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**Medialink**<sup>®</sup>  
羚邦

## MEDIALINK GROUP LIMITED

羚邦集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2230)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

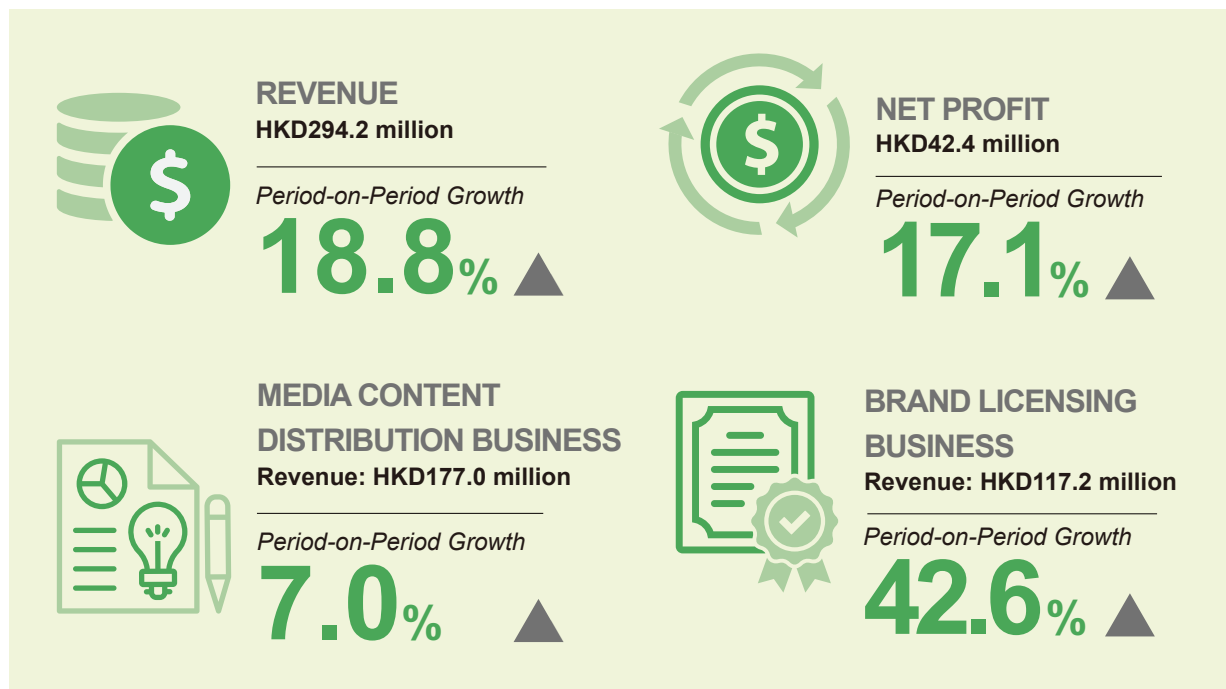
FINANCIAL HIGHLIGHTS	Six months ended 30 September		Change
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	
Revenue			
— Media Content Distribution Business	<b>176,969</b>	165,450	+7.0%
— Brand Licensing Business	<b>117,206</b>	82,172	+42.6%
Total	<b>294,175</b>	247,622	+18.8%
Gross Profit Margin	<b>50.2%</b>	49.1%	
Profit attributable to shareholders of the Company	<b>42,393</b>	36,198	+17.1%
Interim dividend per share <sup>(1)</sup>	<b>HK 1.09 cent</b>	HK 0.89 cent	
	<b>30 September 2024 (Unaudited)</b>	<b>31 March 2024 (Audited)</b>	
<b>Liquidity ratio</b>			
Current ratio <sup>(2)</sup>	<b>2.2</b>	2.6	
Cash ratio <sup>(3)</sup>	<b>0.8</b>	0.7	
<b>Capital adequacy ratio</b>			
Debt to equity ratio <sup>(4)</sup>	<b>N/A</b>	N/A	
<p>(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 28 November 2024.</p> <p>(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.</p> <p>(3) Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.</p> <p>(4) The Group did not have any interest-bearing bank and other borrowings. Thus, the debt to equity ratio was not applicable.</p>			

