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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF STAR CM HOLDINGS LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of STAR CM Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-4] to [I-107], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2022 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2019, 2020 and 2021 and 30 June 2022 and the statements of financial position of the Company as at 31 December 2021 and 30 June 2022 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [I-4] to [I-107] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the initial [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2019, 2020 and 2021 and 30 June 2022 and of the Company as at 31 December 2021 and 30 June 2022 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2021 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim

Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[●]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Six months ended 30 June	
	Notes	2019	2020	2021	2021	2022
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	*5*	1,806,593	1,559,945	1,126,746	154,576	182,600
Cost of sales		(1,101,709)	(972,512)	(852,434)	(97,881)	(126,059)
Gross profit		704,884	587,433	274,312	56,695	56,541
Other income and gains	*5*	66,358	53,084	39,920	21,630	9,411
Selling and distribution expenses		(43,108)	(42,421)	(35,283)	(16,033)	(9,238)
Administrative expenses		(218,321)	(198,913)	(180,901)	(73,182)	(51,465)
Impairment of goodwill	*16*	–	(386,779)	(380,731)	–	–
Reversal of impairment losses/(impairment losses) on financial assets, net		(45,231)	18,867	(10,300)	2,993	(9,788)
Other expenses		(4,887)	(15,452)	(2,647)	(1,089)	(449)
Changes in fair value of financial assets at fair value through profit or loss		(1,532)	17,901	(27,570)	(6,433)	(4,588)
Finance costs	*7*	(14,068)	(6,281)	(2,739)	(1,011)	(1,047)
Share of profits and losses of:						
Joint ventures		(1,871)	(272)	(259)	(66)	(168)
Associates		(696)	(683)	(1,247)	(1,703)	(1,472)
PROFIT/(LOSS) BEFORE TAX	*6*	441,528	26,484	(327,445)	(18,199)	(12,263)
Income tax expense	*10*	(61,284)	(64,430)	(24,301)	(7,226)	(1,111)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		380,244	(37,946)	(351,746)	(25,425)	(13,374)
Attributable to:						
Owners of the parent		323,421	(16,451)	(344,996)	(21,821)	(11,883)
Non-controlling interests		56,823	(21,495)	(6,750)	(3,604)	(1,491)
		380,244	(37,946)	(351,746)	(25,425)	(13,374)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted	*12*	N/A	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
PROFIT/(LOSS) FOR THE YEAR/PERIOD	380,244	(37,946)	(351,746)	(25,425)	(13,374)
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	11,812	(56,050)	(12,514)	(5,718)	24,731
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	11,812	(56,050)	(12,514)	(5,718)	24,731
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	11,812	(56,050)	(12,514)	(5,718)	24,731
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	392,056	(93,996)	(364,260)	(31,143)	11,357
Attributable to:					
Owners of the parent	335,233	(72,501)	(357,510)	(27,539)	12,848
Non-controlling interests	56,823	(21,495)	(6,750)	(3,604)	(1,491)
	392,056	(93,996)	(364,260)	(31,143)	11,357

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	**2019**	**2020**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	33,919	21,475	54,380	96,070
Other intangible assets	*14*	185,971	163,096	153,267	159,374
Right-of-use assets	*15(a)*	12,354	12,897	102,266	116,632
Goodwill	*16*	2,256,298	1,851,848	1,465,276	1,478,421
Investments in joint ventures	*17*	403,505	403,233	403,974	403,806
Investments in associates	*18*	5,936	5,353	422,246	428,938
Financial assets at fair value through profit or loss	*20*	27,223	45,124	16,839	13,021
Restricted cash	*25*	–	–	43,594	39,090
Deferred tax assets	*28*	52,987	44,924	60,833	60,851
Prepayments, other receivables and other assets	*24*	–	–	–	88,861
Total non-current assets		2,978,193	2,547,950	2,722,675	2,885,064
CURRENT ASSETS					
Inventories	*21*	20,114	23,471	3,326	3,329
Program copyrights	*22*	15,496	95,818	109,625	136,477
Trade and notes receivables	*23*	1,136,206	1,072,900	859,332	662,046
Prepayments, other receivables and other assets	*24*	144,842	147,816	118,515	130,625
Due from related parties	*38(b)*	335,573	315,399	183,813	189,030
Cash and cash equivalents	*25*	651,681	903,376	547,182	437,863
Total current assets		2,303,912	2,558,780	1,821,793	1,559,370
CURRENT LIABILITIES					
Trade payables	*26*	252,651	296,744	343,532	221,701
Other payables and accruals	*27*	144,960	71,842	96,696	96,641
Interest-bearing bank borrowings	*29*	185,000	100,000	–	–
Due to related parties	*38(b)*	1,219	–	–	–
Tax payable		30,582	30,336	40,409	28,725
Lease liabilities	*15(b)*	6,043	8,687	2,426	8,482
Total current liabilities		620,455	507,609	483,063	355,549

		As at 31 December			As at 30 June
	Notes	**2019**	**2020**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NET CURRENT ASSETS		1,683,457	2,051,171	1,338,730	1,203,821
TOTAL ASSETS LESS CURRENT LIABILITIES		4,661,650	4,599,121	4,061,405	4,088,885
NON-CURRENT LIABILITIES					
Lease liabilities	*15(b)*	6,420	5,268	2,263	13,616
Deferred tax liabilities	*28*	5,477	4,725	3,806	3,861
Other payables and accruals	*27*	4,095	8,280	7,475	49,341
Total non-current liabilities		15,992	18,273	13,544	66,818
Net assets		4,645,658	4,580,848	4,047,861	4,022,067
EQUITY					
Equity attributable to owners of the parent					
Share capital	*30*	–	–	2	2
Reserves	*31*	3,936,097	3,891,092	3,989,052	4,001,900
		3,936,097	3,891,092	3,989,054	4,001,902
Non-controlling interests		709,561	689,756	58,807	20,165
Total equity		4,645,658	4,580,848	4,047,861	4,022,067

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2019

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**Exchange fluctuation reserve***	**Share award scheme reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (*note 30*)	*RMB'000* (*note 31*)	*RMB'000* (*note 31*)	*RMB'000* (*note 31*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	2,043,986	107,701	31,281	55,208	1,336,658	3,574,834	615,183	4,190,017
Profit for the year	–	–	–	–	–	323,421	323,421	56,823	380,244
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	11,812	–	–	11,812	–	11,812
Total comprehensive income for the year	–	–	–	11,812	–	323,421	335,233	56,823	392,056
Equity-settled share award expense (*note 32*)	–	–	–	–	26,030	–	26,030	–	26,030
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	37,555	37,555
Transfer from retained profits	–	–	17,387	–	–	(17,387)	–	–	–
At 31 December 2019	–	2,043,986	125,088	43,093	81,238	1,642,692	3,936,097	709,561	4,645,658

Year ended 31 December 2020

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**Exchange fluctuation reserve***	**Share award scheme reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (*note 30*)	*RMB'000* (*note 31*)	*RMB'000* (*note 31*)	*RMB'000* (*note 31*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2020	–	2,043,986	125,088	43,093	81,238	1,642,692	3,936,097	709,561	4,645,658
Loss for the year	–	–	–	–	–	(16,451)	(16,451)	(21,495)	(37,946)
Other comprehensive loss for the year:									
Exchange differences on translation of foreign operations	–	–	–	(56,050)	–	–	(56,050)	–	(56,050)
Total comprehensive loss for the year	–	–	–	(56,050)	–	(16,451)	(72,501)	(21,495)	(93,996)
Equity-settled share award expense (*note 32*)	–	–	–	–	27,496	–	27,496	–	27,496
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	1,690	1,690
Transfer from retained profits	–	–	4,231	–	–	(4,231)	–	–	–
At 31 December 2020	–	2,043,986	129,319	(12,957)	108,734	1,622,010	3,891,092	689,756	4,580,848

Year ended 31 December 2021

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**Exchange fluctuation reserve***	**Share award scheme reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 30)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	–	2,043,986	129,319	(12,957)	108,734	1,622,010	3,891,092	689,756	4,580,848
Loss for the year	–	–	–	–	–	(344,996)	(344,996)	(6,750)	(351,746)
Other comprehensive loss for the year:									
Exchange differences on translation of foreign operations	–	–	–	(12,514)	–	–	(12,514)	–	(12,514)
Total comprehensive loss for the year	–	–	–	(12,514)	–	(344,996)	(357,510)	(6,750)	(364,260)
Issue of shares *(note 30)*	2	1,897,065	–	–	–	–	1,897,067	–	1,897,067
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	6,580	6,580
Equity-settled share award expense (*note 32*)	–	–	–	–	27,396	–	27,396	–	27,396
Acquisition of non-controlling shareholders *(note 31)*	–	42,710	–	–	–	–	42,710	(48,710)	(6,000)
Capital reduction by non-controlling shareholders *(note 31)*	–	(1,316,926)	–	–	–	–	(1,316,926)	(580,139)	(1,897,065)
Dividends declared to the then shareholders of a subsidiary (*note 11*)	–	–	–	–	–	(194,775)	(194,775)	–	(194,775)
Dividends paid to non-controlling shareholders (*note 11*)	–	–	–	–	–	–	–	(1,930)	(1,930)
At 31 December 2021	2	2,666,835	129,319	(25,471)	136,130	1,082,239	3,989,054	58,807	4,047,861

Six months ended 30 June 2022

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory surplus reserve***	**Exchange fluctuation reserve***	**Share award scheme reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 30)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	2	2,666,835	129,319	(25,471)	136,130	1,082,239	3,989,054	58,807	4,047,861
Loss for the period	–	–	–	–	–	(11,883)	(11,883)	(1,491)	(13,374)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	24,731	–	–	24,731	–	24,731
Total comprehensive income for the period	–	–	–	24,731	–	(11,883)	12,848	(1,491)	11,357
Capital reduction by non-controlling shareholders	–		–	–	–	–	–	(19,600)	(19,600)
Disposal of a subsidiary *(note 34)*	–	–	–	–	–	–	–	(17,551)	(17,551)
At 30 June 2022	2	2,666,835	129,319	(740)	136,130	1,070,356	4,001,902	20,165	4,022,067

* These reserve accounts comprise the consolidated reserves of RMB3,936,097,000, RMB3,891,092,000, RMB3,989,052,000 and RMB4,001,900,000 in the consolidated statements of financial position as at 31 December 2019, 2020, 2021, and 30 June 2022, respectively.

Six months ended 30 June 2021

	Attributable to owners of the parent								
	Share capital	**Capital reserve**	**Statutory surplus reserve**	**Exchange fluctuation reserve**	**Share award scheme reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 30)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021 (audited)	–	2,043,986	129,319	(12,957)	108,734	1,622,010	3,891,092	689,756	4,580,848
Loss for the period (unaudited)	–	–	–	–	–	(21,821)	(21,821)	(3,604)	(25,425)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations (unaudited)	–	–	–	(5,718)	–	–	(5,718)	–	(5,718)
Total comprehensive loss for the period	–	–	–	(5,718)	–	(21,821)	(27,539)	(3,604)	(31,143)
Issue of shares *(note 30)* (unaudited)	2	–	–	–	–	–	2	–	2
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	6,000	6,000
Equity-settled share award expense *(note 32)* (unaudited)	–	–	–	–	27,396	–	27,396	–	27,396
Dividends declared to the then shareholders of a subsidiary *(note 11)* (unaudited)	–	–	–	–	–	(194,775)	(194,775)	–	(194,775)
Dividends paid to non-controlling shareholders *(note 11)* (unaudited)	–	–	–	–	–	–	–	(1,930)	(1,930)
At 30 June 2021 (unaudited)	2	2,043,986	129,319	(18,675)	136,130	1,405,414	3,696,176	690,222	4,386,398

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
	Notes	**2019**	**2020**	**2021**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/(loss) before tax		441,528	26,484	(327,445)	(18,199)	(12,263)
Adjustments for:						
Bank interest income	*5*	(5,615)	(9,111)	(8,179)	(5,038)	(3,685)
Interest income from loan receivable	*5*	–	(266)	(1,003)	(499)	–
Finance costs	*7*	14,068	6,281	2,739	1,011	1,047
Depreciation of property, plant and equipment	*13*	23,406	16,172	7,895	4,231	3,531
Depreciation charge of right-of-use assets	*15*	12,552	10,404	8,265	4,663	4,536
Amortisation of other intangible assets	*14*	45,219	33,404	26,948	14,314	11,523
Share of losses of joint ventures	*6*	1,871	272	259	66	168
Share of losses of associates	*6*	696	683	1,247	1,703	1,472
Gain on disposal of associates	*5*	–	–	(131)	–	–
Loss on disposal of property, plant and equipment		894	–	485	–	–
Gain on lease termination	*15(c)*	(1,071)	–	(662)	(93)	–
Impairment losses/(reversal of impairment losses) on trade receivables	*23*	41,897	(13,315)	9,698	(3,268)	9,205
Impairment losses/(reversal of impairment losses) on financial assets included in prepayments, other receivables and other assets	*24*	3,334	(5,552)	602	275	583
Impairment of inventories	*6*	–	–	8,713	–	–
Impairment of program copyrights	*6*	16,252	7,968	–	–	–
Gain on disposal of a subsidiary	*5*	–	–	–	–	(1,630)
Impairment of goodwill	*6*	–	386,779	380,731	–	–
Changes in fair value of financial assets at fair value through profit or loss	*6*	1,532	(17,901)	27,570	6,433	4,588
Equity-settled share award expense	*32*	26,030	27,496	27,396	27,396	–
Foreign exchange differences, net		645	1,544	1,421	(833)	1,421
		623,238	471,342	166,549	32,162	20,496

		Year ended 31 December			Six months ended 30 June	
	Notes	**2019**	**2020**	**2021**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Decrease/(increase) in trade and notes receivables		(151,808)	76,988	202,602	480,678	187,984
Decrease/(increase) in prepayments, other receivables and other assets		(34,707)	12,844	17,030	(25,969)	(20,512)
Decrease/(increase) in inventories		(3,567)	(3,357)	11,432	9,064	(3)
Decrease/(increase) in program copyrights		7,650	(88,290)	(13,807)	(62,773)	(26,853)
Increase/(decrease) in trade payables		70,151	44,093	46,788	(167,271)	(121,831)
Increase/(decrease) in other payables and accruals		70,981	(67,487)	11,991	(2,801)	45,578
(Increase)/decrease in restricted cash		–	–	(28,133)	(13,784)	4,504
Cash generated from operations		581,938	446,133	414,452	249,306	89,363
Interest received		5,615	9,111	8,179	5,038	3,685
Income tax paid		(71,226)	(57,034)	(13,468)	(23,378)	(12,982)
Net cash flows from operating activities		516,327	398,210	409,163	230,966	80,066
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(7,021)	(5,181)	(27,744)	(4,889)	(49,748)
Purchases of leasehold land	*15(a)*	–	–	(99,577)	(99,577)	–
Prepayment for the investment in an associate		–	–	–	–	(88,861)
Prepayments for leasehold land		–	–	(418,310)	(418,310)	–
Proceeds from disposal of items of property, plant and equipment		805	–	49	–	296
Addition to other intangible assets		(32,325)	(20,871)	(20,363)	(13,023)	(10,737)
Purchase of shareholdings in a joint venture		–	–	(1,000)	(1,000)	–
Purchases of shareholdings in associates		(750)	(100)	–	–	(1,000)
Proceeds from disposal of an associate		–	–	300	–	–
Disposal of a subsidiary	*34*	–	–	–	–	(20,735)
Loan to a third party		–	(10,000)	–	–	–
Repayment from a third party		–	–	–	–	8,000
Loans to a joint venture	*38(a)*	–	–	(2,700)	–	(5,110)
Decrease/(increase) in amounts due from related parties		(4,566)	20,174	–	–	–
Increase in restricted cash		–	–	(15,461)	(19,326)	–
Net cash flows used in investing activities		(43,857)	(15,978)	(584,806)	(556,125)	(167,895)

