ANNUAL REPORT
2024 年報

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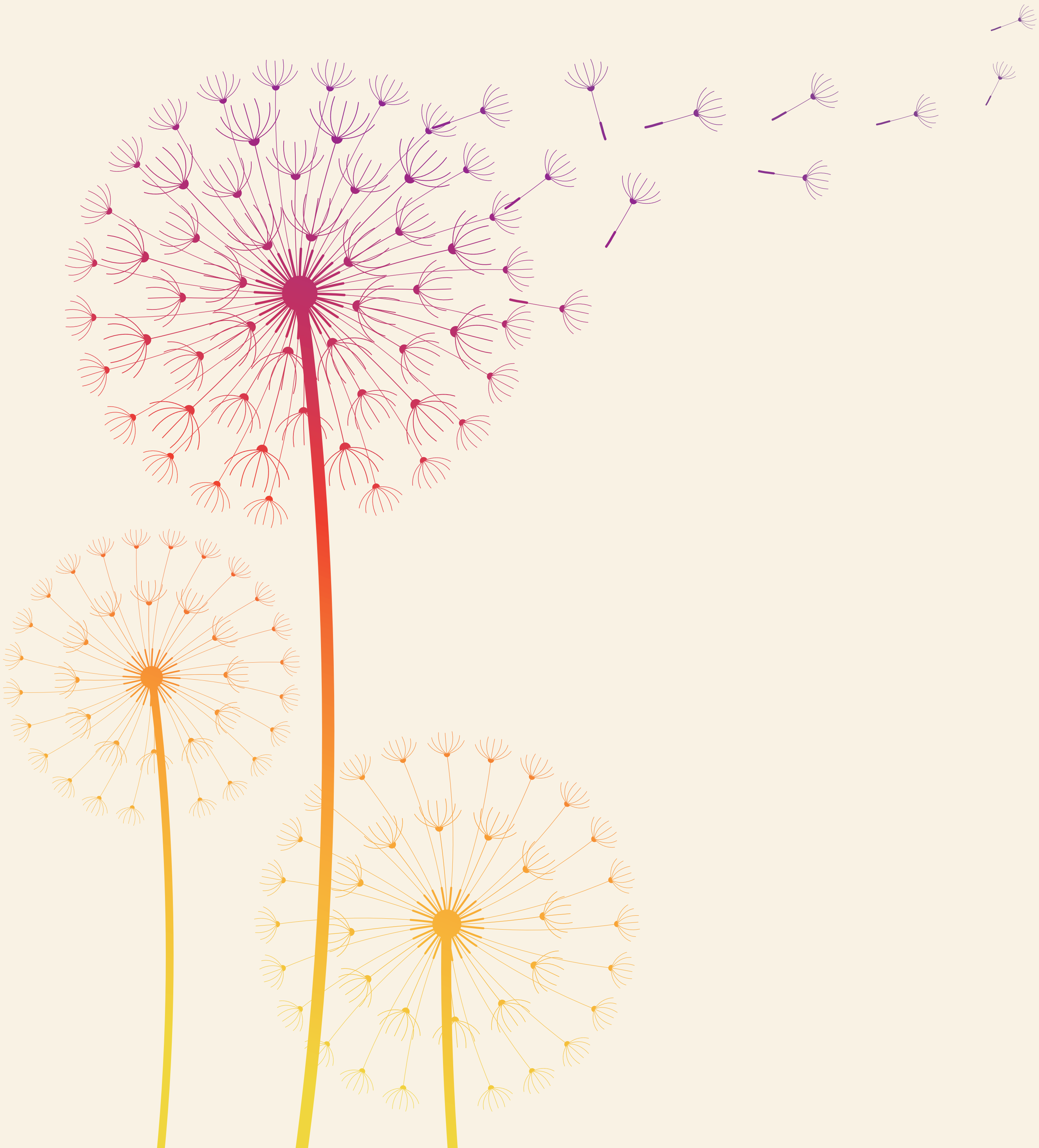
SinoMedia®

中視金橋國際傳媒控股有限公司

SinoMedia Holding Limited



About us

SinoMedia Holding Limited (the "Company" or "SinoMedia")and its subsidiaries (collectively the "Group") is a leading media operation group in China which focuses on conducting cross-media investment and operation with creative video communication as its core capability, so as to meet the demands of client market for the communications of cross-screen among television + internet + mobile internet. The Group currently owns business sections including CCTV advertising agency business, brand advertising creative planning, film and television program investment and production, internet precision marketing and other business segments. SinoMedia is an early pioneer in China's city image and tourism brand creative communication field and has remained a leader in the field for years. It is also one of the leaders in brand advertising services for industries such as finance and insurance, automobiles and consumer goods. Over the past twenty years, SinoMedia has provided comprehensive and professional creative communication services for more than 3,000 clients in total at home and abroad.

Contents

Financial Summary

RMB'000	**For the year ended 31 December 2024**	For the year ended 31 December 2023	Change (%)
Revenue	**612,517**	759,836	–19%
Profit from operations	**122,072**	99,064	+23%
Profit attributable to equity shareholders of the Company	**106,961**	96,778	+11%
Earnings per share			
— Basic and Diluted	**23.2 RMB cents**	21.0 RMB cents	+10%
Proposed dividends per share			
— Final	**11.0 HKD cents**	9.2 HKD cents	+20%
— Special	**24.0 HKD cents**	7.0 HKD cents	+243%

REVENUE *RMB'000*	**For the year ended 31 December 2024**	For the year ended 31 December 2023	Change (%)
TV media resources management	**342,802**	489,352	-30%
Content operations, other integrated communication services and others	**103,203**	112,516	-8%
Digital marketing and internet media	**131,216**	117,608	+12%
Rental income	**35,296**	40,360	-13%
	612,517	759,836	-19%

Corporate Information

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

SHARE REGISTRAR

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

WEBSITE

www.sinomedia.com.hk

Awards and Recognition

Company Honours

Name of Award: 2023 CCTV AAAA Credit Advertising Agency
Time of Award: July 2024
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 ninth year in a row.

Name of Award: Level 1 Advertising Company (Comprehensive Services)
Time of Award: December 2024
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 enterprises, public institutions, and juridical associations related to the advertising industry.

Professional Honours

Awarded Work:	Vigor Qatar
Name of Award:	The 24th IAI Awards — Bronze Award in Documentary
Time of Award:	April 2024
Award by:	Executive Committee of the IAI Awards
Award Description:	The IAI Advertising Awards, launched back in 2000, has blossomed into a noted comprehensive selection platform for advertising creativity and brand marketing awards in China. It, staying true to its non-media and practical orientation and third-party academic background, is an industry-recognized comprehensive and authoritative advertising and brand marketing award. Having garnered nearly 4,000 cases and works of over 1,000 participating companies from the Chinese mainland, Hong Kong, Macao, and Taiwan and other regions around the world, the Awards witness the innovation and development of the Chinese advertising industry.

Awarded Work:	2023 SinoMedia Annual Report
Name of Award:	LACP Annual Report Golden Award in LACP Media Companies Annual Report 2023 Category, LACP Top 50 Chinese Annual Reports, Technical Achievement Award, and LACP Award for 15th Straight Year
Time of Award:	August 2024
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:	2023 SinoMedia Annual Report
Name of Award:	ARC Annual Report Design Silver Award
Time of Award:	August 2024
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.

Awarded Work:	Marketing Case — CR Jiangzhong "Home Medicine Cabinet Essential" Innovation Communication Project of CCTV Media Matrix
Name of Award:	2024 Golden Case Award in Media Innovation Marketing
Time of Award:	November 2024
Awarded by:	Organizing Committee of the China International Advertising Festival
Award Description:	Sponsored by the Organizing Committee of the CIAF, Advertisers' Grand Ceremony of CIFA has been known for 18 years as the first of its kind high-profile event in China's advertising and media industry. It is dedicated to the outstanding performance of Chinese advertisers in brand marketing and communication. Aligning with the new ecosystem represented by Chinese advertisers' needs, the Ceremony is launched to present honors to the remarkable brand leaders and excellent marketing communication cases of the year. Also, it comes as a shining annual grand gathering of the Chinese advertising and media industry.

Chairman's Statement

Chen Xin

In 2024, despite the accelerated pace of the global economic development, the momentum of growth remained insufficient. International political turmoil and geopolitical conflicts have exacerbated uncertainties in economic development and imposed far-reaching impacts on the market environment. Weak domestic market expectations, insufficient endogenous momentum in consumption, and changes in the structure and pattern of consumption have led to a continued slowdown in market growth. Advertisers are becoming more conservative and prudent in their marketing budgets, and the road to sustained recovery of the advertising industry is still full of pressure and challenges.

In the face of fluctuating and recovering market trends, as a leading comprehensive media operation group in China, we, upholding the philosophy of "being client-oriented", worked hard to promote diversified business development, and moved further towards the strategic direction centering on the inter-screen creative communication services, aiming to providing customers with high-quality creative products and communication services. In firm belief that innovation and efficiency are the key to addressing market changes, we kept optimizing our business structure, enhancing our operational efficiency and strengthening our technological innovations in the past year, maintaining a steady development despite the fierce market competition.

Relying on our profound accumulation in TV broadcasting, we continued to optimize media resources and stayed focused on our customer-oriented innovative products and services, in an effort to sustain our leadership in the TV advertising market. In addition, based on a flexible marketing strategy, we enhanced the brand value of our clients through efficient communication of TV advertising and offered our clients one-stop solutions for brand positioning, visual creativity, communication strategies, media execution and effect evaluation, helping the clients' brands to stand out in the market.

In the content marketing field, further leveraging our experience and capabilities in video content creation and brand communication, we made every effort in developing our content marketing business with video content development and production as its core by deeply integrating the brand communication and creative content. Staying focused on market demand of family consumption, we offered tailor-made content services to our customers. We helped clients realize their brand communication value through various forms such as live interaction, short videos, content placement, animation development, and promotional activities. Meanwhile, we continued to strengthen the synergy between our content marketing business and brand operation and management, and further capitalized on the strengths of our creative communication and brand investment and management businesses, in order to deeply position ourselves in the household consumption industry and capture the growth opportunities in the consumer market.

In terms of digital marketing, we actively tracked cutting-edge technologies such as artificial intelligence and big data to respond to the rapid changes in market demand, and developed the technological iterative computing of our intelligent advertising business. Exploring the use of artificial intelligence algorithms as the engine and combining the advantages of the media resource matrix, we integrated high-quality traffic and enhanced the effect of clients' Internet placement and brand influence through accurate communication.

