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Medialink[®]
羚邦

MEDIALINK GROUP LIMITED
羚邦集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2230)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

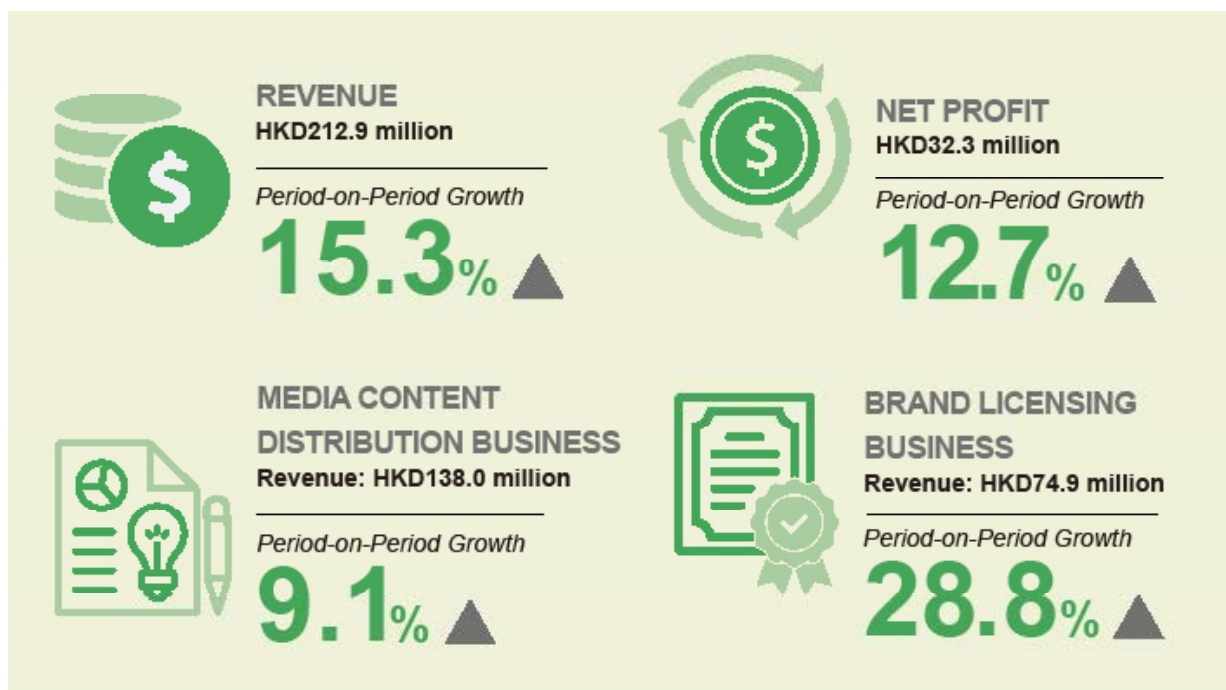
FINANCIAL HIGHLIGHTS			
	Six months ended		
	30 September		
	2022	2021	Change
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	
Revenue			
— Media Content Distribution Business	138,013	126,535	+9.1%
— Brand Licensing Business	74,897	58,133	+28.8%
Total	212,910	184,668	+15.3%
Gross Profit Margin	47.5%	50.7%	
Profit attributable to shareholders of the Company	32,258	28,624	+12.7%
Interim dividend per share ⁽¹⁾	HK 0.70 cent	HK 0.50 cent	
	30 September	31 March	
	2022	2022	
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	
Liquidity ratio			
Current ratio ⁽²⁾	2.3	2.4	
Cash ratio ⁽³⁾	0.7	0.9	
Capital adequacy ratio			
Debt to equity ratio ⁽⁴⁾	N/A	N/A	
<i>(1) Interim dividend per share was calculated by dividing interim dividend by the number of the Company's ordinary shares of 1,992,000,000 in issue as at the date of this announcement on 25 November 2022.</i>			
<i>(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.</i>			
<i>(3) Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.</i>			
<i>(4) The Group did not have any interest-bearing bank and other borrowings. Thus, the debt to equity ratio was not applicable.</i>			

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business Review

Steady Growth with Impetus for Expansion



During the six months ended 30 September 2022 (the “**Reporting Period**”), the Group (means Medialink Group Limited (the “**Company**”) and its subsidiaries, collectively the “**Group**”) increased the total revenue by 15.3% to HK\$212.9 million and the net profit by 12.7% to HK\$32.3 million, which are on track with its 5-year corporate strategy (2019–2024).

Media Content Distribution Business continued to be our key revenue contributor, accounting for 64.8% of total revenue. Brand Licensing Business has recorded a significant growth in revenue during the Reporting Period, accounting for 35.2% of our total revenue.

During the Reporting Period, progress is on track under the seven pillars of the 5-year corporate strategy as follows:

Expansion of content distribution network

The Group has been working closely with our global platform partners, namely Amazon Prime Video, Bilibili, Disney+, iQIYI, Netflix and Viu. Furthermore, we have expanded our distribution network, now covering India, Korea, Japan, the Middle East, Europe, Oceania, as well as the US, due to having contents with regional and global rights.

For movie distribution, we acquired and released movies in various genres during the Reporting Period, including the most anticipated animated film, “Jujutsu Kaisen: Zero”, which performed exceptionally well in the box offices in Taiwan, Hong Kong, South East Asia, and even in the Indian Sub-continent region.



Also, now with strong presence in 21 platforms across 8 territories in total, our Ani-One® OTT coverage has further expanded its reach and presence, adding Mongolia to its slate.

