

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MEDIALINK GROUP LIMITED
羚邦集團有限公司

(Incorporated in the Cayman Islands with limited liability)
 (Stock Code: 2230)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023; AND
SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL
REPORT FOR THE YEAR ENDED 31 MARCH 2023

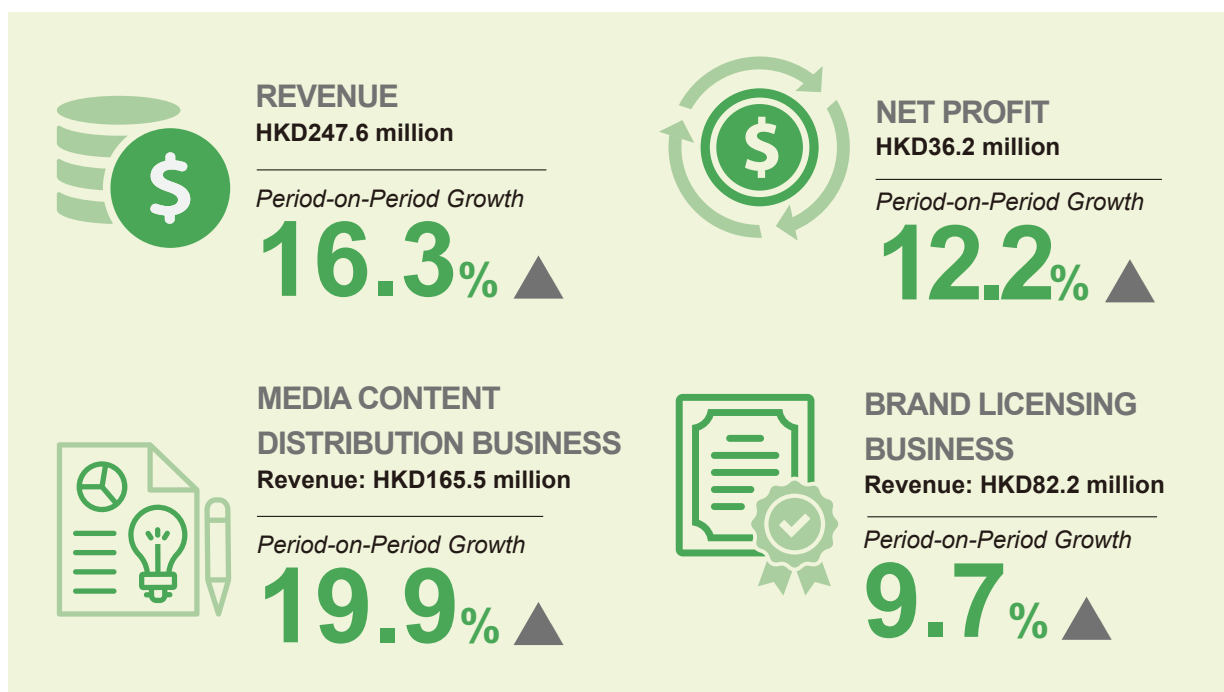
FINANCIAL HIGHLIGHTS			
	Six months ended		Change
	30 September	2022	
	2023	2022	
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	
Revenue			
— Media Content Distribution Business	165,450	138,013	+19.9%
— Brand Licensing Business	82,172	74,897	+9.7%
Total	247,622	212,910	+16.3%
Gross Profit Margin	49.1%	47.5%	
Profit attributable to shareholders of the Company	36,198	32,258	+12.2%
Interim dividend per share ⁽¹⁾	HK 0.89 cent	HK 0.70 cent	
	30 September	31 March	
	2023	2023	
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	
Liquidity ratio			
Current ratio ⁽²⁾	2.5	2.5	
Cash ratio ⁽³⁾	0.7	0.8	
Capital adequacy ratio			
Debt to equity ratio ⁽⁴⁾	N/A	N/A	
<i>(1) Interim dividend per share was calculated by dividing interim dividend by the number of the Company's ordinary shares of 1,992,000,000 in issue as at the date of this announcement on 29 November 2023.</i>			
<i>(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.</i>			
<i>(3) Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.</i>			
<i>(4) The Group did not have any interest-bearing bank and other borrowings. Thus, the debt to equity ratio was not applicable.</i>			

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business Review

Steady Growth with Impetus for Expansion



Expansion of content distribution network

Medialink Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) has been working closely with our global platform partners, namely Amazon Prime Video, Bilibili, Iqiyi, Netflix and Crunchyroll. We have also expanded our distribution network, now covering Kazakhstan & Kyrgyzstan.

With strong presence in 22 platforms across eight (8) territories, our Ani-One® OTT coverage has expanded its reach and presence, adding two more platforms in Taiwan and two new sub-channels in our YouTube channel, including Thailand and Philippines, totalling four YouTube channels in Asia.



Ani-One® Asia YouTube channel, on the other hand, maintains its operations covering the Asian region, featuring subtitles in seven (7) major languages. It continues to offer SVOD service introducing big hit titles such as Jujutsu Kaisen Season 2, Blue Lock, and MF Ghost, apart from its regular AVOD service with more than 4.5 million subscribers and over 700 million accumulated views.