We understand that in the digital era, innovation is the core driving force for business development. To keep up with the cutting-edge trends in the industry, we established the Imaging Technology Development Division in 2024, with an aim to support business expansion by exploring the innovation and application of technologies such as Artificial Intelligence in Generative Computing ("AIGC") and catering to the ever-changing needs and preferences of our customers. We will further develop the potential impact and application of emerging technologies on the advertising industry with a more open attitude, and enhance our efficiency and competitiveness through technological innovation.

We remain cautiously optimistic about the underlying trend of long-term improvement in future development. We will, sticking to our mission and objectives, integrate our strengths to enhance our service quality and operational efficiency, and strengthen our core competitiveness in creative communications and branding strategies. We will further optimize our business structure, strengthen business resilience, and embrace innovation and change in line with market demand and business development trends to provide more high quality integrated marketing services to customers. Furthermore, we will pursue diversified business development through sound business philosophy and prudent financial management to create more medium and long-term value for the shareholders.

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to our shareholders, customers, partners, employees and all those who have helped and supported the Group in its development.

Chen Xin
31 March 2025

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Management Discussion and Analysis

OVERVIEW

In 2024, due to insufficient momentum of growth in the world economy, intensified geopolitical conflicts, and worsening trade protectionism, the adverse impact of changes in the external environment deepened, and domestic market expectations weakened, leading to insufficient effective demand and continuously suppressed consumer spending.

According to the market research report released by CTR Media Intelligence, advertising spending rose by 1.6% year-on-year in 2024, with the overall market remaining volatile within a reasonable range. (Source: CTR Media Intelligence, February 2025). Despite the overall positive trend in 2024, the market performance fell short of expectations, driving the advertisers to reassess their growth strategies. To address the macro-market uncertainties, advertisers are increasingly prioritizing operational efficiency and cost optimization, and become more conservative and prudent in allocating advertising budgets.

Facing a complex, volatile and challenging market environment, the Group is firmly committed to building its brand marketing capabilities with inter-screen creative communication services at its core, aiming at providing high-quality and diversified creative products and communication services to its clients. During the year under review, the Group maintained flexibility and innovation, optimized its business structure, intensified sales and promotion efforts, adapted to the development trend of the industry, and embraced new consumption trends and consumption patterns, in order to enhance its competitiveness and realize operational efficiency.

During the year under review, the Group established an imaging technology development department in accordance with its strategic development needs, which supported our business expansion by exploring the innovation and application of technologies such as artificial intelligence generated content ("AIGC") and helped to cater to the changing needs and preferences of our customers through continuous efforts to expand the AIGC technology service offerings, enabling the Group to keep up with the cutting-edge trends in the industry. In addition, the Group continued to expand our operational capabilities in FMCG brands in the household consumption segment, and kept capitalizing on our strengths through the synergies of our creative communications and brand investment management businesses, contributing to the Group's diversification and sustainable growth.

BUSINESS REVIEW

TV ADVERTISING AND CONTENT OPERATIONS

I. TV Media Resources Management

The Group stayed dedicated to a customer-oriented product and service strategy and strengthened its customer development and service capabilities in TV advertising marketing. During the year under review, the Group had the exclusive underwriting right for a total of 129,284 minutes of China Media Group advertising resources on "Boutique Financial Records" on CCTV-2 (Financial Channel), "Focus Today" and "Across the Strait" on CCTV-4 (Chinese International), CCTV-9 (Documentary Channel) and CCTV-14 (Children's Channel). It covered the market of finance and economics, current politics, culture and children, and brought diversified communication channels to clients. During the year, confronting the fluctuating market and challenging business landscape, the Group, stretching its edges and experience in TV communications, worked on its leadership in the television advertising market amid difficulties by optimizing its marketing strategy and media product portfolio for enhanced competitiveness.

II. Content Operations

The Group provided clients with comprehensive and professional video creative and production services. During the year under review, the Group successively served China Feihe, Geely Auto, McDonald's, China Citic Bank, PICC, Milkground, CDCT and other clients, providing services involving advertising video shooting, producing and editing, and graphic design.

The Group continued the development of the content marketing business centering on video content R&D and production, customized creative video for clients, and realized the brand communication value of clients in the form of content marketing. During the year under review, focusing on the market demand of family consumption, through live broadcast interaction, short video, content implantation, animation development and publicity activities, the Group provided creative content communication services to clients including China Feihe, BANDAI NAMCO Holdings, Bank of Beijing, Sinotruk and Caibai Jewelry.

III. Other Integrated Communication Services

The Group has gained recognition from a large number of renowned clients for its professional and efficient communication services and the philosophy of caring services. During the 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, CITIC Group, Geely Auto, Chimelong Group, Tencent, Ping An, CITIC Group, Suzhou Culture and Tourism, Hubei Culture and Tourism, FAW-Volkswagen, China Duty Free Group, Bamboo Leaf Green Tea, Enshi Selenium-rich Tea and Strong.

In respect of the international business, the Group actively offered Chinese market promotion, media propaganda, creative planning and other services to overseas clients. The main clients during the year under review included Destination DC, Queen Sirikit National Convention Center, Tourism Malaysia and YTL Hotels.

DIGITAL MARKETING AND INTERNET MEDIA

I. Digital Marketing

Relying on customer resources, media advantages, and data technology, the Group works on the core competitiveness of digital marketing by strengthening its Internet integration service capabilities, and offers clients one-stop digital marketing solutions covering IP customization, identity authorization, publicity and promotion. In addition, the Group actively follows artificial intelligence and algorithmic technology and develops and researches intelligent advertisement placement system, and explores using artificial intelligence algorithms as the engine. The Group has continued to integrate high-quality traffic, optimize its advertisement placement strategy and enhance the efficiency of advertisement placement. During the year under review, the Group successively served China Feihe, Didi, Hua Xia Bank, China Citic Bank, Kuaishou, HOdo Group, China Zheshang Bank, South Asset Management and other clients, and was highly recognized and praised by the clients.

II. Internet Media

www.boosj.com (播視網) of the Group focused on the video content operation in the healthy life field. In the two vertical fields, namely parent-child talent training and healthy life of the middle-aged and elderly, www.boosj.com refreshed its efforts to consolidate content building and self-media matrix deployment to deeply explore the health consumption needs of family users. In addition, on the basis of community operation and video content aggregation of users, www.boosj.com combines the MCN streamer matrix to enrich the content and form of live broadcast, further improve the channel functions of brand marketing and e-commerce delivery, and provide diversified and customized video creative and Internet communication services for different brand clients.

FINANCIAL REVIEW

REVENUE

For the year ended 31 December 2024, the Group recorded revenue of RMB612,517 thousand, representing a year-on-year decrease of approximately 19% from RMB759,836 thousand for the last year.

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

(I) Revenue from TV media resources management amounted to RMB342,802 thousand, representing a year-on-year decrease of approximately 30% from RMB489,352 thousand for the last year. Among them, the advertising spending on consumer goods, travel, and automobiles declined significantly compared with the previous year. In the face of operating pressure, the Group will continue to pay attention to changes in demand, innovate its media product portfolio, and enhance its operational efficiency and product competitiveness, so as to cope with the difficulties and challenges arising from fluctuations in market demand and weakening consumer expectations.

(II) Revenue from content operations and other integrated communication services amounted to RMB103,203 thousand in aggregate, representing a year-on-year decrease of approximately 8% from RMB112,516 thousand for the last year. Among them:

Revenue from content operations amounted to RMB34,350 thousand, representing a year-on-year decrease of approximately 47% from RMB64,496 thousand for the last year. Revenue in this business was mainly generated from creative content marketing and commercial advertising video production. Dragged by the budget reductions by some of our clients, the revenue of content creative marketing and commercial advertising video production dipped slightly compared to the same period last year.

Revenue from other integrated communication services amounted to RMB68,853 thousand, representing a year-on-year increase of approximately 43% over RMB48,020 thousand for the last year. Revenue in this business was mainly generated from the commission revenue received from media suppliers where the Group acts as an agent to procure media resources for clients. Affected by the commission settlement cycle of media suppliers, commission revenue of the year increased as compared with the last year.

(III) Revenue from digital marketing and Internet media amounted to RMB131,216 thousand in aggregate, representing a year-on-year increase of approximately 12% over RMB117,608 thousand for the last year. During the year under review, some of the Group's customers increased the amount of advertisements placed, resulting in a year-on-year increase in digital marketing revenue as compared with the previous year.

(IV) 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 RMB35,296 thousand, representing a year-on-year decrease of approximately 13% from RMB40,360 thousand for the last year. Due to the combined effect of the disposal of certain investment properties in the last year and the decrease in rental prices of existing rental properties, the revenue from this business was lower than that of the same period last year.

OPERATING EXPENSES

For the year ended 31 December 2024, the Group's operating expenses were RMB86,787 thousand in aggregate, representing a year-on-year decrease of approximately 4% from RMB90,336 thousand for the last year, and accounted for approximately 14.2% of the Group's revenue (2023: 11.9%). The Group continuously strengthened and improved the comprehensive budget management for operating expenses, reduced the non-essential expenditures, and actively 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 RMB36,724 thousand, representing a year-on-year decrease of approximately RMB206 thousand from RMB36,930 thousand for the last year, and accounted for approximately 6.0% of the Group's revenue (2023: 4.9%).

(II) General and administrative expenses amounted to RMB50,063 thousand, representing a year-on-year decrease of approximately RMB3,343 thousand from RMB53,406 thousand for the last year, and accounted for approximately 8.2% of the Group's revenue (2023: 7.0%).

MAJOR INVESTMENTS, ACQUISITIONS AND DISPOSALS

(I) In January 2024, the Group signed a capital increase agreement with Shenzhen Honghegu Biotechnology Co., Ltd ("Honghegu") to subscribe for a minority stake in Honghegu through capital increase in cash of RMB5,100 thousand. Honghegu is a new consumer company specializing in tomato products, committed to providing consumers with healthy, tasty and portable tomato products. Its business covers the whole industry chain of tomato primary processing, deep processing, and new consumer brand operation. As of 31 December 2024, the transaction procedures had been completed.