OUR VOD PLATFORMS ACROSS ASIA

Ani-One®

Ani-One®



Hong Kong



Taiwan

Total **21** local
Platforms

Among
8 Territories
in Asia



Singapore



Vietnam



Indonesia

Up to **7000** episodes
available for platforms



Mongolia



Thailand



the Philippines

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Our Ani-One® YouTube platform launched on 31 July 2022 a new localised YouTube Channel called Ani-One® 中文官方動畫頻道. As part of our effort to increase affinity of our platform among the anime fan community, this new localised channel features contents that have built-in Chinese subtitles targeting Chinese users in Hong Kong, Taiwan, Macau, Malaysia, and Singapore. Cantonese and Mandarin dubbed contents will also be featured on this channel. Achieving over 140,000 subscribers in only 3 months from its launch, Ani-One® 中文官方動畫頻道 is available as subscription-based video on demand (SVOD) and advertising-based video on demand (AVOD) services catering to the discriminating tastes of our subscribers.

Ani-One®

中文官方動畫頻道

Ani-One® Asia YouTube channel, on the other hand, maintains its operations covering over 42 territories in Asia, featuring subtitles in 7 major languages. It continues to offer SVOD service introducing trending titles such as “Chainsaw Man”, “Haikyū”, and “Bleach”, in addition to its regular AVOD service with more than 2.9 million subscribers and over 514 million accumulated views as of 25 November 2022.

Aside from exhibiting contents and its content distribution services, Ani-One® also produces its own anime-related creative videos, and features, among other things, KOL broadcast sharing of a highlighted anime content shown on the channel, anime music cover by local artists, behind-the-scene of a dubbing production of anime contents, and dubbing artist interviews.

To support expansion of our content distribution network, we have been acquiring top quality contents in various genres, including anime, variety, and movies.

Among the 633 strong anime series that are active during the Reporting Period, the new and most popular titles are: “Dr.STONE Season 3 Special Episode — RYUSUI”, “Overlord IV”, “Orient Season 2”, “Tensei Kenja no Isekai Life”, “Rising of the Shield Hero Season 2”, “Dance Dance Danseur”, “Love All Play”, “Aoashi”, “Black Summoner”, “Tomodachi Game”, “I’m Quitting Heroing”, “The Executioner and Her Way of Life”, “Love After World Domination”, “The Yakuza’s Guide to Babysitting”, “Don’t Hurt Me, My Healer!”, “Yurei Deco”, “DEAIMON”, “My Stepmom’s Daughter is my EX” and “The Maid I Hired Recently is Mysterious”.

Among the new titles above, “Tensei Kenja no Isekai Life” has been the top performer in Ani-One® Asia YouTube Channel, having over 12.2 million views as of 25 November 2022 on one of the major VOD platforms.

Strategic content co-investment

The Group’s co-investment in the animation “KIKI & NUNA (奇奇和努娜) (Season 2)” has been set, and the production has been completed, targeting release in China in early 2023.

Meanwhile, for movie IP, the Group has co-invested in a Taiwanese movie starring a Canton-pop artist, which is planned for release in Taiwan, Hong Kong and other territories by first half of 2023.

Acquisition of licensing brands

The Group has been appointed as the licensing agent and content distributor for the new animated series “The Little Prince and Friends” (in production) in more than 45 territories. The animation offers today’s children a modern and tender version of Saint-Exupéry’s classic novella that offers a new perspective on this unique and popular story, which aims to attract new audiences, especially those who are starting to learn how to read, and soon will be entering primary school.

The Group also added a strong and popular Line sticker brand Usagyuun. Its stickers have over 600 million downloads worldwide. With 2023 as the year of Rabbit, different collaborative plans are in the pipeline.



Expansion on licensing brands rights

The Group also extended cooperation on NFT (non-fungible token) and digital collectibles. The Group partnered with UNDONE and MADworld to launch *POPEYE'S METAVERSE MADNESS* NFT.



The Group also joined hands with JingTan on a digital skin collaboration with Alipay for Little Prince, comprising four limited edition digital collectibles including Alipay code skins, red packets and desktop widgets in China. Apart from Little Prince, the Group also partnered with Cote and JingTan to launch Popeye digital collectibles.

Le Petit Prince®
LPP® © POMASE - 2022

支付宝会员 | 数字藏品

小王子数字藏品 限量发行 永久拥有

可应用在：付款码皮肤 | 红包封面 | 桌面小组件

立即抢兑 >



The Brand Licensing Business segment has delivered strong financial operating results due to the significant growth in brand licensing in Japanese anime. Both local and regional campaigns were launched, like GU x Jujutsu Kaisen, Gyukaku x Jujutsu Kaisen, Aniplus x Jujutsu Kaisen, Nature Lab (Maro Shampoo) x Jujutsu Kaisen 0, Kotobukiya (Figure) x Jujutsu Kaisen.

Different pop-up stores were launched in various regions including, among other things, “Jujutsu Kaisen” at LCX in Hong Kong, “Haikyu!!” in Taiwan, and “Sesame Street” in Taiwan, which generated substantial income and gained wide exposure.



“Jujutsu Kaisen” at LCX in Hong Kong



“Haikyu!!” pop-up stores in Taiwan



“Sesame Street” pop-up stores in Taiwan

Ani-mall® and WhateverSmiles®

Ani-mall® launched the first special edition octopus card project, which has received an overwhelmingly positive response. Besides the online business, Ani-mall® also has expanded to offline channels like pop-up stores at LCX, as well as in the cinemas.