Aside from exhibiting contents and its content distribution services, Ani-One® also produces its own anime-related creative videos, under the name “Ani-One®出去玩” and features KOL broadcast sharing of a highlighted anime content shown on the channel, anime music cover by local artists, behind-the-scene of a dubbing production of anime contents, and dubbing artist interviews, among others. A lot of brands have started partnership cooperation with Ani-One® channels such as Soft drinks, Apparel brands and Mobile games.

To support expansion of our content distribution network, we continuously acquire top quality contents in various genres — anime, variety, and movies.

Among the anime series that are active during the six months ended 30 September 2023 (the “**Reporting Period**”), the new and most popular titles are: “Jujutsu Kaisen Season 2”, “Bleach Thousand Year Blood War”, “Oshi No Ko”, “Dr.STONE 3rd Season Part 1”, “Mobile Suit Gundam The Witch from Mercury Season 2”, “Mashle: Magic and Muscle”, and “The Masterful Cat is Depressed Again Today”.

Among the new titles mentioned above, “The Masterful Cat is Depressed Again Today” has been a top performer on Ani-One® Asia YouTube Channel, having over 6 million views as of 30 September 2023. Furthermore, “Jujutsu Kaisen Season 2” has been consistently ranked within the Top 10 TV Shows in the licensed territories such as Hong Kong, Taiwan, Bangladesh, India, Maldives, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam on Netflix as of 30 September 2023, since the title’s launch on the said SVOD service in July 2023 (source: <https://www.netflix.com/tudum/top10>).

Furthermore, the Group has made continuous efforts to deliver movie content to serve the needs of the different market segments. During the Reporting Period, the Group released theatrically five (5) movies in Hong Kong, and one (1) in Taiwan. Our releases feature a mix of animated and live-action programming, including Japanese animation “ANPANMAN: Roboly and the Warming Present”, “Sasaki and Miyano: Graduation”, Japanese drama “A Mother’s Touch”, and Hollywood action title “Guy Ritchie’s The Covenant”. In addition, “THE FIRST SLAM DUNK”, a highly popular and successful title we released in the previous year, placing second in highest cumulative box office of Japanese animations and movies in Hong Kong, has been showing in cinemas since 12 January 2023 and still counting.

As global travel resumes its pace, the Group’s involvement in inflight distribution also heightened. Other than Southeast Asia, we have extended the distribution to the Middle East region. During the Reporting Period, four (4) top-tier Chinese movies were released by us, namely “Hong Kong Family (過時 • 過節)”, “A Guilty Conscience (毒舌大狀)”, “Cyber Heist (斷網)” and “The Wandering Earth II (流浪地球2)”.

Strategic content & entertainment co-investment

Sunrise eMarketing Limited (“Sunrise”)

To supplement and enhance the Group’s eco-system in intellectual property (“IP”) management and extend its products reach, the Group has acquired 49% in Sunrise, a company engaged in trading, wholesales and e-commerce of licensed anime products and is enhancing its exposure and awareness.

During the Reporting Period, Sunrise has released more than 200 Stock Keeping Units (“SKUs”) covering product categories like Q figures, action figures, bricks, lamps and accessories and participated in more than 10 ACG events in Greater China and South-east Asia. Sunrise has also launched its e-commerce business in Mainland China this summer and received encouraging result.

Acquisition of licensing brands

The Group has been appointed as the master licensee of the **Star Trek** franchise for the Greater China Region. The Group will be responsible for managing the brand licensing of Star Trek consumer products. Star Trek is a highly influential science fiction franchise rooted in the timeless aspirational values of hope, inclusivity, unity, and adventure. Since 1966, Star Trek has been uniting fans across the globe. Most recently, China’s video platform giants Youku and Bilibili have launched the first and second seasons of “Star Trek: Strange New Worlds” and “Star Trek: Picard across China”. With an explosion of vibrant new shows, the Group will seize the potential of the franchise and its fandom.

Expansion on licensing brands rights

Collaboration with luxury brands

As pointed out in the last annual report of the Company for the year ended 31 March 2023, there has been a notable expansion in collaborations with luxury brands. The Group partnered with Emperor Jewellery to launch a Le Petit Prince collection. The Le Petit Prince collection features a wide range of exquisite solid gold and 18K rose gold pieces, captivating the hearts of both adults and children alike.

In honour of the 80th anniversary of the publication of Le Petit Prince, the Group has embarked on a creative journey by joining forces with BOSS to celebrate this momentous occasion. This extraordinary collaboration aims to seamlessly blend the world of high-end fashion with the timeless magic of Le Petit Prince. The BOSS × Le Petit Prince collection has been thoughtfully designed, encompassing a variety of categories including t-shirts, shirts, and dresses.

Influence of Japanese anime

Japanese anime continues to exert its powerful influence in various collaborations and partnerships.

