



NEW
MEDIA
LAB

新傳企劃有限公司
New Media Lab Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1284)

2023 INTERIM REPORT



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FINANCIAL SUMMARY

The board of directors (the “**Board**” or “**Directors**”) of New Media Lab Limited (the “**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”).

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Total revenue	101,732	104,921
Digital advertising	97,082	98,726
Others*	4,650	6,195
Net profit	3,308	10,798
Adjusted net profit**	7,291	10,042
Basic earnings per share	HK0.74 cent	HK2.40 cents

* Others represents revenue from print advertising and circulation

** Adjusted net profit represents the net profit excluding the listing expenses and one-off income, which reflects the Group's core operating performance

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the Period, despite the recovery of market momentum after the reopening of the border between Hong Kong and mainland China, the global business environment abounded with uncertainties and market competition remained fierce, the Group's total revenue therefore decreased slightly to HK\$101.7 million (2022: HK\$104.9 million). Revenue from digital advertising was HK\$97.1 million (2022: HK\$98.7 million) and remained a key revenue contributor, accounting for 95.5% (2022: 94.1%) of the Group's total revenue. The Group's net profit was HK\$3.3 million (2022: HK\$10.8 million). The decline was primarily due to the decline in total revenue and a one-off income of HK\$3.8 million recorded in the same period last year. The adjusted net profit excluding the listing expenses and one-off income was HK\$7.3 million (2022: HK\$10.0 million), which reflected the Group's core operating performance. The basic earnings per share was HK0.74 cent (2022: HK2.40 cents).

BUSINESS REVIEW

The Group is a digital media flagship group, providing one-stop integrated advertising solutions to brand owners and advertising agencies through several digital media platforms. Subsequent to the Period, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 17 July 2023 (the “**Listing Date**”).

The Group has established its online business since 2011, and currently operates nine media brands, including “**Weekend Weekly**”, “**Oriental Sunday**”, “**Economic Digest**”, “**New Monday**”, “**More**”, “**GOtrip**”, “**Sunday Kiss**”, as well as two more recently introduced brands – “**SSwagger**” and “**Madame Figaro**”. Each brand has its dedicated content pillars covering dining and local attractions, gourmet and gastronomy, fashion and beauty, travel, entertainment news, kids and parenting, electronic gadgets and gaming, finance and investment, as well as designer and luxury labels. The target positions of each media brand are as follows:

“**Weekend Weekly**” – Specialises in providing lifestyle content ranging from topical dining trends and discoveries around town to best dining and shopping offers, tips and recommendations, to meet the demands of people from all walks of life.



MANAGEMENT DISCUSSION AND ANALYSIS

“Oriental Sunday” – Offers up-to-date entertainment gossip news of artists and celebrities’ activities and providing updates on developments in the entertainment industry.

“Economic Digest” – Provides the latest information on economics, investment, financial markets and personal finance, with the major target audience comprising professional investors, white collars and general public who follow investment and financial markets.

“New Monday” – Provides content on the latest social trends, covering topics such as online shopping, online games, electronic gadgets, sports trend, fashion, entertainment news and beauty tips.

“More” – Targets a female audience with coverage of topics including fashion, skincare, makeup, nutritious menus for healthy diets and wedding planning.

“GOtrip” – Provides comprehensive travel information and suggested itineraries ranging from local excursions, staycation to global destinations.

“Sunday Kiss” – Targets young parents with coverage of the latest trends in child-care, parenting and education, as well as shopping tips.

“SSwagger” – Targets male youngsters and sports lovers with coverage of fashion, sneakers, gadgets, lifestyle products and the latest sports trends.

“Madame Figaro” – An upmarket, prestigious platform covering fashion and beauty, aiming to capture the luxury market.

Strong Market Presence with Extensive Coverage

As of 30 June 2023, the Group had 9 media brands, covering 9 websites, 10 fanpages on Facebook and 9 profiles on Instagram. The Group has a strong digital presence with millions of subscribers who follow its contents on the websites, mobile apps and third-party social media platforms. This social media engagement creates an ideal platform for advertisers to communicate with and collect feedback from their current and potential consumers and broaden their reach.

MANAGEMENT DISCUSSION AND ANALYSIS

Broad Range of Advertising Products and Services

The Group offers a wide spectrum of advertising products and integrated services on various media platforms including display banners, advertorials and reviews and social newsfeeds, along with creative production and strategic services such as search engine optimisation (SEO) and segment marketing. The Group has an in-house platform team dedicated to analysing audience behaviour on the Group's media platforms via analytic tools for gaining insights into the behaviour and preferences of target audiences.