	Notes	Year ended 31 December			Six months ended 30 June	
		2019	2020	2021	2021	2022
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividend paid to the then shareholders	*35(b)*	–	–	(63,362)	(1,930)	–
Repayment of the principal portion of lease liabilities		(13,781)	(9,455)	(8,155)	(4,789)	(2,318)
Capital contribution from non-controlling interests		37,556	1,690	6,580	6,000	–
Interest paid		(12,849)	(6,281)	(1,394)	(1,011)	(553)
Repayment of loans from related parties		(14,275)	(1,219)	(28,996)	(9,511)	–
Proceeds from loans from related parties		–	–	28,996	28,996	–
Repayment of bank loans		(300,000)	(185,000)	(100,000)	(100,000)	–
Proceeds from new bank loans		205,000	100,000	–	–	–
Acquisition of non-controlling shareholders		–	–	(6,000)	–	–
Capital reduction by non-controlling shareholders		–	–	(1,897,065)	–	(19,600)
Issue of shares		–	–	1,897,065	–	–
Prepaid [**REDACTED**] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash flows used in financing activities		(98,349)	(100,265)	(176,882)	(84,508)	(24,065)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		374,121	281,967	(352,525)	(409,667)	(111,894)
Cash and cash equivalents at beginning of year/period		275,106	651,681	903,376	903,376	547,182
Effect of foreign exchange rate changes, net		2,454	(30,272)	(3,669)	(329)	2,575
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*25*	651,681	903,376	547,182	493,380	437,863
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and cash equivalents as stated in the consolidated statements of financial position and consolidated statements of cash flows	*25*	651,681	903,376	547,182	493,380	437,863

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2021	As at 30 June 2022
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Investments in subsidiaries	*19*	1,922,593	1,922,593
Total non-current assets		1,922,593	1,922,593
CURRENT ASSETS			
Cash and cash equivalents	*25*	13,855	10,443
Prepayments, other receivables and other assets	*24*	4,727	7,362
Total current assets		18,582	17,805
CURRENT LIABILITIES			
Due to a subsidiary	*38*	62,065	68,765
Other payables and accruals	*27*	3,556	3,259
Total current liabilities		65,621	72,024
NET CURRENT LIABILITIES		(47,039)	(54,219)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,875,554	1,868,374
Net assets		1,875,554	1,868,374
EQUITY			
Share capital	*30*	2	2
Reserves	*31*	1,875,552	1,868,372
Total equity		1,875,554	1,868,374

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 29 March 2021. The registered office address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were principally involved in variety program intellectual property ("IP") production, operation and licensing, music IP operation and licensing, drama series and film IP operation and licensing and other IP-related business.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the Company's principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai CanXing Culture & Media Co., Ltd. (a) ("Canxing Culture") 上海燦星文化傳媒股份有限公司*	People's Republic of China (the "PRC")/ Mainland China 24 March 2006	RMB320,813,865	–	100	Variety program IP production, operation, and licensing
Star China International Media Co., Ltd. (a) ("Star International") 星空華文國際傳媒有限公司*	PRC/Mainland China 26 April 2012	RMB63,195,800	–	100	Provision of advertising and marketing solutions
Shanghai CanXing Film & Culture Co., Ltd. (b) ("Canxing Film") 上海燦星影視文化有限公司*	PRC/Mainland China 1 August 2018	RMB10,000,000	–	78	Drama series operation and licensing
CanXing International Media Limited (b) ("Canxing International")	Hong Kong/ 1 December 2017	HKD1,000,000	–	100	Variety program IP production, operation, and licensing
Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd. (c) ("MXQY") 夢響強音文化傳播(上海)有限公司*	PRC/Mainland China 6 December 2012	RMB30,000,000	–	100	Operation and licensing of music IP and artist management

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Mengxiang Dangran Music Culture & Communication (Shanghai) Co., Ltd. (b) ("MXDR") 夢響當然音樂文化傳播(上海)有限公司*	PRC/Mainland China 25 November 2014	RMB13,000,000	–	51	Music IP operation and licensing/other IP-related business
Fortune Star Media Limited (e) ("FSML")	Hong Kong/ 31 May 2010	HKD10,000	100	–	Film IP library and licensing
Shanghai Xinfeng Culture Development Co., Ltd. (d) ("Xinfeng Culture") 上海歆豐文化發展有限公司*	PRC/Mainland China 23 October 2019	RMB400,000,000	–	100	Real estate development
Qinhan New City Star Chinese Culture Media Co., Ltd. (d) ("Qinhan New City") 秦漢新城星空華文文化傳媒有限公司*	PRC/Mainland China 29 November 2018	HKD468,000,000	–	100	Cultural and art events planning
Shanghai Jiuwu Yisheng Cultural Culture & Communication Co., Ltd. (d) ("Shanghai Jiuwu Yisheng") 上海久吾一生文化傳媒有限公司*	PRC/Mainland China 16 June 2020	RMB 2,000,000,000	–	100	Conference and exhibition services

Notes:

(a) The financial statements of these entities for the year ended 31 December 2019 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by BDO Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of these entities for the year ended 31 December 2020 prepared under PRC GAAP were audited by Beijing Ninghong Certified Public Accountants LLP (北京寧鴻會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of these entities for the year ended 31 December 2021 prepared under PRC GAAP were audited by Shanghai Daxin Certified Public Accountants LLP (上海大信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(b) The financial statements of these entities for the year ended 31 December 2019 prepared under PRC GAAP were audited by BDO Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of these entities for the year ended 31 December 2020 prepared under PRC GAAP were audited by Beijing Ninghong Certified Public Accountants LLP (北京寧鴻會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. No audited financial statements have been prepared for these entities for the year ended 31 December 2021 as these entities are not required by the local government to prepare statutory accounts.

(c) The financial statements of this entity for the year ended 31 December 2019 prepared under PRC GAAP were audited by BDO Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of this entity for the year ended 31 December 2020 prepared under PRC GAAP were audited by Beijing Ninghong Certified Public Accountants LLP (北京寧鴻會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The statutory financial statements of this entity for the year ended 31 December 2021 prepared under PRC GAAP were audited by Shanghai Xinyun Certified Public Accountants LLP (上海信運會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(d) No audited financial statements have been prepared for these entities since their dates of incorporation as these entities are not required by the local government to prepare statutory accounts.

(e) The statutory financial statements of this entity for the years ended 31 December 2019, 2020 and 2021 prepared under Hong Kong Financial Reporting Standards were audited by Ernst & Young, certified public accountants registered in Hong Kong.

* The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation, as more fully explained in the section headed "History, Reorganisation and Corporate Structure" in the Document, the Company became the holding company of the companies now comprising the Group on 31 August 2021. The companies now comprising the Group were under the common control of Chinese Culture (Shanghai) Equity Investment Center (L.P.) and Chinese Culture (Tianjin) Investment Management Co., Ltd., Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong (the "Controlling Shareholders") before and after the Reorganisation. Accordingly, for the purpose of this report, the Historical Financial Information for the Relevant Periods and the Interim Comparative Financial Information has been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Relevant Periods.

Due to the regulatory prohibitions on foreign ownership in the radio and television program production, internet cultural activities, television drama production and value-added telecommunication services in the PRC, the business carried out by Canxing Culture and its subsidiaries, Canxing Film and Shanghai Beiyi Culture & Media Co., Ltd. ("Beiyi Culture") (the "PRC Consolidated Entities") was prohibited or restricted from foreign ownership. The wholly-owned subsidiary of the Company, Shanghai Jiuwu Yisheng, has entered into a series of contractual arrangements (the "Contractual Arrangements") with the PRC Consolidated Entities and their respective equity holders (hereafter the equity holders of the PRC Consolidated Entities are referred to as the "Registered Shareholders"). The Contractual Arrangements enable Shanghai Jiuwu Yisheng to exercise effective control over the PRC Consolidated Entities and obtain substantially all economic benefits of the PRC Consolidated Entities. Accordingly, the Company regards the PRC Consolidated Entities as indirect subsidiaries for the purpose of the Historical Financial Information and the PRC Consolidated Entities are consolidated in the Historical Financial Information for the Relevant Periods and in the Interim Comparative Financial Information for the six months ended 30 June 2021. Details of the Contractual Arrangements are disclosed in the section headed "Contractual Arrangements" in the Document. The Group does not have any equity interests in the PRC Consolidated Entities.

The consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods and the six months ended 30 June 2021 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the Controlling Shareholders, where this is a shorter period. The consolidated statements of financial position of the Group as of 31 December 2019, 2020, 2021 and 30 June 2022 have been prepared to present the assets and liabilities of the subsidiaries now comprising the Group using the existing book values from the Controlling Shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Equity interests in subsidiaries held by parties other than the Controlling Shareholders, and changes therein, prior to the Reorganisation are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on combination.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB"). All IFRSs effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been early adopted on a consistent basis by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss which have been measured at fair value.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Historical Financial Information.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1, 3]
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[4]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]
Amendments to IFRS 16	*Lease liability in a Sale and Leaseback*[4]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[5]

1 Effective for annual periods beginning on or after 1 January 2023

2 No mandatory effective date yet determined but available for adoption

3 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

4 Effective for annual periods beginning on or after 1 January 2024

5 An entity shall apply (a) the amendment to paragraph 139U of IAS 1 immediately on issue of *Non-current Liabilities with Covenants,* and (b) all other amendments for annual periods beginning on or after 1 January 2024 retrospectively

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

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

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

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

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

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20.00%
Motor vehicles	20.00%
Office equipment	20.00%~33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building and leasehold improvements under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks

Trademarks are acquired in a business combination. Trademark with finite useful life is stated at cost less any impairment losses and is amortised on a straight-line basis over its estimated useful life of 20-30 years. The Group determines the useful life of trademarks with reference to the estimated periods that the Group intends to derive future economic benefits from the use of the assets.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 5 years.

Film rights

Film rights are stated at cost less accumulated amortisation and any impairment losses.

Film rights acquired separately are measured on initial recognition at cost. The cost of film rights acquired in a business combination is the fair value as at the date of acquisition. Film rights are subsequently amortised on a systematic basis, that reflects the pattern in which their future economic benefits are expected to be consumed by the Group. The cost of the film rights is allocated to three distinct film groups, which are identified based on the grading of each film, and is amortised based on the amortisation rate of each film group. The amortisation rate is the proportion of actual license of film rights in a particular film group granted during the year to the total estimated license of film rights in that particular film group expected to be granted. The total estimated license of film rights expected to be granted is reassessed by the Group at each financial year end based on the historical information and management judgement to reflect the change in expected pattern of consumption of future economic benefits embodied in the asset. The amortisation method is reviewed regularly, and revised if appropriate. Film rights are assessed for impairment whenever there is an indication that the film rights may be impaired.

Music copyrights

Music copyrights are stated at cost less accumulated amortisation and any impairment losses.

Music copyrights acquired separately are measured on initial recognition at cost. Music copyrights are subsequently amortised on a systematic basis, that reflects the pattern in which their future economic benefits are expected to be consumed by the Group. The pattern is based on management's estimate of the total license of music copyrights expected to be granted and on an accelerated amortisation rate. The total estimated licence of music copyrights expected to be granted and the amortisation rate are reassessed by the Group at each financial year end based on the historical information and management judgement to reflect the change in expected pattern of consumption of future economic benefits embodied in the asset. The amortisation method is reviewed regularly, and revised if appropriate. Music copyrights are assessed for impairment whenever there is an indication that the music copyrights may be impaired.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	3 – 5 years
Leasehold land	50 years

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt investments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments with embedded derivative which is required to be classified in its entirety as a financial asset at fair value through profit or loss. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to related parties, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, the financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct costs/expenses incurred during the purchase and development of scripts. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and sale.

Program copyrights

Program copyrights represent legal rights of variety programs and drama series held by the Group. These rights are stated at cost less accumulated amortisation and identified impairment loss. Costs of variety program copyrights comprise fees/investments paid and payable for the production of program copyrights under agreements, direct costs/expenses incurred during the production. The cost of variety program copyright is amortised based on the broadcast of each episode of the variety program, normally within one year after the first customer's acceptance of the respective variety programs and is recognised as cost of sales in the statement of profit or loss. The period is determined based on the estimated beneficial period and individual title basis.

Costs of drama series comprise fees/investments paid and payable for the production of drama series under agreements, direct costs/expenses incurred during the production and the cost of purchased copyrights or broadcasting rights of drama series. Drama series are subsequently amortised on a systematic basis, that reflects the pattern in which their future economic benefits are expected to be consumed by the Group, normally within one year after the first customer's acceptance of the respective drama series and is recognised as cost of sales in the statement of profit or loss.

Program copyrights are assessed for impairment whenever there is an indication that the program copyrights may be impaired. Impairment loss is recognised in the statement of profit or loss. The recoverable amounts of the program copyrights are determined and reviewed on a title-by-title basis and are based on the higher of fair value less costs of disposal and value in use which include unobservable inputs and assumptions derived by the Group.

Any gain or loss arising from the disposal of program copyright is recognised in profit or loss. Gains or losses arising from the disposal of program copyright are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of disposal.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new variety programs is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the variety programs so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods in which the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Variety program IP production, operation, and licensing

The Group creates and distributes variety programs to various media platforms, including major TV networks and online video platforms. In most cases, the Group jointly invests in the programs with the media platforms and shares the revenue from advertising sales. In other cases, the Group is commissioned by media platforms to produce programs or commercials for a fixed commission fee or license fee("commissioned production model"). The Group develops its own program content and generally retains part or all of the IP rights on that content, except for the variety programs under commissioned production model. During the Relevant Periods, the Group licenses customers the right to host offline entertainment events for singing, dance and talent competition shows in exchange for a fixed licensing fee.

(i) Licensing of broadcasting rights of programs

Revenue from licensing of broadcasting rights of variety programs is recognised at the point in time when the licensed content is made available for the customer's use and benefit, typically when the variety program has been transferred and accepted by the media platform.

(ii) Revenue from collaborating with media platforms

Revenue from collaborating with media platforms is realised in the form of advertising sales. It is recognised at a point in time when each episode of the variety program is transferred to and accepted by the media platform, generally on the broadcast of the variety program.

(iii) Revenue from the production of commissioned variety programs

Revenue from the production of commissioned variety programs is recognised over time, using an input method to measure progress towards complete production of commissioned variety programs, because the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced.

(iv) Licensing of the right to host offline entertainment events

The Group authorizes customers to use its brand and program materials for their offline marketing activities. Revenue from the licensing of the right to host offline entertainment events is recognised on a straight-line basis over the period as the Group's promise in granting the license is a promise to provide a right to access the Group's intellectual property.

(b) Music IP operation and licensing

The Group licenses content to the customers either on a fixed-payment basis or a minimum guarantee plus revenue-sharing basis.

For the licensing of individual songs, fixed payment and minimum guarantees are recognised when the licensed content is made available for the customer's use and benefit, typically upon the transfer of the licensed content to the customer. For the licensing of music library, the Group's performance obligation is to maintain the music library and grant the right to access such music library to customers which is satisfied over the specified licensing period. Royalties exceeding the minimum guaranteed amount are recognised when the usage of the licensed content exceeding specified thresholds occurs and the amount is based on the relevant monthly or quarterly reports provided by the respective operators.

(c) Drama series and film IP operation and licensing

Revenue from the licensing of drama series and films is recognised at the point in time when the licensed contents are available to the licencees, generally on delivery of the licensed contents after the start of the licensing period.

(d) Artiste management

The Group provides artiste management services by arranging its artistes to provide service to its customers, such as participating in concerts, tours, in-person appearances and sponsorship.

Revenue is recognised on a straight-line basis over the period that the artistes rendered relevant services to the organisers of the entertainment events and TV programs by attending those entertainment events and TV programs.

(e) Concert organisation and production

The Group organises concerts and earns revenue from ticket sales. Revenue from concert ticket sales is recognised over the contract period when the relevant concerts are held by the Group and the customers simultaneously receive and consume the benefits provided by Group's performance.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share award plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the shares at the date at which they are granted. The fair value of the shares granted is measured at the grant date using the income approach (Discounted Cash Flow ("DCF") method, in particular) and back-solve method, as well as the equity allocation method is adopted to reflect the different features of the different class of shares, further details of which are given in note 32 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

Contributions made to the government retirement benefit fund under defined contribution retirement plans are charged to the statement of profit or loss as incurred.