The Group has joined forces with **Casetify**, a renowned brand specializing in digital gadget accessories. The collaboration with Casetify focuses on Chainsaw Man, offering fans a range of high-quality and fashionable accessories to complement their digital devices.

To further expand Japanese Anime into different categories, the Group has different collaborations, including the collaboration with Bilmola in Thailand to create an Initial D helmet, and with global prestige brand Secretlab in Singapore to launch a Jujutsu Kaisen gaming chair. Additionally, there are impressive projects such as Human x Tokyo Ghoul and MONOKEI x Jujutsu Kaisen. These partnerships serve as a testament to the Group's commitment to delivering unique and captivating experiences, highlighting the driving force of Japan anime in their endeavors.

Whateversmiles®

Whateversmiles® continues its objective of supporting and nurturing artists. For the first time, it participated in the Affordable Art Fair Hong Kong, showcasing a series of artworks by various artists. This includes a new series created by Plastic Thing, a popular local illustrator Yan Ip. The exhibition also features works by popular Japanese artist WAKARU, as well as creations by artists Alco Leung, CY Wang, Inmanyi, and Luke Luk.

Besides, Whateversmiles® collaborates with Hong Kong Baptist University, bringing their students to showcase their artwork at the **Hong Kong International Licensing Show**. This was the first time for Whateversmiles® to feature university students' work at an internationally recognized exhibition which provided a great opportunity for the students to learn more about the industry, get exposure for themselves and their creative multi-media work and network with designers from all over the world.

The Group is deeply committed to supporting various charitable initiatives. This year, the Group has dedicated its support to Yan Chai Hospital's funding campaign through the IP: emoji®. Yan Chai is actively involved in organizing charity walks and flag days to raise funds. Through the Group's support, the fund-raising events had made a positive impact and contributed to the success of Yan Chai's endeavors.

Awards

The Group has been awarded the “ACG Culture Export Enterprise top 10” in The First Digital Culture Export Forum held Beijing Animation & Game Industry Alliance, Beijing Xicheng District Wencu Centre and Beijing Digital Creative Industries Association, commending our Company's outstanding contributions in promoting the animation industry and Chinese animation to overseas.



The Group’s co-investment in the animation “KIKI & NUNA (奇奇和努娜) (Season 2)” (“KIKI & NUNA 2”) has been engaged in distribution and licensing activities since 6 June 2023. “KIKI & NUNA 2” was firstly broadcasted on the China Central Television kid’s channel CCTV-14 from 6 June 2023 and is available on over 90 platforms in China including TV, VOD platforms, OTT, IPTV and inflight channels in China. “KIKI & NUNA 2” has been awarded and recommended by various authorities such as Jiangsu Provincial Radio and Television Administration (江蘇省廣播電視局) and the Organizing Committee of China International Cartoon & Animation Festival (中國國際動漫節組委會).

Our existing contents and brands with effective licence:

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

Number of active titles of media contents and brands available

	As at 30 September 2023	As at 31 March 2023
Number of media content titles available	667	656
Number of brands available	316	260

BUSINESS OUTLOOK AND FUTURE PLANS

The Group will continue its growth model with double digit growth for financial year 2023/2024.

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

- Expansion of our own content distribution platforms through Ani-One® and developing our new YouTube channels in Malaysia, Indonesia and India
- Launching more new YouTube channels for Chinese anime content in Asia

- Active acquisition and distribution of A Grade Series and Movies in Asia and globally
- Investing in content production and co-investing in movies
- Continuous expansion on game license globally
- Continuing to look for opportunities for joint ventures and invest in companies that would bring value to the business and our shareholders
- Expanding licensing rights to more regions and continuously seeking opportunities to collaborate with global brands on regional or global scale
- Further exploring and expanding our product sales network, producing more sales channels and new partners
- Continuing to explore opportunities on “Be A Licensee”, to meet global market needs and grow our business so as to synergize our core businesses

