Shao and the Publishing and Investment Holding Entities; (ii) Zhuhai Meta Media Culture and the Sales Entities; (iii) Guangzhou Modern Information, Guangzhou Modern Books and the Production Entities, pursuant to which Modern Media (HK) was granted options to acquire the entire equity interest in the PRC Operational Entities at nil consideration or the minimum amount as permitted by the applicable PRC laws. Such option agreements became effective when it was executed on 24 August 2009 and will expire on the date on which all the equity interests in the PRC Operational Entities are transferred to Modern Media (HK) and/or its nominees;

(e) proxy agreements dated 24 August 2009 entered into between Zhuhai Technology and (i) Mr. Shao and Guangzhou Modern Information; (ii) Mr. Shao and Zhuhai Meta Media Culture; (iii) Mr. Shao, Guangzhou Modern Information and Guangzhou Modern Books, which authorise the Group to exercise its rights in the PRC Operational Entities as if it were the ultimate beneficial owner of the PRC Operational Entities. Such proxy agreements become effective when it was executed on 24 August 2009 and will remain effective during the term of the business operation agreements set out above; and

(f) trademark transfer agreement dated 24 August 2009 entered into between Zhuhai Technology and Guangzhou Modern Information to grant an option to Zhuhai Technology to acquire certain trademarks in relation to the PRC Magazines and its business at a nominal consideration or such minimum amount required by the PRC law. The trademark transfer agreement became effective when it was executed on 24 August 2009 and will remain effective for a perpetual term.

2011 Arrangements

The following connected transaction (the "2011 Arrangements", collectively with the 2009 Arrangements, the "Contractual Arrangements") was entered into by the Group in September 2011. For more details, please refer to the announcement of the Company dated 21 September 2011 (the "2011 Announcement").

On 20 September 2011, the Group, through its wholly owned subsidiaries, entered into the 2011 Contractual Agreements (as shown below) with Mr. Shao (a Director and substantial Shareholder of the Company), the Target Company (as defined below) and other relevant parties, pursuant to the arrangements contemplated under such 2011 Contractual Agreements, the Group would effectively obtain the control over the financial and operational policies and decisions of the Target Companies at a consideration of RMB18,000,000 (approximately HK$21,600,000). The 2011 Arrangements include:

(a) the equity pledge agreements dated 20 September 2011 and entered into between (among others) Mr. Shao, 雅致美資訊諮詢（深圳）有限公司(Yazhimei Information Consultation (Shenzhen) Co., Ltd.* ("Yazhimei")), 上海森音信息技術有限公司(Shanghai Senyin Information Technology Co., Ltd.* ("SH Senyin", which was beneficially wholly owned by Mr. Shao), for guaranteeing the payment of the service fees under the management and consultation services agreements (as defined in (d) below);

(b) the option agreements dated 20 September 2011 and entered into between (among others) Mr. Shao, SH Senyin, 廣州現代移動數碼傳播有限公司(Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited* ("Guangzhou Xiandai", which was beneficially owned as to 95% by Mr. Shao, GZ Xiandai together with SH Senyin are collectively referred to as "Target Companies")) and Modern Mobile Digital Media Company Limited ("MM Mobile Digital"), pursuant to which MM Mobile Digital has been granted options to acquire, directly or through one or more nominees, the entire equity interest in the Target Companies at nil consideration or the minimum amount as permitted by the applicable PRC laws;

(c) business operation agreements dated 20 September 2011 and entered into between (among others) Yazhimei, GZ Xiandai, Mr. Shao and SH Senyin, pursuant to which the Target Companies have undertaken not to enter into any material business transaction without the prior written consent of Yazhimei and to appoint individuals as nominated by Yazhimei to be the directors and key management of the Target Companies;

(d) the management and consultation services agreements dated 20 September 2011 and entered into between (among others) Yazhimei, GZ Xiandai and SH Senyin, pursuant to which the Target Companies will engage Yazhimei on an exclusive basis to provide enterprise management consultation services and other services in connection with the business services of the Target Companies; and

(e) the proxy agreements dated 20 September 2011 entered into between (among others) Yazhimei, Mr. Shao and SH Senyin, pursuant to which Mr. Shao is authorised to exercise the Shareholders' rights in each of the Target Companies including attending Shareholders' meeting and exercising voting rights (as long as Mr. Shao remains as the Chairman of Yazhimei).

2015 Arrangements

On 10 July 2015, the Group, through its wholly owned subsidiaries, entered into the 2015 Agreements (as shown below), collectively with the 2009 Arrangements and the 2011 Arrangements (the "Contractual Arrangements"), with Mr. Shao (a Director and substantial Shareholder), Guangzhou Xiandai, Linkchic (Beijing) Network Technology Co., Ltd* (每城美客(北京)網科技有限公司) ("Linkchic") and Guangzhou Modern Video Media Co., Ltd* (廣州摩登視頻傳媒有限公司) ("Guangzhou Modern Video") (Linkchic and Guangzhou Modern Video, collectively, the "Target Subsidiaries", as defined in the 2015 Annual Report dated 14 March 2016 (the "2015 Annual Report")). The 2015 Arrangements include:

(a) the equity pledge agreements dated 10 July 2015 and entered into between Yazhimei and Guangzhou Xiandai for guaranteeing the payment of the service fees under the management and consultation services agreements (as defined in (d) below);

(b) the option agreements dated 10 July 2015 and entered into between MM Mobile Digital, Guangzhou Xiandai and the Target Subsidiaries, respectively, pursuant to which MM Mobile Digital has been granted options to acquire, directly or through one or more nominees, the entire equity interest in the Target Subsidiaries at nil consideration or the minimum amount as permitted by the applicable PRC laws;

(c) business operation agreements dated 10 July 2015 and entered into between Yazhimei, Guangzhou Xiandai and the Target Subsidiaries, pursuant to which the Target Subsidiaries have undertaken not to enter into any material business transaction without the prior written consent of Yazhimei and to appoint individuals as nominated by Yazhimei to be the directors and key management of the Target Subsidiaries;

(d) the management and consultation services agreements dated 10 July 2015 and entered into between Yazhimei and the Target Subsidiaries, pursuant to which the Target Subsidiaries will engage Yazhimei on an exclusive basis to provide enterprise management consultation services and other services in connection with the business services of the Target Subsidiaries; and

(e) the proxy agreements dated 10 July 2015 entered into between Yazhimei, Mr. Shao and Guangzhou Xiandai, pursuant to which Mr. Shao is authorised to exercise the Shareholders' rights in each of the Target Subsidiaries including attending Shareholders' meeting and exercising voting rights (as long as Mr. Shao remains as the Chairman of Yazhimei) ((a) to (e), collectively the "2015 Arrangements").

The Target Subsidiaries are wholly-owned subsidiaries of Guangzhou Xiandai and their economic benefits as well as the risks associated therewith have already been transferred to the Company under the 2011 Arrangements (or, as the case maybe, since being acquired by Guangzhou Xiandai). The 2015 Arrangements have similar terms in substance with those stated in the 2011 Arrangements. Our PRC legal adviser is of the view that entering into the 2015 Arrangements would further strengthen the Group's management control over the Target Subsidiaries.

As at 31 December 2024, there were in total 16 operating companies established in the PRC ("OPCOs" and each an "OPCO"), including (i) 10 companies (the "Art Media OPCOs") which carried on the art media business, and (ii) 6 companies (the "Digital Media OPCOs") which carried on the digital media business.

The Art Media OPCOs

The Art Media OPCOs comprise the following members of the Group: Guangzhou Modern Information, Guangzhou Modern Books, Zhuhai Yinhu, Zhuhai Meta Media Culture, Shanghai Yage, Beijing Yage, Shanghai Gezhi, Beijing Yage Zhimei, Shanghai Xinxuefen Culture Media Co., Ltd. and Shenzhen Yage Zhimei.

The Art Media OPCOs carry on the printed media business of the Group, which includes (i) design, production and agency services of various advertisements; (ii) wholesale and retail sale of the books, newspapers, periodicals edited and published in the PRC; (iii) planning of literary arts activities and exhibitions; and (iv) consultation services for books information, project planning, enterprise investment and economic information.

The Digital Media OPCOs

The Digital Media OPCOs comprise the following members of the Group: Shanghai Senyin, Guangzhou Xiandai, Zhuhai Chaojie Technology Co., Ltd., Shanghai Chaojie Technology Co., Ltd., Shanghai Futuo Cultural Communication Co., Ltd. and Guangzhou Meta Media Films.

The Digital Media OPCOs carry on the digital media business of the Group, which includes (i) information technology business; (ii) holding of a digital publishing license issued by the PRC Government; (iii) holding of a television programme production permit issued by the PRC Government; and (iv) design and production of advertisements, planning of cultural events and exhibition.

Except for Shanghai Xinxuefen Culture Media Co., Ltd., Zhuhai Chaojie Technology Co., Ltd., Shanghai Chaojie Technology Co., Ltd., Shanghai Futuo Cultural Communication Co., Ltd., which are subsidiaries of Guangzhou Modern Information and Guangzhou Xiandai, each of the above-mentioned OPCOs was a party to the Contractual Arrangements.

OPCO's significance and financial contribution to the Group

By means of the Contractual Arrangements, the Group is permitted to engage in the art media business and the digital media business in the PRC as set out above which foreign ownership in such PRC entities is restricted. The following table sets out the respective financial contribution of the (i) Art Media OPCOs and (ii) Digital Media OPCOs to the Group:

	Significance and contribution to the Group		
	Revenue for the year ended 31 December 2024	**Net loss for the year ended 31 December 2024**	**Total assets as at 31 December 2024**
Art Media OPCOs	4.50%	168.81%	61.30%
Digital Media OPCOs	18.02%	0.32%	9.47%

Revenue and assets subject to the Contractual Arrangements

The table below sets out the OPCOs' (i) revenue; and (ii) total assets which are consolidated into the accounts of the Group pursuant to the Contractual Arrangements:

	Revenue For the year ended 31 December 2024 *RMB'000*	**Total assets As at 31 December 2024** *RMB'000*
Art Media OPCOs	16,256.30	364,893.95
Digital Media OPCOs	65,028.78	56,382.95

Reasons for using and risks associated with the Contractual Arrangements

Under the prevailing laws and regulations in the PRC, companies with foreign ownership are restricted from engaging in the publishing business and digital media business in the PRC. As such, the Company relies on the OPCOs to conduct certain parts of the Group's businesses in the PRC. The Company manages to maintain an effective control over the financial and operational policies of the OPCOs through the Contractual Arrangements which effectively transfer the economic benefits and pass the risks associated therewith of the OPCOs to the Company, and as a result, the OPCOs have been consolidated as subsidiaries of the Group.

The Board wishes to emphasise that the Group relies on the Contractual Arrangements to control and obtain the economic benefits from the OPCOs, which may not be as effective in providing operational control as direct ownership. The Company may have to rely on the PRC legal system to enforce the Contractual Arrangements, which remedies may be less effective than those in other developed jurisdictions. Any conflicts of interest or deterioration of the relationship between the registered holders of the equity interest in the OPCOs and our Group may materially and adversely affect the overall business operations of the Group. The pricing arrangement under the Contractual Arrangements may be challenged by the PRC tax authority. If the Group chooses to exercise the option to acquire all or part of the equity interests in any of the OPCOs under the respective option agreements under the Contractual Arrangements, substantial amount of costs and time may be involved in transferring the ownership of the relevant OPCO held by its registered holder(s) to the subsidiaries equity-owned by the Company. There can be no assurance that the interpretation of the Contractual Arrangements by the PRC legal advisers to the Company is in line with the interpretation of the PRC governmental authorities and that the Contractual Arrangements will not be considered by such PRC governmental authorities and courts to be in violation of the PRC laws. In addition, the PRC governmental authorities may in the future interpret or issue laws, regulations or policies that result in the Contractual Arrangements being deemed to be in violation of the then prevailing PRC laws.

Despite the above, as advised by the PRC legal advisers to the Company, the Contractual Arrangements are in compliance with and, to the extent governed by the PRC laws currently in force, are enforceable under, the current PRC laws. The Company will monitor the relevant PRC laws and regulations relevant to the Contractual Arrangements and will take all necessary actions to protect the Company's interest in the OPCOs.

Material changes

Save as disclosed above, there has not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 December 2024.

For any potential changes to the Contractual Arrangements, please refer to the paragraph headed "Deviation from the guidance letter issued by the Stock Exchange (HKEx-GL77–14) (the "Guidance Letter") (updated in August 2015 and April 2018)" below.

Unwinding of the Contractual Arrangements

As of 31 December 2024, there has not been any unwinding of any Contractual Arrangements, nor has there been any failure to unwind any Contractual Arrangements when the restrictions that led to the adoption of the Contractual Arrangements are removed.

Deviation from the guidance letter issued by the Stock Exchange (HKEx-GL77–14) (the "Guidance Letter") (updated in August 2015 and April 2018)

The Company noted that the Stock Exchange has issued the updated Guidance Letter in August 2015 and April 2018 to provide further guidance to listed issuers using contract-based arrangements to indirectly own and control any part of their business. Pursuant to the Guidance Letter, a listed issuer should ensure that where OPCO's shareholders are officers or directors of the issuer, the power of attorney under the contractual arrangement in relation to the exercise all shareholders' rights of OPCO should be granted in favour of other unrelated officers or directors of the issuer so as to avoid any potential conflicts of interests.

Under the Contractual Arrangements, Mr. Shao, being the registered equity holder of the OPCOs and an executive Director, is authorised to exercise the shareholders' rights in each of the OPCOs. The existing Contractual Arrangements have yet to sufficiently address the said requirement newly in place. Accordingly, the Company engaged its legal advisers as to the PRC laws to review the existing Contractual Arrangements and the Company may enter into supplemental agreements upon receiving advise from its legal advisers as to PRC laws and make further disclosure(s) as to any changes to the existing Contractual Arrangements.

The Contractual Arrangements allow the Company to consolidate the financial results of the OPCOs into the Group's consolidated financial statements as if they were the Group's wholly-owned subsidiaries. The Directors consider that the Contract Arrangements are fundamental to the Group's legal structure and business operations and are on normal commercial terms or terms more favorable to the Group and are fair and reasonable or to the advantage of the Group and are in the interests of the Shareholders as a whole.

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried out from the date when the Contractual Arrangements became effective up to 31 December 2024 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, have been operated so that the revenue generated by the OPCOs has been substantially retained by the relevant subsidiary of the Group; (ii) no dividends or other distributions have been made by the OPCOs to the holders of their respective equity interests which are not otherwise subsequently assigned or transferred to the Group; (iii) the terms of the transactions are on normal commercial terms and in the ordinary and usual course of business; and (iv) any new contracts entered into, renewed or reproduced between the Group and the OPCOs during the relevant financial period are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Shareholders as a whole.

Other Connected Transactions during the Year

During the Year, the Group has entered into certain related party transactions as disclosed in Note 35 to the consolidated financial statements of this annual report. Such transactions do not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules. In relation to any related party transactions or continuing related party transactions falling under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules mentioned in this annual report, the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Company disclosed in its Prospectus, the 2011 Announcement and 2015 Annual Report that the Group entered into and will continue to carry out between members of the Group certain continuing connected transactions in respect of the Contractual Arrangements (the "Continuing Connected Transactions").

Transactions carried out under the 2009 Arrangements, the 2011 Arrangements and the 2015 Arrangements falls under the definition of "continuing connected transaction" under Chapter 14A of the Listing Rules and have complied with the reporting and announcement requirements during the Year. The Continuing Connected Transactions have been reviewed by the independent non-executive Directors, who have confirmed that the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and according to the agreement governing them on terms that are fair and reasonable and in the interest of the Shareholders as a whole. The independent non-executive Directors have confirmed that no dividend or other distribution has been made by the PRC Operational Entities to the holders of their respective equity interests which are not otherwise subsequently assigned/transferred to our Group pursuant to the Continuing Connected Transactions entered into under the relevant Contractual Arrangements.

In accordance with Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform procedures on the above Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 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.

The auditor has confirmed that:

a. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed Continuing Connected Transactions have not been approved by the Board.

b. for transactions involving the provision of goods or services by the Group to the PRC Operational Entities (as defined in the Prospectus), the Target Companies (as defined in the 2011 Announcement) and the Target Subsidiaries (as defined in the 2015 Annual Report), nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the relevant terms of Contractual Arrangements as set out in the Prospectus, the 2011 Announcement and the 2015 Annual Report.

c. nothing has come to the auditor's attention that causes the auditor to believe that dividends or other distributions have been made by the PRC Operational Entities, the Target Companies and the Target Subsidiaries to the holders of their respective equity interests which are not otherwise subsequently assigned/transferred to the Group.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2024, the Group had around 379 employees (2023: 386 employees). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance and medical cover.

The Directors' and senior management's emoluments are determined by the Remuneration Committee, with reference to their duties, responsibilities and performance and the results of the Group and comparable market statistics, including the prevailing market rate for executives of similar position. The remuneration policy for our senior management is based on their experience, level of responsibility, length of service and performance.

Details of the Directors' and chief executives' remuneration and individuals with the highest emoluments in the Group are set out in note 12 of the consolidated financial statements of this annual report.

PENSION SCHEME

The employees of the Group in the PRC participate in various social security plans enacted in China, which cover pension, medical and other welfare benefits. The Group is required to make contributions to the plans calculated based on a percentage of the monthly compensation of employees, subject to a certain ceiling, and are paid to the respective labour and social welfare authorities in accordance with the applicable PRC rules and regulations. The local government is responsible for the planning, management and supervision of the scheme, including collecting and investing the contributions, and paying out the pension to the retired employees.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The other employees are covered by other defined-contribution pension plans sponsored by local government.

There was no forfeited contribution under the scheme available for deduction of future contribution to be made by the Group. Accordingly, no forfeited contribution was utilised in the course of the year ended 31 December 2024, and as at 31 December 2024, there was no forfeited contribution available and no forfeited contributions may be used by the Group to reduce the Group's existing level of contributions to the scheme. The Group's contributions to retirement benefit schemes charged to profit or loss for the year ended 31 December 2024 were approximately RMB19,348,000. Details of the retirement benefits are set out in note 11 of the consolidated financial statements of this annual report.

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contribution described above.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (the "**Treasury Shares**") within the meaning under the Listing Rules). As at 31 December 2024, the Company did not hold any Treasury Shares.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2024, the Company continued to apply the principles set out in the CG Code as contained in Appendix C1 to the Listing Rules.

The Company is committed to maintaining a high standard of corporate governance. Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this annual report on pages 28 to 44.

AUDIT COMMITTEE

The Company established the Audit Committee with terms of reference on 24 August 2009 in compliance with the CG Code set out in Appendix C1 to the Listing Rules. The Board has, on 25 December 2015, amended the terms of reference of the Audit Committee to be in line with the provisions of the CG Code, a copy of which is posted on the website of the Company and the Stock Exchange. As at 31 December 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Yick Wing Fat Simon (Chairman), Ms. Wei Wei and Mr. Wan Jie.