While continuing its role as the “platform of artists”, WhateverSmiles® has managed the brand, Little White, designed by Steven Choi and hosted the art collaboration of Little White and MR. MEN LITTLE MISS, “Time for a LITTLE hug”, at Gallery by the Harbour City, with a series of limited-edition artworks and souvenirs being introduced and showcased.



WhateverSmiles® also actively participated in charity activities like LYCHEE & FRIENDS x Children's Thalassaemia Foundation Flag Day, and Little White x Mr. Men Little Miss Art Workshop with Dignity Kitchen.



LYCHEE & FRIENDS x Children's Thalassaemia Foundation Flag Day



Little White x Mr Men Little Miss Art Workshop with Dignity Kitchen

Awards

The Group has been awarded the “2022 HKMA Quality Award” in the “Special Award for Established and Medium Enterprises” by the Hong Kong Management Association, commending our Company for achieving outstanding standards of quality and making a lasting commitment to the process and main essence of quality management.



Furthermore, the Group has been awarded the “CLE Star Awards 2021 — Outstanding Customer Service” by China Toy & Juvenile Products Association & China Licensing Expo which reward licensors and licensees with outstanding performance.



Our existing contents and brands with effective licence:

The table below sets out the number of active titles of media contents available for the Media Content Distribution Business and the number of brands available for the Brand Licensing Business as at the end of the Reporting Period:

Number of active titles of media contents and brands available

	As at 30 September 2022	As at 31 March 2022
Number of media content titles available	633	600
Number of brands available	229	189

BUSINESS OUTLOOK AND FUTURE PLANS

Double digit growth

The Group will continue its growth model to aim at a double digit growth for the financial year of 2022/2023.

It will build on the depth and breadth of our Media Content Distribution Business and Brand Licensing Business with the following focus areas:

- Expand our own content distribution platforms through Ani-One® and e-commerce platforms in Taiwan and other Southeast Asian regions.
- Acquire and distribute high quality media contents actively in Asia.
- Expand game license continuously and globally.
- Increase the number of projects and channels of e-commerce platforms such as Ani-mall®.
- Expand licensing rights to more regions and continuously seeking opportunities to collaborate with luxury brands on regional or global scale.
- Explore and expand our product sales network, building more sales channels and collaborating with new partners, to sell our self-developed product and generate new income streams.

- Continue to explore opportunities on “Be A Licensee”, to meet market needs and grow our business so as to synergise our core businesses through merger and acquisition.
- Maximize the opportunities for artists under Whateversmiles® for art exhibitions and related activities not only in Hong Kong but also around the world.
- As the Group enters into the third anniversary of its listing, the Group will tap into opportunities for joint ventures and invest in companies that would bring value to the business and our shareholders.

INTERIM RESULTS

The board of directors (the “**Board**”) of the Company presents the unaudited condensed consolidated interim results of the Group for the Reporting Period, together with the comparative figures for the corresponding period in 2021 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>HK'000</i>	<i>HK'000</i>
Revenue	4	212,910	184,668
Cost of sales		(111,699)	(91,132)
Gross profit		101,211	93,536
Other income and gains, net	5	2,246	455
Selling and distribution expenses		(26,757)	(26,681)
General and administrative expenses		(22,821)	(21,981)
Other expenses, net		(15,901)	(11,405)
Finance cost		(182)	(83)
Profit Before Tax	6	37,796	33,841
Income tax expense	7	(5,538)	(5,217)
Profit for the Period Attributable to Shareholders of the Company		<u>32,258</u>	<u>28,624</u>
Earnings Per Share Attributable to Shareholders of the Company	9		
Basic and diluted		<u>HK 1.7 cent</u>	<u>HK 1.5 cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the Period	32,258	28,624
Other Comprehensive Loss		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(1,774)</u>	<u>(199)</u>
Total Comprehensive Income for the Period Attributable to Shareholders of the Company	<u>30,484</u>	<u>28,425</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022 (Unaudited) <i>Notes</i> <i>HK\$'000</i>	31 March 2022 (Audited) <i>HK\$'000</i>
Non-Current Assets			
Goodwill		29,709	29,709
Property, plant and equipment		21,867	25,707
Intangible assets		11,051	12,863
Investments in media contents		31,582	39,742
Prepayments and deposits		1,387	1,399
		<u>95,596</u>	<u>109,420</u>
Current Assets			
Licensed assets		381,125	310,944
Inventories		2,016	2,919
Trade receivables	10	193,030	164,738
Prepayments, deposits and other receivables		9,044	6,835
Tax recoverable		1,566	5,977
Cash and cash equivalents		255,524	283,281
		<u>842,305</u>	<u>774,694</u>
Current Liabilities			
Trade payables	11	214,088	194,717
Accruals and other payables		69,032	70,186
Contract liabilities		64,434	56,355
Lease liabilities		5,290	5,551
Dividend payable		6,972	—
Tax payable		2,607	1,324
		<u>362,423</u>	<u>328,133</u>
Net Current Assets		<u>479,882</u>	<u>446,561</u>
Total Assets Less Current Liabilities		<u>575,478</u>	<u>555,981</u>

		30 September	31 March
		2022	2022
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Non-Current Liabilities			
Lease liabilities		9,853	12,576
Provision		1,311	1,311
		<u>11,164</u>	<u>13,887</u>
Net Assets		<u>564,314</u>	<u>542,094</u>
Equity			
Share capital	12	19,920	19,920
Reserves		544,394	522,174
		<u>564,314</u>	<u>542,094</u>
Total Equity		<u>564,314</u>	<u>542,094</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

Medialink Group Limited is a limited liability company incorporated in the Cayman Islands.

