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## Maoyan Entertainment

貓眼娛樂

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1896)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2021

The board of directors (the “**Board**”) of Maoyan Entertainment (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and the Consolidated Affiliated Entities (the “**Group**”) for the six months ended June 30, 2021. The results have been reviewed by the Audit Committee, together with the management of the Company and the Auditor.

#### PERFORMANCE HIGHLIGHTS

	Six Months ended June 30,		Year-on-year
	2021	2020	change
	RMB million	RMB million	%
	(Unaudited)	(Unaudited)	
Revenue	1,799.8	203.1	786.2
Gross profit/(loss)	1,045.5	(20.6)	N/A
Operating profit/(loss)	509.5	(424.5)	N/A
Profit/(loss) for the period	387.1	(430.7)	N/A
Adjusted EBITDA/(LBITDA)	625.7	(283.6)	N/A
Adjusted net profit/(loss) <sup>(Note)</sup>	484.2	(307.1)	N/A

*Note:* In the first half of 2021 and 2020, we defined adjusted net profit/(loss) as net profit/(loss) for the six months adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

## FINANCIAL HIGHLIGHTS

Our revenue increased to RMB1,799.8 million in the first half of 2021 from RMB203.1 million in the first half of 2020. Our gross profit was RMB1,045.5 million in the first half of 2021, compared with the gross loss of RMB20.6 million in the first half of 2020. Our net profit for the period was RMB387.1 million in the first half of 2021, compared with the net loss for the period of RMB430.7 million in the first half of 2020. Our adjusted EBITDA for the period was RMB625.7 million in the first half of 2021, compared with adjusted LBITDA of RMB283.6 million in the first half of 2020, whereas our adjusted net profit<sup>(Note)</sup> was RMB484.2 million in the first half of 2021, compared with the adjusted net loss of RMB307.1 million in the first half of 2020.

## BUSINESS REVIEW AND OUTLOOK

### Business Review

#### *Online Entertainment Ticketing Services*

In the first half of 2021, the movie market continued to recover in China. As of June 30, 2021, the total box office of Chinese movie market amounted to RMB27.57 billion. In particular, the box office performance during the New Year's Day, Spring Festival, Qingming Festival and Labor Day holidays in 2021 all exceeded the box office performance during the same period in 2019, demonstrating the strong recovery and room for further development of the Chinese movie market.

As a leading movie ticketing service provider in China, we persisted in paying attention to and strengthening our services and assistance to the movie industry and our partners, and constantly improve our platform capabilities and services by the launch of co-member format, one-click block booking (一鍵包場), the continuous optimization of the ticketing system and other measures, to improve the viewer activity and increase the profitability and operation efficiency of movie theaters.

Our live entertainment ticketing business was also progressing and developing steadily. We have become the leading live entertainment ticketing service provider in China, providing services covering concerts, stage plays, talk shows, e-sports events, leisure exhibitions, music festivals and immersive escape rooms, etc. In the first half of 2021, we provided general ticketing agency services for various high-quality shows and events, such as the famous Monet & Impressionists Masterpieces, the MIDI Festival 2021, and the King Pro League 2021, etc.

*Note* In the first half of 2021 and 2020, we defined adjusted net profit/(loss) as net profit/(loss) for the six months adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

## ***Entertainment Content Services***

Relying on the integration of professional experience and technological capabilities, as well as the continuous consolidation and improvement of management structure and capabilities, we have become a leading promoter and distributor of domestic movies and also a premium movie investor and developer with an abundant content reserves, strong promotion and distribution resources and capabilities of domestic movies. We formed efficient and accurate movie distribution services and resource integration capabilities, and achieved breakthrough growth in the first half of 2021.

In the first half of 2021, we participated in the production/distribution of 19 movies, which realized a box office of approximately RMB16.46 billion, accounting for 74% of the national box office of domestic movies in the same period. Among them, we participated in the distribution of a total of 12 movies. As of the end of the Reporting Period, we participated in the production/distribution for all of the top 5 domestic movies in terms of box office in China released in the first half of 2021.

During the Reporting Period, all movies we participated in had outstanding performances in the relevant major seasons:

- During the 2021 New Year's Day holiday, A Little Red Flower (送你一朵小紅花) and The Warm Hug (溫暖的抱抱), of which we participated in the production/distribution, ranked first and second respectively in terms of box office in the period;
- During the 2021 Spring Festival holiday, among the 7 movies starting to be released on the first day of the lunar year, we participated in 5 movies, which contributed more than 94% of the total box office of the period. Among them, Hi, Mom (你好，李煥英), of which we acted as the producer and lead distributor, had an outstanding performance and recorded a box office of more than RMB5.4 billion, being the highest-grossing movie of the period and ranking second historically in terms of domestic movie box office performance;
- During the 2021 Qingming Festival holiday, the Sister (我的姐姐), of which we participated in the production, had an outstanding performance and was the highest-grossing movie of the period, contributing nearly half of the total box office in the period;
- During the 2021 Labor Day holiday, movies including the Cliff Walkers (懸崖之上) and Once upon a Time in Hong Kong (追虎擒龍) achieved excellent performances, of which we participated in the production/distribution.

In July and August 2021, the movies we participated in, such as "1921", The Doctors (中國醫生), Raging Fire (怒火•重案), Upcoming Summer (盛夏未來), White Snake 2: Green Snake (白蛇2：青蛇劫起), were also released successively, all performed well in terms of box office and reputation. There will be a series of quality movies that we act as producer/distributor at opportune time, such as Justices Seeker (檢察風雲), G storm 5 (反貪風暴5), Theory of Ambitions (風再起時), Myna Bird (被害人), Warriors of Future (明日戰記), Knock Knock (不速來客), Farewell, My Lad (再見，少年).

We continued to cultivate the self-production of movies and TV series, further consolidate our own IP and strive to become a producer of high-quality contents. We have gradually established a professional movie and television self-production management system, continued to integrate resources and strengthened self-production capabilities. At present, we have a relatively abundant self-produced movie reserves. Among them, *After Back To The Wharf* (風平浪靜) and *On Your Mark* (了不起的老爸) have been released and performed well both in box office performance and reputation. In the future, there will be more movies self-produced by us to be launched successively, including *A Film Is Born* (揚名立萬) and *Moses on the Plain* (平原上的摩西), the release schedules of which have been finalized, and *Flaming Cloud* (三貴情史), *The Woman in the Storm* (我經過風暴) and *Game Start* (天才遊戲), etc. to be released as appropriate.