Well-established Relationships with Clients Across Different Industries

The Group has been engaged in the media industry in Hong Kong for over 20 years and is renowned for its popular flagship media brands including "***Oriental Sunday***", "***Weekend Weekly***", "***New Monday***" and "***Economic Digest***". With a long history in the advertising business in the print media and an early entry into the digital marketing business, the Group has established an extensive client network. The Group's diverse client portfolio ranges from 4A's and non-4A's advertising agencies, multinational corporations and brand owners to small and medium-sized enterprises, covering a large variety of business sectors.

PROSPECTS

The Group believes the development of the digital advertising market will centre around the use of machine learning tools. Hence, the Group plans to strengthen its technological infrastructure through applying AI and machine learning models in the back-end operations of the Group's platforms. The Group also intends to upgrade its content management system so as to closely monitor the performance of its digital contents.



MANAGEMENT DISCUSSION AND ANALYSIS

Facing a rapid change of technological environment, the Group will carefully monitor market trends, in order to respond quickly and appropriately to changes. The Group is aware of the increasing reliance on data analytics in the digital advertising industry with rapid advancement of technology. The Group will enhance the precision of identifying target audiences for advertisers, and optimising the effectiveness of the advertising solutions, which will in turn solidify the clientele and strengthening the market presence. The Group will aim for more innovative means of delivering quality and creative content, to help clients connect with their target audiences. The Group is optimistic regarding the growth prospects for the digital advertising market in the long run, and is actively assessing growth strategies and identifying value-creating opportunities.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Cash and cash equivalents of the Group as at 30 June 2023 amounted to HK\$17.5 million (31 December 2022: HK\$19.9 million), and were mainly denominated in Hong Kong dollars. As at 30 June 2023, the bank borrowings of the Group were HK\$8.0 million (31 December 2022: HK\$21.0 million), and hence its gearing ratio (calculated on the basis of the total debts over total equity) decreased to 13.9% (31 December 2022: 31.1%). The Group had available un-utilised banking facilities of approximately HK\$28.0 million. The strong liquidity position and considerable un-utilised banking facilities enable the Group to retain high flexibility for future development.

As at 30 June 2023, the Group's current assets and current liabilities were approximately HK\$80.1 million (31 December 2022: HK\$101.3 million) and HK\$41.8 million (31 December 2022: HK\$59.6 million), respectively. Current ratio and quick ratio of the Group were 1.9 (31 December 2022: 1.7) and 1.9 (31 December 2022: 1.7), respectively.

In view of the Group's financial position as at 30 June 2023, the Board considered that the Group had sufficient working capital for its operations and future development plans.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group had 234 (2022: 234) employees. Total staff costs including Director's remuneration and the other staff costs for the Period were HK\$48.9 million (2022: HK\$47.8 million). Each employee's remuneration was determined in accordance with the individual's responsibility, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical insurance, retirement benefits and other competitive fringe benefits. The Company has adopted a share option scheme on 26 June 2023 and effective on the Listing Date to provide incentives or rewards to its staff.

INTERIM DIVIDEND

The Board has resolved not to declare any further interim dividend for the Period.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Company has been successfully listed on the Main Board of the Stock Exchange following the completion of a share offer ("**Share Offer**") of ordinary shares of the Company, including a public offer of 45,000,000 shares and placing of 105,000,000 shares, at a price of HK\$0.92 per share on the Listing Date. As at the Listing Date, the Company had a total of 600,000,000 shares in issue.

Based on the offer price of HK\$0.92 per share, the net proceeds from the Share Offer, after deducting listing related expenses, amounted to approximately HK\$103.5 million. The net proceeds would be applied in manners described under the section headed "Future Plans and Use of Proceeds" to the prospectus of the Company.

Other than as disclosed above, there were no material and important events affecting the Group that occurred after 30 June 2023 and up to the date of this report.



CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
		(unaudited)	(unaudited)
		HK\$'000	HK\$'000
	Notes		
REVENUE	4	101,732	104,921
Other income and gains	4	754	4,413
Employee benefit expense		(48,857)	(47,792)
Production costs		(25,366)	(24,635)
Printing costs		(1,314)	(1,508)
Depreciation and amortisation		(8,551)	(8,490)
Other expenses, net		(11,309)	(11,361)
Finance costs	6	(2,176)	(2,826)
PROFIT BEFORE TAX	5	4,913	12,722
Income tax expense	7	(1,605)	(1,924)
PROFIT FOR THE PERIOD		3,308	10,798
Attributable to:			
Owners of the parent		3,308	10,798
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted (expressed in HK cents per share)		0.74	2.40

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended	
	30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE PERIOD	3,308	10,798
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(4)	(21)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,304	10,777
Attributable to:		
Owners of the parent	3,304	10,777



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

30 June 2023

		30 June 2023	31 December 2022
	Notes	(unaudited) HK\$'000	(audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		21,279	22,610
Right-of-use assets		57,012	62,789
Intangible assets		288	408
Prepayments, deposits and other receivables		3,004	2,960
Deferred tax assets		285	508
Total non-current assets		81,868	89,275
CURRENT ASSETS			
Trade receivables	10	55,253	71,470
Prepayments, deposits and other receivables		6,523	9,144
Pledged bank deposit		800	800
Cash and cash equivalents		17,476	19,930
Total current assets		80,052	101,344
CURRENT LIABILITIES			
Trade payables	11	4,788	6,107
Other payables and accruals		16,386	18,371
Interest-bearing bank borrowings	12	8,000	21,000
Lease liabilities		8,992	10,536
Tax payable		3,654	3,594
Total current liabilities		41,820	59,608
NET CURRENT ASSETS		38,232	41,736
TOTAL ASSETS LESS CURRENT LIABILITIES		120,100	131,011
NON-CURRENT LIABILITIES			
Lease liabilities		48,741	52,956
Provisions		6,557	6,557
Total non-current liabilities		55,298	59,513
Net assets		64,802	71,498
EQUITY			
Equity attributable to owners of the parent			
Issued capital		-*	-*
Reserves		64,802	71,498
Total equity		64,802	71,498

* Amount less than HK\$1,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Note	Exchange				Total
		Issued capital	fluctuation reserve	Other reserves	Accumulated losses	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022 (audited)		-	16	93,407	(49,388)	44,035
Profit for the period (unaudited)		-	-	-	10,798	10,798
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations		-	(21)	-	-	(21)
Total comprehensive income for the period		-	(21)	-	10,798	10,777
At 30 June 2022 (unaudited)		-	(5)	93,407	(38,590)	54,812
At 1 January 2023 (audited)		-	48	93,407	(21,957)	71,498
Profit for the period (unaudited)		-	-	-	3,308	3,308
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations		-	(4)	-	-	(4)
Total comprehensive income for the period		-	(4)	-	3,308	3,304
Dividend	8	-	-	-	(10,000)	(10,000)
At 30 June 2023 (unaudited)		-	44*	93,407*	(28,649)*	64,802

* These reserve accounts comprise the consolidated reserves of approximately HK\$64,802,000 in the consolidated statements of financial position as at 30 June 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Net cash from operating activities	31,169	28,372
Net cash used in investing activities	(2,113)	(20,078)
Net cash used in financing activities	(31,465)	(3,050)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,409)	5,244
Cash and cash equivalents at beginning of period	19,930	23,525
Effect of foreign exchange rate changes, net	(45)	(19)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,476	28,750
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,476	28,750

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the years ended 31 December 2020, 2021 and 2022 which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA as set out in the Accountant’s Report included in the prospectus of the Company dated 30 June 2023 (the “**Accountant’s Report**”).

The unaudited condensed consolidated financial statements have been prepared on the historical cost convention. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group’s consolidated financial statements for the years ended 31 December 2020, 2021 and 2022, which have been prepared in accordance with the HKFRSs issued by the HKICPA, as set out in the Accountant’s Report, except for the adoption of the following new and revised HKFRSs for the first time for the current period’s financial information.

HKFRS 17	Insurance Contracts
Amendments to HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the above new and revised HKFRSs has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

3. OPERATING SEGMENT INFORMATION

The Group principally focuses on the digital and print media businesses and magazine and book publishing. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

Substantially all of the Group's revenues from external customers during the six months ended 30 June 2023 and 2022 were attributed to Hong Kong based on the location in which the relevant Group's activities which generated such revenues were carried out.