(II) In September 2024, 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 RMB13,320 thousand. North Latitude 47 is a smart agricultural company that aims to build a full industrial chain, mainly engaged in the production and sales of corn, rice and plant-based deep-processed beverage products. As of 31 December 2024, the transaction procedures had been completed.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had a stable financial position as a whole. As at 31 December 2024, cash and cash equivalents amounted to RMB217,422 thousand (2023: RMB416,005 thousand), of which approximately 85% was denominated in RMB, and 15% in HKD and other currencies. As at 31 December 2024, the Group had bank time deposits with maturity over three months mainly denominated in HKD and USD (equivalent to approximately RMB719,273 thousand in aggregate) (2023: equivalent to approximately RMB505,742 thousand).

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

(I) The net cash inflow from operating activities was RMB66,512 thousand (2023: RMB21,139 thousand), which was mainly because: (1) the balance of trade and bills receivable decreased by approximately RMB20,621 thousand compared with the end of last year; (2) costs paid in advance to media suppliers increased by approximately RMB24,787 thousand compared with the end of last year; (3) costs payable to media suppliers increased by approximately RMB38,434 thousand compared with the end of last year; (4) the balance of advances from customers increased by approximately RMB9,222 thousand compared with the end of last year; and (5) the income tax of approximately RMB41,116 thousand was paid.

(II) The net cash outflow from investing activities was RMB196,140 thousand (2023: RMB294,330 thousand), which was mainly attributable to: (1) the increase in the time deposits with maturity over three months of approximately RMB213,531 thousand; (2) the payment of equity investments of approximately RMB18,420 thousand; and (3) the bank deposit interest received of RMB35,139 thousand.

(III) The net cash outflow from financing activities was RMB69,250 thousand (2023: RMB20,432 thousand), which was mainly attributable to the payment of the 2023 final dividend and special dividend of approximately RMB68,308 thousand.

PROFIT AND EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

For the year ended 31 December 2024, the profit attributable to equity shareholders of the Company amounted to RMB106,961 thousand, compared with profit attributable to equity shareholders of the Company of RMB96,778 thousand in the previous year.

As at 31 December 2024, the Group's total assets amounted to RMB2,110,338 thousand, which consisted of the equity attributable to equity shareholders of the Company of RMB1,954,884 thousand, and non-controlling interests of RMB-9,891 thousand.

As at 31 December 2024, the Group had no interest-bearing debts, and the gearing ratio of the Group was nil (31 December 2023: 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 100%.

As at 31 December 2024, the Group had no material contingent liabilities.

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

HUMAN RESOURCES

As at 31 December 2024, the Group had 194 employees in total, which was flat with that at the beginning of the year. During the year under review, against the backdrop of fluctuating demand in the advertising market, the Group, based on the policy of maintaining the overall stability of the staff team, achieved dynamic balance of the talent team through structural adjustments. On the one hand, the loss-making business establishment was compressed, and on the other hand, the Imaging Technology Development Department was strategically established to expand the number of positions in content marketing, digital marketing and intelligent content generation services. In addition, the Group raised the performance bonus for professional positions in sales and marketing, and implemented dynamic performance-related remuneration policies for all employees, so as to intensify the relevance of working results to personal income. In terms of staff training, the Group regularly shared cases of cutting-edge imaging technologies both at home and abroad and encouraged its staff to actively explore the integration of new technologies with traditional contents; made an in-depth introduction of the innovative cooperation models of several phenomenal documentary IPs, helping marketers to fully understand the cooperation mechanism and commercial value of large-scale IPs; launched training and sharing on cutting-edge technologies such as artificial intelligence, focusing on the expanding business of digital virtual imaging technology products and services, and encouraged our staff to actively expand their skills to enhance work efficiency and quality. Meanwhile, the Group regularly organized interest and thought sharing events to enable employees increase team cohesion and recognition of the corporate culture through group work and games. In order to align the personal interests of employees with those of shareholders, the Company granted share options to employees under share option schemes. Share options that were granted and remained unexercised as of the end of the year totaled 14,852,000 units.

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 January 2025, the purchasing managers' index for the manufacturing sector stood at 49.1%, a decrease of 1.0 percentage point from the previous month; the business activity index of non-manufacturing sector stood at 50.2%, down 2.0 percentage points from the previous month; the business activity index for the service sector was 50.3%, down 1.7 percentage points from the previous month. Both the manufacturing and non-manufacturing industry sentiment levels fell, indicating greater volatility in production and business activities, a marginal slowdown in the slope of economic recovery, and an unstable economic upturn. (Source: NBS, January 2025) According to the Consumer Price Index released by NBS, the Consumer Price Index rose by 0.5% year on year and 0.7% month on month in January 2025. (Source: NBS, February 2025) The data show that with the implementation of macro policies, business expectations and market demand will improve, and the consumer price index for 2025 is expected to rebound moderately.

Looking forward, geopolitical tensions and escalating international trade frictions are weakening the prospects for global economic recovery. Meanwhile, domestic economic development is still facing internal difficulties and external pressures; structural contradictions in the economy and the transformation of old and new energies have had a complex impact on consumer confidence; and the path of sustained restoration and enhancement of residents' consumption power is still subject to uncertainties.

Facing the uncertainties in the economic outlook and an increasingly competitive environment in the advertising industry, the Group, as a leading integrated media operating group in China, will continue to adhere to its corporate mission and objectives, integrate its strengths, enhance the quality of its services and operational efficiency, and strengthen its core competitiveness in creative communications and branding strategies. In addition, the Group will maintain a prudent and optimistic strategic vision, focusing on insights and capturing changes in consumer demand and technological application innovations, and continue to strengthen its connection with the consumer market, with an aim to expand the diversified growth of its business through stringent cost control and prudent operational management, and provide strong impetus for future value creation and long-term development.

Specifically, in the TV advertising business, the Group will, adhering to the client-oriented product and service strategy, continue to optimize media resources, adopt a flexible marketing strategy to expand customer base and service channels, and enhance the brand value of clients by providing them with one-stop solutions in brand positioning, visual creation, communication strategy, media execution and effect evaluation. In respect to content operation, the Group will, leveraging its experience and capabilities in video content creation and brand communication, further develop the content marketing business centering on video content R&D and production, customize creative videos for clients, and promote the in-depth integration of brand communication and creative content.

In digital marketing and Internet media, the Group will enhance the technical iteration of its intelligent advertising platform, and embrace cutting-edge technologies such as artificial intelligence and big data to respond to the rapid changes in market demand. With the continuous exploitation of quality media resources, the Group will optimize the placement strategy, and enhance the placement effect of customers on the Internet and brand influence by leveraging the advantages of the media resource matrix.

The Group remains cautiously optimistic about the underlying trend of long-term improvement in future development. The Group will further optimize its business structure and strengthen its business resilience to enhance the Group's influence and competitiveness in the industry, and embrace innovation and change in line with market demand and business development trends to provide more high quality services and products to customers. The Group will deepen the deployment in family consumption industry through the synergy of creative communication and brand investment management business, and accelerate the development of brand operation business in the field of FMCG, in order to seize the growth opportunities in the consumer market. The Group will maintain its prudent corporate philosophy, move steadily forward in the complex market environment and continue to create medium and long-term value for its shareholders.

Directors and Senior Management

MR. CHEN XIN (陳新)

aged 58, 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-six 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.

MS. LIU JINLAN (劉矜蘭)

aged 56, 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.

MR. LI ZONGZHOU (李宗洲)

aged 57, 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.

MS. LIU ZHIYI (劉芷屹)

aged 35, 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.

MR. QI DAQING (齊大慶)

aged 60, 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 55, was appointed as our Independent Non-Executive Director since June 2019. Ms. Ip was the Chief Executive of Oriental Patron Securities Limited and Member of Investment Committee at Oriental Patron Financial Group during the period. 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 in 1992, and a Master Degree in Humanities from Warwick University in 2002.

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

aged 71, 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 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 62, 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 57, joined the Group in November 1999, was our Vice President from 2005 to 2010, and was appointed as the Chief Operation Officer in 2011, in charge of the management of the Group's operation planning and execution. He has over twenty years of experience in city branding management, media operation and management, advertisement creative design and market development. Mr. Liu was the president of Dunhua Cable TV Station in Jilin Province from 1997 to 1999. He 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 46, 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, he has over 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 45, 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 (劉熀松)

aged 56, Mr. Liu has been our Vice President since July 2024, in charge of investment and strategic research. With over 30 years of experience in investment and economic research, Mr. Liu was awarded the title of researcher (professor) in 2006. He has successively held positions such as 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. (CWGC), Deputy General Manager of its listed companies, Group Supervisor, and Group President Assistant. 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 been honored with the title of the Shanghai "Dawn Scholar" (曙光學者), the "Zhang Zhongli Academic Award (張仲禮學術獎)", Shanghai Philosophy and Social Science Achievement Award (上海市哲學社會科學成果獎), Shanghai Network Theory Publicity Excellence Award (上海市網路理論宣傳優秀成果獎), and the Shanghai Outstanding Social Science Association Worker (上海市優秀社會科學學會工作者). He has long been engaged in economic research and boasts a wealth of experience in economic operations and business management. 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 from Fudan University in 1992, and earned a doctorate in economics from Fudan University in 2005.

MS. SHEN BO (沈波)

aged 44, 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.

MS. WANG HONG (王紅)

aged 55, has held positions in finance, media execution and administrative management since she joined the Group in March 1999. She was appointed as a Vice President of the Group in October 2015, responsible for the Group's media purchasing from China Central Television and execution management thereof, and also the administrative management of the Group. Ms. Wang has over nineteen years of experience in the media industry. She graduated from Jilin University in 1996, majoring in business administration. Ms. Wang is the wife of Mr. Li Zongzhou, our Executive Director, and the niece of Ms. Liu Jinlan, our Executive Director and Chief Executive Officer.

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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 2024, 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.2.2 of the Code, the chairman of the Board should invite the chairman of the audit, remuneration, nomination and any other committees to attend the annual general meeting. In their absence, 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 questions at the annual general meeting.

Mr. Qi Daqing, the chairman of the Audit Committee, could not attend the annual general meeting ("AGM") of the Company held on 12 June 2024 due to his other business engagement. However, Mr. Chen Xin, the chairman of the Board, invited the other two members of the Audit Committee, Ms. Ip Hung and Dr. Zhang Hua, to attend the AGM to answer questions raised 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 2025 respectively confirming that for the period from 1 January 2024 to 31 December 2024 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 2024.