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government and the central government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

One subsidiary of the Company operates an occupational retirement scheme registered under the Hong Kong Occupational Retirement Schemes Ordinance. This scheme has been granted exemption under the Hong Kong Mandatory Provident Fund Schemes Ordinance. When an employee leaves the scheme before his/her interest in the Company's employer contributions vesting fully, the ongoing contributions payable by the Company are reduced by the relevant amount of the forfeited employer's contributions.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vest fully, in accordance with the rules of the MPF Scheme.

Contributions to these schemes are based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the schemes. The assets of these schemes are held separately from those of the Group in independently administered funds.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The functional currency of the Company is RMB. As the major revenues and assets of the Group are derived from operations in Mainland China, RMB is chosen as the presentation currency to present the Historical Financial Information. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on changes in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their profits or losses are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Identifying performance obligations in a bundled sale of music copyright licensing arrangement

The Group is required to deliver licensed content from its existing musical content and additional musical content when it is produced in the future to operators of those third parties' online platforms. The Group licenses both content separately or within a bundle.

The Group determined that each existing song copyright licensing and each new song copyright licensing are each capable of being distinct. The fact that the Group regularly licenses both existing and new songs copyright on a standalone basis indicates that the customer can benefit from each product on their own. The Group also determined that the promises to license each existing song and each new song copyright are distinct within the context of the contract. The existing and new songs copyright licensing is not an input to a combined item in the contract. The Group is not providing a significant integration service because the presence of the existing and new songs copyright licensing together in the contract does not result in any additional or combined functionality. In addition, the existing and new songs copyright licensing is not highly interdependent or highly interrelated, because the Group would be able to provide the existing songs copyright licensing even if the customer declined the new songs copyright licensing and would be able to provide new songs copyright licensing in relation to other customers. Consequently, the Group has allocated a portion of the transaction price to the new songs copyright licensing and existing songs copyright licensing based on their relative stand-alone selling prices.

As for the contracts of licensing of music library, typically contain a single performance obligation, which is ongoing access to all intellectual property in an evolving content library, which is maintained by the Group on an ongoing basis. No transaction price allocation is needed. Revenue is recognised on a straight-line basis over the licensing period.

Principal versus agent

Determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal that controls the specified goods or services before they are transferred to a customer when: (i) the Group is primarily responsible for fulfilling the promise to provide the specified good or service; (ii) the Group has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer; or (iii) the Group has discretion in establishing the price for the specified good or service.

Contractual Arrangements

The PRC Consolidated Entities are engaged in the radio and television program production, internet cultural activities, television drama production and value-added telecommunication services. Under the scope of "Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2021 Version)", foreign investors are prohibited to invest in such business.

As disclosed in note 2.1 to the Historical Financial Information, as part of the Reorganisation, the Group exercises control over the PRC Consolidated Entities and enjoys substantially all economic benefits of the PRC Consolidated Entities through the Contractual Arrangements.

The Group does not have any equity interests in the PRC Consolidated Entities. However, as a result of the Contractual Arrangements, the Company has power over the PRC Consolidated Entities, has rights to variable returns from its involvement with the PRC Consolidated Entities and has the ability to affect those returns through its power over the PRC Consolidated Entities and is therefore considered to have control over them. Consequently, the Company regards the PRC Consolidated Entities as indirect subsidiaries. The Group has consolidated the financial position and results of the PRC Consolidated Entities in the Historical Financial Information during the Relevant Periods and in the Interim Comparative Financial Information.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing periods and days past due for groups of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the media & entertainment sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The provision for impairment of trade receivables at 31 December 2019, 2020, 2021 and 30 June 2022 amounted to RMB181,930,000, RMB157,098,000, RMB164,126,000 and RMB173,415,000, respectively, details of which are set out in note 23 to the Historical Financial Information.

Provision for expected credit losses on other receivables

The Group has applied the general approach to provide for expected credit losses for other receivables and considered the default event, historical loss rate and adjusted for forward- looking macroeconomic data in calculating the expected credit loss rate, details of which are set out in note 24 to the Historical Financial Information.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. As at 31 December 2019, 2020, 2021 and 30 June 2022, management considers that cash-generating unit's value in use is higher than its fair value less costs of disposal based on the current available information. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2019, 2020, 2021 and 30 June 2022 were RMB2,256,298,000, RMB1,851,848,000, RMB1,465,276,000 and RMB1,478,421,000, respectively. Further details are given in note 16 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, other intangible assets, right-of-use assets, and investments in joint ventures and associates at 31 December 2019, 2020, 2021 and 30 June 2022 in aggregate are RMB641,685,000, RMB606,054,000, RMB1,136,133,000 and RMB1,204,820,000, respectively.

Deferred tax assets

Deferred tax assets are recognised for impairment of financial assets, accrued expenses, payroll payable, deferred income and lease liabilities to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The unrecognised tax losses at 31 December 2019, 2020, 2021 and 30 June 2022 amounted to RMB18,464,000, RMB25,010,000, RMB46,185,000 and RMB57,331,000, respectively. Further details are contained in note 28 to the Historical Financial Information.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of listed equity investments

At 31 December 2019 and 2020, the listed equity investments have been valued based on a discounted market-based valuation technique as detailed in note 40 to the Historical Financial Information. The valuation requires the Group to adopt the stock price of the investment as of the valuation date and make estimates about the discount for illiquidity based on the lock-up period. The discount for illiquidity was estimated using the Black-Scholes method by referring to the comparable public companies (peers). The Group classifies the fair value of these investments within Level 3 of the fair value hierarchy. The fair values of listed equity investments are based on quoted market prices at 31 December 2021 and 30 June 2022, due to the contractual restriction having been lifted. The fair values of the listed equity investments at 31 December 2019, 2020, 2021 and 30 June 2022 were RMB27,223,000, RMB45,124,000, RMB16,839,000 and RMB13,021,000, respectively. Further details are included in note 20 to the Historical Financial Information.

Amortisation of film rights and music copyrights

The amortisation of film rights and music copyrights recognised as cost of sales for a given period is on a systematic basis, that reflects the pattern in which their future economic benefits are expected to be consumed by the Group. The total estimated license of film rights and music copyrights expected to be granted is estimated based on historical experience of the Group and they are reassessed by the Group at each financial year-end based on the historical information and management judgement to reflect the change in expected pattern of consumption of future economic benefits embodied in the asset. The amortisation method is reviewed regularly, and revised if appropriate. The carrying amounts of film rights and music copyrights are disclosed in note 14 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) ***Revenue from external customers***

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Mainland China	1,703,257	1,424,228	1,045,035	137,127	168,906
Other regions	103,336	135,717	81,711	17,449	13,694
	1,806,593	1,559,945	1,126,746	154,576	182,600

The revenue information above is based on the locations of the customers.

(b) ***Non-current assets***

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mainland China	2,461,389	2,068,325	2,218,330	2,372,037
Other regions	436,594	389,577	383,079	400,065
	2,897,983	2,457,902	2,601,409	2,772,102

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods and the six months ended 30 June 2021 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Customer 1	359,579	235,916	159,596	N/A*	N/A*
Customer 2**	257,001	178,042	N/A*	25,807	N/A*
Customer 3**	472,976	396,304	403,142	N/A*	76,536
Customer 4**	N/A*	156,111	120,668	N/A*	42,679

* The corresponding revenue of the customer is not disclosed as the revenue did not individually account for 10% or more of the Group's revenue during the years ended 31 December 2019, 2020 and 2021, and the six months ended 30 June 2021 and 2022.

** Including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue from contracts with customers	1,806,593	1,559,945	1,126,746	154,576	182,600

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Types of goods or services					
Variety program IP production, operation, and licensing	1,340,518	1,090,100	879,484	72,470	136,483
Music IP operation and licensing	239,126	217,291	118,335	45,166	19,509
Drama series and film IP operation and licensing	114,958	174,170	86,448	22,416	13,733
Other IP-related business	111,991	78,384	42,479	14,524	12,875
Total revenue from contracts with customers	1,806,593	1,559,945	1,126,746	154,576	182,600
Geographical markets					
Mainland China	1,703,257	1,424,228	1,045,035	137,127	168,906
Other regions	103,336	135,717	81,711	17,449	13,694
Total revenue from contracts with customers	1,806,593	1,559,945	1,126,746	154,576	182,600
Timing of revenue recognition					
Transferred at a point in time	1,418,159	1,002,227	840,327	76,953	53,050
Transferred over time	388,434	557,718	286,419	77,623	129,550
Total revenue from contracts with customers	1,806,593	1,559,945	1,126,746	154,576	182,600

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of each of the Relevant Periods and the six months ended 30 June 2021:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue recognised that was included in the contract liabilities at the beginning of each of the Relevant Periods:					
Variety program IP production, operation, and licensing	4,429	82,263	2,937	1,833	2,636
Music IP operation and licensing	1,985	2,529	298	149	278
Drama series and film IP operation and licensing	3,472	5,506	6,202	1,149	1,102
Other IP-related business	6,558	1,307	805	71	1,396
	16,444	91,605	10,242	3,202	5,412

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Variety Program IP Production, Operation, and Licensing

As for the variety programs, the performance obligation is satisfied upon delivery of the video materials and payment is generally due within 30 days after the final account of variety programs with the media platforms, except for the production of commissioned variety programs, where payment in advance is normally required.

As for the licensing of the right to host offline entertainment events, the performance obligation is to support the customers' offline marketing activities and payment is normally in advance.

Music IP Operation and Licensing

As for licensing which provides right-to-use, the performance obligation is satisfied upon delivery of the audio materials and annual payment is normally required.

As for licensing which provides right-to-access, the performance obligation is satisfied over the period when the customers are granted with access to the Group's music library and annual payment is normally required.

Drama Series and Film IP Operation and Licensing

The performance obligation is satisfied upon delivery of the video materials and payment is generally due within 30 days from delivery.

Other IP-related Business

As for artiste management, the performance obligation is satisfied over the period that artiste rendered relevant services to the organisers of the entertainment events and TV programs by attending those entertainment events and TV programs and payment is generally made in advance.

As for concert organisation and production, the performance obligation of concert tickets is satisfied when the concert has been held and payment is generally made in advance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019, 2020 and 2021 and 30 June 2022 are as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	151,800	44,349	25,832	9,140
More than one year	118,093	108,211	10,482	62,380
	269,893	152,560	36,314	71,520

The remaining performance obligations expected to be recognised in more than one year relate to variety program IP and music IP production, operation, and licensing with expiration dates that are to be satisfied within five years. All the other remaining performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Other income					
Bank interest income	5,615	9,111	8,179	5,038	3,685
Government grants – related to income*	32,957	39,294	26,953	14,869	3,084
Government grants – related to assets*	9,151	2,824	2,753	218	595
Interest income from loan receivable	–	266	1,003	499	–
Interest income from loan to a joint venture	–	–	–	–	107
Others	17,564	1,589	239	913	310
	65,287	53,084	39,127	21,537	7,781
Gains					
Gain on lease termination (*note 15*)	1,071	–	662	93	–
Gain on disposal of associates	–	–	131	–	–
Gain on the disposal of a subsidiary (*note 34*)	–	–	–	–	1,630
	1,071	–	793	93	1,630
	66,358	53,084	39,920	21,630	9,411

* The government grants mainly represent incentives awarded by the local governments to support the Group's operation.

6. PROFIT/(LOSS) BEFORE TAX

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

		Year ended 31 December			Six months ended 30 June	
		2019	2020	2021	2021	2022
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of variety program IP operation and licensing*		970,978	886,262	763,342	55,503	107,502
Cost of music IP operation and licensing		37,168	34,505	32,974	17,912	7,003
Cost of drama series and films IP operation and licensing		34,061	16,693	30,421	15,024	5,504
Cost of other IP-related business		59,502	35,052	25,697	9,442	6,050
Depreciation of property, plant and equipment**	*13*	23,406	16,172	7,895	4,231	3,531
Depreciation of right-of-use assets	*15(c)*	12,552	10,404	8,265	4,663	4,536
Amortisation of other intangible assets***	*14*	45,219	33,404	26,948	14,314	11,523
Bank interest income	*5*	(5,615)	(9,111)	(8,179)	(5,038)	(3,685)
Interest income from loan receivable	*5*	–	(266)	(1,003)	(499)	–
Share of losses of joint ventures		1,871	272	259	66	168
Share of losses of associates		696	683	1,247	1,703	1,472
Lease payments not included in the measurement of lease liabilities	*15(c)*	5,699	3,578	3,152	1,197	1,337
Impairment losses (reversal of impairment losses) on financial assets included in prepayments, other receivables and other assets, net	*24*	3,334	(5,552)	602	275	583
Impairment losses/(reversal of impairment losses) on trade receivables, net	*23*	41,897	(13,315)	9,698	(3,268)	9,205
Impairment of inventories****		–	–	8,713	–	–
Impairment of program copyrights****	*22*	16,252	7,968	–	–	–
Auditor's remuneration		883	4,074	205	–	–
[**REDACTED**] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Impairment of goodwill	*16*	–	386,779	380,731	–	–
Equity-settled share award expense*****	*32*	26,030	27,496	27,396	27,396	–
Changes in fair value of financial assets at fair value through profit or loss		1,532	(17,901)	27,570	6,433	4,588
Research and development costs		69,677	63,284	51,656	11,236	13,608
Gain on disposal of associates	*5*	–	–	(131)	–	–
Gain on disposal of a subsidiary	*34*	–	–	–	–	(1,630)
Employee benefit expense (excluding directors' and chief executive's remuneration *(note 8)*):						
Wages, salaries and bonuses		113,218	107,833	100,968	50,863	57,706
Pension scheme contributions^ (defined contribution scheme)		12,171	6,922	10,965	5,219	5,207
Staff welfare expenses		1,476	1,663	1,930	907	1,930
Equity-settled share award expense		23,107	24,547	24,500	24,500	–
		149,972	140,965	138,363	81,489	64,843

* The cost of variety program IP production, operation, and licensing includes RMB74,513,000, RMB65,551,000, RMB67,092,000, RMB23,050,000 and RMB11,132,000 relating to staff costs during the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022, which are also included in "Employee benefit expense" disclosed above.

** The depreciation of property, plant and equipment is included in "Cost of sales, "Selling and distribution expenses" and "Administrative expenses" in the consolidated statements of profit or loss.

*** The amortisation of trademarks, film rights and music copyrights are included in "Cost of sales" in the consolidated statements of profit or loss. The amortisation of software is included in "Administrative expenses" in the consolidated statements of profit or loss.

**** The impairment of inventories and program copyrights are included in "Cost of sales" in the consolidated statements of profit or loss.

***** The equity-settled share award expense is included in "Cost of sales", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statements of profit or loss.

^ At 31 December 2019, 2020, 2021 and 30 June 2022, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	917	668	396	274	553
Interest on loans from related parties	1,219	–	–	–	–
Interest on discounted notes receivable	–	–	1,345	–	–
Amortised interest on discounted contract liabilities	–	–	–	–	494
Interest on bank borrowings	11,932	5,613	998	737	–
	14,068	6,281	2,739	1,011	1,047

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Mr. Tian Ming was appointed as the chief executive of the Company on 29 March 2021. Mr. Jin Lei, Mr. Xu Xiangdong, Mr. Lu Wei and Ms. Wang Yan were appointed as executive directors of the Company on 9 September 2021. Mr. Lee Wei Choy was appointed as a non-executive director of the Company on 9 September 2021. Mr. Li Liangrong, Mr. Chen Rehao and Mr. Sheng Wenhao were appointed as independent non-executive directors of the Company on 9 September 2021.

Certain of the directors received remuneration from subsidiaries now comprising the Group for their appointment as directors of the subsidiaries. The remuneration of the directors as recorded is set out below:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Fees	213	213	213	108	108
Other emoluments:					
Salaries, allowances and benefits in kind	6,251	5,899	6,336	3,158	2,900
Performance related bonuses	140	144	–	–	–
Pension scheme contributions	245	225	285	135	150
Equity-settled share award expense	2,923	2,949	2,896	2,896	–
	9,559	9,217	9,517	6,189	3,050
	9,772	9,430	9,730	6,297	3,158

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2021 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Mr. Chen Rehao	71	71	71	36	36
Mr. Li Liangrong	71	71	71	36	36
Mr. Sheng Wenhao	71	71	71	36	36
	213	213	213	108	108

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2021.