(b) Non-current assets

Substantially all of the Group's non-current assets as at the end of the reporting period were located in Hong Kong based on the location of the assets.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000
Revenue from contracts with customers		
<i>Disaggregated revenue information</i>		
Types of goods or services		
Digital advertising (other than programmatic advertising)	83,282	79,565
Programmatic advertising	13,800	19,161
	97,082	98,726
Print advertising	3,311	4,657
Circulation	1,339	1,538
Total revenue from contracts with customers	101,732	104,921
Timing of revenue recognition		
At a point in time	70,416	75,353
Over time	31,316	29,568
Total revenue from contracts with customers	101,732	104,921

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. REVENUE, OTHER INCOME AND GAINS *(continued)*

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied:

	Six months ended 30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
	HK\$'000	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Circulation	178	215
Digital advertising	1,006	1,138
	1,184	1,353
Revenue recognised from performance obligations satisfied in previous periods:		
Sales of goods not previously recognised due to constraints on variable consideration	20	14

	Six months ended 30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
	HK\$'000	HK\$'000
Other income and gains		
Bank interest income	8	3
Accretion of interest on rental deposit paid	44	42
Government subsidies	4	3,812
Commission income	53	7
Licensing of content	18	61
Sales of scrap	24	23
Others	603	465
	754	4,413

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Cost of goods sold and other services rendered	26,680	26,143
Depreciation of property, plant and equipment	2,128	1,956
Depreciation of right-of-use assets	6,202	6,310
Amortisation of intangible assets	220	224
Lease payments not included in the measurement of lease liabilities	100	129
Listing expenses	3,987	3,056
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, bonuses and allowances	47,151	45,953
Pension scheme contributions (defined contribution schemes)	1,706	1,839
	48,857	47,792
Reversal of impairment of trade receivables, net	(1,735)	(93)
Foreign exchange differences, net	(9)	11

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Interest on bank borrowings	527	916
Interest on lease liabilities	1,649	1,910
	2,176	2,826

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. For the subsidiary established in Mainland China, Corporate Income Tax has been provided at the rate of 25% (2022: 25%) during the period.

	Six months ended 30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
	HK\$'000	HK\$'000
Current - Hong Kong		
Charge for the period	1,253	1,822
Under provision in prior period	101	-
Current - Mainland China		
Charge for the period	28	14
Deferred	223	88
	1,605	1,924

8. DIVIDEND

On 17 March 2023, the Company declared an interim dividend of HK\$500 per ordinary share amounting to HK\$10,000,000 in aggregate to its shareholders as of that date.

The board of directors has resolved not to declare any further interim dividend for the Period.



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023	31 December 2022
	<i>(unaudited)</i> HK\$'000	<i>(audited)</i> HK\$'000
Within 1 month	21,384	27,116
1 to 3 months	18,045	22,988
3 to 6 months	11,475	13,886
Over 6 months	4,349	7,480
	55,253	71,470

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023	31 December 2022
	<i>(unaudited)</i> HK\$'000	<i>(audited)</i> HK\$'000
Less than 30 days	4,413	5,350
30 to 90 days	203	436
More than 90 days	172	321
	4,788	6,107

Included in the Group's trade payables are amounts due to related companies of approximately HK\$6,000 as at 30 June 2023 (31 December 2022: HK\$36,000), which are trade related, unsecured, non-interest-bearing and repayable on demand. These related companies are either directly or indirectly held by the Company's ultimate holding company, Albert Yeung Holdings Limited ("**AY Holdings**") (together with its subsidiaries collectively referred to as "**AY Holdings Group**").

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

12. INTEREST-BEARING BANK BORROWINGS

		30 June 2023	31 December 2022
	<i>Notes</i>	(unaudited) HK\$'000	<i>(audited) HK\$'000</i>
Current			
Bank borrowing – unsecured	(a)	6,000	6,000
Bank borrowing – secured	(b)	2,000	15,000
		8,000	21,000
Analysed into:			
Bank borrowings repayable:			
Within one year or on demand*		8,000	21,000

- * The relevant agreements contain repayment on demand clauses giving the respective lenders the unconditional rights to call in the respective borrowings at any time and, therefore, for the purpose of the above analysis, the total amount is classified as “on demand”.

Notes:

- (a) In the last quarter of 2022, an indirect subsidiary of the Company (the “**Subsidiary**”) obtained a term loan facility (the “**Facility**”) from a bank (the “**Lender**”) with a facility limit of HK\$6,000,000, of which HK\$6,000,000 was utilised as at 30 June 2023. The Facility is guaranteed by the Company for an unlimited amount. A deed of undertaking was executed by AY Holdings, pursuant to which AY Holdings unconditionally and irrevocably covenants and undertakes with the Lender that if the Company’s shares are not listed on the Stock Exchange within eleven months from 30 November 2022, AY Holdings shall immediately provide or cause to be provided to the Subsidiary with sufficient funding in cash for repaying all outstanding indebtedness under the Facility in full. The loan drawdown under the Facility bears interest at 2.75% per annum over Hong Kong Interbank Offered Rate (“**HIBOR**”) and is repayable in November 2023.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