BOARD OF DIRECTORS

1. Composition of the Board

During the year ended 31 December 2024, the Board comprised the following Directors:

EXECUTIVE DIRECTORS:	INDEPENDENT NON-EXECUTIVE DIRECTORS:
Mr. Chen Xin *(Chairman)*	Mr. Qi Daqing
Ms. Liu Jinlan *(Chief Executive Officer)*	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 20 to 35 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 2024, 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 2024. 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 2024, the Board held four meetings. As regards general meetings, the Company held the AGM on 12 June 2024. 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:

	NUMBER OF MEETINGS ATTENDED/HELD	
DIRECTORS	**Board Meetings**	**Annual General Meeting**
Executive Directors:		
Chen Xin	4/4	1/1
Liu Jinlan	4/4	1/1
Li Zongzhou	4/4	1/1
Liu Zhiyi	4/4	1/1
Independent Non-executive Directors:		
Qi Daqing	4/4	0/1
Ip Hung	4/4	1/1
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 2025 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 2024. 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 130 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 2024 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
Executive Directors:		
Chen Xin	√	√
Liu Jinlan	√	√
Li Zongzhou	√	√
Liu Zhiyi		
Independent Non-executive Directors:		
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 *(Chairman)*	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 2023 annual report and the 2024 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 *(Chairman)*	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 *(Chairman)*	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 *(Chairman)*	1/1
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 64 to 67 of this annual report of the Company for the year ended 31 December 2024. 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 2024 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 2024, 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 International Financial Reporting 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 103 to 159 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 97 to 102 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, RMB2,600 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 2024, 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 31 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, 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 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 12 June 2024 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 2024, no amendment had been made to the Articles of Association of the Company.

ANNUAL REPORT
2024年報

Environmental, Social and Governance Report

This Environmental, Social and Governance Report (the "Report") aims to disclose the idea, 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 2024 (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 Guidelines ("ESG Guidelines") of Appendix C2 to the Securities Listing Rules of the Stock Exchange of Hong Kong Ltd. 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 Guidelines and complies with the provisions of "comply or explain" in ESG Guidelines.

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.

Quantitative: 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: present the 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 methodology 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 comparison.

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 supervise 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	— Comprehensively supervise the environmental, social and governance management of the Group — Review and approve the environmental, social and governance report
L2	Environmental, social and governance work team	— Identify the main environmental, social and governance risks of the Group — Formulate related environmental, social and governance objectives — Draw up an environmental, social and governance implementation plan — Report the progress of the implementation plan and put forward suggestions to the Board
L3	All departments of the Group	— Specific implementation of environmental, social and governance strategies and implementation plans — Collect environmental, social and governance data and other relevant information

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, community 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.

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

Stakeholders	Communication Channels and Measures	Expectations
Shareholders and investors	• Shareholders' meeting • Financial report • Announcements and circulars • Press release • Company website • Regular information disclosure	• Financial performance • Return on investment • Corporate governance • Risk control • Information disclosure
Customers	• Innovative and high-quality services and products • Customer service hotline • Compliance marketing • Customer privacy protection	• High-quality services and products • Business ethics and integrity • Customer information security
Employees	• Good remuneration and benefits • Performance appraisal and feedback • Promotion mechanism • Staff training and seminar • Team building activities	• Protect the rights and interests of employees • Remuneration and benefits • Career development • Health and safety at work
Suppliers and business partners	• Perform contracts in accordance with laws • Public bidding • Business meetings and exchanges • Establish long-term cooperative relationship	• Compliance with contracts • Good faith cooperation • Fair procurement
Government and regulatory agencies	• Compliance operation • Accept supervision and inspection • Submit reports and pay taxes according to laws	• Comply with laws and regulations • Promote regional economic development and employment
Community and publics	• Participate in public welfare and charity activities • Company website	• Support community development • Assume social responsibility

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 Guidelines, 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: Identifying the issues	• Identify relevant environmental, social and governance issues with reference to ESG Guidelines, reporting trends and industry peers.
Step 2: Determining the materiality	• 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.
Step 3: Verifying the results	• The results of the materiality assessment shall be reviewed by the environmental, social and governance work team and the Board.

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

ESG Guidelines	Material Environmental, Social and Governance Factors of the Group	Materiality
A. Environmental dimension		
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
A4. Climate change	Climate change	Low

ESG Guidelines	Material Environmental, Social and Governance Factors of the Group	Materiality
B. Social dimension		
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. Labor standards	Prohibition of child or forced labor	Medium
B5. Supply chain management	Supplier management	High
B6. Product responsibility	Service quality and compliance with the Advertising Law	High
	Intellectual property and privacy protection	High
B7. Anti-corruption	Anti-corruption	High
B8. Community investment	Community engagement and contributions to society	Medium

A. ENVIRONMENTAL DIMENSION

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. Given the nature of the Group's business, we believe that the Group's business operations have little direct impact on emissions, use of resources, environment and natural resources, and 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. 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.

A1. 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 to 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 2024**	Year 2023
Greenhouse gas emissions			
Scope 1 — direct emissions (gasoline consumption)	tCO_2e	**42.0**	52.8
Scope 2 — indirect emissions (purchased electricity)	tCO_2e	**216.9**	224.8
Scope 3 — other indirect emissions (paper consumption)	tCO_2e	**0.9**	1.1
Total greenhouse gas emissions	tCO_2e	**259.8**	278.7
Density (per employee)	tCO_2e/employee	**1.3**	1.4
Waste gas emissions			
Nitrogen oxides	kg	**5.5**	6.2
Sulphur oxides	kg	**0.2**	0.3
Particulate matter	kg	**0.4**	0.5

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 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 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-side 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 were 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.

A2. 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 operation. 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 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 2024**	Year 2023
Direct energy consumption (gasoline)	MWh	**150.4**	189.1
Indirect energy consumption (electricity)	MWh	**350.3**	363.1
Total energy consumption	MWh	**500.7**	552.1
Density (per employee)	MWh/employee	**2.6**	2.7

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 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.

A3. 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.

A4. Climate change

As the global temperature rises, extreme weather events become more frequent and serious, which may have an adverse impact on the macro economy and may also affect the daily operation of the Group's offices and increase the energy consumption of the Group's offices. The Group is well aware that climate change is a major issue and actively evaluates the impact of climate risk on business operations. As the main business nature of the Group is television advertising and content marketing, digital marketing and Internet media, climate change has no direct and significant impact on the Group's business.

The Group will continue to monitor the potential risks of climate change and its impact on the Group's operations, and formulate and implement corresponding preventive and emergency response measures to ensure the safety of employees in case of adverse weather conditions such as typhoons and rainstorms. In addition, the Group will also continue to strive to control energy consumption and carbon emissions.

B. SOCIAL DIMENSION

B1. 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 and other benefits of employees, such as social insurance, housing provident fund, etc. 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 in accordance with laws. The Group review its relevant policies from time to time to ensure 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 provident 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 2024	Year 2023
Total number of employees	**194**	199
Regional distribution		
Beijing	**83.5%**	84%
Hangzhou	**9%**	8.5%
Hong Kong	**4%**	3%
Shanghai	**2%**	2.5%
Zhuhai	**1%**	1.5%
Singapore	**0.5%**	0.5%
Gender distribution		
Male	**39%**	37%
Female	**61%**	63%
Age distribution		
30 years old or under	**13%**	15%
31–35 years old	**22%**	31%
36–40 years old	**30%**	25%
41 years old or above	**35%**	29%
Education statistics		
Bachelor's degree or above	**12%**	11%
Undergraduate	**59%**	55%
Junior college or below	**29%**	34%
Employment category		
Full time	**100%**	100%
Part time	**0%**	0%
Overall employee turnover rate	**25%**	29%
Turnover rate by gender		
Male employees	**27%**	35%
Female employees	**24%**	25%
Turnover rate by age		
30 years old or under	**41%**	53%
31–35 years old	**21%**	33%
36–40 years old	**26%**	18%
41 years old or above	**16%**	11%
Turnover rate by region		
Beijing	**27%**	28%
Hangzhou	**0%**	40%
Hong Kong	**0%**	0%
Shanghai	**0%**	27%
Zhuhai	**33%**	0%
Singapore	**0%**	0%

B2. 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 provides the working lunch for employees to assure their dietary safety and facilitate their dining. 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 inspection 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, 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.

B3. Development and training

The Group believes that the personal development of employees can not only explore their own value, but also contribute to the long-term development of the Group. The Group has established a comprehensive training system and evaluation criteria to improve employees' knowledge, skills and working ability. The Group provides comprehensive trainings for new employees and designates special tutors to follow up and coach them. The human resources department conducts regular communication and assessment and helps new employees to quickly get started with work. 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 comprehensive and high-quality training programs and development opportunities for its employees, aiming to enhance their professional competence and innovation capabilities for the shared growth between them and the Group. The Group also helps marketing personnel gain a full understanding of the cooperation mechanisms and commercial value of large IPs by comprehensively introducing the innovative cooperation models of several phenomenal documentary IPs to them. In addition, the Group regularly shares cutting-edge domestic and international imaging technology cases and the latest applications of AI in content production. This aims to encourage employees to explore the integration of new technologies with traditional content, creating innovative marketing cases to further the Group's influence and competitiveness in the industry. 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 2024	Year 2023
Total training hours	**372**	210
Average training hours per employee	**4.3**	2.7
Percentage of male employees participating in training	**37%**	38%
Percentage of female employees participating in training	**49%**	40%
Average training hours of male employees	**3.0**	2.0
Average training hours of female employees	**4.9**	3.1
Percentage of senior management participating in training	**38%**	41%
Percentage of ordinary employees participating in training	**45%**	39%
Average training hours of senior management	**3.0**	2.0
Average training hours of ordinary employees	**4.4**	2.8

B4. Labor 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.

B5. 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 72 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 mainland China, 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.

B6. 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 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 38 new trademarks, registered 6 new copyrights, and renewed the registration of 4 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.

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 are 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 relevant 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.

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 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.

B7. 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 receive any reports of corruption, nor have any legal cases involving corruption against the Group or its employees.

B8. Community activity and participation

The Group has always been concerned about community development and actively practicing its social responsibility to remain working on social harmony as an enterprise. During the Year, the Group participated in the "Ignite Rural Children's Science Dreams Program — Green & Shine Campus Science Festival (點亮鄉村學童科學夢 — 桂馨校園科技節)" sponsored by Beijing Green & Shine Foundation. This program is designed to provide rural children with better science education activities to enhance the scientific atmosphere in rural schools and cultivate rural children's interest in science.

During the Year, the Group invested and donated a total of approximately RMB100 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.

ANNUAL
REPORT
2024年報

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 2024.