(b) Executive directors, a non-executive director and the chief executive

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2019						
Executive directors:						
Mr. Tian Ming	–	1,867	–	–	49	1,916
Mr. Jin Lei	–	1,327	–	–	49	1,376
Ms. Wang Yan	–	1,075	–	827	49	1,951
Mr. Xu Xiangdong	–	1,075	–	–	49	1,124
Mr. Lu Wei	–	907	140	2,096	49	3,192
	–	6,251	140	2,923	245	9,559

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2020						
Executive directors:						
Mr. Tian Ming	–	1,794	–	–	45	1,839
Mr. Jin Lei	–	1,276	–	–	45	1,321
Ms. Wang Yan	–	1,035	–	827	45	1,907
Mr. Xu Xiangdong	–	1,035	–	–	45	1,080
Mr. Lu Wei	–	759	144	2,122	45	3,070
	–	5,899	144	2,949	225	9,217

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2021						
Executive directors:						
Mr. Tian Ming	–	1,884	–	–	57	1,941
Mr. Jin Lei	–	1,344	–	–	57	1,401
Ms. Wang Yan	–	1,092	–	826	57	1,975
Mr. Xu Xiangdong	–	1,092	–	–	57	1,149
Mr. Lu Wei	–	924	–	2,070	57	3,051
	–	6,336	–	2,896	285	9,517

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2022						
Executive directors:						
Mr. Tian Ming	–	719	–	–	30	749
Mr. Jin Lei	–	580	–	–	30	610
Ms. Wang Yan	–	472	–	–	30	502
Mr. Xu Xiangdong	–	573	–	–	30	603
Mr. Lu Wei	–	556	–	–	30	586
	–	2,900	–	–	150	3,050

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share award expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2021 (unaudited)						
Executive directors:						
Mr. Tian Ming	–	940	–	–	27	967
Mr. Jin Lei	–	670	–	–	27	697
Ms. Wang Yan	–	544	–	826	27	1,397
Mr. Xu Xiangdong	–	544	–	–	27	571
Mr. Lu Wei	–	460	–	2,070	27	2,557
	–	3,158	–	2,896	135	6,189

There were no fees and other emoluments payable to the non-executive director during the Relevant Periods and the six months ended 30 June 2021.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2021.

During the Relevant Periods and the six months ended 30 June 2021, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022 included three, three, three, three and three directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two, two, two, two and two highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the six months ended 30 June 2021 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Salaries, allowances and benefits in kind	2,682	2,658	2,648	1,337	1,416
Performance related bonuses	452	741	195	200	371
Pension scheme contributions	49	45	57	27	30
Equity-settled share award expense	2,068	2,068	2,068	2,068	–
	5,251	5,512	4,968	3,632	1,817

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
				(Unaudited)	
Nil to HK$1,000,000	–	–	–	–	1
HK$1,000,001 to HK$1,500,000	–	–	–	1	1
HK$1,500,001 to HK$2,000,000	–	–	1	–	–
HK$2,000,001 to HK$2,500,000	1	1	–	–	–
HK$2,500,001 to HK$3,000,000	–	–	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	–	1	–
HK$3,500,001 to HK$4,000,000	1	1	–	–	–
HK$4,000,001 to HK$4,500,000	–	–	1	–	–
	2	2	2	2	2

During the Relevant Periods and the six months ended 30 June 2021, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employee as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods.

Pursuant to the relevant tax law of the Macau Special Administrative Region, Macau profits tax has been provided at the rate of 12% on the estimated assessable profits arising in Macau during the Relevant Periods.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Canxing Culture and MXQY are qualified as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% during the Relevant Periods, which will expire on 12 November 2023.

The major components of income tax expense of the Group during the Relevant Periods and the six months ended 30 June 2021 are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current – Charge for the year/period	76,187	56,788	41,034	8,826	1,269
Deferred tax *(note 28)*	(14,903)	7,642	(16,733)	(1,600)	(158)
Total tax charge for the year/period	61,284	64,430	24,301	7,226	1,111

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit/(loss) before tax	441,528	26,484	(327,445)	(18,199)	(12,263)
Tax at the tax rate of 25%	110,382	6,621	(81,862)	(4,550)	(3,066)
Effect of preferential lower tax rates entitled	(45,484)	4,387	35,524	1,784	1,674
Profits and losses attributable to associates and joint ventures	385	143	221	265	370
Income not subject to tax	(15,679)	(24,960)	(9,334)	(1,365)	(1,395)
Effect of overseas withholding taxes	2,394	5,855	990	–	11
Expenses not deductible for tax*	10,084	73,769	73,506	7,258	1,191
Additional deductible allowance for research and development expenses	(3,500)	(3,022)	(3,409)	(449)	(488)
Profit and loss from disposal of subsidiaries	–	–	3,371	–	–
Tax losses not recognised	2,702	1,637	5,294	4,283	2,814
Tax charge at the Group's effective tax rate	61,284	64,430	24,301	7,226	1,111

* Expenses not deductible for tax mainly consist of equity-settled share award expense, impairment of goodwill, expenses without invoices and changes in fair value of financial assets at fair value through profit or loss. These expenses are not to be deductible for tax.

11. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation and up to 30 June 2022.

For the year ended 31 December 2021, a subsidiary of the Group, FSML, declared dividends of USD30,000,000 (equivalent to RMB194,775,000) to its then shareholder. The dividends of RMB133,653,000 have been settled by offsetting against the amounts due from related parties. The remaining dividends have been settled by cash in July 2021.

For the year ended 31 December 2021, a subsidiary of the Group, Shanghai Canteng Culture & Media Co., Ltd., declared dividends of RMB1,930,000 to non-controlling shareholders. The dividends have been paid by 31 December 2021.

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings/(loss) per share information is not presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation and the basis of presentation of the Historical Financial Information of the Group for the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022 as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2019					
At 1 January 2019:					
Cost	50,685	1,139	66,086	4,456	122,366
Accumulated depreciation	(34,255)	(812)	(36,746)	–	(71,813)
Net carrying amount	16,430	327	29,340	4,456	50,553
At 1 January 2019, net of accumulated depreciation	16,430	327	29,340	4,456	50,553
Additions	4	756	6,057	1,651	8,468
Disposals	(1,699)	–	–	–	(1,699)
Transfers	4,037	–	–	(4,037)	–
Depreciation provided during the year *(note 6)*	(10,406)	(121)	(12,879)	–	(23,406)
Exchange realignment	–	–	3	–	3
At 31 December 2019, net of accumulated depreciation	8,366	962	22,521	2,070	33,919
At 31 December 2019:					
Cost	52,241	1,179	72,140	2,070	127,630
Accumulated depreciation	(43,875)	(217)	(49,619)	–	(93,711)
Net carrying amount	8,366	962	22,521	2,070	33,919

	Leasehold improvements	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2020					
At 1 January 2020:					
Cost	52,241	1,179	72,140	2,070	127,630
Accumulated depreciation	(43,875)	(217)	(49,619)	–	(93,711)
Net carrying amount	8,366	962	22,521	2,070	33,919
At 1 January 2020, net of accumulated depreciation	8,366	962	22,521	2,070	33,919
Additions	–	342	135	3,258	3,735
Transfers	3,007	–	–	(3,007)	–
Depreciation provided during the year *(note 6)*	(5,825)	(259)	(10,088)	–	(16,172)
Exchange realignment	–	–	(7)	–	(7)
At 31 December 2020, net of accumulated depreciation	5,548	1,045	12,561	2,321	21,475
At 31 December 2020:					
Cost	12,692	1,521	72,257	2,321	88,791
Accumulated depreciation	(7,144)	(476)	(59,696)	–	(67,316)
Net carrying amount	5,548	1,045	12,561	2,321	21,475
31 December 2021					
At 1 January 2021:					
Cost	12,692	1,521	72,257	2,321	88,791
Accumulated depreciation	(7,144)	(476)	(59,696)	–	(67,316)
Net carrying amount	5,548	1,045	12,561	2,321	21,475
At 1 January 2021, net of accumulated depreciation	5,548	1,045	12,561	2,321	21,475
Additions	–	1,237	2,153	37,906	41,296
Disposals	–	–	(49)	(485)	(534)
Depreciation provided during the year *(note 6)*	(1,928)	(408)	(5,559)	–	(7,895)
Exchange realignment	–	–	38	–	38
At 31 December 2021, net of accumulated depreciation	3,620	1,874	9,144	39,742	54,380
At 31 December 2021:					
Cost	12,408	2,758	74,052	39,742	128,960
Accumulated depreciation	(8,788)	(884)	(64,908)	–	(74,580)
Net carrying amount	3,620	1,874	9,144	39,742	54,380

	Leasehold improvements	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2022					
At 1 January 2022:					
Cost	12,408	2,758	74,052	39,742	128,960
Accumulated depreciation	(8,788)	(884)	(64,908)	–	(74,580)
Net carrying amount	3,620	1,874	9,144	39,742	54,380
At 1 January 2022, net of accumulated depreciation	3,620	1,874	9,144	39,742	54,380
Additions	273	–	232	46,109	46,614
Disposals	–	–	–	(296)	(296)
Depreciation provided during the period *(note 6)*	(969)	(307)	(2,255)	–	(3,531)
Disposal of a subsidiary *(note 34)*	–	–	(221)	(882)	(1,103)
Exchange realignment	–	–	6	–	6
At 30 June 2022, net of accumulated depreciation	2,924	1,567	6,906	84,673	96,070
At 30 June 2022:					
Cost	12,681	2,758	71,582	84,673	171,694
Accumulated depreciation	(9,757)	(1,191)	(64,676)	–	(75,624)
Net carrying amount	2,924	1,567	6,906	84,673	96,070

14. OTHER INTANGIBLE ASSETS

	Trademarks	Software	Film rights	Music copyrights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2019					
At 1 January 2019:					
Cost	26,938	1,263	304,383	77,406	409,990
Accumulated amortisation	(8,298)	(299)	(139,272)	(66,099)	(213,968)
Net carrying amount	18,640	964	165,111	11,307	196,022

	Trademarks	Software	Film rights	Music copyrights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost at 1 January 2019, net of accumulated amortisation	18,640	964	165,111	11,307	196,022
Additions	–	903	–	31,422	32,325
Amortisation provided during the year *(note 6)*	(1,032)	(272)	(15,064)	(28,851)	(45,219)
Exchange realignment	294	–	2,549	–	2,843
At 31 December 2019, net of accumulated amortisation	17,902	1,595	152,596	13,878	185,971
At 31 December 2019:					
Cost	27,382	2,166	309,394	108,828	447,770
Accumulated amortisation	(9,480)	(571)	(156,798)	(94,950)	(261,799)
Net carrying amount	17,902	1,595	152,596	13,878	185,971
31 December 2020					
At 1 January 2020:					
Cost	27,382	2,166	309,394	108,828	447,770
Accumulated amortisation	(9,480)	(571)	(156,798)	(94,950)	(261,799)
Net carrying amount	17,902	1,595	152,596	13,878	185,971
Cost at 1 January 2020, net of accumulated amortisation	17,902	1,595	152,596	13,878	185,971
Additions	–	–	–	20,871	20,871
Amortisation provided during the year *(note 6)*	(1,032)	(216)	(11,719)	(20,437)	(33,404)
Exchange realignment	(1,104)	–	(9,238)	–	(10,342)
At 31 December 2020, net of accumulated amortisation	15,766	1,379	131,639	14,312	163,096
At 31 December 2020:					
Cost	25,610	2,166	289,379	129,699	446,854
Accumulated amortisation	(9,844)	(787)	(157,740)	(115,387)	(283,758)
Net carrying amount	15,766	1,379	131,639	14,312	163,096

	Trademarks	Software	Film rights	Music copyrights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2021					
At 1 January 2021:					
Cost	25,610	2,166	289,379	129,699	446,854
Accumulated amortisation	(9,844)	(787)	(157,740)	(115,387)	(283,758)
Net carrying amount	15,766	1,379	131,639	14,312	163,096
Cost at 1 January 2021, net of accumulated amortisation	15,766	1,379	131,639	14,312	163,096
Additions	–	–	–	20,363	20,363
Amortisation provided during the year *(note 6)*	(965)	(217)	(9,880)	(15,886)	(26,948)
Exchange realignment	(350)	–	(2,894)	–	(3,244)
At 31 December 2021, net of accumulated amortisation	14,451	1,162	118,865	18,789	153,267
At 31 December 2021:					
Cost	25,024	2,166	282,764	150,062	460,016
Accumulated amortisation	(10,573)	(1,004)	(163,899)	(131,273)	(306,749)
Net carrying amount	14,451	1,162	118,865	18,789	153,267
30 June 2022					
At 1 January 2022:					
Cost	25,024	2,166	282,764	150,062	460,016
Accumulated amortisation	(10,573)	(1,004)	(163,899)	(131,273)	(306,749)
Net carrying amount	14,451	1,162	118,865	18,789	153,267

	Trademarks	Software	Film rights	Music copyrights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost at 1 January 2022, net of accumulated amortisation	14,451	1,162	118,865	18,789	153,267
Additions	–	19	–	10,718	10,737
Disposal of a subsidiary *(note 34)*	–	(19)	–	–	(19)
Amortisation provided during the period *(note 6)*	(485)	(108)	(2,570)	(8,360)	(11,523)
Exchange realignment	743	–	6,169	–	6,912
At 30 June 2022, net of accumulated amortisation	14,709	1,054	122,464	21,147	159,374
At 30 June 2022:					
Cost	26,341	2,166	297,651	160,780	486,938
Accumulated amortisation	(11,632)	(1,112)	(175,187)	(139,633)	(327,564)
Net carrying amount	14,709	1,054	122,464	21,147	159,374

15. LEASES

The Group as a lessee

The Group has lease contracts for office premises and land used in its operations. Leases of office premises generally have lease terms within 3 to 5 years. Leases of land generally have lease terms within 50 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

	Office premises	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2019	29,257	–	29,257
Additions	1,305	–	1,305
Lease termination	(5,656)	–	(5,656)
Depreciation provided during the year	(12,552)	–	(12,552)
As at 31 December 2019 and 1 January 2020	12,354	–	12,354
Additions	10,947	–	10,947
Depreciation provided during the year	(10,404)	–	(10,404)
As at 31 December 2020 and 1 January 2021	12,897	–	12,897
Additions	2,992	99,577	102,569
Lease termination	(3,441)	–	(3,441)
Depreciation provided during the year*	(8,265)	(1,494)	(9,759)

	Office premises	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2021 and 1 January 2022	4,183	98,083	102,266
Additions	20,527	–	20,527
Disposal of a subsidiary *(note 34)*	(629)	–	(629)
Depreciation provided during the period*	(4,536)	(996)	(5,532)
At 30 June 2022	19,545	97,087	116,632

* The depreciation of leasehold land is capitalised in "Property, plant and equipment" in the consolidated statements of financial position. The depreciation of office premises is included in "Administrative expenses" in the consolidated statements of profit or loss.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	31,666	12,463	13,955	4,689
New leases	1,305	10,947	2,992	20,527
Reduction as a result of lease termination	(6,727)	–	(4,103)	–
Reduction as disposal of a subsidiary *(note 34)*	–	–	–	(800)
Accretion of interest recognised during the year/period	917	668	396	553
Payments	(14,698)	(10,123)	(8,551)	(2,871)
Carrying amount at end of year/period	12,463	13,955	4,689	22,098
Analysed into:				
Current portion	6,043	8,687	2,426	8,482
Non-current portion	6,420	5,268	2,263	13,616

Non-current portion of lease liabilities as at the end of each Relevant Periods is further analysed as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Repayable within:				
1 to 2 years	1,974	2,650	1,533	7,912
2 to 5 years	4,446	2,618	730	5,704
	6,420	5,268	2,263	13,616

The maturity analysis of lease liabilities is disclosed in note 41 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	917	668	396	274	553
Depreciation of right-of-use assets *(note 6)*	12,552	10,404	8,265	4,663	4,536
Gain on lease termination	1,071	–	662	93	–
Expenses relating to short term leases (included in administrative expenses)	5,699	3,578	3,152	1,197	1,337
Total amount recognised in profit or loss	20,239	14,650	12,475	6,227	6,426

(d) The total cash outflow for leases is disclosed in note 35(c) to the Historical Financial Information.