In addition to cinema movies, we were also constantly strengthening the production of other types of contents to expand our presence across the pan-entertainment industry. Currently, we have more than 10 TV series and online movie projects under production. Among them, production of *The Last Straw* (落水者) and *Blinding Elephant* (盲區), each being a legal drama TV series developed and produced by us, were completed in July 2021 and both will be broadcasted exclusively on Youku later. In addition, *Genius Go Talent* (天才棋士), *Beauty in Truth* (女為悅己者), *Love Me If You Dare* (服不服) and several other TV series and certain online movies self-produced by us will also be released successively.

In addition, our efforts in improving promotion and distribution capabilities are also proved to be effective. As a top-notch domestic movie distributor and a leading pan-entertainment marketing platform, we continued to improve our product capabilities, iterative cognition and system capabilities. Now we have established a professional promotion and distribution team with outstanding promotion and distribution capabilities to continuously upgrade our standardized and customized promotion and distribution products. We gradually form our unique intelligent promotion and distribution product system and one-stop network-wide promotion and distribution capabilities. We have also achieved industry-leading promotion and distribution service coverage of cinema movie projects, for example, we provided various promotion and distribution services fully covered 100% of the cinema movies during major seasons such as Spring Festival, Qingming Festival and Labor Day holidays in 2021. The “real-time wish-list gathering” (實時想看) and “real-time pre-sale” (實時預售), two indicators supported by us, have been recognized as standard indicators of the industry with increasingly higher industry authority and provided professional tool-like services and support for the promotion and distribution work of our partners in the industry. Further, we continued to launch innovative marketing products and marketing programs, such as “Maoyan’s word-of-mouth marketing” (貓眼口碑營銷), “cloud block booking” (雲包場) and other products, which have been widely recognized by the market and further demonstrated our professional promotion and distribution capabilities.

### ***Advertising Services and Others***

We continue to build a marketing platform, expand and diversify advertising resources to cover all online and offline entertainment scenarios. During the Reporting Period, the number of both monthly active users and daily active users of Maoyan app and Maoyan Pro app recorded new highs. The total number of users of our Maoyan applet ecosystem covering Douyin, WeChat, Baidu and other platforms has exceeded 450 million and is growing continuously.

Maoyan Pro has always been committed to helping improve the efficiency and transparency of the industry from the availability of box office, movie schedule, attendance, box office forecast and other basic movie data services to the launch of online movie box office list, movie popularity list, webcast popularity list, TV ratings list, short video popularity list and other lists of various types and channels, and further to the movie promotion and distribution list covering the 6 major lists, i.e. the real-time wish list, real-time pre-sale list, WeChat index list, Baidu index list, Douyin's relevant index lists and Weibo's relevant index lists.

In addition, we continued to improve the commercialization capabilities based on industrial big data service. During the Reporting Period, our industrial big data service business provided support to more than 40 projects, covering various seasons, such as the New Year, Spring Festival, Qingming, Labor Day and summer vacation. We continued to expand our service model and have published a number of industrial data reports (including movie market data insights of major seasons, research on online movie market and in-depth research on movie schedules, etc.) to share our industrial data research capabilities with the public, supporting industry participants to better understand the changes and trends of the market.

### ***Outlook***

Looking forward, we will continue to devote ourselves to the pan-entertainment industry. Based on “Technology+Pan-Entertainment”, our core development strategy, we will continue to produce diversified contents with excellent quality and positive values, strengthen business synergy and value aggregation, and strive to create more value for the pan-entertainment industry and the society. Meanwhile, given the industry we are operating in, the core needs of our development and the challenges and business possibilities we are facing, we will constantly expand the business portfolio, achieve long-term development and continuously improve competitiveness and risk resistance capacity. We are willing to work together and grow up steadily with our partners to embrace the bright future of the industry.

Last but not least, we would like to express our sincere gratitude to all of our colleagues, shareholders and industry partners for their trust and support. Let us forge ahead together and generate greater values for the industry!

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Period Review

	Six months ended June 30,			
	2021		2020	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
<b>Revenue</b>	<b>1,799.8</b>	<b>100.0</b>	203.1	100.0
Cost of revenue	(754.3)	(41.9)	(223.7)	(110.1)
<b>Gross profit/(loss)</b>	<b>1,045.5</b>	<b>58.1</b>	(20.6)	(10.1)
Selling and marketing expenses	(320.8)	(17.8)	(170.8)	(84.1)
General and administrative expenses	(178.6)	(9.9)	(204.3)	(100.6)
Net impairment losses on financial assets	(41.6)	(2.3)	(135.6)	(66.8)
Other income	8.1	0.5	122.0	60.1
Other losses, net	(3.1)	(0.2)	(15.2)	(7.5)
<b>Operating profit/(loss)</b>	<b>509.5</b>	<b>28.4</b>	(424.5)	(209.0)
Finance income	16.6	0.9	12.3	6.1
Finance costs	(17.9)	(1.0)	(20.1)	(9.9)
Finance costs, net	(1.3)	(0.1)	(7.8)	(3.8)
Share of losses of investments accounted for using the equity method	(1.0)	(0.1)	(0.3)	(0.1)
<b>Profit/(loss) before income tax</b>	<b>507.2</b>	<b>28.2</b>	(432.6)	(212.9)
Income tax (expenses)/credits	(120.1)	(6.7)	1.9	0.9
<b>Profit/(loss) for the period</b>	<b>387.1</b>	<b>21.5</b>	(430.7)	(212.0)
Non-IFRS Measures:				
EBITDA/(LBITDA)	597.7	33.2	(338.1)	(166.5)
Adjusted EBITDA/(LBITDA)	625.7	34.8	(283.6)	(139.6)
Adjusted net profit/(loss) <sup>(note)</sup>	484.2	26.9	(307.1)	(151.2)

*Note:* In the first half of 2021 and 2020, we defined adjusted net profit/(loss) as net profit/(loss) for the six months adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

## Revenue

Our revenue increased from RMB203.1 million in the first half of 2020 to RMB1,799.8 million in the first half of 2021. This increase was primarily due to increases in the revenue from the online entertainment ticketing services, the entertainment content services and the advertising services and others as the China's film market recovered steadily with the good control of domestic epidemic in the first half of 2021. The following table sets forth our revenues by service in the first half of 2020 and 2021.