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

### Business Review

#### *Steady Growth with Impetus for Expansion*



### Content Distribution

Medialink Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) continues prioritising movie content as a core segment of its development. Following the success of “THE FIRST SLAM DUNK”, the Group expanded its theatrical release activities with the anime movie: “Haikyuu!!: The Dumpster Battle” which performed exceptionally well in Asia. Additionally, “BLUE LOCK THE MOVIE -EPISODE NAGI-” successfully entered the Mainland China market. During the six months ended 30 September 2024 (the “**Reporting Period**”), the Group distributed seven anime movies including “Haikyuu!!: The Dumpster Battle”; “Mobile Suit Gundam SEED FREEDOM”; “Umamusume: Pretty Derby – Beginning of a New Era”; “BLUE LOCK THE MOVIE -EPISODE NAGI-”; “My Hero Academia: You’re Next”; “Ya Boy Kongming! Road to Summer Sonia”; and “PATLABOR the Movie” in different locations in Asia, solidifying the Group’s presence in the Japanese anime movie segment.

Other than working closely with existing global platform partners such as Netflix and Crunchyroll, we have also established a new collaboration with a Malaysia VOD platform named Tonton which carries Ani-One® brand.

For our Ani-One® YouTube, we have developed our channels among Asia. Combining all the channels in Asia, Ani-One® YouTube reached more than 6.4 million subscribers and over 1.4 billion accumulated views.



Aside from exhibiting content and its content distribution services, Ani-One® also produces its own anime-related creative videos, under the naming “Ani-One® 出去玩” and features Key Opinion Leader (“KOL”) broadcast sharing of highlighted anime content shown on the channel, behind-the-scene of a dubbing production of anime contents, dubbing artist interviews, Japanese artist interviews and Virtual Youtuber (“VTuber”) interviews, among others.

We have expanded the distribution of Chinese anime across Southeast Asia. Ani-Mi™ 動漫迷 and Ani-Mi™ Asia continue to offer Chinese anime to the audiences. These two YouTube channels have grown rapidly and have now reached 93,000 subscribers with 14.8 million accumulated views for Ani-Mi™ 動漫迷 and 87,800 subscribers with 11.1 million accumulated views for Ani-Mi™ Asia. Carrying on with the acquisition of big hit titles of Heaven Official’s Blessing and Link Click, Ani-Mi™ hosted offline events in collaboration with local shopping malls during special occasions, arousing discussion among the target audience and attracting market attention.

Furthermore, the Group enhanced its offerings by acquiring and distributing blockbuster Chinese content for the inventory of the inflight segment. Following “A Guilty Conscience (毒舌大狀)”, the Group distributed “The Goldfinger (金手指)”, starring Tony Leung and Andy Lau, to various global airlines for their inflight entertainment. The Group aims to deliver exceptional flight viewing experiences by focusing on high-quality movie content.

### **Strategic co-investment**

#### ***Collaboration in Chinese anime “Nailoong”***

The Group continues to handle the distribution and brand licensing rights of the Group’s investment in a Chinese original animation 《奶龍與小七之大戰暴暴龍》. The Group has handled numerous licensing cases in various categories including personal care, gift and premium, hospitality and live events, with licensees across Asia.

### ***Investment in Hong Kong based content production company, S11 Partners Limited***

The Group has completed its share subscription in S11 Partners Limited (“S11”) on 31 May 2024. S11 is an investment the Group has made with veteran Chinese-language content producers Cora Yim (嚴嘉念) and Benjamin Lin (林秉聿) in 2024. Cora and Benjamin are the executive producers for the drama program “Taiwan Crime Stories” which won the 58th Golden Bell awards in 2023. Our Group distributed this drama program to the streaming platform Disney+ in the same year. The Board expects the Group’s investment in S11 will enhance our content production capability and foster the cultivation of creative talents. This investment will also create new growth opportunities in content production and distribution.

### **Acquisition of licensing brands**

The Group has successfully represented LINE Friends and BT21 for Southeast Asia territories. The Group expects a surge of brand exposure and licensing opportunities for both brands in the coming years.

### ***The integration of China and France’s culture-The production of a new Chinese animated film of “Le Petit Prince”***

The Group as the exclusive licensing agent of “Le Petit Prince” in the Greater China, Japan and Southeast Asia, has enabled the production of a new Chinese animated film of “Le Petit Prince” to coincide with the 60th Anniversary of China-France Diplomatic Relations. The D’AGAY — SAINT EXUPERY ESTATE, El Pajaro Pictures Shanghai Ltd. Co. (“El Pajaro”) and the Group have entered into a licensing agreement allowing El Pajaro to produce a new animated film in Chinese titled “Le Petit Prince — Xiao Wangzi”, all designed and manufactured in China.