The principal place of business of the Company is located at Suites 1801–6, 18/F., Tower 2, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

On 1 October 2022, the registered office of the Company was changed from Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands to Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

In the opinion of the directors of the Company (the “**Directors**”), the immediate holding company and the ultimate holding company of the Company is RLA Company Limited, which is incorporated in the British Virgin Islands (“**BVI**”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 21 May 2019 (the “**Listing**”).

The Company is an investment holding company. During the period, the Company’s subsidiaries were involved in the following principal activities:

- media content distribution and investments in media content production (“**Media Content Distribution Business**”)
- brand licensing (“**Brand Licensing Business**”)

2.1 BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 September 2022 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2022.

The interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), which also include HKASs and interpretations, that the Group has adopted for the first time for the current period's financial information:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- **HKFRS 9 Financial Instruments:** clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- HKFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media content distribution segment distributes media content including animation series, variety shows, drama series, animated and live-action films and other video content, which are licensed from third party media content licensors, to customers and invests in media content production; and
- (b) the brand licensing segment either (i) obtains various rights to use third-party owned brands, which include certain merchandising rights, location-based entertainment rights and promotion rights, and sub-licenses the use of these brands to customers; or (ii) acts as an agent for the brand licensors.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and unallocated gains, depreciation on other items of property, plant and equipment and other corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude other items of property, plant and equipment, cash and cash equivalents, tax recoverable and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude dividend payables, tax payable, corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Six months ended 30 September 2022 (Unaudited)

	Media content distribution HK\$'000	Brand licensing HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	139,148	74,897	214,045
Fair value losses on investments in media contents, net	<u>(1,135)</u>	<u>—</u>	<u>(1,135)</u>
Total	<u>138,013</u>	<u>74,897</u>	<u>212,910</u>
Segment results	27,120	23,469	50,589
<i>Reconciliation:</i>			
Interest income and unallocated gains			1,856
Depreciation			(3,784)
Other corporate and unallocated expenses			<u>(10,865)</u>
Profit before tax			<u>37,796</u>
As at 30 September 2022 (Unaudited)			
Segment assets	577,707	73,359	651,066
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>286,835</u>
Total assets			<u>937,901</u>
Segment liabilities	247,386	87,341	334,727
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>38,860</u>
Total liabilities			<u>373,587</u>

Year ended 30 September 2021 (Unaudited)

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	126,705	58,133	184,838
Fair value losses on investments in media contents, net	(170)	—	(170)
Total	<u>126,535</u>	<u>58,133</u>	<u>184,668</u>
Segment results			
<i>Reconciliation:</i>			
Interest income and unallocated gains			286
Depreciation			(2,076)
Other corporate and unallocated expenses			<u>(5,295)</u>
Profit before tax			<u>33,841</u>
As at 31 March 2022 (Audited)			
Segment assets	490,955	73,332	564,287
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>319,827</u>
Total assets			<u>884,114</u>
Segment liabilities			
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities	242,557	67,231	309,788
			<u>32,232</u>
Total liabilities			<u>342,020</u>

4. REVENUE

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Major product or service lines		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	123,305	123,253
Distribution of films	15,843	3,452
	139,148	126,705
Fair value losses on investments in media contents, net	(1,135)	(170)
	138,013	126,535
<i>Brand Licensing Business</i>		
Sub-licensing of brands	40,403	36,661
Provision of licensing agency services	19,322	18,981
Sales of merchandise	15,172	2,491
	74,897	58,133
	212,910	184,668

Six months ended
30 September
2022 2021
(Unaudited) (Unaudited)
HK\$'000 **HK\$'000**

Geographical locations

Media Content Distribution Business

Hong Kong	50,211	61,283
USA	48,911	9,068
Mainland China	17,679	26,051
Taiwan	10,374	12,498
Singapore	3,672	6,973
Indonesia	2,375	1,332
Thailand	1,232	4,891
Others*	4,694	4,609
	<hr/> 139,148	<hr/> 126,705

Brand Licensing Business

Japan	21,557	12,781
Mainland China	12,975	12,235
Hong Kong	12,527	6,459
France	8,820	8,751
Taiwan	8,209	3,749
USA	5,366	6,754
Italy	1,376	2,702
Korea	1,262	1,197
Thailand	797	1,164
Others	2,008	2,341
	<hr/> 74,897	<hr/> 58,133
	<hr/> 214,045[^]	<hr/> 184,838[^]

* Others mainly include geographical locations of Japan, United Kingdom, Korea, Vietnam and Malaysia.

[^] Exclude fair value changes in investments in media contents, net.

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Timing of revenue recognition		
<u>At a point in time</u>		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	123,305	123,253
Distribution of films	15,843	3,452
	<u>139,148</u>	<u>126,705</u>
 <i>Brand Licensing Business</i>		
Sub-licensing of brands	20,250	15,287
Provision of licensing agency services	4,612	5,436
Sales of merchandise	15,172	2,491
	<u>40,034</u>	<u>23,214</u>
	<u>179,182</u>	<u>149,919</u>
 <u>Over time</u>		
<i>Brand Licensing Business</i>		
Sub-licensing of brands	20,153	21,374
Provision of licensing agency services	14,710	13,545
	<u>34,863</u>	<u>34,919</u>
	<u>214,045[^]</u>	<u>184,838[^]</u>

[^] Exclude fair value changes in investments in media contents, net.

