

# ANNUAL REPORT

## 2025 年報

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### SinoMedia®

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



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# Financial Summary

<i>RMB'000</i>	<b>For the year ended 31 December 2025</b>	For the year ended 31 December 2024	Change (%)
<b>Revenue</b>	<b>382,288</b>	612,517	-38%
<b>Profit from operations</b>	<b>67,745</b>	122,072	-45%
<b>Profit attributable to equity shareholders of the Company</b>	<b>80,043</b>	106,961	-25%
<b>Earnings per share</b>			
— Basic and Diluted	<b>17.1 RMB cents</b>	23.2 RMB cents	-26%
<b>Proposed dividends per share</b>			
— Final	<b>11.0 HKD cents</b>	11.0 HKD cents	—
— Special	—	24.0 HKD cents	N/A

<i>RMB'000</i>	<b>For the year ended 31 December 2025</b>	For the year ended 31 December 2024	Change (%)
<b>REVENUE</b>			
<b>TV media resources management and integrated communication</b>	<b>219,783</b>	392,976	-44%
<b>Digital marketing, content operations and others</b>	<b>137,153</b>	184,245	-26%
<b>Rental income</b>	<b>25,352</b>	35,296	-28%
	<b>382,288</b>	612,517	-38%

## EXECUTIVE DIRECTORS

Mr. Chen Xin (Chairman)

Ms. Liu Jinlan

Mr. Li Zongzhou

Ms. Liu Zhiyi

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qi Daqing

Ms. Ip Hung

Dr. Tan Henry

Dr. Zhang Hua

## AUDIT COMMITTEE

Mr. Qi Daqing (Chairman)

Ms. Ip Hung

Dr. Zhang Hua

## REMUNERATION COMMITTEE

Ms. Ip Hung (Chairman)

Mr. Chen Xin

Dr. Zhang Hua

## NOMINATION COMMITTEE

Mr. Liu Jinlan (Chairman)

Mr. Qi Daqing

Dr. Tan Henry

## COMPLIANCE COMMITTEE

Mr. Li Zongzhou (Chairman)

Mr. Wang Yingda

## COMPANY SECRETARY

Mr. Wang Yingda

## AUTHORISED REPRESENTATIVES

Mr. Chen Xin

Mr. Wang Yingda

## PRINCIPLE PLACE OF BUSINESS

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

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

## REGISTERED OFFICE OF THE COMPANY

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

## AUDITORS

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered  
in accordance with the Accounting and  
Financial Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

## SHARE REGISTRAR

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

## WEBSITE

[www.sinomedia.com.hk](http://www.sinomedia.com.hk)

# Awards and Recognition



## Company Honours



**Name of Award:** 2024 CCTV AAAA Credit Advertising Agency  
**Time of Award:** June 2025  
**Awarded by:** CCTV Advertising Center  
**Award Description:** CCTV Advertising Center, according to the Measures of CCTV on Management of Credit System of Advertising Agencies, conducts the comprehensive rating of its advertising agencies. The rating is AAAA, AAA, AA, and A in descending order. The rating is conditional on agency advertising placement amount, agency service years, integrity records of agency business, contract implementation and performance, and bad records. SinoMedia has been awarded the honor for the tenth year in a row.



**Name of Award:** Level 1 Advertising Company (Comprehensive Services)  
**Time of Award:** December 2025  
**Awarded by:** China Advertising Association  
**Award Description:** Level 1 is the highest qualification for advertising companies in China, which is granted by China Advertising Association. The rating is conditional on such ten indicators as the company operation size, staff competencies, service level, industrial influence, and others. China Advertising Association, founded in 1983, is a public institution directly under the State Administration for Industry and Commerce and an origination for the advertising industry. The Association is comprised of voluntarily by advertising owners and operators that have certain qualifications, together with enterprise, public institutions, and juridical associations related to the advertising industry.





## Professional Honours



**Awarded Work:** Searching for Masters  
**Name of Award:** Annual Influential Documentary  
**Time of Award:** December 2025  
**Award by:** National Radio and Television Administration, China Association of Newspapers and Journals in Radio, Film and Television, "Landmark TV" Large-Scale Research Organizing Committee

**Award Description:** The "Landmark TV" Large-Scale Survey on the Comprehensive Strength of Television and Online Audio-Visual Industry is sponsored by the China Association of Newspapers and Journals in Radio, Film and Television and other institutions affiliated to the National Radio and Television Administration. Since its launch in 2007, the event has been held 19 times to date and has exerted extensive influence. As a long-standing industry research and award program, "Landmark TV" boasts profound heritage and remarkable achievements, and features high industry value and award prestige.



**Awarded Work:** 2024 SinoMedia Annual Report  
**Name of Award:** LACP Annual Report Golden Award in LACP Media Companies Annual Report 2024 Category, LACP Top 100 Global Annual Reports, LACP Top 100 Asia-Pacific Annual Reports, LACP Top 50 Chinese Annual Reports, and Technical Achievement Award

**Time of Award:** August 2025  
**Awarded by:** LACP  
**Award Description:** The LACP Vision Awards, launched back in 2002, is one of the major international annual report events widely hailed by the industry. As the selection of top 100 does not require sectors or enterprise size, it is known as the "Annual Report Olympics" and enjoys great professionalism and authority in the industry.



**Awarded Work:** 2024 SinoMedia Annual Report  
**Name of Award:** ARC Annual Report Design Silver Award, ARC Annual Report Overall Excellence Bronze Award

**Time of Award:** August 2025  
**Awarded by:** International ARC Jury  
**Award Description:** International ARC Awards, one of the largest and most authoritative international annual report awards, are internationally recognized and influential and the "Annual Report Oscar Award" hailed by financial and economic media.



Chairman's  
Statement



Chen Xin

In 2025, the global economy maintained a slow recovery. However, intensifying geopolitical conflicts and ongoing trade tariff frictions have introduced considerable uncertainties to the market outlook. Domestically, the economy is in a phase of structural adjustment and growth momentum transformation. While the consumer market demonstrated certain resilience, the improvement in household consumption willingness remains constrained by multiple factors, and the intrinsic drivers of market recovery need to be further unleashed. The advertising market has evolved amid continuous pressures and volatilities over the past few years. Advertisers have maintained a rational and prudent attitude towards marketing budgets. AI technology has reshaped the industry ecosystem at an unprecedented pace, evolving from an auxiliary tool to a core component of marketing infrastructure, exerting a profound impact on the entire value chain including creativity, production, strategy and placement.

Faced with a complex and volatile market environment and industry changes, the Group has been upholding the philosophy of “being client-oriented”. While consolidating our media operations business, we have embraced the technological transformation with an open mind, and continuously explored the integration and application of AI technology in marketing services. Over the past year, we have not only intensified our efforts in core business areas, but also enhanced the Group’s development flexibility and business extensibility through forward-looking strategic investments and layout, laying a more solid foundation for embracing future opportunities and challenges.

In the TV advertising field, leveraging our extensive media operation experience accumulated over the years, we continued to optimize media resources, appropriately control scale and costs, and stayed focused on customer-oriented innovative products and services. In addition, based on a flexible marketing strategy, we enhanced the brand value of our clients through the efficient communication of TV advertising and offered our clients full-cycle services covering brand positioning, visual creativity and communication strategies, media execution and performance evaluation, helping clients’ brands stand out in the market. In the digital marketing and content management field, we have actively adapted to the technological trend of the AI wave, taking the R&D and application of AI technology as an important potential for business development, and steadily promoted the intelligent upgrading of digital marketing business, while increasing investment in technical equipment and talents. Leveraging our experience and capabilities strengths in video content and brand communication, we have deeply integrated brand communication and creative content, accelerated the exploration and enhancement of efficiency and effectiveness brought by AI technology in content creativity, and driven content marketing to extend towards deeper brand value creation through innovative technologies.

The Group actively sought to build a more robust and growth-oriented business portfolio through strategic investments. During the year, we made a strategic investment in Shenzhen Xunce Technology Co., Ltd. (Stock Code: 3317), a company specializing in real-time data processing and analysis. This investment aims to pursue the deep integration of the application of AI agents and data technologies with the Group’s businesses, provide technical support for the intelligent product upgrading of the Group’s operations. In addition, through the appropriate investment in gold industry, we have diversified the Group’s asset structure, enhanced risk resistance and improved return on assets. These strategic investments reflect the Group’s strategy of diversified development and steady progress.

Entering 2026, the external environment remains complex, severe and full of uncertainties. The path to global economic recovery remains bumpy, and it will take time to consolidate and boost domestic demand. Driven by technology, the advertising and marketing industry will continue to undergo profound changes, and the application of artificial intelligence will become more prevalent. This not only brings opportunities for a leap in efficiency, but also means higher barriers to entry and multi-dimensional competition.

Nevertheless, we remain confident in the medium-to-long-term positive development prospects. The Group will adhere to the principle of steady operation, strengthen the competitiveness of core businesses, optimize the cost control system, and enhance the ability to proactively judge and respond rapidly to market changes. Meanwhile, we will continue to uphold our mission: remaining client-centric, innovation-driven, and focused on value creation. We will increase investment in the R&D of AI technology and product innovation, and actively promote the expansion of new businesses driven by the application of AI agents and data technologies. We are committed to delivering sustainable medium-to-long-term returns to shareholders, providing customers with higher-quality products and services, and building a broader development platform for employees.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders, customers, partners and all employees of the Group for their continued trust and support.

**Chen Xin**  
31 March 2026

# ANNUAL REPORT 2025 年報



# 一馬當先



# Management Discussion and Analysis

## OVERVIEW

In 2025, the global economy still faced complex uncertainties, with geopolitical risks persistently disrupting the market and international trade frictions showing no signs of easing. Domestically, structural economic adjustments and the transition from old to new growth drivers continued. While the Consumer Price Index (CPI) showed signs of a moderate rebound, the full recovery of consumer confidence and the path toward enhanced consumption capacity were still subject to constraints from numerous uncertainties.

According to the market research report released by CTR Media Intelligence, advertising spending increased by 5.4% year-on-year in 2025. Advertisers' expectations for market activity in the second half of the year improved compared to the first half. (Source: CTR Media Intelligence, February 2026) The advertising market transformed from "traffic dividends" to "value cultivation", with brand marketing logic gradually shifting from "performance-first" to "synergy between brand and performance" and even "brand-first". Meanwhile, the application of AI technology across the entire marketing funnel became increasingly widespread. Advertisers' interest for AI-powered innovative marketing services continued to grow.

In response to industry trends and market shifts, the Group deepened its engagement in the core business of inter-screen creative communication, and strengthened the construction of brand marketing capabilities, in order to deliver more targeted creative products and communication services to clients. While maintaining its core media operations, the Group enhanced its innovation-driven and diversified synergy development strategy, steadily advancing business structure optimization and innovation upgrades. During the year under review, the Group proactively identified trends, seized market opportunities, and expanded its business scope. We made a strategic investment in Shenzhen Xunce Technology Co., Ltd. (Stock Code: 3317) to explore synergies between application of AI agents and data technologies and the Group's business. This move positions the Group to enhance the production efficiency of AI-driven creative content and strengthen personalized capabilities based on big data processing, thereby supporting the Group's pursuit of diversified sustainable development. Meanwhile, the Group further enhanced the risk resilience and long-term growth potential of its strategic assets through its appropriate investment in gold industry.

## BUSINESS REVIEW

### TV ADVERTISING AND INTEGRATED COMMUNICATION

#### I. Media Resources Management

The Group stayed dedicated to a customer-oriented product and service strategy and strengthened its customer development and service capabilities in media resources marketing. During the year under review, the Group had the exclusive underwriting right for a total of 84,639 minutes of China Media Group advertising resources on "Boutique Financial Records" on CCTV-2 (Financial Channel), CCTV-9 (Documentary Channel) and CCTV-14 (Children's Channel). It covered the market of finance and economics, culture and children, and brought diversified communication channels to clients. Throughout the year, the Group proactively adjusted its media resource structure, controlled scale costs, and leveraged its strengths and experience in TV broadcasting to actively expand its reach, overcome challenges, and continuously optimize marketing strategies and media product portfolios in response to a challenging and volatile market environment.

## **II. Integrated Communication Services**

The Group has gained recognition from a large number of well-known clients for its professional and highly efficient communication services and caring client service philosophy. During the year under review, the Group provided brand information, advertising placement, promotion planning, public relation activities and other multi-dimensional brand integration communication services to clients including China Feihe, Ping An, Chimelong Group, Geely Auto, Suzhou Culture and Tourism, Bamboo Leaf Green Tea, Enshi Selenium-rich Tea and Zheng Shan Tang.

## **DIGITAL MARKETING AND CONTENT OPERATIONS**

### **I. Digital Marketing**

Relying on customer resources, media advantages, and data technology, the Group focuses on the core competitiveness of digital marketing by strengthening its Internet integration service capabilities, and offers clients customized one-stop digital marketing solutions. During the year under review, the Group successively served China Feihe, Qualcomm China, Jafron Biomedical, Didi, China Citic Bank, Hua Xia Bank, Wango Gold, Kuaishou and other clients, and was highly recognized and praised by the clients. Meanwhile, the Group actively developed AI-algorithm-powered advertisement placement system and explored the application of AIGC and multimodal large models in digital marketing to enhance its marketing and service capabilities in the Internet sector.

### **II. Content Operations**

The Group continued to develop its content marketing business centered on video content R&D and production, providing clients with comprehensive and professional video creation and production services while delivering brand communication value through content marketing. During the year under review, the Group delivered tailored content creation and communication services for clients including China Feihe, Chimelong Group, Bank of Beijing, and Amway Nutrilite through diverse channels such as live-streaming interactions, short videos, content placement, animation development, and promotional campaigns. Additionally, the Group provided design, filming, production, and editing services for clients including Meihao Food, Wens Foodstuff Group, Geely Auto, Zeekr, and Suzhou Culture & Tourism. Meanwhile, the Group enhanced its investment in technical equipment and talents during the year, strengthening the technological R&D capabilities of its Imaging Technology Development Department. This enabled the application and integration of generative AI (“AIGC”) technology across advertising creative development, content production, and intelligent advertisement placement, thereby enhancing advertising production efficiency and campaign effectiveness.

## REVENUE

For the year ended 31 December 2025, the Group recorded revenue of RMB382,288 thousand, representing a year-on-year decrease of approximately 38% from RMB612,517 thousand for the last year.

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

- (I) Revenue from media resources management and integrated communication amounted to RMB219,783 thousand, representing a year-on-year decrease of approximately 44% from RMB392,976 thousand for the last year. Facing operational pressures and challenges stemming from fluctuations in consumer market demand, the Group continued to implement structural optimization of its media resources, moderately scaling back business operations to control costs. Since the beginning of the year, we have reduced the advertising agency for certain TV programs. Meanwhile, the Group enhanced operational efficiency and strengthened the competitiveness of this business segment by optimizing marketing strategies, integrating marketing resources, and refining incentive mechanisms.
- (II) Revenue from digital marketing, content operations and others amounted to RMB137,153 thousand in aggregate, representing a year-on-year decrease of approximately 26% from RMB184,245 thousand for the last year. Among them: (1) Revenue from digital marketing amounted to RMB83,709 thousand, representing a year-on-year decrease of approximately 36% from RMB131,216 thousand for the last year. Due to reductions in advertising budgets by some clients, revenue decreased compared to the same period last year. (2) Revenue from content operations and others amounted to RMB53,444 thousand, basically flat with last year (RMB53,029 thousand). The Group enhanced its content marketing business centered on video content R&D and production, while continuously exploring AI-empowered content creation to drive the development of its content marketing operations.
- (III) The investment properties held by the Group are offices on multiple floors located at The Place-SinoMedia Tower, No. 9 Guanghua Road, Chaoyang District, Beijing, PRC, with a total gross floor area of 16,130.64 sq.m. and a land use right of 50 years from 8 August 2007 to 7 August 2057. Revenue from rental amounted to RMB25,352 thousand, representing a year-on-year decrease of approximately 28% from RMB35,296 thousand for the last year. Due to a decline in rental price, the revenue from this business was lower than that of last year.

## OPERATING EXPENSES

For the year ended 31 December 2025, the Group's operating expenses were RMB73,201 thousand in aggregate, representing a year-on-year decrease of approximately 16% from RMB86,787 thousand for the last year, and accounted for approximately 19.1% of the Group's revenue (2024: 14.2%). The Group continuously strengthened and improved the comprehensive budget management for operating expenses, strictly reduced the inefficient and non-essential expenditures, and fully implemented the measures for cost reduction and efficiency improvement, leading to a decrease in operating expenses as compared with the last year.

Among them:

- (i) Selling and marketing expenses amounted to RMB30,829 thousand, representing a year-on-year decrease of approximately RMB5,895 thousand from RMB36,724 thousand for the last year, and accounted for approximately 8.0% of the Group's revenue (2024: 6.0%). The decrease in selling and marketing expenses was primarily attributable to: (1) A reduction in performance-based compensation for marketing personnel due to lower revenue scale, resulting in a year-on-year decrease in labor costs of approximately RMB2,999 thousand; (2) A year-on-year decrease in travel and transportation expenses of approximately RMB3,712 thousand.
- (ii) General and administrative expenses amounted to RMB42,372 thousand, representing a year-on-year decrease of approximately RMB7,691 thousand from RMB50,063 thousand for the last year, and accounted for approximately 11.1% of the Group's revenue (2024: 8.2%). The decrease in general and administrative expenses was primarily attributable to an increase of RMB4,602 thousand in the reversal of impairment losses on accounts receivable compared to the same period last year.

## MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group's major investments were as follows:

- (i) In September 2025, the Group subscribed for 41,940,000 placement shares of Persistence Gold Group Ltd ("Persistence Gold") (Stock Code: 2489) at a placement price of HK\$1.18 per share, at a total consideration of HK\$49,741 thousand (equivalent to approximately RMB45,478 thousand). Persistence Gold primarily engages in the exploration, mining, and processing of gold, and sells refined gold bars. As of 31 December 2025, the transaction procedures had been completed.
- (ii) In October 2025, the Group signed a capital increase agreement with Heilongjiang North Latitude 47 Green Organic Food Co., Ltd ("North Latitude 47") to subscribe for a minority stake in North Latitude 47 through capital increase in cash of RMB13,360 thousand. North Latitude 47 is a smart agricultural company covering the full industrial chain, mainly engaged in the production and sales of corn, rice and plant-based deep-processed beverage products. As of 31 December 2025, the transaction procedures had been completed.

- (III) In December 2025, the Group entered into a cornerstone investment agreement with Shenzhen Xunce Technology Co., Ltd. (“Xunce”) (Stock Code: 3317) to subscribe for its shares at Xunce’s offer price. As of 31 December 2025, the Group had completed the share subscription pursuant to the terms of the cornerstone investment agreement, namely subscribing for 1,620,600 shares of Xunce at an offer price of HK\$48 per share, representing approximately 0.50% of Xunce’s total issued share capital as of 31 December 2025, at a total consideration of HK\$78,573 thousand (equivalent to approximately RMB71,104 thousand). Xunce is a company specializing in providing real-time data infrastructure and analysis solutions. Its business spans two major domains: data infrastructure and data analysis, delivering millisecond-level data processing services to industries such as finance, energy, and healthcare.
- (IV) In December 2025, the Group entered into a discretionary investment management agreement with Orient Asset Management (Hong Kong) Limited (“Orient Asset Management”), agreeing to appoint Orient Asset Management as the manager to provide investment services. Pursuant to the terms and conditions of the discretionary investment management agreement, Orient Asset Management subscribed for 1,596,000 shares of Xunce at an offer price of HK\$48 per share, representing approximately 0.49% of Xunce’s total issued share capital as of 31 December 2025, at a total consideration of HK\$77,381 thousand (equivalent to approximately RMB70,025 thousand). The aforementioned shares were managed by Orient Asset Management in accordance with the terms of the discretionary investment management agreement. As of 31 December 2025, the transaction procedures had been completed.

As of 31 December 2025, the Group held the following significant investments representing 5% or more of the Group’s total assets:

Investee	Category	Number of shares	Percentage of total shares owned by the Group as at 31 December 2025	Cost of investment (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of the Group's total assets as at 31 December 2025	Unrealized gains for the year ended 31 December 2025 (RMB'000)
Bloks Group Limited	At fair value through other comprehensive income	5,352,255 shares	2.15%	123,313	323,653	16.21%	24,535
Shenzhen Xunce Technology Co., Ltd.	At fair value through profit or loss	3,216,600 shares	1.00%	139,454	146,718	7.35%	7,355

## LIQUIDITY AND FINANCIAL RESOURCES

The Group had a stable financial position as a whole, with sufficient liquidity. As at 31 December 2025, cash and cash equivalents amounted to RMB316,191 thousand (2024: RMB217,422 thousand), of which approximately 67% was denominated in RMB, and 33% in HKD and other currencies. As at 31 December 2025, the Group had bank time deposits with 3-month mainly denominated in HKD and USD (equivalent to approximately RMB338,840 thousand in aggregate) (2024: equivalent to approximately RMB719,273 thousand).

During the year, details of the Group's cash flow status were as follows:

- (I) The net cash inflow from operating activities was RMB39,424 thousand (2024: RMB66,512 thousand), which was mainly because: (1) the balance of trade and bills receivable decreased by approximately RMB11,667 thousand compared with the end of last year; (2) costs and deposits paid in advance to media suppliers decreased by approximately RMB13,911 thousand compared with the end of last year; (3) costs payable to media suppliers increased by approximately RMB4,181 thousand compared with the end of last year; (4) the balance of advances from customers decreased by approximately RMB40,071 thousand compared with the end of last year; and (5) the income tax of approximately RMB23,233 thousand was paid.
- (II) The net cash inflow from investing activities was RMB195,249 thousand (2024: net cash outflow of RMB196,140 thousand), which was mainly attributable to: (1) the decrease in the time deposits with maturity over three months of approximately RMB367,378 thousand; (2) the proceeds from disposal of equity investment projects amounted to approximately RMB18,486 thousand; (3) the bank deposit interest received of approximately RMB27,195 thousand; (4) payment of approximately RMB211,746 thousand for equity investments; and (5) acquisition of fixed assets such as AI equipment totaling approximately RMB7,129 thousand.
- (III) The net cash outflow from financing activities was RMB136,592 thousand (2024: RMB69,250 thousand), which was mainly attributable to (1) the payment of the 2024 final dividend and special dividend of approximately RMB149,920 thousand; (2) payment of approximately RMB717 thousand to repurchase the Company's shares; and (3) proceeds of approximately RMB15,041 thousand from the issuance of shares under the share option scheme.

## PROFIT AND EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

For the year ended 31 December 2025, the profit attributable to equity shareholders of the Company amounted to RMB80,043 thousand, compared with profit attributable to equity shareholders of the Company of RMB106,961 thousand in the previous year.

As at 31 December 2025, the Group's total assets amounted to RMB1,996,427 thousand, which consisted of the equity attributable to equity shareholders of the Company of RMB1,898,757 thousand, and non-controlling interests of RMB-9,540 thousand.

As at 31 December 2025, the Group had no interest-bearing debts, and the gearing ratio of the Group was nil (31 December 2024: nil). The gearing ratio was calculated by dividing the sum of the year-end interest-bearing bank borrowings and other borrowings by the year-end total equity, and multiplying by 100%.

As at 31 December 2025, the Group had no material contingent liabilities.

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

## HUMAN RESOURCES

As at 31 December 2025, the Group had 188 employees in total, representing a slight decrease from that at the beginning of the year. During the year under review, against the backdrop of intensifying competition for existing customers in the advertising market and the deep penetration of AI technology, the Group, based on the policy of giving equal emphasis to the dynamic core optimization and capability improvement of the employees, achieved an upgrade of our talent pool through structural adjustments. On one hand, we reduced staffing levels in loss-making business segments; on the other hand, we strategically expanded emerging roles such as intelligent content generation and AI product operations to optimize our core talent structure. In addition, the Group strengthened the linkage between employee performance outcomes and individual compensation by increasing performance bonuses for marketing and market-related positions and implementing a dynamic performance-based compensation policy for all employees. In terms of staff training, the Group regularly shared integrated marketing resources and successful case studies to empower staff to efficiently convert omnichannel marketing professionals collaboration opportunities; conducted in-depth analyses of innovative content IP partnership models to help marketing professionals fully grasp IP monetization mechanisms and value realization pathways; and offered specialized training programs on AI tool applications and AI product solutions to equip marketing professionals with technology-driven business expansion capabilities. Meanwhile, the Group regularly organized interest and thought sharing events to enable employees to increase team cohesion and recognition of the corporate culture through group work and games.

## INDUSTRY AND GROUP OUTLOOK

According to the China Purchasing Managers' Index released by the Service Sector Survey Center of the National Bureau of Statistics and the China Federation of Logistics and Purchasing, in February 2026, the PMI for the manufacturing sector stood at 49.0%, representing a decrease of 0.3 percentage points from the previous month; the business activity index of non-manufacturing sector stood at 49.5%, up 0.1 percentage points from the previous month. The composite PMI output index stood at 49.5%, down 0.3 percentage points from the previous month, indicating a slowdown in business production and operations. The economic recovery remains unstable, and the momentum for domestic demand recovery still needs to be consolidated (Source: NBS, March 2026).

Looking ahead, the global economic recovery in 2026 will continue to be influenced by factors such as geopolitical tensions and monetary policy. The gold market will persistently benefit from structural drivers like central banks' gold-purchasing demand, with its long-term allocation value and growth logic remaining robust. Domestic economic restructuring and transformation of growth drivers continue to advance. With macroeconomic policies maintaining their momentum, the consumer market is expected to recover gradually. The advertising industry will continue its development trajectory centered on "value cultivation". AI technology will evolve from a tool into a core marketing infrastructure, deeply penetrating into every stage of the process from creative development and strategy formulation to campaign execution and performance measurement.

The Group maintains a cautiously optimistic outlook on the fundamental trend of sustained long-term growth in its future development. Facing market challenges and development opportunities, the Group will adhere to a business philosophy that balances innovation and stability. We will leverage our strengths to enhance our core competitiveness in creative communication and brand strategy, while adapting to shifts in consumer demand and AI technology applications. We will steadily advance the development of new businesses, committed to achieving diversified and sustainable growth for the Group.

Specifically, in TV advertising and integrated communications, the Group will, based on a client-oriented product and service strategy, continue to optimize media resources, and enhance the brand value of clients by providing them with one-stop solutions encompassing brand positioning, visual creativity, communication strategies, media execution, and effectiveness evaluation. In digital marketing and content operations, the Group will accelerate technological iteration in intelligent advertising delivery and deepen the end-to-end application of AI technologies. We will respond to the evolving client demands by focusing on the research and application of cutting-edge technologies such as AIGC, multimodal generation, and big data processing. Meanwhile, the Group will continue to leverage its expertise in video content creation and brand communication to deliver customized creative videos for clients. We will also intensify our investment in AI, enhancing the efficiency and effectiveness of technological applications in content creation to comprehensively support the Group's business expansion.