During the Year, the Audit Committee met from time to time to review the Company's draft interim and annual report and provided advice and comments thereon to the Company's Board of Directors, met with external auditors to discuss audit matters of governance interest that arise from the annual audit of the Company's financial statements. The Audit Committee has also reviewed the interim and annual results of the Group for the year ended 31 December 2024. Starting from 2015, the Audit Committee has also performed the duties as stated in the amended terms of reference of the Audit Committee, including reviewing the risk management system of the Group.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained throughout the year ended 31 December 2024, the amount of public float as required under the Listing Rules.

CONFIRMATION OF INDEPENDENCE

The appointment of the independent non-executive Directors was made in strict compliance with the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules. Pursuant to Rule 3.13 of the Listing Rules, the Company considers that all of the independent non-executive Directors are independent.

AUDITORS

The consolidated financial statements for the year ended 31 December 2024 have been audited by ZHONGHUI ANDA, which will retire and be eligible for reappointment. At the forthcoming annual general meeting, the Company will propose a resolution to re-appoint ZHONGHUI ANDA as its auditors.

There have been no changes in the Company's auditors for the three years preceding the date of this annual report.

On behalf of the Board

Shao Zhong
Chairman

Hong Kong, 17 March 2025

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. SHAO Zhong (邵忠), aged 64, the Chairman of the Board, the Chief Executive Officer of the Company and the Chief Content Officer of the Group, who is also the founder of the Group. Mr. Shao was initially appointed as a Director in March 2007, and was subsequently designated as the Chairman of the Board and an executive Director in July 2009. Mr. Shao was the Chief Executive Officer of the Company from September 2015 to November 2016, and he was again appointed as the Chief Executive Officer with effect from October 2017. He was re-designated as a Co-Chairman of the Board on 16 February 2023 and re-designated as the Chairman of the Board on 5 October 2023. Mr. Shao is responsible for the overall corporate strategies, policy-formulating, instilling corporate philosophy as well as strategic planning, development and expansion of the Group's new media businesses. Prior to founding the Group, Mr. Shao was formerly a PRC government official before 1989. Then, he also undertook senior positions in other publishing and media enterprises including a listed printing company in Hong Kong until 1999. Mr. Shao holds an EMBA degree from Tsinghua University of Beijing. His in-depth experience in the media and publication industries in the PRC earned him the nomination as one of Top 10 Media Leading Icon at China Media Forum in 2010.

Ms. YANG Ying (楊瑩), aged 49, was appointed as an executive Director from September 2015. Ms. Yang graduated from Shanghai Foreign Trade College (上海對外貿易學院) in July 1999, majored in Foreign Trade Economy and obtained her EMBA degree from a course jointly provided by Shanghai Jiao Tong University and Euromed Management Marseille in Shanghai in November 2013. Ms. Yang has more than 20 years' working experience in the Advertising, Marketing and Public Relationship. Ms. Yang worked for Swatch Group and The Wharf Holdings Limited after graduation. In 2000, Ms. Yang joined the Group as Marketing Director of its Shanghai Office and was further promoted as the Deputy General Manager. To broaden her publishing experience, Ms. Yang joined Vogue Magazine, China as Associate Publisher and Advertising Director from May 2005 to July 2009. In August 2009, Ms. Yang rejoined the Group as Shanghai Office General Manager to manage the sales and marketing and assisting the business development of the Group.

Mr. LI Jian (李劍), aged 49, was appointed as an executive Director from September 2015. Mr. Li joined the Group in September 2011 as the Deputy Publisher for "Bloomberg Businessweek 商業周刊中文版／China" and Deputy General Manager of the Group's operations in the Beijing region. He was promoted, in September 2012 and in February 2013 respectively, to the General Manager of the Beijing region and the Publisher for "Bloomberg Businessweek 商業周刊中文版／China", "Bloomberg Businessweek 商業周刊中文版" (Traditional Chinese edition) and the platform for mobile terminal of "Bloomberg Businessweek 商業周刊中文版". Prior to joining the Group, he had served in two international media companies and held various senior positions, such as the publisher for a number of media. Mr. Li was a pioneer in the digital publication and visual media industries and has accumulated 19 years of working experience in the media field. In the earlier years, Mr. Li had worked for internationally well-known consulting agencies. Mr. Li has gained extensive experience in cross-media operations from international media groups over the years, which will facilitate the Group in exploring and integrating cross-media platforms that will contribute to the development of business. He graduated from John Molson Business School, Concordia University of Canada with a bachelor's degree in Business in 2000.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. WEI Wei (魏蔚), aged 55, was appointed as an independent non-executive Director in December 2020. Ms. Wei is a partner and the chairperson of Levy Gorvy Asia since October 2020. Prior to joining Levy Gorvy Asia, Ms. Wei served as the president and chairperson of Christie's Asia from May 2012 to January 2020. Prior to joining Christie's Asia, Ms. Wei worked with the consulting firm McKinsey & Company from September 1999 to January 2010, achieving the distinction of becoming their first female partner in Greater China. In 2017, she was named one of the Top 25 Power Women by "Tatler" Hong Kong Magazine.

Mr. WAN Jie (萬捷), aged 62, was appointed as an independent non-executive Director in May 2021. Mr. Wan has engaged in the business model innovation and practice of cultural industry for a long time, committed to the inheritance, protection and promotion of the Chinese culture, and actively promoted the introduction and dissemination of worldclass splendid culture and arts. In 1993, Mr. Wan founded Artron (Culture) Group ("**Artron**"), and pioneered the business model of "covering the entire art industry chain with art data as the core and IT technology as the means" to build products and services covering the entire art industry chain, which has expanded from high-end art printing to internet art information service, art data service, art video and art education, making Artron the premier comprehensive cultural and art service institution in China and unique one all over the world.

Mr. YICK Wing Fat Simon (易永發), aged 66, was appointed as an independent non-executive Director in October 2019. Mr. Yick holds a bachelor's degree in Business Administration from the Chinese University of Hong Kong, majoring in Accounting. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England. Mr. Yick has over 40 years of experience in audit, direct investment, investment banking and corporate advisory services. In addition, Mr. Yick is an independent non-executive director and chairman of the audit committee of Shenzhen Neptunus Interlong Bio-technique Company Limited (Stock Code: 8329) and China Shuifa Singyes Energy Holdings Limited (Stock Code: 750) (all of which are listed on the Stock Exchange). He also served as an independent non-executive director, the chairman of the remuneration and nomination committee and a member of the audit and compliance committee of Nexteer Automotive Group Limited (the shares of which are listed on the Main Board of Stock Exchange, Stock Code: 1316) from August 2017 to June 2022, and served as an independent non-executive director and chairman of the audit committee of Shanghai International Shanghai Growth Investment Limited (Stock Code: 770) from July 1999 to February 2025. These companies are independent third parties of the Company and its connected persons.

SENIOR MANAGEMENT

Ms. ZHONG Yuanhong (鍾遠紅), aged 53, the Administration and Production Controller of our Group and a member of the Environmental, Social and Governance Committee of the Company. Ms. Zhong, being one of the most senior employees of our Group, joined our Group in April 1998 and is responsible for the procurement, production and administrative management of our Group. Prior to joining our Group, she was an assistant to director in Ramada Pearl Hotel in Guangzhou for 3 years. Ms. Zhong completed her secondary education in Guangzhou No. 62 Middle School in June 1989. She has over 23 years of experience in administrative management, with a particular expertise in printing and the post production management of publications, in the media industry.

Mr. LIM Timothy Edward (林添靈), aged 50, joined our Group in February 2006 and is the Fashion Director of our Group responsible for the planning and development of the fashion aspects of the magazines. Prior to joining the Group, Mr. Lim was the fashion editor of The South China Morning Post in Hong Kong for 6 years. Further, Mr. Lim has contributed to a number of famous international fashion magazines including Elle, MarieClaire, Tank and Bazaar in the past. Mr. Lim obtained his bachelor's degree from McGill University in Canada in 1997. He has over 20 years of experience in international fashion news reporting and styling for advertising and professional fashion media.

Mr. Henry NGAI Wai Tung (倪偉東), aged 47, joined our Group on 1 June 2021 and is currently the Chief Financial Officer of the Group, responsible for the management of the entire financial system of the Group. Prior to joining the Group, he served as the Chief Financial Officer and vice president of Banyan Tree China and as a tax partner at KPMG China. With nearly 20 years of experience in financial management, Mr. Ngai is familiar with the business and cultural environments of Hong Kong and mainland China. In the past tenure, he has provided effective tax and business consulting for enterprises, and provided important suggestions and solutions for company development, tax planning, and investment and M&A projects.

Ms. MA Li (馬驪), aged 42, joined our Group in November 2009 and now is the Deputy Chief Financial Officer of the Group, responsible for the financial planning and analysis of the Group and all media business units. Apart from financial management, she is also responsible for internal controls and policy management for the Group. Prior to joining the Group, she had worked for PricewaterhouseCoopers as a senior auditor for over 5 years. She obtained her bachelor of management and bachelor of finance from Shanghai University of Finance and Economics. She is the member of The Institute of Internal Auditors and has over 15 years experience in finance and control management.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT *(continued)*

Ms. ZHANG Kui (張葵), aged 53, the Deputy Chief Financial Officer of the Group, Ms. Zhang joined our Group in March 2005, she is responsible for establishing the Group's financial management accounting system, formulating the financial system, financial accounting for the Group, and the formulation and implementation of tax planning. Before joining the Group, Ms. Zhang worked for domestic large state-owned enterprises, responsible for the financial work in the state-owned enterprises for more than 10 years. She has rich experience in finance management and tax planning. Ms. Zhang graduated from Jinan university with a bachelor's degree in management. She is a senior accountant, certified tax agent and obtained management institute of occupational qualification registered in China. She has more than 20 years of experience in the financial and tax management.

COMPANY SECRETARY

Ms. CHAN Sze Ting (陳詩婷) (FCG, HKFCG), has been appointed as the Company Secretary of the Company on 1 April 2020. Ms. Chan is a director of the company secretarial services division of Tricor Services Limited, a member of Vistra Tricor Group. Ms. Chan has over 19 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multi-national, private and offshore companies. Ms. Chan is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and a fellow of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom. Ms. Chan holds a bachelor of arts degree from the Hong Kong Polytechnic University and a bachelor of laws degree from the University of London.

2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE ESG REPORT

The ESG Report is the ninth environmental, social and governance report (the "Report") published by the Group to help various stakeholders to understand the policies, measures and effectiveness of the Group in respect of the environment, social and governance issues. The Report is prepared in Chinese and English, in case of any discrepancy between the English and Chinese versions, the Chinese version shall prevail. The electronic version of the Report has been uploaded to the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Group's website (https://group.modernmedia.com.cn).

SCOPE OF THE ESG REPORT

The ESG Report presents the performance of the Group in terms of environmental, social and governance aspects during the fiscal year from 1 January 2024 to 31 December 2024 (the "Year") and continues to focus on the two segments of digital media and print media platform. The scope of the performance information disclosed in this year covers operating locations in Hong Kong, Shanghai and Guangzhou. The Group will regularly review the scope of the Report in accordance with the principle of materiality to ensure that investors and other stakeholders are provided with comprehensive and accurate information.

REPORTING PRINCIPLES

The ESG Report is in compliance with the "comply or explain" provisions in Appendix C2 – "Environmental, Social and Governance Reporting Guide" (the "Guide") of the Listing Rules issued by the Stock Exchange. The Report has been prepared on the basis of four reporting principles set out in the Guide – Materiality, Quantitative, Balance and Consistency. A complete content index is appended in the last chapter hereof for easy comprehension of the Report according to the Guide.

Reporting Principles	Definition	Response
Materiality	Focusing on environmental, social and governance issues which have significant impact on the Group and various stakeholders.	The members of the Board of Directors have identified material environmental, social and governance issues based on factors such as the nature of the Group' s business and the expectations of stakeholders.

Reporting Principles	Definition	Response
Quantitative	Key performance indicators (KPI) in respect of historical data need to be measurable. The issuers should set targets to reduce a particular impact. In this way, the effectiveness of environmental, social and governance policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose, impacts, and giving comparative data where appropriate.	The key performance indicators of the "social" component of the Group are sourced from the statistics of relevant departments. Moreover, in order to ensure the accuracy of the environmental Key Performance Indicators, the Group has commissioned a professional consultation company to conduct relevant calculations in accordance with the Guidelines issued by the Stock Exchange and the Appendix 2: Guidelines on Reporting of Environmental Key Performance Indicators (EKPIs) and Appendix 3: Guidelines on Reporting of Social Key Performance Indicators (SKPIs), respectively. Where applicable, the Group includes forward-looking statements in this Report, and the quantitative information is accompanied by descriptions and adopted standards, methods, assumptions and/or calculation tools.
Balance	The issuer shall present its performance impartially, and avoid the selection, omission or presentation format that may unduly influence the decision making or judgment of the readers of the Report.	The Group fully demonstrates the environmental, social and governance performance in the Report to avoid giving biased information.
Consistency	Consistent disclosure and statistical method shall be adopted by the issuer, in order to make the environmental, social and governance data available for meaningful comparison in the future.	The Group has prepared this Report in the same way as in previous years, and has ensured that the future environmental, social and governance data will be collected in a consistent way for comparison between the Year and previous years.

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of the Group is the highest responsible and decision-making body for ESG matters. It is ultimately responsible for the ESG strategy and reporting of the Company and monitors ESG-related matters that may affect the company's operations, shareholders, and other stakeholders. The Environmental, Social and Governance Committee under the Board is responsible for formulating and implementing ESG-related policies, setting key performance indicators and monitoring progress, and reporting to the Board and reviewing on the progress of the fulfillment of relevant ESG goals. For details, please refer to the section headed "Risk Management" in the Report.

The Group emphasizes the suggestions and opinions of various stakeholders and ensures sufficient channels to communicate with key stakeholders to discuss and identify important ESG issues and possible ESG risks facing the Group, and to continuously improve ESG-related strategies and policies. In 2024, although a materiality assessment was not conducted, the Board of Directors has reviewed the material ESG issues for the year, and has approved a proposal to adjust the level of importance of each ESG issue to ensure the timing and legitimacy of the material issues matrix.

The Group has established an ESG target management system in respect of carbon emission, energy use, water resource management and waste indicators, which the Board annually reviews the target progress and examines any necessary adjustments or improvements to ensure that the Group continues to make progress in achieving its ESG targets.

The Board and all Directors guarantee that there are no false entries, misleading statements or material omissions in the contents of the Report and accept responsibility for the truthfulness, accuracy and completeness of the Report. The Report, which discloses in detail the progress and effectiveness of the ESG work of the Group in 2024, was considered and approved by the Board of Directors at its meeting held on 20 March 2025.

Corporate Awards

Category	Level	Organization	Award	Project
News Award	Authority Level	Hang Seng University of Hong Kong	Best Business News Series	Green Smart City Series
News Award	Authority Level	Hang Seng University of Hong Kong	Gold Award for Best "Environmental, Social, Governance" News	The Unmovable Green Business
News Award	Authority Level	Hang Seng University of Hong Kong	Gold Award for Best Business News Report	The Next "Life Cycle" of Hong Kong Tourism
News Award	Authority Level	Hang Seng University of Hong Kong	Silver Award for Best "Environmental, Social, Governance" News	Urban "Five Elements" Coping with Unpredictable Weather

FEEDBACK

The Group values the opinions of stakeholders. If you have any questions or suggestions about the content or reporting form of this Report, you are welcome to contact Ms. Zhong, the person-in-charge of the environmental, social and governance working group of the Group through the following methods:

Address: 7th Floor, Global Trade Square, 21 Wong Chuk Hang Road, Aberdeen, Hong Kong
Email: hk@metamedia.com.hk
Tel: (852) 2250 9188
Fax: (852) 2891 9719

2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

SUSTAINABILITY GOVERNANCE

The Group fully recognizes that establishing an effective sustainable development governance system is of paramount importance for enhancing ESG performance, thereby achieving long-term success. Accordingly, we have developed the following sustainability governance framework to deliver our sustainability strategy within the Company with a top-down approach:

Regulatory Functions	Regulatory Content
Board of Directors	To set up and monitor the ESG risk management and internal control system, and to oversee the sustainable development of the Group. To regularly review and monitor the ESG performance and progress in achieving the goals, to approve the ESG management policies, strategies, plans, goals and annual work of the Group, and to approve the contents of the annual ESG report.
Environmental, Social and Governance Committee	To formulate and implement ESG-relevant policies, strategies, plans, annual work and goals, set key performance indicators and monitors the progress and final results, and review and amend relevant policies to ensure the implementation effectiveness. The Committee currently comprises Mr. Shao Zhong, the Executive Director (Chairman of the Committee), Mr. Wan Jie, the Independent Non-executive Director, and Ms. Zhong Yuanhong, the senior management member, and at least one meeting is convened every year.
ESG Working Group	To identify and assess the risks faced by the Group, and design, apply and monitor effective internal control system meeting minutes. The working group consists of management personnel from the finance department, administration department and human resource department, and at least one meeting is convened every year.
Respective Functional Departments	To practice the Company's ESG policy and system, and regularly provide feedback to the ESG working group. To organize, promote and execute ESG related work in accordance with the ESG management policy, strategy, planning, annual work and goal arrangement, requirements and labor distribution of the Group.

RISK MANAGEMENT

The Group regards risk management as the core of our long-term operational capability. With compliance as the basis of risk management, we have established a comprehensive internal control system to manage the key areas such as finance, operations, compliance and risk management. Management is responsible for identifying and evaluating the various risks facing the Group and designing, implementing and monitoring effective internal controls.

The Group categorizes and ranks risks according to their impact on operating profit, cash flow and social reputation, and holds quarterly Board meetings to review the quarterly operation and make adjustments once deviations from the plan are found.

LAWFUL OPERATION

The Group maintains compliance with the law as the foundation of its ongoing operations in all regions. We are fully aware that any illegal activities may lead to enforcement actions by regulatory authorities. To this end, the Group provides clear guidance to employees through regular reviews and compliance monitoring. The operations of the Group are subject to various laws and regulations, including those listed in the table below, but not limited to them. We fully recognize that any violation of relevant laws and regulations could significantly harm the Group's reputation and have a material adverse impact on the Group's business, operational performance, or financial condition.