	Six months ended June 30,			
	2021		2020	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
<b>Revenue</b>				
Online entertainment ticketing services	1,013.5	56.3	103.8	51.1
Entertainment content services <i>(note)</i>	660.1	36.7	15.6	7.7
Advertising services and others	126.2	7.0	83.7	41.2
<b>Total</b>	<b>1,799.8</b>	<b>100.0</b>	<b>203.1</b>	<b>100.0</b>

*Note:* This amount included fair value loss on the Group's investments in movies and TV series amounting to RMB8.3 million for the six months ended June 30, 2021 (for the six months ended June 30, 2020: fair value gain of RMB10.7 million).

### Online entertainment ticketing services

Revenue from our online entertainment ticketing business increased from RMB103.8 million in the first half of 2020 to RMB1,013.5 million in the first half of 2021. Such increase was mainly due to the fact that more theaters in China had resumed operations since the second half of 2020. The gross box office and the number of audiences in China in the first half of 2021 has increased significantly compared with the first half of 2020.

### Entertainment content services

Revenue from our entertainment content services increased from RMB15.6 million in the first half of 2020 to RMB660.1 million in the first half of 2021. Such increase was mainly because some of the film and television projects that the Group participated in performed well in the first half of 2021. For example, the movie "Hi, Mom (你好，李焕英)", of which the Group acted as the producer and lead distributor, recorded a box office of RMB5.4 billion, ranking the second in the history of China's movies, and the movie "On Your Mark (了不起的老爸)" independently developed and produced by the Group has gained both good reputation and box office success.

### Advertising services and others

Revenue from our advertising services and others increased by 50.8% from RMB83.7 million in the first half of 2020 to RMB126.2 million in the first half of 2021, which was primarily due to the increase in advertising demand of our advertisers as a result of the recovery of the pandemic.



### ***Cost of revenue***

Our cost of revenue increased by 237.2% from RMB223.7 million in the first half of 2020 to RMB754.3 million in the first half of 2021. The increase in our cost of revenue was mainly due to an increase in ticketing system cost (which was in line with the increase in our revenue from online movie ticketing services), an increase in Internet infrastructure cost (which was in line with the level of investment in infrastructure cost under our normal operations) as well as an increase in content production cost and content distribution and promotion cost (which was in line with the increase in our revenue from entertainment content services).

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

	Six months ended June 30,					
	2021			2020		
	<i>RMB</i>	<i>%</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>%</i>
	<i>million</i>	<i>of cost</i>	<i>of revenue</i>	<i>million</i>	<i>of cost</i>	<i>of revenue</i>
	(Unaudited)			(Unaudited)		
Ticketing system cost	246.5	32.7	13.7	38.9	17.4	19.2
Internet infrastructure cost	122.7	16.3	6.8	53.4	23.9	26.3
Content distribution and promotion cost	199.1	26.4	11.1	28.3	12.7	13.9
Content production cost	41.4	5.5	2.3	8.5	3.8	4.2
Amortization of intangible assets	68.9	9.1	3.8	68.9	30.8	33.9
Depreciation of property, plant and equipment	6.8	0.9	0.4	4.1	1.8	2.0
Other expenses	68.9	9.1	3.8	21.6	9.6	10.6
Total	<u>754.3</u>	<u>100.0</u>	<u>41.9</u>	<u>223.7</u>	<u>100.0</u>	<u>110.1</u>

### ***Gross Profit and Gross Margin***

We turned around from a gross loss of RMB20.6 million in the first half of 2020 to a gross profit of RMB1,045.5 million in the first half of 2021, and our gross margin was negative 10.1% and positive 58.1% in the first half of 2020 and 2021, respectively. The changes in our gross profit and gross margin were primarily due to a significant increase in our revenue resulting from improvement of the domestic film market with COVID-19 under effective control in China, while the fixed cost in our cost of revenue (such as Internet infrastructure cost and amortization of intangible assets) did not increase at the same proportion accordingly.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 87.8% from RMB170.8 million in the first half of 2020 to RMB320.8 million in the first half of 2021, primarily due to the increase in daily operation marketing expenses as a result of the effective control of the pandemic.

### ***General and Administrative Expenses***

Our general and administrative expenses decreased by 12.6% from RMB204.3 million in the first half of 2020 to RMB178.6 million in the first half of 2021. This was mainly due to the improvement of internal operation efficiency as a result of the Company's cost control measures during the Reporting Period.



### ***Net Impairment Losses on Financial Assets***

We had net impairment losses on financial assets of RMB41.6 million in the first half of 2021, compared to our net impairment losses on financial assets of RMB135.6 million in the first half of 2020. We evaluated the expected credit loss of financial assets as at June 30, 2021 on prudent basis, and made provisions for the impairments to reflect the overall blow by the COVID-19 pandemic to the macro economic environment and entertainment industry, as well as the individual negative effects to some of our business partners.

### ***Other Income and Other Losses, Net***

We had other income and other losses, net of RMB5.0 million in the first half of 2021, compared RMB106.8 million in the first half of 2020, which was primarily due to the decrease in government subsidies received in the first half of 2021 compared with the first half of 2020.

### ***Operating Profit/(Loss)***

As a result of the foregoing, our operating profit was RMB509.5 million in the first half of 2021, compared to an operating loss of RMB424.5 million in the first half of 2020.

### ***Finance Costs, Net***

We had finance costs, net of RMB1.3 million in the first half of 2021, compared to RMB7.8 million in the first half of 2020. The decrease was primarily due to the improvement of fund management efficiency, which in turn resulted in an increase in finance income and a decrease in finance costs, net.

### ***Income Tax (Expenses)/Credits***

We had income tax expenses of RMB120.1 million in the first half of 2021, compared to income tax credits of RMB1.9 million in the first half of 2020. This was primarily due to our significantly improved overall profitability.