INTERIM RESULTS

The board of directors (the “**Board**”) of the Company presents the unaudited condensed consolidated interim results of the Group for the Reporting Period, together with the comparative figures for the corresponding period in 2022 as set out below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
		2023	2022
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	4	247,622	212,910
Cost of sales		(126,119)	(111,699)
Gross profit		121,503	101,211
Other income and gains, net	5	3,817	2,246
Selling and distribution expenses		(36,360)	(26,757)
General and administrative expenses		(30,676)	(22,821)
Other expenses, net		(17,004)	(15,901)
Finance cost		(145)	(182)
Fair value gains on investment in convertible bonds		1,260	—
Share of loss of a joint venture		(398)	—
Profit Before Tax	6	41,997	37,796
Income tax expense	7	(5,799)	(5,538)
Profit for the Period Attributable to Shareholders of the Company		<u>36,198</u>	<u>32,258</u>
Earnings Per Share Attributable to Shareholders of the Company	9		
Basic and diluted		<u>HK 1.9 cents</u>	<u>HK 1.7 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the Period	36,198	32,258
Other Comprehensive Loss		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,676)	(1,774)
Share of other comprehensive loss of a joint venture	(15)	—
	<u>(1,691)</u>	<u>(1,774)</u>
Total Comprehensive Income for the Period		
Attributable to Shareholders of the Company	<u>34,507</u>	<u>30,484</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30 September 2023	31 March 2023
		(Unaudited)	(Audited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-Current Assets			
Goodwill		29,709	29,709
Property, plant and equipment		15,972	19,217
Intangible assets		8,215	8,582
Investments in media contents		18,576	23,888
Investment in a joint venture		3,831	4,243
Investment in convertible bonds	10	7,057	—
Deferred tax assets		243	—
Prepayments and deposits		1,278	1,387
		84,881	87,026
Current Assets			
Licensed assets		378,931	330,068
Inventories		4,413	2,091
Trade receivables	11	219,251	192,919
Prepayments, deposits and other receivables		10,405	11,177
Due from a joint venture		132	604
Tax recoverable		2,405	4,331
Cash and cash equivalents		251,590	281,742
		867,127	822,932
Current Liabilities			
Trade payables	12	208,104	185,351
Accruals and other payables		69,277	73,268
Contract liabilities		57,035	69,386
Lease liabilities		5,126	5,301
Dividend payable		8,075	—
Tax payable		3,675	1,816
		351,292	335,122

		30 September 2023 (Unaudited) <i>Notes</i> <i>HK\$'000</i>	31 March 2023 (Audited) <i>HK\$'000</i>
Net Current Assets		<u>515,835</u>	<u>487,810</u>
Total Assets Less Current Liabilities		<u>600,716</u>	<u>574,836</u>
Non-Current Liabilities			
Lease liabilities		5,589	8,088
Provision		1,311	1,311
Deferred tax liabilities		<u>208</u>	<u>—</u>
		<u>7,108</u>	<u>9,399</u>
Net Assets		<u>593,608</u>	<u>565,437</u>
Equity			
Share capital	13	19,920	19,920
Reserves		<u>573,688</u>	<u>545,517</u>
Total Equity		<u>593,608</u>	<u>565,437</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

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

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

The registered office of the Company is located at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

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

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

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

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

2.1 BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 September 2023 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023.

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

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023. The following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) were adopted for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 April 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to change the Group's

policy of determining accounting estimates to align with the amendments. The amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.

- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 March 2024. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

Six months ended 30 September 2023 (Unaudited)

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	164,681	82,172	246,853
Fair value gains on investments in media contents, net	769	—	769
Total	<u>165,450</u>	<u>82,172</u>	<u>247,622</u>
Segment results	32,077	20,676	52,753
<i>Reconciliation:</i>			
Interest income and unallocated gains			3,730
Depreciation			(3,848)
Other corporate and unallocated expenses			<u>(10,638)</u>
Profit before tax			<u>41,997</u>
As at 30 September 2023 (Unaudited)			
Segment assets	589,852	79,944	669,796
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>282,212</u>
Total assets			<u>952,008</u>
Segment liabilities	230,832	91,397	322,229
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>36,171</u>
Total liabilities			<u>358,400</u>

Six months ended 30 September 2022 (Unaudited)

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	139,148	74,897	214,045
Fair value losses on investments in media contents, net	<u>(1,135)</u>	<u>—</u>	<u>(1,135)</u>
Total	<u><u>138,013</u></u>	<u><u>74,897</u></u>	<u><u>212,910</u></u>
Segment results	27,120	23,469	50,589
<i>Reconciliation:</i>			
Interest income and unallocated gains			1,856
Depreciation			(3,784)
Other corporate and unallocated expenses			<u>(10,865)</u>
Profit before tax			<u><u>37,796</u></u>
As at 31 March 2023 (Audited)			
Segment assets	502,919	91,595	594,514
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>315,444</u>
Total assets			<u><u>909,958</u></u>
Segment liabilities	215,175	85,980	301,155
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>43,366</u>
Total liabilities			<u><u>344,521</u></u>

4. REVENUE

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Major product or service lines		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	145,196	123,305
Distribution of films	19,485	15,843
	164,681	139,148
Fair value gains/(losses) on investments in media contents, net	769	(1,135)
	165,450	138,013
<i>Brand Licensing Business</i>		
Sub-licensing of brands	39,590	40,403
Provision of licensing agency services	17,447	19,322
Sales of merchandise	25,135	15,172
	82,172	74,897
	247,622	212,910

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Geographical locations		
<i>Media Content Distribution Business</i>		
USA	85,503	48,911
Hong Kong	39,762	50,211
Mainland China	14,506	17,679
Taiwan	12,307	10,374
Singapore	5,453	3,672
Others*	7,150	8,301
	164,681	139,148
<i>Brand Licensing Business</i>		
Hong Kong	23,303	12,527
Mainland China	15,927	12,975
Japan	14,099	21,557
Taiwan	10,589	8,209
France	8,425	8,820
USA	3,848	5,366
Others#	5,981	5,443
	82,172	74,897
	246,853[^]	214,045 [^]

* Others mainly include geographical locations of Thailand, Vietnam, Indonesia, Mongolia, United Kingdom and Korea.