Level	The relevant laws and regulations that have a material impact on the Group	Management approach and compliance status
Emissions	The Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention Law of the People's Republic of China, the Air Pollution Prevention Law of the People's Republic of China, the Air Pollution Control Ordinance, the Waste Disposal Ordinance, the Water Pollution Control Ordinance and the Motor Vehicle Idling (Fixed Penalty) Ordinance	The Group has formulated the Energy Conservation and Environmental Protection Management System of Companies to guide the management of environmental footprint. During the Year, the Group did not violate the relevant laws and regulations that have a material impact on the Group.
Employment and Labour Standard	The Labor Law of the People' s Republic of China, the Labor Contract Law of the People ' s Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, the Law of the People's Republic of China on the Protection of Minors, the Employment Ordinance, the Minimum Wage Ordinance and the Employees' Compensation Ordinance	The measures and guidelines specified in the Employee Handbook of the Group ensure that employees are aware of the policies on remuneration and dismissal, recruitment and promotion, working hours, holidays and other benefits and welfares. Moreover, the Group formulated the Policy Statement on Employment and Labor Practice to set out its commitment to employment standards. During the Year, the Group did not violate the relevant laws and regulations that have material impact on the Group.

Level	The relevant laws and regulations that have a material impact on the Group	Management approach and compliance status
Health and Safety	The Production Safety Law of the People's Republic of China, the Occupational Disease Prevention Law of the People's Republic of China, the Fire Prevention Law of the People's Republic of China and the Occupational Safety and Health Ordinance	The Group provides guidance in the Employee Handbook for office safety, office fire safety and personal safety of employees. During the Year, the Group did not violate the relevant laws and regulations that have a material impact on the Group.
Product Responsibility	The Product Quality Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Regulation on Internet Information Service of the People's Republic of China, the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Interim Measures for the Administration of Internet Advertising, the Cybersecurity Law of the People's Republic of China, the Advertising Law of the People's Republic of China and the Trade Descriptions Ordinance	The Group has formulated the Policy Statement on Product Responsibility, which makes corresponding commitments in product service quality, advertising management and marketing, consumer rights protection and privacy protection. During the Year, the Group did not violate the relevant laws and regulations that have a material impact on the Group.
Anti-corruption	The Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and the Prevention of Bribery Ordinance	The Employee Handbook of the Group stipulates the relevant policies and guidelines to prevent bribery, extortion, fraud and money laundering to ensure that employees are aware of the relevant principles and requirements. During the Year, the Group did not receive any corruption lawsuits against the Group or its employees, nor did it violate the relevant laws and regulations that have a material impact on the Group.

BUSINESS ETHICS

Business ethics and integrity are essential for the Group and its long-term relationship with its business partners. The Group has stipulated relevant policies on preventing bribery, extortion, fraud and money laundering, guidelines on accepting gifts and other occupational codes of conducts in the Employee Handbook to ensure that employees are aware of relevant principles and requirements.

To encourage employees to report dishonest behaviors, the Group has also set up whistle-blowing procedures, in which employees can report suspected cases directly to the top management. The Group will adhere to the principle of ethical operation to avoid any corruption in the Group, and prevent it in a timely manner if detected. In addition, the Group has always maintained close communication with business partners and suppliers to avoid improper and illegal activities.

In the future, the Group will maintain high ethical operating standards and further strengthen internal system controls. At the same time, the Group will persist in providing anti-corruption training and journalistic ethics training for directors and employees to enhance their awareness of integrity and deepen their understanding of relevant laws and regulations, especially the legal and regulatory requirements on the authenticity and impartiality of news reports, so as to ensure that all the Group's activities, including business operations and news reporting, strictly adhere to the principles of business ethics and integrity.

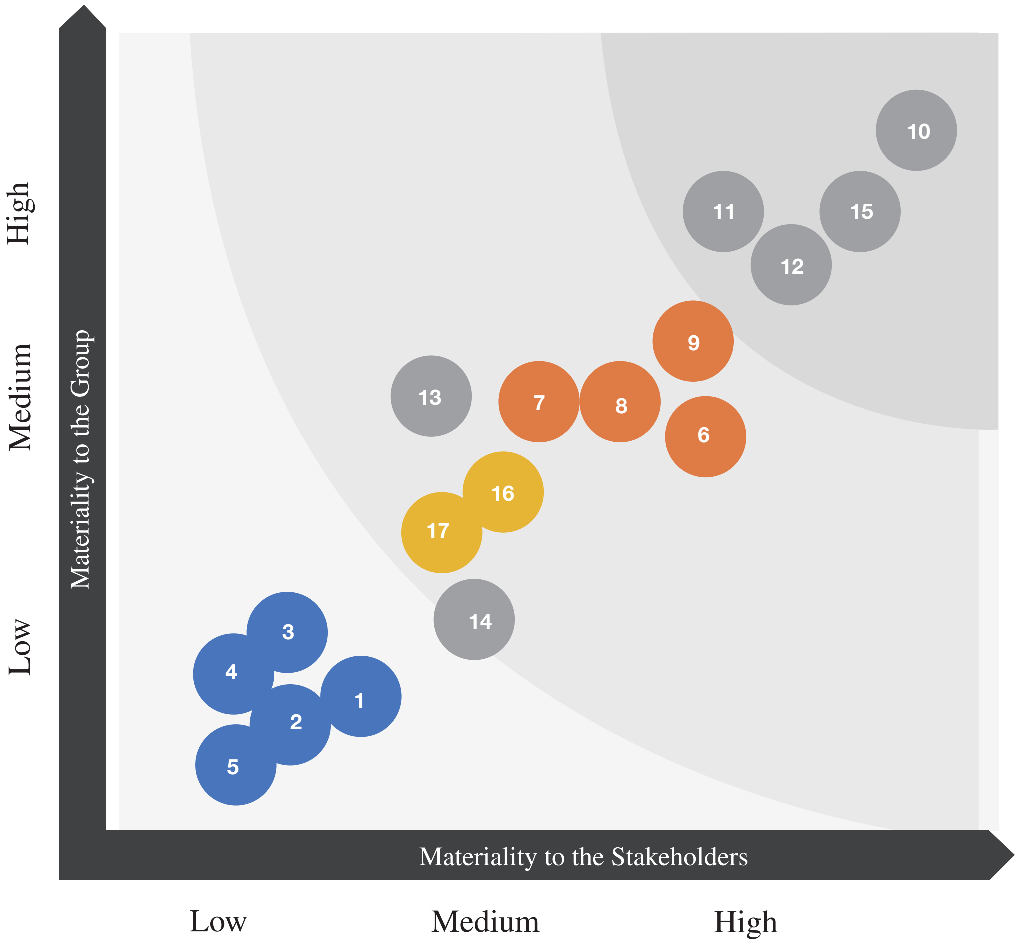
STAKEHOLDERS AND MATERIALITY ASSESSMENT

The sustainable development of an enterprise depends on the cooperation of all stakeholders. By heeding the needs of our stakeholders, the Group is able to incorporate their views into our sustainability strategies and policies, thereby facilitating long-term development. In the course of our daily operations, the Group conducts regular two-way dialogues with our stakeholders, which enables us to understand what matters most to them about our business.

Major Stakeholders	Communication Methods
Board of Directors, management personnel, executive personnel and general staff	• Internal communication system • Training courses • Irregular staff activities • Staff grievance procedures • Regular meetings and interviews
Shareholders, investors, banks and government departments	• General meeting • Annual/interim results announcements and reports • Announcements and circulars • Company website • Press release • E-mail and telephone
Suppliers	• Review and valuation • On-site visit • E-mail and telephone
Readers and customers	• Social media • E-mail and telephone • Community organization or other cooperative units • Community service

The Group conducted a materiality assessment of environmental, social and governance issues, taking into account the requirements of the Guidelines and actual operating conditions, and identified a total of 17 environmental, social and governance issues. The level of significance of each issue was confirmed through stakeholder consultation, and in respect of these issues, the Group collected more information on the internal and external environments of the Group from our staff and professional consultants. The results of the materiality assessment were assessed and reviewed by the management and reported to the Board for final confirmation.

In 2024, the results of the materiality assessment were again discussed by the management and the previous materiality assessment results are still applicable to the Company taking into account that there is no significant change in the business and operating environment of the Company. In 2024, the Group continued to adhere to the established materiality assessment framework. Building on the stability of business operations and the effectiveness of previous assessment, the Group consistently applied the existing materiality assessment logic and criteria in practical decision-making and resource allocation to ensure the orderly advancement of all business activities.



Environment

1. Emission management
2. Waste management
3. Energy use
4. Water conservation
5. Climate change

Employee

6. Employee welfare
7. Occupational health and safety
8. Talent attraction and retention
9. Employee training

Products

10. Product quality
11. Compliance operation
12. Intellectual property rights
13. Supply chain management
14. Anti-corruption
15. Customer data protection

Community

16. Community contribution
17. Public welfare investment

ADHERENCE TO CONTENT RESPONSIBILITY

The Group strictly comply with applicable national laws and regulations on intellectual property rights, content auditing, marketing compliance, advertising management, consumer rights protection and privacy protection, and fulfill our product responsibilities and legal obligations in these areas.

ESTABLISHING BRAND TRUST

The Group aims to be the global leading content empowerment company, which uses art and technology to reorganize the future of business. Hypermedia encompasses five meanings: "ahead of the times, superiority, outperformance, super experience, and hypermedia". We aim to create a more influential creative platform for expression in the online space.

As a new and innovative international composite media group, the Group aims to gain the trust of customers and readers through its products and services, and provide sufficient information for customers and readers to make informed choices. The Group formulated the Product Responsibility Policy Statement, and made corresponding commitments in product service quality, advertising management and marketing, consumer rights protection and privacy protection.

CONTENT AND QUALITY

The Group is aware that the media has a far-reaching influence on the thoughts and even behaviors of readers and the public. As a content provider, the Group has the responsibility to provide high-quality content in an accurate and balanced manner.

In 2024, the field of artificial intelligence experienced rapid development, with continuous emergence of innovative technologies and applications. The wave of digital intelligence initiated by ChatGPT in 2003 continued to advance, making the use of cutting-edge technological tools to enhance productivity and stimulate creativity an inevitable choice for business operations. The Group keenly observed the trends of the times and fully recognized the importance of keeping pace with technological advancements. In 2024, the Group proactively seized new opportunities brought by technological transformation and explored multiple dimensions to uncover diverse pathways for technology-driven business growth.

In the process of adapting to industry changes and technological innovations, the Group continued to advance resource integration and restructuring, injecting strong momentum into the expansion of innovative businesses. In 2024, the Group co-founded the AI art platform MC2. Art through its media outlets "Art Review" and "NOWNESS," with inspiration drawn from the mass-energy equivalence equation ($E=mc^2$) in the theory of relativity. The platform focuses on the integration of art and technology, particularly exploring the fields of artificial intelligence and future image production. Since pioneering its entry into the metaverse in 2022, the Group has consistently adhered to its core philosophy of "integrating art into life and reshaping society through technology," continuously seeking new growth opportunities and breakthroughs for the Group.

In 2024, the Group took a significant step in technological collaboration by establishing in-depth partnerships with more cutting-edge technology companies. Building on the successful cooperation with Baidu's ERNIE Bot, the Group actively explored joint innovations with other industry leaders, striving to comprehensively apply advanced AI technologies across its core business areas such as fashion, art, and media communication. These initiatives signify that the Group is continuously strengthening its competitive edge on the path to reshaping the future of business through technology, making substantial strides toward its goal of becoming a top-tier digital content and creative enterprise in China. With the academic support of MC2, the Group is building Meta Eye, a platform that seamlessly blends "visual imagery" and "art". By leveraging the convergence of AIGC and Apple Vision Pro's boundary-breaking capabilities, Meta Eye transforms this fusion into new opportunities. Centered on "AI + visual creation", it provides a professional, cinematic-grade AI video production and distribution platform. Meta Eye is committed to integrating the latest advancements in tech-driven art with emerging lifestyles, creating a comprehensive platform that merges technology, art, culture, and lifestyle.

Therefore, we implement standardized editing processes and comprehensive quality control procedures. We have formulated the Requirements on Level Revision and Checkout of Publications as the quality management guidelines for its published content, and specifically set out the requirements and quality management principles, including revision, editing, design and communication with advertisement customer and other various publishing procedures, for the purpose of ensuring accurate content.

We are consistently committed to delivering accurate, objective, and valuable news reporting to meet the public's demand for information. To better fulfill this responsibility, we continuously review and optimize our news reporting processes, ensuring that every report meets the highest standards. During the Reporting Period, we comprehensively reviewed and reassessed our internal news reporting standards, particularly in the content review phase, where we introduced more stringent, detailed, and standardized operational procedures. These improvements are designed to enhance the accuracy and objectivity of our news reporting, better serve the public, and maintain our principles of journalistic integrity and ethical business practices.

In the review process, editors should pay close attention to the orientation and ideological content, and carefully check the accuracy of the content, including numbers, units of measurement, telephone numbers, websites, English norms and names translated in Chinese, technical terms and expressions to avoid misleading readers. In addition, we selected employed independent printers who hold ISO9000 qualification certificates or is recognized in the printing industry to print publications in Hong Kong and Mainland China with view to ensure printing quality. The specific division of tasks is as follows.

Review	**Edit**	**Design**	**Communication with Advertisement Customers**
• Proofreading content to ensure the accuracy of published text content, including their grammar and information	• Implementing the three level review work of "editor's preliminary review – chief editor's second review – general editor's final review" • Ensuring the accuracy of the technical terms and figures of the content	• Designing and typesetting content and pictures to provide clear and easy-to-read typesetting for readers	• Communicating with advertisement customers and checking information and content

During the Year, the Group did not have any cases of product recall due to violation of relevant consumer protection laws and regulations.

COMPLIANT ADVERTISING SERVICES

When selecting advertisers, the Group will conduct audits to ensure that advertisers comply with the Advertising Law of the People's Republic of China. We are committed to providing advertising services that not only meet legal requirements but also maintain the highest quality standards, thereby safeguarding the Group's reputation and the trust of our customers.

To ensure the authenticity and legality of advertising content, we have established a stringent advertising review mechanism. All advertisements must undergo multiple layers of review before publication, including content review, legal review, and creative review, to guarantee the accuracy and compliance of the advertising information.

EFFICIENT CUSTOMER SERVICES

The Group's customers include two categories: advertisers and publishers. To further strengthen the Group's competitiveness in China's advertising business and ensure unparalleled service quality for our advertising clients, the Group has independently developed an advanced media management system, which is specifically designed to integrate and analyze detailed data about the Group's readership as a comprehensive customer data management platform. The media management system not only significantly facilitates the flow and sharing of information among various internal departments and sales teams but also greatly enhances the efficiency of business negotiations with advertising customers. Leveraging this system, we can more accurately understand reader preferences, thereby providing more targeted advertising recommendations to our customers and ensuring maximum advertising effectiveness.

We understand the importance of communication and therefore maintain close contact with our customers. This communication mechanism effectively reduces potential complaints arising from misunderstandings. At the same time, the Group has established convenient complaint channels. Customers can easily access the contact information of various branches and submit complaints by visiting the "Contact Us" page on the Company's official website. Within the Group, a dedicated team is responsible for conducting thorough investigations into the complaints and promptly taking follow-up actions to address the issues at their root, preventing similar situations from recurring.

During the year, the Group did not receive any complaints regarding products or services. This is not only an affirmation of our existing work, but also a source of motivation for us to constantly strive for excellence. We will continue to adhere to the principle of customer first, constantly optimize the service process, and improve the quality of service to ensure that every customer can enjoy a satisfactory and efficient service experience.

MAINTAINING INTELLECTUAL PROPERTY RIGHTS AND PRIVACY PROTECTION

As a responsible media communication group, the Group attaches great importance to and safeguards intellectual property rights and privacy protection. The Group's Employee Handbook lists the rules for employees to handle commercially confidential information. The human resources department of the Group is responsible for training new employees on confidentiality knowledge. Employees in necessary positions are required to sign the Confidentiality and Non-competition Agreement to ensure that each employee understands and abides by the guidelines provided by the Group for the Company and customer privacy. The head of each department shall carry out confidentiality education for its employees and regularly check the confidentiality work. When any employee finds that the Company's confidentiality has been leaked or may be leaked, he/she shall take remedial measures immediately and report them to the president's office immediately.

The Group formulates the Product Responsibility Policy Statement and makes corresponding commitments in all aspects of protecting customer privacy. When collecting, storing, using and transmitting customers' personal data, the Group respects their statutory privacy rights and takes sufficient measures to properly keep customer profile. If an employee is found to have leaked secrets, the Group will immediately terminate his or her labor contract, and reserve the right to pursue the economic and legal liabilities of the parties concerned. At the same time, the joint liability of department heads and personnel shall be investigated. In the supplier contract, the Group requires mutual respect for each other's intellectual property rights and joint compliance with relevant national laws and regulations.

Managing Sustainability of Supply Chain

The sustainable development of the Group depends on responsible suppliers. Therefore, the Group has established policies and guidelines such as Suppliers Management and Standards for Selection of Printing Factory Suppliers, which detailed the Group's supplier management principles, supplier screening and ratings, etc. The six indicators provided by these policies for supplier selection are quality level, delivery capacity, price level, backup service, human resources and existing cooperation status. By combining these indicators with a rigorous selection process, environmental friendly suppliers that meet the requirements of the Group will be selected.

The major suppliers of the Group include printing factory suppliers and logistics service providers, as well as other suppliers such as consumables suppliers, travel agents, marketing activities companies, and labor intermediary service providers. and others include consumable supply, travel agency, marketing activities and labor intermediary services. During the Year, the Group cooperated with 2,008 (2023: 2,091) suppliers both from Hong Kong and Mainland China. All the suppliers were screened according to the Policy on Suppliers Management and the Standards for Selection of Printing Factory Suppliers.

The Group's publishing is positioned as international, fashionable and high-grade, demanding extremely high standards for printing and publishing quality, with a pursuit of excellence and refinement. Depending on the printing requirements of different publications, the Group will carefully select different printing service suppliers and evaluate the printing suppliers once every two years. The evaluation contents cover product quality and service level, printing price, production capacity and delivery completion time, etc.

BUILDING AN IDEAL WORKPLACE

Employment Management and Standard

The Group is committed to attracting, motivating and retaining talents through sound employment management and standards. We understand that continuous communication with employees and establishment of a fair, mutual trust and respectful employment relationship are the key for enterprises to promoting sustainable development. The policies on remuneration and dismissal, recruitment and promotion, working hours, holidays and other benefits and welfares, etc. are detailed in the Employee Handbook of the Group. In order to improve the employment management and standards of the Group, the Group formulated the Policy Statement on Employment and Labor Practice to show its commitment to equal opportunities, diversity, anti-discrimination, child labor and forced labor.

Employment related policies and Company's response	
Remuneration and Dismissal	The Group's employee compensation and welfare policies are formulated with reference to market standards. The employment terms, including remuneration, probation period and termination of employment contract, are stipulated in the employment contract and the Employee Handbook.
Recruitment and Promotion	The Group has always adhered to the principle of meritocracy, implemented a fair recruitment and promotion system and adopted objective and reasonable criteria. Employees are evaluated annually for the decision of promotion.
Working Hours and Holidays	The Group provides reasonable working hours and rest time for its employees in accordance with the local laws and regulations. If employees need to work overtime, they need to obtain the prior consent of the management. The Group will provide compensation arrangements such as compensation leave afterwards. In addition to statutory holidays, employees also enjoy paid annual leave, marriage leave, nursing leave and other holidays in accordance with their ranks and years of service. The Group also provides employees with children with no more than two half-day paid holidays per semester to facilitate their participation in school parent-teacher conferences.