The Group will further refine its end-to-end cost control system, optimize its business structure, enhance operational efficiency, and strengthen the analysis and prevention of market risks, industry risks, and investment risks. Meanwhile, the Group will continue to optimize its governance structure, enhance the professional capabilities of its team, and build a talent system that supports diversified development, thereby providing a solid foundation for the steady advancement of all its business operations. In the complex and dynamic market environment, the Group will also seize development opportunities, actively promote the expansion of new businesses driven by the application of AI agents and data technologies, in order to provide customers with superior and diversified products and services, and generate sustained and stable medium-to-long-term value for shareholders.

## Directors and Senior Management

### MR. CHEN XIN (陳新)

aged 59, has been our Executive Director since November 2006. He was appointed as our Chairman in December 2007 and is primarily responsible for the strategic development, financial planning and investment management of the Group. Mr. Chen has thirty-eight years of experience in the media industry, and obtained the title of senior journalist in 1999. From 1988 to 2004, he worked for Xinhua News Agency as a reporter, a correspondent at the Australian bureau, director of central government news gathering and director of news distribution for overseas service successively. Mr. Chen received his bachelor of science degree in genetics from Fudan University in 1986, completed a master's course in international news from Fudan University in 1988 and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Mr. Chen is the husband of Ms. Liu Jinlan, our Chief Executive Officer and an Executive Director, and the father of Ms. Liu Zhiyi, an Executive Director. Mr. Chen is also a director of various other subsidiaries of the Company.



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## MS. LIU JINLAN (劉矜蘭)

aged 57, has been our Executive Director and Chief Executive Officer since she founded the Group in 1999, and is primarily responsible for our strategy development and overall management. Ms. Liu previously worked at CCTV as a producer director in news and features from 1995 to 1998.

Since the founding of SinoMedia, Ms. Liu led the team to develop the core value of creative communication, and achieved outstanding achievements in promoting the development of Chinese brands and media advertising industry : She took the lead in breaking new ground in advertising tourism images of Chinese cities, and helped to develop regional brands such as the “Yiwu Small Commodity City”, “Hospitable Shandong”, “Colorful Guizhou”, “Fresh Fujian” and other regional brands : carried out creative planning and publicity for Ping An, CITIC Group, Tencent Technology, China Feihe, Chimelong, Gani Marble Tiles, Panpan Food and other enterprise brands, designed and realized the combination of multiple special advertisements broadcast on CCTV, and achieved excellent brand effects.

Ms. Liu advanced the professional and standard development of the local advertising industry. In 2006, when she was the vice president of the China Advertising Association of Commerce (中國商務廣告協會), she together with Ogilvy & Mather established the Association of Accredited Advertising Agencies of China (中國4A協會) and served as the chairman for two terms : she was elected the deputy head of the Advertising Artistic Committee of the China Television Artists Association (中國電視藝術家協會廣告藝術委員會) and the vice president of the Media Committee of the China Association of National Advertisers (中國廣告主協會媒體工作委員會) for the first time, and won many honors such as the “Person of the Year” (年度人物獎) and the “Top Ten People in Media Advertising of China”(十大傳媒廣告人物) of the advertising industry of China. Now, she serves as an MBA instructor of the School of Business Administration (經管學院) of Communication University of China and an honorary vice president of the Beijing Documentary Development Association (首都紀錄片發展協會).

Ms. Liu graduated from the Beijing Broadcast Institute (now the Communication University of China) with a certificate in linguistics, and received an EMBA degree from the Cheung Kong Graduate School of Business in 2006. Ms. Liu is the wife of Mr. Chen Xin, our Chairman and an Executive Director, and the mother of Ms. Liu Zhiyi, an Executive Director. Ms. Liu is also a director of various other subsidiaries of the Company.



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## **MR. LI ZONGZHOU (李宗洲)**

aged 58, joined the Group in 2000 as a financial supervisor. He served as the General Accountant from 2007 to 2008, then a Vice President and is currently the Chief Internal Control Officer of the Group. Mr. Li was appointed as an Executive Director in November 2006. He is currently responsible for financial accounting, risk control management, legal affairs and financial contract approval management of the Group. He was previously the chief accountant and head of the financial department of Dunhua Forest Bureau from 1987 to 2000. Mr. Li received his bachelor degree in economics from Renmin University of China in 1990. Mr. Li is the husband of Ms. Liu Jinlan's niece. Mr. Li is also a director of various other subsidiaries of the Company.



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## MS. LIU ZHIYI (劉芷屹)

aged 36, was appointed as the Vice President of the Group in September 2020 and has been our Executive Director since March 2023. She is responsible for the operation management of the Group and the operation and management of content marketing and creative production sector. Ms. Liu has 12 years of experience in the media industry, and she has developed analytical and insightful ability in the domestic and foreign media markets, built up networking resources in both domestic and international markets, and explored cooperation with established enterprises and institutions. In recent years, Ms. Liu has planned and managed a number of video projects in the form of small-and large-screen linkage as a producer or distributor. She spearheaded the Group's strategical expansion of cross-media initiatives, including innovative businesses in the fields of IP development, content marketing, and creative marketing on media convergence. Ms. Liu obtained a bachelor's degree in management from the University of St Andrews in the United Kingdom in 2011 and a master's degree in management from the School of National Development at Peking University in 2020. Ms. Liu is the daughter of Mr. Chen Xin, the Chairman of the Board and an Executive Director, and Ms. Liu Jinlan, the Chief Executive Officer and an Executive Director. Ms. Liu is also a director of various other subsidiaries of the Company.



### MR. QI DAQING (齊大慶)



aged 61, has been our Independent Non-executive Director since May 2008. He taught as an assistant professor and then an associate professor in accounting at The Chinese University of Hong Kong between 1996 and 2002. Mr. Qi joined the Cheung Kong Graduate School of Business in July 2002 where he currently serves as a professor of Accounting. He serves as an independent director, the chairman of audit committee and a member of remuneration committee of Sohu.com Ltd., serves as an independent director and a member of audit committee, and remuneration committee of MOMO Inc., serves as an independent director and a member of audit committee, remuneration committee and nomination committee of Yunfeng Financial Group Limited, serves as an independent director and the chairman of audit committee of Bison Finance Group Limited, and serves as an independent director and the chairman of audit committee of HaiDiLao International Holdings Ltd. Mr. Qi obtained a bachelor of science degree in biological physics in 1985 and a bachelor of arts degree in international mass communication in 1987, both from Fudan University in Shanghai. He received an MBA degree from the University of Hawaii at Manoa in 1992 and then a Ph.D. degree in accounting from the Michigan State University in 1996.

Mr. Qi currently holds directorships in the following publicly listed companies: Sohu.com Ltd. (NASDAQ), MOMO Inc. (NASDAQ), Yunfeng Financial Group Limited (Hong Kong Stock Exchange), Bison Finance Group Limited (Hong Kong Stock Exchange) and HaiDiLao International Holdings Ltd. (Hong Kong Stock Exchange).

Through his roles as an independent director in various companies and as a result of his overall professional experience, Mr. Qi has obtained expertise in accounting and financial management. In addition to lectures and presentations in accounting issues at various professional settings, he has authored research papers on accounting, financial reporting, capital market and other related topics that are published in leading academic journals. Mr. Qi is experienced in reviewing and analysing financial statements of public companies.



### MS. IP HUNG (葉虹)

aged 56, was appointed as our Independent Non-Executive Director since June 2019. Ms. Ip was the Chief Executive of Oriental Patron Securities Limited. Before that she was the Head of Equity for SBI E2 Capital Group. Prior to working in the finance industry, she was a financial reporter of Hong Kong Economic Journal. Ms. Ip obtained a Bachelor Degree in Communication from Hong Kong Baptist University, and a Master Degree in Humanities from Warwick University.

**DR. TAN HENRY (陳亨利), SILVER BAUHINIA STAR,  
BRONZE BAUHINIA STAR, JUSTICE OF THE PEACE**



aged 72, was appointed as our Independent Non-executive Director in June 2020. Dr. Tan is an executive director, the Vice Chairman of the Board and the CEO of S.A.I. Leisure Group Company Limited (listed on Hong Kong Stock Exchange, stock code: 1832). Dr. Tan has more than 40 years of business experience in Mainland China, Hong Kong and the Western Pacific Region. He has gained in-depth local knowledge, business and personal connections and market insights in the region. He began to participate in his family's shipping and trading business in Guam in the early 1970's and expanded it into different industries, such as leisure tourism, retailing, fishing, air transportation, international shipping, logistics, ground and airport services, oil, insurance, medical care, real estate as well as wholesale and distribution of consumer products with sales network across Guam, Saipan, Palau, Micronesia and the Marshall Islands. From March 2004 to February 2017, Dr. Tan was the CEO and an executive director of Luen Thai Holdings Limited (listed on Hong Kong Stock Exchange, stock code: 311) and engaged in garment manufacturing and logistics forwarding services.

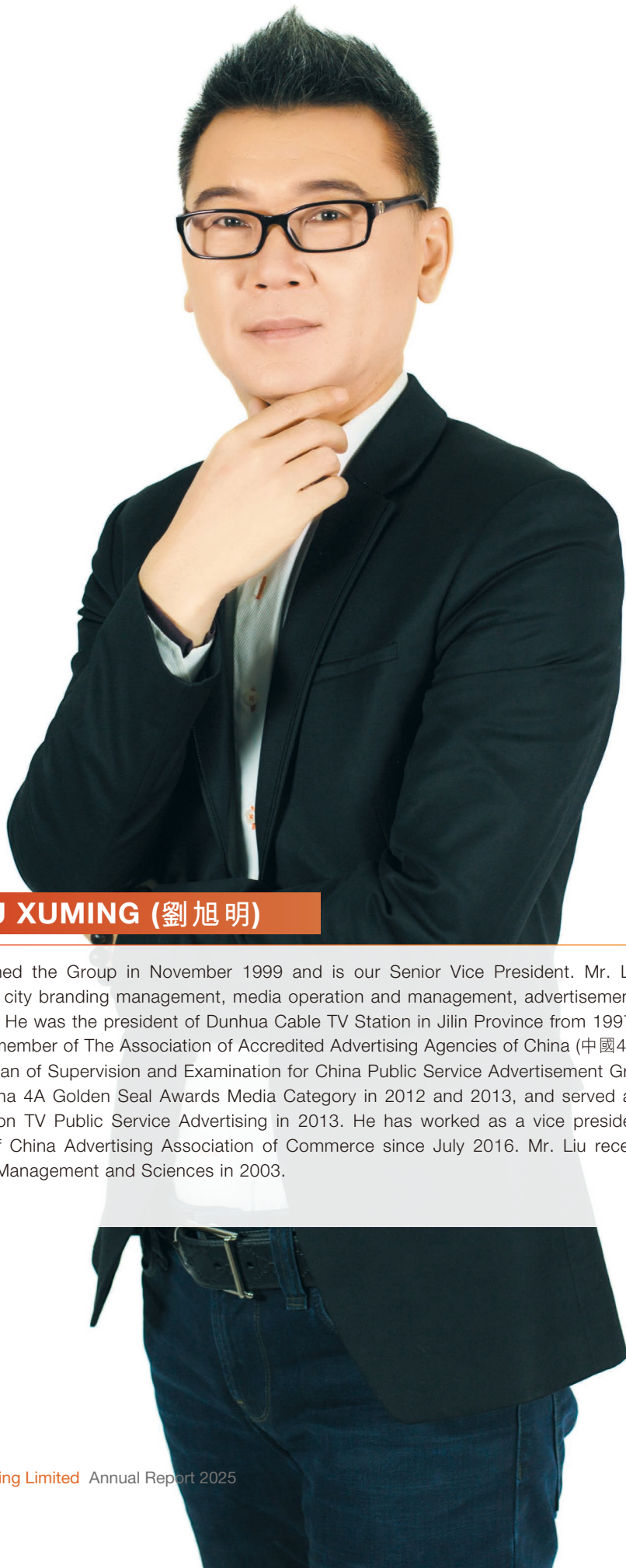
Dr. Tan is passionate about serving the community. He is currently a member of the Court of The Hong Kong Polytechnic University, an honorary member of the Court of Hong Kong Baptist University, a member of the Council and the Chairman of the Advisory Committee of College of Professional and Continuing Education of The Hong Kong Polytechnic University. Dr. Tan is an honorary trustee of Peking University and a director of the board of Huaqiao University. Dr. Tan served as the Chairman of Po Leung Kuk from 2004 to 2005 and was awarded the Silver Bauhinia Star in November 2025 · the Bronze Bauhinia Star in November 2005 and appointed as Justice of the Peace in July 2008 by the HKSAR Government. Dr. Tan has been a member of the HKSAR Election Committee since December 2006, an Honorable Life-Chairman of The Hong Kong General Chamber of Textiles since 2009, and an Honorable Chairman of the Textile Council of Hong Kong since December 2023. He is also a member of the 14th National Committee of CPPCC of the People's Republic of China and was Hong Kong Deputy to the 13th National People's Congress of the People's Republic of China, and a member of Fujian Provincial Committee of the 9th to 11th Chinese People's Political Consultative Conference.

Dr. Tan received his bachelor and master degrees in business administration from the University of Guam in December 1975 and May 1980 respectively. He was awarded an honorary doctorate in humane letters from the University of Guam in May 2013, and a University Fellowship from the Hong Kong Polytechnic University in January 2018.



**DR. ZHANG HUA (張華)**

aged 63, was appointed as our Independent Non-executive Director in June 2020. Dr. Zhang is a professor in the Department of Finance in The Chinese University of Hong Kong. Professor Zhang has extensive experience in executive training. His main research interests are in investments, capital markets, corporate finance and fixed income and derivative securities. Dr. Zhang currently serves as an independent non-executive director of Jutal Offshore Oil Services Limited (3303.HK) since January, 2024. Dr. Zhang obtained a bachelor degree in engineering from Tianjin University, and a master degree in business administration and a Ph.D. degree in Finance from McGill University.



## MR. LIU XUMING (劉旭明)

aged 58, joined the Group in November 1999 and is our Senior Vice President. Mr. Liu has over twenty years of experience in city branding management, media operation and management, advertisement creative design and market development. He was the president of Dunhua Cable TV Station in Jilin Province from 1997 to 1999. Mr. Liu has served as a council member of The Association of Accredited Advertising Agencies of China (中國4A協會) since 2006. He served as the chairman of Supervision and Examination for China Public Service Advertisement Grand Prix in 2010, chaired the judge for China 4A Golden Seal Awards Media Category in 2012 and 2013, and served as a judge for CCTV National Competition on TV Public Service Advertising in 2013. He has worked as a vice president of the Content Marketing Committee of China Advertising Association of Commerce since July 2016. Mr. Liu received an MBA from California University of Management and Sciences in 2003.



## MR. WANG YINGDA (王英達)

aged 47, has been our Vice President since October 2014, and was appointed as the Company Secretary in December 2014. He was appointed as the Chief Financial Officer in September 2018, responsible for the Group's overall financial compliance management, corporate finance and investment activities, investor relations and company secretarial matters. Mr. Wang has worked in Hong Kong and Beijing for years, and he has twenty years of experience in accounting, auditing, taxation and financial management. Mr. Wang worked for KPMG before joining the Group. Mr. Wang is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Chinese Institute of Certified Public Accountants. Mr. Wang received a bachelor degree of business administration from The Chinese University of Hong Kong in 2002, and a master of arts degree from Newcastle University, the United Kingdom, in 2004.

## MR. LI MENG (李萌)

aged 46, joined the Group in 2009 and served successively as the director and general manager of the media planning department. He was appointed as a Vice President of the Group in 2018, in charge of market and media research, product marketing and client strategy. With an advertising career of over twenty years, Mr. Li has accumulated extensive practical experience in creative communication and specializes in serving clients with branding or marketing solutions focusing on media factors. Before joining the Group, Mr. Li worked in Time Share Advertising as the marketing manager, in charge of media operation. Mr. Li graduated from University of Science and Technology Beijing in 2000, majoring in public relations.

## MR. LIU HUANGSONG (劉焜松)

Mr. Liu, aged 57, has been vice president of the Group since July 2024, in charge of investment and strategic research. Mr. Liu has over 30 years of experience in investment and economic research, and was granted the title of researcher (professor) in 2006. He has successively held positions of section chief at the Shanghai Municipal Bureau of Statistics, director of the Statistical Industry Development Center, general manager of the Investment Planning and Development Research Departments at China Worldbest Group Co., Ltd. (CWGCL), deputy general manager of parent listed companies of CWGCL, supervisor of the Group, and president assistant of the Group. Additionally, he served as the director, researcher, and doctoral supervisor of the Economic Tendency Research Center at the Shanghai Academy of Social Sciences. Mr. Liu has successively served as an independent director of 9 companies including Hengdeli Holdings Limited (HKEX listed company), Shanghai Prime Machinery Company Limited (HKEX listed company), Jingwei Textile Machinery Company Limited (dual-listed company for A share and H share), Changan Fund Management Limited, Shanghai Xinhua Media Co., Ltd., Changan Trust Co., Limited, Shanghai Zijiang Enterprise Group Co., Limited, Datang International Power Generation Co., Limited (dual-listed company for A share and H share), and Wuxi Hyatech Co., Limited. Mr. Liu graduated from the Department of Probability and Mathematical Statistics at Fudan University in 1989 with a bachelor's degree of science, obtained a master's degree in probability and mathematical statistics and a doctorate in economics from Fudan University in 1992 and 2005 respectively.





## **MS. SHEN BO (沈波)**

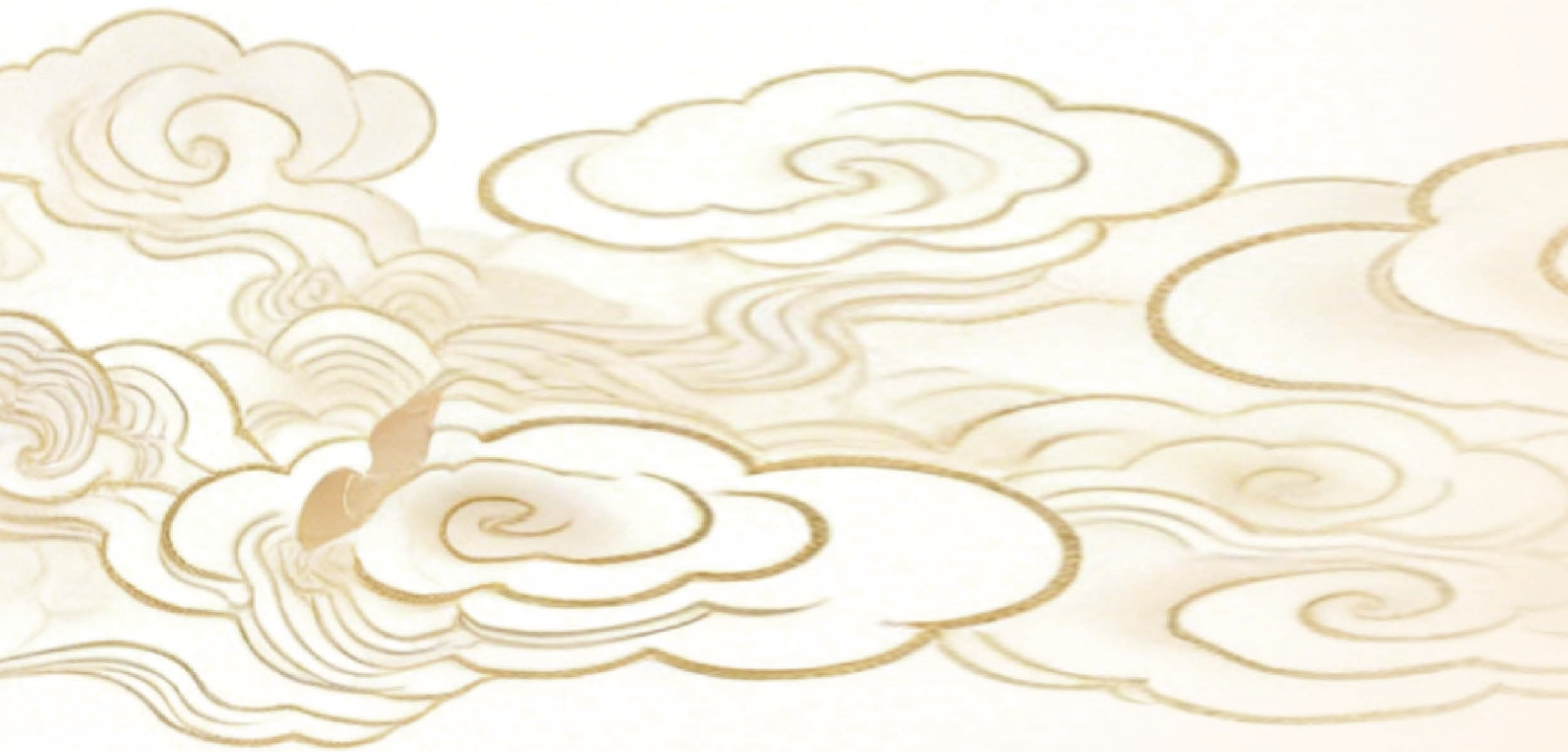
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aged 45, joined the Group in 2015, and is the general manager of the digital marketing centre. She was appointed as the Vice President of the Group in 2023 and is responsible for the digital marketing business of the Group. Ms. Shen has over 20 years of experience in the advertising industry. She is familiar with TV advertising and digital integrated marketing, and specialises in precision marketing, word-of-mouth marketing and IP marketing. She has rich practical experience in digital integrated communication, and is good at helping customers solve brand and marketing problems through creative and all-media integration. Prior to joining the Group, Ms. Shen worked in AVIC Culture Media Co., Ltd. as the sales director responsible for media sales. Ms. Shen obtained a master's degree in business administration from Beijing Communication University in 2013.

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# 天馬行空



# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to attaining and upholding a high standard of corporate governance practices to protect the interests of shareholders and the Company as a whole. The Company has made continuous efforts to constantly review and improve its corporate governance system in light of changes in regulations and developments in best practices and to ensure that the Group is under the leadership of an effective board of directors (the “Board”) of the Company to maximise return for shareholders.

The Company has adopted the code provisions (“Code Provisions”) of the Corporate Governance Code (hereinafter referred to as the “Code”) as set out in Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as the guidelines for corporate governance of the Company. During the year ended 31 December 2025, the Company has fully complied with all Code Provisions and where applicable, the recommended best practices prescribed in the Code, except for the following deviation:

*Under Code Provision F.1.3 of the Code, the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the lead independent non-executive director (if any) and the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In the absence of any committee chairman, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer relevant questions at the annual general meeting.*

Ms. Ip Hung, the chairman of the Remuneration Committee and an Independent Non-executive Director of the Company, could not attend the annual general meeting (“AGM”) of the Company held on 11 June 2025 due to other business engagement. However, the other two members of the Remuneration Committee, Mr. Chen Xin and Dr. Zhang Hua, attended the AGM to ensure effective communication with the shareholders thereat.

## COMPLIANCE WITH DEED OF NON-COMPETITION

The Company has received two confirmations (the “Confirmation(s)”) from Mr. Chen Xin and Ms. Liu Jinlan (the “Covenantors”) signed by each of them in March 2026 respectively confirming that for the period from 1 January 2025 to 31 December 2025 and up to the date of signing the Confirmations by the relevant Covenantors, each of them has fully complied with the non-competition deed executed by the Covenantors in favour of the Group on 27 May 2008 (the “Non-Competition Deed”) and, in particular, other than holding interest in the shares of any member of the Group (including entities which equity interests and assets are controlled by the Group by virtue of variable interest entity (“VIE”) structure), they and their respective close associates have not, directly or indirectly, carried on or been engaged or interested in any business which is or may be in competition with the core business of the Group, i.e. acting as a media advertising operator, including the purchasing of advertisement time, advertisement production, acting as an agent of advertisement time and other advertising related service, and any other new business which is from time to time carried on or engaged or interested in by the Group.

The Independent Non-executive Directors of the Company have reviewed the Confirmations and all of them are satisfied that the Non-Competition Deed has been complied with during the year under review.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, the Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2025.

## BOARD OF DIRECTORS

### 1. Composition of the Board

During the year ended 31 December 2025, the Board comprised the following Directors:

EXECUTIVE DIRECTORS:	INDEPENDENT NON-EXECUTIVE DIRECTORS:
Mr. Chen Xin ( <i>Chairman</i> )	Mr. Qi Daqing
Ms. Liu Jinlan ( <i>Chief Executive Officer</i> )	Ms. Ip Hung
Mr. Li Zongzhou	Dr. Tan Henry
Ms. Liu Zhiyi	Dr. Zhang Hua

The Directors possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The biographical details of the Directors and the relationship between members of the Board are set out in the "Directors and Senior Management" section on pages 18 to 33 of this annual report.

Save and except that (i) Mr. Chen Xin is the spouse of Ms. Liu Jinlan and vice versa, (ii) Ms. Liu Zhiyi is the daughter of Mr. Chen Xin and Ms. Liu Jinlan and (iii) Mr. Li Zongzhou is the husband of Ms. Liu Jinlan's niece, there are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

### 2. Chairman and Chief Executive Officer

The positions of the Chairman of the Board and the Chief Executive Officer are held by separate individuals to ensure that a segregation of duties and a balance of power and authority are achieved. The Chairman is responsible for overseeing all Board functions in accordance with good corporate governance practice, developing strategies and instilling corporate culture. The Chief Executive Officer is responsible for formulating detailed plans for implementation of the objectives set by the Board and mainly focuses on the day-to-day management and operation of the Group's business. During the year ended 31 December 2025, the position of the Chairman of the Board was held by Mr. Chen Xin and the position of the Chief Executive Officer of the Company was held by Ms. Liu Jinlan.

### 3. Non-executive Directors

The Non-executive Directors, all of whom are independent, play an important role in the Board. They possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. Accounting for the majority of Board members, they provide adequate checks and balances for safeguarding the interests of the shareholders and the Group as a whole.

The Non-executive Directors of the Company are appointed for a term of three years and are subject to retirement by rotation at the Company's annual general meetings at least once every three years in accordance with the Articles of Association of the Company.

The Company has received annual written confirmation from each Independent Non-executive Director in respect of his or her independence to the Company pursuant to the requirements of the Listing Rules. The Company has assessed the independence of all Independent Non-executive Directors, including Mr. Qi Daqing who has served the Company for more than 9 years since his first appointment as an Independent Non-executive Director in May 2008, and is satisfied that each of them continued to satisfy the independence criteria under Rule 3.13 of the Listing Rules and remained independent throughout the year ended 31 December 2025. The Company also has at all times complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors and the appointment of an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. The Independent Non-executive Directors represented at least one-third of the Board.