16. GOODWILL

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of year/period	2,251,874	2,256,298	1,851,848	1,465,276
Exchange realignment	4,424	(17,671)	(5,841)	13,145
Impairment during the year/period *(note 6)*	–	(386,779)	(380,731)	–
Carrying amount at end of year/period	2,256,298	1,851,848	1,465,276	1,478,421

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to two individual cash-generating units for impairment testing as follows:

(a) MXQY cash-generating unit ("MXQY unit"), which engages in music IP operation and licensing and other IP-related business; and

(b) FSML cash-generating unit ("FSML unit"), which engages in drama series and film IP operation and licensing.

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
MXQY unit	1,983,134	1,596,355	1,215,624	1,215,624
FSML unit	273,164	255,493	249,652	262,797
At end of year/period	2,256,298	1,851,848	1,465,276	1,478,421

The recoverable amounts of the cash-generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period for all units. Management considers that cash-generating unit's value in use is higher than its fair value less costs of disposal based on the current available information. The pre-tax discount rates applied to the cash flow projections, the budgeted gross margins and the growth rates beyond five years period used to extrapolate the cash flows of the above cash-generating units are as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	%	*%*	*%*	*%*
MXQY unit				
Budgeted gross margins	78.71-79.73	71.59-73.05	67.78-68.80	66.35-68.88
The pre-tax discount rates	13.23	13.09	12.43	12.09
Terminal growth rate	0.00	0.00	0.00	0.00

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	%	%	%	%
FSML unit				
Budgeted gross margins	43.12-96.00	43.38-89.22	37.09-86.65	40.00-86.11
The pre-tax discount rates*	12.00	12.00	12.00	12.00
Terminal growth rate	1.50	1.50	1.50	1.50

* The pre-tax discount rates applied to the cash flow projections are determined by reference to the average rates for similar industries and the business risks of the relevant business units as of 31 December 2019, 2020 and 2021 and 30 June 2022, respectively. The same pre-tax discount rate was adopted for the FSML unit during the Relevant Periods as management considered that no significant changes in the underlying internal and external factors would affect the determination of the pre-tax discount rate.

Assumptions were used in the value in use calculation of the cash-generating units for the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year immediately before the budget year, adjusted for expected market development.

Pre-tax discount rates – The discount rates used are before tax. They are determined by reference to the average rates for similar industries and the business risks of the relevant business units as of 31 December 2019, 2020 and 2021 and 30 June 2022, respectively.

Growth rates – The growth rates used are based on the historical data and management's expectation of the future market. The growth rates used to extrapolate the cash flows beyond the five-year period applied similar long term growth rates of music IP operation and licensing and other IP-related business and drama series and film IP operation and licensing industry as of 31 December 2019, 2020 and 2021 and 30 June 2022, respectively.

The values assigned to the key assumptions on budgeted gross margins, discount rates and growth rates are consistent with management's past experience and external information sources.

As at 31 December 2019 and 30 June 2022, the recoverable amount of the MXQY unit exceeds its carrying amount by RMB154,560,000 and RMB62,387,000, respectively. As at 31 December 2020, the Group recognised impairment of RMB386,779,000 due to the outbreak of coronavirus disease ("COVID-19") in early 2020 which affected the operation of the Group and the decrease in expected prices of new contracts of the program music recordings produced in 2021 with a leading online music platform based on latest negotiation. As at 31 December 2021, the Group recognised impairment of RMB380,731,000 due to the shift from exclusive license to non-exclusive license with online music platform primarily resulting from the new regulations promulgated by government in 2021 and 2022. The prices for non-exclusive licenses are lower than exclusive licenses. As at 31 December 2019, 2020 and 2021 and 30 June 2022, the recoverable amount of the FSML unit exceeds its carrying amount by RMB275,534,000, RMB289,491,000, RMB154,942,000 and RMB278,462,000, respectively.

The following table illustrates the amounts by which the values assigned to the key assumptions must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amounts, in order for the two units' recoverable amounts to be equal to their carrying amounts.

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	%	%	%	%
MXQY unit				
Budgeted gross margins	(4.69)	N/A	N/A	(2.51)
Pre-tax discount rate	1.03	N/A	N/A	0.61
Terminal growth rate	(8.38)	N/A	N/A	(4.29)
FSML unit				
Budgeted gross margins	(12.22)	(12.59)	(7.54)	(12.06)
Pre-tax discount rate	6.95	8.22	5.28	8.35
Terminal growth rate	(13.12)	(16.74)	(9.83)	(15.15)

The following table sets forth the impact of reasonably possible changes in each of the key assumptions, with all other variables held constant, on goodwill impairment testing as of the dates indicated.

Possible changes of key assumptions	**Recoverable amount of the cash-generating unit exceeds/(below) its carrying amount by**			
	As at 31 December			**As at 30 June**
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
MXQY unit				
Gross margins decrease by 1%	121,775	N/A	N/A	37,265
Gross margins decrease by 3%	55,724	N/A	N/A	(12,117)
Discount rates increase by 1%	4,084	N/A	N/A	(36,326)
Discount rates increase by 3%	(240,893)	N/A	N/A	(193,757)
Growth rates decrease by 1%	136,317	N/A	N/A	47,508
Growth rates decrease by 3%	99,350	N/A	N/A	18,613
FSML unit				
Gross margins decrease by 1%	269,302	282,278	148,160	271,511
Gross margins decrease by 3%	256,839	267,852	134,596	257,607
Discount rates increase by 1%	215,490	232,344	115,084	223,985
Discount rates increase by 3%	121,989	143,299	52,602	139,092
Growth rates decrease by 1%	232,398	248,530	127,085	237,470
Growth rates decrease by 3%	165,298	184,811	83,751	173,703

With regards to the assessment of the value in use of the FSML unit, the directors of the Company believe that reasonable possible changes in above key assumptions would not lead to the carrying value, including goodwill, of the FSML unit to exceed the recoverable amount as at 31 December 2019, 2020 and 2021 and 30 June 2022.

17. INVESTMENTS IN JOINT VENTURES

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	403,505	403,233	403,974	403,806

The Group's loans receivable balances due from a joint venture are disclosed in note 38 to the Historical Financial Information.

Particulars of the Group's material joint venture are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest/ profit sharing	Voting power	Principal activities
Mengxiang Qi'an Culture Development (Shanghai) Co., Ltd. ("*Mengxiang Qi'an*") 夢響啟岸文化發展(上海)有限公司	Ordinary shares	PRC/ Mainland China	70%	50%	Real estate development

The Group owns 70% equity interests in Mengxiang Qi'an but only controls 50% voting rights with unanimous consent from all investors required for the relevant activities of Mengxiang Qi'an. Mengxiang Qi'an is accounted for as a joint venture of the Group. The Group's shareholdings in the joint venture comprise completely equity shares held through a wholly-owned subsidiary of the Company.

The following table illustrates the summarised financial information in respect of Mengxiang Qi'an adjusted for any differences in accounting policies and reconciled to the carrying amount in the Historical Financial Information:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	5,905	3,921	9,268	4,340
Other current assets	5,968	16,919	40,030	41,383
Non-current assets	960,708	1,171,504	1,390,441	1,419,104
Current liabilities	(306,973)	(384,209)	(322,775)	(330,372)
Non-current liabilities	(89,173)	(232,089)	(541,283)	(559,019)
Net assets	576,435	576,046	575,681	575,436
Reconciliation to the Group's interest in the joint venture:				
Proportion of the Group's ownership	70%	70%	70%	70%
Group's share of net assets of the joint venture	403,505	403,233	402,977	402,805

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–
Loss for the year/period	(2,673)	(389)	(366)	(245)
Total comprehensive loss for the year/period	(2,673)	(389)	(366)	(245)

The following table illustrates the financial information of the Group's joint venture that is not individually material:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the joint venture's profits and losses for the year/period	–	–	(3)	4
Share of the joint venture's total comprehensive income/(loss) for the year/period	–	–	(3)	4
Aggregate carrying amount of the Group's investment in the joint venture	–	–	997	1,001

18. INVESTMENTS IN ASSOCIATES

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	5,936	5,353	422,246	428,938

The Group's trade payable balance and prepayments to an associate are disclosed in note 38 to the Historical Financial Information.

Particulars of the Group's material associates as at 30 June 2022 are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest/profit sharing	Voting power	Principal activities
Shaanxi Star Shuolan Real Estate Co., Ltd. ("*Shuolan*") 陝西星空碩藍置業有限公司	Ordinary shares	PRC/Mainland China	40%*	40%	Real estate development and operation

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest/profit sharing	Voting power	Principal activities
Shaanxi Star Yuanlv Real Estate Co., Ltd ("*Yuanlv*") 陝西星空原綠置業有限公司	Ordinary shares	PRC/Mainland China	40%*	40%	Real estate development and operation

* On 7 July 2021, the Group set up two associates, Shuolan and Yuanlv, with 50% and 20% equity interest held by the Group, respectively. The Group's shareholding in these two associates were subsequently changed. As at 30 June 2022, the Group's shareholding in these two associates were 40% and 40%, respectively. Further details are included in note 34 to the Historical Financial Information.

The Group's shareholdings in the above associates comprise completely equity shares held through a wholly-owned subsidiary of the Company.

The following table illustrates the summarised financial information in respect of Shuolan adjusted for any differences in accounting policies and reconciled to the carrying amount in the Historical Financial Information:

	As at 31 December	As at 30 June
	2021	2022
	RMB'000	*RMB'000*
Cash and cash equivalents	9	240
Other current assets	5	5
Non-current assets	132,995	133,161
Current liabilities	(13,009)	(13,411)
Net assets	120,000	119,995
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	40%	40%
Group's share of net assets of the associate:	48,000	47,998
Revenue	–	–
Loss for the year/period	(1)	(5)
Total comprehensive loss for the year/period	(1)	(5)

The following table illustrates the summarised financial information in respect of Yuanlv adjusted for any differences in accounting policies and reconciled to the carrying amount in the Historical Financial Information:

	As at 31 December	As at 30 June
	2021	2022
	RMB'000	*RMB'000*
Cash and cash equivalents	142	189
Other current assets	194,362	193,814
Non-current assets	734,415	736,127
Current liabilities	(817)	(2,035)
Net assets	928,102	928,095

	As at 31 December	As at 30 June
	2021	**2022**
	RMB'000	*RMB'000*
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	40%	40%
Group's share of net assets of the associate	371,241	371,238
Revenue	–	–
Profit/(loss) for the year/period	2,322	(7)
Total comprehensive income/(loss) for the year/period	2,322	(7)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' profits and losses for the year/period	(696)	(683)	(2,178)	(1,467)
Share of the associates' total comprehensive income/(loss) for the year/period	(696)	(683)	(2,178)	(1,467)
Aggregate carrying amount of the Group's investments in the associates	5,936	5,353	3,005	9,702

19. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December	As at 30 June
	2021	**2022**
	RMB'000	*RMB'000*
FSML	8	8
STAR CM (HK) LIMITED	1,922,585	1,922,585
	1,922,593	1,922,593

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity investments, at fair value				
Tencent Music Entertainment Group	27,223	45,124	16,839	13,021

The above equity investments were classified as financial assets at fair value through profit or loss as they were mandatorily designated as such. The Group cannot transfer any of the above equity investments during a period commencing on the date of closing of the subscription and ending on the third anniversary of the closing date ("Lock-Up Period"). At any time after the closing date and prior to the expiration of the Lock-Up Period, the Group has right, but not the obligation, to cause Tencent Music Entertainment Group to purchase all or a portion of the above equity investments at the calculated price agreed in the investment contract. On 5 February 2021, the contractual restriction was lifted and the put option expired.

21. INVENTORIES

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Low-value consumable	94	109	138	141
Scripts	20,020	23,362	3,188	3,188
	20,114	23,471	3,326	3,329

22. PROGRAM COPYRIGHTS

(a) Program copyrights in the consolidated statements of financial position comprise:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Program under production	11,210	5,544	16,193	43,045
Drama series	4,286	90,274	93,432	93,432
	15,496	95,818	109,625	136,477

(b) Movements of program copyrights are as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	39,398	15,496	95,818	109,625
Additions	11,507	89,522	17,952	34,884
Recognised as cost of sales	(19,157)	(1,232)	(4,145)	(8,032)
Impairment *(note 6)*	(16,252)	(7,968)	–	–
At end of year/period	15,496	95,818	109,625	136,477

23. TRADE AND NOTES RECEIVABLES

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	1,258,932	1,067,793	1,011,194	783,461
Notes receivable	59,204	162,205	12,264	52,000
	1,318,136	1,229,998	1,023,458	835,461
Less: Impairment of trade receivables	(181,930)	(157,098)	(164,126)	(173,415)
	1,136,206	1,072,900	859,332	662,046

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days depending on the specific payment terms in each contract. Each customer has a maximum credit limit. 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 trade receivables as at the end of each of the Relevant Periods, based on the transaction dates and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	438,874	719,503	386,035	142,702
3 to 6 months	456,042	16,266	276,414	14,308
6 to 12 months	58,939	21,698	47,113	257,580
1 to 2 years	93,379	143,167	111,123	120,336
2 to 3 years	29,768	10,061	19,911	67,943
Over 3 years	–	–	6,472	7,177
	1,077,002	910,695	847,068	610,046

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	145,057	181,930	157,098	164,126
Impairment losses/(reversal of impairment losses) *(note 6)*	41,897	(13,315)	9,698	9,205
Amounts written off as uncollectible	(5,130)	(11,151)	(2,592)	(13)
Exchange realignment	106	(366)	(78)	97
At end of year/period	181,930	157,098	164,126	173,415

Included in the Group's trade receivables were amounts due from the Group's related parties of nil, nil, RMB236,000 and RMB4,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, which were repayable on credit terms similar to those offered to the major customers of the Group.

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by ageing and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

	Trade receivables ageing					
	Current	**Less than 1 year past due**	**1 to 2 years past due**	**2 to 3 years past due**	**More than 3 years past due**	**Total**
Expected credit loss rate	1.12%	1.12%	9.65%	70.33%	100%	14.45%
Gross carrying amount RMB'000	397,878	566,816	103,350	100,318	90,570	1,258,932
Expected credit losses RMB'000	4,470	6,369	9,971	70,550	90,570	181,930

As at 31 December 2020

	Trade receivables ageing					
	Current	Less than 1 year past due	1 to 2 years past due	2 to 3 years past due	More than 3 years past due	Total
Expected credit loss rate	1.71%	1.71%	5.25%	48.63%	100%	14.71%
Gross carrying amount RMB'000	286,587	484,048	151,101	19,587	126,470	1,067,793
Expected credit losses RMB'000	4,897	8,271	7,934	9,526	126,470	157,098

As at 31 December 2021

	Trade receivables ageing					
	Current	Less than 1 year past due	1 to 2 years past due	2 to 3 years past due	More than 3 years past due	Total
Expected credit loss rate	1.22%	1.22%	4.91%	35.39%	95.54%	16.23%
Gross carrying amount RMB'000	392,746	325,582	116,864	30,815	145,187	1,011,194
Expected credit losses RMB'000	4,793	3,973	5,741	10,904	138,715	164,126

As at 30 June 2022

	Trade receivables ageing					
	Current	Less than 1 year past due	1 to 2 years past due	2 to 3 years past due	More than 3 years past due	Total
Expected credit loss rate	2.31%	2.31%	5.98%	10.65%	95.37%	22.13%
Gross carrying amount RMB'000	146,607	277,804	127,994	76,045	155,011	783,461
Expected credit losses RMB'000	3,393	6,428	7,658	8,102	147,834	173,415

The Group's notes receivable were all aged within one year and were neither past due nor impaired. As at the end of each of the Relevant Periods, the loss allowance was assessed to be minimal.