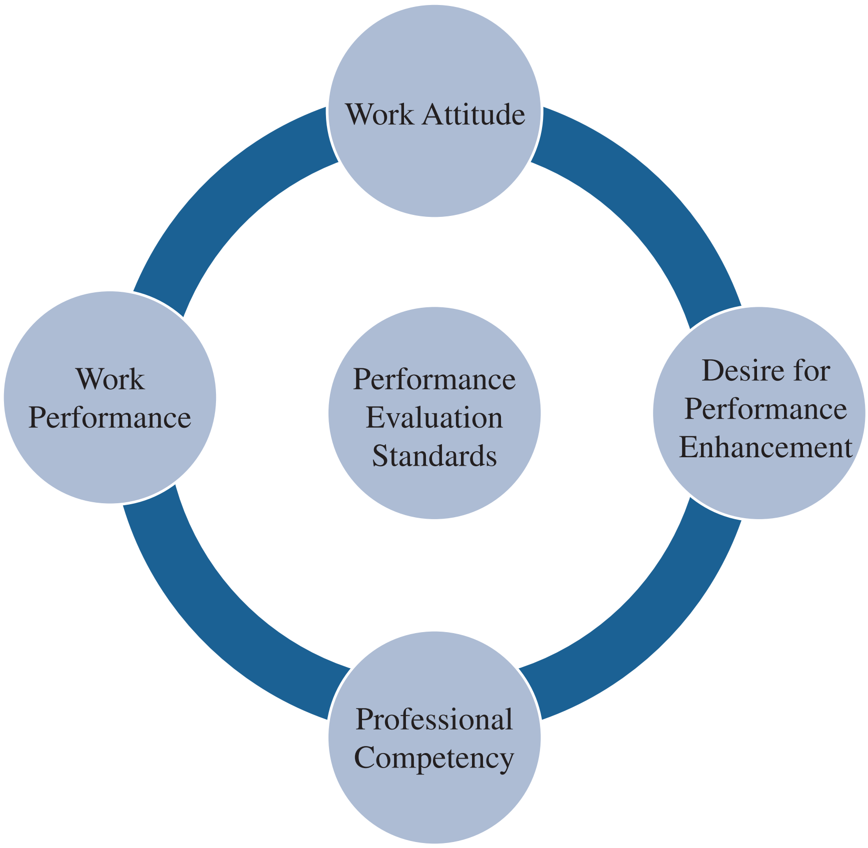
Employment related policies and Company's response	
Avoiding Child Labor and Forced Labor	The Group is deeply aware of the serious exploitation of the human rights of workers and the serious damage to the interests of society caused by child labour and forced labour. Therefore, we have zero tolerance for child labor and forced labor, and is committed to eliminating child labor and forced labor throughout our recruitment and daily operations. The Group's Policy Statement on Employment and Labor Practice stipulates that the Group will not employ child labor. Candidates must provide relevant identity documents for the Company to confirm that they have reached the age of 18. At the same time, the Group is committed to ensuring that employment relationships are voluntary and will not employ forced labor, including guarantee (including debt guarantee) or contract labor, involuntary prison labor, abducted labor or slave labor. The Group does not accept any threats or cruel treatment of employees and insists to protect their basic rights and interests and dignity. The Group has the right to let employees leave at its discretion and will not unfairly restrict the employment relationship between employees and the Group in any way. We have established an end- of-service (including resignation and dismissal) process in accordance with labor contracts and relevant laws and regulations. When an employee resigns, we conduct an exit interview with him or her to understand the reasons for the departure and to obtain suggestions for upgrading the Company. During the Year, the Group was not aware of any irregularities related to child labor or forced labor.
Grievance Channels	To promote good communication and in-depth cooperation between employers and employees, the Group has meticulously established a complaint and suggestion procedure, providing employees with a convenient and smooth channel to make complaints and comments. This ensures that employees' reasonable demands can be received timely and effectively responded to and dealt with.
Equal Opportunities, Diversity, Anti-discrimination	The Group upholds the equal rights of all employees. Regardless of the race, nationality, age, sex, marital status, religious belief, etc., the Group treats all employees equally. The Group's Policy Statement on Employment and Labor Practice states that the Group will strive to create a diversified working environment, an anti-discrimination and anti-harassment environment and enhance employees' awareness of equality.

Cultivating and Developing Talents

The continuous upgrading of the skills and knowledge of our employees is key to maintaining the Group's core competitiveness. The Group attaches great importance to talent development and provides abundant and sufficient training opportunities for employees to continuously improve their professional knowledge and skills required to perform their job duties. At the same time, the Group makes reasonable transfer or promotion arrangements for employees according to the actual needs of business development and employees' work performance, so as to better fit the career development path of employees and realize the common growth of employees and the Company.

The training programs offered by the Group are diverse and comprehensive, including not only meticulously designed onboarding training for new employees to help them quickly understand the company culture, policies, and workflows, and integrate into the work environment, but also customized professional training tailored for current employees, such as high-quality and targeted courses in content creation, design, and editing, to enhance their professional skills in their respective fields.

In order to grasp the employees' performance precisely and lead their growth effectively, the Group has conducted regular or irregular comprehensive evaluations on employees at different stages of their career, including various methods such as probation evaluation, regular evaluation and annual evaluation. The Group conducts an annual assessment of its employees every year, and the criteria include work performance, ability, professional ethics and other important factors. To fully maintain the fairness and transparency of the evaluation, the detailed performance evaluation standards have been listed in the Employee Handbook. In addition, all departments of the Group actively communicate with employees and jointly formulate specific, measurable, feasible performance targets that are related to the work plan and have clear timeframe. This ensures that employees clearly understand the Group's expectations, enabling them to work more purposefully and improve their performance.



Occupational health and safety

Although the Group's main workplace is an office, where occupational safety risks are relatively low compared to some other industries, we always prioritize the health and workplace safety of our employees. We have implemented two policies simultaneously: The first is to ensure the safety of the workplace, and the second is to promote workplace safety culture. The Employee Handbook of the Group specifically prescribes guidelines in the areas of office safety, fire protection and personal safety of employees, and comprehensive procedures for handling work accidents, so that employees could thoroughly understand the measures formulated by the Group for health and safety, and enhance their safety awareness and emergency response capabilities.

Scope	Major Measures
Office Security	• Visitors entering the Group's office area shall be accompanied by employees
Fire Safety	• Smoking is strictly prohibited in open offices
	• When using electrical equipment, it is necessary to prevent the wires from being overloaded
	• It is forbidden to store all kinds of inflammable and explosive articles in the office and rooms of the Company
	• No stocking up of goods in stairs, aisles and exits

The Group actively promotes the development of workplace safety culture. The Group has placed green plants in the office, which not only beautifies the office environment, but also creates a relaxed and comfortable office atmosphere for employees who face the computer screen and engage in text work for a long time, which is conducive to alleviating the visual fatigue and work pressure of employees. Furthermore, the Group actively encourages employees to take regular stretch breaks during work hours and reminds them to practice proper eye care to prevent excessive strain. These measures demonstrate the Group's genuine commitment to safeguarding employees' physical and mental well-being.

PRACTICING GREEN DEVELOPMENT

Faced with climate change and different environmental challenges, the Group is deeply aware of the significant responsibility of protecting the environment. Based on the nature of the Group's business activities, the Group's direct overall impact on the environment and natural resources mainly includes emissions and resource use. Although the Group considers the relevant impact to be insignificant, the Group is still committed to reducing the environmental impact of its operations.

In order to reduce the environmental impact caused by the publication and printing of magazines, the Group uses Forest Stewardship Council "FSC" certified papers for the printing of magazines to ensure that the papers used in magazines are not from endangered species or illegally cut trees, thereby strongly supporting sustainable forest management.

Looking ahead, the Group will adopt a proactive and persistent approach to thoroughly explore the feasibility of implementing various sustainable development measures in magazine production processes and daily office operations, and will strive to put them into practice one by one. Through these efforts, the Group aims to continuously reduce the environmental and natural resource impact of its operations, contributing its modest share to the sustainable development of the planet.

Respond to Climate Change

Since the official implementation of the Paris Agreement, climate change has emerged as a globally prominent focus issue. Governments around the world have incorporated climate action into their policy formulation and implementation processes. The Group has keenly recognized that climate change will inevitably impact its business operations to some extent–whether through adjustments in laws and regulations or shifts in consumer behavior. Currently, our primary operational sites are offices, meaning extreme weather events have a relatively minor effect on daily operations. Nevertheless, adopting a proactive approach, we will continue to conduct comprehensive and in-depth reviews of the existing environmental policies, particularly focusing on climate-related matters that significantly affect the Group, to further refine our response strategies. Through these measures, we strive to respond more comprehensively and efficiently to the pressure and opportunities brought by various environmental issues to the business, and maintain a steady development trend in the changing environment.

Type of Risk	Impact on the Group	Mitigation Measures
Physical Risk		
Immediate Risk: **Extreme weather incident**	– The safety concerns of employees commuting to and from work due to extreme weather. – A further cause of business stoppage.	– Take precautionary measures for staff during severe typhoons and rains, e.g. allowing remote working from home. – Monitor weather forecasts and take preemptive safety measures, such as issuing early warnings through the Company's internal communication systems and text messages, as well as conducting office safety inspections (e.g., reinforcing doors and windows, clearing drainage pipes, etc.).
Long Term Risk: **Rising global temperatures and rising sea levels**	– Changes in the work environment due to rising global temperatures	– Provide employees with more cooling measures, such as installing adequately powered air conditioners and maintaining them regularly, equipping supplementary cooling devices (e.g., electric fans), and supplying heat-relief beverages and medications. – Monitor the air temperature in the office equipment room to prevent machine breakdowns due to high temperatures and avoid loss or damage to digital assets..
Transition Risks		
Policy and Regulatory Risks: Tightening of Climate- related policies	Legal issues and financial liabilities arising from failure to comply with the latest disclosure requirements, affecting the Company's image in the capital market and increasing the difficulty of financing.	– Monitor regulatory trends to ensure compliance of the emissions of the Group with the latest legal requirements.
Reputational Risks: Impression and evaluation of low carbon transition by customers or the community	Customers or the community have a poor impression and evaluation of companies which do not concern themselves with low – carbon transformation, and investors or customers will therefore not invest or purchase the enterprise's services, thus affecting profitability and market share.	– Enhance ESG-related information disclosure by regularly releasing detailed, comprehensive, and credible ESG reports. – Demonstrate to the public the Group's proactive initiatives and notable achievements in environmental, social, and governance aspects.

Target Setting

"Low-carbon, environment friendly and green office" has always been the concept advocated by the Group. In line with the national target of carbon peaking in 2030 and carbon neutrality in 2060, the Group has established its Energy Conservation and Environmental Protection Management System to guide the management of environmental footprint. Given that the Group's operations do not involve significant emissions, high energy/water consumption, or substantial waste generation–and in light of its ongoing green office initiatives–2021 has been designated as the baseline year. In the next five years, the Group will maintain the same levels as the baseline year in terms of emissions, energy efficiency, water efficiency and waste emission intensity.

Greenhouse Gas Emission

The Group is deeply also aware that greenhouse gas emission is a contributing factor of climate change and has actively taken a series of measures to reduce carbon footprint during its operations.

In terms of transportation, the Group vigorously promotes the concept of green travel and encourages employees to prioritize public transport while ensuring work efficiency, so as to reduce the frequency of vehicle use. At the same time, the Group actively promotes the upgrading and replacement of vehicles, phasing out older fuel-powered cars. For the Company's existing vehicles, strict fuel refueling procedures are enforced to ensure all vehicles are refueled at authorized gas stations. Professional personnel are regularly arranged to conduct comprehensive inspections of the vehicles, promptly replacing worn or aging parts to maintain optimal performance and reduce energy consumption of vehicles. Additionally, if there is a need to purchase new vehicles, new energy vehicles will be the preferred choice, leveraging their advantages in reducing carbon emissions.

In an environmentally responsible manner, the Group closely monitors its greenhouse gas emission performance on an ongoing basis with a view to accurately capturing greenhouse gas emission (" carbon emissions ") from the Group's operations in a quantitative manner. For details, please refer to the Key Performance Indicators section.

Compared with 2023, The increase in overall total GHG emissions and GHG intensity is associated with the recovery of the economy and the resumption of normal travel in the post epidemic era. Similar changes in data are shown later in the Report, and the reasons for these changes are not reiterated. The Group will continue to evaluate and record emissions data and conduct regular reviews to judge the effectiveness of the environmental policies. In the future, the Group will further improve the environmental data system as the basis for formulating environmental policies and measures.

Resource Management

Consumption of resources of the Operating Spots of the Company are mainly purchased electricity, water resources and paper use. The Group has established a series of energy saving measures for the offices to improve energy efficiency and avoid waste of resources.

Energy management

The Group's major energy saving measures for office are as follows:

Energy Saving Measures for Office

Power consumption	• Maximum use of natural light during daytime and reduce use of lighting equipment; • Encouraging the use of LED bulbs and reducing the usage of incandescent lamps; • Turning off the lights in the office after using the meeting rooms and after work; • Paying attention to energy saving concerns of computer, e.g. turning off the computer and the screen after work and enabling sleep mode when the computer is not in use for a short period of time; • Avoiding too high or too low temperature of air conditioners, the temperature of the air conditioning system should be kept at about 26 degrees in summer, and it can be adjusted to about 20 degrees in autumn and winter; • When using air conditioning, keep doors and windows closed to reduce energy consumption.

In terms of energy consumption, compared with 2023, the total consumption of gasoline in direct energy in 2024 decreased by about 8.4%; The total consumption of indirect energy was basically the same as that in 2023; The total energy consumption decreased by about 7%. In the future, the Group plans to complete the upgrade of air conditioning and power systems to achieve energy conservation and clean air in the working environment where feasible. For details, please refer to the Key Performance Indicators section.

Water Use Management

The water consumed by the Group in the offices are mainly for general use, and the water supplies are managed by the property management companies at the various operating locations. There are no difficulties for the Group to find the water resources (including water consumption and quality) required for the operation of its business. Since water use has no material impact on the business of the Group, no target has been set for water use efficiency. However, the Group is required to minimise the use of water resources while ensuring hygiene and epidemic prevention requirements, and has always encouraged staff to conserve water.

Pollution Prevention

Emission Management

The air pollutant emissions of the Group are all derived from vehicle emissions of NOx, sulfur oxides and inhalable particulate matters. Diesel vehicles are not used in all the operating locations of the Group to reduce exhaust emissions. The Group will continuously work on reducing the air pollutants emitted by vehicles, and promote good vehicle maintenance and environmental protection driving habits.

As compared with 2023, the overall emissions of nitrogen oxides, sulfur oxides and inhalable particulate matters decreased to a certain extent. For details, please refer to the Key Performance Indicators section.

Management of Waste

The hazardous wastes generated by the Group are office consumables and waste equipment, such as waste batteries and waste fluorescent lamps. Relevant hazardous wastes will be collected in a unified manner and handed over to professional contractors for treatment. Harmless waste mainly includes domestic garbage, waste paper and so on. The Group actively promotes the paperless policy, with the main measures as follows:

- Replace the traditional high paper consumption process with electronic system, and replace fax machine communication with email and other means;
- Encourage reuse of waste paper and envelopes;
- Implement waste paper recycling and classification in the office, and then deliver them to waste paper companies for centralized handling.

Hazardous waste mainly consists of office consumables and waste equipment, such as waste batteries and waste fluorescent lamps. In order to reduce the generation of waste, the Group also has taken measures to actively reduce the use of batteries and cease purchasing fluorescent lamps.

Hazardous waste mainly consists of household waste and waste paper, and office-related household waste has increased due to the decrease in the number of home offices in the year.

In the future, the Group will encourage employees to make good use of resources and reduce waste, such as promoting paperless office, waste paper recycling and encouraging employees to bring their own tableware.

SUPPORTING COMMUNITY DEVELOPMENT

As an enterprise with a sense of social responsibility, Meta Media Holdings has always concerned about social public welfare undertakings and expressed the sincere and enthusiastic "social heart" of the enterprise. We believe that community investment and business operations shall complement each other to maintain the trust that people from all circles of life have in the Group. The Group strategically applies its skills and resources to different projects, programs and initiatives with the aim of making a positive impact on community development in the short and long term.

The Group has formulated the Policy Statement on Community Investment to support the community development through various plans, including education and arts, and also pledges to sponsor and donate as much as possible to projects and activities that will have a positive impact on social development, encourages and arranges the employees to participate in volunteerism and charitable activities, contributing to the communities in which we operate by leveraging our resources and services, etc.

Development of Education

In the face of the severe challenges of climate and ecosystem, the Group actively responds to the call of The Times, deeply integrates the concept of sustainable development into educational practice, and contributes to the sustainable development of society with innovative educational projects as the carrier.

"Seeds Project: Education Programs for a Sustainable Future"

In 2024, the "Seeds Project: Education Programs for a Sustainable Future", jointly launched by The Art Jornal and CHANEL, officially commenced on June 15 at the BY ART MATTERS under the guiding theme of "Chronicle of Wanwu". This program aims to deepen interdisciplinary exchange and collaboration, building upon the positive outcomes of the 2023 "Xiangshan Academy" project conducted in partnership with the School of Intermedia Art at the China Academy of Art. This year, the program brought together outstanding talents from universities across China and internationally renowned experts in ecological thought, artistic practice, sustainable design, and ecology for an intensive three-day collaborative learning session. The program sought to explore the diversity and complexity of ecosystems in depth, laying a solid theoretical foundation for subsequent creative practices.

As the core of the "Chronicle of Wanwu" series, the thematic exhibition "Seeing Wanwu" was successfully held at the Residency Center of BY ART MATTERS in Hangzhou from June 15 to July 14. The exhibition showcased 14 meticulously curated creative proposals developed during the "Xiangshan Academy". These proposals explored diverse ecosystems ranging from rice fields and forests to oceans with interdisciplinary research methodologies that blended artistic and scientific perspectives, vividly demonstrating profound insights into the value of life. Beyond generating widespread public engagement with ecological issues, the exhibition facilitated meaningful dialogue between art and science, providing substantial support for innovation and development in ecological art practices.