### 4. Division of Responsibilities of the Board and the Management of the Company

The Board steers the Group's business direction. It is responsible for formulating the Group's long-term strategies, setting business objectives, monitoring the management's performance, and ensuring strict compliance with relevant statutory requirements and effective implementation of risk management measures on a regular basis.

The management under the leadership of the Chief Executive Officer is responsible for the day-to-day management of the Group's businesses and implementation of the strategy and direction set by the Board.

To ensure the operational efficiency and specific issues are being handled by relevant expertise, the Board delegates certain powers and authorities from time to time to the management.

The types of decisions which are reserved for the approval by the Board (or the Board committees) include those relating to:

- corporate and capital structure;
- corporate strategy;

- significant policies affecting the Company as a whole;
- business plan, budgets and public announcements;
- delegation to the Chairman, and delegation to and by Board committees;
- key financial matters;
- appointment, removal or reappointment of Board members, senior management and auditors;
- remuneration of Directors and senior management;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- corporate governance duties.

The types of decisions that the Board has delegated to the management include:

- approving the extension of the Group's activities not in a material manner into a new geographic location or a new business;
- assessing and monitoring the performance of all business units and ensuring that all necessary corrective actions have been taken;
- approving expenses up to a certain limit;
- approving the entering into of any connected transactions not requiring disclosure under the Listing Rules;
- approving the nomination and appointment of personnel other than the member of the Board, senior management and auditors;
- approving press release concerning matters decided by the Board;
- approving any matters related to routine matters or day-to-day operation of the Group (including the entering into of any transaction not requiring disclosure under the Listing Rules and cessation of non-material part of the Group's business); and
- carrying out any other duties as the Board may delegate from time to time.

## 5. Board Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. Directors may participate in person or through electronic means of communication. During the year of 2025, the Board held four meetings. As regards general meetings, the Company held the AGM on 11 June 2025. The said meetings were attended by the Directors either in person or through other electronic means of communication. Attendances at the Board meetings and the AGM of each Director are set out as follows:

DIRECTORS	NUMBER OF MEETINGS ATTENDED/HELD	
	Board Meetings	Annual General Meeting
<i>Executive Directors:</i>		
Chen Xin	4/4	1/1
Liu Jinlan	4/4	1/1
Li Zongzhou	4/4	1/1
Liu Zhiyi	4/4	1/1
<i>Independent Non-executive Directors:</i>		
Qi Daqing	4/4	1/1
Ip Hung	4/4	0/1
Tan Henry	4/4	0/1
Zhang Hua	4/4	1/1

Notices of regular Board meetings are given to all Directors at least 14 days prior to the date of each regular Board meetings while reasonable notice is generally given for other Board meetings. Meeting agendas and any accompanying board papers are generally sent to all Directors at least 3 days before the intended date of each Board or Board committee meeting, except agreed otherwise among the members. All Directors are encouraged to propose new items as any other business for discussion at the meetings. The Board and each Director have separate access to the Company's senior management for information at all times and may seek independent professional advice at the Company's expenses in carrying out their duties, if necessary. Draft and final versions of the minutes of the meetings, drafted in sufficient details by the Company Secretary, were circulated within a reasonable time after each meeting to the Directors for their comments and record respectively. Originals of such minutes, kept by the Company Secretary, are open for inspection by all Directors at any reasonable time. Procedures for convening meetings of the Board and Board committees and for preparing minutes of the meetings have complied with the requirements of the Articles of Association of the Company and applicable laws, rules and regulations.

## **6. Appointment, Re-election and Removal of Directors**

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors.

Each of the Directors has entered into a service contract or a letter of appointment with the Company for a specific term and is subject to retirement by rotation at annual general meetings at least once every three years. In accordance with the Articles of Association of the Company, three Directors shall retire at the next annual general meeting of the Company and shall be eligible for re-election. The names and biographical details of the Directors who will offer themselves for re-election at the forthcoming annual general meeting are set out in the circular to shareholders dated 28 April 2026 to assist shareholders in making an informed decision on the re-elections.

Having been made specific enquiry, the Directors confirmed that the terms, in particular the non-competition obligations, of their respective service contracts or letters of appointment had been complied with and they had no interest in any company or business which competed either directly or indirectly with the Group's business.

## **7. Remuneration of Directors**

The Executive Directors did not receive any allowance for their service provided as Directors throughout the year ended 31 December 2025. Executive Directors who are also the Company's staff are entitled to receive salaries according to their respective positions taken on a full-time basis in the Company.

Information relating to the remuneration of each Director for the year under review is set out in note 7 to the financial statements on page 142 of this annual report.

## **8. Training of Directors**

Pursuant to Code Provision C.1.4, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year under review, all Directors have participated in continuous professional development by reading and watching relevant materials on the topics related to the updates on ethics and code of conduct of Directors, corporate governance, rules and regulations and operation and management of listed companies. All Directors have provided written records of the training they received during 2025 to the Company.

The participation by each Director of the Company in the continuous professional development is summarised below:

DIRECTORS	Attending seminars/training sessions	Reading materials in relation to updates on rules and regulations
<i>Executive Directors:</i>		
Chen Xin	√	√
Liu Jinlan	√	√
Li Zongzhou	√	√
Liu Zhiyi	√	√
<i>Independent Non-executive Directors:</i>		
Qi Daqing	√	√
Ip Hung	√	√
Tan Henry	√	√
Zhang Hua	√	√

## 9. Board Committees

The Board has established four Board committees with specific terms of reference, namely the Audit Committee, the Remuneration Committee, the Compliance Committee and the Nomination Committee. All terms of reference of the Board committees are on terms no less exacting than those set out in the Code, where applicable.

### Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, risk management and internal control systems, and review of the Company's financial statements. The Audit Committee also reviews and monitors the scope and the effectiveness of the work of external auditors. The terms of reference of the Audit Committee are made available on the Stock Exchange's website and the Company's website.

The Audit Committee met three times during the year under review. Currently, the Audit Committee comprises three members, all of whom are Independent Non-executive Directors. The composition of the committee and the attendances at the meetings by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Qi Daqing ( <i>Chairman</i> )	3/3
Ip Hung	3/3
Zhang Hua	3/3

At the meetings, the committee:

- reviewed with the management and the external auditors the terms of appointment of external auditors, the accounting principles and practices adopted by the Group, and the accuracy and fairness of the 2024 annual report and the 2025 interim report;
- monitored the effectiveness of the audit process in accordance with applicable standards and discussed with the auditor the nature and scope of the audit and reporting obligations before the audit commenced;
- discussed the issues raised by the external auditors, all issues reported by the external auditors are monitored closely to ensure the issues can be addressed and resolved through appropriate measures by the Group's senior management; and
- reviewed and discussed with the management the Listing Rules compliance, and the effectiveness of the risk management and internal control systems of the Group, including reviewing the internal control reports submitted by the internal audit department of the Group and reviewing the internal audit function of the Company.

### Remuneration Committee

The Remuneration Committee was established to make recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments inclusive of any compensation payable for loss or termination of their office or appointment, to make recommendations to the Board on the remuneration packages of Non-executive Directors, to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The terms of reference of the Remuneration Committee are made available on the Stock Exchange's website and the Company's website.

During the year under review, one meeting was held by the Remuneration Committee. Currently, the Remuneration Committee comprises three members, Ms. Ip Hung (an Independent Non-executive Director), Mr. Chen Xin (an Executive Director), and Dr. Zhang Hua (an Independent Non-executive Director), therefore the majority of whom are Independent Non-executive Directors. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Ip Hung ( <i>Chairman</i> )	1/1
Chen Xin	1/1
Zhang Hua	1/1

At the meeting, the committee:

- reviewed the remuneration policy and structure for all Directors and senior management;
- considered the basic salary and bonus schemes paid to Executive Directors and senior management;
- reviewed the fees paid to the Independent Non-executive Directors;
- approved the terms of the Executive Directors' service contracts; and
- assessed the performance of all Directors.

As a good corporate governance practice, the Directors had abstained from voting and did not participate in the discussion on his/her own remuneration.

### Compliance Committee

The Compliance Committee was established to oversee the Group's compliance with regulatory requirements and make recommendations to the Board on improvement of corporate governance of the Group.

One meeting was held during the year under review. Currently, the Compliance Committee comprises two members, one of whom is Mr. Li Zongzhou (an Executive Director). The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
Li Zongzhou ( <i>Chairman</i> )	1/1
Wang Yingda	1/1

At the meeting, the committee:

- evaluated and determined the extent of the risks it is willing to take in achieving the Group's strategic objectives;
- discussed and checked the major transactions entered into by the Group and the strategies for tax planning to ensure compliance with the laws and regulations applicable to the Group;
- monitored the training and the continuous professional developments of Directors and senior management, and the code of conduct applicable to Directors and employees; and
- reviewed corporate information issued by the Group to ensure compliance in every respect with the Listing Rules.

## Nomination Committee

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination or election or re-election of Directors, and monitoring the appointment and succession planning of Directors. The terms of reference of the Nomination Committee are made available on the Company's website and the Stock Exchange's website.

The Nomination Committee identifies and ascertains the integrity, qualification, expertise and experience of the candidate(s) who is considered for being appointed/re-appointed as Director and apply due diligence in compliance with all applicable provisions of the Listing Rules including any amendments thereto from time to time.

The duties of the Nomination Committee include, without limitation:

- reviewing the structure, size and diversity (including the gender, age, cultural and educational background, skills, knowledge, professional experience and length of service) of the Board at least annually, assisting the Board in maintaining a skills matrix, and making recommendation to the Board regarding any proposed changes to implement the Company's corporate strategy;
- with due regard for the benefits of diversity on the Board, identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of Independent Non-executive Directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Board and the Chief Executive Officer; in making recommendations, the Nomination Committee will take into account a wide range of factors and criteria, including the Company's corporate strategy, the mix of skills, knowledge, experience and diversity needed by the Company in the future, the candidate's ability to provide insights and practical wisdom based on his/her experience, skills and expertise relevant to the Company's lines of business, the candidate's time commitment to the Company, and any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and the shareholders of the Company;
- supporting the regular evaluation of the Board's performance;
- regularly reviewing the time required for a Director to perform his/her responsibilities;
- reviewing the Board Diversity Policy (defined hereunder), as appropriate; and reviewing the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and making disclosure of its review results in the Corporate Governance Report annually; and
- conforming to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation.

If 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(s) making the recommendation, or reliance on the knowledge of the members of the Nomination Committee, the Board or the management. In assessing the suitability of a candidate, the Nomination Committee will give consideration to the Nomination Policy and the Board Diversity Policy (defined below) and against criteria such as reputation for character and integrity, commitment in respect of available time, willingness to assume principal fiduciary responsibility, relevant industry, business or public experience beneficial to the Board and the Company, fit with the Company's culture. On making recommendation(s) to the Board, the Nomination Committee may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate(s) as Director(s) to fill a casual vacancy(ies) or as an addition to the Board for election or re-election at the annual general meeting.

The Company has adopted a board diversity policy ("Board Diversity Policy") which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Board Diversity Policy sets out objective criteria from many aspects, including but not limited to age, gender, ethnicity, academic strength, and experience in the relevant industry. The Nomination Committee has reviewed such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Company considers that the current composition of the Board is characterized by diversity, whether considered in terms of professional background or skills.

During the year under review, one meeting of the Nomination Committee was held. Currently, the Nomination Committee comprises three members, Mr. Chen Xin (an Executive Director) (ceased to be the chairman of the Nomination Committee with effect from 31 March 2025), Ms. Liu Jinlan (an Executive Director) (appointed as the chairman of the Nomination Committee with effect from 31 March 2025), Mr. Qi Daqing (an Independent Non-executive Director) and Dr. Tan Henry (an Independent Non-executive Director), the majority of whom are Independent Non-executive Directors. The composition of the committee and the attendances at the meeting by each committee member are set out as follows:

COMMITTEE MEMBERS	NUMBER OF MEETINGS ATTENDED/HELD
*Chen Xin ( <i>Chairman until 31 March 2025</i> )	1/1
*Liu Jinlan ( <i>Chairman, appointed on 31 March 2025</i> )	0/0
Qi Daqing	1/1
Tan Henry	1/1

\* Mr. Chen Xin ceased to be the chairman of the Nomination Committee and Ms. Liu Jinlan has been appointed as the chairman of the Nomination Committee with effect from 31 March 2025.

At the meeting, the committee:

- reviewed the structure, size and composition of the Board and the Group;
- reviewed Directors' service contracts and the re-election of Directors;

- assessed the independence of Independent Non-executive Directors; and
- reviewed the time and resources required for Directors to perform their responsibilities.

## 10. Diversity in Board and workforce

The Company has adopted the Board Diversity Policy which sets out its approach to achieve and maintain diversity on the Board.

Under the Board Diversity Policy, in designing the composition of the Board, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, knowledge, skills, length of service. The appointment of Directors will be based meritocracy and contributions that the candidates will bring to the Board and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board.

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The details on the gender ratio of the Group together with other relevant data are set out on pages 68 to 71 of this annual report of the Company for the year ended 31 December 2025. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and in the workforce.

As at 31 December 2025 and as at the date of this Annual Report, the Board comprises five male members and three female members thus having a female representation of 37.5%. The Nomination Committee considered that the Board is sufficiently diverse in terms of gender, age, cultural and education background, knowledge and professional experience. It reflects an appropriate mix of skills and experience that suits the Group's strategy and business.

## 11. General

The Company has taken out directors' and officers' liability insurance for all Directors and senior officers against legal liability arising from their performance of duties. The insurance coverage is reviewed on an annual basis. For the year ended 31 December 2025, no claim has been made against our Directors and senior officers.

## FINANCIAL REPORTING

### 1. Financial Reporting

Management of the Company provides explanation and information to the Board to facilitate an informed assessment of financial statements and other information put before the Board for approval. The Board acknowledges its responsibility in the preparation of financial statements to give a true and fair view of the Company's state of affairs. In the preparation of financial statements, the IFRS Accounting Standards have been adopted and appropriate accounting policies have been consistently used and applied.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board continues to prepare the financial statements set out on pages 115 to 171 on a going concern basis.

The reporting responsibilities of the Group's external auditors, Messrs. KPMG, are set out in the Independent Auditor's Report on pages 109 to 114 of this annual report.

### 2. External Auditors

Management performs a review of remuneration to external auditors on an annual basis. The fees for audit services have been reviewed by the Audit Committee, and the fees for non-audit services, if any, are approved by management.

### 3. Auditors' Remuneration

The total fee charged by the auditors generally depends on the scope and volume of the auditors' work. During the year under review, RMB2,493 thousand was charged by the Group's external auditors for annual audit services and the auditors did not provide any non-audit services for the Group.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group had established and maintained appropriate and effective risk management and internal control systems. The Group has adopted comprehensive procedures with duly assigned levels of authority in areas of financial, compliance controls, and risk management to ensure that its assets remain secured at all times. The Group has in place an internal risk identification, assessment and management system. Regular surveys are conducted with the management to identify the key risks, key risks identified are assessed and ranked according to the likelihood of occurrence and extent of impact to the Group. Identified risks are then mapped to relevant control procedures and are allocated to the relevant departments according to their functions for risk management on an ongoing basis. Key internal control procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication.

The Board, through the Audit Committee and the Compliance Committee, had conducted an annual review of the effectiveness of the risk management and internal control systems of the Group, including financial, operational and compliance controls and risk management functions as well as the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function. Proper controls are in place to ensure the accounting and management information is recorded in a complete, accurate and timely manner. Regular reviews and audits are carried out to ensure that the preparation of financial statements in accordance with the Group's accounting policies and applicable laws, rules and regulations, thereby providing reasonable assurance regarding effective operation of the Group's business.

While acknowledging the responsibility for the risk management and internal control systems and for reviewing their effectiveness, the Board recognises that they are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has in place procedures and internal controls for handling and dissemination of inside information whereby the Chairman of the Board, the Chief Financial Officer and the Company Secretary work closely, seeking advice from legal advisors from time to time, if needed, with proper reporting to and approval from the Board, for proper handling and dissemination of inside information in accordance with relevant laws and regulations.

The Group has established a clear organisational structure, including the delegation of appropriate responsibilities from the Board to the Board committees, members of senior management and the heads of operating divisions.

An internal audit department was established to review the effectiveness of financial reporting system, risk management and internal control systems of the Group on a continuing basis and it aims to cover all significant functions within the Group on a rotational basis. The scope of the internal audit department's review and the audit programmes have been approved by the Audit Committee. The internal audit department reports directly to the Audit Committee and the Chairman of the Board, and submits regular reports for their review in accordance with the approved programmes. The internal audit department submits a detailed report at least once a year to the Board for their review and monitors the effectiveness of the systems of risk management and internal control of the Group.

External auditors will also report to the Audit Committee, where appropriate, any detected significant deficiencies in the Group's accounting system or internal control system which have come to their attention during the course of audit.

Any material internal control defects identified will be reported to the Audit Committee who shall supervise the management's design and implementation of rectification measures. The Audit Committee also keeps the Board informed of the rectification process. For the year ended 31 December 2025, no critical risk management and internal control weaknesses have been identified by the Board and the Board considered the risk management and internal control systems of the Company remained adequate and effective. The Audit Committee reviewed and was satisfied that the internal audit department remained adequately resourced, effective and had appropriate standing in the Company.

## COMPANY SECRETARY

The Company Secretary, Mr. Wang Yingda, is responsible for facilitating the Board process, as well as communications among the Board members, the shareholders and the management. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed. Mr. Wang possesses the professional qualifications as required under Rule 3.28 of the Listing Rules. During the year under review, Mr. Wang has undertaken no less than 15 hours of relevant professional training by attending seminars to update his knowledge and skills in compliance with Rule 3.29 of the Listing Rules. The biography of Mr. Wang is set out in the section “Directors and Senior Management” on page 29 of this annual report.

## DIVIDEND POLICY

Under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) and Articles of Association of the Company, all shareholders have rights to dividends and distributions in proportion to their respective shareholdings, and dividends are paid out of distributable profits. Pursuant to the dividend policy of the Company, if the Group records a profit, the Company may recommend annual cash dividend of up to 60% of the net profit available for distribution for the current year, and the remaining profit will be used for the business development and operation of the Group. The Company also periodically reviews the changes in other comprehensive income, including financial assets, and the use of retained funds, and recommends the distribution of special dividends when reasonable and feasible. However, the decision of whether to pay any dividends and the amount of any such dividends depend on a number of factors, including but not limited to, the results of operations, cash flows, financial condition of the Group, anticipated capital requirements and profitability, and statutory and regulatory restrictions on the payment of dividends and the interests of shareholders.

## COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company has set up and maintained various channels of communication with its shareholders and the public to ensure that they are kept abreast of the Company’s latest news and development. Information about the Company’s financial results, corporate details and major events are disseminated through publication of announcements, circulars, interim and annual reports and press release. All published information is promptly uploaded to the Company’s website at [www.sinomedia.com.hk](http://www.sinomedia.com.hk), for public access.

The Company also holds investor meetings from time to time, including post results announcement non-deal roadshows, one-on-one meetings and conference calls. Shareholders can also submit enquiries to the management and the Board and send proposals to be put forward at shareholders’ meeting to the Board or senior management by sending email to [ir@sinomedia.com.hk](mailto:ir@sinomedia.com.hk) or making phone calls to our investor hotline at 86-10-65911278. In addition, the Company’s dedicated investor relations team takes a proactive approach to communicate with existing and potential investors in a timely manner by making regular face-to-face meetings and conference calls with investors.

Under the Company's Articles of Association, the Board, on the requisition of shareholders of the Company holding not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company, can convene an extraordinary general meeting pursuant to the provisions of the Companies Ordinance to address specific issues of the Company. At the annual general meeting, shareholders can raise any questions relating to performance and future direction of the Group with the Directors. The Company maintains contact with its shareholders through annual general meeting or other general meetings, and encourages shareholders to attend those meetings. The external auditor of the Company, Messrs. KPMG also attended the AGM held on 11 June 2025 to answer questions about the conduct of the audit, the preparation and content of the independent auditors' report, the accounting policies and auditor independence. The Company complied with the required notice periods for general meetings under the applicable laws, rules and regulations.

## CONSTITUTIONAL DOCUMENTS

In the year ended 31 December 2025, no amendment had been made to the Articles of Association of the Company.

ANNUAL  
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# Environmental, Social and Governance Report

This Environmental, Social and Governance Report (the “Report”) aims to disclose the concepts, practice and performance of SinoMedia Holding Limited (the “Company”) and its subsidiaries (collectively the “Group”) in environmental, social and governance for the fiscal year ended 31 December 2025 (the “Year”), so that the stakeholders can have an in-depth understanding of the Group’s strategy and progress on sustainable development issues.

The Group adopts the principles and benchmarks of the Environmental, Social and Governance Reporting Code (“ESG Code”) of Appendix C2 to the Securities Listing Rules of the Stock Exchange of Hong Kong Ltd. (“Stock Exchange”) as the criteria, and is committed to establishing a good environmental, social and governance structure. This Report has been prepared in accordance with the ESG Code and complies with the provisions of “comply or explain” in the ESG Code.

## REPORTING PRINCIPLES

The following principles have been adopted by the Group in the preparation of this Report:

**Materiality:** Conduct materiality assessment on a regular basis to identify material environmental, social and governance-related issues of the Group; and collect the opinions of stakeholders to ensure that the performances and impacts of the key issues concerned by stakeholders are covered in this Report.

**Quantification:** The relevant standards, methods and assumptions used to prepare quantitative information have been disclosed as appropriate, and the quantitative information is presented through narrative and comparative figures where feasible.

**Balance:** The present information in an impartial way, and avoid choices, omissions or presentation formats that may improperly affect the decision-making or judgment of readers of this Report.

**Consistency:** Unless otherwise specified, this Report uses a consistent methodologies with that used in the previous environmental, social and governance reports of the Group to compile and present environmental, social and governance data for meaningful comparisons.

## REPORTING SCOPE

This Report covers the core business and operations of the Group, including providing TV advertising, content operations and digital marketing services to advertisers and advertising agents. All information in this Report reflects the performance of the Group in terms of environmental and social responsibility during the Year.

## STATEMENT FROM THE BOARD

The board of directors of the Company (the “Board”) is fully responsible for and ensures the effectiveness of the Group’s environmental, social and governance strategies and reports. The Board is committed to the long-term sustainability of the environment and communities in which we have operations, and continually enhances the investment value of stakeholders and supervises environmental, social and governance matters through proper and effective internal control systems and environmental, social and governance risk management measures throughout its operations.

In order to assist in the implementation of the strategies and initiatives formulated by the Board, the Group has established an environmental, social and governance structure to clarify the management responsibilities and functions at all levels, and assist the Board to timely understand the implementation and progress of the Group's environmental, social and governance objectives. The environmental, social and governance structure of the Group is as follows:

Level	Role	Responsibilities
L1	Board of Directors	<ul style="list-style-type: none"> <li>— Be fully responsible for the decision-making and reporting of environmental, social and governance (ESG) reports</li> <li>— Comprehensively monitor the sustainable development performance of the Group</li> <li>— Approve and oversee the Group's environmental, social and governance (ESG) strategies, objectives, and annual work</li> <li>— Provide strategic guidance and ensure compliance with relevant legal and regulatory requirements</li> <li>— Regularly review the Group's environmental, social and governance (ESG) performance and progress in achieving relevant targets</li> </ul>
L2	Environmental, social and governance work team	<ul style="list-style-type: none"> <li>— Assist the Board in managing environmental, social and governance (ESG) related matters</li> <li>— Identify, assess and review key ESG issues, risks and opportunities</li> <li>— Formulate ESG strategies, targets and annual work plans, and promote their implementation</li> <li>— Coordinate and facilitate the integration of sustainable development into the daily operations of the Group</li> <li>— Regularly report work progress and relevant recommendations to the Board</li> </ul>
L3	All departments of the Group	<ul style="list-style-type: none"> <li>— Be responsible for organizing, promoting, and specifically implementing various environmental, social and governance (ESG) related tasks in accordance with the Group's ESG strategies and targets</li> <li>— Collect and compile ESG-related data and information</li> <li>— Regularly report all matters to the environmental, social and governance work team</li> </ul>

## COMMUNICATION WITH STAKEHOLDERS AND IDENTIFICATION OF KEY ISSUES

Based on the characteristics of the industry and the business operations, the Group has identified major stakeholders that are closely related to the Group, including governments and regulatory agencies, shareholders and investors, customers, employees, suppliers, business partners, communities and publics. The Group regards communication with major stakeholders as an important part of the sustainable development of the Group and attaches great importance to the concerns and opinions of major stakeholders. The Group is committed to establishing and maintaining a good and stable diversified communication model with major stakeholders and protecting the rights and interests of all stakeholders.

The Group regularly discusses with major stakeholders to establish the Company's environmental, social and governance key issues, and improve the Group's operations and practices through analysis of the concerns and needs of major stakeholders. The Group welcomes the stakeholders to present their opinions on our environmental, social and governance policies as well as our performances in these regards. Related suggestions can be sent to the Group's email address [ir@sinomedia.com.hk](mailto:ir@sinomedia.com.hk).