### ***Non-IFRS Financial Measures***

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

***Adjusted Net Profit/(Loss), EBITDA/(LBITDA), and Adjusted EBITDA/(LBITDA)***

The following tables reconcile our adjusted net profit/(loss) and EBITDA/(LBITDA) and adjusted EBITDA/(LBITDA) for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB million</b>	<b>RMB million</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Reconciliation of net profit/(loss) to adjusted net profit/(loss)		
Net profit/(loss) for the period	<b>387.1</b>	(430.7)
Add:		
Share-based compensation	<b>28.0</b>	54.5
Amortization of intangible assets resulting from business combinations	<b>69.1</b>	69.1
<b>Adjusted net profit/(loss)</b> <i>(note)</i>	<b>484.2</b>	(307.1)

*Note:* In the first half of 2021 and 2020, we defined adjusted net profit/(loss) as net profit/(loss) for the six months adjusted by adding back share-based compensation and amortization of intangible assets resulting from business combinations.

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>RMB million</b>	<b>RMB million</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Reconciliation of operating profit/(loss) to EBITDA/(LBITDA) and adjusted EBITDA/(LBITDA)		
Operating profit/(loss) for the period	<b>509.5</b>	(424.5)
Add:		
Depreciation of property, plant and equipment	<b>10.9</b>	8.9
Amortization of intangible assets	<b>70.5</b>	70.7
Depreciation of right-of-use assets	<b>6.8</b>	6.8
<b>EBITDA/(LBITDA)</b> <i>(note)</i>	<b>597.7</b>	(338.1)
Add:		
Share-based compensation	<b>28.0</b>	54.5
<b>Adjusted EBITDA/(LBITDA)</b> <i>(note)</i>	<b>625.7</b>	(283.6)

*Note:* In the first half of 2021 and 2020, we defined EBITDA/(LBITDA) as operating profit/(loss) for the period adjusted for depreciation and amortization expenses. We added back share-based compensation to EBITDA/(LBITDA) to derive adjusted EBITDA/(LBITDA).

## Other Financial Information

### *Capital Structure*

The Company continued to maintain a healthy and sound financial position. Our total assets changed from RMB10,608.5 million as of December 31, 2020 to RMB11,034.3 million as of June 30, 2021, whilst our total liabilities decreased from RMB2,985.5 million as of December 31, 2020 to RMB2,926.9 million as of June 30, 2021. Liabilities-to-assets ratio decreased from 28.1% as of December 31, 2020 to 26.5% as of June 30, 2021.

As of June 30, 2021, we pledged bank deposits of RMB90.0 million as securities for bank borrowings.

### *Liquidity, Financial Resources, and Gearing*

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

As of June 30, 2021, we had cash and cash equivalents and other forms of bank deposits of RMB2,113.4 million. Meanwhile, we also had wealth management products valued at RMB600.0 million, which were predominantly denominated in RMB. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, other funds raised from the capital markets from time to time and the net proceeds received from the global offering of the Company.

As of June 30, 2021, our total borrowings were approximately RMB876.5 million, which were all bank borrowings denominated in RMB. The following table sets forth further details of our banking borrowings as of June 30, 2021:

	<b>RMB million</b>	<b>Interest rate</b>
Secured	180.0	2.90%
Guaranteed	626.5	3.65%~5.85%
Unsecured	70.0	3.85%
<b>Total</b>	<b>876.5</b>	<b>N/A</b>

As of June 30, 2021, we had unutilized banking facilities of RMB563.5 million.

As of June 30, 2021, we did not have any significant contingent liabilities.

We monitor capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and financial liabilities at fair value through profit or loss, net of cash and cash equivalent, restricted bank deposits and term deposit with original maturity over three months. Total capital is calculated as “equity” as shown in the consolidated statement of financial position. As at June 30, 2021 and December 31, 2020, the Group has a net cash position.

### ***Capital Expenditure***

Our capital expenditures primarily included purchase of property, plant and equipment and intangible assets. Our capital expenditures increased by 29.3% to RMB9.7 million in the first half of 2021 from RMB7.5 million in the first half of 2020. We plan to fund our planned capital expenditures using cash generated from operations.

### ***Material Acquisitions, Disposals and Future Plans for Major Investments***

The Group did not have any plans for major investments and capital assets as of June 30, 2021. During the six months ended June 30, 2021, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

### ***Significant Investments Held***

The Company did not hold any significant investments as of June 30, 2021.

### ***Foreign Exchange Risk Management***

Our businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations. We manage foreign exchange risk by performing regular reviews of our foreign exchange exposures and try to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary. We did not enter into any forward contract or other financial instruments to hedge our exposure to foreign currency risk in the first half of 2021.

### ***Employees and Remuneration Policy***

As of June 30, 2021, we had 886 full-time employees, 884 of whom were based in mainland China, primarily at our headquarters in Beijing, with the remainder in Shanghai and various other cities in China.

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

### **EVENTS AFTER THE REPORTING PERIOD**

No important events affecting the Group occurred since June 30, 2021 and up to the date of this announcement.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
	Note	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Revenue	5	1,799,790	203,050
Cost of revenue	6	<u>(754,340)</u>	<u>(223,609)</u>
<b>Gross profit/(loss)</b>		<b>1,045,450</b>	<b>(20,559)</b>
Selling and marketing expenses	6	(320,803)	(170,827)
General and administrative expenses	6	(178,640)	(204,379)
Net impairment losses on financial assets	15,16	(41,579)	(135,555)
Other income	7	8,160	121,986
Other losses, net	7	<u>(3,092)</u>	<u>(15,174)</u>
<b>Operating profit/(loss)</b>		<b>509,496</b>	<b>(424,508)</b>
Finance costs, net		(1,320)	(7,758)
Share of losses of investments accounted for using the equity method		<u>(983)</u>	<u>(367)</u>
<b>Profit/(loss) before income tax</b>		<b>507,193</b>	<b>(432,633)</b>
Income tax (expenses)/credits	8	<u>(120,116)</u>	<u>1,979</u>
<b>Profit/(loss) for the period</b>		<b><u>387,077</u></b>	<b><u>(430,654)</u></b>
<b>Profit/(loss) attributable to:</b>			
– Equity holders of the Company		<b><u>387,077</u></b>	<b><u>(430,654)</u></b>
<b>Earnings/(losses) per share attributable to equity holders of the Company</b> (expressed in RMB per share)			
– Basic earnings/(losses) per share	9	0.34	(0.38)
– Diluted earnings/(losses) per share	9	<u>0.34</u>	<u>(0.38)</u>