The Group believes in the concept of "Spreading Love and Education" and has been focusing on investing in the development of education. Meta Media Special Education Foundation (established by the Group) aims to transform the life of the next generation by supporting education in mainland China. The Foundation actively participates in educational public welfare activities in various ways, including making generous donations to various educational programs, building modern school campus, and improving the teaching environment; Organize volunteers to carry out service activities in the school to provide care and help for teachers and students; Donate abundant teaching materials to meet the daily teaching needs of the school. It is particularly worth mentioning that the Foundation focuses on the education of children with disabilities, and strives to provide equal educational opportunities for them through a series of professional educational projects and services, helping them overcome physical obstacles and realize their self-worth.

The Group has always believed that education is the core force for social progress and sustainable development. By actively participating in various educational programs, we not only contribute to cultivating socially responsible and innovative talents, but also lay a solid foundation for building a more harmonious and beautiful society. In the future, we will continue to uphold this concept, continuously increase investment in education, continue to explore and innovate education models, inject more vitality and impetus into the development of education, and make unremitting efforts to achieve the sustainable development goals of society.

Promoting Art

Shao Zhong Art Development Foundation, a non-profit making organization founded by Mr. Shao Zhong, Chairman of the Board and the founder, in August 2008, is dedicated to the incubation, development and dissemination of modern art. Since its establishment, it has supported and participated in a number of art-related public welfare projects, and will continue to promote the diversified development of modern art. The arts events held by it in 2024 include:

Theme	Introduction
Vision on the Move	The First Meta Eye FestivalKicks Off	Shao Zhong Art Development Foundation, founded by Mr. Shao Zhong, Chairman of the Board and the founder, in August 2008, is a non-profit making organization dedicating to the incubation, development and dissemination of modern art. Since its establishment, it has supported and participated in a number of art-related public welfare projects.
Urban Pulse	"Venus" Arrives in Shanghai, Rekindling the City's Public Spaces with "Boundless Imagination"	La Beaute et le Geste, a sculpture created by French artist Laurent Perbos for the 2024 Paris Olympic Games, has just finished its exhibition at the Bourbon Palace, where the French National Assembly is located, and has come to China for the first time, heralding the launch of the second Meta Media Art Festival.

In the future, the Group will continue to focus on in the field of special education, take concrete actions to support special school children to receive education, and actively formulate policies on community participation and investment, aiming at systematizing the planning process of community development activities.

SUMMARY OF KEY PERFORMANCE INDICATORS

Environmental Performance

Environmental Key Performance Indicators	Unit	Total		Hong Kong		Shanghai		Guangzhou	
		2024	2023	2024	2023	2024	2023	2024	2023
Emissions category and related data									
Nitrogen oxides	kg	40.65	46.27	24.34	21.45	15.27	16.14	1.04	8.68
Sulfur oxides	kg	13.40	14.68	0.53	0.67	12.77	13.50	0.10	0.51
Inhalable suspended particles	kg	4.26	4.46	1.79	1.58	2.33	2.46	0.14	0.42
Emissions of greenhouse gas and density									
Scope 1	CO_2e	503.09	549.14	96.43	122.09	389.35	411.51	17.32	15.54
Scope 2	CO_2e	223.03	291.34	30.92	48.50	157.67	195.07	34.45	47.77
Scope 3	CO_2e	368.09	293.37	0.67	1.12	350.88	281.90	16.54	10.35
Total emissions of greenhouse gas	CO_2e	1,094.21	1,133.85	128.01	171.71	897.90	888.48	68.30	73.66
Greenhouse gas density (calculated per floor area)	CO_2e/sq. m	0.25	0.17	0.14	0.19	0.29		0.19	
Total amount and density of hazardous wastes produced									
Total amount of hazardous waste generated	tonnes	2.38	0.01	0.00	0.00	2.38	0.01	0.00	0.00
Density of hazardous waste (calculated per floor area)	tonnes/sq. m	0.55	0.00	0.00	0.00	0.78	0.00	0.00	0.00
Total amount and density of harmless wastes produced									
Total amount of non-hazardous waste produced	tonnes	0.00	40.00	0.00	0.00	0.00	40.00	0.00	0.00
Density of non-hazardous waste (calculated per floor area)	tonnes/sq. m	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Total direct/indirect energy consumption and density by type									
Petrol	MWh	2,113.66	2,308.00	351.89	444.83	1,698.68	1,795.37	63.09	67.80
Power	MWh	453.29	453.01	83.56	85.09	280.70	277.29	89.04	90.63
Total energy consumption	MWh	2,566.95	2,761.01	435.45	529.92	1,979.37	2,072.66	152.13	158.43
Density of energy (calculated per floor area)	MWh/sq. m	0.59	0.42	0.48	0.58	0.65	0.46	0.42	0.14
Water consumption in total and density									
Total water consumption	cu. m	443.79	436.14	58.00	2.00	385.79	434.14	0.00	0.00
Density of water consumption (calculated per floor area)	cu. m/sq. m	0.10	0.07	0.06	0.00	0.13	0.10	0.00	0.00

SOCIAL PERFORMANCE

Overview of Employees

		Unit	Total		Hong Kong		Shanghai		Guangzhou	
Social Key Performance Indicators		Person	2024	2023	2024	2023	2024	2023	2024	2023
Total[2]		Person	295	290	32	31	239	234	24	25
By employment category	Full time	Person	283	288	29	31	232	234	22	23
	Part time	Person	12	2	3	0	7	0	2	2
By gender	Male	Person	70	66	9	8	50	47	11	11
	Female	Person	225	224	23	23	189	187	13	14
By position	Chief executive officers	Person	7	8	0	1	7	7	0	0
	Senior management	Person	32	24	4	3	21	14	7	7
	Middle management	Person	50	73	2	4	41	62	7	7
	General staff	Person	206	185	26	23	170	151	10	11
By age group	Below 30	Person	53	40	18	8	35	32	0	0
	30–40	Person	77	134	8	11	65	118	4	5
	41–50	Person	141	87	4	7	128	71	9	9
	Over 50	Person	24	29	2	5	11	13	11	11
By region	Hong Kong	Person	32	31	32	31	0	0	0	0
	Mainland of China	Person	263	259	0	0	239	234	24	25
	Asia	Person	0	0	0	0	0	0	0	0
	Other areas	Person	0	0	0	0	0	0	0	0

[2] Include advisors and interns

Employee Turnover

		Unit	Total		Hong Kong		Shanghai		Guangzhou	
Number of Employee Turnover		**Person**	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total number		Person	**55**	116	**4**	16	**50**	98	**1**	2
By employment category	Full time	Person	**55**	115	**4**	16	**50**	98	**1**	1
	Part time	Person	**0**	1	**0**	0	**0**	0	**0**	1
By gender	Male	Person	**12**	37	**1**	9	**11**	26	**0**	2
	Female	Person	**43**	79	**3**	7	**39**	72	**1**	0
By age group	Below 30	Person	**12**	37	**0**	3	**12**	34	**0**	0
	30–40	Person	**35**	57	**3**	9	**31**	48	**1**	0
	41–50	Person	**5**	15	**0**	3	**5**	12	**0**	0
	Over 50	Person	**3**	7	**1**	1	**2**	4	**0**	2

		Unit	Total		Hong Kong		Shanghai		Guangzhou	
Rate of Employee Turnover[3]		**%**	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Rate of Employee Turnover[3]		%	**19%**	38%	**13%**	46%	**21%**	40%	**4%**	8%
By employment category[4]	Full time	%	**19%**	40%	**14%**	52%	**22%**	42%	**5%**	4%
	Part time	%	**0%**	50%	**0%**	0%	**0%**	0%	**0%**	50%
By gender	Male	%	**17%**	56%	**11%**	113%	**22%**	55%	**0%**	18%
	Female	%	**19%**	35%	**13%**	30%	**21%**	39%	**8%**	0%
By age group	Below 30	%	**23%**	93%	**0%**	38%	**34%**	106%	**0%**	0%
	30–40	%	**109%**	43%	**75%**	82%	**148%**	41%	**14%**	0%
	41–50	%	**10%**	17%	**0%**	43%	**12%**	17%	**0%**	0%
	Over 50	%	**1%**	24%	**4%**	20%	**1%**	31%	**0%**	18%

3 Rate of employee turnover = (number of employees turnover/(number of employees at the end of the year + number of employees at the end of the preceding year)/2) x 100%

4 Turnover rate of each category of employees = (number of employees in that category turnover/number of employees in that category at the end of the current year) x 100%

Employees Training

Number of Employees Trained		Unit	Total		Hong Kong		Shanghai		Guangzhou	
		Person	2024	2023	2024	2023	2024	2023	2024	2023
Number of trainees		Person	228	241	20	0	193	241	15	0
By gender	Male	Person	56	53	6	0	45	53	5	0
	Female	Person	172	188	14	0	148	188	10	0
By position	Chief executive officers	Person	3	3	0	0	3	3	0	0
	Senior management	Person	11	20	2	0	9	20	0	0
	Middle management	Person	21	50	0	0	21	50	0	0
	General staff	Person	193	168	18	0	160	168	15	0

Rate of Trainees		Unit	Total		Hong Kong		Shanghai		Guangzhou	
		%	2024	2023	2024	2023	2024	2023	2024	2023
Rate of trainees[5]		%	77%	83%	63%	0%	81%	103%	63%	0%
By gender	Male	%	25%	80%	30%	0%	23%	113%	33%	0%
	Female	%	75%	84%	70%	0%	77%	101%	67%	0%
By position	Chief executive officers	%	1%	38%	0%	0%	2%	43%	0%	0%
	Senior management	%	5%	83%	10%	0%	5%	143%	0%	0%
	Middle management	%	9%	68%	0%	0%	11%	81%	0%	0%
	General staff	%	85%	91%	90%	0%	83%	111%	100%	0%

5 Rate of total trainees = (total number of trainees/number of employees at the end of the Year)X100%, rate of trainees in the category = (number of trainees in the category/number of total trainees)X100%. 2022 data has been restated to allow for meaningful comparisons.

Total Hours of Training		Unit Hour	Total 2024	Total 2023	Hong Kong 2024	Hong Kong 2023	Shanghai 2024	Shanghai 2023	Guangzhou 2024	Guangzhou 2023
Total Hours of Training		Hour	456	*482*	40	*40*	386	*406*	30	*36*
By gender	Male	Hour	112	106	12	0	90	106	10	0
	Female	Hour	344	376	28	0	296	376	20	0
By position	Chief executive officers	Hour	6	6	0	0	6	6	0	0
	Senior management	Hour	22	40	4	0	18	40	0	0
	Middle management	Hour	42	100	0	0	42	100	0	0
	General staff	Hour	386	336	36	0	320	336	30	0

Rate of Employees Trained Person Average[6]		Unit Hour	Total 2024	Total 2023	Hong Kong 2024	Hong Kong 2023	Shanghai 2024	Shanghai 2023	Guangzhou 2024	Guangzhou 2023
By gender	Male	Hour	0.25	1.61	0.30	0	0.23	2.26	0.33	0
	Female	Hour	0.75	1.68	0.70	0	0.77	2.01	0.67	0
By position	Chief executive officers	Hour	0.01	0.75	0	0	0.02	0.86	0.00	0
	Senior management	Hour	0.05	1.67	0.10	0	0.05	2.86	0.00	0
	Middle management	Hour	0.09	1.37	0	0	0.11	1.61	0.00	0
	General staff	Hour	0.85	1.82	0.90	0	0.83	2.23	1.00	0

5 Average training hours per employee = total hours of training/number of employees at the end of the Year, training hours of employees in the category/number of employees in the category at the end of the Year

Health and Safety

	Unit	Total	Hong Kong	Shanghai	Guangzhou
Number of work-related fatalities in the past three years (including the reporting year)	Person	0	0	0	0
Rate of work-related fatalities in the past three years (including the reporting year)	%	0	0	0	0
Number of work-related injury	Person	0	0	0	0
Number of lost days due to work injury	Day	0	0	0	0

Suppliers

	Unit	Total	Hong Kong	Shanghai	Guangzhou
Number of Suppliers by Region		2,008	0	0	0
Hong Kong	Number	2,000	2,000	0	0
Mainland China	Number	8	0	0	8
Oversea	Number	0	0	0	0

Product Responsibility

	Unit	Total	Hong Kong	Shanghai	Guangzhou
Cases of product recall due to violation of relevant consumer protection laws and regulations	Case	0	0	0	0
Number of complaints about products or services	Case	0	0	0	0

INDEX TO THE ESG REPORTING GUIDE

Subject areas	Description	Chapter Index
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non- hazardous waste.	Practicing Green Development
A1.1	The types of emissions and respective emissions data.	Overview of Key Performance Indicators – Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Overview of Key Performance Indicators – Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Overview of Key Performance Indicators – Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Overview of Key Performance Indicators – Environmental Performance
A1.5	Description of emission target(s) set and steps taken to achieve them.	Goal Setting Pollution Prevention and Control
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Subject areas	Description	Chapter Index
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Practicing Green Development
A2.1	Direct and/or indirect energy consumption (kWh in '000s) and intensity.	Overview of Key Performance Indicators – Environmental Performance
A2.2	Water consumption in total and intensity.	Overview of Key Performance Indicators – Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Goal Setting Energy Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Use Management
A2.5	Total packaging material used for finished products in tonnes) and with reference to per unit produced.	No packaging material used due to the nature of the Group's business
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Practicing Green Development
A3.1	Description of the significant impacts of activities on the environment and significant resources of natural resources and the actions taken to manage them.	Practicing Green Development
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Respond to Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Respond to Climate Change

2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Subject areas	Description	Chapter Index
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Building an Ideal Workplace
B1.1	Total workforce by gender, employment type (such as full-time or part-time), age group and geographical region.	Overview of Key Performance Indicators – Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Overview of Key Performance Indicators – Social Performance
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. Number and rate of work-related deaths.	Overview of Key Performance Indicators – Social Performance – Health and Safety
B2.2	Lost days due to work injury.	Overview of Key Performance Indicators – Social Performance – Health and Safety
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety

Subject areas	Description	Chapter Index
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Cultivating and Developing Talents
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Overview of Key Performance Indicators – Social Performance – Employees Training
B3.2	The average training hours completed per employee by gender and employee category.	Overview of Key Performance Indicators – Social Performance – Employees Training
B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment Management and Standard
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Management and Standard
B4.2	Description of the steps taken to eliminate violations when they are found.	Employment Management and Standard
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Managing Sustainability of Supply Chain
B5.1	Number of suppliers by region.	Overview of Key Performance Indicators – Social Performance – Suppliers
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how the practices are implemented and monitored.	Managing Sustainability of Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Managing Sustainability of Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Managing Sustainability of Supply Chain

Subject areas	Description	Chapter Index
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Adherence to Content Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Overview of Key Performance Indicators – Social Performance – Product Responsibility
B6.2	Number of products and service related complaints received and how they are dealt with.	Overview of Key Performance Indicators – Social Performance – Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Maintaining Intellectual Property Rights and Privacy Protection
B6.4	Description of quality verification process and product recovery procedures.	Content and Quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Maintaining Intellectual Property Rights and Privacy Protection
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering, that have a significant impact on the issuer.	Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Lawful Operation
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics

Subject areas	Description	Chapter Index
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Supporting Community Development
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting Community Development
B8.2	Resources contributed (e.g. money or time) to the focus area.	It was not easily quantifiable. The Group will strive to quantity resources contributed in the future

Independent Auditor's Report

ZHONGHUI

To The Shareholders of Meta Media Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Meta Media Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 110 to 179, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") 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 Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). 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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report *(continued)*

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Property, plant and equipment, right-of-use assets, intangible assets and goodwill

Refer to Note 15, Note 16, Note 18 and Note 19 to the consolidated financial statements

The Group tested the amount of property, plant and equipment, right-of-use assets, intangible assets and goodwill for impairment. This impairment test is significant to our audit because the balance of property, plant and equipment, right-of-use assets, intangible assets and goodwill of approximately RMB119,673,000, RMB10,760,000, RMB31,667,000 and RMB36,648,000 respectively as at 31 December 2024 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the identification of the related cash generating units;
- Assessing the arithmetical accuracy of the value-in-use calculations;
- Comparing the actual cash flows with the cash flow projections;
- Assessing the reasonableness of the key assumptions (including average annual growth rate, gross margins, discount rates and long term growth rate);
- Checking input data to supporting evidence;
- Subjecting the key assumptions to sensitivity analysis; and
- Checking the fair value of land and building.

We consider that the Group's impairment test for property, plant and equipment, right-of-use assets, intangible assets and goodwill is supported by the available evidence.

Trade and other receivables

Refer to Note 23 to the consolidated financial statements

The Group tested the amount of trade and other receivables for impairment. This impairment test is significant to our audit because the balance of trade and other receivables of approximately RMB185,231,000 as at 31 December 2024 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

– Obtaining an understanding of the Group's procedures on credit limits, credit periods given to customers, debt collection and estimate of Expected Credit Losses (the "ECL");

– Assessing the impairment methodology, the governance for the ECL models, inputs and assumptions used by the Group in calculating the ECL;

– Assessing the reasonableness of the Group's ECL models, including the model input and model design;

– Re-computing and testing the trade receivables ageing analysis, on a sample basis, to the source documents;

– Challenging the information used to determine the ECL by considering cash collection performance against historical trends;

– Checking subsequent settlements from the customers and debtors; and

– Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade and other receivables is supported by the available evidence.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB 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.