Others mainly include Thailand, Korea, Italy, the Philippines, Indonesia, United Kingdom and Malaysia.

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

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Timing of revenue recognition		
<u>At a point in time</u>		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	145,196	123,305
Distribution of films	19,485	15,843
	<u>164,681</u>	<u>139,148</u>
 <i>Brand Licensing Business</i>		
Sub-licensing of brands	9,408	20,250
Provision of licensing agency services	4,421	4,612
Sales of merchandise	25,135	15,172
	<u>38,964</u>	<u>40,034</u>
	<u>203,645</u>	<u>179,182</u>
 <u>Over time</u>		
<i>Brand Licensing Business</i>		
Sub-licensing of brands	30,182	20,153
Provision of licensing agency services	13,026	14,710
	<u>43,208</u>	<u>34,863</u>
	<u>246,853[^]</u>	<u>214,045[^]</u>

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

5. OTHER INCOME AND GAINS, NET

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Other income and gains</i>		
Bank interest income	3,685	844
Government subsidies (<i>note</i>)	—	983
Others	132	419
	<u>3,817</u>	<u>2,246</u>

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

6. PROFIT BEFORE TAX

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

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of goods sold and other services rendered	123,453	110,539
Depreciation:		
Right-of-use assets	2,755	2,762
Other items of property, plant and equipment	1,093	1,022
	3,848	3,784
Amortisation of intangible assets [#]	2,753	1,175
Lease payments not included in the measurement of lease liabilities	251	88
Employee benefit expense (including directors' remuneration):		
Salaries, wages, allowances and bonuses	37,663	32,426
Pension scheme contributions (defined contribution schemes) [~]	2,454	2,256
Share-based payment expense	3,752	—
	43,869	34,682
Foreign exchange differences, net	4,675	6,576
Write-off of trade receivables*	—	501
Impairment of trade receivables*	920	701
Reversal of impairment of trade receivables*	(283)	(1,321)
Write-down of licensed rights to net realisable value, net*	11,692	9,444
Finance cost — interest on lease liabilities	145	182

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

[#] Included HK\$2,666,000 (six months ended 30 September 2022: HK\$1,160,000) related to amortisation of media content commercial rights which are included in "cost of sales" on the face of the condensed consolidated statement of profit or loss.

[~] There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2020/2021. The first HK\$2,000,000 (six months ended 30 September 2022: HK\$2,000,000) of assessable profits of that subsidiary are taxed at 8.25% (six months ended 30 September 2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 September 2022: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/ jurisdictions in which the Group operates.

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current — Hong Kong		
Charge for the period	5,589	4,838
Overprovision in prior years	(237)	—
Current — Elsewhere		
Charge for the period	482	462
Underprovision in prior years	—	238
Deferred	(35)	—
	<u>5,799</u>	<u>5,538</u>
Total tax charge for the period	<u>5,799</u>	<u>5,538</u>

8. DIVIDENDS

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend declared and recognised as distribution during the Reporting Period:		
Final dividend for year ended 31 March 2023 —		
HK 0.42 cent (year ended 31 March 2022:		
HK 0.35 cent) per ordinary share	8,366	6,972
Less: Dividend for shares held under the share award scheme	(291)	(236)
	<u>8,075</u>	<u>6,736</u>

Six months ended	
30 September	
2023	2022
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Interim dividend declared after the end of the
Reporting Period:

For year ending 31 March 2024 — HK 0.89 cent
(year ended 31 March 2023: HK 0.70 cent)
per ordinary share

<u>17,729</u>	<u>13,944</u>
----------------------	---------------

The interim dividend for the years ending/ended 31 March 2024 and 2023 was not recognised as a liability as at 30 September 2023 and 2022, respectively because it has been declared after the end of the Reporting Period.

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share for the six months ended 30 September 2023 is based on the unaudited consolidated profit for the period attributable to shareholders of the Company of HK\$36,198,000 (six months ended 30 September 2022: HK\$32,258,000), and the weighted average number of our Company's ordinary shares of 1,917,875,175 (six months ended 30 September 2022: 1,928,610,230) in issue during the period as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 September 2023 and 2022 as the Group had no potentially diluted ordinary shares in issue during those periods.

10. INVESTMENT IN CONVERTIBLE BONDS

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Investment in Convertible Bonds, at fair value	<u>7,057</u>	<u>—</u>

The above unlisted investment represents S\$1,000,000 6% convertible bonds due 2026 (“**Convertible Bonds**”) issued by an independent third party (the “**CB Insurer**”). According to the subscription agreement, the Group has the right (i) to convert the entire principal amount of the Convertible Bonds together with accrued but unpaid interest into such number of Conversion Shares at an issue price with a discount to the price at which the CB Insurer’s shares are offered in the initial public offering (“**IPO**”), prior to or on the date of launch of the IPO; and (ii) to subscribe for further convertible bonds of principal amount of up to S\$1,000,000 (“**Call Option**”). The Call Option may be exercised by the Group within six (6) months from 30 June 2023. The Convertible Bonds are unsecured and mature on 6 July 2026, bearing interest at 6.0% per annum.