		<b>Six months ended June 30,</b>	
	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit/(loss) for the period</b>		<u><b>387,077</b></u>	<u><b>(430,654)</b></u>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Currency translation differences from the Company		<b>(10,729)</b>	28,814
Changes in the fair value of equity investments at fair value through other comprehensive income	<i>13</i>	<u><b>75,681</b></u>	<u>5,388</u>
<b>Other comprehensive income for the period, net of tax</b>		<u><b>64,952</b></u>	<u>34,202</u>
<b>Total comprehensive income/(loss) for the period</b>		<u><b>452,029</b></u>	<u><b>(396,452)</b></u>
<b>Total comprehensive income/(loss) attributable to:</b>			
– Equity holders of the Company		<u><u><b>452,029</b></u></u>	<u><u><b>(396,452)</b></u></u>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at June 30, 2021 (Unaudited) RMB'000	As at December 31, 2020 (Audited) RMB'000
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	24,765	26,082
Right-of-use assets	12	14,805	21,639
Intangible assets	11	5,131,993	5,204,121
Investments accounted for using the equity method		45,638	37,121
Financial assets at fair value through other comprehensive income	13	368,209	316,265
Financial assets at fair value through profit or loss	14	25,000	28,313
Deferred income tax assets		11,855	11,930
Prepayments, deposits and other receivables	16	34,213	63,675
		<u>5,656,478</u>	<u>5,709,146</u>
<b>Current assets</b>			
Inventories		24,251	35,154
Accounts receivable	15	467,325	318,970
Prepayments, deposits and other receivables	16	1,994,117	1,853,259
Financial assets at fair value through profit or loss	14	778,771	397,864
Term deposit with original maturity over three months		50,000	–
Restricted bank deposits		90,000	154,000
Cash and cash equivalents		1,973,351	2,140,149
		<u>5,377,815</u>	<u>4,899,396</u>
<b>Total assets</b>		<u><u>11,034,293</u></u>	<u><u>10,608,542</u></u>

	<i>Note</i>	As at <b>June 30, 2021</b> (Unaudited) <i>RMB'000</i>	As at December 31, 2020 (Audited) <i>RMB'000</i>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		<b>154</b>	153
Reserves		<b>8,350,848</b>	8,264,140
Accumulated losses		<b>(243,610)</b>	(641,234)
<b>Total equity</b>		<b>8,107,392</b>	7,623,059
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>144,236</b>	156,456
Lease liabilities	<i>12</i>	<b>1,361</b>	8,620
		<b>145,597</b>	165,076
<b>Current liabilities</b>			
Borrowings	<i>17</i>	<b>876,543</b>	1,013,467
Lease liabilities	<i>12</i>	<b>10,691</b>	14,216
Accounts payable	<i>18</i>	<b>376,925</b>	289,209
Other payables, accruals and other liabilities	<i>19</i>	<b>1,462,285</b>	1,476,012
Current income tax liabilities		<b>54,860</b>	27,503
		<b>2,781,304</b>	2,820,407
<b>Total liabilities</b>		<b>2,926,901</b>	2,985,483
<b>Total equity and liabilities</b>		<b>11,034,293</b>	10,608,542

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

Maoyan Entertainment (the “**Company**”) was incorporated in the Cayman Islands on December 8, 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on February 4, 2019.

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

The interim condensed consolidated financial information (“**Interim Financial Information**”) is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

This Interim Financial Information was approved for issue by the board of directors on August 19, 2021 and has not been audited.

### 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The Interim Financial Information for the six months ended June 30, 2021 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and should be read in conjunction with the annual consolidated financial statements for year ended December 31, 2020 (“**2020 Financial Statements**”), which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

#### 2.2 Summary of significant accounting policies

The accounting policies applied are consistent with those of the 2020 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of amended IFRSs effective as of January 1, 2021. Income tax expense was recognised based on management’s estimate of the annual income tax rate expected for the full financial year.

#### New and amended standards adopted by the Group

The Group has applied new and amended standards effective for the financial period beginning on January 1, 2021. The adoption of these new and revised standards does not have any significant impact on the interim condensed consolidated financial information.

#### New and amended standards and interpretations not yet adopted

Up to the date of issuance of this announcement, the International Accounting Standards Board has issued the following new standards and amendments to existing standards which are not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendment to IFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	April 1, 2021
Amendments to IFRS 3	Update reference to the conceptual framework	January 1, 2022
Amendments to IAS 16	Proceeds before intended use	January 1, 2022
Amendments to IAS 37	Onerous contracts – cost of fulfilling a contract	January 1, 2022
Annual improvements	Annual improvements to IFRS standards 2018-2020 cycle	January 1, 2022
Amendments to Accounting Guideline 5	Merger accounting for common control combinations	January 1, 2022
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2023
IFRS 17 and Amendments to IFRS 17	Insurance contract	January 1, 2023
IFRS Practice statement 2 and IAS 8	Accounting Policies, Change in Accounting Estimates and Errors	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 Financial Statement.

### 4 SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-makers.

As a result of this evaluation, the executive directors of the Group consider that the Group's operations are operated and managed as a single segment; accordingly no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenue from external customers in the PRC.

As at June 30, 2021, substantially all of the non-current assets other than financial assets at fair value through other comprehensive income were located in the PRC.