The main stakeholders and communication measures of the Group are as follows:

Stakeholders	Communication Channels and Measures	Expectations
Shareholders and investors	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Financial report</li> <li>• Announcements and circulars</li> <li>• Press release</li> <li>• Company website</li> <li>• Regular information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Return on investment</li> <li>• Corporate governance</li> <li>• Risk control</li> <li>• Information disclosure</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Innovative and high-quality services and products</li> <li>• Customer service hotline</li> <li>• Compliance marketing</li> <li>• Customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• High-quality services and products</li> <li>• Business ethics and integrity</li> <li>• Customer information security</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Good remuneration and benefits</li> <li>• Performance appraisal and feedback</li> <li>• Promotion mechanism</li> <li>• Staff training and seminar</li> <li>• Team building activities</li> </ul>	<ul style="list-style-type: none"> <li>• Protect the rights and interests of employees</li> <li>• Remuneration and benefits</li> <li>• Career development</li> <li>• Health and safety at work</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>• Perform contracts in accordance with laws</li> <li>• Public bidding</li> <li>• Business meetings and exchanges</li> <li>• Establish a long-term cooperative relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with contracts</li> <li>• Good faith cooperation</li> <li>• Fair procurement</li> </ul>
Government and regulatory agencies	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Accept supervision and inspection</li> <li>• Submit reports and pay taxes according to laws</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with laws and regulations</li> <li>• Promote regional economic development and employment</li> </ul>
Community and publics	<ul style="list-style-type: none"> <li>• Participate in public welfare and charity activities</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Support community development</li> <li>• Assume social responsibility</li> </ul>

## MATERIALITY ASSESSMENT

In order to further clarify the key areas of environmental, social and governance information disclosure, the Group, following the requirements of the ESG Code, sorts out and identifies the issues that stakeholders are concerned about to assess the significance towards stakeholders and the Group through many channels, to disclose information related to operations and management as accurately and comprehensively as possible. The Group adopts a three-step approach to materiality assessment:

- |                                   |   |
|-----------------------------------|---|
| Step 1: Identify the issues       | <ul style="list-style-type: none"> <li>Identify relevant environmental, social and governance issues with reference to ESG Code, reporting trends and industry peers.</li> </ul>  |
| Step 2: Determine the materiality | <ul style="list-style-type: none"> <li>Assess the materiality of each issue to the Group's sustainability and the impact on the Group's key stakeholders so as to determine the overall materiality of each issue.</li> </ul> |
| Step 3: Validate the results      | <ul style="list-style-type: none"> <li>The results of the materiality assessment shall be reviewed by the environmental, social and governance work team and the Board.</li> </ul>  |

The following are the identified important issues, and the performance of the Group on these issues will be discussed in this Report:

ESG Code	Material Environmental, Social and Governance Factors of the Group	Materiality
<b>A. Environmental dimension</b>		
A1. Emissions	Waste gas and greenhouse gas emissions	Low
	Discharges into water and land	Low
	Management of waste	Low
A2. Use of resources	Energy consumption	Medium
	Consumption of water resources and packaging materials	Low
A3. Environment and natural resources	Environmental impact management	Low
<b>B. Social dimension</b>		
B1. Employment	Equal opportunities and anti-discrimination	High
	Employee benefits	High
B2. Health and safety	Occupational health and safety	Medium
B3. Development and training	Employee development and training	High
B4. Labour standards	Prohibition of child or forced labor	Medium

ESG Code	Material Environmental, Social and Governance Factors of the Group	Materiality
B5. Supply chain management	Supplier management	High
B6. Product responsibility	Service quality and compliance with the Advertising Law Intellectual property and privacy protection	High High
B7. Anti-corruption	Anti-corruption	High
B8. Community investment	Community engagement and contributions to society	Medium
<b>Climate-related disclosures</b>	Climate change	Low

## I. Environmental

In its daily operations, the Group strictly abides by environmental laws and regulations of the place where we have operations, and strives to minimize the negative impact on the environment and climate. As the main business nature of the Group is television advertising and content marketing, digital marketing and Internet media, we believe that the Group's business operations have minimal direct impact on emissions, use of resources, the environment and natural resources as well as climate change. Although the nature of the Group's business does not involve highly polluting production and operation procedures, the Group remains committed to practicing environmental protection in business activities and workplaces, reducing environmental pollution and continuously improving energy efficiency through effective use of resources and adopting energy-saving measures, and educating the Group's employees to enhance their awareness of the green environment, so as to achieve sustainable development of the environment. During the year, there was no any violation of the laws and regulations pertaining to waste gas and greenhouse gas emission, pollutant emission to water resources and land, and generation of hazardous wastes (including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention Law of the People's Republic of China, the Atmospheric Pollution Prevention Law of the People's Republic of China and the Law of the People's Republic of China on Environmental Pollution by Solid Waste) for the Group. Additionally, there were no complaints received regarding exhaust gas and greenhouse gas emissions or pollutant discharges.

The Group is fully aware of its part in shaping a sustainable future. Although the Group's business operations did not have any significant impact on the environment during the year, the Group stays committed to setting specific environmental targets to cater to the requirements and expectations of its stakeholders. The Group has set a target to reduce gas emissions and energy consumption by 5% on or before 2026 based on the year of 2021.

Area	Unit	2021 Baseline	2026 Target
Total greenhouse gas emissions	tCO <sub>2</sub> e	221.6	210.5
Total exhaust gas emissions	kg	4.85	4.61
Vehicle mileage	km	57,250	54,388
Fuel consumption	L	17,285	16,421
Electricity consumption	Wh	278,052	264,149
Gas consumption	m <sup>3</sup>	6,844	6,502
Paper usage	kg	234.1	222.4

## 1.1 Climate-related Disclosures

Starting from the fiscal year 2025, the Group has referenced the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework to disclose climate-related information across governance, strategy, risk management, and metrics and targets for continuously strengthening such disclosures. During the year, the Group further made its disclosures by referencing the relevant requirements of the issued IFRS S2 – Climate-related Disclosures, HKFRS S2 Climate-related Disclosures, and the Implementation Guidance for Climate Disclosures under the HKEX ESG Reporting Framework published by the Stock Exchange.

### (I) Governance

The Board of the Group is the highest decision-making organization for sustainability governance. The Board is responsible for overseeing climate-related risks and opportunities related to the Group's business, hearing progress reports on sustainability issues such as climate action semi-annually, and ensuring appropriate resources are in place to back the implementation of climate-related strategies.

The environmental, social and governance work team under the Board is responsible for identifying the Group's climate-related risks and opportunities, assisting and supporting the Board in assessing climate risks and opportunities, formulating climate strategies and related targets, defining action plans for implementing response strategies and emissions reduction pathways, promoting and evaluating the effectiveness of climate-related measures in daily business operations and routines, and reporting the progress of the implementation plans to the Board while making recommendations.

(II) Strategy

Given the nature of the Group's business, climate change has no direct and significant impact on the business. Nevertheless, the Group places high importance on the potential risks and opportunities presented by climate change and integrates climate risk as a key component of its long-term strategy. The Group systematically assesses the risks and opportunities brought by climate change, takes proactive response measures, and adopts a multi-faceted approach to strengthen its capacity to identify and assess climate-related risks and opportunities at the corporate, business, and operational levels, thereby enhancing the Group's climate resilience.

The Group has analyzed the potential impacts of climate change on its strategy and finance by engaging with various business departments and industry experts across short-term (1 to 3 years), medium-term (4 to 5 years), and long-term (over 5 years) time horizons. The details are as follows:

Risks/opportunities	Type	Description	Time range affected	Current and potential effects
Physical risks	Acute	Extreme precipitation or flooding caused by rivers and natural water systems, and severe weather such as strong winds and heavy rain from typhoons	Short-term	<ul style="list-style-type: none"><li>Severe weather like extreme rainfall, floods, and typhoons may lead to a certain risk of employee injury during the disaster event</li><li>Potential reduction in business revenue due to suspended operations during acute events or the time required to resume operations</li></ul>
			Medium-term	<ul style="list-style-type: none"><li>Increased expenses may be incurred for repairs and clean-up after extreme climate events</li></ul>
			Long-term	<ul style="list-style-type: none"><li>Potential increase in capital costs due to the premature write-off and obsolescence of assets</li><li>Damage to property and assets may lead to higher repair expenditures and insurance costs</li></ul>

Risks/opportunities	Type	Description	Time range affected	Current and potential effects
Physical risks	Chronic	Persistent global warming, increasing frequency and intensity of extreme high-temperature weather and flash drought events	Short/medium-term	<ul style="list-style-type: none"> <li>Increased operating costs due to higher usage of cooling equipment (e.g., air conditioning) at operational sites</li> </ul>
			Long-term	<ul style="list-style-type: none"> <li>Potential reduction in business revenue due to business interruption from suspended operations</li> <li>Potential increase in capital costs due to the need for additional cooling equipment and maintenance</li> </ul>
Transition risks	Markets and customer preferences shift	Increasing stakeholder expectations and customer preferences during the low-carbon economy transition	Short-term	<ul style="list-style-type: none"> <li>Potential increase in capital costs to develop climate-related green services and products to meet stakeholder expectations and customer preferences</li> </ul>
		Attracting and retaining talent interested in sustainability may lead to increased human resource costs for recruitment and employee training	Short-term	<ul style="list-style-type: none"> <li>Attracting talent, along with associated employee training, may lead to increased human resource costs</li> </ul>
		Reputation is influenced by public perception of sustainable management performance	Medium/long-term	<ul style="list-style-type: none"> <li>Implementing green operations and highlighting green initiatives may lead to increased operating costs and marketing expenses</li> </ul>

Risks/opportunities	Type	Description	Time range affected	Current and potential effects
Transition risks	Policy and regulation changes	Risk of failing to comply with existing and emerging climate-related laws, regulations, or policies	Short/medium/long-term	<ul style="list-style-type: none"> <li>Potential carbon pricing mechanisms may lead to increased compliance and operating costs</li> <li>Regulatory penalties for non-compliance with climate-related regulations may increase compliance and operating costs</li> </ul>
Opportunities	Resource efficiency	Improving efficiency in the use of resources (i.e., energy, water, packaging materials, and waste) across business operations	Short/medium-term	<ul style="list-style-type: none"> <li>Improved resource use efficiency and better waste management can lower operating costs.</li> </ul>
Opportunities	Energy source	Transitioning to the use of low-carbon energy sources	Medium/long-term	<ul style="list-style-type: none"> <li>Potential reduction in utility costs, thereby lowering operating expenses</li> <li>Replacing vehicles with new energy vehicles to reduce greenhouse gas emissions</li> </ul>
Opportunities	Resilience	Enhancing adaptive capacity and risk management capabilities in response to climate change	Medium/long-term	<ul style="list-style-type: none"> <li>Strengthened risk prevention and management capabilities can reduce increases in operating costs caused by unexpected work suspension</li> </ul>

*(III) Risk management*

The Group takes proactive measures to address the potentially significant strategic and financial impacts of climate change over the short, medium, or long term. Specifically, it integrates climate change risk management into its existing overall risk assessment and governance system, improves internal control processes related to environmental, social and governance (ESG) matters, and continuously strengthens ESG risk management. This is how we will enable the Group to seize emerging opportunities during the low-carbon transition.

Furthermore, the Group takes identified risks as part of its strategic planning and explores strategies to address relevant climate risks to formulate and implement mitigation measures and enhance the overall operational resilience of the Group. The strategic direction and response strategies established by the Board are fully implemented across the Group at the corporate, business, and operational levels to ensure comprehensive climate risk management.

Extreme weather events resulting from climate change may impact the Group's daily operations. Therefore, the Group has worked out corresponding working mechanisms and relevant policies to strengthen its resilience to climate risks, in order to mitigate and reduce the potential impacts of climate change issues. The Group has formulated emergency measures to address potential hazards caused by typhoons, rainstorms, floods, extreme heat, and extreme cold weather, in order to safeguard employees' life safety and the Group's assets. It also enhances employees' capabilities to respond to disasters and accidents caused by extreme weather through training.

The Group strictly adheres to regulatory requirements and closely monitors emerging regulatory trends to lower compliance costs associated with failing to comply with climate-related laws or regulations. Beyond that, the Group manages to adjust its resource and energy usage for better efficiency of resource and energy utilization and reduces carbon emissions through digitalized and paperless office operations. It is committed to taking measures to mitigate its impact on the environment and climate.

*(IV) Metrics and targets*

The Group's greenhouse gas emissions mainly come from the consumption of purchased electric energy and the fuel consumed by vehicles. For the Group's greenhouse gas emissions during the reporting period, please refer to the disclosure in the section "1.2 Emissions" of this report. Despite the Group's business has limited impact on the environment, the Group has set a target to reduce greenhouse gas emission by 5% on or before 2026 based on the year of 2021.

## 1.2 Emissions

### *Waste gas and greenhouse gas emissions*

The Group's core business does not directly generate a large amount of waste gas and greenhouse gas emissions. The main emissions from the Group's daily business activities are greenhouse gases, which mainly come from the consumption of purchased electric energy and the fuel consumed by vehicles. In addition, vehicle fuel also emits air pollutants in consumption, such as nitrogen oxides, sulphur oxides and suspended particles. Despite the limited environmental impact, the Group is committed to proactively controlling greenhouse gas emissions and energy use through its procedures. In order to minimize the air pollution caused by vehicles, the Group imposes strict limitation on the use of vehicles, and has vehicles detected and overhauled regularly to ensure that vehicle emissions comply with relevant national standards. The Group also encourages employees to make good use of public transport and teleconference to reduce the frequency of business travel.

Environmental Indicators	Unit	Year 2025	Year 2024
<b>Greenhouse gas emissions</b>			
Scope 1 — direct emissions (gasoline consumption)	tCO <sub>2</sub> e	<b>22.6</b>	42.0
Scope 2 — indirect emissions (purchased electricity)	tCO <sub>2</sub> e	<b>220.4</b>	216.9
Scope 3 — other indirect emissions (paper consumption)	tCO <sub>2</sub> e	<b>0.9</b>	0.9
Total greenhouse gas emissions	tCO <sub>2</sub> e	<b>243.9</b>	259.8
Density (per employee)	tCO <sub>2</sub> e/employee	<b>1.3</b>	1.3
<b>Waste gas emissions</b>			
Nitrogen oxides	kg	<b>2.8</b>	5.5
Sulfur oxides	kg	<b>0.1</b>	0.2
Particulates	kg	<b>0.2</b>	0.4

#### *Notes:*

- The intensity for 2025 is derived by dividing the greenhouse gas emissions by the Group's average number of full-time employees of 191 in 2025 (the average number of full-time employees was 197 in 2024).
- The Scope 1 emissions of the Group mainly arise from the greenhouse gas emissions generated by the consumption of gasoline by the Group's motor vehicles.
- The Scope 2 emissions of the Group mainly arise from the purchased electricity and gas used for daily operations and office activities.
- The Scope 3 emissions of the Group mainly arise from the consumption of paper for daily operations and office activities.
- The exhaust gas emissions of the Group mainly arise from the emissions generated by the kilometers driven and the consumption of gasoline by its motor vehicles.
- The calculation of the aforementioned greenhouse gas emissions adopts a methodology based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

#### *Discharges into water and land, management of waste*

The Group does not involve any production and manufacturing process in the daily operation. Therefore, no hazardous waste such as chemical waste, clinical waste and hazardous chemicals is generated, and no sewage is discharged to soil and water sources. Due to the nature of the business, the harmless waste generated in the operation of the Group mainly includes general office consumables without a significant impact on the environment. The Group is not aware of any major hazards of hazardous or non-hazardous waste, and there is no significant discharge of waste gas or wastewater.

Committed to reducing waste generation, the Group reduces waste through recycling practice and encourages employees to recycle the useful part of waste, for maximally controlling the waste and properly disposing of wastes. The Group has continued to actively promote a paperless office, continuously upgraded the office automation system and advocated the electronic communication method in place of printing and fax. Moreover, the Group encourages employees to adopt two-sided printing and secondary paper when truly feasible. In order to reduce wastes and achieve recycling, the Group contacted suppliers to regularly arrange the recycling of all used printer cartridges. The Group also limited the receiving quantities of office supplies as required to prevent wasting. In addition, the use of paper cups and other disposable items was also avoided in the Group. At present, the Group believes that hazardous and non-hazardous wastes are not significant to the Group and therefore no relevant information has been collected or consolidated. The Group will continue to assess and review the waste generated from its operations and will disclose further information in due course.

### 1.3 Use of Resources

#### *Energy management*

Staying true to green operation, the Group actively encourages employees to support environmental protection initiatives in their daily operations, and pays attention to environmental sustainability in the business process. The Group has taken a variety of energy-saving measures in the operation of its offices and in the conduct of its business with an aim to improve energy efficiency and reduce its energy consumption in operations. The Group uses environment-friendly and energy-saving lights in the office area and implements the alternated lighting mode in the corridor, and turns off the unused lights, computers, printers, air conditioners, etc. The Group adjusts and controls the air-conditioning operating temperature in each office area to avoid too low an air conditioner temperature in offices, and strictly manages the equipment that consumes excess electricity, so as to reduce the waste of power resources.

Energy Consumption	Unit	Year 2025	Year 2024
Direct energy consumption (gasoline)	MWh	80.7	150.4
Indirect energy consumption (electricity)	MWh	360.9	350.3
Total energy consumption	MWh	441.6	500.7
Density (per employee)	MWh/employee	2.3	2.6

Notes:

- The intensity for 2025 is derived by dividing the greenhouse gas emissions by the Group's average number of full-time employees of 191 in 2025 (the average number of full-time employees was 197 in 2024).
- The energy conversion is calculated based on the conversion factors specified in the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

#### *Management of water resources and packaging materials*

The Group has not encountered any problems in obtaining suitable water sources in its daily operations. The water consumption of the Group is limited to daily living purposes, such as drinking water and sanitation and cleaning water for facilities, so the water consumption is not high. The Group operates in the office property, and its water supply and drainage are fully controlled by each building property management office. Therefore, it is unable to provide water intake and drainage data or individual meters for individual lessees. In order to avoid waste of water resources in daily operation, the Group installed inductive hand washing equipment in toilets, set a reasonable water flow speed, and give priority to the use of effective water-saving products. The Group does not use or produce any packaging materials in its daily business operations.

### **1.4 Environment and Natural Resources**

The main business activities of the Group have not had a significant impact on the environment and natural resources. Nevertheless, the Group still focuses on environmental sustainability and is committed to reducing the impact of its operations on the environment, focusing on reducing greenhouse gas emissions and protecting resources.

The Group regularly sends relevant materials to employees to convey the environmental protection measures adopted by the Group to employees, improve employees' environmental awareness and promote employees to develop environmental protection behavior. The Group encourages all employees to participate in various resource recovery activities to minimize the use of natural resources. The Group will continue to reduce emissions and wastes and minimize the impact of the Group's business activities on the environment and natural resources. The Group will continue to implement a number of measures to save water resources and reduce waste, commit to green office and resource conservation, and strengthen its contribution to environmental sustainable development through sustained and good environmental protection measures.

## II. Employment and Labour Practices

The Group is fully aware that employees figure prominently in driving sustainable business development. Therefore, we are committed to shaping a working environment that is diverse, inclusive and prioritises employee well-being and professional development as a way to truly embody our corporate culture of “Care, Responsibility, and Inclusion”. By offering unremitting support, the Group empowers its employees to tap into their potential for excellence and play their part in the Group’s long-term development.

### 2.1 Employment

The Group continues to improve its human resources management system, provide an equal and fair working environment, and has established practices and policies in line with the relevant laws in which we have operations. The Group is committed to eliminating discrimination. Recruitment and promotion opportunities are fair and open to all employees, regardless of age, gender, physical condition, marital status, family status, race, skin color, nationality, religion, sexual orientation and other factors. The Group encourages the diversification of employee mix and puts the fairness principle into practice. In order to provide employees with a fair working environment and maintain their well-being, the Group welcomes all valuable suggestions from employees on improving workplace productivity and promoting workplace harmony.

The Group provides competitive remuneration, promotion opportunities and welfare benefits to attract and retain talents, and regularly reviews the remuneration mechanism according to business performance and personal performance to assist employees in career development and promotion within the Group. The Group has strictly observed the Labor Law of the People’s Republic of China, Labor Contract Law of the People’s Republic of China, Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other employment-related laws and regulations in remuneration, recruitment, dismissal, promotion, working hour, holiday, equal opportunity, anti-discrimination, diversification, social security, housing provident fund and other benefits of employees. In order to ensure that employees clearly understand their rights and obligations, the Group has stipulated policies and guidelines on remuneration, recruitment, promotion, dismissal, working hours, holidays and benefits in the staff manual. In addition to statutory holidays, the Group also provides employees with marriage leave, maternity leave, breastfeeding leave and other holidays according to law. The Group reviews its relevant policies from time to time to ensure their compliance with the latest statutory requirements.

During the Year, the Group was not aware of any violation of relevant employment laws and regulations related to the employment, labor relations, employee remuneration, social insurance, mandatory accumulation fund, employee welfare and compensation of the Group and having a significant impact on the Group.

The employee statistics of the Group are as follows:

	Year 2025	Year 2024
<b>Total number of employees</b>	<b>188</b>	194
<b>Regional distribution</b>		
Beijing	<b>84.6%</b>	83.5%
Hangzhou	<b>8.5%</b>	9%
Hong Kong	<b>4.3%</b>	4%
Shanghai	<b>1.6%</b>	2%
Zhuhai	<b>1%</b>	1%
Singapore	<b>0.5%</b>	0.5%
<b>Gender distribution</b>		
Male	<b>40%</b>	39%
Female	<b>60%</b>	61%
<b>Age distribution</b>		
30 years old or under	<b>8%</b>	13%
31–35 years old	<b>21%</b>	22%
36–40 years old	<b>30%</b>	30%
41 years old or above	<b>41%</b>	35%
<b>Education statistics</b>		
Bachelor's degree or above	<b>12%</b>	12%
Bachelor	<b>58%</b>	59%
Junior college or below	<b>30%</b>	29%
<b>Employment category</b>		
Full time	<b>100%</b>	100%
Part-time	<b>0%</b>	0%
<b>Overall employee turnover rate</b>	<b>23%</b>	25%
<b>Turnover rate by gender</b>		
Male employees	<b>27%</b>	27%
Female employees	<b>21%</b>	24%
<b>Turnover rate by age</b>		
30 years old or under	<b>25%</b>	41%
31–35 years old	<b>20%</b>	21%
36–40 years old	<b>30%</b>	26%
41 years old or above	<b>18%</b>	16%
<b>Turnover rate by region</b>		
Beijing	<b>24%</b>	27%
Hangzhou	<b>6%</b>	0%
Hong Kong	<b>13%</b>	0%
Shanghai	<b>0%</b>	0%
Zhuhai	<b>50%</b>	33%
Singapore	<b>0%</b>	0%

*Note:*

- The employment data is obtained from the Human Resources Department of the Group based on the employment contracts established between the Group and its employees. This data covers employees who have a direct employment relationship with the Group in accordance with relevant local laws and regulations, as well as those whose work and/or workplace is controlled by the Group within the reporting scope. The reporting methodology for the above employment data is based on the “How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs” issued by the Stock Exchange.

## 2.2 Health and Safety

The Group recognizes its employees as the most important and valuable asset and is therefore committed to providing them with a safe, healthy, productive and comfortable working environment.

The Group has bought multiple types of high-end health facilities and deployed them in the rest area of the offices for employees to relax themselves and alleviate their working pressure. Meanwhile, the Group has set rest rooms and showering rooms in the offices for employees to alleviate the fatigue after work and provide employees with a comfortable working environment. The Group ensures its employees’ access to safe and convenient drinking water by offering them healthy, purified water treated by water processors, as well as hot black tea and a variety of tea options for self-brewing. Moreover, the Group provides multiple trainings for employees in relation to fire safety, mobility safety and prevention of common workplace diseases to assure their mental and physical health and safety. The administrative department of the Group regularly conducts fire safety inspections and encourages employees to participate in fire drills organized by property management companies to improve fire safety awareness.

The Group strictly abides by the Labor Law of the People’s Republic of China, the Regulation on Work-Related Injury Insurances of the People’s Republic of China, the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and other applicable relevant laws and regulations to provide a safe and healthy working environment. During the Year, the Group did not find any health and safety violations in the office, there were no potential risks of occupational diseases mentioned in the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, and there were no major penalties or sanctions for violating relevant laws and regulations. During the Year and the past two reporting years, the Group did not have any work-related fatal accidents or serious injuries, and there were no working days lost due to work-related injuries and major accidents.

## 2.3 Development and Training

The Group believes that the personal development of employees can not only explore their own value, but also contribute to the sustainable and long-term development of the Group. The Group has established a sound training system and dynamic evaluation mechanism to systematically improve employees’ professional knowledge, position skills and working ability. The Group provides comprehensive training for new employees and designates special tutors to follow up and coach them. The human resources department conducts phased communication and assessment and helps new employees to quickly get started with work and become qualified for the position. Every year, the Group provides special tutorship and occupational development assessment for relatively mature employees and provides them with internal development opportunities across functions.

The Group has established and organized a comprehensive and high-quality training and growth system for the talent development, aiming to enhance employees' professional competence and innovation capabilities for the deep integration between personal growth and the Group's strategic development. This year, the Group focused on strengthening empowerment in AI products and AI marketing applications. Through diverse formats such as customized courses, we comprehensively enhanced employees' practical skills in using AI tools and their innovative thinking, thereby deeply aligning individual capability advancement with the Group's business upgrading. In addition, the Group regularly shares resources on innovative products and provides insights into cutting-edge industry marketing trends and collaboration models as a way to continuously refine the professional expertise and business perspective of the marketing team. Meanwhile, the Group has regularly organized interest and thought sharing events to enable employees increase team cohesion and recognition of the corporate culture through group work and games.

During the Year, the proportion of the Group's employees receiving internal training and the number of training hours per capita are listed in detail as below:

	Year 2025	Year 2024
Total training hours	<b>331</b>	372
Average training hours per employee	<b>4.2</b>	4.3
Percentage of male employees participating in training	<b>31%</b>	37%
Percentage of female employees participating in training	<b>48%</b>	49%
Average training hours of male employees	<b>3.0</b>	3.0
Average training hours of female employees	<b>4.7</b>	4.9
Percentage of senior management participating in training	<b>24%</b>	38%
Percentage of ordinary employees participating in training	<b>44%</b>	45%
Average training hours of senior management	<b>3.0</b>	3.0
Average training hours of ordinary employees	<b>4.3</b>	4.4

Note:

- The training data is obtained from the Human Resources Department of the Group. The reporting methodology for the above training data is based on the "How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

## 2.4 Labour Standards

The Group has formulated policies to ensure that all employees and job seekers have fair opportunities and treatment. The Group is committed to complying with the relevant laws and regulations of places where we have operations throughout the recruitment and employment process. The Group strictly abides by the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Rights and Interests of Women and Children, the Provisions of The People's Republic of China Prohibition of Child Labour and the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and comprehensively prohibits the employment of child labour in any job. The human resources department of the Group is responsible for identifying and verifying each job seeker to ensure that no child labor or forced labor is employed. The Group also has a clear staff code to prohibit forced labor and ensure the legal and voluntary employment of all employees. If employment of child labor or forced labor is found, the Group will terminate the relevant employment contract and investigate whether further action is required. During the Year, the Group was not aware of any violation of laws and regulations on employment and labour practices in the prevention of child labour or forced labour.

## III. Operating Practices

### 3.1 Supply Chain Management

Suppliers of the Group must comply with all laws and regulations in which we have operations and related to unethical behavior, bribery, corruption and other prohibited business activities. During business cooperation, the Group will dynamically check the licenses and qualifications of suppliers to ensure that they meet the relevant requirements and amendments of national policies, laws and regulations. The Group encourages and expects suppliers to implement good employment measures, treat their employees fairly and reasonably, respect their rights, and provide them with an environment free of discrimination, child labor and forced labor. The Group's suppliers also need to adhere to transparent business processes and high ethical standards to avoid interest conflicts and prohibit corruption and bribery. When selecting suppliers, the Group will give priority to its environmental and energy policies to protect the environment and reduce pollution to the greatest extent, and will pay attention to whether suppliers have adverse news in environmental protection. If any, the Group will conduct internal discussion to decide whether to replace the suppliers. Before making any decision on purchasing or selecting service providers, the Group will conduct due diligence on suppliers, and comprehensively evaluate the scale, reputation, environmental policies, community policies and ethical standards of suppliers, so as to ensure the fairness and impartiality of suppliers in procurement and avoid the environmental and social risks of the supply chain. The foregoing practice regarding the selection of suppliers applies to all suppliers of the Group. During the Year, the Group selected a total of 67 business suppliers in its supply chain.