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 HKSAs 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:
https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre
This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Pang Hon Chung
Audit Engagement Director
Practising Certificate Number P05988
Hong Kong, 17 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	6	360,873	381,415
Cost of sales		(230,036)	(238,022)
Gross profit		130,837	143,393
Other income	7	3,693	2,119
Other gains/(losses), net	8	5,963	(5,865)
Distribution expenses		(64,405)	(59,492)
Administrative expenses		(83,449)	(100,294)
Loss from operations		(7,361)	(20,139)
Finance expenses	9	(9,902)	(10,696)
Share of losses of a joint venture		(363)	(561)
Loss before tax	11	(17,626)	(31,396)
Income tax expenses	10	(1,528)	(3,139)
Loss for the year		(19,154)	(34,535)
Other comprehensive income, net of tax			
Items that will not be subsequently reclassified to profit or loss:			
Revaluation surplus upon transfer from property, plant and equipment to investment properties		–	30,486
Tax effect relating to revaluation surplus upon transfer from property, plant and equipment to investment properties		–	(7,622)
		–	22,864
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		1,125	5,170
Other comprehensive income for the year		1,125	28,034
Total comprehensive expenses for the year		(18,029)	(6,501)
(Loss)/profit for the year attributable to:			
Owners of the Company		(17,126)	(34,842)
Non-controlling interests		(2,028)	307
		(19,154)	(34,535)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		(16,280)	(6,345)
Non-controlling interests		(1,749)	(156)
		(18,029)	(6,501)
Loss per share	14		
– Basic (RMB per share)		(0.0396)	(0.0807)
– Diluted (RMB per share)		(0.0396)	(0.0807)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	15	119,673	122,186
Right-of-use assets	16	10,760	55,422
Investment properties	17	77,960	79,880
Intangible assets	18	31,667	32,251
Goodwill	19	36,648	36,615
Investment in a joint venture	20	3,392	3,755
Software development in progress	21	428	52
Deferred income tax assets	30	–	–
		280,528	330,161
Current assets			
Inventories	22	91,665	88,245
Trade and other receivables	23	185,231	193,136
Pledged bank deposits	24	–	30,000
Cash and cash equivalents	24	37,820	35,926
		314,716	347,307
Current liabilities			
Trade and other payables	25	127,577	130,602
Contract liabilities	26	7,745	6,113
Borrowings	27	149,260	163,265
Lease liabilities	28	7,251	13,652
Current income tax liabilities		8,982	8,609
		300,815	322,241
Net current assets		13,901	25,066
Total assets less current liabilities		294,429	355,227

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Borrowings	27	1,752	–
Amount due to a non-controlling shareholder of a subsidiary	29	4,538	4,521
Lease liabilities	28	3,734	49,073
Deferred income tax liabilities	30	16,819	17,294
		26,843	70,888
NET ASSETS		267,586	284,339
EQUITY			
Share capital	31	3,853	3,853
Reserves	33	201,291	216,295
Equity attributable to owners of the Company		205,144	220,148
Non-controlling interests		62,442	64,191
TOTAL EQUITY		267,586	284,339

The consolidated financial statements on pages 110 to 179 were approved and authorised for issue by the Board of Directors on 17 March 2025 and are signed on its behalf by:

Shao Zhong
Director

Yang Ying
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company											
	Share capital RMB'000	Shares held for expired share award scheme RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory surplus reserves RMB'000	Property revaluation reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Translation reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023	3,853	(6,983)	145,302	2,859	54,663	16,465	(6,569)	3,713	24,079	237,382	79,217	316,599
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(34,842)	(34,842)	307	(34,535)
Other comprehensive (expenses)/ income for the year:												
– Revaluation surplus upon transfer from property, plant and equipment to investment properties, net of tax	–	–	–	–	–	22,864	–	–	–	22,864	–	22,864
– Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	5,633	–	5,633	(463)	5,170
Total comprehensive income/(expenses) for the year	–	–	–	–	–	22,864	–	5,633	(34,842)	(6,345)	(156)	(6,501)
Transactions with owners												
Purchase of non-controlling interests *(note 34(b))*	–	–	–	(10,889)	–	–	–	–	–	(10,889)	(14,870)	(25,759)
At 31 December 2023	3,853	(6,983)	145,302	(8,030)	54,663	39,329	(6,569)	9,346	(10,763)	220,148	64,191	284,339
At 1 January 2024	3,853	(6,983)	145,302	(8,030)	54,663	39,329	(6,569)	9,346	(10,763)	220,148	64,191	284,339
Loss for the year	–	–	–	–	–	–	–	–	(17,126)	(17,126)	(2,028)	(19,154)
Other comprehensive income for the year:												
– Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	846	–	846	279	1,125
Total comprehensive income/(expenses) for the year	–	–	–	–	–	–	–	846	(17,126)	(16,280)	(1,749)	(18,029)
Transactions with owners												
Sales of shares held for expired share award scheme	–	6,983	(5,707)	–	–	–	–	–	–	1,276	–	1,276
At 31 December 2024	3,853	–	139,595	(8,030)	54,663	39,329	(6,569)	10,192	(27,889)	205,144	62,442	267,586

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(17,626)	(31,396)
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	20,416	25,453
Amortisation of intangible assets	2,612	5,025
Change in expected credit loss ("ECL") allowance for trade receivables	(419)	266
Interest income	(315)	(281)
Finance expenses	9,902	10,696
Net losses/(gains) on disposal of property, plant and equipment	111	(28)
Impairment loss on intangible assets	37	1,369
Share of losses of a joint venture	363	561
Change in fair value of investment properties	1,920	1,520
Net gain on termination of leases	(8,139)	–
Operating cash flows before working capital changes	8,862	13,185
Change in trade and other receivables	5,485	21,680
Change in inventories	(2,131)	(2,213)
Change in trade and other payables	16,344	(2,231)
Change in contract liabilities	1,632	(3,757)
Cash generated from operations	30,192	26,664
Income tax paid	(1,476)	(1,385)
Net cash generated from operating activities	28,716	25,279
CASH FLOWS FROM INVESTING ACTIVTIES		
Interest received	315	281
Purchase of intangible assets	(231)	(666)
Purchase of property, plant and equipment	(2,528)	(1,107)
Payments for software development in progress	(2,059)	–
Proceeds from disposal of property, plant and equipment	90	300
Change in pledged bank deposits	30,000	20,000
Net cash inflow for acquisition of a subsidiary	–	758
Net cash generated from investing activities	25,587	19,566

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	114,896	146,007
Repayment of borrowings	(130,691)	(158,683)
Interest paid	(7,168)	(6,997)
Change in amount due from/to a joint venture	(1,981)	(6,163)
Sales of shares held for expired share award scheme	1,276	–
Repayment to non-controlling interests	(15,466)	(11,266)
Repayment of lease liabilities and interest	(12,321)	(16,150)
Net cash used in financing activities	(51,455)	(53,252)
Net increase/(decrease) in cash and cash equivalents	2,848	(8,407)
Effect of change in foreign exchange rate	(954)	3,502
Cash and cash equivalents at beginning of year	35,926	40,831
Cash and cash equivalents at end of year	37,820	35,926
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	37,820	35,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended 31 December 2024

1. GENERAL INFORMATION

Meta Media Holdings Limited (the "Company") was incorporated in the Cayman Islands on 8 March 2007 and registered as an exempted company with limited liability under the Company Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal places of business in the People's Republic of China (the "PRC") and Hong Kong are at Units 213, 2/F, Block 2, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC and 7/F, Global Trade Square, No. 21 Wong Chuk Hang Road, Aberdeen, Hong Kong respectively. Its registered office is at Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

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

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in publication of magazines and periodicals, the provision of advertising agency services, digital publishing business, artwork trading and auction, art exhibition and related education, and restaurant operations.

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

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

3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, except for investment properties which are stated at fair values. These consolidated financial statements are presented in Renminbi (the "RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the board of directors of the Group (the "Directors") to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the consolidated financial statements, are further disclosed in note 4 to the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive expenses for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition- related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company' s share of the net fair value of the subsidiary' s identifiable assets and liabilities is recorded as goodwill. Any excess of the Company ' s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post- acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's share of the net assets of that joint venture plus any remaining goodwill relating to that joint venture and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group' s interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Hong Kong Dollars (the "HK$"). The Company' s primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. As the development and operation of the Group during the years are within the PRC, the Group determined to present the consolidated financial statements in RMB, unless otherwise stated.

b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

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

Subsequent costs are included in the asset' s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in consolidated profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings held for own use	40 – 50 years
Office equipment	3 – 5 years
Furniture and fixtures	3 – 10 years
Motor vehicles	5 – 10 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in consolidated profit or loss.

Investment properties

Investment properties are buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation of property, plant and equipment.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right- of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land and buildings	2 – 5 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group ' s incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in consolidated profit or loss on a straight- line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US$5,000.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Intangible assets

(a) Software and mobile applications

Costs associated with maintaining software and mobile applications are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software and mobile applications development costs recognised as assets are amortised over their estimated useful lives.

(b) Other intangible assets

Other intangible assets mainly include publishing rights, customer relationships, trademarks, domains and IT platforms and film distribution right. Intangible assets with a finite useful lives are carried at cost less accumulated amortisation and any impairment losses. Intangible assets with indefinite useful lives including trademark are carried at cost less any subsequent accumulated impairment losses.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Intangible assets *(continued)*

(c) Amortisation

Amortisation commences when the intangible assets are available for use. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives, as follows:

Digital assets	Indefinite useful life
Publishing rights	6 to 7 years or indefinite useful life
Customer relationships	3 to 5 years
Trademarks	Indefinite useful life
Domains and IT platforms	3 to 10 years or indefinite useful life
Software, website and mobile applications	3 to 5 years
Others (other than film distribution right)	15 years

Film distribution right is amortised based on the proportion of actual revenue earned during the year to total estimated projected revenue, less impairment loss.

Inventories

Inventories are artworks intended for sale and goods held in a retail store of the Group and stated at the lower of cost and net realisable value. Cost for artworks includes expenditures that is directly attributable to the acquisition of the items. Cost for goods held in a retail store is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under financial assets at amortised cost.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

– the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Other financial liabilities

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance;

– the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– the Group's performance 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.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Employee benefits

a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Employee benefits *(continued)*

c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (A);

(vii) A person identified in (A) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the Director has reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the Director has rebutted the presumption that investment properties measured using the fair value model are recovered through sale.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was approximately RMB36,648,000 (2023: RMB36,615,000) after no impairment loss was recognised during the year ended 31 December 2024 (2023: nil). Details of the impairment loss calculation are provided in note 19 to consolidated financial statements.

b) Provision for ECL for trade and other receivables

The Group ' s management determines the provision for ECL of trade and other receivables on a forward-looking basis and the ECL are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. Other receivables is considered 12-month ECL. In making the judgment, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management. When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables within the scope of ECL under IFRS 9 and credit losses in the periods in which such estimate has been changed.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

c) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

d) Intangible assets and amortisation

The Group determines the estimated useful lives, residual values and related amortisation charges for the Group ' s intangible assets. This estimate is based on the historical experience of the actual useful lives and residual values of intangible assets of similar nature and functions. The Group will revise the amortisation charge where useful lives and residual values are different to those previously estimated, or it will write- off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate 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.

a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2024 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables, pledged bank deposits, and cash and cash equivalents. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. The credit risk on pledged bank deposits and cash at bank and on hand are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

5. FINANCIAL RISK MANAGEMENT *(continued)*

b) Credit risk *(continued)*

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

– internal credit rating;

– 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;

– actual or expected significant changes in the operating results of the customer;

– significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

5. FINANCIAL RISK MANAGEMENT *(continued)*

c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total contractual undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024					
Trade and other payables	120,378	–	–	120,378	120,378
Amount due to a non-controlling shareholder of a subsidiary	–	4,538	–	4,538	4,538
Borrowings	154,709	522	1,480	156,711	151,012
	275,087	5,060	1,480	281,627	275,928

	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total contractual undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2023					
Trade and other payables	125,451	–	–	125,451	125,451
Amount due to a non-controlling shareholder of a subsidiary	–	4,521	–	4,521	4,521
Borrowings	169,671	–	–	169,671	163,265
	295,122	4,521	–	299,643	293,237

Borrowings of approximately RMB149,260,000 (2023: RMB163,265,000) with a repayment on demand clause are included in the "within 1 year or on demand" time band in the above maturity analysis. Taking into account the Group ' s financial position, the management does not consider that it is probable that the lenders will exercise their discretionary rights to demand immediate repayment. The management believes that the term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

5. FINANCIAL RISK MANAGEMENT *(continued)*

c) Liquidity risk *(continued)*

The maturity analysis of the Group's borrowings by expected repayment dates is summarised as follows. The amounts include interest payments computed using contractual rates.

	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total contractual undiscounted cash flows RMB'000
At 31 December 2024					
Borrowings	**101,946**	**13,300**	**34,878**	**9,527**	**159,651**
At 31 December 2023					
Borrowings	137,994	7,261	14,196	12,772	172,223

d) Interest rate risk

The Group's exposure to fair value interest rate risk arises primarily from the Group's bank deposits and bank borrowings which carry interest at fixed rates.

The Group's exposure to interest-rate risk arises from Group's bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the Hong Kong Interbank Offered Rate and Prime Rate arising from the Group's Hong Kong dollars denominated borrowing, and PRC Loan Prime Rate arising from the Group's RMB denominated borrowing.

At 31 December 2024, if the interest rates had been 100 basis points lower with all other variables held constant, post-tax loss for the year would have been RMB761,000 (2023: RMB603,000) lower, arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, post-tax loss for the year would have been RMB761,000 (2023: RMB603,000) higher, arising mainly as a result of higher interest expense on bank borrowings.

e) Categories of financial instruments at 31 December

	2024 RMB'000	2023 RMB'000
Financial assets:		
Financial assets at amortised cost (including cash and cash equivalents)	**205,153**	241,403
Financial liabilities:		
Financial liabilities at amortised cost	**275,928**	293,237

5. FINANCIAL RISK MANAGEMENT *(continued)*

f) Fair value

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

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

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

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

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

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

(a) Disclosures of level in fair value hierarchy:

	Fair value measurements using			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024				
Investment properties				
– Commercial units – PRC	**–**	**–**	**77,960**	**77,960**
At 31 December 2023				
Investment properties				
– Commercial units – PRC	–	–	79,880	79,880

5. FINANCIAL RISK MANAGEMENT *(continued)*

f) Fair value *(continued)*

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

	2024 Investment properties RMB'000
At 1 January	79,880
Total losses recognised in profit or loss #	(1,920)
At 31 December	77,960
#Include losses for assets held at end of reporting period	(1,920)

	2023 Investment properties RMB'000
At 1 January	36,170
Transfer from property, plant and equipment revalued at fair value on date of transfer	45,230
Total losses recognised in profit or loss #	(1,520)
At 31 December	79,880
#Include losses for assets held at end of reporting period	(1,520)

5. FINANCIAL RISK MANAGEMENT *(continued)*

f) Fair value *(continued)*

(c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2024 and 2023:

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

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

The Group's investment properties are revalued at 31 December 2024 and 2023 by independent professionally qualified valuer, Cushman & Wakefield Shenzhen Valuation Co., Ltd., who has the recent experience in the location and category of properties being valued. The fair value measurement is based on the properties' highest and best use, which does not differ from their actual use.

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

Description	Valuation techniques	Significant unobservable inputs	Range As at 31 December		Effect on fair value for increase of inputs
			2024	2023	
Investment properties	Direct capitalisation method	Market monthly rental rate taking into account of individual factors such as location, environment, age, accessibility, floor, size, etc. (RMB/sq.m)	202-224	201-236	Increase
		Capitalisation rate of reversionary income	6.50%	6.50%	Decrease
	Market comparison approach	Price per square metre (RMB/sq.m)	35,524-37,529	36,134-39,085	Increase

During the years ended 31 December 2024 and 2023, there were no changes in the valuation techniques used.

During the years ended 31 December 2024 and 2023, there was no transfer between Level 1, Level 2 or transfer into or out of Level 3.

6. REVENUE AND SEGMENT INFORMATION

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

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

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

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

The Group has two (2023: two) reportable segments as described below, which are the Group's strategic business units. The chief operating decision-makers assess the performance of the operating segments mainly based on segment revenue and profit/loss of each operating segment. Segment information below is presented in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment. The following describes the operations in each of the Group's reportable segments:

- Art platform: this segment engages in publication of magazines and periodicals, the provision of advertising agency services, artwork trading and auction, art exhibition and related education, and restaurant operations.

- Digital platform: this segment is a digital media platform in which the Group engages in the digital publishing business. The Group publishes multiple digital media products, and engages in the provision of advertising agency services and the production of customised contents for brand advertisers.

6. REVENUE AND SEGMENT INFORMATION *(continued)*

(a) Revenue

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

	2024 RMB'000	2023 RMB'000
Reportable segment:		
– Art platform	187,727	230,509
– Digital platform	175,056	152,302
	362,783	382,811
Revenue derived from other operations	–	391
Less: sales taxes and other surcharges	(1,910)	(1,787)
	360,873	381,415
Types of goods or services:		
– Advertising income	214,670	209,480
– Production, event and service income	131,691	154,825
– Circulation and subscription income	12,812	14,953
– Revenue from restaurant operation	1,700	2,157
	360,873	381,415
Timing of revenue recognition under IFRS 15:		
– At a point in time	1,700	2,157
– Over time	359,173	379,258
Revenue from contract with customers	360,873	381,415

6. REVENUE AND SEGMENT INFORMATION (continued)

(b) Adjusted EBITDA

The adjusted EBITDA of the Group for the years ended 31 December 2024 and 2023 were set out as follows:

	2024 RMB'000	2023 RMB'000
Reportable segment results:		
– Art platform	(16,441)	(20,788)
– Digital platform	36,611	36,045
	20,170	15,257
Revenue derived from other operations	–	391
Depreciation	(20,416)	(25,453)
Amortisation	(2,612)	(5,025)
Finance expenses	(9,902)	(10,696)
Impairment loss on intangible assets	(37)	(1,369)
Share of losses of a joint venture	(363)	(561)
Change in fair value of investment properties	(1,920)	(1,520)
Unallocated head office and corporate expenses	(2,546)	(2,420)
Loss before tax	(17,626)	(31,396)

	Depreciation RMB'000	Amortisation RMB'000	Finance expenses RMB'000
Year ended 31 December 2024			
Reportable segment:			
– Art platform	10,513	1,345	5,098
– Digital platform	9,903	1,267	4,804
	20,416	2,612	9,902
Year ended 31 December 2023			
Reportable segment:			
– Art platform	15,311	3,022	6,445
– Digital platform	10,116	1,997	4,251
	25,427	5,019	10,696

6. REVENUE AND SEGMENT INFORMATION *(continued)*

(c) Total assets

	2024 RMB'000	2023 RMB'000
Reportable segment:		
– Art platform	235,727	294,728
– Digital platform	207,935	199,267
	443,662	493,995
Corporate and unallocated assets	9,260	9,062
Investment properties	77,960	79,880
Other receivables	23,150	24,850
Investment in a joint venture	3,392	3,755
Pledged bank deposits	–	30,000
Cash and cash equivalents	37,820	35,926
Total assets	595,244	677,468

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

	2024 RMB'000	2023 RMB'000
Reportable segment:		
– Art platform	4,944	3,259
– Digital platform	5,281	3,909
	10,225	7,168

6. REVENUE AND SEGMENT INFORMATION *(continued)*

(d) Geographic information

The geographical location of the Group's property, plant and equipment, right-of-use assets, investment properties, intangible assets, goodwill, investment in a joint venture and software development in progress ("specified non-current assets") are mainly in the PRC, Hong Kong and the United Kingdom (the "UK") as at 31 December 2024 and 2023.

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

Specified non-current assets by geographical location as at 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
The PRC, excluding Hong Kong	**179,814**	226,853
Hong Kong, the PRC	**77,206**	79,077
The UK	**23,508**	24,231
	280,528	330,161

Revenue by geographical location for the years ended 31 December 2024 and 2023 were as follows:

	2024 RMB'000	2023 RMB'000
The PRC, excluding Hong Kong	**300,025**	324,844
Hong Kong, the PRC	**36,375**	38,040
The UK	**24,473**	18,531
	360,873	381,415

There was no revenue from customers contributing 10% or more of total revenue for the years ended 31 December 2024 and 2023.