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 2024 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 2024 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 2024, 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 2024 and up to the date of this annual report, the Board was unaware of any 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 2024.

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 2024, 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 2024 is as follows:

	Percentage of the Group's total purchases
The largest supplier	64%
Five largest suppliers in aggregate	89%

The Group's largest customer accounted for about 34% of the Group's revenue, and the Group's five largest customers combined accounted for about 53% 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 2024 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 103 to 108.

TRANSFER TO RESERVES

Profits attributable to equity shareholders of the Company for the year ended 31 December 2024, before dividends, of approximately RMB106.96 million (2023: approximately RMB96.78 million) have been transferred to reserves. Other movements in reserves are set out in the Consolidated Statement of Changes in Equity on page 107.

DIVIDENDS

Dividends totaling approximately RMB68.31 million (2023: RMB19.04 million) were paid to shareholders of the Company in 2024. The Board proposed the payment of a final dividend of HKD11.00 cents (2023: HKD9.20 cents) and a special dividend of HKD24.00 cents (2023: HKD7.00 cents) per share for the year ended 31 December 2024.

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 RMB100 thousand (2023: RMB72 thousand).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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. Li Zongzhou, Ms. Liu Zhiyi and Dr. Tan Henry 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 2024, 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 and beneficial interest	*262,122,169 (Note 2)*	2,800,000	264,922,169	57.39%
Chen Xin	Founder of discretionary trust and beneficiary of trust	*258,469,165 (Note 3)*	–	258,469,165	55.99%
Li Zongzhou	Beneficial interest	–	2,000,000	2,000,000	0.43%
Liu Zhiyi	Beneficial interest	–	300,000	300,000	0.06%
Qi Daqing	Beneficial interest	–	300,000	300,000	0.06%

Notes:

1. 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.

2. 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 2024, 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 in 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 share 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 share 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 share 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 2024, 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 15,252,000 shares, which represented about 3.30% of the total number of issued shares of the Company as at 1 January 2024. As at 31 December 2024, 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 31 December 2024.

As at the date of this annual report, 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 14,393,000 shares which represented approximately 3.11% of the total number of issued shares of the Company as at the date of this annual report.

Movements of the Options under the Share Option Scheme for the year ended 31 December 2024 are as follows:

Directors	No. of options outstanding at the beginning of the year	No. of options granted during the year	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
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 outstanding at the beginning of the year	No. of options granted during the year	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
in aggregate	9,852,000	–	–	(400,000)	9,452,000	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 2024, 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 *(Note 1)*	309,608,821	67.07%
CLH Holding Limited	Corporate interest *(Note 2)*	210,982,513	45.70%

Notes:

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

2. These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 210,982,513 shares of the Company held by Golden Bridge International Culture Limited.

Save as disclosed above, so far as known to the Directors and chief executive of the Company, as at 31 December 2024, 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 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 2024 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 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.

During the year ended 31 December 2023, Culture Development recorded a revenue of approximately RMB27.25 million and a consolidated revenue of approximately RMB177.05 million; a profit of approximately RMB2.37 million and a consolidated profit of approximately RMB3.38 million. As at 31 December 2023, the consolidated total assets and consolidated net liabilities of Culture Development were approximately RMB82.65 million and RMB42.13 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 2024, 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 2024 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 2024 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 2024 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 2024.

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 160 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 2024 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 2024 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 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 103 to 159, which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024 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"), Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("HKSAs") 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") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

KEY AUDIT MATTERS (CONTINUED)

Recognition of revenue from media resources management

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

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue is generated principally from media resources management operations and primarily comprises income generated from the placement of media advertisements. Revenue from the placement of media advertisements is generally recognised when the related advertisements are broadcast using the percentage of completion method with reference to monitoring reports prepared by third parties which record details of the broadcast media advertisements. We identified the recognition of revenue from media resources management 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.	Our audit procedures to assess the recognition of revenue from media resources management included the following: • assessing the design, implementation and operating effectiveness of key internal controls over revenue recognition; • comparing a sample of revenue transactions recorded during the year with the underlying advertising contracts and monitoring reports provided by the management and recalculating the percentage of advertisements placed to assess if revenue was properly recognised in the appropriate accounting period; • 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; • 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 • inspecting relevant underlying documentation for journal entries relating to revenue which were considered to meet specific risk-based criteria.

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
The Group's trade receivables mainly arose from media resources management operations. 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. 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.	Our audit procedures to assess the expected credit loss allowances for trade receivables included the following: • 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; • evaluating the Group's policy for estimating the credit loss allowances with reference to the requirements of the prevailing accounting standard; • 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; • 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; • 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 • re-performing the calculation of the loss allowances at the end of the reporting period based on the Group's credit loss allowance policies.

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.

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 issued by IASB, HKFRSs 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 group 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 Yu Wai Sum.

KPMG
Certified Public Accountants

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

31 March 2025

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024
(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Revenue	3	**612,517**	759,836
Cost of services		**(410,951)**	(637,869)
Gross profit		**201,566**	121,967
Other income	4	**7,293**	67,433
Selling and marketing expenses		**(36,724)**	(36,930)
General and administrative expenses		**(50,063)**	(53,406)
Profit from operations		**122,072**	99,064
Finance income	5(a)	**35,139**	30,827
Finance costs	5(a)	**(9,058)**	(593)
Net finance income		**26,081**	30,234
Profit before taxation		**148,153**	129,298
Income tax	6(a)	**(41,799)**	(32,751)
Profit for the year		**106,354**	96,547
Attributable to:			
Equity shareholders of the Company		**106,961**	96,778
Non-controlling interests		**(607)**	(231)
Profit for the year		**106,354**	96,547
Earnings per share			
Basic and diluted (RMB cents)	9	**23.2**	21.0

The notes on pages 109 to 159 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 2024
(Expressed in Renminbi)

	2024 *RMB'000*	2023 *RMB'000*
Profit for the year	**106,354**	96,547
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income ("FVOCI") — net movement in fair value reserve (non-recycling)	**213,739**	(20,049)
Exchange differences on translation of financial statements of the Company	**21,731**	12,711
	235,470	(7,338)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the overseas subsidiaries	**(93)**	(7,189)
Other comprehensive income for the year	**235,377**	(14,527)
Total comprehensive income for the year	**341,731**	82,020
Attributable to:		
Equity shareholders of the Company	**342,338**	82,251
Non-controlling interests	**(607)**	(231)
Total comprehensive income for the year	**341,731**	82,020

The notes on pages 109 to 159 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2024
(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	*10*	**161,319**	166,644
Investment property	*10*	**507,684**	522,517
Intangible assets	*11*	**1,639**	2,490
Other non-current financial assets	*13*	**375,993**	134,514
Deferred tax assets	*21(b)*	**—**	267
		1,046,635	826,432
Current assets			
Inventories		**603**	794
Trade receivables, other receivables and prepayments	*14*	**126,405**	126,639
Restricted bank deposits		**—**	760
Bank deposits	*15*	**719,273**	505,742
Cash and cash equivalents	*16*	**217,422**	416,005
		1,063,703	1,049,940
Current liabilities			
Trade and other payables	*17*	**72,807**	121,407
Contract liabilities and advance from customers	*18*	**65,994**	56,772
Lease liabilities	*19*	**925**	609
Current taxation	*21(a)*	**24,782**	19,179
		164,508	197,967
Net current assets		**899,195**	851,973
Total assets less current liabilities		**1,945,830**	1,678,405

The notes on pages 109 to 159 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2024
(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Lease liabilities	*19*	**837**	1,195
Deferred tax liabilities	*21(b)*	**—**	5,190
		837	6,385
NET ASSETS		**1,944,993**	1,672,020
CAPITAL AND RESERVES			
Share capital	*22(c)*	**510,981**	510,981
Reserves		**1,443,903**	1,169,873
Total equity attributable to equity shareholders of the Company		**1,954,884**	1,680,854
Non-controlling interests		**(9,891)**	(8,834)
TOTAL EQUITY		**1,944,993**	1,672,020

Approved and authorised for issue by the board of directors on 31 March 2025

Chen Xin
Chairman

Li Zongzhou
Director

The notes on pages 109 to 159 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company								
	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	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	**510,981**	**31,033**	**126,817**	**14,480**	**(73,000)**	**1,070,543**	**1,680,854**	**(8,834)**	**1,672,020**
Changes in equity for 2024:									
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)**
Balance at 31 December 2024	**510,981**	**31,033**	**126,817**	**36,118**	**140,739**	**1,109,196**	**1,954,884**	**(9,891)**	**1,944,993**
Balance at 1 January 2023	510,981	31,033	126,886	8,958	(52,951)	992,738	1,617,645	(8,421)	1,609,224
Changes in equity for 2023:									
Profit for the year	–	–	(69)	–	–	96,847	96,778	(231)	96,547
Other comprehensive income	–	–	–	5,522	(20,049)	–	(14,527)	–	(14,527)
Total comprehensive income	–	–	(69)	5,522	(20,049)	96,847	82,251	(231)	82,020
Dividends declared by a subsidiary to the non-controlling equity owner	–	–	–	–	–	–	–	(607)	(607)
Dividends approved and paid to equity shareholders of the Company *(note 22(b)(ii))*	–	–	–	–	–	(19,042)	(19,042)	–	(19,042)
Purchase of minority interests	–	–	–	–	–	–	–	425	425
Balance at 31 December 2023	510,981	31,033	126,817	14,480	(73,000)	1,070,543	1,680,854	(8,834)	1,672,020

The notes on pages 109 to 159 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2024
(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Operating activities			
Cash generated from operations	*16(b)*	**107,628**	64,817
Income tax paid	*21(a)*	**(41,116)**	(43,678)
Net cash generated from operating activities		**66,512**	21,139
Investing activities			
Net proceeds from disposal of investment properties	*4*	**—**	87,808
Payment for purchase of equity securities		**(18,420)**	(57,020)
Payment for purchase of property, plant and equipment		**(484)**	(293)
Proceeds from disposal of wealth management products		**—**	4,500
Increase in bank deposits		**(213,531)**	(356,686)
Acquisition of a subsidiary, net of cash acquired		**—**	1,541
Interest received		**35,139**	24,694
Dividends received from investments in securities	*13(i)*	**1,154**	1,117
Other cash flow generated from investing activities		**2**	9
Net cash used in investing activities		**(196,140)**	(294,330)
Financing activities			
Dividends paid to equity shareholders of the Company	*22(b)*	**(68,308)**	(19,042)
Capital element of lease rentals paid	*16(c)*	**(855)**	(1,347)
Interest element of lease rentals paid	*16(c)*	**(87)**	(43)
Net cash used in financing activities		**(69,250)**	(20,432)
Net decrease in cash and cash equivalents		**(198,878)**	(293,623)
Cash and cash equivalents at 1 January		**416,005**	704,635
Effect of foreign exchange rate changes		**295**	4,993
Cash and cash equivalents at 31 December	*16*	**217,422**	416,005

The notes on pages 109 to 159 form part of these financial statements.