12. INTEREST-BEARING BANK BORROWINGS *(continued)*

Notes: (continued)

(b) The Subsidiary obtained uncommitted revolving loan facility from a bank (the “**Bank**”) in December 2022 with a facility limit of HK\$30,000,000. The revolving loan facility is secured by a corporate guarantee of the Company and certain trade receivables of the Group. The loan drawdown under this revolving bank loan facility bears interest at 4.5% per annum over 1-month HIBOR or 4.5% per annum over the Bank’s cost of funds, whichever is higher, and aggregate accrued interest and principal amount of the bank borrowing outstanding at 30 June 2023 of HK\$2,000,000 are repayable on or before 28 July 2023.

The Group’s interest-bearing bank borrowings are denominated in HK\$.

13. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions, arrangements and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2023	2022
	<i>(unaudited)</i> HK\$’000	<i>(unaudited)</i> HK\$’000
Members of the AY Holdings Group		
Reimbursement of administrative expenses	500	600
Members of the Emperor Group (other than AY Holdings Group)		
Advertising income	638	99
Production costs and printing costs	188	90
Sponsor fee	200	219

Members of the AY Holdings Group and Members of the Emperor Group are companies either directly or indirectly controlled by various private discretionary trusts set up by Dr. Yeung Sau Shing, Albert (“**Dr. Yeung**”).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

13. RELATED PARTY TRANSACTIONS *(continued)*

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

	Six months ended 30 June	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
	HK\$'000	HK\$'000
Fees	-	-
Short-term employee benefits	2,496	2,376
Post-employment benefits	27	27
	2,523	2,403
Total compensation paid to key management personnel	2,523	2,403

14. FAIR VALUE AND FAIR VALUE HIERARCHY

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

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 assumption were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged bank deposit, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities/are repayable on demand or the effect of discounting is not material.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

14. FAIR VALUE AND FAIR VALUE HIERARCHY *(continued)*

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables had been calculated and assessed mainly by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, as appropriate. The changes in fair value as a result of the Group's own non-performance risk at the end of the reporting period were assessed to be insignificant.

15. EVENTS AFTER THE REPORTING PERIOD

On Listing Date, the Company issued 449,980,000 ordinary shares by way of the capitalisation of certain sums standing to the credit of the share premium account of the Company to the holders of the shares whose names appear on the register of members of the Company at the close of business on the business day preceding the Listing Date in proportion to their then existing respective shareholdings (the **"Capitalisation Issue"**).

On the same date, 150,000,000 new ordinary shares were issued at a price of HK\$0.92 per share under a share offer in connection with the listing for a total cash consideration, before expenses, of HK\$138,000,000.

The Company's shares have been listed on the Main Board of the Stock Exchange since the Listing Date.



DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As the Company was not listed on the Stock Exchange as at 30 June 2023, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (“SFO”) and Section 352 of the SFO were not applicable to the Director(s) and chief executive(s) of the Company as at 30 June 2023.

Since the shares of the Company were subsequently listed on the Stock Exchange on Listing Date, as at the date of this interim report, the Director(s) and chief executive(s) of the Company who had or were deemed or taken to have interests and short positions in the following shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules adopted by the Company were as follows:

(a) Long position interests in the Company

Ordinary Shares of the Company of HK\$0.01 each (“Shares”)

Name of Director	Capacity/ Nature of Interests	Number of issued Shares interested	% of issued voting Shares
Mr. Lee Yat Pui, Royce (“Mr. Royce Lee”)	Interest in a controlled corporation (<i>Note</i>)	90,000,000	15

Note:

Mr. Royce Lee legally and beneficially owns the entire issued share capital of Double Blossoms Limited (“Double Blossoms”). Mr. Royce Lee is deemed to be interested in the same 90,000,000 Shares held by Double Blossoms.