### 5 REVENUE

	Six months ended June 30, 2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Online entertainment ticketing services	1,013,475	103,806
Entertainment content services	668,364	4,958
Advertising services and others	126,248	83,610
	<u>1,808,087</u>	<u>192,374</u>
(Loss)/income from movies and TV series investments (Note 14(b))	<u>(8,297)</u>	<u>10,676</u>
<b>Total revenue</b>	<b><u>1,799,790</u></b>	<b><u>203,050</u></b>
	Six months ended June 30, 2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Revenue at a point in time	1,041,277	109,269
Revenue over time	<u>766,810</u>	<u>83,105</u>
<b>Total revenue (excluding (loss)/income from movies and TV series investments)</b>	<b><u>1,808,087</u></b>	<b><u>192,374</u></b>

## 6 EXPENSES BY NATURE

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Ticketing system cost	246,452	38,932
Marketing and promotion expenses	240,145	70,239
Content distribution and promotion cost	199,118	28,306
Staff costs excluding share options granted to directors and employees	189,521	198,143
Internet infrastructure cost	122,711	53,444
Amortization of intangible assets (Note 11)	70,489	70,719
Content production cost	41,387	8,548
Share-based compensation expenses	28,020	54,487
Depreciation of property, plant and equipment (Note 11)	10,853	8,906
Tax and levies	7,318	2,949
Depreciation of right-of-use assets (Note 12)	6,834	6,833
Rental expense for short-term and low-value leases (Note 12)	2,055	2,026
Auditor's remuneration	600	600
Other expenses	88,280	54,683
<b>Total cost of revenue, selling and marketing expenses and general and administrative expenses</b>	<b>1,253,783</b>	<b>598,815</b>

During the six months ended June 30, 2021, the Group incurred expenses for the purpose of research and development of approximately RMB104,325,000 (during the six months ended June 30, 2020: approximately RMB119,120,000), which comprised employee benefits expenses of approximately RMB97,396,000 (during the six months ended June 30, 2020: approximately RMB115,785,000).

## 7 OTHER INCOME AND OTHER LOSSES, NET

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<b>Other income</b>		
Government subsidies	2,214	114,510
Tax credit of input tax additional deduction	5,946	7,476
	<b>8,160</b>	<b>121,986</b>
<b>Other losses, net</b>		
Fair value changes on wealth management products, listed and unlisted investments classified as financial assets at fair value through profit or loss (Note 14)	3,277	(5,328)
Net foreign exchange losses	(4,601)	(11,876)
Loss on disposal of intangible assets	(1,746)	—
Loss on disposal of property, plant and equipment	(22)	(2)
Others	—	2,032
	<b>(3,092)</b>	<b>(15,174)</b>

## 8 INCOME TAX EXPENSES/(CREDITS)

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB' 000	RMB' 000
Current income tax	132,261	7,611
Deferred income tax	(12,145)	(9,590)
Income tax expenses/(credits)	<u>120,116</u>	<u>(1,979)</u>

## 9 EARNINGS/(LOSSES) PER SHARE

### (a) Basic earnings/(losses) per share

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company (RMB' 000)	<u>387,077</u>	<u>(430,654)</u>
Weighted average number of ordinary shares in issue (thousand)	1,118,298	1,110,973
Weighted average number of vested restricted shares in issue (thousand)	<u>21,333</u>	<u>19,277</u>
Total weighted average number of shares in issue (thousand)	<u>1,139,631</u>	<u>1,130,250</u>
Basic earnings/(losses) per share (in RMB)	<u>0.34</u>	<u>(0.38)</u>

Basic earnings/(losses) per share are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue and weighted average number of vested restricted shares in issue during the respective periods.

### (b) Diluted earnings/(losses) per share

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company (RMB' 000)	<u>387,077</u>	<u>(430,654)</u>
Total weighted average number of shares in issue (thousand)	1,139,631	1,130,250
Adjustments for share-based compensation – share options (thousand)	1,353	–
Adjustments for share-based compensation – RSUs (thousand)	<u>3,427</u>	<u>–</u>
Weighted average number of shares for diluted earnings per share (thousand)	<u>1,144,411</u>	<u>1,130,250</u>
Diluted earnings/(losses) per share (in RMB)	<u>0.34</u>	<u>(0.38)</u>

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.



For the six months ended June 30, 2021, the Company had dilutive potential ordinary shares of share options and restricted stock units (“RSUs”) granted to employee. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that would have been issued at fair value (determined as the average market share price of the Company’s shares) for the same amount of proceed are diluted share issues for no consideration which causes dilution to earnings per share, and the RSUs could have been acquired at fair value (determined as the closing price of the share on the date of the grant) based on the monetary value of the subscription rights attached to the outstanding RSUs assuming to have been fully vested and released from restrictions with no impact on earnings.

As the Group incurred loss for six months ended June 30, 2020, the potential ordinary shares were not included in the calculation of the diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for six months ended June 30, 2020, is the same as basic loss per share.

## 10 DIVIDENDS

No dividends have been paid or declared by the Company during the six months ended June 30, 2021 (during the six months ended June 30, 2020: Nil).

## 11 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Other intangible assets <i>RMB'000</i>
<b>Six months ended June 30, 2020 (Unaudited)</b>			
Opening net book amount	34,421	4,504,884	836,189
Additions	4,449	–	3,119
Disposals	(2)	–	–
Depreciation and amortization	(8,906)	–	(70,719)
<b>Closing net book amount</b>	<b>29,962</b>	<b>4,504,884</b>	<b>768,589</b>
<b>As at June 30, 2020</b>			
Cost	58,267	4,504,884	1,155,104
Accumulated depreciation/amortization	(28,305)	–	(386,515)
<b>Net book amount</b>	<b>29,962</b>	<b>4,504,884</b>	<b>768,589</b>
<b>Six months ended June 30, 2021 (Unaudited)</b>			
Opening net book amount	26,082	4,504,884	699,237
Additions	9,632	–	107
Disposals	(96)	–	(1,746)
Depreciation and amortization	(10,853)	–	(70,489)
<b>Closing net book amount</b>	<b>24,765</b>	<b>4,504,884</b>	<b>627,109</b>
<b>As at June 30, 2021</b>			
Cost	76,895	4,504,884	1,153,013
Accumulated depreciation/amortization	(52,130)	–	(525,904)
<b>Net book amount</b>	<b>24,765</b>	<b>4,504,884</b>	<b>627,109</b>

The Company normally performs goodwill impairment test in the fourth quarter of each year, and there is no indicator for impairment of goodwill as of June 30, 2021. For details of goodwill impairment assessment for the year ended December 31, 2020, please refer to the 2020 Financial Statements.