At the end of each of the Relevant Periods, the Group endorsed certain notes receivable accepted by certain banks in the PRC (the "Endorsed Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of nil, nil, RMB16,719,000 and nil, respectively (the "Endorsement"). In addition, the Group discounted certain notes receivable (the "Discounted Notes") with carrying amounts in aggregate of nil, nil, RMB19,951,000 and nil as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively (the "Discount"). The above Discounted Notes included bank acceptance bills of nil, nil, RMB19,951,000 and nil as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively. The Endorsed Notes and the Discounted Notes have a maturity within three months as at 31 December 2021. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes and the Discounted Notes may exercise the right of recourse against any, several or all of the persons liable for the Endorsed Notes and Discounted Notes, including the Group, in disregard of the order of precedence (the "Continuing Involvement").

In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to certain Endorsed Notes accepted by large and reputable banks with amounts of nil, nil, RMB14,969,000 and nil as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, and the Discounted Notes accepted by large and reputable banks with amounts of nil, nil, RMB19,951,000 and nil as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively (the "Derecognised Notes"). The risk of the Group being claimed by the holders of the Derecognised Notes is remote in the absence of a default of the accepted banks. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade and other payables settled by the Endorsed Notes. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant. During the Relevant Periods, the Group recognised the interest expense on the Discounted Notes receivable amounting to nil, nil, RMB1,345,000 and nil, respectively. During the year ended 31 December 2021, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement. The Endorsement and Discount have been made evenly throughout the year.

The Group continued to recognise the remaining Endorsed Notes and the related trade payables with amounts of nil, nil, RMB1,750,000 and nil as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such remaining Endorsed Notes. Subsequent to the Endorsement, the Group did not retain any rights on the use of such Endorsed Notes, including the sale, transfer or pledge of such Endorsed Notes to any other third parties.

As at 31 December 2019, 2020 and 2021 and 30 June 2022, notes receivable of nil, nil, nil and RMB20,000,000, respectively, whose fair values approximate to their carrying values, were classified as financial assets at fair value through other comprehensive income under IFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant during the Relevant Periods.

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables	22,712	16,488	14,892	15,587
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Loan receivable *(note)*	–	10,266	11,268	3,268
Prepayments	117,095	86,578	76,856	175,624
Other current assets	16,154	40,024	17,090	25,587
	155,961	153,356	124,657	226,211
Impairment allowance	(11,119)	(5,540)	(6,142)	(6,725)
	144,842	147,816	118,515	219,486
Analysed into:				
Current portion	144,842	147,816	118,515	130,625
Non-current portion	–	–	–	88,861
	144,842	147,816	118,515	219,486

Note: Included in the loan receivable, nil, RMB10,000,000, RMB10,000,000 and RMB2,000,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, is the financial investment in a drama series provided to a third party. The Group made an investment in the drama series, under which the Group is entitled to a fixed investment return based on the principal investment amount, an agreed rate of return and investment period rather than exposure to the risk of variable returns of the invested drama series. The contractual interest rate of the loan is 10% per year. The loan is repayable by 31 December 2021.

An impairment analysis was performed at the end of each of the Relevant Periods. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

The movements in the loss allowance for impairment of other receivables are as follows:

	Expected credit losses			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	–	7,785	7,785
Impairment losses *(note 6)*	–	–	3,334	3,334
At 31 December 2019 and 1 January 2020	–	–	11,119	11,119
Reversal of impairment losses *(note 6)*	–	–	(5,552)	(5,552)
Amount written off as uncollectible	–	–	(27)	(27)
At 31 December 2020 and 1 January 2021	–	–	5,540	5,540
Impairment losses *(note 6)*	–	–	602	602
At 31 December 2021 and 1 January 2022	–	–	6,142	6,142
Impairment losses *(note 6)*	–	–	583	583
At 30 June 2022	–	–	6,725	6,725

The Company

	As at 31 December	As at 30 June
	2021	**2022**
	RMB'000	*RMB'000*
Prepaid [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]
Other receivables	2	–
Prepayments	174	1,217
	4,727	7,362

25. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	651,681	903,376	547,182	437,863
Restricted cash	–	–	43,594	39,090
	651,681	903,376	590,776	476,953
Less:				
Restricted cash				
for litigation	–	–	(28,133)	(23,629)
for leasehold land	–	–	(15,461)	(15,461)
Cash and cash equivalents	651,681	903,376	547,182	437,863
Denominated in RMB	451,300	606,494	472,723	347,436
Denominated in HKD	4,518	7,143	247	9,968
Denominated in USD	189,079	286,795	74,183	79,100
Denominated in EUR	6,784	2,944	–	1,330
Denominated in AUD	–	–	29	29
Cash and cash equivalents	651,681	903,376	547,182	437,863

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

As at 31 December 2021 and 30 June 2022, time deposits of RMB15,461,000 and RMB15,461,000 have been pledged for the purchase of leasehold land.

As at 31 December 2021 and 30 June 2022, time deposits of RMB28,133,000 and RMB23,629,000 have been pledged for litigation as disclosed in note 36 to the Historical Financial Information.

The Company

	As at 31 December 2021	As at 30 June 2022
	RMB'000	*RMB'000*
Cash and bank balances	13,855	10,443
Cash and cash equivalents	13,855	10,443
Denominated in RMB	13,791	10,378
Denominated in HKD	7	5
Denominated in USD	57	60
Cash and cash equivalents	13,855	10,443

26. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	170,459	145,505	299,774	177,040
1 to 2 years	29,672	89,637	7,760	8,496
2 to 3 years	37,703	27,139	7,620	6,532
Over 3 years	14,817	34,463	28,378	29,633
	252,651	296,744	343,532	221,701

The trade payables are non-interest-bearing and are normally settled on 90 to 180 days' terms.

Included in the trade payables were trade payables of RMB13,967,000, RMB10,226,000, RMB8,649,000 and RMB8,669,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, due to the Group's related parties which were repayable within 30 days, which represented credit terms similar to those offered by the related parties to their major customers.

Included in the trade payables were liabilities arising from contracts with suppliers that are subject to legal cases of RMB40,816,000, RMB27,940,000, RMB10,200,000 and RMB10,800,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, details of which are disclosed in note 36 to the Historical Financial Information.

27. OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December			As at 30 June
		2019	**2020**	**2021**	**2022**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	*(a)*	100,709	17,032	19,732	71,520
Other payables	*(b)*	11,485	28,015	43,578	51,431
Payroll payable		11,124	10,919	7,042	2,922
Deferred income		9,464	8,850	9,947	11,211
Taxes payable other than corporate income tax		16,273	15,306	23,872	8,898
		149,055	80,122	104,171	145,982
Analysed into:					
Current portion		144,960	71,842	96,696	96,641
Non-current portion		4,095	8,280	7,475	49,341
		149,055	80,122	104,171	145,982

Notes:

(a) Details of contract liabilities as at the end of each of the Relevant Periods are as follows:

	As at 1 January	As at 31 December			As at 30 June
	2019	**2019**	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers					
Variety program IP production, operation, and licensing	5,362	88,412	5,748	7,907	1,861
Music IP operation and licensing	2,104	2,681	596	1,499	2,476
Drama series and film IP operation and licensing	20,297	5,506	6,959	5,946	58,585
Other IP-related business	7,683	4,110	3,729	4,380	8,598
Total contract liabilities	35,446	100,709	17,032	19,732	71,520

Contract liabilities include short-term advances received to license variety programs, audios, films and other related services. The increase in contract liabilities in 2019 was mainly due to the increase in short-term advances received from customers in relation to the variety program IP production, operation, and licensing at the end of 2019. The decrease in contract liabilities in 2020 was mainly due to the decrease in short-term advances received from customers in relation to variety program IP production, operation, and licensing at the end of 2020. The increase in contract liabilities in 2021 was mainly due to the increase in short-term advances received from customers in relation to variety program IP production, operation, and licensing at the end of 2021. The increase in contract liabilities at 30 June 2022 was mainly due to the increase in short-term advances received from customers in relation to drama series and film IP operation and licensing at 30 June 2022.

(b) Other payables are non-interest-bearing and repayable on demand.

The Company

	As at 31 December 2021	As at 30 June 2022
	RMB'000	*RMB'000*
Accrued [**REDACTED**] expense	[**REDACTED**]	[**REDACTED**]

28. DEFERRED TAX

The movements in deferred tax assets and deferred tax liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of trade receivables and other receivables	Accrued expenses	Payroll payable	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	24,551	11,678	150	1,826	5,836	44,041
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	8,195	7,779	(150)	(1,135)	(3,508)	11,181
At 31 December 2019 and 1 January 2020	32,746	19,457	–	691	2,328	55,222
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	(7,141)	(968)	–	(92)	236	(7,965)
At 31 December 2020 and 1 January 2021	25,605	18,489	–	599	2,564	47,257
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	982	15,159	–	(60)	(2,015)	14,066
At 31 December 2021 and 1 January 2022	26,587	33,648	–	539	549	61,323
Deferred tax credited/(charged) to profit or loss during the period *(note 10)*	1,450	(1,936)	–	180	2,759	2,453
At 30 June 2022	28,037	31,712	–	719	3,308	63,776

Deferred tax liabilities

	Fair value adjustments arising from acquisition of a subsidiary	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2019	5,916	5,426	11,342
Deferred tax credited to the statement of profit or loss during the year *(note 10)*	(531)	(3,191)	(3,722)
Exchange realignment	92	–	92
At 31 December 2019 and at 1 January 2020	5,477	2,235	7,712
Deferred tax charged/(credited) to the statement of profit or loss during the year *(note 10)*	(421)	98	(323)
Exchange realignment	(331)	–	(331)
At 31 December 2020 and at 1 January 2021	4,725	2,333	7,058
Deferred tax credited to the statement of profit or loss during the year *(note 10)*	(824)	(1,843)	(2,667)
Exchange realignment	(95)	–	(95)
At 31 December 2021 and at 1 January 2022	3,806	490	4,296
Deferred tax charged/(credited) to the statement of profit or loss during the period *(note 10)*	(140)	2,435	2,295
Exchange realignment	195	–	195
At 30 June 2022	3,861	2,925	6,786

For presentation purposes, certain deferred tax assets and liabilities have been offset in the Historical Financial Information. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	52,987	44,924	60,833	60,851
Net deferred tax liabilities recognised in the consolidated statements of financial position	5,477	4,725	3,806	3,861

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	18,464	25,010	46,185	57,331
Impairment of program copyrights	2,917	2,917	2,917	2,917
	21,381	27,927	49,102	60,248

The Group has tax losses arising in Mainland China of RMB18,464,000, RMB25,010,000, RMB46,185,000 and RMB57,331,000 as at 31 December 2019, 2020, 2021 and 30 June 2022, respectively, that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At the end of each of the Relevant Periods, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,724,069,000, RMB1,583,096,000, RMB1,214,495,000 and RMB1,207,935,000 at 31 December 2019, 2020, 2021 and 30 June 2022, respectively.

29. INTEREST-BEARING BANK LOANS

	As at 31 December 2019		
	Effective interest rate (%)	**Maturity**	**RMB'000**
Current			
Bank loans – unsecured	5.00%	2020	180,000
Bank loans – secured *(note a)*	4.57%	2020	5,000
			185,000

	As at 31 December 2020		
	Effective interest rate (%)	**Maturity**	**RMB'000**
Current			
Bank loans – unsecured	4.35%	2021	100,000

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans repayable:				
Within one year	185,000	100,000	–	–

Note:

(a) As at 31 December 2019, Canxing Culture's bank loan amounting to RMB5,000,000 was guaranteed by its subsidiary, Star International.

30. SHARE CAPITAL

The Group and the Company

	As at 31 December	As at 30 June
	2021	2022
	USD	*USD*
Authorised:		
50,000,000,000 ordinary shares of USD0.000001 each	50,000	50,000
Issued and fully paid:		
383,399,768 ordinary shares of USD0.000001 each	383	383

The movements in the Company's share capital during the Relevant Periods are as follows:

	Number of shares in issue	Share capital
		RMB'000
At 29 March 2021 (date of incorporation)	1	–*
New shares issued on 28 April 2021	318,707,882	2
New shares issued on 14 July 2021	10,205,901	–*
New shares issued on 31 August 2021	54,485,984	–*
At 31 December 2021 and 30 June 2022	383,399,768	2

* The amounts of share capital were less than RMB500.

On 29 March 2021, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. The initial authorised share capital of the Company was USD50,000 divided into 50,000,000,000 shares of a par value of USD0.000001 each. On the same day, one subscriber share of the Company was allotted and issued to Mapcal Limited, the initial subscriber and an independent third party, at par, which then transferred such share to Harvest Sky Investment Holdings Limited at par.

On 28 April 2021, the Company issued 79,740,380 shares, 236,465,996 shares and 2,501,506 shares at par to Harvest Sky Investment Holdings Limited, Unionstars Investment Holdings Limited and Dream Radius Investment Holdings Limited, respectively.

On 14 July 2021, the Company issued 2,105,982 shares at par to Hanfor International Limited. On the same day, the Company issued 4,499,955 shares and 3,599,964 shares to Taobao China Holding Limited and Premier Asia Holdings Limited, respectively, at a total consideration of RMB360,000,000.

On 31 August 2021, the Company issued 1,800,000 shares, 1,800,000 shares, 864,000 shares, 900,000 shares, 21,851,163 shares, 2,741,860 shares, 6,877,373 shares, 4,151,721 shares, 7,739,924 shares, 3,599,964 shares and 2,159,979 shares to Beijing Langma Yongan Investment Management Co., Ltd., Jundu Derui Equity Investment Management Center of Ningbo Meishan Free Trade Port (L.P.), Xinyu Haikun Chongwei Investment Partnership (Limited Partnership), Suzhou Haikun Yujie Investment Partnership (Limited Partnership), Tibet Yuanhe Enterprise Management Co., Ltd, Shanghai Yanheng Investment Management Partnership (Limited Partnership), Pingtan Fenghuai Investment Management LLP, Shanghai Fengpu Investment Management LLP, Shanghai Aoxia Management Partnership (Limited Partnership), Ningbo Fanghua Investment Centre (Limited Partnership) and Ningbo Meishan Free Trade Port Fengcai Investment Management Partnership (Limited Partnership), respectively, at a total consideration of RMB1,537,065,000.

No authorised and issued share capital as at 31 December 2019 and 2020 is presented since the Company had not yet been incorporated as at those dates.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2021 presented in the consolidated statements of changes in equity of the Group.

Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Capital reserve

The capital reserve of the Group represents the paid-up capital of the companies comprising the Group, details of the movements in the capital reserve are set out in the consolidated statements of changes in equity.

Pursuant to the shareholders' resolutions adopted by Canxing Culture on 14 May 2021, certain then shareholders ("16.32% non-controlling shareholders") of Canxing Culture exited from Canxing Culture by way of capital reduction in their equity holdings for a total consideration of RMB1,897,065,000. The reduction price of the 16.32% non-controlling shareholders exceeded the respective net assets attributable to the 16.32% equity interest, so the Group recorded the difference of RMB1,316,926,000 in capital reserve. After the capital reduction, all the 16.32% non-controlling shareholders, either by themselves or through designated offshore investment vehicles, subscribed for the shares of the Company representing their corresponding interests in Canxing Culture prior to the Reorganisation, at the consideration in a total amount of RMB1,897,065,000.

After the capital reduction of Canxing Culture, the remaining non-controlling shareholders ("1.20% non-controlling shareholders) of Canxing Culture and the Controlling Shareholders are the registered shareholders of Canxing Culture. Shanghai Jiuwu Yisheng entered into the Contractual Arrangements with the registered shareholders in order to exercise and maintain control over the operation of and obtain economic benefits from Canxing Culture and its subsidiaries which engaged in businesses subject to foreign ownership restrictions or prohibitions. With the effect of the Contractual Arrangements, the Group acquired the 1.20% non-controlling interest of Canxing Culture with no consideration. The Group recorded the respective net assets attributable to the 1.20% equity interest of RMB42,710,000 in capital reserve.

Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

The Company

	Capital reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At 29 March 2021 (date of incorporation)	–	–	–
Issue of shares	1,897,065	–	1,897,065
Loss for the year	–	(21,513)	(21,513)
At 31 December 2021	1,897,065	(21,513)	1,875,552
Loss for the period	–	(7,180)	(7,180)
At 30 June 2022	1,897,065	(28,693)	1,868,372

32. SHARE AWARD

One of the Company's subsidiary, Canxing Culture adopted a share award scheme (the "Scheme") in order to recognise and reward the contribution of certain former employees to the growth and development of the Group, and retain certain eligible employees for the continual operation and development of the Group through an award of shares of the intermediate shareholders of Canxing Culture and CMC Asia Group Holdings Ltd. ("CMC Asia") (the relationship between the Group and CMC Asia is disclosed in note 38 to the Historical Financial Information). Shanghai Zhaoxing Investment Co., Ltd. ("SH Zhaoxing"), Shanghai Yuxing Juhui Culture Media Limited Partnership (L.P.) ("SH Yuxing") and Shanghai Jingxing Juhui Culture Media Limited Partnership (L.P.) ("SH Jingxing") are the intermediate shareholders of Canxing Culture and CMC Asia. During the Relevant Periods, Canxing Culture granted the shares of those intermediate shareholders, which allow the grantees with indirect interest in Canxing Culture and CMC Asia, under the Scheme through SH Zhaoxing, SH Yuxing and SH Jingxing to certain personnel.

On 30 December 2016, 38.38% of equity interest in SH Zhaoxing was granted to forty eligible employees for a consideration of RMB1,753,000, 100% of equity interest in SH Yuxing was granted to four former employees and thirty-eight eligible employees for a consideration of RMB131,000, and 100% of equity interest in SH Jingxing was granted to two former employees and twenty-six eligible employees for a consideration of RMB115,000.

On 21 February 2017, SH Yuxing and SH Jingxing which are the share incentive entities of the Group, subscribed for approximately 2.87% and 2.51% of equity interest in SH Zhaoxing, respectively, by way of entering into capital increase agreements.

On 9 May 2017, 8.45% of equity interest in SH Yuxing was granted to four eligible employees for a consideration of RMB11,000.

On 25 August 2017, 6.34% of equity interest in SH Yuxing was granted to three eligible employees for a consideration of RMB8,000.

On 27 July 2018, 0.16% of equity interest in SH Zhaoxing was granted to one eligible employee for a consideration of RMB7,000, 2.82% of equity interest in SH Yuxing was granted to one eligible employee for a consideration of RMB4,000, and 6.45% of equity interest in SH Jingxing was granted to three eligible employees for a consideration of RMB7,000.

On 7 May 2020, 0.24% of equity interest in SH Zhaoxing was granted to three eligible employees for a consideration of RMB11,000, 15.49% of equity interest in SH Yuxing was granted to six eligible employees for a consideration of RMB20,000, and 12.90% of equity interest in SH Jingxing was granted to four eligible employees for a consideration of RMB15,000.

For the grants to the six former employees, there are no service periods or performance target requirements. For other grants to the employees, there is no performance target requirements for the eligible employees except that each of them remains as an employee of the Group during the vesting period of five years.

The offer of a grant of the share awards may be accepted upon the date of offer, upon payment of a nominal consideration of RMB1.00 in total by the grantee.

The following share awards were outstanding under the Scheme during the Relevant Periods:

	Weighted average subscription price RMB per share	**Number of shares**
As at 1 January 2019	1.00	1,898,223
Forfeited during the year	1.00	(24,018)
As at 31 December 2019 and at 1 January 2020	1.00	1,874,205
Granted during the year	1.00	46,084
Forfeited during the year	1.00	(7,389)
Exercised during the year	1.00	(3,696)
As at 31 December 2020 and at 1 January 2021	1.00	1,909,204
Forfeited during the year	1.00	(22,171)
Cancelled during the year	1.00	(1,887,033)
As at 31 December 2021 and at 30 June 2022	1.00	–

The weighted average subscription price for share awards during the Relevant Periods was RMB1.00 per share.

The fair value of services received in return for shares granted was measured by reference to the fair value of shares granted and the subscription price paid by employees. The fair value of the shares granted is measured at the grant date by using the income approach (Discounted Cash Flow ("DCF") method, in particular) and back-solve method, as well as the equity allocation method is adopted to reflect the different features of the different class of shares. The fair value of shares granted were adjusted to take into account the terms and conditions upon which the shares were granted. No expected dividends of the shares granted was incorporated into the measurement of the fair value. Best estimates of key assumptions of the DCF method, such as the discount rates and projections of future performance, are required to be determined by management. The fair value of the share award granted during the Relevant Periods were as follows:

	Fair value *RMB'000*
Granted during the year ended 31 December 2020	3,342

The weighted average fair value of share award at the measurement date was RMB73 per share.

The share award scheme has been cancelled on 14 May 2021. During the Relevant Periods, share award expenses of RMB26,030,000, RMB27,496,000 and RMB27,396,000, respectively, were charged to profit or loss.

33. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	%	%	%	%
Percentage of equity interest held by non-controlling interests:				
Canxing Culture	17.53%	17.53%	0.00%	0.00%

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Profit/(loss) for the year/period allocated to non-controlling interests:					
Canxing Culture	56,823	(21,952)	7,674	(4,111)	–

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated balances of non-controlling interests at the reporting date:				
Canxing Culture	709,561	688,099	–	–

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	1,695,715	1,396,086	N/A*	139,843	N/A*
Total expenses	(1,373,021)	(1,530,816)	N/A*	(153,879)	N/A*
Profit/(loss) for the year/period	322,694	(134,730)	N/A*	(14,036)	N/A*
Total comprehensive income/(loss) for the year/period	322,694	(134,730)	N/A*	(14,036)	N/A*

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	1,913,259	2,082,861	N/A*	N/A*
Non-current assets	2,545,631	2,149,089	N/A*	N/A*
Current liabilities	(605,934)	(482,704)	N/A*	N/A*
Non-current liabilities	(10,515)	(13,548)	N/A*	N/A*

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net cash flows from operating activities	389,805	268,115	N/A*	208,035	N/A*
Net cash flows used in investing activities	(7,245)	(15,978)	N/A*	(131,309)	N/A*
Net cash flows used in financing activities	(69,540)	(100,265)	N/A*	(103,834)	N/A*
Net increase/(decrease) in cash and cash equivalents	313,020	151,872	N/A*	(27,108)	N/A*

* Pursuant to the Reorganisation, certain then shareholders of Canxing Culture exited from Canxing Culture, further details of which are given in note 31 to the Historical Financial Information. As at 31 December 2021 and 30 June 2022, there is no equity interest held by non-controlling interests of Canxing Culture.

34. DISPOSAL OF SUBSIDIARIES

On 7 July 2021, the Group set up two associates, Shuolan and Yuanlv, with a third-party company to develop a piece of leasehold land in Xi'an. The Group's shareholding in these two associates were 50% and 20%, respectively.

On 12 July 2021, the Group set up two subsidiaries, Xixian New Area Qinhan Xincheng Shenlan Real Estate Co., Ltd ("Qinhan Shenlan", 西咸新區秦漢新城深藍置業有限公司) and Xixian New Area Qinhan Xincheng Yuanlv Real Estate Co., Ltd ("Qinhan Yuanlv", 西咸新區秦漢新城原綠置業有限公司), to purchase the leasehold land.

On 23 August 2021, the Group disposed the two subsidiaries, Qinhan Shenlan and Qinhan Yuanlv, to Shuolan and Yuanlv, respectively, with no consideration.

	Qinhan Shenlan	**Qinhan Yuanlv**
	RMB'000	*RMB'000*
Net assets disposed of:		
Prepayments for leasehold land	64,525	353,785
Due from related parties	–	16,525
Due to related parties	(16,525)	–
Accruals and other payables	(48,000)	(370,310)
Gain on disposal of subsidiaries	–	–
Consideration	–	–

There were no gain and no cash flows in respect of the disposal of these two subsidiaries.

On 22 September 2021, the Group acquired the remaining interest in Shuolan and Yuanlv due to the third-party company failing to pay the contribution to Shuolan and Yuanlv, respectively. The above transactions are accounted for as asset acquisitions as Shuolan and Yuanlv did not constitute businesses.

According to the cooperation agreement signed by the Group and SH Zhouxing on 24 September 2021, the Group agreed to contribute RMB48,000,000 and RMB370,310,000 to Shuolan and Yuanlv, respectively, and SH Zhouxing agreed to contribute RMB72,000,000 and RMB555,470,000 to Shuolan and Yuanlv, respectively. Consequently, the equity interest of the Group in Shuolan changed from 50% to 40% and the equity interest of the Group in Yuanlv changed from 20% to 40%, respectively.

On 11 February 2022, the Group disposed 31% of its subsidiary, Shanghai Canteng Culture Media Co., Ltd. ("Canteng Culture"), at a cash consideration of RMB12,733,000. The Group accounted for the remained 20% of Canteng Culture as an associate.

	RMB'000
Net assets disposed of:	
Cash and cash equivalent	33,468
Prepayments, other receivables and other assets	1,530
Right-of-use assets *(note 15)*	629
Property, plant and equipment *(note 13)*	1,103
Other intangible assets *(note 14)*	19
Lease liabilities *(note 15)*	(800)
Other payables and accruals	(131)
Non-controlling interests	(17,551)
	18,267
Gain on disposal of a subsidiary *(note 5)*	1,630
	19,897
Satisfied by:	
Cash	12,733
An associate acquired	7,164
	19,897

An analysis of the cash flows in respect of the disposal of a subsidiary for the six months ended 30 June 2022 is as follows:

	RMB'000
Cash consideration received	12,733
Cash and bank balances disposed	(33,468)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(20,735)

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions:

During the years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB1,305,000, RMB10,947,000, RMB2,992,000 and RMB20,527,000, respectively, in respect of lease arrangements for office premises.

During the year ended 31 December 2019, RMB336,000,000 has been transferred from amounts due from related parties to long-term investment in Mengxiang Qi'an in accordance with the shareholders' meeting resolution on 31 July 2019.

For the year ended 31 December 2021, a subsidiary of the Group, FSML, declared dividends of USD30,000,000 (equivalent to RMB194,775,000) to its then shareholder. The dividends of RMB133,653,000 have been settled by offsetting against the amounts due from related parties. The remaining dividends have been settled by cash in July 2021.

For the year ended 31 December 2021, prepayments for leasehold land of Qinhan Shenlan and Qinhan Yuanlv paid by the Group of RMB418,310,000 have been transferred to investments in associates, Shuolan and Yuanlv.

For the six months ended 30 June 2022, the Group disposed 31% of its subsidiary and accounted for the remained 20% of Canteng Culture as an associate.

(b) Changes in liabilities arising from financing activities:

	Dividend payable	Due to related parties	Bank loans	Lease liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2019	–	14,275	280,000	31,666
New leases	–	–	–	1,305
Changes from financing cash flows	–	(14,275)	(106,932)	(14,698)
Changes from non-cash activities	–	–	–	(6,727)
Interest expense accrued	–	1,219	11,932	917
At 31 December 2019 and 1 January 2020	–	1,219	185,000	12,463
New leases	–	–	–	10,947
Changes from financing cash flows	–	(1,219)	(90,613)	(10,123)
Interest expense accrued	–	–	5,613	668
At 31 December 2020 and 1 January 2021	–	–	100,000	13,955
New leases	–	–	–	2,992
Dividend declared	196,705	–	–	–
Changes from financing cash flows	(63,362)	–	(100,998)	(8,551)
Changes from non-cash activities	(133,653)	–	–	(4,103)
Effect of foreign exchange rate changes	310	–	–	–
Interest expense accrued	–	–	998	396
At 31 December 2021 and 1 January 2022	–	–	–	4,689
New leases	–	–	–	20,527
Changes from financing cash flows	–	–	–	(2,871)
Changes from non-cash activities	–	–	–	(800)
Interest expense accrued	–	–	–	553
At 30 June 2022	–	–	–	22,098

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2019	2020	2021	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Within operating activities	5,699	3,578	3,152	1,197	1,337
Within financing activities	14,698	10,123	8,551	5,063	2,871
	20,397	13,701	11,703	6,260	4,208

36. CONTINGENT LIABILITIES

During the Relevant Periods, some subsidiaries of the Group were defendants in lawsuits. The Group has accrued the probable liabilities for these lawsuits. The movements of the related liabilities in aggregate are as follows:

For the year ended 31 December 2019

	Carrying amount at 1 January	Addition	Change in estimates	Payments	Carrying amount at 31 December
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
MBC – King of Mask Singer I*	6,339	–	–	–	6,339
MBC – Awesome Challenge – Amazing*	10,068	–	625	–	10,693
MBC – Outdoor Reality Show*	10,000	–	–	–	10,000
Others	12,208	1,576	–	–	13,784
	38,615	1,576	625	–	40,816

For the year ended 31 December 2020

	Carrying amount at 1 January	Addition	Change in estimates	Payments	Carrying amount at 31 December
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
MBC – King of Mask Singer I*	6,339	–	–	(6,339)	–
MBC – Guess the Singer! 2016*	–	11,900	–	–	11,900
MBC – Awesome Challenge – Amazing*	10,693	–	625	–	11,318
MBC – Outdoor Reality Show*	10,000	–	–	–	10,000
Others	13,784	–	281	(7,443)	6,622
	40,816	11,900	906	(13,782)	39,840

For the year ended 31 December 2021

	Carrying amount at 1 January	Addition	Change in estimates	Payments	Carrying amount at 31 December
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
MBC – Awesome Challenge – Amazing*	11,318	–	(935)	(10,383)	–
MBC – Guess the Singer! 2016*	11,900	–	–	–	11,900
MBC – Outdoor Reality Show*	10,000	–	–	–	10,000
Others	6,622	–	(2,800)	(3,622)	200
	39,840	–	(3,735)	(14,005)	22,100

For the period ended 30 June 2022

	Carrying amount at 1 January	Addition	Change in estimates	Payments	Carrying amount at 30 June
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
MBC – Outdoor Reality Show*	10,000	–	–	–	10,000
MBC – Guess the Singer! 2016*	11,900	–	–	–	11,900
Others	200	800	–	(200)	800
	22,100	800	–	(200)	22,700

* During the Relevant Periods, the Group made provision for the above four material lawsuits with Munhwa Broadcasting Corporation ("MBC")

By 30 June 2022, a subsidiary of the Group is still a defendant in a lawsuit brought by MBC alleging that the subsidiary breached and repudiated contracts to pay the variety programs' co-development fee, revenue sharing, liquidated damages and interest arising from delay in payment of the above amounts. The amount claimed is RMB110,260,000. The court awarded MBC an aggregate amount of approximately RMB11,900,000, consisting of a portion of the profit from advertising sales and licensing of broadcasting rights of "Guess the Singer! 2016," as well as damages for breach of contract. The Group made a provision of RMB11,900,000 according to the judgement received on 2 December 2022. Time deposits of RMB23,629,000 have been frozen by court, which is disclosed in note 25 to the Historical Financial Information.

By 30 June 2022, a subsidiary of the Group is still a defendant in a lawsuit brought by one party alleging that the subsidiary should pay the remuneration for its artist's performances in the variety programs. The amount claimed is RMB16,500,000. The directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have not provided for any claim arising from the litigation.

By 30 June 2022, a subsidiary of the Group is still a defendant in a lawsuit brought by one party alleging that the subsidiary broke a contract. The amount claimed is RMB598,000. The directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have not provided for any claim arising from the litigation.

37. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Leasehold land and construction in progress	–	104,144	886,002	920,629

In addition, the Group's share of the joint ventures' and associates' own capital commitments, which are not included in the above, is as follows:

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for				
Construction in progress	308,866	241,213	97,612	81,303

38. RELATED PARTY TRANSACTIONS

Details of the Company's related parties are as follows:

Name	Relationship with the Company
CMC Asia	An entity controlled by the Controlling Shareholders
Star China Media Ltd. ("SCML")	An entity controlled by the Controlling Shareholders
Shanghai Minxing Culture Media Limited Partnership ("SH Minxing")	An entity controlled by one of the Controlling Shareholders
SH Zhouxing	An entity controlled by one of the Controlling Shareholders
Guangdong Nangua Cultural & Broadcasting Ltd. ("Guangdong Nangua")	An associate
Mengxiang Qi'an	A joint venture
Shuolan	An associate
Yuanlv	An associate

(a) The Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2021:

		Year ended 31 December			Six months ended 30 June	
		2019	**2020**	**2021**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loans to:						
Mengxiang Qi'an	*(i)*	–	–	2,700	–	5,110
Loans from:						
SH Minxing	*(iii)*	–	–	9,670	9,670	–
SH Zhouxing	*(iii)*	–	–	19,326	19,326	–
Total		–	–	28,996	28,996	–
Interest to:						
CMC Asia	*(ii)*	1,219	–	–	–	–
Interest from:						
Mengxiang Qi'an	*(i)*	–	–	–	–	107
Rental paid by:						
SCML		763	790	705	258	–
Royalty licensing fee from:						
SCML		–	–	478	–	–
Receiving services from:						
Guangdong Nangua	*(iv)*	4,632	459	81	–	–
SCML	*(iv)*	632	411	289	114	20
		5,264	870	370	114	20

Notes:

(i) The loans to the related party was unsecured and repayable on demand with interests ranging from 0.0% to 5.4%.

(ii) The loans from CMC Asia bear interest at the rate of 4.5% per annum. The balance was unsecured, and repayable on demand.

(iii) The loans from SH Minxing and SH Zhouxing were unsecured, interest-free, and repayable on demand.

(iv) The services received from related parties were made based on the published prices and conditions offered by the related parties to their major customers.

(v) For the year ended 31 December 2021, prepayments for leasehold land of Qinhan Shenlan and Qinhan Yuanlv paid by the Group of RMB418,310,000 have been transferred to investments in associates, Shuolan and Yuanlv.

(b) Outstanding balances with related parties:

The Group

		As at 31 December			As at 30 June
		2019	**2020**	**2021**	**2022**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from related parties (non-trade):					
Mengxiang Qi'an	*(i)*	184,030	181,076	183,813	189,030
CMC Asia	*(ii)*	101,155	94,611	–	–
SCML	*(ii)*	50,388	39,712	–	–
Total		335,573	315,399	183,813	189,030
Trade receivables (trade):					
SCML		–	–	236	4
Prepayments (trade):					
Guangdong Nangua		–	–	3,000	–
Due to a related party (non-trade):					
CMC Asia	*(iv)*	1,219	–	–	–
Trade payables (trade):					
Guangdong Nangua	*(iii)*	4,593	1,717	–	–
SCML	*(iii)*	9,374	8,509	8,649	8,669
Total		13,967	10,226	8,649	8,669

The Company

		As at 31 December	As at 30 June
		2021	**2022**
		RMB'000	*RMB'000*
Due to a subsidiary:			
FSML	*(ii)*	62,065	68,765

Notes:

(i) During the year ended 31 December 2019, RMB336,000,000 has been transferred from amounts due from related parties to long-term investment in Mengxiang Qi'an in accordance with the shareholders' meeting resolution on 31 July 2019.

The amounts due from Mengxiang Qi'an were unsecured and repayable on demand with interest ranging from 0.0% to 5.4%.

(ii) The amounts due from the related parties and due to a subsidiary were unsecured, interest-free, and repayable on demand.

(iii) Trade payables were unsecured, interest-free and repayable on 30 days' terms.

(iv) The loans from CMC Asia bear interest at the rate of 4.5% per annum. The balance was unsecured, and repayable on demand.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2019	**2020**	**2021**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	7,579	7,174	7,681	3,828	3,480
Pension scheme contributions	294	268	340	161	179
Equity-settled share award expense	4,990	5,017	4,964	4,964	–
Total compensation paid to key management personnel	12,863	12,459	12,985	8,953	3,659

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

(d) Loans to related parties:

Maximum amount outstanding for amounts due from related parties during the Relevant Periods are as follows:

Name	**At 30 June 2022**	**Maximum amount outstanding during the period**	**At 31 December 2021 and 1 January 2022**	**Maximum amount outstanding during the year**	**At 31 December 2020 and 1 January 2021**	**Maximum amount outstanding during the year**	**At 31 December 2019 and 1 January 2020**	**Maximum amount outstanding during the year**	**At 1 January 2019**	**Security held**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
Mengxiang Qi'an	189,030	189,030	183,813	183,813	181,076	184,030	184,030	522,210	522,210	None
CMC Asia	–	–	–	95,284	94,611	103,408	101,155	111,747	99,516	None
SCML	–	–	–	39,712	39,712	50,388	50,388	50,388	43,642	None
	189,030		183,813		315,399		335,573		665,368	

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

As at 31 December 2019

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes receivables	–	1,136,206	1,136,206
Financial assets included in prepayments, other receivables and other assets	–	11,593	11,593
Due from related parties	–	335,573	335,573
Financial assets at fair value through profit or loss	27,223	–	27,223
Cash and cash equivalents	–	651,681	651,681
	27,223	2,135,053	2,162,276

Financial liabilities

	Financial liabilities at amortised cost	**Total**
	RMB'000	*RMB'000*
Trade payables	252,651	252,651
Financial liabilities included in other payables and accruals	11,485	11,485
Interest-bearing bank borrowings	185,000	185,000
Due to related parties	1,219	1,219
	450,355	450,355

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2020

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes receivables	–	1,072,900	1,072,900
Financial assets included in prepayments, other receivables and other assets	–	21,214	21,214
Due from related parties	–	315,399	315,399
Financial assets at fair value through profit or loss	45,124	–	45,124
Cash and cash equivalents	–	903,376	903,376
	45,124	2,312,889	2,358,013

Financial liabilities

	Financial liabilities at amortised cost	**Total**
	RMB'000	*RMB'000*
Trade payables	296,744	296,744
Financial liabilities included in other payables and accruals	28,015	28,015
Interest-bearing bank borrowings	100,000	100,000
	424,759	424,759

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2021

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	847,068	847,068
Notes receivables	–	12,264	12,264
Financial assets included in prepayments, other receivables and other assets	–	20,018	20,018
Due from related parties	–	183,813	183,813
Financial assets at fair value through profit or loss	16,839	–	16,839
Restricted cash	–	43,594	43,594
Cash and cash equivalents	–	547,182	547,182
	16,839	1,653,939	1,670,778

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*
Trade payables	343,532	343,532
Financial liabilities included in other payables and accruals	43,578	43,578
	387,110	387,110

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 30 June 2022

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	**Debt investments**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	610,046	610,046
Notes receivables	–	20,000	32,000	52,000
Financial assets included in prepayments, other receivables and other assets	–	–	12,130	12,130
Due from related parties	–	–	189,030	189,030
Financial assets at fair value through profit or loss	13,021	–	–	13,021
Restricted cash	–	–	39,090	39,090
Cash and cash equivalents	–	–	437,863	437,863
	13,021	20,000	1,320,159	1,353,180

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*
Trade payables	221,701	221,701
Financial liabilities included in other payables and accruals	51,431	51,431
	273,132	273,132

The Company

As at 31 December 2021

Financial assets

	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Cash and cash equivalents	13,855	13,855
	13,855	13,855

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*
Due to a subsidiary	62,065	62,065
Other payable and accruals	3,556	3,556
	65,621	65,621

As at 30 June 2022

Financial assets

	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Cash and cash equivalents	10,443	10,443

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*
Due to a subsidiary	68,765	68,765
Other payable and accruals	3,259	3,259
	72,024	72,024

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	–	27,223	27,223

As at 31 December 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	–	45,124	45,124

As at 31 December 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	16,839	–	–	16,839

As at 30 June 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through other comprehensive income	–	20,000	–	20,000
Financial assets at fair value through profit or loss	13,021	–	–	13,021
	13,021	20,000	–	33,021

The Group and the Company did not have any financial liabilities measured at fair value as at 31 December 2019, 2020, 2021 and 30 June 2022.

During the years ended 31 December 2019 and 2020 and the six months ended 30 June 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets. During the year ended 31 December 2021, the listed equity investment was transferred out of Level 3 to Level 1 due to the contractual restriction having been lifted since 5 February 2021, and no transfers into or out of Level 2 for financial assets.

The movements in fair value measurements within Level 3 during the years ended 31 December 2019 and 2020 are as follows:

	Year ended 31 December	
	2019	**2020**
	RMB'000	*RMB'000*
Financial assets at fair value through profit or loss		
At 1 January	28,755	27,223
Total gains/(losses) recognised in profit or loss *(note 6)*	(1,532)	17,901
	27,223	45,124

Management has assessed that the fair values of cash and cash equivalents, trade and notes receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, amounts due from/to related parties and interest-bearing borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the restricted cash have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amounts of the restricted cash are the same as their fair values.

The fair values of listed equity investments are determined by discounted quoted market prices at 31 December 2019 and 2020, due to the contractual restriction to the equity investments, resulting in diminished liquidity of the equity investments that would impact the price. The valuation requires the directors to adopt the stock price of the investment as of the valuation date and make estimates about the discount for illiquidity based on the lock-up period. The discount for illiquidity was estimated using the Black-Scholes method by referring to the comparable public companies (peers). The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at 31 December 2019 and 2020. The fair values of listed equity investments are based on quoted market prices at 31 December 2021 and 30 June 2022, due to the contractual restriction having been lifted.

The fair values of the notes receivable classified as financial assets at fair value through other comprehensive income under IFRS 9 as at the end of each of the Relevant Periods have been calculated by discounting the expected future cash flows, which are the par values of the notes receivable. In addition, the notes receivable will mature within one year, and thus their fair values approximate to their carrying values.

For Level 3 financial assets, the Group adopts the valuation techniques to determine the fair value. The fair value measurement of the financial instruments involves unobservable inputs such as discount for lack of marketability ("DLOM"). The Group periodically reviews the significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2019 and 2020:

As at 31 December 2019

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Financial assets at fair value through profit or loss	Adjusted stock price	DLOM	9% to 19%	5% decrease/ increase in DLOM would result in increase/ decrease in fair value by RMB1,583,000/ (RMB1,583,000)

As at 31 December 2020

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Financial assets at fair value through profit or loss	Adjusted stock price	DLOM	2% to 12%	5% decrease/ increase in DLOM would result in increase/ decrease in fair value by RMB2,426,000/ (RMB2,426,000)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, comprise interest-bearing bank loans and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD, HKD, EUR and AUD exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2019			
If RMB weakens against HKD	5	(225)	(188)
If RMB strengthens against HKD	5	225	188
If RMB weakens against USD	5	(172)	(18,106)
If RMB strengthens against USD	5	172	18,106
If RMB weakens against EUR	5	(339)	(283)
If RMB strengthens against EUR	5	339	283
Year ended 31 December 2020			
If RMB weakens against HKD	5	(148)	(124)
If RMB strengthens against HKD	5	148	124
If RMB weakens against USD	5	(67)	(21,789)
If RMB strengthens against USD	5	67	21,789
If RMB weakens against EUR	5	(357)	(298)
If RMB strengthens against EUR	5	357	298
Year ended 31 December 2021			
If RMB weakens against HKD	5	(12)	(10)
If RMB strengthens against HKD	5	12	10
If RMB weakens against USD	5	(103)	(13,774)
If RMB strengthens against USD	5	103	13,774
If RMB weakens against AUD	5	(1)	(1)
If RMB strengthens against AUD	5	1	1
Six months ended 30 June 2022			
If RMB weakens against HKD	5	(499)	(4)
If RMB strengthens against HKD	5	499	4
If RMB weakens against USD	5	(125)	(15,334)
If RMB strengthens against USD	5	125	15,334
If RMB weakens against AUD	5	(1)	(1)
If RMB strengthens against AUD	5	1	1

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis.

Maximum exposure and year/period-end staging as at the end of each of the Relevant Periods

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2019, 2020 and 2021 and 30 June 2022. The amounts presented are gross carrying amounts for financial assets.

31 December 2019

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	1,258,932	1,258,932
Notes receivable					
– Normal**	59,204	–	–	–	59,204
Financial assets included in prepayments, other receivables and other assets					
– Normal**	11,593	–	–	–	11,593
– Doubtful**	–	–	11,119	–	11,119
Due from related parties					
– Normal**	335,573	–	–	–	335,573
Cash and cash equivalents					
– Not yet past due	651,681	–	–	–	651,681
	1,058,051	–	11,119	1,258,932	2,328,102

As at 31 December 2020

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	1,067,793	1,067,793
Notes receivable					
– Normal**	162,205	–	–	–	162,205
Financial assets included in prepayments, other receivables and other assets					
– Normal**	21,214	–	–	–	21,214
– Doubtful**	–	–	5,540	–	5,540
Due from related parties					
– Normal**	315,399	–	–	–	315,399
Cash and cash equivalents					
– Not yet past due	903,376	–	–	–	903,376
	1,402,194	–	5,540	1,067,793	2,475,527

As at 31 December 2021

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	1,011,194	1,011,194
Notes receivable					
– Normal**	12,264	–	–	–	12,264
Financial assets included in prepayments, other receivables and other assets					
– Normal**	20,018	–	–	–	20,018
– Doubtful**	–	–	6,142	–	6,142
Due from related parties					
– Normal**	183,813	–	–	–	183,813
Restricted cash					
– Not yet past due	43,594	–	–	–	43,594
Cash and cash equivalents					
– Not yet past due	547,182	–	–	–	547,182
	806,871	–	6,142	1,011,194	1,824,207

As at 30 June 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	783,461	783,461
Notes receivable					
– Normal**	52,000	–	–	–	52,000
Financial assets included in prepayments, other receivables and other assets					
– Normal**	12,130	–	–	–	12,130
– Doubtful**	–	–	6,725	–	6,725
Due from related parties					
– Normal**	189,030	–	–	–	189,030
Restricted cash					
– Not yet past due	39,090	–	–	–	39,090
Cash and cash equivalents					
– Not yet past due	437,863	–	–	–	437,863
	730,113	–	6,725	783,461	1,520,299

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the Historical Financial Information.

** The credit quality of notes receivable, the financial assets included in prepayments, other receivables and other assets and amounts due from related parties is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 23 to the Historical Financial Information.

At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 26.58%, 21.96%, 33.34% and 34.04% of the Group's trade receivables were due from the Group's largest debtor, and 75.73%, 73.19%, 72.08% and 70.84% of the Group's trade receivables were due from the Group's five largest debtors, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The Group maintains a balance between continuity of funding and flexibility through the use of lease liabilities and interest-bearing loans.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	31 December 2019				
	On demand	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	252,651	–	–	252,651
Due to related parties	1,219	–	–	–	1,219
Lease liabilities	–	6,442	6,992	–	13,434
Interest-bearing bank borrowings	–	187,617	–	–	187,617
Financial liabilities included in other payables and accruals	11,485	–	–	–	11,485
	12,704	446,710	6,992	–	466,406

	31 December 2020				
	On demand	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	296,744	–	–	296,744
Lease liabilities	–	9,134	5,532	–	14,666
Interest-bearing bank borrowings	–	101,299	–	–	101,299
Financial liabilities included in other payables and accruals	28,015	–	–	–	28,015
	28,015	407,177	5,532	–	440,724

	31 December 2021				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	343,532	–	–	343,532
Lease liabilities	–	2,658	2,348	–	5,006
Financial liabilities included in other payables and accruals	43,578	–	–	–	43,578
	43,578	346,190	2,348	–	392,116

	30 June 2022				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	221,701	–	–	221,701
Lease liabilities	–	9,010	14,600	–	23,610
Financial liabilities included in other payables and accruals	51,431	–	–	–	51,431
	51,431	230,711	14,600	–	296,742

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regards equity attributable to owners of the parent as its capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes interest-bearing bank borrowings, due to related parties and lease liabilities. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2019	**2020**	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	185,000	100,000	–	–
Due to related parties	1,219	–	–	–
Lease liabilities	12,463	13,955	4,689	22,098
Total debt	198,682	113,955	4,689	22,098
Total equity	4,645,658	4,580,848	4,047,861	4,022,067
Gearing ratio	4.28%	2.49%	0.12%	0.55%

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2022.