The Convertible Bonds are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Group has engaged an independent firm of professionally qualified valuers to perform a valuation on the fair value of the Convertible Bonds as at 30 September 2023 which is estimated to be S\$1,231,000 (approximately HK\$7,057,000), resulting in a fair value gain of HK\$1,260,000 credited to profit or loss for the Reporting Period.

11. TRADE RECEIVABLES

	As at 30 September 2023 (Unaudited) <i>HK\$'000</i>	As at 31 March 2023 (Audited) <i>HK\$'000</i>
Billed	182,490	159,976
Unbilled	<u>45,968</u>	<u>41,538</u>
	228,458	201,514
Less: Allowance for impairment	<u>(9,207)</u>	<u>(8,595)</u>
	<u><u>219,251</u></u>	<u><u>192,919</u></u>

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

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

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

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Within 30 days	45,829	8,813
31 to 60 days	24,578	7,653
61 to 90 days	1,610	2,004
91 to 180 days	28,451	44,098
181 to 365 days	32,920	63,700
Over 365 days	49,102	33,708
	<u>182,490</u>	<u>159,976</u>

12. TRADE PAYABLES

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Billed	72,004	46,196
Unbilled	136,100	139,155
	<u>208,104</u>	<u>185,351</u>

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

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Within 30 days	39,434	23,818
31 to 90 days	647	9,559
Over 90 days	31,923	12,819
	<u>72,004</u>	<u>46,196</u>

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

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

13. SHARE CAPITAL

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
1,992,000,000 ordinary shares of HK\$0.01 each	<u>19,920</u>	<u>19,920</u>

FINANCIAL REVIEW

Revenue

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

	For the six months ended 30 September			
	2023		2022	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Media Content Distribution Business	165,450	66.8	138,013	64.8
Brand Licensing Business	82,172	33.2	74,897	35.2
Total	<u>247,622</u>	<u>100.0</u>	<u>212,910</u>	<u>100.0</u>

For the six months ended 30 September 2023, the Group's total revenue reached HK\$247.6 million, representing a period on period increase of HK\$34.7 million or 16.3%, due to increased revenue generated from both Media Content Distribution Business and Brand Licensing Business.

Media Content Distribution Business continued to be the Group's major source of revenue, contributing 66.8% (six months ended 30 September 2022: 64.8%) of the Group's total revenue for the six months ended 30 September 2023. Revenue derived from Media Content Distribution Business increased by 19.9% to HK\$165.5 million during the Reporting Period. Such increase in revenue was primarily due to the increase in demand from online platforms for animated contents and increase in revenue from distribution of films during the Reporting Period.

Revenue derived from Brand Licensing Business increased by 9.7% to HK\$82.2 million during the Reporting Period. The increase was mainly due to the growth in revenue from sales of merchandise in various pop-up stores, events and different online sales channels, which contributed revenue of HK\$25.1 million for the six months ended 30 September 2023, representing an increase of approximately HK\$10.0 million or 65.7% as compared with the six months ended 30 September 2022.

Cost of Sales

The Group's cost of sales was primarily royalty payments to the media content licensors and brand licensors at the mutually agreed royalty rates. The Group's cost of sales increased by HK\$14.4 million or 12.9% to HK\$126.1 million for the six months ended 30 September 2023. The increase was in line with the increase in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit for the six months ended 30 September 2023 amounted to HK\$121.5 million, representing an increase of HK\$20.3 million or 20.0% as compared to the six months ended 30 September 2022, mainly due to the increase in revenue for the six months ended 30 September 2023 as compared to the same period in last year. Meanwhile, the Group's gross profit margin increased by 1.6 percentage point from 47.5% for the six months ended 30 September 2022 to 49.1% for the six months ended 30 September 2023, which was mainly attributable to the combined effect of (i) decrease in dubbing and sub-titling income for serving our customers which had relatively lower gross profit margin; and (ii) changes in fair value of investments in media contents during the Reporting Period.

Other Income and Gains, net

The Group's other income and gains, net increased by 69.9% to HK\$3.8 million for the six months ended 30 September 2023. The increase was mainly due to the increase in bank interest income, partially offset by no government subsidies under the Employment Support Scheme (six months ended 30 September 2022: HK\$1.0 million).

Selling and Distribution Expenses

The Group's selling and distribution expenses for the Reporting Period amounted to HK\$36.4 million, representing an increase of HK\$9.6 million or 35.9% when compared to the same period of last year. There were increases in staff costs and expenses for marketing and travelling which is in line with the increase in revenue.

General and Administrative Expenses

The Group's general and administrative expenses for the six months ended 30 September 2023 amounted to HK\$30.7 million, representing an increase of HK\$7.9 million or 34.4% when compared to the same period of last year. The increase was mainly due to the increase in staff costs (including the share-based payment) during the Reporting Period.