The major business suppliers of the Group are China Media Group and different media institutions, which are all located in the Chinese mainland, and legal entities that comply with the policies and regulations and professional qualifications. In the Year, the Group is not aware of any major supplier's non-compliance events that cause any significant actual or potential adverse impact on business ethics, environmental protection, labor practices, etc.

### 3.2 Product Responsibility

The Group strictly abides by the Advertising Law of the People's Republic of China and links the whole chains from media, advertising companies to the customers in business operation to ensure the legal publicity of advertising and avoid the occurrence of false advertising content, exaggerated facts, infringement and other phenomena. To reach an agreement, the Group will communicate with customers about the provisions of the Advertising Law; to submit advertising films to the media, the professionals of the Group will conduct a preliminary review of the advertising content, and will negotiate with customers for modification if finding any problems; If the media finds that the customer's advertisement violates the provisions of the advertising law in the process of reviewing the advertisement, the Group will actively cooperate with the media and customers to communicate, so as to ensure the legal and compliant release of the advertisement. During the Year, the Group had neither any serious violation of the advertising law, nor any published advertisements required to be recovered.

The Group strives to investigate and resolve all disputes and complaints raised by customers in a timely and fair manner in accordance with clearly listed internal procedures. If a complaint is received, the Group will promptly make an investigation and seek a solution, and decide whether to strengthen internal control, improve execution procedures or take any other appropriate action. During the Year, the Group did not receive any complaints related to products and services.

### 3.3 Intellectual Property

The Group is well aware of the importance of intellectual property rights, so it attaches great importance to the protection of intellectual property rights and takes comprehensive protection measures for intellectual property rights. The Group registered 13 new trademarks, registered 2 new copyrights, and renewed the registration of 5 registered trademarks whose protection period is about to expire. The Group strictly abides by the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other laws and regulations, and prohibits the use of any material in violation of relevant intellectual property laws. During the Year, the Group did not commit any major intellectual property infringement. The Group believes that all reasonable measures have been taken to prevent any infringement of its intellectual property and the intellectual property rights of third parties.

### 3.4 Privacy Protection

The Group is committed to protecting the privacy and confidentiality of its customers, business partners and other identifiable individuals. In order to protect the personal data privacy, the Group formulates a data protection policy based on the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). All personal data collected in the course of business are treated as confidential and properly kept, and are only available to authorized personnel. Unauthorized access, use, modification or disclosure is strictly prohibited. The Group also ensures that personal data collected will be used for the purposes specified at the time of collection and for the purposes expressly agreed by customers, business partners and other related persons. The Group will regularly review the implementation and effectiveness of the data protection policy and whether there has been any leakage of relevant personal data. During the Year, the Group was not aware of any serious violation of relevant laws and regulations on privacy issues that had any significant impact on the Group.

### 3.5 Anti-corruption

In order to maintain a fair, ethical and efficient business environment, the Group strictly abides by the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and other laws and regulations on anti-corruption and anti-bribery. The Group adopts a zero-tolerance policy for bribery, extortion, fraud and money laundering and has established relevant policies and procedures. All directors, management personnel and employees of the Group shall, in their daily work, abide by all relevant laws and regulations concerning the prevention of bribery, extortion, fraud and money laundering in the place where we have operations. The Group's rules and regulations and staff manual clearly require all employees to abide by relevant laws and business standards, and prohibit employees from engaging in or participating in any form of bribery, extortion, fraud, money laundering and other illegal acts. All contracts drafted and signed by the Group contain anti-corruption provisions, and anti-corruption instructions will be given regularly during employee training. In addition, the Group encourages employees to report any suspected corruption, bribery or misconduct through the reporting mechanism established by the Group. The relevant reports will be treated confidentially, and the identity of the whistleblower will be protected from unfair treatment. During the Year, the Group was not aware of any serious violations of relevant laws and regulations that had a significant impact on bribery, extortion, fraud and money laundering. During the Year, the Group neither received any reports of corruption, nor had any legal cases involving corruption against the Group or its employees.

## IV. Community

The Group actively fulfills its corporate social responsibilities and gives full play to its own advantages to engage in public welfare initiatives and community development to bring about social harmony as an enterprise. Additionally, the Group encourages its employees to involve themselves in social welfare activities to practice social responsibility and play their part to improve people's livelihoods.

### 4.1 Community activity and participation

During the Year, the Group, through its Great Lion brand, sponsored an artistic guidance and exchange activity organized by the Beijing Huairou District New Era Civilization Practice Center (北京市懷柔區新時代文明實踐中心), which visited Baoshan Town Central Primary School and Tanghekou Town Central Primary School. This activity aimed to enhance the children's stage performance skills and artistic appreciation abilities through one-on-one guidance for the schools' art club programs.

Furthermore, the Group, through its Great Lion brand, collaborated with the "Wisdom Tree" (智慧樹) program and Sainte to organize two large public welfare science popularization events on early childhood parenting. This initiative aimed to convey professional parenting knowledge to parents of infants and young children in an engaging and vivid manner through fun activities, helping them navigate challenges in the parenting process. The Great Lion brand remains committed to safeguarding the healthy growth of infants and young children, building a solid protective barrier for the healthy development of Chinese babies.

During the Year, the Group invested and donated a total of approximately RMB84 thousand in community investment and charity activities. With a heart of gratitude, the Group remains committed to sustainable development and actively contributing to the community for a better future.

## Appendix – Stock Exchange ESG Code Content Index

ESG Code		Section	
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>	General Disclosure	Information on:	I. Environmental and 1.2 Emissions
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
		Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	
	A1.1	The types of emissions and respective emissions data.	1.2 Emissions
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.2 Emissions
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.2 Emissions	
A1.5	Description of emissions target(s) set and steps taken to achieve them.	I. Environmental and 1.2 Emissions	
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.	1.2 Emissions	

ESG Code		Section	
<b>Aspect A2: Use of resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.  Note: Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	I. Environmental and 1.3 Use of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	1.3 Use of Resources
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	1.3 Use of Resources
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	I. Environmental and 1.3 Use of Resources
	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.	1.3 Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	1.3 Use of Resources
<b>Aspect A3: The Environment and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	I. Environmental and 1.4 The Environment and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1.4 The Environment and Natural Resources

ESG Code		Section
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>	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.	2.1 Employment
	B1.1 Total workforce by gender, employment type (e.g. full-or part-time), age group and geographical region.	2.1 Employment
	B1.2 Employee turnover rate by gender, age group and geographical region.	2.1 Employment
<b>Aspect B2: Health and Safety</b>	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.	2.2 Health and Safety
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	2.2 Health and Safety
	B2.2 Lost days due to work injury.	2.2 Health and Safety
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	2.2 Health and Safety

ESG Code		Section	
<b>Aspect B3: Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.  Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	2.3 Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2.3 Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	2.3 Development and Training
<b>Aspect B4: Labour Standards</b>	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.	2.4 Labour Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	2.4 Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	2.4 Labour Standards
	<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.1 Supply Chain Management
	B5.1	Number of suppliers by geographical region	3.1 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.1 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.1 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.1 Supply Chain Management

ESG Code		Section	
<b>Aspect B6: Product Responsibility</b>	General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Product Responsibility
	B6.1	Percentage of the total number of products sold or shipped that have to be recalled for safety and health reasons.	The business of the Group is not subject to this requirement
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.2 Product Responsibility
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3 Intellectual Property
	B6.4	Description of quality assurance process and recall procedures.	The business of the Group is not subject to this requirement
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.4 Privacy Protection
<b>Aspect B7: Anti-corruption</b>	General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to bribery, extortion, fraud and money laundering.	3.5 Anti-corruption
	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.	3.5 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.5 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and employees.	3.5 Anti-corruption

ESG Code		Section	
<b>Community</b>			
<b>Aspect B8: Community Investment</b>	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.	IV. Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).	4.1 Community activity and participation
	B8.2	Resources contributed (e.g. money or time) to the focus areas.	4.1 Community activity and participation
<b>Climate-related Disclosures</b>			
<b>(I) Governance</b>		An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	1.1 Climate-related Disclosures
<b>(II) Strategy</b>	Climate-related risks and opportunities	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	1.1 Climate-related Disclosures
	Business model and value chain	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	1.1 Climate-related Disclosures
	Strategy and decision-making	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	1.1 Climate-related Disclosures

ESG Code		Section
	<p>Financial position, financial performance and cash flows</p> <p>An issuer shall disclose how climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows during the reporting period (current financial effect) and how, having considered its strategy for managing climate-related risks and opportunities, its investment and disposal plans, and the planned sources of funding required to implement the strategy, its financial position is expected to change in the short, medium and long term (anticipated financial effect).</p>	1.1 Climate-related Disclosures
	<p>Climate resilience</p> <p>An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances.</p>	1.1 Climate-related Disclosures
<b>(III) Risk Management</b>	<p>Climate-related risks and opportunities</p> <p>An issuer shall disclose the process and relevant policies an issuer uses to identify, and assess climate-related risks and opportunities, as well as to determine current priorities and maintain monitoring, and how and the extent to which such processes to identify, assess, prioritise and monitor climate-related risks and opportunities are integrated into the issuer's overall risk management processes.</p>	1.1 Climate-related Disclosures
<b>(IV) Metrics and Targets</b>	<p>Greenhouse gas emissions</p> <p>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as tCO<sub>2</sub>e, classified as:</p> <ul style="list-style-type: none"> <li>(a) Scope 1 greenhouse gas emissions</li> <li>(b) Scope 2 greenhouse gas emissions</li> <li>(c) Scope 3 greenhouse gas emissions</li> </ul>	1.2 Emissions

ESG Code		Section
Climate-related transition Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Not applicable  The Group has assessed the percentage of assets or business activities affected by the risks and is gradually quantifying the financial impacts arising from the identified climate-related transition risks and opportunities.
Climate-related physical Risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Not applicable  The Group has assessed the percentage of assets or business activities affected by the risks and is gradually quantifying the financial impacts arising from the identified climate-related transition risks and opportunities.
Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Not applicable  The Group currently lacks the relevant resources and is committed to the efforts in relevant systems establishment.
Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not applicable  The Group currently lacks the relevant resources and is committed to the efforts in relevant systems establishment.
Internal carbon prices	Disclose an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis) and the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The business of the Group is not subject to this requirement

ESG Code		Section
Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Not applicable  The Group is aligning its remuneration policy with its climate strategy.
Industry-based metrics	Disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry and consider the applicability of the metrics.	The business of the Group is not subject to this requirement
Climate-related targets	An issuer shall disclose the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals and any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	I. Environmental and 1.1 Climate-related Disclosures
Applicability of cross-industry metrics and industry-based metrics	An issuer shall refer to and consider the applicability of cross-industry metrics and industry-based metrics	The business of the Group is not subject to this requirement

ANNUAL  
REPORT  
2025 年報



# 萬馬奔騰



# Directors' Report

The Directors of the SinoMedia Holding Limited (the “Company”) are pleased to present their annual report together with the audited financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

## PRINCIPAL PLACE OF BUSINESS

The Company is a company incorporated and domiciled in Hong Kong and has its registered office at Unit 417, 4th Floor, Lippo Centre, Tower Two, No. 89 Queensway, Admiralty, Hong Kong, and principal places of business at Unit 15D, Xintian International Plaza, No. 450 Fushan Road, Pudong New Area, Shanghai, PRC and 7/F, The Place-SinoMedia Tower, No. 9 Guanghua Road, Chaoyang District, Beijing, PRC.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are providing TV advertisements, creative content production and digital marketing services for advertisers and advertising agents.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the year ended 31 December 2025 are set out in note 12 to the financial statements.

## BUSINESS REVIEW

Details of the business review and performance of the Group for the year ended 31 December 2025 are set out in the section headed “Management Discussion and Analysis”. Those discussions form part of this Directors' Report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to building an environmental-friendly corporation with the aim of conserving natural resources. The Group has taken initiatives to reduce energy consumption and encourage recycling of office supplies and other materials. The Directors consider that environmental protection is essential to the long-term development of the Group and will constantly review its environmental policies and performance and improve management practices, so as to minimise waste, maximise efficiencies and reduce the negative environmental impact from the Group's business operations. During the year ended 31 December 2025, there was no incidence of non-compliance with the relevant environmental laws and regulations that have a significant impact on the Group.

For further details, please refer to the Environmental, Social and Governance Report of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

As at 31 December 2025 and up to the date of this annual report, the Board was unaware of any material non-compliance with the applicable laws and regulations that have a significant impact on the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

## RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group recognises the accomplishment of employees by providing comprehensive benefit package, career development opportunities and internal training in accordance with individual needs. The Group is committed to providing an equal opportunity, harmonious and diversified working environment to employees. The Group provides a healthy and safe workplace for all employees and there were no work-related fatal accidents or serious injuries suffered by its employees during the year ended 31 December 2025.

The Group encompasses working relationships with suppliers to meet its customers' needs in an effective and efficient manner. The departments work closely to make sure that the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also communicated clearly to suppliers before the commencement of business.

The Group values the views and feedback of customers through various means and channels. The Group maintains active relationship with customers to explore potential business opportunities and is highly committed to delivering high quality services to all customers.

During the year ended 31 December 2025, there was no material dispute or argument between the Group and its employees, suppliers and customers.

## MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year ended 31 December 2025 is as follows:

	Percentage of the Group's total purchases
The largest supplier	46%
Five largest suppliers in aggregate	78%

The Group's largest customer accounted for about 31% of the Group's revenue, and the Group's five largest customers combined accounted for about 58% of the Group's revenue.

At no time during the year under review had the Directors, their close associates and/or shareholder of the Company (which to the knowledge of the Directors owned more than 5% of the number of issued shares of the Company) had any interest in these major suppliers and customers.

## FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2025 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 115 to 120.

## TRANSFER TO RESERVES

Profits attributable to equity shareholders of the Company for the year ended 31 December 2025, before dividends, of approximately RMB80.04 million (2024: approximately RMB106.96 million) have been transferred to reserves. Other movements in reserves are set out in the Consolidated Statement of Changes in Equity on page 119. As at December 31 2025, the reserves available for distribution to shareholders are set out in note 22(a) to the financial statements.

## DIVIDENDS

Dividends totaling approximately RMB149.92 million (2024: RMB68.31 million) were paid to shareholders of the Company in 2025. The Board proposed the payment of a final dividend of HKD11.00 cents (2024: a final dividend of HKD11.00 cents and a special dividend of HKD24.00 cents) per share for the year ended 31 December 2025.

## PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group are set out in note 10 to the financial statements.

## SHARES ISSUED IN THE YEAR

Details of the shares issued during the year under review are set out in note 22 to the financial statements.

## DONATIONS

During the year under review, the Group made charitable contributions totalling approximately RMB84 thousand (2024: RMB100 thousand).

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, the Company purchased 419,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") at an aggregate price of HKD791,850. The bought-back shares had been cancelled subsequently in January 2026. The details of the bought-back shares are as follows:

Date	Number of Shares bought-back	Highest Price HKD	Lowest Price HKD	Total paid HKD
18 December 2025	107,000	1.83	1.76	193,700
29 December 2025	152,000	1.93	1.86	290,060
30 December 2025	160,000	1.93	1.91	308,090
	419,000			791,850

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

## DIRECTORS

The Directors during the year under review were:

### Executive Directors:

Chen Xin  
Liu Jinlan  
Li Zongzhou  
Liu Zhiyi

### Independent non-executive Directors:

Qi Daqing  
Ip Hung  
Tan Henry  
Zhang Hua

In accordance with Article 105 of the Company's Articles of Association, Mr. Chen Xin, Ms. Ip Hung and Dr. Zhang Hua shall retire by rotation at the forthcoming annual general meeting ("AGM") of the Company. All of them, being eligible, will offer themselves for re-election at the AGM.

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensatory obligations.

The list of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is set out in note 12 to the financial statements.

## EMOLUMENT POLICY AND LONG-TERM INCENTIVE SCHEMES

To attract and retain talent with caliber, the Group provides competitive remuneration packages to its Executive Directors and senior management. These comprise basic monthly salary, variable pay and long-term incentive plan which includes share option scheme. The amount of variable pay is set at a percentage of the fixed pay, and is paid annually with reference to performance delivered through plans and objectives with pre-determined criteria and standards.

The remunerations payable to the Directors are determined with reference to their duties and responsibilities in the Company and the market rate for the positions.

The remuneration package of executives is designed so that a proportion is linked to corporate and individual performance, and give incentives to executives to perform at the highest levels. Through job evaluation and job matching, the Group ensures external competitiveness of the pay through reference to market survey and data.

The Non-executive Directors' remunerations are determined based on the time commitment and responsibilities of the relevant Non-executive Directors, which comprise of the following components:

- Directors' fees, which are usually paid annually; and
- Share options which were granted pursuant to the share option schemes then in force subject to the discretion of the Board.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration of the Directors and senior management during the year under review are set out in note 7 to the financial statements.

## FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of Directors and the five highest paid individuals of the Group during the year under review are set out in note 8 to the financial statements.

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

As at 31 December 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

### (i) Interests in the Company – Long Positions

Name of Director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives (Note 1)	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust	262,122,169 (Note 2)	–	262,122,169	55.65%
	Beneficial interest	2,800,000	–	2,800,000	0.59%
Chen Xin	Founder of discretionary trust and beneficiary of trust	258,469,165 (Note 3)	–	258,469,165	54.87%
Li Zongzhou	Beneficial interest	954,000	–	954,000	0.20%
Liu Zhiyi	Beneficial interest	300,000	–	300,000	0.06%

#### Notes:

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

3. Chen Xin is deemed to be interested in 258,469,165 shares of the Company. These shares are held by three discretionary trusts, namely MHS Trust (which assets comprised 25,921,344 shares held by Merger Holding Service Company Limited), DFS (No. 1) Trust (which assets comprised 21,565,308 shares held by Digital Finance Service Company Limited) and CLH Trust (which assets comprised 210,982,513 shares held by Golden Bridge International Culture Limited), all founded by Chen Xin. In respect of 210,982,513 shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.

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

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

Apart from the foregoing, as at 31 December 2025 none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme on 27 May 2008 (the "Share Option Scheme"), whereby the Board has been authorised, at their discretion, to invite any full time employee, director of any member of the Group or any person approved by the Board or shareholders of the Company (collectively the "Eligible Persons") to take up options (the "Options") to subscribe for ordinary shares of the Company. The Share Option Scheme is designed to encourage Eligible Persons to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole, and to motivate them to achieve higher levels of good corporate governance. The Share Option Scheme expired on 26 May 2018 and no more Options may be granted under the Share Option Scheme.

The total number of shares of the Company which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the shares of the Company in issue on the date of commencement of dealing in the shares of the Company on the Stock Exchange. The 10% limit may be refreshed with the approval of the shareholders in general meeting. The maximum number of shares of the Company which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the issued shares of the Company from time to time. Unless approved by the shareholders of the Company in general meeting (with the relevant Eligible Person and his associates abstaining from voting), the maximum number of shares issued or to be issued upon exercise of Options granted to any one Eligible Person in a 12-month period shall not exceed 1% of the issued shares of the Company. Options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates must be approved by the independent non-executive directors. In addition, any Options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all Options already granted and to be granted to such person in 12 months to exceed 0.1% of the shares of the Company in issue and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, must be approved by the shareholders of the Company.

An Option offer shall be deemed to be accepted by each grantee when the duplicate offer letter comprising acceptance of the offer of the grant of the Options duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the specified acceptance date, being a date not later than 28 days after the offer date. The Share Option Scheme does not specify any minimum holding period or vesting period. The exercise period of the Options granted is determined and notified by the Board to each grantee. The subscription price in respect of any Option is determined by the Board in its absolute discretion at the time of grant of the relevant Option, but shall not be less than the highest of (i) the closing price of the Company's shares on the Stock Exchange on the date of grant; (ii) the average closing price of the Shares on the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

As at 1 January 2025, the total number of shares of the Company that could be issued upon exercise of all outstanding Options granted under the Share Option Scheme were 14,852,000 shares, which represented about 3.22% of the total number of issued shares of the Company as at 1 January 2025. During the year ended 31 December 2025, 14,852,000 Options have been exercised, lapsed, or canceled. As at 31 December 2025 and at the date of this annual report, there was no outstanding Options granted under the Share Option Scheme and there was no share that could be issued upon exercise of outstanding Options granted under the Share Option Scheme.

Movements of the Options under the Share Option Scheme for the year ended 31 December 2025 are as follows:

Directors	No. of options		No. of options exercised during the year	No. of options cancelled or lapsed during the year	No. of options outstanding at the end of the year	Date of grant	Exercise price	Exercise period	Share closing price immediately before the date of grant of Options	Weighted average share closing price immediately before the exercise date
	outstanding at the beginning of the year	No. of options granted during the year							HKD	HKD
Liu Jinlan	2,800,000	–	(2,800,000)	–	–	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Li Zongzhou	2,000,000	–	(2,000,000)	–	–	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Liu Zhiyi	300,000	–	(300,000)	–	–	30 August 2017	HKD1.77	Note	HKD1.75	N/A
Qi Daqing	300,000	–	(300,000)	–	–	30 August 2017	HKD1.77	Note	HKD1.75	N/A

Employees	No. of options		No. of options exercised during the year	No. of options cancelled or lapsed during the year	No. of options outstanding at the end of the year	Date of grant	Exercise price	Exercise period	Share closing price immediately before the date of grant of Options	Weighted average share closing price immediately before the exercise date
	outstanding at the beginning of the year	No. of options granted during the year							HKD	HKD
in aggregate	9,452,000	–	(4,008,000)	(5,444,000)	–	30 August 2017	HKD1.77	Note	HKD1.75	N/A

Note:

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

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

As at 31 December 2025, so far as known to the Directors and chief executive of the Company, the following corporations (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO.

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Tricor Equity Trustee Limited	Trustee ( <i>Note 1</i> )	309,608,821	65.73%
CLH Holding Limited	Corporate interest ( <i>Note 2</i> )	210,982,513	44.79%

Notes:

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

Save as disclosed above, so far as known to the Directors and chief executive of the Company, as at 31 December 2025, there was no other person or corporation (other than a Director or chief executive of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of Part XV of the SFO.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

## INFORMATION ON VARIABLE INTEREST ENTITY (“VIE”) STRUCTURE

### Background — the Old VIE Structure

As disclosed in the announcement of the Company dated 27 October 2011, CTV Golden Bridge International Media Group Co., Ltd. (“CTV Media (Shanghai)”) has on 27 October 2011 entered into the Old Structure Contracts with Mr. Chen Xin and Ms. Liu Jinlan (“Old Legal Owners”) thereby adopting the Old VIE Structure. Under the Old VIE Structure, the Group was able to exercise 100% control over CTV Golden Bridge Culture Development (Beijing) Company Limited (“Culture Development”) in substance notwithstanding the absence of legal ownership. Culture Development was established on 24 November 2011 and has since been accounted as a subsidiary of the Group by virtue of the Old VIE Structure.

### Termination of Old VIE Structure

#### *Equity Transfer Agreements*

As disclosed in the announcement of the Company dated 27 April 2018, on 27 April 2018, the Old Legal Owners entered into the Equity Transfer Agreements with Ms. Liu Zhiyi and Ms. Wang Hong (“New Legal Owners”), pursuant to which each of the Old Legal Owners shall sell all of their equity interests in Culture Development to the New Legal Owners at a total consideration of RMB30 million.

The principal terms of the Equity Transfer Agreements are as follows:

#### **1. First Equity Transfer Agreement**

On 27 April 2018, Mr. Chen Xin, Ms. Wang Hong and CTV Media (Shanghai) entered into the first equity transfer agreement pursuant to which Mr. Chen Xin agreed to transfer 50% equity interests in Culture Development to Ms. Wang Hong at a consideration of RMB15 million payable by Ms. Wang Hong in the manner agreed by Mr. Chen Xin and Ms. Wang Hong. All interests and rights attaching to the relevant equity interests in Culture Development shall be transferred to Ms. Wang Hong upon completion of registration of change in shareholding at the relevant PRC authority.

## 2. Second Equity Transfer Agreement

On 27 April 2018, Ms. Liu Jinlan, Ms. Liu Zhiyi and CTV Media (Shanghai) entered into the second equity transfer agreement pursuant to which Ms. Liu Jinlan agreed to transfer 50% equity interests in Culture Development pursuant to Ms. Liu Zhiyi at a consideration of RMB15 million payable by Ms. Liu Zhiyi in the manner agreed by Ms. Liu Jinlan and Ms. Liu Zhiyi. All interests and rights attaching to the relevant equity interests in Culture Development shall be transferred to Ms. Liu Zhiyi upon completion of registration of change in shareholding at the relevant PRC authority.

### *Supplemental Agreement*

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai)  
(ii) Culture Development  
(iii) Old Legal Owners  
(iv) New Legal Owners

Subject Matter: The Old Legal Owners agreed to novate all rights and obligations under the Loans to the New Legal Owners. In consideration of the New Legal Owners agreeing to the novation of the Loans, the Old Legal Owners agreed to set off the New Legal Owners' obligation to pay for the aggregate consideration of RMB30 million for the Equity Transfer. The parties to the Supplemental agreement agreed that the Old Structure Contracts shall be terminated upon the New Structure Contracts becoming effective.

### *Establishment of New VIE Structure*

On 27 April 2018 and immediately after execution of the equity transfer agreements and supplemental agreement, CTV Media (Shanghai), Culture Development and the New Legal Owners entered into a series of agreements to establish the new VIE structure, upon the new structure contracts becoming effective, the Group will be able to exercise control over the operation and assets of Culture Development, and the economic benefits generated by and risks associated with the running of the restricted business by Culture Development will be effectively transferred to the Group.

## The New Structure Contracts

The principal terms of the New Structure Contracts are set out below:

### 1. Exclusive Consultancy Service Agreement

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai)  
(ii) Culture Development

Subject Matter: CTV Media (Shanghai) agreed to provide relevant consultancy and supporting services as the exclusive provider of Culture Development. Such consultancy services include but not limited to problem-based solution design, business and strategic planning, clientele management and development, employee development and training, promotion and public relationship, accounting and financial management etc. at the agreed service fees.