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Other income and gains</i>		
Bank interest income	844	286
Government subsidies (<i>note</i>)	983	—
Others	419	169
	<u>2,246</u>	<u>455</u>

Note: The subsidies were primarily related to subsidies granted under the Employment Support Scheme from the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions relating to the subsidies.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of goods sold and other services rendered	110,539	88,697
Depreciation:		
Right-of-use assets	2,762	1,320
Other items of property, plant and equipment	1,022	756
	3,784	2,076
Amortisation of intangible assets [#]	1,175	2,454
Lease payments not included in the measurement of lease liabilities	88	1,402
Employee benefit expense (including directors' remuneration):		
Salaries, wages, allowances and bonuses	32,426	28,712
Pension scheme contributions (defined contribution schemes)	2,256	1,901
	34,682	30,613
Foreign exchange differences, net*	6,576	1
Write-off of trade receivables*	501	—
Impairment of trade receivables*	701	2,924
Reversal of impairment of trade receivables*	(1,321)	(756)
Impairment of intangible assets*	—	167
Write-down of licensed rights to net realisable value, net*	9,444	9,069
Finance cost — interest on lease liabilities	182	83

* These amounts are included in "Other expenses, net" on the face of the condensed consolidated statement of profit or loss.

[#] Included HK\$1,160,000 (six months ended 30 September 2021: HK\$2,421,000) and nil (six months ended 30 September 2021: HK\$14,000) related to amortisation of media content commercial rights and brand licensing contracts, respectively, which are included in "cost of sales" on the face of the condensed consolidated statement of profit or loss.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Hong Kong		
Charge for the period	4,838	5,357
Overprovision in prior years	—	(358)
Current — Elsewhere		
Charge for the period	462	221
Underprovision in prior year	238	—
Deferred	—	(3)
	<u> </u>	<u> </u>
Total tax charge for the period	<u><u>5,538</u></u>	<u><u>5,217</u></u>

8. DIVIDENDS

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend declared and recognised as distribution during the Reporting Period:		
Final dividend for year ended 31 March 2022 — HK 0.35 cent (year ended 31 March 2021: HK 0.20 cent) per ordinary share	6,972	3,984
Less: Dividend for shares held under the share award scheme	(236)	(132)
	<u> </u>	<u> </u>
	<u><u>6,736</u></u>	<u><u>3,852</u></u>

Six months ended	
30 September	
2022	2021
(Unaudited)	(Unaudited)
<i>HK\$'000</i>	<i>HK\$'000</i>

Dividend proposed after the end of the Reporting Period:

Proposed interim dividend for year ending 31

March 2023 — HK 0.70 cent (year ended 31

March 2022: HK 0.50 cent) per ordinary share

<u>13,944</u>	<u>9,960</u>
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The interim dividend for the year ending/ended 31 March 2023 and 2022 was not recognised as a liability as at 30 September 2022 and 2021, respectively because it has been declared after the end of the Reporting Period.

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share for the six months ended 30 September 2022 is based on the unaudited consolidated profit for the period attributable to shareholders of the Company of HK\$32,258,000 (six months ended 30 September 2021: HK\$28,624,000), and the weighted average number of our Company's ordinary shares of 1,928,610,230 (six months ended 30 September 2021: 1,928,542,892) in issue during the period as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic earnings per share presented for six months ended 30 September 2022 and 2021 as the Group had no potentially diluted ordinary shares in issue during those periods.

10. TRADE RECEIVABLES

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Billed	166,691	171,873
Unbilled	41,039	8,938
	207,730	180,811
Less: Allowance for impairment	(14,700)	(16,073)
	<u>193,030</u>	<u>164,738</u>

The Group's trading terms with its customers are mainly on credit. For the Media Content Distribution Business, the payment terms with each customer are generally of two to four payments with the first payment usually due upon the Group's submission of the letter of authorisation relating to the media content to the customer. The credit periods generally range from 30 to 45 working days after the payment milestone as specified in the underlying contracts. For the Brand Licensing Business, the payment terms are generally of one to two payments with the first payment usually due upon the execution of the contracts. The credit period is generally 30 days after the payment milestone as specified in the underlying contracts.

The Group seeks to maintain strict control over its outstanding receivables as overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the billed trade receivables as at the end of the Reporting Period, based on the invoice date, is as follows:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Within 30 days	39,990	58,755
31 to 60 days	16,008	3,743
61 to 90 days	7,861	3,182
91 to 180 days	14,837	33,541
181 to 365 days	27,205	41,810
Over 365 days	60,790	30,842
	<u>166,691</u>	<u>171,873</u>

11. TRADE PAYABLES

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Billed	71,098	102,094
Unbilled	142,990	92,623
	<u>214,088</u>	<u>194,717</u>

An ageing analysis of the billed trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Within 30 days	23,054	13,948
31 to 90 days	16,649	7,168
Over 90 days	31,395	80,978
	<u>71,098</u>	<u>102,094</u>

The trade payables are unsecured and non-interest-bearing. For the minimum guarantee payments to the licensors, the payment terms and the due dates are specified in the relevant contracts and are usually settled by instalments at the early stage of the relevant licensing periods. For royalty payable which exceeds the minimum guarantee, the amounts are due when the Group submits the royalty reports to the licensors which is subsequent to the collection of the corresponding trade receivables from the licensees.

The unbilled trade payables relate to royalty amounts that are payables but not yet invoiced by licensors. These amounts are calculated based on the royalty rates as stipulated in the respective licensing contracts.