Fair Value Gains On Investment In Convertible Bonds

The Group has invested in unlisted convertible bonds due 2026 issued by an independent third party. The fair value of the Convertible Bonds as at 30 September 2023 is estimated to be S\$1,231,000 (approximately HK\$7,057,000), resulting in a fair value gain of HK\$1,260,000 credited to profit or loss for the Reporting Period.

Share of Result of a Joint Venture

During the Reporting Period, the Group recorded a share of loss of Sunrise, amounting to HK\$0.4 million.

Other Expenses

Other expenses, net for the Reporting Period amounted to HK\$17.0 million, representing an increase of HK\$1.1 million, primarily owing to the increase of write-down of licensed rights to net realisable value, and increase of impairment of trade receivables, net, partially offset by the decrease in foreign exchange loss during the Reporting Period. These included (i) a write-down of HK\$11.7 million of licensed rights to net realisable value, an increase of HK\$2.2 million compared with the same period of last year, after taking into account the current market conditions and estimated future recoverable amounts in respect of the licensed rights; (ii) foreign exchange loss of HK\$4.7 million (six months ended 30 September 2022: HK\$6.6 million) resulting mainly from the depreciation of Japanese Yen and Renminbi; and (iii) net of impairment of trade receivables and reversal of impairment amounting to \$0.6 million (six months ended 30 September 2022: net of impairment, reversal of impairment and writer-off of trade receivables amounting to gain of HK\$0.1 million) after taking into account the aged trade receivable balances and customers that were in financial difficulties.

Income Tax Expenses

Income tax expenses for the period amounted to HK\$5.8 million (six months ended 30 September 2022: HK\$5.5 million), representing an effective tax rate (income tax expenses divided by profit before tax) of 13.8% for the period (six months ended 30 September 2022: 14.7%).

Profit For the Period Attributable to Shareholders of the Company

As a result of the foregoing, profit for the period attributable to shareholders of the Company increased by HK\$3.9 million or 12.2% to HK\$36.2 million. Net profit margin of 14.6% was similar to the same period of last year.

Intangible assets

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

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

	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
At 1 April	8,582	12,863
Additions	2,530	670
Amortisations	(2,753)	(1,175)
Derecognition upon a change in contract terms	—	(518)
Exchange realignment	(144)	(789)
	<hr/>	<hr/>
At 30 September	<u>8,215</u>	<u>11,051</u>

Investments in media contents

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

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

	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
At 1 April	23,888	39,742
Additions	1,894	1,500
Return of investments	(7,975)	(8,372)
Change in fair value	769	(1,135)
Exchange realignment	—	(153)
	<hr/>	<hr/>
At 30 September	<u>18,576</u>	<u>31,582</u>

Licensed Assets

The licensed assets increased by HK\$48.9 million or 14.8% to HK\$378.9 million as at 30 September 2023, of which HK\$49.9 million (as at 31 March 2023: HK\$70.4 million) related to prepayments for licensed assets with licence periods which have yet to begin. The increase was mainly due to the acquisition of media content distribution rights, partially offset by the write-down of licensed rights to net realisable value and derecognition of licensed rights upon recognition of related revenue during the Reporting Period.

Trade receivables

Trade receivables increased by 13.6%, which is primarily attributable to more revenue during the Reporting Period.

Trade payables

The increase in trade payables by 12.3% was mainly due to the increase in acquisition of media content distribution rights and brand sub-licensing rights granted by licensors to the Group over definitive licence periods.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30 September 2023, the Group's cash and bank balances were HK\$251.6 million (as at 31 March 2023: HK\$281.7 million), most of which were denominated in US dollars, NTD and HK\$. As at 30 September 2023, the Group's net current assets were HK\$515.8 million (as at 31 March 2023: HK\$487.8 million), while the current ratio of the Group was 2.5 times (as at 31 March 2023: 2.5 times).

As at 31 March and 30 September 2023, the Group did not have any interest-bearing bank and other borrowings. Thus, neither the gearing ratio nor the debt to equity ratio was applicable to the Group.

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

The Group did not have any significant contingent liabilities as at 31 March and 30 September 2023.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE AND TREASURY POLICIES

The majority of the transactions, assets and liabilities of the Group was denominated in US dollars and Hong Kong dollars. During the Period under review, no financial instruments were used for hedging purpose, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The senior management of the Group will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary. The Group did not have any derivatives for hedging against the foreign exchange rate risk as at 30 September 2023.

CAPITAL STRUCTURE

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARY

There was no acquisition or disposal of subsidiary during the six months ended 30 September 2023.

PLEDGE OF ASSETS

As at 30 September 2023, none of the assets of the Group were pledged (as at 31 March 2023: Nil).

EMPLOYEES

As at 30 September 2023, our Group had an aggregate of 155 employees (as at 31 March 2023: 141 employees) in Hong Kong, Mainland China, Taiwan, Singapore and Indonesia.