In consideration of the provision of management and consultancy services by CTV Media (Shanghai), Culture Development shall pay a consultancy fee to CTV Media (Shanghai) on an annual basis, which shall be equivalent to 100% of the consolidated profit before tax of Culture Development (such profit to be calculated after deducting all reasonably incurred costs and expenses) in connection with the business operation of Culture Development.

The service fee for the immediately preceding year will be payable to CTV Media (Shanghai) by Culture Development in the first quarter of each year, and such service fee is determined with reference to (i) the complexity of the services provided; (ii) the time spent on such services; (iii) the value of such services; and (iv) the prevailing market price for such services. CTV Media (Shanghai) may in writing agree to adjust the service fees with reference to the services provided and operation need of Culture Development. In the event Culture Development records a consolidated net loss, Culture Development shall not be required to pay any service fee to CTV Media (Shanghai).

CTV Media (Shanghai) shall have the exclusive proprietary rights to all intellectual property rights developed or created during the performance of the Exclusive Consultancy Service Agreement and/or other agreements entered into by the parties and related parties. At the request of CTV Media (Shanghai), Culture Development shall assign its intellectual property rights to CTV Media (Shanghai) unconditionally at the minimum price permitted under the then applicable PRC laws and regulations.

Term: A period of 10 years commencing from the Effective Date, which shall be automatically renewed for another 10 years unless CTV Media (Shanghai) serves notice in writing to Culture Development prior to expiry of the initial term.

The Exclusive Consultancy Service Agreement shall be terminated prior to expiration of the term should the business period of either CTV Media (Shanghai) or Culture Development expires or be terminated by any other reason, unless such party has transferred all rights and obligations under the Exclusive Consultancy Service Agreement.

## 2. Loan Agreement

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai) as lender  
(ii) the New Legal Owners as borrower

Subject Matter: Pursuant to the Loan Agreement, the parties confirm that, among other things: (i) upon the Supplemental Agreement taking effect, the New Legal Owners have become the legal and beneficial owners of the Loan; and (ii) the Loan is interest-free and may only be used and has been used for the purpose of paying up the registered capital of Culture Development.

The New Legal Owners shall pledge 100% of Culture Development's equity interests pursuant to the Share Pledge Agreement as security for the Loan.

If, in the opinion of CTV Media (Shanghai), the security provided by the New Legal Owners is not sufficient, CTV Media (Shanghai) is entitled to request the New Legal Owners to provide additional security such as guarantee, mortgage and charge.

If any of the New Legal Owners ceases to hold interests in Culture Development, whether directly or indirectly, the New Legal Owners may assign the Loan to any third party designated by CTV Media (Shanghai).

Term: The term of the loan in aggregate amount of RMB30 million owed by the New Legal Owners to CTV Media (Shanghai) shall be terminated on such date as CTV Media (Shanghai) considers appropriate and notified to the New Legal Owners.

### 3. Exclusive Purchase Option Agreement

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai)  
(ii) New Legal Owners  
(iii) Culture Development

Subject Matter: Each of the New Legal Owners irrevocably grant an exclusive option to CTV Media (Shanghai) which entitles CTV Media (Shanghai) or its designated nominee(s) to, subject to compliance with applicable PRC laws and regulations, elect to purchase all or part of the equity interests in Culture Development held by the New Legal Owners at the minimum price permitted by the then applicable PRC laws and regulations. Each of the New Legal Owners has undertaken to return to CTV Media (Shanghai) any consideration they received in the event that CTV Media (Shanghai) exercises such option to acquire the equity interests in Culture Development.

Culture Development irrevocably grants an exclusive option to CTV Media (Shanghai) which entitles CTV Media (Shanghai) or its designated nominee(s) to, subject to compliance with applicable PRC laws and regulations, elect to purchase all or part of the asset of Culture Development at the minimum price permitted by the then applicable PRC laws and regulations. Culture Development has undertaken to return to CTV Media (Shanghai) any consideration it received in the event that CTV Media (Shanghai) exercises such option to acquire the asset of Culture Development.

In order to prevent the flow of assets and value of Culture Development to the New Legal Owners, each of Culture Development and/or the New Legal Owners also undertakes with CTV Media (Shanghai) not to, among other things, (i) supplement, change or amend the articles of association of Culture Development, increase or reduce its registered capital or change its structure of registered capital in any other manner without prior written consent of CTV Media (Shanghai); (ii) provide or receive loans or guarantee except under the New Structure Contracts; (iii) merge or consolidate with, acquire or invest in any entity; (iv) distribute dividends or profits to the New Legal Owners; and (v) sell, transfer, mortgage or otherwise dispose of any of their interests in Culture Development or be allowed to create any encumbrances on them, except under the New Structure Contracts.

Term: A period of 10 years commencing from the Effective Date subject to early termination, which shall be automatically renewed for another 10 years unless CTV Media (Shanghai) serves notice in writing to Culture Development prior to expiry of the initial term.

#### 4. Equity Pledge Agreement

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai) as pledgee  
(ii) New Legal Owners as pledgor

Subject Matter: The New Legal Owners agreed to pledge all their respective equity interests in Culture Development to CTV Media (Shanghai) to secure Culture Development's and/or the New Legal Owners' due performance of all the obligations under the Exclusive Consultancy Service Agreement and the Loan Agreement. CTV Media (Shanghai) shall be entitled to all dividend generated from the equity interests in Culture Development pledged to CTV Media (Shanghai).

During the term of the Equity Pledge Agreement, the New Legal Owners shall not, among other matters, transfer any of the equity interests of Culture Development without prior written consent of CTV Media (Shanghai).

Term: The pledge shall take effect upon the Effective Date and shall remain valid until one year after the expiration of all the contractual obligations of Culture Development and the New Legal Owners under the Exclusive Consultancy Service Agreement and the Loan Agreement.

#### 5. Business Operation Agreement

Date: 27 April 2018

Parties: (i) CTV Media (Shanghai)  
(ii) Culture Development  
(iii) New Legal Owners

Subject Matter: At the request of Culture Development, CTV Media (Shanghai) may opt to serve as performance guarantor for Culture Development in any business operation agreements or transactions Culture Development may enter into with third parties, in which case, as a counter-guarantee, Culture Development shall pledge 100% of its account receivable arising from its business operation to CTV Media (Shanghai).

Each of Culture Development and the New Legal Owners agree that, in the absence of CTV Media (Shanghai)'s written consent, Culture Development shall not engage in any transaction which may materially affect its asset, obligations, right and operation, including but not limited to: (i) borrowing or assuming liabilities from any third party that exceed RMB10 million; (ii) selling to or acquiring asset or rights from any third party, including but not limited to intellectual property rights; (iii) providing guarantee in favour of any third party by creating security over its asset and intellectual property; and (iv) transferring any operational agreement in the amount exceeding RMB10 million to any third party.

Each of Culture Development and the New Legal Owners also agree to appoint CTV Media (Shanghai)'s nominees as directors of Culture Development, and nominees who are employed by CTV Media (Shanghai) as general manager, chief finance officer and other senior management. Such senior management's role in Culture Development will be terminated upon such senior management ceasing to be employed by CTV Media (Shanghai) (whether voluntarily or not).

Each of Culture Development and the New Legal Owners agrees to first seek assistance from CTV Media (Shanghai) in the event Culture Development requires any performance guarantee or guarantee for obtaining financing. In such circumstances, CTV Media (Shanghai) may, and is not obliged to do so, provide relevant guarantee in favour of Culture Development. Otherwise CTV Media (Shanghai) shall provide a written notification to Culture Development whereby Culture Development may seek guarantee from other third parties in accordance to CTV Media (Shanghai)'s instructions and recommendations.

**Term:** A period of 10 years commencing from the Effective Date, which shall be automatically renewed for another 10 years unless CTV Media (Shanghai) objects in writing prior to expiry of the initial term or altering the period of the renewed term.

In the event of termination of any of the New Structured Agreements, CTV Media (Shanghai) shall have the right but not the obligation to terminate the Business Operation Agreement.

The Business Operation Agreement shall be terminated prior to expiration of the term should the business period of either CTV Media (Shanghai) or Culture Development expires or be terminated by any other reason, unless the such party has transferred all rights and obligations under the Business Operation Agreement.

### Information on Culture Development and the New Legal Owners

Culture Development is a company established under the laws of the PRC which is owned as to 50% by Ms. Liu Zhiyi and 50% by Ms. Wang Hong during the year ended 31 December 2025 and as at the date of this report. Culture Development and its subsidiaries are engaging in the restricted business (defined below).

During the year ended 31 December 2025, Culture Development recorded a revenue of approximately RMB18.93 million and a consolidated revenue of approximately RMB122.70 million; a profit of approximately RMB0.02 million and a consolidated loss of approximately RMB5.54 million. As at 31 December 2025, the consolidated total assets and consolidated net liabilities of Culture Development were approximately RMB73.93 million and RMB49.64 million respectively.

During the year ended 31 December 2024, Culture Development recorded a revenue of approximately RMB20.87 million and a consolidated revenue of approximately RMB172.93million; a profit of approximately RMB8.69 million and a consolidated profit of approximately RMB3.40 million. As at 31 December 2024, the consolidated total assets and consolidated net liabilities of Culture Development were approximately RMB92.03 million and RMB40.37 million respectively.

Ms. Liu Zhiyi is a PRC resident and is the daughter of the Old Legal Owners. She is an executive director of the Company.

Ms. Wang Hong is a PRC resident and is the niece of the Old Legal Owners and the wife of Mr. Li Zongzhou, an executive Director. She is currently a vice president of the Group.

Ms. Liu Zhiyi, Ms. Wang Hong and Culture Development are all associates of connected persons of the Company and therefore connected persons of the Company under Chapter 14A of the Listing Rules.

### Reasons for adopting the VIE Structure

As advised by the Company's PRC legal adviser, under the regulations of the Catalogue of Industries for Guiding Foreign Investment (2017 Revision) (《外商投資產業指導目錄(2017年修訂)》) promulgated by of the National Development and Reform Commission and the Ministry of Commerce of the PRC, (i) the business of production of broadcasting and television programs in the PRC falls under the "prohibited" category which prohibits foreign investment; (ii) the business of value-added telecommunication in the PRC falls under the "restricted" category which restricts foreign investors to own more than 50% of the entity operating such business; and (iii) the business of network audio-visual programme in the PRC falls under the "prohibited" category which prohibits foreign investment (collectively referred to as the "restricted business"). As such, CTV Media (Shanghai) being a 99.7% owned subsidiary of the Company and a sino-foreign joint venture as well as any subsidiary of the Company are prohibited from or restricted in engaging in the restricted business owing to the aforesaid restriction. On the other hand, as Culture Development is not a foreign-invested enterprise, Culture Development and its subsidiaries can obtain and have obtained the relevant licenses required for conducting the restricted business in accordance with applicable PRC laws, namely, Radio and TV Program Production and Business Operation License (廣播電視節目製作經營許可證), Internet Content Provider License (電信與信息服務業務經營許可證) and Publication of Audio-Visual Programs through Information Network License (信息網絡傳播視聽節目許可證). Accordingly, the Company has been conducting the restricted business through Culture Development under the Old VIE Structure.

The New VIE Structure is in substance a renewal of the Old VIE Structure with the following amendments:

- (1) the registered shareholders of Culture Development will be changed from Mr. Chen Xin and Ms. Liu Jinlan to Ms. Liu Zhiyi and Ms. Wang Hong as part of the internal organisation and succession planning of the Company;
- (2) the consultancy fee payable by Culture Development to CTV Media (Shanghai) will be changed from 10% of the revenue of Culture Development to 100% of the consolidated profit before tax of Culture Development to ensure all economic benefits derived by Culture Development will be received by the Group;
- (3) as Culture Development no longer uses trademarks of CTV Media (Shanghai) in the course of its business, the parties did not seek to renew the Non-exclusive Trademark Licence Agreement under the Old VIE Structure;
- (4) provisions in respect of dispute resolution, succession are modified or inserted in observance of the requirements under the guidance letter HKEx-GL77-14 “Guidance on listed issuers using contractual arrangements for their businesses” published by the Stock Exchange; and
- (5) relevant provisions are modified or inserted and additional undertaking are provided by the New Legal Owners and the spouse of Ms. Wang Hong in order to enhance CTV Media (Shanghai)’s control over Culture Development and ensure the New VIE Structure can effectively confer all economic benefits from Culture Development to the Group.

The New VIE Structure offers better protection to the Company thereby ensuring it can exercise full control over the equity interests and assets of Culture Development and continue to consolidate the financial results of Culture Development into the accounts of the Company as if it was a subsidiary of the Company, and at the same time addressing the aforementioned foreign ownership restriction. The adoption of the VIE Structure is essential for the Company to continue engaging in the restricted business.

## Risks related to the VIE Structure

### 1. Potential changes in the PRC foreign investment legal regime

Notwithstanding the PRC legal adviser is of the view that the New Structure Contracts do not contravene any applicable laws and regulations, there is uncertainty regarding the interpretation and application of the PRC laws and regulations such that the PRC government may determine that the New Structure Contracts do not comply with the applicable laws and regulations of the PRC.

Moreover, on 19 January 2015, the Ministry of Commerce of the PRC circulated Foreign Investment Law of the People's Republic of China (Draft for Comment) (中華人民共和國外國投資法(草案徵求意見稿), "Draft Law"), which contains proposed changes to the PRC foreign investment legal regime and the treatment of the variable interests entity structure. The Draft Law (i) expressly specifies that foreign investments include situations where foreign investors obtain direct or indirect control or interests in the PRC enterprises through structured contracts, trust or other ways and (ii) implement a standardized foreign investment system and management system on restrictions on foreign investments under the prohibited and restricted lists. The Draft Law, if adopted, may have material impact on the PRC foreign investment legal regime.

As advised by the PRC legal adviser, since the Draft Law is not a bill or draft law under the relevant legislative law in the PRC, it does not have the effect of law and therefore poses no material impact on the New Structure Contracts.

### 2. There may be limitations in exercising the purchase rights to acquire equity interests in Culture Development

The Company adopted the New VIE Structure in order to indirectly participate in the restricted business and will unwind the New VIE Structure as soon as the law allows such business to be operated by foreign investors in the PRC without the VIE structure. However, CTV Media (Shanghai)'s acquisition of the shares and equity interests in Culture Development may only be conducted to the extent as permitted by applicable PRC laws and may also be subject to substantial costs. Under the Exclusive Purchase Option Agreement and subject to compliance with applicable PRC laws and regulations, CTV Media (Shanghai) or its designated nominee shall be entitled to exercise options to purchase the New Legal Owners' equity interests in Culture Development and assets of Culture Development at the minimum price permitted by applicable laws if such transfer of equity interests is allowed by the applicable PRC laws.

### 3. The Group depends upon the New VIE Structure to control and obtain economic benefits from Culture Development, which may not be as effective as direct ownership

The Group conducts the restricted business indirectly through Culture Development by the New VIE Structure, pursuant to which the Group has control over the operations and assets of Culture Development and is entitled to the economic benefits with respect to Culture Development's business. However, the New VIE Structure may not be as effective in providing the Group with control over Culture Development as direct ownership.

If the Group had direct ownership of Culture Development, the Group would be able to exercise its rights directly as a registered shareholder to effect changes in the board of directors of Culture Development, which in turn could effect changes at the management level, subject to any applicable fiduciary obligations. However, under the New VIE Structure, the Group will rely on Culture Development and its shareholders' (i.e. the New Legal Owners) performance of their contractual obligations to exercise effective control.

However, CTV Media (Shanghai) is granted with various shareholders' rights which enable CTV Media (Shanghai) to fully control the performance on the part of Culture Development and the New Legal Owners in the event that they do not cooperate. Further, the Company has also put in place internal control measures to minimize the relevant risk.

**4. There may be potential conflicts of interests between the New Legal Owners and the Company or CTV Media (Shanghai)**

Culture Development and its registered shareholders, the New Legal Owners, may fail to take certain actions required for the Group's running of the restricted business or to follow the Group's instructions despite their contractual obligations to do so. If they fail to perform their obligations under the relevant New Structure Contracts, the Group may have to rely on legal remedies under PRC laws which may not be effective.

However, various measures are in place to mitigate the risks associated with the potential conflicts of interests between the Group and the New Legal Owners.

**5. The New Structure Contracts may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed**

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or scrutiny by the tax authorities within ten years after the taxable year when the transactions are conducted. The Group could face material adverse tax consequences if the PRC tax authorities determine that the New Structure Contracts do not represent arm's length negotiations and therefore constitute unfavourable transfer pricing arrangements. Unfavourable transfer pricing arrangements could, among other things, result in an upward adjustment of the amount of tax that CTV Media (Shanghai) or Culture Development is required to pay. In addition, the PRC tax authorities may impose interests on late payments of CTV Media (Shanghai) or Culture Development for the adjusted but unpaid taxes. The New Structure Contracts have been negotiated and executed based on an equal standing and reflect the true commercial intention of CTV Media (Shanghai) or Culture Development.

**6. The Company does not have any insurance which covers the risks relating to the New Structure Contracts and the transactions contemplated thereunder**

The Group has not purchased any insurance to cover the risks relating to the New Structure Contracts and the Company has no intention to purchase any insurance in this regard. If any event affects the enforceability and operation of the New Structure Contracts, the financial and operation results of the Group may be adversely affected. While the Group has put in place internal control measures to minimize operational risk, the Group will continue to monitor the relevant legal and operational environment on a regular basis in order to comply with the applicable laws and regulations.

## Unwinding the New VIE Structure

The Company will unwind the New VIE Structure as soon as PRC laws and regulations allow the business of Culture Development to be operated without the New VIE Structure, and the Company or its nominee may acquire the equity interests in Culture Development held by the New Legal Owners and/or the assets and inventory of Culture Development allocated to the restricted business to the extent as permitted by then applicable PRC laws and regulations. In the event the Company exercises the options under the Exclusive Purchase Option Agreement to acquire the equity interests in Culture Development held by the New Legal Owners and/or the assets of Culture Development to unwind the New VIE Structure, each of the New Legal Owners and Culture Development has undertaken to return to CTV Media (Shanghai) any consideration they received.

However, for the year ended 31 December 2025, none of the New Structure Contracts have been unwound as none of laws regulating the business of Culture Development that led to the adoption of the New Structure Contracts has been removed.

## CONNECTED TRANSACTIONS

According to “INFORMATION ON VARIABLE INTEREST ENTITY (“VIE”) STRUCTURE” section disclosed above, the transactions contemplated under the Loan Agreement and the Exclusive Purchase Option Agreement constitute connected transactions whilst the transaction contemplated under the Exclusive Consultancy Service Agreement constitutes a continuing connected transaction of the Company. Please refer to the above “INFORMATION ON VARIABLE INTEREST ENTITY (“VIE”) STRUCTURE” section for details of the said connected transactions.

The Company has applied and the Stock Exchange has granted a waiver from strict compliance with (i) setting a fixed period for the New Structure Contracts pursuant to Rule 14A.52; and (ii) setting a maximum aggregate annual cap for the service fees under the Exclusive Consultancy Service Agreement pursuant to Rule 14A.53.

The Independent Non-executive Directors have reviewed the continuing connected transaction and confirmed that the transaction has been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; (d) the transaction carried out during the year ended 31 December 2025 has been entered into in accordance with the relevant provisions of the New Structure Contracts, has been operated so that the consolidated profit generated by Culture Development has been substantially retained by the Group; and (e) no dividends or other distributions have been made by Culture Development to the New Legal Owners which are not otherwise subsequently assigned or transferred to the Group.

The Company’s auditors, KPMG, were engaged to report on the Group’s continuing connected transaction 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 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. KPMG have issued a letter containing the findings and conclusions in respect of the continuing connected transaction disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. Nothing has come to their attention that causes them to believe that such transaction: (i) has not been approved by the Board; (ii) was not entered into, in all material respects, in accordance with the relevant New Structure Contracts; and (iii) that dividends or other distributions have been made by Culture Development to the New Legal Owners which are not otherwise subsequently assigned or transferred to the Group.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the section headed "INFORMATION ON VARIABLE INTEREST ENTITY ("VIE") STRUCTURE", no transaction, arrangement nor contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company, his connected entity or his/her associate had a material interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during the year under review.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Other than outstanding Options under the Share Option Scheme as disclosed above, at no time during the year ended 31 December 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or his/her spouse or children under 18 years of age, or were any such rights exercised by them; nor was the Company, or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## MANAGEMENT CONTRACTS

Save for employment contracts, no contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended 31 December 2025.

## PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

Such permitted indemnity provisions have been in force throughout the year under review and is currently in force at the time of approval of this report.

## EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 172 of the annual report. The summary does not form part of the financial statements.

## PROVIDENT AND RETIREMENT FUND SCHEMES

The Group's employees participate in various defined contribution schemes stipulated by the governments, under which the Group is required to make monthly contributions to these schemes. The Group's subsidiaries contribute funds to the retirement benefit schemes, which are calculated based on a stipulated percentage of the employee salary. The Group has no further obligations for the actual payment of post-retirement benefits beyond the said contributions.

Details of the Group's contributions to the retirement benefit schemes are shown in note 5(b) to the financial statements.

## AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by the Company's auditors, KPMG, who shall retire and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as the Company's auditors will be proposed at the forthcoming AGM.

## AUDIT COMMITTEE

The annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee of the Company, which is of the opinion that the preparation of such financial information complies with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

**Chen Xin**

*Chairman*

# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINOMEDIA HOLDING LIMITED

(incorporated in Hong Kong with limited liability)

### OPINION

We have audited the consolidated financial statements of SinoMedia Holding Limited ("the Company") and its subsidiaries ("the Group") set out on pages 115 to 171, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory 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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by 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"), as applicable to audits of financial statements of public interest entities. We have also 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.

### 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.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Recognition of revenue from placement of media advertisements

Refer to note 3 to the consolidated financial statements and accounting policies in notes 1(t)(i) and (ii).

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's revenue is generated principally from TV media resources management and digital marketing, with a significant portion of income generated from the placement of media advertisements.</p> <p>Revenue from the placement of media advertisements is generally recognised over the performance period for which the services are rendered based on the progress of the advertisements displayed.</p> <p>We identified the recognition of revenue from placement of media advertisements as a key audit matter because revenue is one of the key performance indicators of the Group which gives rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulation to meet targets or expectations and placement of media advertisements represented a significant portion of the Group's total revenue.</p>	<p>Our audit procedures to assess the recognition of revenue from placement of media advertisements included the following:</p> <ul style="list-style-type: none"><li>• assessing the design, implementation and operating effectiveness of key internal controls over recognition of revenue from placement of media advertisements;</li><li>• inspecting, on a sample basis, advertising contracts to identify terms and conditions relating to revenue recognition and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</li><li>• comparing a sample of revenue transactions recorded during the year with the underlying advertising contracts and monitoring reports and recalculating the percentage of advertisements placed to assess if revenue had been recognised in accordance with the Group's revenue recognition policies;</li><li>• comparing revenue transactions recorded before and after the financial year end date, on a sample basis, with the underlying advertising contracts and monitoring reports and recalculating the percentage of advertisements placed at the year end date to assess if revenue had been recognised in the appropriate financial period;</li><li>• assessing the reliability of the monitoring reports provided by management for advertisements placed on TV media by comparison with third party monitoring reports obtained by the audit team, on a sample basis; and</li><li>• inspecting relevant underlying documentation for journal entries relating to revenue which were considered to meet specific risk-based criteria.</li></ul>

## KEY AUDIT MATTERS (CONTINUED)

### Expected credit loss allowances for trade receivables

Refer to note 14 and note 23(a) to the consolidated financial statements and the accounting policies in note 1(j)(i).

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's trade receivables mainly arose from media resources management operations.</p> <p>Management measures loss allowances at an amount equal to lifetime ECL of the trade receivables based on estimated loss rate for each category of trade receivables grouped according to the shared credit risk characteristics. The estimated loss rates take into account the ageing of trade receivable balances, the payment history of the Group's customers, current market conditions, and forward-looking information. Such assessment involves management judgement and estimation.</p> <p>We identified expected credit loss allowances for trade receivables as a key audit matter because trade receivables are material to the Group and the recognition of expected credit loss allowances is inherently subjective.</p>	<p>Our audit procedures to assess the expected credit loss allowances for trade receivables included the following:</p> <ul style="list-style-type: none"><li>• obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, estimation of expected credit losses and making related allowances;</li><li>• evaluating the Group's policy for estimating the credit loss allowances with reference to the requirements of the prevailing accounting standard;</li><li>• obtaining an understanding on the key data and assumptions of the expected credit loss model adopted by the management, including the basis of the segmentation of the trade receivable based on shared credit risk characteristics, the historical default data and assumptions used in management's estimated loss rates;</li><li>• assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current market conditions and forward-looking information;</li><li>• assessing whether items in the trade receivables ageing report were categorised in the appropriate ageing bracket by comparing individual items, on a sample basis, with advertising contracts and monitoring report; and</li><li>• re-performing the calculation of the loss allowances at the end of the reporting period based on the Group's credit loss allowance policies.</li></ul>

# Independent Auditor's Report

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that we included within the other information.

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

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

## RESPONSIBILITIES OF THE 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 as issued by the IASB, HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The engagement partner on the audit resulting in this independent auditor's report is Hui Sau Yee, Jenny (practising certificate number: P05552).

### **KPMG**

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

31 March 2026

# Consolidated Statement of Profit or Loss

for the year ended 31 December 2025  
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3	<b>382,288</b>	612,517
Cost of services		<b>(245,916)</b>	(410,951)
<b>Gross profit</b>		<b>136,372</b>	201,566
Other income	4	<b>4,574</b>	7,293
Selling and marketing expenses		<b>(30,829)</b>	(36,724)
General and administrative expenses		<b>(42,372)</b>	(50,063)
<b>Profit from operations</b>		<b>67,745</b>	122,072
Finance income	5(a)	<b>28,438</b>	35,139
Finance costs	5(a)	<b>(65)</b>	(9,058)
<b>Net finance income</b>		<b>28,373</b>	26,081
<b>Profit before taxation</b>		<b>96,118</b>	148,153
Income tax	6(a)	<b>(15,699)</b>	(41,799)
<b>Profit for the year</b>		<b>80,419</b>	106,354
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>80,043</b>	106,961
Non-controlling interests		<b>376</b>	(607)
<b>Profit for the year</b>		<b>80,419</b>	106,354
<b>Earnings per share</b>			
Basic and diluted (RMB cents)	9	<b>17.1</b>	23.2

The notes on pages 121 to 171 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 22(b).