## 12 LEASES

- (a) Balance recognized in the interim condensed consolidated statement of financial position relating to leases

### *Right-of-use assets*

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
At the beginning of the period	21,639	35,305
Depreciation	(6,834)	(6,833)
At the end of the period	<u>14,805</u>	<u>28,472</u>

### *Lease liabilities*

	As at	As at
	June 30,	December 31,
	2021	2020
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Current portion	10,691	14,216
Non-current portion	<u>1,361</u>	<u>8,620</u>
Total lease liabilities	<u>12,052</u>	<u>22,836</u>

As at June 30, 2021 and December 31, 2020, the carrying amounts of the Group's lease liabilities were denominated in RMB.

- (b) Amounts recognized in the interim condensed consolidated statement of comprehensive income relating to leases

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Depreciation of right-of-use assets ( <i>Note 6</i> )	6,834	6,833
Unwinding of interests on lease liabilities	467	817
Rental expenses for short-term and low-value leases ( <i>Note 6</i> )	2,055	2,026

### 13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Six months ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
At the beginning of the period	316,265	356,371
Disposals (a)	(20,255)	(4,523)
Changes in fair value	75,681	5,388
Currency translation differences	(3,482)	4,783
	<u>368,209</u>	<u>362,019</u>
At the end of the period	<u>368,209</u>	<u>362,019</u>

(a) During the six months ended June 30, 2021, the Group disposed portion of the investment in Huanxi Media in the stock market at a consideration of approximately RMB20,255,000 and realised a gain of approximately RMB10,547,000 which was transferred to retained earnings.

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	As at
	June 30,	December 31,
	2021	2020
	(Unaudited)	(Audited)
	RMB'000	RMB'000
<b>Current assets</b>		
Investments in wealth management products (a)	600,000	195,748
Investments in movies and TV series (b)	178,771	202,116
	<u>778,771</u>	<u>397,864</u>
<b>Non-current assets</b>		
Investments in unlisted investments (c)	25,000	25,000
Investments in listed investments (d)	–	3,313
	<u>25,000</u>	<u>28,313</u>

**(a) Investments in wealth management products**

Movements in investment in wealth management products were as follows:

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b> <b>RMB'000</b>	<b>(Unaudited)</b> <b>RMB'000</b>
At the beginning of the period	<b>195,748</b>	267,717
Additions	<b>690,000</b>	128,900
Disposals	<b>(288,543)</b>	(378,489)
Changes in fair value	<b>2,795</b>	2,372
	<hr/>	<hr/>
At the end of the period	<b>600,000</b>	20,500
	<hr/> <hr/>	<hr/> <hr/>

The investments in wealth management products mainly represent the investment in wealth management products issued by banks in the PRC with expected investment return rate as at June 30, 2021 ranging from 2.60% to 3.80% (as at December 31, 2020: 2.50%~3.55%). The principals and returns on all of these wealth management products are not guaranteed, and therefore the Group designated them as financial assets at fair value through profit or loss. The fair values are based on cash flows discounted using the expected return based on management judgment and are within level 3 of the fair value hierarchy. Changes in fair value (realized and unrealized) of these financial assets are recognized in “Other losses, net” in the interim condensed consolidated statement of comprehensive income.

The maximum exposure to credit risk as at June 30, 2021 is the carrying value of these investments in wealth management products. None of the investments is past due or impaired.

**(b) Investments in movies and TV series**

Movements in investments in movies and TV series were as follows:

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b> <b>RMB'000</b>	<b>(Unaudited)</b> <b>RMB'000</b>
At the beginning of the period	<b>202,116</b>	214,006
Additions	<b>8,427</b>	11,854
Disposals	<b>(23,475)</b>	(16,736)
Changes in fair value	<b>(8,297)</b>	10,676
	<hr/>	<hr/>
At the end of the period	<b>178,771</b>	219,800
	<hr/> <hr/>	<hr/> <hr/>

**(c) Unlisted investments**

The Group's unlisted investments assets include investments in certain private companies. Movements of unlisted investments were as follows:

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At the beginning of the period	<b>25,000</b>	48,568
Fair value changes	–	(6,801)
Currency translation differences	–	144
	<hr/>	<hr/>
At the end of the period	<b>25,000</b>	41,911
	<hr/>	<hr/>

**(d) Listed investments**

Movements in listed investments were as follows:

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At the beginning of the period	<b>3,313</b>	4,754
Disposal	<b>(3,716)</b>	–
Fair value changes	<b>482</b>	(899)
Currency translation differences	<b>(79)</b>	66
	<hr/>	<hr/>
At the end of the period	<b>–</b>	3,921
	<hr/>	<hr/>

The Group disposed the investment in listed investments in the stock market at a consideration of approximately RMB3,716,000 and realised a gain of approximately RMB482,000 which are recognized in “Other losses, net” in the interim condensed consolidated statement of comprehensive income.

**15 ACCOUNTS RECEIVABLE**

	<b>As at</b>	<b>As at</b>
	<b>June 30,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Related parties	<b>14,413</b>	46,564
Third parties	<b>577,605</b>	445,213
	<hr/>	<hr/>
	<b>592,018</b>	491,777
Less: allowance for impairment	<b>(124,693)</b>	(172,807)
	<hr/>	<hr/>
	<b>467,325</b>	318,970
	<hr/>	<hr/>

- (a) The carrying amounts of the accounts receivable balances approximated to their fair value as at June 30, 2021 and as at December 31, 2020. All the accounts receivable balances were denominated in RMB.

(b) Aging analysis of the gross accounts receivable based on recognition date is as follows:

	As at June 30, 2021 (Unaudited) RMB'000	As at December 31, 2020 (Audited) RMB'000
0-90 days	327,034	271,660
91-180 days	37,780	31,383
181-365 days	40,297	33,474
Over 365 days	186,907	155,260
	<u>592,018</u>	<u>491,777</u>

## 16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at June 30, 2021 (Unaudited) RMB'000	As at December 31, 2020 (Audited) RMB'000
Deposits and receivables for online entertainment ticketing, e-commerce and other services	847,171	916,840
Prepayments for investments in movies and TV series (a)	921,272	879,973
Loans to third parties (b)	174,364	147,480
Amounts due from related parties	129,667	110,267
Receivables from investments in movies and TV series	186,503	76,162
Others	129,654	85,015
	<u>2,388,631</u>	<u>2,215,737</u>
Less: non-current portion	(34,213)	(63,675)
	<u>2,354,418</u>	<u>2,152,062</u>
Less: allowance for impairment	(360,301)	(298,803)
	<u>1,994,117</u>	<u>1,853,259</u>

(a) The Group offers distribution and promotion services, which is considered one of the principal activities of the Group. The investments in movie and TV series with distribution and promotion services are designated as prepayments.