7. OTHER INCOME

		2024 RMB'000	2023 RMB'000
PRC government subsidies	*Note a*	2,960	1,471
Bank interest income		315	281
Others		418	367
		3,693	2,119

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

8. OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Change in fair value of investment properties	(1,920)	(1,520)
Net (losses)/gains on disposal of property, plant and equipment	(111)	28
Exchange differences	(145)	(4,373)
Net gain on termination of leases	8,139	-
	5,963	(5,865)

9. FINANCE EXPENSES

	2024 RMB'000	2023 RMB'000
Lease interests	1,761	3,311
Interest expenses on:		
– Secured bank borrowings	7,143	6,997
– Other payables to a non-controlling shareholder of a subsidiary	973	388
– Other borrowings	25	–
	9,902	10,696

10. INCOME TAX EXPENSES

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

	2024 RMB'000	RMB'000 RMB'000
Current income tax – Hong Kong Profits Tax		
Provision for the year	477	504
Under-provision in prior years	53	-
Current income tax – PRC Corporate Income Tax		
Provision for the year	1,478	1,385
Deferred income tax	(480)	1,250
	1,528	3,139

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 December 2024 and 2023. No provision for PRC Corporate Income Tax has been made since the Group has sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the years ended 31 December 2024 and 2023. No provision for UK Corporation Tax has been made since the Group did not generate any assessable profits for the years ended 31 December 2024 and 2023. During the year ended 31 December 2024, current income tax included a payment of approximately RMB1,478,000 (2023: RMB1,385,000) in respect of withholding income tax on services income charged to the Group's PRC subsidiaries.

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

	2024 RMB'000	2023 RMB'000
Loss before tax	(17,626)	(31,396)
Tax calculated at statutory tax rate of 25%	(4,407)	(7,849)
Tax effect of		
– effect of differential tax rate on income	(273)	(1,081)
– temporary differences not recognised	(99)	67
– non-deductible expenses	680	1,914
– non-taxable income	(3,248)	(748)
– utilisation of previously unrecognised tax losses	(1,131)	(3,420)
– tax losses not recognised	8,384	12,731
– income tax on service charge	1,478	1,385
– adjustment in respect of prior years	53	–
– tax effect of share of losses of a joint venture	91	140
Income tax expenses	1,528	3,139

11. LOSS BEFORE TAX

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

	2024 RMB'000	2023 RMB'000
Cost of restaurant operation	414	673
Staff costs (including Directors' emoluments)		
– Salaries, wages and other benefits	93,958	95,844
– Pension costs-defined contribution plans	19,348	20,880
	113,306	116,724
Impairment loss on intangible assets	37	1,369
Amortisation of intangible assets	2,612	5,025
Depreciation of property, plant and equipment and right-of-use assets	20,416	25,453
Auditors' remuneration		
– Audit services	1,230	1,330
– Non-audit services	150	200
Change in ECL allowance for trade receivables	(419)	266
Expenses related to short-term leases	576	481

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES

(a) Directors' emoluments

The remuneration of each Director is as follows:

		Year ended 31 December 2024 Emoluments paid or receivable in respect of a person's services as a Director whether of the Company or its subsidiary undertaking			
		Directors' fees RMB'000	Salaries RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive Directors					
Mr. Shao Zhong	*(note (a))*	–	3,946	–	3,946
Ms. Yang Ying		–	2,000	145	2,145
Mr. Li Jian		–	1,250	111	1,361
		–	7,196	256	7,452
Independent non-executive Directors					
Ms. Wei Wei		132	–	–	132
Mr. Yick Wing Fat Simon		219	–	–	219
Mr. Wan Jie		132	–	–	132
		483	–	–	483
		483	7,196	256	7,935

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES *(continued)*

(a) Directors' emoluments *(continued)*

		Year ended 31 December 2023 Emoluments paid or receivable in respect of a person's services as a Director whether of the Company or its subsidiary undertaking			
		Directors' fees RMB'000	Salaries RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive Directors					
Mr. Shao Zhong	*(note (a))*	–	3,370	–	3,370
Ms. Yang Ying		–	1,800	143	1,943
Mr. Li Jian		–	1,200	105	1,305
Mr. Deroche Alain, Jean-Marie, Jacques	*(note (c))*	–	1,572	16	1,588
		–	7,942	264	8,206
Non-executive Director					
Dr. Cheng Chi Kong, Adrian	*(note (b))*	120	–	–	120
Independent non-executive Directors					
Ms. Wei Wei		132	–	–	132
Mr. Yick Wing Fat Simon		216	–	–	216
Mr. Wan Jie		132	–	–	132
		480	–	–	480
		600	7,942	264	8,806

Notes:

(a) Mr. Shao Zhong is also the chief executive officer of the Company.

(b) Dr. Cheng Chi Kong, Adrian was appointed as and resigned from the non-executive director on 16 February 2023 and 5 October 2023 respectively.

(c) Mr. Deroche Alain, Jean-Marie, Jacques resigned from the executive director on 29 December 2023.

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES *(continued)*

(b) Directors' material interests in transactions, arrangements or contracts

As at 31 December 2024 and 2023, Mr. Shao Zhong ("Mr. Shao") is entrusted as registered shareholder of certain investments in subsidiaries on behalf of the Group. Saved as disclosed in elsewhere in the consolidated financial statements, there were no other 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 and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2023: three) Directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2023: two) individual are set out below:

	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	3,390	3,332
Retirement scheme contributions	28	28
	3,418	3,360

The emoluments fell within the following band:

	Number of individuals 2024	 2023
HK$1,000,001 – HK$1,500,000	1	1
HK$2,000,001 – HK$2,500,000	1	1
	2	2

During the year, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

The Board of Directors does not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

14. LOSS PER SHARE

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

	2024 RMB'000	2023 RMB'000
Loss		
Loss for the year for the purpose of calculating basic and diluted loss per share	(17,126)	(34,842)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	432,810	431,994

The basic and diluted loss per share for the years ended 31 December 2024 and 2023 were the same as the Company had no dilutive potential ordinary shares in issue during both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings held for own use RMB'000	Leasehold improvements RMB'000	Office equipment RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Total RMB'000
At 1 January 2023						
Cost	156,683	85,978	32,717	17,484	14,809	307,671
Accumulated depreciation	(31,294)	(74,853)	(30,821)	(13,984)	(12,474)	(163,426)
Net carrying amount	125,389	11,125	1,896	3,500	2,335	144,245
Year ended 31 December 2023						
Opening net carrying amount	125,389	11,125	1,896	3,500	2,335	144,245
Additions	-	840	527	562	10	1,939
Transfer to investment properties	(14,744)	-	-	-	-	(14,744)
Disposals	-	-	(136)	(88)	(48)	(272)
Depreciation charge	(2,954)	(4,193)	(521)	(1,934)	(569)	(10,171)
Currency translation differences	1,125	21	8	39	(4)	1,189
Closing net carrying amount	108,816	7,793	1,774	2,079	1,724	122,186
At 31 December 2023 and 1 January 2024						
Cost	135,664	86,909	30,398	16,218	13,862	283,051
Accumulated depreciation	(26,848)	(79,116)	(28,624)	(14,139)	(12,138)	(160,865)
Net carrying amount	108,816	7,793	1,774	2,079	1,724	122,186
Year ended 31 December 2024						
Opening net carrying amount	108,816	7,793	1,774	2,079	1,724	122,186
Additions	-	495	540	353	3,338	4,726
Disposals	-	-	(78)	(24)	(99)	(201)
Depreciation charge	(2,732)	(3,753)	(404)	(1,424)	(482)	(8,795)
Currency translation differences	1,634	134	(6)	(5)	-	1,757
Closing net carrying amount	107,718	4,669	1,826	979	4,481	119,673
At 31 December 2024						
Cost	137,742	87,543	29,395	16,538	15,221	286,439
Accumulated depreciation	(30,024)	(82,874)	(27,569)	(15,559)	(10,740)	(166,766)
Net carrying amount	107,718	4,669	1,826	979	4,481	119,673

As at 31 December 2024, a building in Hong Kong and a motor vehicle in the PRC with carrying amounts of approximately RMB79,345,000 (2023: RMB99,202,000) have been pledged as collaterals for the Group' s borrowings, amounting to approximately RMB63,961,000 (2023: RMB73,265,000).

16. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2024 RMB'000	2023 RMB'000
At 31 December:		
Right-of-use assets		
– Land and buildings	10,760	55,422
Lease commitments of short-term leases	237	275
The maturity analysis based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	7,612	16,606
– Between 1 and 2 years	1,946	19,105
– Between 2 and 5 years	1,990	26,500
– Over 5 years	–	8,800
	11,548	71,011

	2024 RMB'000	2023 RMB'000
Year ended 31 December:		
Depreciation charge of right-of-use assets		
– Land and buildings	11,621	15,282
Lease interests	1,761	3,311
Expenses related to short-term leases	576	481
With operating activities	576	481
With financing activities	12,321	16,150
Total cash outflow for leases	12,897	16,631
Additions to right-of-use assets	3,209	4,563

The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
At 1 January	79,880	36,170
Transfer from property, plant and equipment revalued at fair value on date of transfer	–	45,230
Changes in fair value of investment properties recognised in profit or loss	(1,920)	(1,520)
At 31 December	77,960	79,880

The Group has used presumption that the carrying amount of the investment properties would be recovered through use which is held within a business model to hold for rental, provision for deferred tax is made on revaluation of investment properties using income tax rate.

As at 31 December 2024, the investment properties in the PRC with carrying amounts of approximately RMB77,960,000 (2023: RMB79,880,000) have been pledged as collaterals for the Group ' s bank borrowings, amounting to approximately RMB50,000,000 (2023: RMB80,000,000).

18. INTANGIBLE ASSETS

	Digital assets RMB'000	Publishing rights RMB'000	Customer relationships RMB'000	Trademarks, domains and IT platforms RMB'000	Software, website and mobile applications RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023							
Cost	1,587	9,141	10,382	24,004	98,026	8,764	151,904
Accumulated amortisation and impairment loss	–	(3,000)	(10,382)	(5,971)	(88,667)	(6,482)	(114,502)
Net book amount	1,587	6,141	–	18,033	9,359	2,282	37,402
Year ended 31 December 2023							
Opening net book amount	1,587	6,141	–	18,033	9,359	2,282	37,402
Additions	–	–	–	666	–	–	666
Amortisation charge	–	–	–	(4)	(4,701)	(320)	(5,025)
Impairment loss	(1,369)	–	–	–	–	–	(1,369)
Currency translation differences	14	473	–	77	3	10	577
Closing net book amount	232	6,614	–	18,772	4,661	1,972	32,251
At 31 December 2023 and 1 January 2024							
Cost	1,610	9,614	10,382	24,738	98,119	8,804	153,267
Accumulated amortisation and impairment loss	(1,378)	(3,000)	(10,382)	(5,966)	(93,458)	(6,832)	(121,016)
Net book amount	232	6,614	–	18,772	4,661	1,972	32,251
Year ended 31 December 2024							
Opening net book amount	232	6,614	–	18,772	4,661	1,972	32,251
Transferred from software development in progress	–	–	–	–	1,683	–	1,683
Additions	–	–	–	–	231	–	231
Amortisation charge	–	–	–	–	(2,392)	(220)	(2,612)
Impairment loss	(37)	–	–	–	–	–	(37)
Currency translation differences	5	57	–	79	–	10	151
Closing net book amount	200	6,671	–	18,851	4,183	1,762	31,667
At 31 December 2024							
Cost	1,646	9,671	10,382	24,844	99,607	8,865	155,015
Accumulated amortisation and impairment loss	(1,446)	(3,000)	(10,382)	(5,993)	(95,424)	(7,103)	(123,348)
Net book amount	200	6,671	–	18,851	4,183	1,762	31,667

18. INTANGIBLE ASSETS *(continued)*

Since the Group has the legal rights to renew the trademarks upon expiration of every validity period, the trademarks have an indefinite useful life amounting to approximately RMB18,185,000 (2023: RMB18,106,000) at 31 December 2024. Since the Group has the rights to renew the domains upon expiration of every contract period, the domains have an indefinite useful life amounting to approximately RMB666,000 (2023: RMB666,000) at 31 December 2024. Since there is no expiration period for the publish right and digital assets owned by the Group, the publishing right and digital assets have an indefinite useful life amounting to approximately RMB6,671,000 (2023: RMB6,614,000) and RMB200,000 (2023: RMB232,000) at 31 December 2024, respectively.

The remaining useful life of software, website and mobile applications is 1 to 60 months (2023: 1 to 35 months).

The cost and accumulated amortisation of internally generated intangible assets are amounting to approximately RMB72,686,000 (2023: RMB71,003,000) and RMB70,639,000 (2023: RMB69,241,000) respectively.

19. GOODWILL

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

	Digital platform – the UK	Digital platform – the PRC	Art platform – the PRC		
	Digital media business RMB'000	Digital media business RMB'000	Art photography business RMB'000	Art kitchen business RMB'000	Total RMB'000
Cost					
At 1 January 2023	7,810	28,203	11,850	2,009	49,872
Currency translation differences	602	–	–	–	602
At 31 December 2023 and 1 January 2024	8,412	28,203	11,850	2,009	50,474
Currency translation differences	33	–	–	–	33
At 31 December 2024	**8,445**	**28,203**	**11,850**	**2,009**	**50,507**
Impairment losses					
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	-	-	11,850	2,009	13,859
Carrying amount					
At 31 December 2024	**8,445**	**28,203**	**–**	**–**	**36,648**
At 31 December 2023	8,412	28,203	–	–	36,615

19. GOODWILL *(continued)*

The recoverable amounts of goodwill are determined based on value in use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The Group expected cash flow beyond the five-year period would be similar to that of the fifth year based on existing scale of operation. Cash flows beyond the five-year period are extrapolated using 2% growth rates.

The key assumptions used for value in use calculations as at 31 December 2024 and 2023 are as follows:

	Digital media business
As at 31 December 2024	
Average annual growth rate of revenue during the next five-year period	**12%**
Gross margin (% of revenue)	**45%-51%**
Discount rate	**16.8%**
Long term growth rate	**2%**
As at 31 December 2023	
Average annual growth rate of revenue during the next five-year period	10%
Gross margin (% of revenue)	54%-57%
Discount rate	16.8%
Long term growth rate	2%

Management determines budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant business.

20. INVESTMENT IN A JOINT VENTURE

	2024 RMB'000	2023 RMB'000
Unlisted investments in PRC:		
Share of net assets	**3,392**	3,755

20. INVESTMENT IN A JOINT VENTURE *(continued)*

Investment in a joint venture is accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
At 1 January	3,755	4,316
Share of post-tax losses	(363)	(561)
At 31 December	3,392	**3,755**

The particulars of the joint venture of the Group, which is unlisted, as at 31 December 2024 and 2023, are as follows:

Name of joint venture	Place of business/ country of incorporation	Particulars of paid up registered capital	Proportion of ownership interest held by the Group 2024	2023	Principal activities
Zhuhai Yuanbang Technology Co., Ltd. ("Zhuhai Yuanbang")* 珠海元邦科技有限公司	the PRC	RMB10,000,000	60%	60%	Internet culture management and software development

* The English translation of the Company name is for reference only. The official name of the company established in the PRC is in Chinese.

The joint venture is jointly controlled by the Group and a joint venturer under an investment agreement and a shareholder agreement.

The financial information of Zhuhai Yuanbang, which is not material to the Group.

21. SOFTWARE DEVELOPMENT IN PROGRESS

	RMB'000
At 1 January 2023, 31 December 2023 and 1 January 2024	52
Expenditure incurred on software development	2,059
Transfer to intangible assets	(1,683)
At 31 December 2024	428

22. INVENTORIES

	2024 RMB'000	2023 RMB'000
Artworks	90,111	86,664
Other goods	1,554	1,581
	91,665	88,245

23. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	150,247	156,684
Less: ECL allowance of trade receivables	(3,817)	(4,215)
Trade receivables, net	146,430	152,469
Other receivables:		
Value-added tax recoverable	8,699	10,899
Prepayments	9,094	6,760
Printing deposits	12,260	12,062
Rental, utility and other deposits	2,803	5,255
Advances and loans to employees *(note)*	520	1,079
Amount due from a senior management *(note)*	-	1,235
Amount due from a joint venture *(note)*	2,744	763
Tax recoverable	105	-
Others	2,576	2,614
	185,231	193,136

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

23. TRADE AND OTHER RECEIVABLES *(continued)*

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

	2024 RMB'000	2023 RMB'000
Trade receivables, gross		
Within 30 days	51,231	51,145
Over 30 days and within 90 days	47,080	54,763
Over 90 days and within 180 days	29,920	24,980
Over 180 days and within 1 year	13,778	13,287
Over 1 year and within 2 years	3,059	6,207
Over 2 years and within 3 years	1,461	4,486
Over 3 years	3,718	1,816
	150,247	156,684

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

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

23. TRADE AND OTHER RECEIVABLES *(continued)*

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

	2024 RMB'000	2023 RMB'000
At 1 January	4,215	5,662
Change in ECL allowance	(419)	266
Written off	–	(1,729)
Exchange difference	21	16
At 31 December	3,817	4,215

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

23. TRADE AND OTHER RECEIVABLES *(continued)*

On that basis, the loss allowance as at 31 December 2024 and 2023 is determined as follows for trade receivables:

	Expected loss rate	Gross carrying amount RMB'000	Lifetime ECL allowance RMB'000	Net carrying amount RMB'000
At 31 December 2024				
Collective assessment				
– Not yet past due	0.9%	96,597	869	95,728
– Within 1 year past due	1.1%	46,946	517	46,429
– Between 1 and 2 years past due	1.8%	2,762	50	2,712
– Between 2 and 3 years past due	6.5%	1,669	108	1,561
– Over 3 years past due	100.0%	1,510	1,510	–
Individual assessment	100.0%	763	763	–
		150,247	3,817	146,430
At 31 December 2023				
Collective assessment				
– Not yet past due	1.5%	105,422	1,581	103,841
– Within 1 year past due	1.9%	41,834	794	41,040
– Between 1 and 2 years past due	3.1%	6,228	193	6,035
– Between 2 and 3 years past due	11.6%	1,757	204	1,553
– Over 3 years past due	100.0%	678	678	–
Individual assessment	100.0%	765	765	–
		156,684	4,215	152,469

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

24. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2024 RMB'000	2023 RMB'000
Cash at bank and on hand	37,820	65,926
Less: pledged bank deposits	–	(30,000)
Cash and cash equivalents	37,820	35,926

The Group ' s pledged bank deposits amounting to approximately RMB30,000,000 represented deposits pledged to bank to secure bank borrowings amounting to approximately RMB32,000,000 granted to the Group as set out in note 27 to the consolidated financial statements for the year ended 31 December 2024.

25. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	**98,483**	75,131
Other payables:		
Accrued taxes other than income tax *(note a)*	**7,199**	5,151
Other payables *(note b)*	**13,828**	25,852
Salaries, wages, bonus and benefits payable	**5,247**	6,093
Amount due to a director *(note c)*	**1,195**	3,559
Amount due to a non-controlling shareholder of a subsidiary *(note d)*	**–**	14,493
Other liabilities	**1,625**	323
	127,577	130,602

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

	2024 RMB'000	2023 RMB'000
Within 30 days	**51,697**	38,416
Over 30 days and within 90 days	**17,373**	13,227
Over 90 days and within 180 days	**14,390**	5,172
Over 180 days	**15,023**	18,316
	98,483	75,131

Note a:

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

Note b:

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

Note c:

The amounts due were unsecured, interest-free and repayable on demand.

Note d:

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

26. CONTRACT LIABILITIES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	As at 1 January 2023 RMB'000
Total contract liabilities from advertising income	7,745	6,113	9,870

Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:

	2024 RMB'000	2023 RMB'000
-2024	N/A	6,113
-2025	7,745	–

Year ended 31 December	2024 RMB'000	2023 RMB'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	6,113	9,870

A contract liability represents the Group ' s obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

27. BORROWINGS

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

	2024 RMB'000	2023 RMB'000
Secured bank borrowings	135,334	163,265
Unsecured bank borrowings	13,541	–
Secured other borrowings	2,137	–
	151,012	163,265
The borrowings are repayable as follows:		
Within one year or on demand	149,260	163,265
In the second year	413	–
In the third to fifth years, inclusive	1,339	–
	151,012	163,265
Less: Amount due for settlement within 12 months (shown under current liabilities)	(149,260)	(163,265)
Amount due for settlement after 12 months	1,752	–

The average interest rates at 31 December were as follows:

	2024	2023
Secured bank borrowings	3.05% – 7.53%	3.13% – 8.63%
Unsecured bank borrowings	2.95% – 4.93%	N/A
Secured other borrowings	6.99%	N/A

Borrowings of approximately RMB56,578,000 (2023: RMB90,000,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

As at 31 December 2024, borrowings were secured by certain properties of the Group with aggregate carrying amount of approximately RMB157,305,000 (including in investment properties of approximately RMB77,960,000 and property, plant and equipment of approximately RMB79,345,000) (2023: approximately RMB179,082,000 (including in investment properties of approximately RMB79,880,000 and property, plant and equipment of approximately RMB99,202,000)) and/or is guaranteed by Mr. Shao/Mr. Shao's spouse/Mr. Shao's son/the Company/the subsidiaries of the Company. Bank borrowings were also secured by pledged bank deposits of approximately RMB30,000,000 as at 31 December 2023.

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

28. LEASE LIABILITIES

	Lease payments 2024 RMB'000	Present value of lease payments 2024 RMB'000	Lease payments 2023 RMB'000	Present value of lease payments 2023 RMB'000
Within one year	7,612	7,251	16,606	13,652
In the second to fifth years, inclusive	3,936	3,734	45,605	40,493
After five years	–	–	8,800	8,580
	11,548	10,985	71,011	62,725
Less: Future finance charges	(563)		(8,286)	
Present value of lease liabilities	10,985		62,725	
Less: Amount due for settlement within 12 months (shown under current liabilities)		(7,251)		(13,652)
Amount due for settlement after 12 months		3,734		49,073

At 31 December 2024 and 2023, the effective interest rate was 5.22%. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

29. AMOUNT DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount due is unsecured, interest free and shall be used as against any future distributions of profits of a subsidiary to the non-controlling shareholder.

30. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Reconciliation to the consolidated statement of financial position:

	2024 RMB'000	2023 RMB'000
Deferred income tax assets	–	–
Deferred income tax liabilities	16,819	17,294

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets	Tax losses carried forward RMB'000
At 1 January 2023	1,630
Charged to profit or loss	(1,630)
At 31 December 2023, 1 January 2024 and 31 December 2024	–

As at 31 December 2024, subject to agreement by tax authorities, the Group had estimated tax losses of approximately RMB4,610,000 (2023: RMB3,473,000) in Hong Kong which are available for offsetting against future taxable profits of the companies in which the losses arose. The tax losses do not expire under the current Hong Kong tax legislation; the Group had estimated tax losses of approximately RMB15,421,000 (2023: RMB24,708,000) in United Kingdom which are available for offsetting against future taxable profits of the companies in which the losses arose. The tax losses do not expire under the current United Kingdom tax legislation. Tax losses of approximately RMB145,739,000 (2023: RMB134,880,000) in the PRC are available for offsetting against future profits that may be carried forward for five years for PRC Corporate Income Tax purpose. No deferred income tax assets have been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available for the companies in which the losses arose for the year ended 31 December 2024 and 2023.

As at 31 December 2024, the Group has deductible temporary difference in relation to ECL allowance for trade receivables of approximately RMB3,054,000 (2023: RMB3,450,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the temporary difference can be utilised.

30. DEFERRED INCOME TAX ASSETS AND LIABILITIES *(continued)*

Deferred income tax liabilities	Revaluation of investment properties RMB'000	Fair value adjustment on business combination RMB'000	Total RMB'000
At 1 January 2023	5,596	4,367	9,963
Charged to other comprehensive income	7,622	–	7,622
Credited to profit or loss	(380)	–	(380)
Currency translation differences	–	89	89
At 31 December 2023 and 1 January 2024	**12,838**	**4,456**	**17,294**
Credited to profit or loss	(480)	–	(480)
Currency translation differences	–	5	5
At 31 December 2024	**12,358**	**4,461**	**16,819**

As at 31 December 2024, deferred tax liabilities of approximately RMB3,035,000 (2023: RMB3,616,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will be reinvested in their operation rather than remitting them to the Company in the foreseeable future.

The Group's investment properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sales. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rates enacted or substantively enacted at the end of the reporting periods.

31. SHARE CAPITAL

	Number of ordinary shares of HK$0.01 per share '000	HK$'000
Authorised		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	8,000,000	80,000

	'000	RMB'000
Issued and fully paid		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	438,353	3,853

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group also 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 less cash and cash equivalents, and pledged bank deposits. Total borrowings include borrowings and lease liabilities. Total capital is calculated as "equity" as shown in the consolidated financial statements plus net debt.

The gearing ratios as at 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Total borrowings	161,997	225,990
Less: Cash and cash equivalents	(37,820)	(35,926)
Pledged bank deposits	–	(30,000)
Net debt	124,177	160,064
Total equity	267,586	284,339
Total capital	391,763	444,403
Gearing ratio	31.7%	36.0%

The gearing ratio decreased mainly due to the decrease of net debt.

32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2024 RMB'000	2023 RMB'000
Non-current assets		
Intangible assets	200	232
Investments in subsidiaries	8,805	8,805
	9,005	9,037
Current assets		
Other receivables	7	7
Amounts due from subsidiaries	134,621	132,961
Cash and cash equivalents	162	119
	134,790	133,087
Current liabilities		
Other payables	1,893	2,587
Amounts due to subsidiaries	11,995	11,995
	13,888	14,582
Net current assets	120,902	118,505
Total assets less current liabilities	129,907	127,542
NET ASSETS	129,907	127,542
Capital and reserves		
Share capital	3,853	3,853
Reserves	126,054	123,689
TOTAL EQUITY	129,907	127,542

32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

(b) Reserve movement of the Company

	Share premium RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	145,302	(5,133)	(16,994)	123,175
Loss for the year	–	–	(1,536)	(1,536)
Other comprehensive income	–	2,050	–	2,050
Total comprehensive income/(expenses)	–	2,050	(1,536)	514
At 31 December 2023 and 1 January 2024	145,302	(3,083)	(18,530)	123,689
Loss for the year	–	–	(198)	(198)
Other comprehensive income	–	2,563	–	2,563
Total comprehensive income/(expenses)	–	2,563	(198)	2,365
At 31 December 2024	**145,302**	**(520)**	**(18,728)**	**126,054**

33. RESERVES

(a) Group

The reconciliation between the opening and closing balances of each component of the Group' s consolidated equity is set out in the consolidated statement of changes in equity.

(b) Nature and purpose of reserves on the consolidated statement of changes in equity

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands (the "Companies Law"). Under the Companies Law, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed; the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

(ii) Statutory surplus reserves

In accordance with the relevant laws and regulations in the PRC and the Articles of Association of the companies incorporated in the PRC of the Group (the "PRC Subsidiaries"), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve before distributing the net profit. When the balance of the statutory surplus reserve reaches 50% of the share capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory surplus reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities. For the year ended 31 December 2024, nil (2023:nil) were appropriated to the statutory surplus reserve from net profits of certain PRC subsidiaries.

(iii) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the PRC which are dealt with in accordance with the accounting policy as set out in Note 3.

(iv) Other reserves

Other reserves comprise (i) the aggregate amount of paid-in capital of the PRC Operational Entities after elimination of investments in subsidiaries; and (ii) the difference between the consideration paid/ received for the acquisition/dilution of non-controlling interests and the carrying amount of non-controlling interests at the transaction date, less the foreign exchange movements on translation of those subsidiaries attributable to the non-controlling interests.

(v) Property revaluation reserve

Revaluation reserve arises from transfer of owner-occupied properties to investment properties. The property revaluation reserve of the Group is not distributable.

33. RESERVES (continued)

(b) Nature and purpose of reserves on the consolidated statement of changes in equity (continued)

(vi) Fair value reserve (non-recycling)

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the "fair value reserve (non-recycling)" within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Amount due to/(from) a joint venture RMB'000	Borrowings RMB'000	Lease liabilities RMB'000	Total liabilities from financing activities RMB'000
At 1 January 2023	5,400	175,017	71,006	251,423
Changes in cash flows	(6,163)	(19,673)	(16,150)	(41,986)
Non-cash changes				
– interest accrued	–	6,997	3,311	10,308
– additions to lease liabilities	–	–	4,563	4,563
– currency translation differences	–	924	(5)	919
At 31 December 2023 and 1 January 2024	(763)	163,265	62,725	225,227
Changes in cash flows	(1,981)	(22,963)	(12,321)	(37,265)
Non-cash changes				
– interest accrued	–	7,168	1,761	8,929
– purchase of property, plant and equipment	–	2,198	–	2,198
– additions to lease liabilities	–	–	3,209	3,209
– termination of lease	–	–	(44,392)	(44,392)
– currency translation differences	–	1,344	3	1,347
At 31 December 2024	**(2,744)**	**151,012**	**10,985**	**159,253**

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Purchase of non-controlling interests

(i) During the year ended 31 December 2023, the Group acquired 7% interests in a 70% subsidiary, Modern Digital Holdings Limited, from a non-controlling shareholder, at a cash consideration of RMB24,493,000. The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	RMB'000
Share of net assets in the subsidiary acquired	17,868
Consideration	(24,493)
Loss on acquisition recognised directly in equity	**(6,625)**

(ii) During the year ended 31 December 2023, the Group acquired 15% interests in a 85% subsidiary, Nowness Holding LLC, from a non- controlling shareholder, at a cash consideration of US$176,000. The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	RMB'000
Share of net liabilities in the subsidiary acquired	(2,998)
Consideration	(1,266)
Loss on acquisition recognised directly in equity	(4,264)

35. RELATED PARTY TRANSACTIONS

The Group has entered into the following material related party transactions during the reporting period:

(a) Transactions with related parties

In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the years ended 31 December 2024 and 2023:

	2024 RMB'000	2023 RMB'000
Sales to a joint venture	453	1,235

(b) Key management personnel remuneration

Remuneration for key management personnel including amounts paid to the Company' s Directors and all of the highest paid employees as disclosed in note 12, is as follows:

	2024 RMB'000	2023 RMB'000
Salaries and allowances	11,069	11,873
Retirement scheme contributions	284	292
	11,353	12,165

Total remuneration is included in "staff costs".

36. OTHER COMMITMENTS

At 31 December 2024 and 2023, the Group entered into licensing agreements with the publishing partners to obtain the exclusive rights for the sale of advertising spaces in and the distribution of the magazines. The total future minimum payments under non-cancellable licensing agreements are as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	16,618	16,640
After 1 year but within 5 years	50,675	52,736
Over 5 years	15,473	16,455
	82,766	85,831

37. PARTICULARS OF SUBSIDIARIES

(a) The following list contains only the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. The Company has interests in the following subsidiaries, all of which are private companies with limited liability, particulars of which as at 31 December 2024 are set out below:

Name of subsidiaries	Notes	Place of incorporation/ business	Issued and paid up capital	Percentage of ownership interest/voting power/profit sharing Direct	Indirect	Principal activities
E-Starship Limited		BVI	US$1	100%	–	Investment holding
Modern Digital Holdings Limited		Cayman Islands	HK$14,286	–	77%	Investment holding
Zhuhai Modern Media Co., Ltd.# 珠海現代文化傳播有限公司	(i)	PRC	HK$68,000,000	–	100%	Research and development, provision of advertising and consultancy service
Yazhimei Digital Communication (Shenzhen) Co., Ltd.# 雅致美數字傳播(深圳)有限公司	(i)	PRC	HK$2,000,000	–	77%	Provision of management and consultation services
Shenzhen Yage Zhimei Information Media Co., Ltd.# 深圳市雅格致美資訊傳播有限公司	(i), (ii)	PRC	RMB2,000,000	–	100%	Holding company of investment properties and advertisement production
Guangzhou Xiandai Yidong Shuma Chuanbo Co., Ltd.# 廣州現代移動數碼傳播有限公司	(ii)	PRC	RMB10,000,000	–	100%	Provision of digital publishing business
Guangzhou Modern Information Media Co., Ltd.# 廣州現代資訊傳播有限公司	(ii)	PRC	RMB60,000,000	–	100%	Publication of magazines in the PRC, provision of advertising agencies, retail sales of imported books and planning of literary arts activities and exhibitions

37. PARTICULARS OF SUBSIDIARIES *(continued)*

(a) The following list contains only the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. The Company has interests in the following subsidiaries, all of which are private companies with limited liability, particulars of which as at 31 December 2024 are set out below: *(continued)*

Name of subsidiaries	Notes	Place of incorporation/ business	Issued and paid up capital	Percentage of ownership interest/voting power/profit sharing Direct	Indirect	Principal activities
Guangzhou Modern Books Co., Ltd.# 廣州現代圖書有限公司	(ii)	PRC	RMB5,010,000	–	100%	Publication of magazines in the PRC, design and selling of advertising spaces
Shanghai Senyin Information Technology Co., Ltd.# 上海森音信息技術有限公司	(ii)	PRC	RMB1,000,000	–	100%	Provision of website development business
Shanghai Yizhi Advertising Co., Ltd.# 上海意致廣告有限公司		PRC	RMB1,000,000	–	77%	Provision of advertising agency services
Shanghai Xinxuefen Culture Media Co., Ltd.# 上海心學分文化傳播有限公司	(ii)	PRC	RMB10,000,000	–	65%	Publication of magazines in the PRC, provision of advertising agencies and event management services
Guangzhou Meta Media Films Co., Ltd.# 廣州超媒影業有限公司	(ii)	PRC	RMB3,100,000	–	100%	Film investment
City Howwhy Limited		Hong Kong	HK$2	–	100%	Publication of magazines in Hong Kong
Modern Media Company Limited		Hong Kong	HK$1,000,000	–	100%	Provision of advertising agency services
Meta Media Digital Group Limited		Hong Kong	HK$2	–	77%	Provision of digital publishing business
Art Collection Auction Company Limited		Hong Kong	HK$1,000,000	–	100%	Artwork trading

37. PARTICULARS OF SUBSIDIARIES *(continued)*

(a) The following list contains only the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. The Company has interests in the following subsidiaries, all of which are private companies with limited liability, particulars of which as at 31 December 2024 are set out below: *(continued)*

Name of subsidiaries	Notes	Place of incorporation/ business	Issued and paid up capital	Percentage of ownership interest/voting power/profit sharing Direct	Indirect	Principal activities
Shanghai Shangzhao E-Commerce Co., Ltd.# 上海尚照電子商務有限公司		PRC	RMB4,638,230	–	51%	Operation of galleries and cafe shops
Shanghai Zhongshe Cultural Development Co., Ltd.# 上海眾社文化發展有限公司		PRC	RMB500,000	–	51%	Operation of galleries and cafes, organization of photography exhibitions, operation of online shop and physical stores for sales of photography artworks
Art Review Ltd.		UK	£125,667	–	85%	Provision of print and digital publishing business
Shanghai Zhiwu Culture Media Co., Ltd.# 上海誌屋文化傳播有限責任公司		PRC	RMB100,000	–	100%	Provision of artwork trading, auction, and holding of art exhibition

(i) These companies are established in the PRC as wholly foreign-owned enterprises.

(ii) The equity interests of these entities are held by PRC nationals and/or entities on behalf of the Group.

(iii) Historically, PRC rules and regulations restricted foreign ownership of companies in certain industries. The Group has been conducting its operations in these industries through subsidiaries controlled by contractual agreements which are ultimately wholly-owned by Mr. Shao.

\# The company name in English is not the official name but a translation for reference only.

37. PARTICULARS OF SUBSIDIARIES *(continued)*

(b) Details of non-wholly owned subsidiary that have material non-controlling interests ("NCI")

The following table shows information of the subsidiary that has NCI material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	**Modern Digital Holdings Limited**	
Principal place of business/country of incorporation	**Hong Kong/Cayman Islands**	
	2024	2023
% of ownership interest/voting rights held by NCI	**23.00%**	23.00%
	RMB'000	RMB'000
As 31 December:		
Non-current assets	**40,935**	38,896
Current assets	**406,264**	366,448
Non-current liabilities	**(1,752)**	(1,493)
Current liabilities	**(193,509)**	(150,942)
Net assets	**251,938**	252,909
Carrying amount of NCI	**57,946**	58,169
Year ended 31 December:		
Revenue	**171,317**	159,919
Loss for the year	**(2,390)**	(2,456)
Total comprehensive expenses for the year	**(971)**	(3,072)
(Loss)/profit allocated to NCI	**(550)**	291
Net cash flows (used in)/generated from operating activities	**(7,372)**	11,385
Net cash flows (used in)/generated from investing activities	**(877)**	610
Net cash flows generated from/(used in) financing activities	**14,420**	(12,737)
Net increase/(decrease) in cash and cash equivalents	**6,171**	(742)

38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 17 March 2025.

Five Year Financial Summary

Results

	Year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	**360,873**	381,415	370,891	422,895	313,128
(Loss)/profit before tax	**(17,626)**	(31,396)	(70,223)	2,894	(71,774)
Income tax (expense)/credit	**(1,528)**	(3,139)	(2,010)	1,480	1,799
(Loss)/profit for the year	**(19,154)**	(34,535)	(72,233)	4,374	(69,975)

Assets and liabilities

	As at 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Total assets	**595,244**	677,468	716,680	705,107	637,555
Total liabilities	**(327,658)**	(393,129)	(400,081)	(326,266)	(261,053)
Total equity	**267,586**	284,339	316,599	378,841	376,502

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