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). As Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, 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 HKFRSs. 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 amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. The equivalent amendments to HKFRSs 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 2024 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 following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— investments in equity securities (see note 1(e))

The preparation of financial statements in conformity with IFRS Accounting Standards and HKFRSs 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 HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The Group has applied the following amended HKFRS/IFRS Accounting Standards issued by the HKICPA/IASB to these financial statements for the current accounting period:

- Amendments to IAS 1/HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("2020 amendments") and amendments to IAS 1/HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("2022 amendments")

- Amendments to IFRS 16/HKFRS 16, *Leases — Lease liability in a sale and leaseback*

- Amendments to IAS 7/HKAS 7, *Statement of cash flows* and amendments to IFRS 7/HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

None of these amended standards have had a material effect on how the Group's results and financial position for the current period have been prepared or presented. The Group has not applied any new standard or amendment 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).

(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)(vii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— 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)(vi)).

(f) Investment property

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. 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)(v).

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)).

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.

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)(v).

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.

(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.

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 other 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)).

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.

(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)).

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

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.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income (Continued)

(ii) Content operations and other integrated communication services

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 other integrated communication services 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.

(iii) Digital marketing and internet media

Revenue from digital marketing and internet media is primarily derived from digital precision marketing and the placement of advertisements on websites. Revenue from digital marketing is recognised upon the provision of the service. Revenue from internet media 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.

(iv) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products.

(v) 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.

(vi) Dividends

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

(vii) Interest income

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

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income (Continued)

(viii) 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.

(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.

(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.

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 2024, there are RMB8,165 thousand of revenue generated from outside Mainland China (2023: RMB4,672 thousand). As at 31 December 2024, the Group's non-current assets other than other non-current financial assets and deferred tax assets, which physically locate outside Mainland China, are amounting to RMB5 thousand (2023: RMB7 thousand).

2 ACCOUNTING JUDGEMENT 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:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15/HKFRS 15		
— Revenue from TV media resources management	**342,802**	489,352
— Revenue from content operations, other integrated communication services and others	**103,203**	112,516
— Revenue from digital marketing and internet media	**131,216**	117,608
	577,221	719,476
Revenue from other sources		
— Revenue from rental	**35,296**	40,360
	612,517	759,836

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

	2024 RMB'000	2023 RMB'000
Disaggregated by timing of revenue recognition		
— Point in time	**46,290**	80,275
— Over time	**530,931**	639,201
	577,221	719,476

The Group's customer base is diversified and include one customer (2023:one) with whom transactions have exceeded 10% of the Group's revenue. During the year ended 31 December 2024, revenue from this customer amounted to RMB210,818 thousand (2023: RMB199,818 thousand).

4 OTHER INCOME

	Note	2024 RMB'000	2023 RMB'000
Net gain on disposal of investment properties	*(i)*	—	68,153
Government grants	*(ii)*	**527**	4,528
Change in fair value of financial assets measured at FVPL	*(iii)*	**4,371**	(8,622)
Dividend income	*13(i)*	**1,154**	1,117
Net gain from acquisition of a subsidiary		—	1,120
Others		**1,241**	1,137
		7,293	67,433

Notes:

(i) The Group disposed certain investment properties with net proceeds of RMB87,808 thousand during the year ended 31 December 2023, including an office unit and 12 car parking spaces. At the time of the disposal, the net book value of the properties was RMB23,180 thousand, and the Group recognised a gain on disposal of RMB68,153 thousand.

(ii) 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.

(iii) The change in fair value of financial assets arises from the investment in China Feihe Limited.

5 PROFIT BEFORE TAXATION

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

(a) Finance income and costs

	2024 **RMB'000**	2023 RMB'000
Interest income on bank deposits	**35,139**	30,827
Finance income	**35,139**	30,827
Net foreign exchange loss	**(8,971)**	(550)
Interest on lease liabilities	**(87)**	(43)
Finance costs	**(9,058)**	(593)
Net finance income	**26,081**	30,234

(b) Staff costs

	Note	**2024** **RMB'000**	2023 RMB'000
Salaries, wages and other benefits		**44,269**	47,382
Contributions to defined contribution plan	*(i)*	**4,707**	4,595
		48,976	51,977

Note:

(i) As stipulated by the regulations of the PRC, the Group participates in a defined contribution plan organised by municipal and provincial governments for its employees. The Group is required to make contributions to the contribution plan at rates ranging from 15% to 16% (2023: 14% 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 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 plans vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

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	2024 RMB'000	2023 RMB'000
Amortisation cost			
— intangible assets	*11*	**851**	852
Depreciation charge	*10(a)*		
— owned property, plant and equipment		**20,248**	22,208
— right-of-use assets		**1,036**	1,270
		21,284	23,478
(Reversal)/Recognition of impairment losses			
— trade debtors	*23(a)*	**(7,256)**	(7,535)
— other debtors		**2,534**	—
		(4,722)	(7,535)
Auditors' remuneration			
— audit services		**2,637**	2,687
— other services		**—**	228
		2,637	2,915
Direct operating expenses (excluding depreciation)			
— investment property		**965**	654

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2024 RMB'000	2023 RMB'000
Current tax		
Provision for income tax for the current year *(note 21(a))*	**45,451**	44,945
Under/(Over)-provision in respect of prior years *(note 21(a))*	**1,268**	(2,003)
	46,719	42,942
Deferred tax		
Origination and reversal of temporary differences *(note 21(b))*	**(4,920)**	(10,191)
Total income tax expense	**41,799**	32,751

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

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

	2024 *RMB'000*	2023 *RMB'000*
Profit before taxation	**148,153**	129,298
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii), (iii))*	**37,659**	31,208
Tax effect of temporary differences not recognised	**(465)**	85
Tax effect of utilisation of previously unrecognised tax losses	**(1,903)**	(482)
Dividends withholding tax *(Note (iv))*	**7,273**	8,081
Tax effect of non-deductible expenses	**3,367**	355
Tax effect of non-taxable income	**(5,400)**	(4,493)
Under/(Over)-provision in respect of prior years	**1,268**	(2,003)
Actual tax expense	**41,799**	32,751

Notes:

(i) For the years ended 31 December 2024 and 2023, 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 2024 and 2023, the assessable profits earned by the Company are taxed at 16.5%. The Company and its subsidiary incorporated in Hong Kong did not have assessable profits subject to Hong Kong profits tax for the year ended 31 December 2024 (2023: Nil).

(ii) The corporate income tax rate of the Company's subsidiary in Singapore is 17% (2023: 17%). No provision has been made for Singapore income tax as this subsidiary did not have assessable profits for the year ended 31 December 2024 (2023: 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 2024, certain group entities established in the PRC are taxed at a preferential rate of 20% (2023: 20%) as small meager-profit enterprises.

For the year ended 31 December 2024, 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% (2023: 25%).

(iv) For the year ended 31 December 2024, 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 Mainland China 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" (2023: 5%).

(v) The Group is in the process of making 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 is unlikely to have a significant impact on the consolidated financial statements.

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 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*
Executive directors					
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
Independent non-executive directors					
Qi Daqing	211	–	–	–	211
IP Hung	183	–	–	–	183
Tan Henry	183	–	–	–	183
Zhang Hua	183	–	–	–	183
	760	3,638	1,150	337	5,885

For the year ended 31 December 2023

	Directors' fees *RMB'000*	Salaries, allowances and other benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Contribution to defined contribution plan *RMB'000*	2023 Total *RMB'000*
Executive directors					
Liu Jinlan	–	1,035	500	57	1,592
Chen Xin	–	848	250	87	1,185
Li Zongzhou	–	723	80	–	803
Liu Zhiyi	–	924	250	108	1,282
Independent non-executive directors					
Qi Daqing	207	–	–	–	207
IP Hung	180	–	–	–	180
Tan Henry	180	–	–	–	180
Zhang Hua	180	–	–	–	180
	747	3,530	1,080	252	5,609

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2023: three) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining one (2023: two) individual are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Salaries, allowances and other benefits in kind	**725**	1,504
Discretionary bonuses	**453**	242
Contribution to defined contribution plan	**132**	119
	1,310	1,865

The emoluments of the one individual (2023: two individuals) with the highest emoluments are within the following bands:

	2024	2023
HKD Nil to HKD1,000,000	**—**	2
HKD1,000,001 to HKD1,500,000	**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 RMB106,961 thousand (2023: RMB96,778 thousand) and the weighted average of 461,635,370 ordinary shares (2023: 461,635,370 shares) in issue during the year.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding for the years ended 31 December 2024 and 2023. The effect of the deemed issue of shares under the Company's share option scheme was not included in the calculation of diluted earnings per share as they are anti-dilutive during the years ended 31 December 2024 and 2023.