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2025  
(Expressed in Renminbi)

	2025 RMB'000	2024 RMB'000
<b>Profit for the year</b>	<b>80,419</b>	106,354
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</b>		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income		
— net movement in fair value reserve (non-recycling)	<b>15,845</b>	213,739
Exchange differences on translation of financial statements of the Company	<b>(25,648)</b>	21,731
	<b>(9,803)</b>	235,470
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the overseas subsidiaries	<b>9,229</b>	(93)
Other comprehensive income for the year	<b>(574)</b>	235,377
<b>Total comprehensive income for the year</b>	<b>79,845</b>	341,731
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>79,469</b>	342,338
Non-controlling interests	<b>376</b>	(607)
<b>Total comprehensive income for the year</b>	<b>79,845</b>	341,731

The notes on pages 121 to 171 form part of these financial statements.

# Consolidated Statement of Financial Position

at 31 December 2025  
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	10	161,558	161,319
Investment property	10	492,851	507,684
Intangible assets	11	901	1,639
Other non-current financial assets	13	512,960	375,993
		<b>1,168,270</b>	1,046,635
<b>Current assets</b>			
Inventories		1,552	603
Other current financial assets	13	72,798	—
Trade receivables, other receivables and prepayments	14	98,696	126,405
Restricted cash		80	—
Bank deposits	15	338,840	719,273
Cash and cash equivalents	16	316,191	217,422
		<b>828,157</b>	1,063,703
<b>Current liabilities</b>			
Trade and other payables	17	63,208	72,807
Contract liabilities and advance from customers	18	25,923	65,994
Lease liabilities	19	831	925
Current taxation	21(a)	17,248	24,782
		<b>107,210</b>	164,508
<b>Net current assets</b>		<b>720,947</b>	899,195
<b>Total assets less current liabilities</b>		<b>1,889,217</b>	1,945,830

# Consolidated Statement of Financial Position

at 31 December 2025  
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Non-current liability</b>			
Lease liabilities	19	—	837
<b>NET ASSETS</b>		<b>1,889,217</b>	1,944,993
<b>CAPITAL AND RESERVES</b>			
Share capital	22(c)	529,218	510,981
Reserves		1,369,539	1,443,903
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,898,757</b>	1,954,884
Non-controlling interests		(9,540)	(9,891)
<b>TOTAL EQUITY</b>		<b>1,889,217</b>	1,944,993

Approved and authorised for issue by the board of directors on 31 March 2026

**Chen Xin**

Chairman

**Li Zongzhou**

Director

The notes on pages 121 to 171 form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2025  
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (note 22(c))	Capital reserve RMB'000 (note 22(d)(i))	Statutory reserve RMB'000 (note 22(d)(ii))	Translation reserve RMB'000 (note 22(d)(iii))	Other reserves RMB'000 (note 22(d)(iv))	Retained profits RMB'000	Total RMB'000		
<b>Balance at 1 January 2025</b>	<b>510,981</b>	<b>31,033</b>	<b>126,817</b>	<b>36,118</b>	<b>140,739</b>	<b>1,109,196</b>	<b>1,954,884</b>	<b>(9,891)</b>	<b>1,944,993</b>
<b>Changes in equity for 2025:</b>									
Profit for the year	–	–	–	–	–	80,043	80,043	376	80,419
Other comprehensive income	–	–	–	(16,419)	15,845	–	(574)	–	(574)
Total comprehensive income	–	–	–	(16,419)	15,845	80,043	79,469	376	79,845
Shares issued under share option scheme (note 20)	15,041	–	–	–	–	–	15,041	–	15,041
Transfer of capital reserve upon exercise of share options (note 20)	3,196	(3,196)	–	–	–	–	–	–	–
Purchase of own shares (note 22(c)(ii))	–	–	–	–	–	(717)	(717)	–	(717)
Dividends declared by a subsidiary to the non-controlling equity owner	–	–	–	–	–	–	–	(25)	(25)
Dividends approved and paid to equity shareholders of the Company (note 22(b)(ii))	–	–	–	–	–	(149,920)	(149,920)	–	(149,920)
<b>Balance at 31 December 2025</b>	<b>529,218</b>	<b>27,837</b>	<b>126,817</b>	<b>19,699</b>	<b>156,584</b>	<b>1,038,602</b>	<b>1,898,757</b>	<b>(9,540)</b>	<b>1,889,217</b>
<b>Balance at 1 January 2024</b>	510,981	31,033	126,817	14,480	(73,000)	1,070,543	1,680,854	(8,834)	1,672,020
<b>Changes in equity for 2024:</b>									
Profit for the year	–	–	–	–	–	106,961	106,961	(607)	106,354
Other comprehensive income	–	–	–	21,638	213,739	–	235,377	–	235,377
Total comprehensive income	–	–	–	21,638	213,739	106,961	342,338	(607)	341,731
Dividends declared by a subsidiary to the non-controlling equity owner	–	–	–	–	–	–	–	(450)	(450)
Dividends approved and paid to equity shareholders of the Company (note 22(b)(ii))	–	–	–	–	–	(68,308)	(68,308)	–	(68,308)
<b>Balance at 31 December 2024</b>	510,981	31,033	126,817	36,118	140,739	1,109,196	1,954,884	(9,891)	1,944,993

The notes on pages 121 to 171 form part of these financial statements.

# Consolidated Cash Flow Statement

for the year ended 31 December 2025  
(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Operating activities</b>			
Cash generated from operations	16(b)	62,657	107,628
Income tax paid	21(a)	(23,233)	(41,116)
<b>Net cash generated from operating activities</b>		<b>39,424</b>	<b>66,512</b>
<b>Investing activities</b>			
Payment for purchase of equity securities		(211,746)	(18,420)
Payment for purchase of property, plant and equipment		(7,129)	(484)
Proceeds from disposal of equity securities		18,486	—
Net decrease/(increase) in bank deposits		367,378	(213,531)
Interest received		27,195	35,139
Dividends received from investments in securities	13(a)	1,051	1,154
Other cash flow generated from investing activities		14	2
<b>Net cash generated/(used) in investing activities</b>		<b>195,249</b>	<b>(196,140)</b>
<b>Financing activities</b>			
Payment for purchase of own shares	22(c)	(717)	—
Dividends paid to equity shareholders of the Company	22(b)	(149,920)	(68,308)
Capital element of lease rentals paid	16(c)	(931)	(855)
Interest element of lease rentals paid	16(c)	(65)	(87)
Proceeds from shares issued under share option scheme	20	15,041	—
<b>Net cash used in financing activities</b>		<b>(136,592)</b>	<b>(69,250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>98,081</b>	<b>(198,878)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>217,422</b>	<b>416,005</b>
<b>Effect of foreign exchange rate changes</b>		<b>688</b>	<b>295</b>
<b>Cash and cash equivalents at 31 December</b>		<b>316,191</b>	<b>217,422</b>

The notes on pages 121 to 171 form part of these financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). As HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), are derived from and consistent with IFRS Accounting Standards, these financial statements also comply with HKFRS Accounting Standards. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. The equivalent amendments to HKFRS Accounting Standards consequently issued by the HKICPA as a result of these developments have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The financial statements are presented in Renminbi (“RMB”, the “presentation currency”), which is different from the functional currency of the Company, rounded to the nearest thousand. The Company’s functional currency is Hong Kong dollars (“HKD”). As majority of the Group’s operations are conducted by the Group’s subsidiaries in the PRC, the directors of the Company consider that it is appropriate to present the consolidated financial statements in RMB.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the investments in equity securities are stated at fair value as explained in note 1(e).

The preparation of financial statements in conformity with IFRS Accounting Standards and HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards and HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Changes in accounting policies

The Group has applied the amendments to International Accounting Standard (“IAS”)/HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB/HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(o) or (p), depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 23(d). These investments are subsequently accounted for as follows, depending on their classification.

#### (i) *Non-equity investments*

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(t)(v)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Fair value through other comprehensive income ("FVOCI")-recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income ("OCI"). When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### (ii) *Equity investments*

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in other reserves is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(t)(iv)).

### (f) Investment property

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses (see note 1(j)). Cost includes expenditure that is directly attributable to the acquisition of the properties. Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 1(t)(iii).

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Property, plant and equipment

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(j)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

— Buildings	30–45 years
— Fixtures, fittings and computer equipment	3–5 years
— Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (h) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(j)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

— Capitalised development costs	10 years
— Patents and trademarks	10 years
— Software	3–10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) *As a lessee*

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(g) and 1(j)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(e)(i) and 1(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Leased assets (Continued)

#### (ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(t)(iii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(i)(i), then the Group classifies the sub-lease as an operating lease.

### (j) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECL”s) on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables); and
- lease receivables.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments and lease receivables (Continued)

##### *Measurement of ECLs (Continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

##### *Significant increases in credit risk*

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments and lease receivables (Continued)

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

##### *Write-off policy*

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### (ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (ii) Impairment of other non-current assets (Continued)

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(t)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 1(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 1(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 1(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(t)).

### (m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(j)(i)).

### (n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 1(j)(i)).

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### (p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(v).

### (q) Employee benefits

#### (i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

#### (ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

#### (iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

### (r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (r) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

### (s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(j)(ii)).

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (s) Provisions and contingent liabilities (Continued)

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 of economic benefits 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 of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

For revenue transactions where the Group is the principal, it recognises revenue on a gross basis, including the revenue derived from the placement of advertisements through media resources that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the media resources before they are transferred to customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the media resources.

The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15/HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less. In addition, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15/HKFRS 15 as the Group's sales contracts had an original duration of one year or less.

Further details of the Group's revenue and other income recognition policies are as follows :

#### (i) *TV media resources management and integrated communication*

Revenue from TV media resources management is primarily derived from the placement of advertisements on television. The revenue is recognised over the performance period for which the services are rendered based on the progress of the advertisements displayed. The progress is assessed by reference to reports issued by an independent third party with relevant qualification and experience on a monthly basis, which evidence the advertisement actually broadcast.

Revenue from integrated communication is primarily derived from commissions received for assisting advertising clients in obtaining advertising time on media platforms, primarily television stations. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (t) Revenue and other income (Continued)

#### (ii) *Digital marketing, content operations and others*

Revenue from digital marketing is primarily derived from digital precision marketing and the placement of advertisements on digital media. Revenue from digital marketing is recognised over the performance period for which the services are rendered based on the progress of the advertisements displayed.

Revenue from content operations is primarily derived from advertisement production, other content production and integrated advertising services. Revenue from advertisement production is recognised when the advertisement product is delivered to the customer and the customer takes possession of and accepts the product. Revenue from other content production and integrated advertising services is recognised over the performance period for which the services are rendered based on the progress of the advertisements displayed, or is recognised when the Group fulfils the specific performance obligation under the contract terms with customers.

Revenue from others is primarily related to sales of goods and is recognised when the customer takes possession of and accepts the products.

#### (iii) *Rental income from operating leases*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

#### (iv) *Dividends*

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

#### (v) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

#### (vi) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI are recognised in OCI.

The assets and liabilities of foreign operations are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

### (v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (w) Related parties

- (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 Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group 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.
  - (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).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (x) Segment reporting

Operating segments, and the amounts of each segment item reported in the 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.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (x) Segment reporting (Continued)

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

For the year ended 31 December 2025, there are RMB5,690 thousand of revenue generated from outside Chinese Mainland (2024: RMB8,165 thousand). As at 31 December 2025, the Group's non-current assets other than other non-current financial assets and deferred tax assets, which physically locate outside Chinese Mainland, are amounting to RMB8 thousand (2024: RMB5 thousand).

## 2 ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Note 23(d) contains information about the assumptions and their risk factors relating to fair value of financial assets measured at FVPL and FVOCI. Key sources of estimation uncertainty in the preparation of the consolidated financial statements are as follows:

### (i) Expected credit losses for receivables

The credit losses for trade and other receivables are based on assumptions about risk of expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period. For details of the key assumptions and inputs used, see Note 23(a). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional loss allowances in future periods.

### (ii) Depreciation

Property, plant and equipment and investment property are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates.

### 3 REVENUE

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

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

	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15/HKFRS 15</b>		
— Revenue from TV media resources management and integrated communication	219,783	392,976
— Revenue from digital marketing, content operations and others	137,153	184,245
	<b>356,936</b>	577,221
<b>Revenue from other sources</b>		
— Rental income	25,352	35,296
	<b>382,288</b>	612,517

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
<b>Disaggregated by timing of revenue recognition</b>		
— Point in time	49,055	46,290
— Over time	307,881	530,931
	<b>356,936</b>	577,221

The Group's customer with whom transactions have exceeded 10% of the Group's revenue is as below:

	2025 RMB'000	2024 RMB'000
Customer A	118,559	210,818
Customer B	40,906	*

\* Transactions with Customer B did not exceeded 10% of the Group's revenue in year 2024.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 4 OTHER INCOME

	Note	2025 RMB'000	2024 RMB'000
Government grants	(i)	1,339	527
Change in fair value of financial assets measured at FVPL	(ii)	3,584	4,371
Dividend income	13(a)	1,051	1,154
Others		(1,400)	1,241
		<b>4,574</b>	<b>7,293</b>

Notes:

- (i) It is the unconditional discretionary grants received from the local government authorities in recognition of the Group's contribution to the development of the local economy.
- (ii) The change in fair value of financial assets mainly arises from the investment in China Feihe Limited, Persistence Gold Group Ltd. and Shenzhen Xunce Technology Co., Ltd. (see note 13(a)).

## 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (a) Finance income and costs

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	27,195	35,139
Net foreign exchange gain	1,243	—
Finance income	28,438	35,139
Net foreign exchange loss	—	(8,971)
Interest on lease liabilities (note 16(c))	(65)	(87)
Finance costs	(65)	(9,058)
Net finance income	28,373	26,081

### (b) Staff costs

	Note	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits		43,904	44,269
Contributions to defined contribution retirement plan	(i)	4,145	4,707
		48,049	48,976

Note:

- (i) As stipulated by the regulations of the PRC, the Group participates in a defined contribution retirement plan organised by municipal and provincial governments for its employees. The Group is required to make contributions to the contribution retirement plan at a rate of 16% (2024: 15% to 16%) of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

The Group also operates defined contribution retirement plans for its employees in Hong Kong and Singapore. The Group is required to make contributions to the plans at various applicable rates on monthly salary of related employees in accordance with the local regulations.

Contributions to the defined contribution retirement plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 5 PROFIT BEFORE TAXATION (CONTINUED)

### (c) Other items

The following expenses are included in cost of services, selling and marketing expenses and general and administrative expenses.

	Note	2025 RMB'000	2024 RMB'000
Amortisation cost			
— intangible assets	11	738	851
Depreciation charge	10(a)		
— owned property, plant and equipment		20,723	20,248
— right-of-use assets		935	1,036
		21,658	21,284
(Reversal)/recognition of impairment losses			
— trade debtors	23(a)	(7,539)	(7,256)
— other debtors		(1,785)	2,534
		(9,324)	(4,722)
Auditors' remuneration			
— audit services		2,493	2,637
Direct operating expenses (excluding depreciation)			
— investment property		656	965

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
Provision for income tax for the current year (note 21(a))	17,032	45,451
(Over)/under-provision in respect of prior years (note 21(a))	(1,333)	1,268
	15,699	46,719
<b>Deferred tax</b>		
Origination and reversal of temporary differences (note 21(b))	—	(4,920)
Total income tax expense	15,699	41,799

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Profit before taxation	<b>96,118</b>	148,153
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii))	<b>21,691</b>	37,659
Tax effect of temporary differences not recognised	<b>534</b>	(465)
Tax effect of utilisation of previously unrecognised tax losses	<b>(508)</b>	(1,903)
Dividends withholding tax (Note (iv))	<b>—</b>	7,273
Tax effect of non-deductible expenses	<b>312</b>	3,367
Tax effect of non-taxable income	<b>(4,997)</b>	(5,400)
(Over)/under-provision in respect of prior years	<b>(1,333)</b>	1,268
<b>Actual tax expense</b>	<b>15,699</b>	41,799

Notes:

- (i) For the years ended 31 December 2025 and 2024, SinoMedia (Asia Pacific) Company Limited incorporated in Hong Kong is under the two-tiered profits tax regime. The first HKD2 million of assessable profits earned are taxed at half of the current tax rate (i.e. 8.25%) and the remaining assessable profits are taxed at 16.5%.

For the years ended 31 December 2025 and 2024, the assessable profits earned by the Company are taxed at 16.5%. The Company and its subsidiaries incorporated in Hong Kong did not have assessable profits subject to Hong Kong profits tax for the year ended 31 December 2025 (2024: Nil).

- (ii) The corporate income tax rate of the Company's subsidiary in Singapore is 17% (2024: 17%). No provision has been made for Singapore income tax as this subsidiary did not have assessable profits for the year ended 31 December 2025 (2024: Nil).

- (iii) The provision for PRC income tax is based on the respective applicable rates on the estimated assessable income of the group entities in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

For the year ended 31 December 2025, certain group entities established in the PRC are taxed at a preferential rate of 20% (2024: 20%) as small meager-profit enterprises.

For the year ended 31 December 2025, one group entity established in the PRC is taxed at a preferential rate of 15% as qualifying company in Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

Other group entities established in the PRC are subject to PRC corporate income tax rate of 25% (2024: 25%).

- (iv) For the year ended 31 December 2025, the Company applied dividends withholding tax rate at 5% as it obtained the certificate of resident of the Hong Kong Special Administrative Region under the "Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect of Taxes on Income" (2024: 5%).

- (v) The Group has made an assessment of the Group's exposure from the enactment of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development and considers that the enactment of the rules has no significant impact on the consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### For the year ended 31 December 2025

	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to defined contribution plan RMB'000	2025 Total RMB'000
<b>Executive directors</b>					
Liu Jinlan	—	1,037	—	53	1,090
Chen Xin	—	856	—	100	956
Li Zongzhou	—	725	—	—	725
Liu Zhiyi	—	939	—	110	1,049
<b>Independent non-executive directors</b>					
Qi Daqing	210	—	—	—	210
IP Hung	183	—	—	—	183
Tan Henry	183	—	—	—	183
Zhang Hua	183	—	—	—	183
	<b>759</b>	<b>3,557</b>	<b>—</b>	<b>263</b>	<b>4,579</b>

### For the year ended 31 December 2024

	Directors' fees RMB'000	Salaries, allowances and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to defined contribution plan RMB'000	2024 Total RMB'000
<b>Executive directors</b>					
Liu Jinlan	—	1,090	500	54	1,644
Chen Xin	—	865	300	108	1,273
Li Zongzhou	—	755	100	—	855
Liu Zhiyi	—	928	250	175	1,353
<b>Independent non-executive directors</b>					
Qi Daqing	211	—	—	—	211
IP Hung	183	—	—	—	183
Tan Henry	183	—	—	—	183
Zhang Hua	183	—	—	—	183
	<b>760</b>	<b>3,638</b>	<b>1,150</b>	<b>337</b>	<b>5,885</b>

## 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: four) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining two individuals (2024: one individual) are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits in kind	1,402	725
Discretionary bonuses	—	453
Contribution to defined contribution plan	132	132
	<b>1,534</b>	1,310

The emoluments of the two individuals (2024: one individual) with the highest emoluments are within the following bands:

	2025	2024
HKD Nil to HKD 1,000,000	2	—
HKD1,000,001 to HKD 1,500,000	—	1

## 9 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB80,043 thousand (2024: RMB106,961 thousand) and the weighted average of 467,374,362 ordinary shares (2024: 461,635,370) in issue during the year, calculated as follows:

	2025 RMB'000	2024 RMB'000
<b>Earnings</b>		
Profit attributable to ordinary equity shareholders	<b>80,043</b>	106,961
	2025	2024
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares at 1 January	<b>461,635,370</b>	461,635,370
Effect of share options exercised (note 20)	<b>5,738,992</b>	—
Weighted average number of ordinary shares at 31 December	<b>467,374,362</b>	461,635,370

### (b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding for the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

### (a) Reconciliation of carrying amount

	Buildings held for own use carried at cost RMB'000	Fixtures, fittings and computer equipment RMB'000	Motor vehicles RMB'000	Sub-total RMB'000	Investment property RMB'000	Total RMB'000
<b>Original cost</b>						
Balance at 1 January 2024	239,094	11,262	13,438	263,794	683,770	947,564
Additions	820	474	—	1,294	—	1,294
Disposals	(2,566)	(3,607)	(142)	(6,315)	—	(6,315)
Balance at 31 December 2024	237,348	8,129	13,296	258,773	683,770	942,543
Balance at 1 January 2025	<b>237,348</b>	<b>8,129</b>	<b>13,296</b>	<b>258,773</b>	<b>683,770</b>	<b>942,543</b>
Additions	1,578	5,551	—	7,129	—	7,129
Disposals	—	(1,350)	—	(1,350)	—	(1,350)
Balance at 31 December 2025	<b>238,926</b>	<b>12,330</b>	<b>13,296</b>	<b>264,552</b>	<b>683,770</b>	<b>948,322</b>
<b>Depreciation</b>						
Balance at 1 January 2024	73,885	11,087	12,178	97,150	158,398	255,548
Charge for the year	6,059	227	165	6,451	14,833	21,284
Written back on disposals	(2,566)	(3,446)	(135)	(6,147)	—	(6,147)
Balance at 31 December 2024	77,378	7,868	12,208	97,454	173,231	270,685
Balance at 1 January 2025	<b>77,378</b>	<b>7,868</b>	<b>12,208</b>	<b>97,454</b>	<b>173,231</b>	<b>270,685</b>
Charge for the year	5,955	870	—	6,825	14,833	21,658
Written back on disposals	—	(1,285)	—	(1,285)	—	(1,285)
Balance at 31 December 2025	<b>83,333</b>	<b>7,453</b>	<b>12,208</b>	<b>102,994</b>	<b>188,064</b>	<b>291,058</b>
<b>Impairment loss</b>						
Balance at 1 January 2024, 31 December 2024 and 31 December 2025	—	—	—	—	2,855	2,855
<b>Net book value</b>						
At 31 December 2025	<b>155,593</b>	<b>4,877</b>	<b>1,088</b>	<b>161,558</b>	<b>492,851</b>	<b>654,409</b>
At 31 December 2024	159,970	261	1,088	161,319	507,684	669,003

According to the Property Valuation Report issued by Zhongxing Huazi (Beijing) Real Estate Appraisal Engineering Consulting Co. Ltd., an independent qualified valuer in Beijing, the fair value of the Group's material investment properties located in Beijing as at 31 December 2025 is RMB689,939 thousand (2024: RMB795,886 thousand).

## 10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

### (a) Reconciliation of carrying amount (Continued)

#### (i) Fair value hierarchy

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

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

The fair value measurement of the Group's investment properties falls into Level 3 of the fair value hierarchy.

#### (ii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of the Group's material investment properties located in Beijing, Chinese Mainland, is determined using income capitalisation approach and market comparison approach.

### (b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Properties leased for own use, carried at depreciated cost	(i)	1,057	1,970

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Note	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties leased for own use	5(c)	935	1,036
Interest on lease liabilities	5(a)	65	87
Expense relating to short-term leases	16(d)	499	786

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

### (b) Right-of-use assets (Continued)

During the year ended 31 December 2025, there are no additions to right-of-use assets (2024: RMB820 thousand).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 16(d) and 19, respectively.

#### (i) Properties leased for own use

The Group has obtained the right to use properties as its offices through tenancy agreements. The leases typically run for an initial period of 1 to 5 years. None of the leases includes variable lease payments.

### (c) Investment property

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 8 years, with an option to renew the lease after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	28,952	46,161
After 1 year but within 2 years	28,183	15,774
After 2 years but within 3 years	10,566	4,826
After 3 years but within 4 years	1,000	4,903
After 4 years but within 5 years	1,000	4,892
After 5 years	500	16,586
	<b>70,201</b>	<b>93,142</b>

## 11 INTANGIBLE ASSETS

	Development costs RMB'000	Patents and trademarks RMB'000	Softwares RMB'000	Total RMB'000
<b>Cost</b>				
At 1 January 2024	12,988	49,428	616	63,032
Disposals	(12,988)	—	—	(12,988)
At 31 December 2024, 1 January 2025 and 31 December 2025	—	49,428	616	50,044
<b>Accumulated amortisation</b>				
At 1 January 2024	12,988	39,311	543	52,842
Charge for the year	—	802	49	851
Disposals	(12,988)	—	—	(12,988)
At 31 December 2024 and 1 January 2025	—	40,113	592	40,705
Charge for the year	—	722	16	738
At 31 December 2025	—	40,835	608	41,443
<b>Impairment loss</b>				
At 1 January 2024, 31 December 2024 and 31 December 2025	—	7,700	—	7,700
<b>Net book value</b>				
At 31 December 2025	—	893	8	901
At 31 December 2024	—	1,615	24	1,639

The amortisation charge for the year is included in “general and administrative expenses” in the consolidated statement of profit or loss.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 12 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2025, the Company had direct and indirect interests in the following principal subsidiaries:

Name of companies	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest			Principal activities	Director(s)
			Group's effective interest	Held by the Company	Held by a subsidiary		
SinoMedia (Asia Pacific) Company Limited 中視金橋(亞太)有限公司	Hong Kong	10,000,000 shares	100%	100%	—	TV advertising agency, branding and content production services	Mr. Chen Xin Ms. Liu Jinlan
Sinomedia Global Pte. Ltd.	Singapore	2,000,000 shares of S\$1 each	100%	100%	—	Production and distribution of advertisement	Ms. Liu Jinlan Mr. Li Zongzhou
Golden Bridge Gold Investment Management Company Limited 金橋黃金投資管理有限公司	Hong Kong	100 shares	100%	100%	—	Gold related investment, manufacture and trade activities, equity investment and holding	Mr. Chen Xin Ms. Liu Jinlan
<b>Sino-foreign invested enterprise operated in the PRC</b>							
CTV Golden Bridge International Media Group Company Limited 中視金橋國際傳媒集團有限公司	Shanghai, the PRC	USD30,000,000	99.70%	99.70%	—	TV advertising agency, branding and content production services	Ms. Liu Jinlan
<b>Domestic companies operated in the PRC</b>							
Beijing Laite Laide Management Consultancy Company Limited 北京萊特萊德管理諮詢有限公司	Beijing, the PRC	RMB5,000,000	99.70%	—	100%	TV advertising agency, branding and content production services	Mr. Li Zongzhou
CTV Golden Bridge Advertising Company Limited 中視金橋廣告有限公司	Shanghai, the PRC	RMB50,000,000	99.70%	—	100%	TV advertising agency, branding and content production services	Mr. Li Zongzhou
Beijing Bozhiruicheng Information Consultancy Company Limited 北京博智瑞誠信息諮詢有限公司	Beijing, the PRC	RMB25,000,000	99.70%	—	100%	Investment holding	Ms. Wang Hong
CTV Golden Bridge Culture Development (Beijing) Company Limited 中視金橋文化發展(北京)有限公司	Beijing, the PRC	RMB30,000,000	99.70%	—	100%	Production and operation of broadcasting and television programs	Ms. Liu Zhiyi
Beijing Lotour Huicheng Internet Technology Company Limited 北京樂途匯誠網絡技術有限責任公司	Beijing, the PRC	RMB30,841,400	70.79%	—	71.00%	Information services, media production and advertisement services	Mr. Liu Xuming

## 12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of companies	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Proportion of ownership interest			Principal activities	Director(s)
			Group's effective interest	Held by the Company	Held by a subsidiary		
Hangzhou Sanji Media Company Limited 杭州三基傳媒有限公司	Hangzhou, the PRC	RMB50,930,000	99.70%	—	100%	Information services, media production and advertisement services	Ms. Li Mingzhu
Golden Bridge Wisdom Technology (Beijing) Company Limited 金橋智慧科技(北京)有限公司	Beijing, the PRC	RMB10,000,000	99.70%	—	100%	Advertisement design and production, agency and publishing services	Mr. Li Zongzhou
Pinmu Ronghe Business Management (Shanghai) Company Limited 品木融和企業管理(上海)有限公司	Shanghai, the PRC	RMB1,000,000	99.70%	—	100%	Corporate management, consulting and property management	Ms. Wang Hong
Pinmu Ronghe Property Management (Beijing) Company Limited 品木融和物業管理(北京)有限公司	Beijing, the PRC	RMB200,000	99.70%	—	100%	Corporate management, consulting and property management	Ms. Wang Hong
Xiaoxiao Xiongshi (Beijing) Technology Development Co., Ltd 小小雄獅(北京)科技發展有限公司	Beijing, the PRC	RMB4,250,000	83.77%	—	84.02%	Sales of fresh fruit, fresh vegetables, edible produce,	Ms. Liu Zhiyi
Xiaoxiaoxiong Lion (Tianjin) Technology Co., Ltd 小小雄獅(天津)科技有限公司	Beijing, the PRC	RMB100,000	83.77%	—	84.02%	Technology promotion and application services	Ms. Liu Zhiyi
CTV Golden Bridge Chuangxiang (Zhuhai) Cultural Technology Co., Ltd 金橋創想(珠海)文化科技有限公司	Zhuhai, the PRC	RMB10,000,000	100%	100%	—	TV advertising agency, branding and content production services	Mr. Chen Xin
CTV Golden Bridge International Document Time Culture Company Limited 北京金橋紀錄時代國際傳媒有限公司	Beijing, the PRC	RMB50,000,000	77.77%	—	78%	TV advertising agency, branding and content production services	Mr. Li Zongzhou

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 13 OTHER INVESTMENTS IN EQUITY SECURITIES

### (a) Financial assets measured at FVPL

	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Investments not held for trading			
— Equity securities listed in Hong Kong	(i)	129,280	20,407
<b>Current assets</b>			
Trading securities			
— Equity securities listed in Hong Kong	(ii)	72,798	—

Notes:

- (i) As at 31 December 2025, the Group holds issued shares of Shenzhen Xunce Technology Co., Ltd. (stock code: 3317), Persistence Gold Group Ltd (stock code: 2489) and China Feihe Limited (stock code: 6186) and designated these investments at FVPL. Dividends received on these investments were HKD1,149 thousand (approximately RMB1,051 thousand) during the year ended 31 December 2025 (2024: approximately RMB1,154 thousand).
- (ii) As at 31 December 2025, the Group holds issued shares of Shenzhen Xunce Technology Co., Ltd. (stock code: 3317) under the discretionary account managed by Orient Asset Management (Hong Kong) Limited. The Group would redeem its assets from the discretionary account within one year.