REMUNERATION POLICY

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

CAPITAL COMMITMENTS

As at 30 September 2023, our Group did not have any significant capital commitment (as at 31 March 2023: Nil).

USE OF PROCEEDS FROM LISTING

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

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

As at 30 September 2023, the Group utilised approximately HK\$178.6 million of the Net Proceeds, representing approximately 96.1% of the Net Proceeds, and the unutilised Net Proceeds amounted to approximately HK\$7.3 million (the “**Unutilised Net Proceeds**”), representing approximately 3.9% of the Net Proceeds.

The following table sets out the original planned use of Net Proceeds, the revised allocation as at 25 July 2022, and the actual usage up to 30 September 2023.

Intended use of Net Proceeds as stated in the Prospectus and the change in use of Net Proceeds announcement dated 25 July 2022	Approximate % of total Net Proceeds %	Planned use of actual Net Proceeds ^(Note 1) HK\$' million	Utilised Net Proceeds as at 25 July 2022 HK\$' million	Unutilised Net Proceeds as at 25 July 2022 HK\$' million	Revised allocation	Utilised Net	Unutilised Net Proceeds as at 30 September 2023 HK\$' million
					of the unutilised Net Proceeds as at 25 July 2022 HK\$' million	Proceeds from 26 July 2022 to 30 September 2023 HK\$' million	
Strengthen media content portfolio	54.8%	101.8	(48.2)	53.6	78.3	(78.3)	—
Expand our Brand Licensing Business	17.5%	32.6	(12.4)	20.2	5.9	(0.6)	5.3
Use for co-investment in the production of media content	9.5%	17.7	(10.7)	7.0	—	—	—
Acquisition of a potential target company to strengthen the development of Brand Licensing Business	—	—	—	—	4.4	(4.2)	0.2
Relocation and renovation of Hong Kong office and upgrade information technology equipment	6.9%	12.9	(4.8)	8.1	3.8	(2.0)	1.8
Use for our general working capital	6.6%	12.3	(12.3)	—	—	—	—
Expand media content team, brand licensing team, and expand workforce and enhance back-office support	4.7%	8.6	(4.5)	4.1	0.6	(0.6)	—
	<u>100.0%</u>	<u>185.9</u>	<u>(92.9)</u>	<u>93.0</u>	<u>93.0</u>	<u>(85.7)</u>	<u>7.3</u>

Note 1: The planned amount of use of Net Proceeds has been adjusted in the same proportion and same manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds.

Save for the utilisation of Net Proceeds during the period from 1 April 2023 to 30 September 2023, there is no other change in use of Net Proceeds.

The Board is of the view that the change in use of the Unutilised Net Proceeds as announced on 25 July 2022 will enable the Group to effectively meet the financial needs of the Group and enhance the flexibility in financial management of the Company, and is in line with the current business needs of the Group, and therefore, is in the best interests of the Company and its shareholders as a whole.

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

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

INTERIM DIVIDEND

The Board has declared an interim dividend of HK 0.89 cent per share for the six months ended 30 September 2023 payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Thursday, 21 December 2023. The interim dividend is expected to be paid to the Shareholders on Monday, 15 January 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended 30 September 2023 the register of members of the Company will be closed from Tuesday, 19 December 2023 to Thursday, 21 December 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend for the six months ended 30 September 2023, all completed transfer forms, duly accompanied by the relevant share certificates, must be lodged with our Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 18 December 2023.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

PUBLIC FLOAT

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

CORPORATE GOVERNANCE PRACTICES

Our Company has adopted the code provisions as set out in Corporate Governance Code contained Appendix 14 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. For the six months ended 30 September 2023 and up to the date of this announcement, our Company has complied with the code provisions as set out in the CG Code, save and except for code provision C.2.1 in Part 2 of the CG Code as set out below:

Chairman and Chief Executive

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

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the Reporting Period, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of our Company’s listed shares, except that the trustee of the share award scheme of the Company purchased a total 10,310,000 shares of the Company on the market for the purpose of the share award scheme and the grant of the award shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the six months ended 30 September 2023 and up to the date of this announcement.

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

REVIEW OF INTERIM RESULTS

The Company's audit committee has reviewed the accounting policies and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2023.

The Company's auditor, Ernst & Young, has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 September 2023 in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.medialink.com.hk). The interim report of the Company for the six months ended 30 September 2023 will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Reference is made to the annual report of the Company for the year ended 31 March 2023 published on 27 July 2023 (the "**Annual Report 2023**"). Unless otherwise specified, terms used in this announcement shall have the meaning as defined in the Annual Report 2023.

In addition to the information disclosed in the section headed "Report of the Directors" in the Annual Report 2023, the Company would like to add the following information pursuant to Rule 17.09 of the Listing Rules in relation to the share award scheme of the Company (the "**Scheme**").

As at the date of the Annual Report 2023, the total number of shares available for issue with regard to Awards under the Scheme was 67,255,000, representing approximately 3.38% of the issued shares of the Company as at such date. The remaining life of the Scheme is approximately six years.

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

Hong Kong, 29 November 2023

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

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

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