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*
Original cost						
Balance at 1 January 2023	237,184	11,210	13,709	262,103	729,725	991,828
Additions	1,910	293	—	2,203	—	2,203
Disposals	—	(241)	(271)	(512)	(45,955)	(46,467)
Balance at 31 December 2023	239,094	11,262	13,438	263,794	683,770	947,564
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**
Depreciation						
Balance at 1 January 2023	66,615	11,010	12,098	89,723	165,611	255,334
Charge for the year	7,270	306	340	7,916	15,562	23,478
Disposals	—	(229)	(260)	(489)	(22,775)	(23,264)
Balance at 31 December 2023	73,885	11,087	12,178	97,150	158,398	255,548
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**
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**
Impairment loss						
Balance at 1 January 2023, 31 December 2023 and 31 December 2024	—	—	—	—	2,855	2,855
Net book value						
At 31 December 2024	**159,970**	**261**	**1,088**	**161,319**	**507,684**	**669,003**
At 31 December 2023	165,209	175	1,260	166,644	522,517	689,161

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 investment properties in Beijing as at 31 December 2024 is RMB795,886 thousand (2023: RMB910,978 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 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, Mainland China, 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 2024 RMB'000**	31 December 2023 RMB'000
Properties leased for own use, carried at depreciated cost	*(i)*	**1,970**	2,235

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

	Note	**2024 RMB'000**	2023 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties leased for own use	*5(c)*	**1,036**	1,270
Interest on lease liabilities	*5(a)*	**87**	43
Expense relating to short-term leases	*16(d)*	**786**	745

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

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

During the year, additions to right-of-use assets were RMB820 thousand (2023: RMB1,910 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:

	2024 *RMB'000*	2023 *RMB'000*
Within 1 year	**46,161**	43,068
After 1 year but within 2 years	**15,774**	43,068
After 2 years but within 3 years	**4,826**	12,400
After 3 years but within 4 years	**4,903**	1,065
After 4 years but within 5 years	**4,892**	1,065
After 5 years	**16,586**	3,195
	93,142	103,861

11 INTANGIBLE ASSETS

	Development costs *RMB'000*	Patents and trademarks *RMB'000*	Softwares *RMB'000*	Total *RMB'000*
Cost				
At 1 January 2023, 31 December 2023 and 1 January 2024	12,988	49,428	616	63,032
Disposals	(12,988)	—	—	(12,988)
At 31 December 2024	—	49,428	616	50,044
Accumulated amortisation				
At 1 January 2023	12,988	38,394	608	51,990
Charge for the year	—	803	49	852
Reclassification	—	114	(114)	—
At 31 December 2023 and 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	**—**	**40,113**	**592**	**40,705**
Impairment loss				
At 1 January 2023, 31 December 2023 and 31 December 2024	—	7,700	—	7,700
Net book value				
At 31 December 2024	**—**	**1,615**	**24**	**1,639**
At 31 December 2023	—	2,417	73	2,490

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

(Expressed in Renminbi unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES

As at 31 December 2024, the Company had direct and indirect interests in the following principal subsidiaries:

Name of companies	Place of incorporation/ establishment	Particulars of issued and paid-up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Director(s)
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
Sino-foreign invested enterprise operated in the PRC							
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
Domestic companies operated in the PRC							
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
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	Mr. Chen Xin Ms. Liu Jinlan 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 Ms. Liu Jinlan Mr. Huang Ping
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

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of companies	Place of incorporation/ establishment	Particulars of issued and paid-up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities	Director(s)
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
Beijing Document Time International Culture Company Limited 北京紀錄時代國際文化有限公司	Beijing, the PRC	RMB1,000,000	99.70%	–	100%	Advertisement design and production, agency and publishing services	Mr. Li Zongzhou
Little Lion (Beijing) Food Culture Company Limited 小小雄獅(北京)食品文化有限公司	Beijing, the PRC	RMB4,250,000	83.77%	–	84.02%	Sales of fresh fruit, fresh vegetables, edible produce,	Ms. Liu Zhiyi
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

13 OTHER NON-CURRENT FINANCIAL ASSETS

	Note	**2024** **RMB'000**	2023 RMB'000
Financial assets measured at FVPL			
— Equity securities listed in Hong Kong	*(i)*	**20,407**	15,646
Equity securities designated at FVOCI			
— Investments in unlisted equity securities	*(ii)*	**355,586**	118,868
		375,993	134,514

Notes:

(i) As at 31 December 2024, the Group holds issued shares of China Feihe Limited (stock code: 6186) and designated the investment at FVPL. Dividends received on this investment were HKD1,260 thousand (approximately RMB1,154 thousand) during the year ended 31 December 2024 (2023: approximately RMB1,117 thousand).

(ii) Investments in unlisted equity securities mainly represent shares in Bloks Group Limited ("Bloks Group"), Heilongjiang North Latitude 47 Green Organic Food Co., Ltd ("North Latitude 47") and Beijing AIQI Technology Company Limited ("Beijing AIQI"). The Group designated its investments in unlisted equity securities at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received on these investments during the year ended 31 December 2024 (2023: Nil).

Notes to the Consolidated Financial Statements

at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

14 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2024 *RMB'000*	2023 *RMB'000*
Trade debtors and bills receivable, net of loss allowance *(note 23 (a))*	**76,387**	97,008
Deposits to media suppliers	**7,006**	9,126
Advances to employees, net of loss allowance	**690**	2,059
Other debtors, net of loss allowance	**149**	728
Financial assets measured at amortised cost	**84,232**	108,921
Prepayments to media suppliers	**34,851**	10,064
Other prepayments	**3,219**	2,464
Input VAT to be deducted	**4,103**	5,190
	42,173	17,718
Trade receivables, other receivables and prepayments, net of loss allowance	**126,405**	126,639

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:

	2024 *RMB'000*	2023 *RMB'000*
Within 3 months	**65,833**	83,783
4 months to 6 months	**7,902**	8,261
7 months to 12 months	**2,179**	4,431
Over 12 months	**473**	533
	76,387	97,008

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 2024, bank deposits of the Group represented fixed-term deposits from 6-month to 1-year in UBS AG Hong Kong Branch at an annual interest of 3.72%-5.24% (2023: 5.11%-5.33%).

16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

	2024 *RMB'000*	2023 *RMB'000*
Cash on hand	**256**	279
Cash at banks	**217,166**	415,726
	217,422	416,005

(a) Cash and cash equivalents are denominated in:

	2024 *RMB'000*	2023 *RMB'000*
RMB	**185,655**	375,223
USD	**10,890**	8,641
HKD	**9,975**	21,039
SGD	**6,841**	6,594
CAD	**4,055**	4,299
AUD	**6**	6
CHF	**—**	203
	217,422	416,005

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

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

	Note	**2024** **RMB'000**	2023 RMB'000
Profit before taxation		**148,153**	129,298
Adjustments for:			
Depreciation	*5(c)*	**21,284**	23,478
Amortisation of intangible assets	*5(c)*	**851**	852
Reversal of impairment loss of debtors	*5(c)*	**(4,722)**	(7,535)
Net gain from acquisition of a subsidiary		**—**	(1,120)
Finance income	*5(a)*	**(35,139)**	(30,827)
Finance costs	*5(a)*	**87**	43
Net foreign exchange loss	*5(a)*	**8,971**	550
Net gain on disposal of investment property	*4*	**—**	(68,153)
Unrealised (gains)/losses on financial assets	*4*	**(4,371)**	8,622
Dividend income	*13(i)*	**(1,154)**	(1,117)
Decrease/(Increase) in restricted cash		**760**	(760)
Changes in working capital:			
Decrease/(Increase) in inventories		**191**	(300)
Decrease in trade and other receivables		**12,323**	13,892
(Decrease)/Increase in trade and other payables		**(48,828)**	27,417
Increase/(Decrease) in contract liabilities and advance from customers		**9,222**	(29,523)
Cash generated from operations		**107,628**	64,817

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.

	Lease liabilities *RMB'000*
At 1 January 2024	**1,804**
Capital element of lease rentals paid	**(855)**
Interest element of lease rentals paid	**(87)**
Total changes from financing cash flows	**(942)**
Other changes	
Increase in lease liabilities from entering into new leases	**813**
Interest expenses *(note 5(a))*	**87**
Total other changes	**900**
At 31 December 2024	**1,762**
At 1 January 2023	1,586
Capital element of lease rentals paid	(1,347)
Interest element of lease rentals paid	(43)
Total changes from financing cash flows	(1,390)
Other changes	
Increase in lease liabilities from entering into new leases	1,565
Interest expenses *(note 5(a))*	43
Total other changes	1,608
At 31 December 2023	1,804

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	2024 RMB'000	2023 RMB'000
Within operating cash flows	10(b)	**(786)**	(745)
Within financing cash flows	16(c)	**(942)**	(1,390)
		(1,728)	(2,135)

These amounts relate to the following:

	2024 RMB'000	2023 RMB'000
Lease rentals paid	**(2,417)**	(2,135)

17 TRADE AND OTHER PAYABLES

	Note	2024 RMB'000	2023 RMB'000
Trade payables	(i)	**24,195**	62,629
Payroll and welfare expenses payables		**3,493**	5,352
Other tax payables	(ii)	**6,450**	4,550
Other payables and accrued charges	(iii)	**36,893**	47,550
Dividends payable due to non-controlling interests		**1,776**	1,326
Financial liabilities measured at amortised cost		**72,807**	121,407

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:

	2024 RMB'000	2023 RMB'000
Within 3 months	**15,749**	36,645
4 months to 6 months	**4,266**	11,425
7 months to 12 months	**1,332**	8,882
Over 12 months	**2,848**	5,677
	24,195	62,629

(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

	2024 RMB'000	2023 RMB'000
Contract liabilities		
— Billings in advance of media service contracts	**59,789**	47,165
Advance from customers		
— Billings in advance of rental contracts	**6,205**	9,607
	65,994	56,772

Movements in contract liabilities and advance from customers

	2024 RMB'000	2023 RMB'000
Balance at 1 January	**56,772**	86,294
Decrease in contract liabilities and advance from customers as a result of recognising revenue during the year	**(54,577)**	(83,693)
Increase in contract liabilities as a result of billing in advance of providing media services	**57,594**	44,562
Increase in advance from customers as a result of billing in advance of rental services	**6,205**	9,609
Balance at 31 December	**65,994**	56,772

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 2024, the lease liabilities were repayable as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	**925**	609
After 1 year but within 3 years	**837**	1,195
	1,762	1,804

(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 2024, the Company has granted 12 tranches of share options under the Share Option Scheme. Except for 12th tranche, all other tranches of share options have lapsed.

(i) The terms and conditions of the grants of 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 prices of share options are as follows:

	11th tranche		12th tranche		Total
At 1 January 2023	HKD2.59	640,000	HKD1.77	15,252,000	15,892,000
Lapsed	HKD2.59	640,000	—	—	640,000
At 31 December 2023	—	—	HKD1.77	15,252,000	15,252,000
Currently exercisable As at 31 December 2023	—	—	HKD1.77	15,252,000	15,252,000
At 1 January 2024	**—**	**—**	**HKD1.77**	**15,252,000**	**15,252,000**
Lapsed	**—**	**—**	**HKD1.77**	**400,000**	**400,000**
At 31 December 2024	**—**	**—**	**HKD1.77**	**14,852,000**	**14,852,000**
Currently exercisable As at 31 December 2024	**—**	**—**	**HKD1.77**	**14,852,000**	**14,852,000**

The options of 12th tranche outstanding as at 31 December 2024 had an exercise price of HKD1.77 per share and a weighted average remaining contractual life of 0.67 years (2023: 1.67 years).