### (b) Equity securities designated at FVOCI

	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Equity securities listed in Hong Kong	(i)	323,653	—
Investments in unlisted equity securities	(ii)	60,027	355,586
		<b>383,680</b>	<b>355,586</b>

Notes:

- (i) As 31 December 2025, the Group holds issued shares of Bloks Group Limited (stock code: 0325) and designated the investment at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the year ended 31 December 2025 (2024: Nil).
- (ii) At 31 December 2025, investments in unlisted equity securities mainly represent shares in Heilongjiang North Latitude 47 Green Organic Food Co., Ltd. (Heilongjiang North Latitude) and Beijing AIQI Technology Company Limited ("Beijing AIQI"). The Group designated these investments in unlisted equity securities at FVOCI (non-recycling), as these investments are held for strategic purposes. No dividends were received on these investments during the year ended 31 December 2025 (2024: Nil).

## 14 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Trade debtors and bills receivable, net of loss allowance ( <i>note 23(a)</i> )	<b>64,720</b>	76,387
Deposits to media suppliers	<b>11,083</b>	7,006
Advances to employees, net of loss allowance	<b>70</b>	690
Other debtors, net of loss allowance	<b>453</b>	149
Financial assets measured at amortised cost	<b>76,326</b>	84,232
Prepayments to media suppliers	<b>16,863</b>	34,851
Other prepayments	<b>1,391</b>	3,219
Input VAT to be deducted	<b>4,116</b>	4,103
	<b>22,370</b>	42,173
Trade receivables, other receivables and prepayments, net of loss allowance	<b>98,696</b>	126,405

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

### Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the date of revenue recognition and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	<b>38,070</b>	65,833
4 months to 6 months	<b>16,103</b>	7,902
7 months to 12 months	<b>10,193</b>	2,179
Over 12 months	<b>354</b>	473
	<b>64,720</b>	76,387

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

The Group's exposure to credit risks related to trade and other receivables are disclosed in note 23(a).

## 15 BANK DEPOSITS

At 31 December 2025, bank deposits of the Group represented fixed-term deposits with 3-month in UBS AG Hong Kong Branch at an annual interest of 3.52%–3.75% (2024: 3.72%–5.24%).

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

	2025 RMB'000	2024 RMB'000
Cash on hand	87	256
Cash at banks	316,104	217,166
	<b>316,191</b>	217,422

### (a) Cash and cash equivalents are denominated in:

	2025 RMB'000	2024 RMB'000
RMB	213,351	185,655
USD	26,680	10,890
HKD	65,392	9,975
SGD	6,737	6,841
CAD	4,025	4,055
AUD	6	6
	<b>316,191</b>	217,422

### (b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		96,118	148,153
Adjustments for:			
Depreciation	5(c)	21,658	21,284
Amortisation of intangible assets	5(c)	738	851
Reversal of impairment loss of debtors	5(c)	(9,324)	(4,722)
Finance income	5(a)	(27,195)	(35,139)
Finance costs	5(a)	65	87
Net foreign exchange (gain)/loss	5(a)	(1,243)	8,971
Change in fair value of financial assets measured at FVPL	4	(3,584)	(4,371)
Dividend income	4	(1,051)	(1,154)
Transaction costs on financial assets measured at FVPL		1,632	—
(Increase)/decrease in restricted cash		(80)	760
Changes in working capital:			
(Increase)/decrease in inventories		(949)	191
Decrease in trade and other receivables		34,617	12,323
Decrease in trade and other payables		(8,674)	(48,828)
(Decrease)/increase in contract liabilities and advance from customers		(40,071)	9,222
Cash generated from operations		<b>62,657</b>	107,628

## 16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	<b>Lease liabilities RMB'000</b>
<b>At 1 January 2025</b>	<b>1,762</b>
Capital element of lease rentals paid	(931)
Interest element of lease rentals paid	(65)
Total changes from financing cash flows	(996)
<b>Other changes</b>	
Interest expenses ( <i>note 5(a)</i> )	65
Total other changes	65
<b>At 31 December 2025</b>	<b>831</b>
<b>At 1 January 2024</b>	<b>1,804</b>
Capital element of lease rentals paid	(855)
Interest element of lease rentals paid	(87)
Total changes from financing cash flows	(942)
<b>Other changes</b>	
Increase in lease liabilities from entering into new leases	813
Interest expenses ( <i>note 5(a)</i> )	87
Total other changes	900
<b>At 31 December 2024</b>	<b>1,762</b>

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	Note	2025 RMB'000	2024 RMB'000
Within operating cash flows	10(b)	(499)	(786)
Within financing cash flows	16(c)	(996)	(942)
		<b>(1,495)</b>	<b>(1,728)</b>

These amounts relate to the following:

	2025 RMB'000	2024 RMB'000
Lease rentals paid	<b>(1,495)</b>	<b>(1,728)</b>

## 17 TRADE AND OTHER PAYABLES

	Note	2025 RMB'000	2024 RMB'000
Trade payables	(i)	<b>28,376</b>	24,195
Payroll and welfare expenses payables		<b>3,597</b>	3,493
Other tax payables	(ii)	<b>3,005</b>	6,450
Other payables and accrued charges	(iii)	<b>26,429</b>	36,893
Dividends payable due to non-controlling interests		<b>1,801</b>	1,776
Financial liabilities measured at amortised cost		<b>63,208</b>	72,807

All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Notes:

(i) As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	<b>15,705</b>	15,749
4 months to 6 months	<b>11,804</b>	4,266
7 months to 12 months	<b>13</b>	1,332
Over 12 months	<b>854</b>	2,848
	<b>28,376</b>	24,195

(ii) Other tax payables mainly include value-added tax payable.

(iii) Other payables mainly represent deposits paid by tenants.

## 18 CONTRACT LIABILITIES AND ADVANCE FROM CUSTOMERS

	2025 RMB'000	2024 RMB'000
Contract liabilities		
— Billings in advance of media service contracts	19,503	59,789
Advance from customers		
— Billings in advance of rental contracts	6,420	6,205
	<b>25,923</b>	65,994

### Movements in contract liabilities and advance from customers

	2025 RMB'000	2024 RMB'000
Balance at 1 January	65,994	56,772
Decrease in contract liabilities and advance from customers as a result of recognising revenue during the year	(61,281)	(54,577)
Increase in contract liabilities as a result of billing in advance of providing media services	15,096	57,594
Increase in advance from customers as a result of billing in advance of rental services	6,114	6,205
Balance at 31 December	<b>25,923</b>	65,994

Contract liabilities and advance from customers primarily arise from the advance payments made by customers while the underlying services are yet to be provided. Contract liabilities and advance from customers would be recognised as revenue upon the rendering of services.

All contract liabilities and advance from customers are expected to be recognised as revenue within one year.

## 19 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	831	925
After 1 year but within 2 years	—	837
	<b>831</b>	1,762

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 20 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

### Share Option Scheme

Pursuant to the ordinary resolutions of the shareholders of the Company passed on 27 May 2008, the Company has adopted a share option scheme (the "Share Option Scheme") whereby directors of the Company may, at their discretion, invite any full time employee, director or any person approved by the Board or shareholders of the Company to take up options which entitle them to subscribe for shares of the Company.

Up to 31 December 2025, the Company has granted 12 tranches of share options under the Share Option Scheme. All tranches of share options have lapsed.

During the year ended 31 December 2025, 9,408,000 options were exercised to subscribe for 9,408,000 (2024: nil) ordinary shares in the Company at a total consideration of HKD16,652 thousand (equivalent to approximately RMB15,041 thousand), all of which was credited to share capital. HKD3,538 thousand (equivalent to approximately RMB3,196 thousand) has been transferred from capital reserve to share capital in accordance with policy set out in note 1(q)(ii).

#### (i) The terms and conditions of the grants of the 12th tranche

On 30 August 2017, the Company granted share options to full time employees of the Group and three directors of the Company to subscribe for shares of the Company. Each option entitles the holder to purchase one ordinary share of the Company.

The share options granted vest in instalments over 4 years. The exercise of share options by the holder is subject to certain conditions, including the individual performance assessment conducted by the Board and the financial performance of the Group. Each instalment is accounted for as a separate share-based payment arrangement.

Besides the conditions of grants above, terms and other conditions that exist during the years are as follows:

Grant date	Number of options	Vesting conditions	Contractual life of options
30 August 2017	3,713,000	One year's service	8 years
30 August 2017	3,713,000	Two years' service	8 years
30 August 2017	3,713,000	Three years' service	8 years
30 August 2017	3,713,000	Four years' service	8 years

#### (ii) The number and weighted average exercise price of share options are as follows:

	12th tranche		Total
At 1 January 2024	HKD1.77	15,252,000	15,252,000
Lapsed	HKD1.77	(400,000)	(400,000)
Currently exercisable			
At 31 December 2024	HKD1.77	14,852,000	14,852,000
At 1 January 2025	<b>HKD1.77</b>	<b>14,852,000</b>	<b>14,852,000</b>
Exercised	<b>HKD1.77</b>	<b>(9,408,000)</b>	<b>(9,408,000)</b>
Lapsed	<b>HKD1.77</b>	<b>(5,444,000)</b>	<b>(5,444,000)</b>
At 31 December 2025	—	—	—

There are no outstanding options at 31 December 2025.

## 21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Current taxation in the consolidated statement of financial position represents:

	Note	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year		24,782	19,179
Provision for the year	6(a)	17,032	45,451
(Over)/under-provision in respect of prior years	6(a)	(1,333)	1,268
Tax paid		(23,233)	(41,116)
Balance at the end of the year		17,248	24,782

### (b) Deferred tax assets and liabilities recognised:

#### *Movement of each component of deferred tax assets and liabilities*

The components of deferred tax (assets) and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Net unrealised gains/(losses) RMB'000	Withholding tax RMB'000	Total RMB'000
At 1 January 2024	(267)	5,190	4,923
Charged/(credited) to profit or loss	270	(5,190)	(4,920)
Exchange adjustment	(3)	—	(3)
At 31 December 2024 and 31 December 2025	—	—	—

### (c) Deferred tax assets not recognised:

In accordance with the accounting policies set out in note 1(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses and temporary differences of RMB314,573 thousand (2024: RMB331,823 thousand) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The cumulative tax losses comprised tax losses arose from various years, and each year's tax loss can be carried forward for years which is pursuant to the local rules and regulations.

### (d) Deferred tax liabilities not recognised:

As at 31 December 2025, temporary differences relating to the undistributed retained profits of PRC subsidiaries amounted to RMB768,430 thousand (2024: RMB723,188 thousand). Deferred tax liabilities of RMB38,306 thousand (2024: RMB36,051 thousand) 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 those retained profits are not likely to be distributed in the foreseeable future.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 22 CAPITAL, RESERVES AND DIVIDENDS

### (a) Movements in components of equity

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. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000 (note 22(c))	Capital reserve RMB'000 (note 22(d))	Translation reserve RMB'000 (note 22(d))	Retained profits RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	510,981	31,437	31,360	384,144	957,922
<b>Changes in equity for 2024</b>					
Total comprehensive income for the year	—	—	21,731	162,834	184,565
Dividends approved and paid to equity shareholders of the Company (note 22(b)(iii))	—	—	—	(68,308)	(68,308)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>510,981</b>	<b>31,437</b>	<b>53,091</b>	<b>478,670</b>	<b>1,074,179</b>
<b>Changes in equity for 2025</b>					
Total comprehensive income for the year	—	—	(25,648)	30,698	5,050
Shares issued under share option scheme (note 20)	15,041	—	—	—	15,041
Transfer of capital reserve upon exercise of share options (note 20)	3,196	(3,196)	—	—	—
Purchase of own shares (note 22(c)(iii))	—	—	—	(717)	(717)
Dividends approved and paid to equity shareholders of the Company (note 22(b)(iii))	—	—	—	(149,920)	(149,920)
<b>Balance at 31 December 2025</b>	<b>529,218</b>	<b>28,241</b>	<b>27,443</b>	<b>358,731</b>	<b>943,633</b>

## 22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (b) Dividends

#### (i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 RMB'000	2024 RMB'000
Final dividend proposed after the end of the reporting period of HKD11.00 cents (equivalent to approximately RMB9.74 cents) (2024: HKD11.00 cents (equivalent to approximately RMB10.02 cents)) per share	45,545	47,117
No special dividend proposed after the end of the reporting period (2024: HKD24.00 cents (equivalent to approximately RMB21.85 cents)) per share	—	102,803
	<b>45,545</b>	<b>149,920</b>

The dividends proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

#### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 RMB'000	2024 RMB'000
Dividends approved and paid to equity shareholders of the Company during the year	<b>149,920</b>	68,308

### (c) Share capital

#### (i) Issued share capital

	2025		2024	
	No. of ordinary shares	HKD	No. of ordinary shares	HKD
Ordinary shares, issued and fully paid:				
At 1 January	461,635,370	581,930,830	461,635,370	581,930,830
Shares issued under share option scheme	9,408,000	16,652,160	—	—
Transfer of capital reserve upon exercise of share options	—	3,538,349	—	—
At 31 December	<b>471,043,370</b>	<b>602,121,339</b>	461,635,370	581,930,830
RMB equivalent		<b>529,217,578</b>		510,981,107

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (c) Share capital (Continued)

#### (ii) Purchase of own shares

During the year, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of Shares repurchased	Highest price paid per share HKD	Lowest price paid per share HKD	Aggregate price paid HKD'000	Equivalent to RMB'000
December 2025	419,000	1.93	1.76	792	717

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD792 thousand (equivalent to approximately RMB717 thousand) was paid wholly out of retained profits. These shares have been cancelled on 19 January 2026.

### (d) Nature and purpose of reserves

#### (i) Capital reserve

The capital reserve comprises the contribution from non-controlling interests and the portion of the grant date fair value of unexercised share options granted to employees of the Group and directors of the Company that has been recognised in accordance with the accounting policy adopted for equity-settled share-based transactions in note 1(q)(ii).

#### (ii) Statutory reserve

Pursuant to applicable PRC regulations, certain PRC subsidiaries are required to transfer 10% of their profit after income tax (after offsetting prior year's losses, if applicable) to statutory reserve until such reserve reaches 50% of the registered capital. The transfer to the reserve must be made before distribution of dividends to equity holders. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

#### (iii) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements presented in currencies other than RMB which are dealt with in accordance with the accounting policies as set out in note 1(u).

#### (iv) Other reserves

Other reserves comprise fair value changes in equity securities designated at FVOCI and the difference between the carrying amount of the net assets received and the consideration paid, as a result of the reorganisation during which the Company acquired subsidiaries from the ultimate controlling shareholders of the Group in 2006 and 2007.

## 22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. The Group is not exposed to significant interest rate risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash, bank deposits and bills receivable is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

#### ***Trade receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 15.55% (2024: 13.17%) and 33.55% (2024: 20.65%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 0–90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates different loss patterns based on individual characteristics of customers, the loss allowance based on past due status is further distinguished between the Group's different customer bases.



## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (a) Credit risk (Continued)

#### *Trade receivables (Continued)*

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade and bills receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	113,504	120,760
Amounts written off	(8,546)	—
Reversal of impairment losses during the year	(7,539)	(7,256)
Balance at 31 December	97,419	113,504

### (b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025 Contractual undiscounted cash outflow			Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	Total RMB'000	
Lease liabilities	831	—	—	831
Trade and other payables	63,208	—	63,208	63,208
Total	64,039	—	63,208	64,039

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (b) Liquidity risk (Continued)

	2024 Contractual undiscounted cash outflow			Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	Total RMB'000	
Lease liabilities	982	866	1,848	1,762
Trade and other payables	72,807	—	72,807	72,807
<b>Total</b>	<b>73,789</b>	<b>866</b>	<b>74,655</b>	<b>74,569</b>

### (c) Currency risk

The Group is exposed to currency risk primarily through trade and other receivables, trade and other payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Canadian dollars (CAD), Hong Kong dollars (HKD), Singapore dollars (SGD) and United States dollars (USD). Given the HKD is pegged to the USD, management considers the movements in exchange rates between the HKD and the USD to be insignificant.

#### (i) Recognised assets and liabilities

In respect of trade and other receivables and trade and other payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (c) Currency risk (Continued)

#### (ii) Exposure to currency risk

The following table details the Group's major exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	2025 RMB'000	2024 RMB'000
Trade and other receivables		
— in HKD	254	355
— in SGD	1	79
Cash and cash equivalents		
— in CAD	4,025	4,055
— in SGD	49	48
— in AUD	6	6
Trade and other payables		
— in HKD	(1,590)	(1,060)
— in SGD	(233)	(254)
Gross exposure	2,512	3,229

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (c) Currency risk (Continued)

#### (iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and exchange earnings
CAD	10%	403	10%	406
	-10%	(403)	-10%	(406)
HKD	10%	(134)	10%	(71)
	-10%	134	-10%	71
SGD	10%	(18)	10%	(13)
	-10%	18	-10%	13

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of reporting period, including inter-group payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

### (d) Fair value measurement

#### (i) Financial assets and liabilities measured at fair value

##### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13/ HKFRS 13, *Fair value measurement*.

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (d) Fair value measurement (Continued)

#### (i) Financial assets and liabilities measured at fair value (Continued)

*Fair value hierarchy (Continued)*

The Group's unlisted equity investments are revalued against carrying amounts of the respective investments during the reporting period. Valuation reports for the major investments, which are categorised into Level 3 of the fair value hierarchy, were prepared by the external valuer at 31 December 2025 and was reviewed and approved by the management. Discussion of the valuation process and results with the management is held once a year, to coincide with the reporting dates.

	Fair value measurement as at 31 December 2025 categorised into			
	Fair value at 31 December 2025 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Listed equity securities	525,731	525,731	—	—
Unlisted equity securities	60,027	—	40,000	20,027
	Fair value measurement as at 31 December 2024 categorised into			
	Fair value at 31 December 2024 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Assets				
Listed equity securities	20,407	20,407	—	—
Unlisted equity securities	355,586	—	325,758	29,828

During the year ended 31 December 2025, there were transfers between Level 1 and Level 2. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investments in Heilongjiang North Latitude is determined by making reference to recent market transactions relating to this company.

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(CONTINUED)

### (d) Fair value measurement (Continued)

#### (i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range	Weighted average
Unlisted equity instruments	Market approach	Discount for lack of marketability	17.46% (2024: 21.95%)	17.46% (2024: 21.95%)

As at 31 December 2025, according to the valuation report issued by Jones Lang LaSalle Corporate Assessment and Consulting Ltd., an independent qualified valuer in Beijing, the fair value of the Group's investments in Beijing AIQI is RMB12,450 thousand (2024: RMB21,140 thousand).

The fair value of the unlisted equity investments is determined using the price/sales ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Group's other comprehensive income by RMB623 thousand (2024: RMB1,057 thousand).

#### (ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

## 24 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	8,388	9,606

Total remuneration is included in "Staff costs" (see note 5(b)).

### (b) Transactions with related parties

	2025 RMB'000	2024 RMB'000
Rental of office	350	689

CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Group Limited, which is effectively controlled by the ultimate controlling shareholder of the Group.

## 25 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		529	1,193
Investments in subsidiaries	12	273,392	272,179
Financial assets measured at FVPL	13(a)	129,280	20,407
		<b>403,201</b>	293,779
<b>Current assets</b>			
Financial assets measured at FVPL	13(a)	72,798	—
Other receivables and prepayments		77,151	78,479
Bank deposits	15	338,840	719,273
Cash and cash equivalents		77,662	9,391
		<b>566,451</b>	807,143
<b>Current liabilities</b>			
Other payables		25,465	25,522
Lease liabilities		554	659
		<b>26,019</b>	26,181
<b>Net current assets</b>			
		<b>540,432</b>	780,962
<b>Total assets less current liabilities</b>			
		<b>943,633</b>	1,074,741
<b>Non-current liability</b>			
Lease liabilities		—	562
		<b>—</b>	562
<b>NET ASSETS</b>			
		<b>943,633</b>	1,074,179
<b>CAPITAL AND RESERVES</b>			
Share capital	22(a)	529,218	510,981
Reserves		414,415	563,198
<b>TOTAL EQUITY</b>			
		<b>943,633</b>	1,074,179

Approved and authorised for issue by the board of directors on 31 March 2026.

**Chen Xin**  
Chairman

**Li Zongzhou**  
Director

# Notes to the Consolidated Financial Statements

(Expressed in Renminbi unless otherwise indicated)

## 26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 22(b)(i).

Other than the share repurchased as disclosed in note 22(c)(ii), the Company also repurchased 2,798,000 ordinary shares on The Stock Exchange of Hong Kong Limited in January 2026. The total amount paid on these repurchased shares of HKD5,509 thousand (equivalent to approximately RMB4,918 thousand) was paid wholly out of retained profits. These shares have been subsequently cancelled during January to March 2026.

## 27 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2025, the directors consider the immediate parent and the ultimate holding Company of the Group to be Golden Bridge International Culture Limited and CLH Holding Limited respectively, both of which are incorporated in the Cayman Islands. These two entities do not produce financial statements available for public use.

## 28 POSSIBLE IMPACT OF AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB/HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 9/HKFRS 9, <i>Financial instruments</i> and IFRS 7/HKFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9/HKFRS 9, <i>Financial instruments</i> and IFRS 7/HKFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS/HKFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18/HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19/HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

## 28 POSSIBLE IMPACT OF AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

### **IFRS 18/HKFRS 18, *Presentation and disclosure in financial statements***

IFRS 18/HKFRS 18 will replace IAS 1/HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18/HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18/HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18/HKFRS 18 and is still in the process of assessing the impact of the adoption.

# Five Year Financial Summary

(Expressed in Renminbi)

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Results</b>					
Revenue	<b>382,288</b>	612,517	759,836	719,490	1,183,473
Profit before taxation	<b>96,118</b>	148,153	129,298	61,343	54,580
Income tax	<b>(15,699)</b>	(41,799)	(32,751)	(20,323)	(18,305)
Profit for the year	<b>80,419</b>	106,354	96,547	41,020	36,275
Attributable to:					
Equity shareholders of the Company	<b>80,043</b>	106,961	96,778	41,350	37,078
Non-controlling interests	<b>376</b>	(607)	(231)	(330)	(803)
<b>Assets and liabilities</b>					
Total assets	<b>1,996,427</b>	2,110,338	1,876,372	1,824,852	2,037,143
Total liabilities	<b>107,210</b>	165,345	204,352	215,628	379,620
Total Equity	<b>1,889,217</b>	1,944,993	1,672,020	1,609,224	1,657,523
Non-current assets	<b>1,168,270</b>	1,046,635	826,432	842,861	976,116
Current assets	<b>828,157</b>	1,063,703	1,049,940	981,991	1,061,027
Current liabilities	<b>107,210</b>	164,508	197,967	200,521	365,324
Net current assets	<b>720,947</b>	899,195	851,973	781,470	695,703
Non-current liabilities	<b>—</b>	837	6,385	15,107	14,296
Total Equity	<b>1,889,217</b>	1,944,993	1,672,020	1,609,224	1,657,523
Attributable to:					
Equity shareholders of the Company	<b>1,898,757</b>	1,954,884	1,680,854	1,617,645	1,665,494
Non-controlling interests	<b>(9,540)</b>	(9,891)	(8,834)	(8,421)	(7,971)

**SinoMedia<sup>®</sup>**

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

(incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)