(b) Long position interests in associated corporations of the Company

Ordinary shares

Name of Director	Name of associated corporation	Capacity/ Nature of interests	Number of ordinary shares interested	% of issued voting shares
Ms. Fan Man Seung, Vanessa	Emperor International Holdings Limited	Beneficial owner	10,500,000	0.29

Save as disclosed above, as at the date of this interim report, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

Since the Shares were subsequently listed on the Stock Exchange on the Listing Date, as at the date of this interim report, so far as is known to any Directors or chief executives of the Company, the persons or corporations (other than a Director or chief executive of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO ("**DI Register**") were as follows:

Long positions in the Shares

Name	Capacity/ Nature of Interests	Number of issued Shares interested	% of issued voting Shares
New Media Lab Group Holdings Limited (" New Media Lab Holdings ")	Legal/beneficial owner	315,000,000	52.5
AY Holdings	Interest in a controlled corporation (<i>Note 1</i>)	315,000,000	52.5
First Trust Services AG	Trustee of a private discretionary trust (<i>Note 2</i>)	315,000,000	52.5
Dr. Yeung	Founder of a private discretionary trust (<i>Note 2</i>)	315,000,000	52.5
Ms. Luk Siu Man, Semon	Interests of spouse (<i>Note 3</i>)	315,000,000	52.5
Double Blossoms	Legal/beneficial owner	90,000,000 (<i>Note 4</i>)	15
Double Fantastic Group Limited (" Double Fantastic ")	Legal/beneficial owner	45,000,000	7.5
Ms. Lee Lan Kiu (" Ms. Venus Lee ")	Interest in a controlled corporation (<i>Note 5</i>)	45,000,000	7.5
Mr. Yau Yi Ping	Interest of spouse (<i>Note 6</i>)	45,000,000	7.5



OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

Notes:

1. The entire issued share capital of New Media Lab Holdings is held by AY Holdings, which in turn is held by First Trust Services AG as trustee of a private discretionary trust set up by Dr. Yeung. AY Holdings is deemed to be interested in the same 315,000,000 Shares held by New Media Lab Holdings.
2. First Trust Services AG is the trustee and Dr. Yeung is the founder of the private discretionary trust respectively. By virtue of the SFO, each of First Trust Services AG and Dr. Yeung is deemed to be interested in the same 315,000,000 Shares held by New Media Lab Holdings.
3. Ms. Luk Siu Man, Semon is deemed to be interested in the same 315,000,000 Shares held by New Media Lab Holdings by virtue of the deemed interest held by her spouse, Dr. Yeung.
4. These Shares were the same Shares of which Mr. Royce Lee are deemed interest in and is set out under the section (a) of "Directors' and Chief Executives' Interests in Securities" above.
5. Ms. Venus Lee legally and beneficially owns the entire issued share capital of Double Fantastic and is deemed to be interested in the same 45,000,000 Shares held by Double Fantastic.
6. Mr. Yau Yi Ping is deemed to be interested in the same 45,000,000 Shares held by Double Fantastic by virtue of the deemed interest held by his spouse, Ms. Venus Lee.

Save as disclosed above, as at the date of this interim report, the Directors or chief executives of the Company were not aware of any person or corporation (other than the Directors and chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the DI Register.

SHARE OPTIONS

The Company adopted a share option scheme ("**Share Option Scheme**") on 26 June 2023 and effective on the Listing Date to provide incentive or rewards to eligible participants including the Directors and employees of the Group. No share options have been granted under the Share Option Scheme since it came into effect. The number of share options available for grant under the scheme mandate as at the Listing Date and the date of this interim report, respectively, was 60,000,000, which represented 10% of the Shares in issue as at the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE (“CG CODE”)

As the Shares were not listed on the Stock Exchange until the Listing Date, the CG Code was not applicable to the Company during the Period. The Company has complied with all the applicable code provisions of CG Code as set out in Appendix 14 to the Listing Rules throughout the period from the Listing Date to the date of this interim report.

MODEL CODE FOR SECURITIES TRANSACTIONS

As the Shares were not listed on the Stock Exchange during the Period, the provisions under the Listing Rules in relation to compliance with the Model Code by Directors were not applicable to the Company during the Period. The Company has adopted Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to the Directors, all of them confirmed that they had complied with the required standard of dealings as set out in Model Code throughout the period from the Listing Date to the date of this interim report.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted throughout the period from the Listing Date to the date of this interim report.

REVIEW OF INTERIM REPORT

These condensed consolidated financial statements of the Group for the Period as set out in this interim report have not been reviewed nor audited by the Company’s auditor, Ernst & Young, but have been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.



CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to the date of this interim report.

By order of the Board
New Media Lab Limited
Lee Yat Pui, Royce

Chief Executive Officer and Executive Director

Hong Kong, 29 August 2023

As at the date of this report, the Board comprises:

Executive Directors:

Mr. Wong Chi Fai
Mr. Lee Yat Pui, Royce
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Ms. Cheng Ka Yu
Mr. Mak Kam Chiu
Mr. Niu Zhongjie