21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	Note	2024 RMB'000	2023 RMB'000
Balance at the beginning of the year		**19,179**	19,915
Provision for the year	6(a)	**45,451**	44,945
Under/(Over)-provision in respect of prior years	6(a)	**1,268**	(2,003)
Tax paid		**(41,116)**	(43,678)
Balance of at the end of the year		**24,782**	19,179

(b) Deferred tax assets and liabilities recognised:

(i) 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 2023	1,149	13,958	15,107
Credited to profit or loss	(1,423)	(8,768)	(10,191)
Exchange adjustment	7	—	7
At 31 December 2023 and 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	**—**	**—**	**—**

(ii) Reconciliation to the consolidated statement of financial position

	2024 RMB'000	2023 RMB'000
Net deferred tax asset in the consolidated statement of financial position	**—**	(267)
Net deferred tax liability in the consolidated statement of financial position	**—**	5,190
	—	4,923

21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(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 RMB331,823 thousand (2023: RMB345,387 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 entities. 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 2024, temporary differences relating to the undistributed retained profits of PRC subsidiaries amounted to RMB723,188 thousand (2023: RMB785,486 thousand). Deferred tax liabilities of RMB36,051 thousand (2023: RMB39,156 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.

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*
Balance at 1 January 2023	510,981	31,437	18,649	199,818	760,885
Changes in equity for 2023					
Total comprehensive income for the year	–	–	12,711	203,368	216,079
Dividends approved and paid to equity shareholders of the Company *(note 22(b))*	–	–	–	(19,042)	(19,042)
Balance at 31 December 2023 and 1 January 2024	**510,981**	**31,437**	**31,360**	**384,144**	**957,922**
Changes in equity for 2024					
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))*	**–**	**–**	**–**	**(68,308)**	**(68,308)**
Balance at 31 December 2024	**510,981**	**31,437**	**53,091**	**478,670**	**1,074,179**

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

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

	2024 RMB'000	2023 RMB'000
Final dividend proposed after the end of the reporting period of HKD11.00 cents (equivalent to approximately RMB10.16 cents) (2023: HKD9.20 cents (equivalent to approximately RMB8.35 cents)) per share	**46,881**	38,534
Special dividend proposed after the end of the reporting period of HKD24.00 cents (equivalent to approximately RMB22.16 cents) (2023: HKD7.00 cents (equivalent to approximately RMB6.35 cents)) per share	**102,287**	29,319
	149,168	67,853

The final dividend and special dividend 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

	2024 RMB'000	2023 RMB'000
Dividends approved and paid to equity shareholders of the Company during the year	**68,308**	19,042

(c) Share capital

(i) Issued share capital

	2024 No. of ordinary shares	2024 HKD	2023 No. of ordinary shares	2023 HKD
Ordinary shares, issued and fully paid:				
At 1 January	**461,635,370**	**581,930,830**	461,635,370	581,930,830
At 31 December	**461,635,370**	**581,930,830**	461,635,370	581,930,830
RMB equivalent		**510,981,107**		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.

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(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.

(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 bank deposits, 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, 13.17% (2023: 6.78%) and 20.65% (2023: 14.87%) 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)*

The following table provides information about the Group's exposure to credit risk and ECLs for trade debtors and bills receivable:

	2024		
	Expected loss rate **%**	**Gross carrying amount** ***RMB'000***	**Loss allowance** ***RMB'000***
Collectively evaluated customers			
Current (not past due)	**4.27%**	**60,204**	**(2,571)**
0–3 months past due	**9.01%**	**8,685**	**(783)**
4–9 months past due	**23.64%**	**2,854**	**(675)**
10–21 months past due	**75.28%**	**846**	**(637)**
22–33 months past due	**83.49%**	**1,598**	**(1,334)**
More than 33 months past due	**100.00%**	**6,755**	**(6,755)**
		80,942	**(12,755)**
Individually evaluated customers		**100,749**	**(100,749)**
Bills receivable		**8,200**	**—**
Other receivables		**29,889**	**(22,043)**
		219,780	**(135,547)**

	2023		
	Expected loss rate %	Gross carrying amount *RMB'000*	Loss allowance *RMB'000*
Collectively evaluated customers			
Current (not past due)	6.45%	68,168	(4,398)
0–3 months past due	12.14%	9,402	(1,141)
4–9 months past due	28.49%	6,196	(1,765)
10–21 months past due	87.42%	3,688	(3,224)
22–33 months past due	96.93%	2,245	(2,176)
More than 33 months past due	100.00%	5,743	(5,743)
		95,442	(18,447)
Individually evaluated customers		102,313	(102,313)
Bills receivable		20,013	—
Other receivables		31,505	(19,591)
		249,273	(140,351)

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:

	2024 ***RMB'000***	2023 *RMB'000*
Balance at 1 January	**120,760**	128,295
Reversal of impairment losses during the year	**(7,256)**	(7,535)
Balance at 31 December	**113,504**	120,760

(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:

	2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand ***RMB'000***	**More than 1 year but less than 2 years** ***RMB'000***	**2 years but less than 5 years** ***RMB'000***	**More than 5 years** ***RMB'000***	**Total** ***RMB'000***	**Carrying amount** ***RMB'000***
Lease liabilities	**982**	**866**	**–**	**–**	**1,848**	**1,762**
Trade and other payables	**72,807**	**–**	**–**	**–**	**72,807**	**72,807**
Total	**73,789**	**866**	**–**	**–**	**74,655**	**74,569**

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

	2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand *RMB'000*	More than 1 year but less than 2 years *RMB'000*	2 years but less than 5 years *RMB'000*	More than 5 years *RMB'000*	Total *RMB'000*	Carrying amount *RMB'000*
Lease liabilities	682	682	568	—	1,932	1,804
Trade and other payables	121,407	—	—	—	121,407	121,407
Total	122,089	682	568	—	123,339	123,211

(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) 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.

	2024 *RMB'000*	2023 *RMB'000*
Trade and other receivables		
— in HKD	**355**	236
— in SGD	**79**	1
Cash and cash equivalents		
— in CAD	**4,055**	4,299
— in SGD	**48**	48
— in AUD	**6**	6
— in CHF	**—**	203
Trade and other payables		
— in HKD	**(1,060)**	(1,069)
— in SGD	**(254)**	(52)
Gross exposure	**3,229**	3,672

(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.

	2024		2023	
	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 retained earnings
CAD	**10%**	**406**	10%	430
	-10%	**(406)**	-10%	(430)
HKD	**10%**	**(71)**	10%	(83)
	-10%	**71**	-10%	83

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 2023.

(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 2024 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 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**

		Fair value measurement as at 31 December 2023 categorised into		
	Fair value at 31 December 2023 *RMB'000*	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*
Assets				
Listed equity securities	15,646	15,646	—	—
Unlisted equity securities	118,868	—	—	118,868

During the years ended 31 December 2024, there were transfers between Level 2 and Level 3. 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 Bloks Group and North Latitude 47 is determined by making reference to recent market transactions relating to these two companies.

(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	21.95% (2023: 18.86% to 20.74%)	21.95% (2023: 19.43%)

As at 31 December 2024, 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 RMB21,140 thousand (2023: RMB30,780 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 2024, 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 RMB482 thousand (2023: RMB1,110 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 2024 and 2023.

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:

	2024 *RMB'000*	2023 *RMB'000*
Short-term employee benefits	**9,606**	9,795
	9,606	9,795

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

(b) Transactions with related parties

	Note	**2024** *RMB'000*	2023 *RMB'000*
Rental of office	*(i)*	**689**	687

Notes:

(i) 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.

Notes to the Consolidated Financial Statements

at 31 December 2024
(Expressed in Renminbi unless otherwise indicated)

25 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**1,193**	1,804
Investments in subsidiaries	*12*	**272,179**	266,354
Financial assets measured at FVPL	*13(i)*	**20,407**	15,646
Deferred tax assets		**—**	267
		293,779	284,071
Current assets			
Other receivables and prepayments		**78,479**	172,624
Bank deposits	*15*	**719,273**	505,742
Cash and cash equivalents		**9,391**	22,632
		807,143	700,998
Current liabilities			
Other payables		**25,522**	25,343
Lease liabilities		**659**	609
		26,181	25,952
Net current assets		**780,962**	675,046
Total assets less current liabilities		**1,074,741**	959,117
Non-current liabilities			
Lease liabilities		**562**	1,195
		562	1,195
NET ASSETS		**1,074,179**	957,922
CAPITAL AND RESERVES	*22(a)*		
Share capital		**510,981**	510,981
Reserves		**563,198**	446,941
TOTAL EQUITY		**1,074,179**	957,922

Approved and authorised for issue by the board of directors on 31 March 2025.

Chen Xin
Chairman

Li Zongzhou
Director

26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

27 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2024, 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 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 2024

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 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21/HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*	1 January 2025
Amendments to IFRS 9/HKFRS 9, *Financial instruments and IFRS 7/HKFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS/HKFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18/HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19/HKFRS 19, *Subsidiaries without public accountability: disclosures*	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.

Five Year Financial Summary

(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Results					
Revenue	**612,537**	759,836	719,490	1,183,473	1,175,947
Profit before taxation	**148,153**	129,298	61,343	54,580	139,567
Income tax	**(41,799)**	(32,751)	(20,323)	(18,305)	(52,259)
Profit for the year	**106,354**	96,547	41,020	36,275	87,308
Attributable to:					
Equity shareholders of the Company	**106,961**	96,778	41,350	37,078	87,213
Non-controlling interests	**(607)**	(231)	(330)	(803)	95
Assets and liabilities					
Total assets	**2,110,338**	1,876,372	1,824,852	2,037,143	2,073,884
Total liabilities	**165,345**	204,352	215,628	379,620	452,103
Total Equity	**1,944,993**	1,672,020	1,609,224	1,657,523	1,621,781
Non-current assets	**1,046,635**	826,432	842,861	976,116	991,210
Current assets	**1,063,703**	1,049,940	981,991	1,061,027	1,082,674
Current liabilities	**164,508**	197,967	200,521	365,324	434,721
Net current assets	**899,195**	851,973	781,470	695,703	647,953
Non-current liabilities	**837**	6,385	15,107	14,296	17,382
Total Equity	**1,944,993**	1,672,020	1,609,224	1,657,523	1,621,781
Attributable to:					
Equity shareholders of the Company	**1,954,884**	1,680,854	1,617,645	1,665,494	1,628,349
Non-controlling interests	**(9,891)**	(8,834)	(8,421)	(7,971)	(6,568)

SinoMedia®

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）