(b) The loans to third parties are repayable within 1 year. Except for an interest-free and unsecured loan amounting to approximately RMB53,500,000, the remaining loans are interest-bearing at fixed rates ranging from 5.00% to 13.00% per annum and are secured by the debtors' certain receivables.



## 17 BORROWINGS

	As at <b>June 30,</b> <b>2021</b> (Unaudited) <i>RMB'000</i>	As at December 31, 2020 (Audited) <i>RMB'000</i>
<b>Current</b>		
Bank borrowings – due within one year		
– Secured (a)	180,000	340,000
– Guaranteed (b)	626,543	673,467
– Unsecured (c)	70,000	–
	<u>876,543</u>	<u>1,013,467</u>

(a) As at June 30, 2021, the bank borrowing of RMB180,000,000 was secured by restricted bank deposits of RMB90,000,000 with fixed rate of 2.90% per annum.

As at December 31, 2020, bank borrowings of RMB340,000,000 were secured by restricted bank deposits of RMB154,000,000, with fixed rates of 2.84% to 2.90% per annum.

(b) As at June 30, 2021, bank borrowings amounting to RMB626,543,000 were guaranteed by the Company and certain subsidiaries of the Group, with fixed rates of 3.65% to 5.85% per annum.

As at December 31, 2020, bank borrowings amounting to RMB673,467,000 were guaranteed by the Company and certain subsidiaries of the Group, with fixed rates of 3.50% to 5.85% per annum.

(c) As at June 30, 2021, the bank borrowing of RMB70,000,000 was unsecured with a fixed rates of 3.85% per annum.

(d) The borrowings on June 30, 2021 and December 31, 2020 were all denominated in RMB with fixed rates.

## 18 ACCOUNTS PAYABLE

Aging analysis of the accounts payable based on invoice date at the respective balance sheet dates is as follows:

	As at <b>June 30,</b> <b>2021</b> (Unaudited) <i>RMB'000</i>	As at December 31, 2020 (Audited) <i>RMB'000</i>
0-90 days	248,815	211,412
91-180 days	10,515	6,561
181-365 days	40,502	26,847
Over 365 days	77,093	44,389
	<u>376,925</u>	<u>289,209</u>

## 19 OTHER PAYABLES, ACCRUALS AND OTHER LIABILITIES

	As at June 30, 2021 (Unaudited) RMB'000	As at December 31, 2020 (Audited) RMB'000
Payables in respect of online entertainment ticketing and e-commerce services	784,643	1,112,613
Amounts due to related parties	76,874	58,647
Payables in respect of share in the box office receipts	410,706	130,537
Loans from third parties (a)	85,765	44,603
Payroll and welfare payable	56,118	66,948
Other tax liabilities	3,716	6,180
Others	44,463	56,484
	<u>1,462,285</u>	<u>1,476,012</u>

(a) The loans from third parties are interest-free, unsecured and repayable within 1 year.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board has resolved not to pay any interim dividend for the six months ended June 30, 2021.

### USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$1,839.3 million after deducting underwriting commissions and all related expenses. The following table sets forth the Company's use of the proceeds from the Listing and the planned timetable as of June 30, 2021.

Intended use of net proceeds	Allocation of net proceeds	Amount of net proceeds utilized as of June 30, 2021 <i>HK\$ millions</i>	Balance of net proceeds as of June 30, 2021	Expected timeline for balance of net proceeds
Funding for improving integrated platform capabilities	551.8	232.3	319.5	By December 31, 2022
Research and development and technical infrastructure	551.8	269.9	281.9	By December 31, 2022
Funding potential investments and acquisitions	551.8	401.4	150.4	By December 31, 2022
Working capital and general corporate purposes	183.9	183.9	–	–

Save as disclosed above, since the Listing Date, the Group has not utilized any other portion of the net proceeds, and will gradually utilize the net proceeds in accordance with the intended purposes as stated in the Prospectus.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its Shareholders. The Board considers that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the Reporting Period.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirm that they have complied with the required standard as set out in the Model Code during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## **AUDIT COMMITTEE**

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

The Audit Committee, together with management and the Auditor, have reviewed the unaudited condensed consolidated results of the Group for the six months ended June 30, 2021.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.maoyan.com](http://www.maoyan.com)), and the interim report containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.maoyan.com](http://www.maoyan.com)) and will be despatched to the Shareholders in due course.

## **DEFINITION AND GLOSSARY**

Unless the context otherwise requires, the following expressions in this interim results announcement shall have the following meanings:

“Audit Committee”	the audit committee of the Company
“Auditor”	the external auditor of the Company
“Board”	the board of directors of the Company
“Company”, “our Company” or “Maoyan”	Maoyan Entertainment, an exempted company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1896)
“Consolidated Affiliated Entities”	entities whose financial results have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements of the Group
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “we” or “us”	the Company, its subsidiaries and the Consolidated Affiliated Entities
“HK\$” or “HKD”	Hong Kong dollars and Hong Kong cents, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Listing”	listing of the Shares on the Main Board of the Stock Exchange of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this interim results announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated January 23, 2019
“Reporting Period”	the six months ended June 30, 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00002
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$” or “US dollars” or “USD”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Maoyan Entertainment**  
**Zheng Zhihao**  
*Executive Director*

Hong Kong, August 19, 2021

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zheng Zhihao as Executive Director, Mr. Wang Changtian, Ms. Li Xiaoping, Ms. Wang Jian, Mr. Cheng Wu, Mr. Chen Shaohui, Mr. Lin Ning and Mr. Tang Lichun, Troy as Non-executive Directors, and Mr. Wang Hua, Mr. Chan Charles Sheung Wai, Mr. Yin Hong and Ms. Liu Lin as Independent Non-executive Directors.*