12. SHARE CAPITAL

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
1,992,000,000 ordinary shares of HK\$0.01 each	<u>19,920</u>	<u>19,920</u>

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the revenue by business segment during the periods indicated, both in absolute amount and as a percentage of total revenue:

	For the six months ended 30 September			
	2022		2021	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Media Content Distribution Business	138,013	64.8	126,535	68.5
Brand Licensing Business	74,897	35.2	58,133	31.5
Total	<u>212,910</u>	<u>100.0</u>	<u>184,668</u>	<u>100.0</u>

For the six months ended 30 September 2022, the Group's total revenue reached HK\$212.9 million, representing a period on period increase of HK\$28.2 million or 15.3%, due to increases generated from both Media Content Distribution Business and Brand Licensing Business.

Media Content Distribution Business continued to be the Group's major source of revenue, contributing 64.8% (six months ended 30 September 2021: 68.5%) of the Group's total revenue for the six months ended 30 September 2022. Revenue derived from Media Content Distribution Business increased by 9.1% to HK\$138.0 million during the Reporting Period. Such increase in revenue was primarily due to the increase in demand from several well-known global online platforms for animated contents and higher revenue recognised from the distribution of Japanese animated films during the Reporting Period.

Revenue derived from Brand Licensing Business increased by 28.8% to HK\$74.9 million during the Reporting Period. The increase was mainly due to the growth in revenue from Japanese anime. In addition, the Group recorded a further increase in the revenue generated from sales of merchandise in various pop-up stores, events and different online sales channels, which contributed revenue of HK\$15.2 million for the six months ended 30 September 2022, representing an increase of approximately HK\$12.7 million or 5 times as compared with the six months ended 30 September 2021.

Cost of Sales

The Group's cost of sales was primarily royalty payments to the media content licensors and brand licensors at the mutually agreed royalty rates. The Group's cost of sales increased by HK\$20.6 million or 22.6% to HK\$111.7 million for the six months ended 30 September 2022. The increase was in line with the increase in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 September 2022 amounted to HK\$101.2 million, representing an increase of HK\$7.7 million or 8.2% as compared to HK\$93.5 million for the six months ended 30 September 2021, mainly due to the increase in revenue for the six months ended 30 September 2022 as compared to the same period in last year. Meanwhile, the Group's gross profit margin decreased by 3.2 percentage points from 50.7% for the six months ended 30 September 2021 to 47.5% for the six months ended 30 September 2022, which was mainly attributable to the combined effect of (i) increase in dubbing and sub-titling costs for serving our customers; and (ii) changes in fair value of investments in media contents during the Reporting Period.

Other Income and Gains, net

The Group's other income and gains, net increased by 393.6% to HK\$2.2 million for the six months ended 30 September 2022. The increase was mainly due to the increase in bank interest income and subsidy received from Hong Kong Government under the Employment Support Scheme.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the Reporting Period amounted to HK\$26.8 million, representing a modest increase of HK\$0.1 million or 0.3% when compared to the same period of last year. The level remains stable while the mix has been changed. There is an increase in staff costs as in line with the increase in revenue, which is offset by additional cost savings.

General and Administrative Expenses

The Group's general and administrative expenses for the six months ended 30 September 2022 amounted to HK\$22.8 million, representing an increase of HK\$0.8 million or 3.8% when compared to the same period of last year. The increase was primarily due to the increase in staff costs, partly offset by the decrease in other operating expenses owing to cost saving measures implemented by the Group.

Other Expenses

Other expenses, net for the Reporting Period amounted to HK\$15.9 million, representing an increase of HK\$4.5 million, primarily owing to impairment loss and write-off of various assets as well as foreign exchange loss during the Reporting Period. These included (i) a write-down of HK\$9.4 million of licensed rights to net realisable value, an increase of HK\$0.4 million compared with the same period of last year, after taking into account the current market conditions and estimated future recoverable amounts in respect of the licensed rights; (ii) foreign exchange loss of HK\$6.6 million (six months ended 30 September 2021: HK\$1,000) resulting mainly from the depreciation of Japanese Yen and Renminbi; and (iii) net of impairment, reversal of impairment and write-off of trade receivables amounting to gain of \$0.1 million (six months ended 30 September 2021: loss of HK\$2.2 million) after taking into account the aged trade receivable balances and customers that were in financial difficulties.

Income Tax Expenses

Income tax expenses for the period amounted to HK\$5.5 million (six months ended 30 September 2021: HK\$5.2 million), representing an effective tax rate (income tax expenses divided by profit before tax) of 14.7% for the period (six months ended 30 September 2021: 15.4%).

Profit For the Period Attributable to Shareholders of the Company

As a result of the foregoing, profit for the period attributable to shareholders of the Company increased by HK\$3.6 million or 12.7% to HK\$32.3 million. Net profit margin of 15.2% was similar to the same period of last year.

Intangible assets

Intangible assets comprise media content commercial rights, computer software and brand licensing contracts.

The movements of the intangible assets during the periods are set out below:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
At 1 April	12,863	15,832
Additions	670	12,718
Amortisations	(1,175)	(2,454)
Impairment	—	(167)
Derecognition upon a change in contract terms	(518)	(446)
Exchange realignment	(789)	239
	<hr/>	<hr/>
At 30 September	<u>11,051</u>	<u>25,722</u>

The decrease in balance by HK\$1.8 million from HK\$12.9 million as of 1 April 2022 to HK\$11.1 million as of 30 September 2022 was mainly due to (i) amortisation for the period; and (ii) derecognition of some media content commercial rights as intangible assets due to changes in contract terms, partially offset by the acquisition of intangible assets during the Reporting Period.

Investments in media contents

The Group has invested in certain media content production projects of which the Group is guaranteed by the respective media content producers for a fixed rate of return or minimum amount of return after the release of the media contents within the specified periods. In addition, the Group is also entitled to certain distribution rights of related media contents as stipulated in the respective agreements.

The movements of the investments in media contents during the periods are set out below:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
At 1 April	39,742	36,661
Additions	1,500	10,802
Return of investments	(8,372)	(5,071)
Change in fair value	(1,135)	(170)
Exchange realignment	(153)	—
	<hr/>	<hr/>
At 30 September	<u>31,582</u>	<u>42,222</u>

As at 30 September 2022, the Group's investments in media contents amounted to HK\$31.6 million, which mainly related to drama and movies production. The decrease for the period by HK\$8.2 million (or 20.5%) was mainly resulted from return of investments.

Licensed Assets

The licensed assets increased by HK\$70.2 million or 22.6% to HK\$381.1 million as at 30 September 2022, of which HK\$134.9 million (as at 31 March 2022: HK\$103.4 million) related to prepayments for licensed assets with licence periods which have yet to begin. The increase was mainly due to the acquisition of media content distribution rights, partially offset by the write-down of licensed rights to net realisable value during the Reporting Period.

Trade receivables

Trade receivables increased by 17.2%, which is primarily attributable to more unbilled trade receivables during the Reporting Period.

Trade payables

The increase in trade payables by 9.9% was mainly due to the increase in acquisition of media content distribution rights and brand sub-licensing rights granted by licensors to the Group over definitive licence periods.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2022, the Group's cash and bank balances were HK\$255.5 million (as at 31 March 2022: HK\$283.3 million), most of which were denominated in US dollars and HK\$. As at 30 September 2022, the Group's net current assets were HK\$479.9 million (as at 31 March 2022: HK\$446.6 million), while the current ratio of the Group was 2.3 times (as at 31 March 2022: 2.4 times). The decrease in current ratio is mainly due to cash used in operations.

As at 31 March and 30 September 2022, the Group did not have any interest-bearing bank and other borrowings. Thus, neither the gearing ratio nor the debt to equity ratio was applicable to the Group.

The Group's operations are mainly financed by internal resources including but not limited to existing cash and cash equivalents, anticipated cash flow from its operating activities and the net proceeds generated from the Listing. With strong liquidity position, the Group is able to expand in accordance with its business strategy.

The Group did not have any significant contingent liabilities as at 31 March and 30 September 2022.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE AND TREASURY POLICIES

The majority of the transactions, assets and liabilities of the Group was denominated in US dollars and Hong Kong dollars. During the Period under review, no financial instruments were used for hedging purpose, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The senior management of the Group will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary. The Group did not have any derivatives for hedging against the foreign exchange rate risk as at 30 September 2022.

CAPITAL STRUCTURE

The shares of the Company have been listed on the Stock Exchange since 21 May 2019. There has been no change in the capital structure of the Company since then and share capital of the Company only comprises ordinary shares. As at the date of this announcement, the Company has 1,992,000,000 ordinary shares in issue.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARY

There was no acquisition or disposal of subsidiary during the six months ended 30 September 2022.

PLEDGE OF ASSETS

As at 30 September 2022, none of the assets of the Group were pledged (as at 31 March 2022: Nil).

EMPLOYEES

As at 30 September 2022, our Group had an aggregate of 134 employees (as at 31 March 2022: 126 employees) in Hong Kong, Mainland China, Taiwan, Singapore and Indonesia.

REMUNERATION POLICY

The remuneration policy of our Company is reviewed regularly, making reference primarily to the market conditions and performance of our Company and individual staff (including the Directors). Remuneration package includes, as the case may be, basic salary, contribution to pension schemes, discretionary bonus relating to financial performance of our Group and individual performance. The remuneration policy and remuneration packages of the Directors and senior management are reviewed by the Remuneration Committee and the Board, having regard to these individuals' experience, duties and responsibilities, performance and achievements.

CAPITAL COMMITMENTS

As at 30 September 2022, our Group did not have any significant capital commitment (as at 31 March 2022: Nil).

USE OF PROCEEDS FROM LISTING

After deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Listing, the net proceeds from issuance of the shares of the Company in connection with the Listing (the “**Net Proceeds**”) were HK\$185.9 million.

The Board closely monitored the use of proceeds from the Listing with reference to the use of proceeds disclosed in the prospectus of the Company dated 30 April 2019 (the “**Prospectus**”) and the announcement in relation to change in use of Net Proceeds dated 25 July 2022. For further details of the change in use of Net Proceeds and the reasons for and benefits of such change, please refer to the announcement of the Company dated 25 July 2022.

As at 30 September 2022, the Group utilised approximately HK\$122.5 million of the Net Proceeds, representing approximately 65.9% of the Net Proceeds, and the unutilised Net Proceeds amounted to approximately HK\$63.4 million (the “**Unutilised Net Proceeds**”), representing approximately 34.1% of the Net Proceeds.

The following table sets out the original planned use of Net Proceeds, the revised allocation as at 25 July 2022, and the actual usage up to 30 September 2022.

Intended use of Net Proceeds as stated in the Prospectus and the change in use of Net Proceeds announcement dated 25 July 2022	Approximate % of total Net Proceeds	Planned use of actual Net Proceeds ^(Note 2)	Utilised Net Proceeds as at 25 July 2022	Unutilised Net Proceeds as at 25 July 2022	Revised allocation of the unutilised Net Proceeds as at 25 July 2022	Utilised Net Proceeds from 26 July 2022 to 30 September 2022	Unutilised Net Proceeds as at 30 September 2022
	%	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million
Strengthen media content portfolio	54.8%	101.8	(48.2)	53.6	78.3	(27.5)	50.8
Expand our Brand Licensing Business	17.5%	32.6	(12.4)	20.2	5.9	(0.6)	5.3
Use for co-investment in the production of media content	9.5%	17.7	(10.7)	7.0	—	—	—
Acquisition of a potential target company to strengthen the development of Brand Licensing Business	—	—	—	—	4.4	—	4.4
Relocation and renovation of Hong Kong office and upgrade information technology equipment	6.9%	12.9	(4.8)	8.1	3.8	(1.1)	2.7
Use for our general working capital	6.6%	12.3	(12.3)	—	—	—	—
Expand media content team, brand licensing team, and expand workforce and enhance back-office support	4.7%	8.6	(4.5)	4.1	0.6	(0.4)	0.2
	<u>100.0%</u>	<u>185.9</u>	<u>(92.9)</u>	<u>93.0</u>	<u>93.0</u>	<u>(29.6)</u>	<u>63.4</u>

Note 1: Subsequent to the end of the Reporting Period and up to the date of this announcement, the Group utilised approximately HK\$4.4 million of the Net Proceeds, comprising HK\$4.0 million for strengthening media content portfolio, HK\$0.2 million for relocation of Hong Kong office and HK\$0.2 million for expanding the workforce of the Group.

Note 2: The planned amount of use of Net Proceeds has been adjusted in the same proportion and same manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds.

The Unutilised Net Proceeds are expected to be fully utilised within 14 months from the date of this announcement. Such expected timeline is based on the best estimation and assumption of the future market conditions made by the Group which may be subject to changes in the market environment from time to time. The unutilised balance of the Net Proceeds was placed with licensed banks in Hong Kong as at 30 September 2022.

Save for the aforesaid changes, there is no other change in use of Net Proceeds.

The Board is of the view that the change in use of the Unutilised Net Proceeds will enable the Group to effectively meet the financial needs of the Group and enhance the flexibility in financial management of the Company, and is in line with the current business needs of the Group, and therefore, is in the best interests of the Company and its shareholders as a whole.

The Board also confirms that there is no material change in the principal business of the Group as set out in the Prospectus and is of the view that the above change is in line with the business strategy of the Group and will not adversely affect its operation and business.

The Board will continuously assess the plans for use of the Net Proceeds, and may revise or amend such plans where necessary to respond to the changing market conditions and strive for better business performance of the Group.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK 0.70 cent per share for the six months ended 30 September 2022 payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Wednesday, 21 December 2022. The interim dividend is expected to be paid to the Shareholders on Wednesday, 18 January 2023.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended 30 September 2022 the register of members of the Company will be closed from Monday, 19 December 2022 to Wednesday, 21 December 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend for the six months ended 30 September 2022, all completed transfer forms, duly accompanied by the relevant share certificates, must be lodged with our Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 16 December 2022.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, as at the date of this announcement, the Company maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares in the public hands) as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

CORPORATE GOVERNANCE PRACTICES

Our Company has adopted the code provisions as set out in Corporate Governance Code contained Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. For the six months ended 30 September 2022 and up to the date of this announcement, our Company has complied with the code provisions as set out in the CG Code, save and except for code provision C.2.1 in Part 2 of the CG Code as set out below:

Chairman and Chief Executive

Ms. Chiu Siu Yin Lovinia currently holds both positions as chairman and chief executive officer. Throughout the business history, Ms. Chiu has been the key leadership figure of our Group and has been primarily involved in the formulation of business strategies and determination of the business plans, the Directors (including the independent non-executive Directors) consider Ms. Chiu the best candidate for both positions and that the present arrangements are beneficial for and in the interests of our Company and the Shareholders as a whole.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the Reporting Period, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of our Company’s listed shares, except that the trustee of the share award scheme of the Company purchased a total 8,470,000 shares of the Company on the market for the purpose of the share award scheme and the grant of the award shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Group’s code of conduct regarding Directors’ securities transactions.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the six months ended 30 September 2022 and up to the date of this announcement.

Our Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To the best knowledge of the Board, there are no significant events after the Reporting Period that will have a material impact on the operation and financial position of the Group.

REVIEW OF INTERIM RESULTS

The Company's audit committee has reviewed the accounting policies and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2022.

The Company's auditor, Ernst & Young, has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 September 2022 in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.medialink.com.hk). The interim report of the Company for the six months ended 30 September 2022 will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

On behalf of the Board
MEDIALINK GROUP LIMITED
Chiu Siu Yin Lovinia
Chairman and Executive Director

Hong Kong, 25 November 2022

As at the date of this announcement, the executive directors are Ms. Chiu Siu Yin Lovinia, Ms. Chiu Siu Fung Noletta and Mr. Ma Ching Fung, the non-executive director is Ms. Wong Hang Yee, JP, and the independent non-executive directors are Ms. Leung Chan Che Ming Miranda, Mr. Fung Ying Wai Wilson, MH and Mr. Wong Kam Pui, BBS, JP.

Please also refer to the published version of this announcement on the Company's website at www.medialink.com.hk.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.