***Expand and continue to develop overseas markets through Intellectual Property (“IP”) management and brand licensing***

With a significant expansion in sub-licensing rights on Japanese IPs, the Group has notably enhanced the sales performance of merchandise through self-developed products. The success of these products from Hong Kong and Taiwan has now expanded throughout all of Asia.

**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***

	<b>As at 30 September 2024</b>	As at 31 March 2024
Number of active titles of media contents available	<b>717</b>	702
Number of brands available	<b>410</b>	379

## **BUSINESS OUTLOOK AND FUTURE PLANS**

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

- Expand our own content distribution platforms through Ani-One® and our new channels.
- Explore new regional platforms to enhance the sales revenue and to expand more local platforms in India.
- Active acquisition and distribution of A Grade Series and Movies in Asia.
- Invest in content production and co-invest in movies.
- Continue to look for opportunities for joint ventures and invest in companies that would bring value to the business and our shareholders.
- Expand licensing rights to more regions and continuously seek opportunities to collaborate with global brands on regional or global scale.
- Expand our product sales and Ani-Mall® to other regions.

## 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 2023 as set out below.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 September 2024*

	<i>Notes</i>	<b>Six months ended</b>	
		<b>2024</b>	<b>2023</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	4	<b>294,175</b>	247,622
Cost of sales		<u>(146,373)</u>	<u>(126,119)</u>
Gross profit		<b>147,802</b>	121,503
Other income and gains, net	5	<b>9,325</b>	3,817
Selling and distribution expenses		<b>(60,772)</b>	(36,360)
General and administrative expenses		<b>(27,338)</b>	(30,676)
Other expenses, net		<b>(22,622)</b>	(17,004)
Finance costs		<b>(133)</b>	(145)
Fair value gain on investment in a convertible bond		<b>374</b>	1,260
Share of profit/(loss) of a joint venture		<b>3,418</b>	(398)
Share of loss of an associate		<u>(62)</u>	<u>—</u>
<b>Profit Before Tax</b>	6	<b>49,992</b>	41,997
Income tax expense	7	<u>(7,599)</u>	<u>(5,799)</u>
<b>Profit for the Period Attributable to Shareholders of the Company</b>		<u><b>42,393</b></u>	<u>36,198</u>
<b>Earnings Per Share Attributable to Shareholders of the Company</b>			
Basic and diluted	9	<u><b>HK 2.2 cents</b></u>	<u>HK 1.9 cents</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*For the six months ended 30 September 2024*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the Period</b>	<b>42,393</b>	36,198
<b>Other Comprehensive Income/(Loss)</b>		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>1,025</b>	(1,676)
Share of other comprehensive income/(loss) of a joint venture	<b>88</b>	(15)
	<u><b>1,113</b></u>	<u>(1,691)</u>
<b>Total Comprehensive Income for the Period</b>		
<b>Attributable to Shareholders of the Company</b>	<u><b>43,506</b></u>	<u>34,507</u>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 (Unaudited) <i>HK\$'000</i>	31 March 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-Current Assets</b>			
Goodwill		29,709	29,709
Property, plant and equipment		11,767	14,119
Intangible assets		8,375	8,700
Investments in media contents		15,486	15,355
Investment in a joint venture		8,049	4,543
Investment in an associate		3,058	—
Investment in a convertible bond	10	5,743	5,369
Deferred tax assets		75	81
Deposits		1,610	1,409
		<u>83,872</u>	<u>79,285</u>
<b>Current Assets</b>			
Licensed assets		403,087	359,929
Inventories		8,718	6,511
Trade receivables	11	206,640	223,803
Prepayments, deposits and other receivables		9,968	15,764
Due from a joint venture		6	556
Cash and cash equivalents		356,854	235,727
		<u>985,273</u>	<u>842,290</u>
<b>Current Liabilities</b>			
Trade payables	12	227,649	165,865
Accruals and other payables		98,576	73,848
Contract liabilities		92,269	81,067
Lease liabilities		5,669	5,394
Dividend payable		6,500	—
Tax payable		10,311	2,236
		<u>440,974</u>	<u>328,410</u>
<b>Net Current Assets</b>		<u>544,299</u>	<u>513,880</u>
<b>Total Assets Less Current Liabilities</b>		<u>628,171</u>	<u>593,165</u>

		<b>30 September 2024 (Unaudited) <i>Notes</i>      <i>HK\$'000</i></b>	31 March 2024 (Audited) <i>HK\$'000</i>
<b>Non-Current Liabilities</b>			
Lease liabilities		<b>1,633</b>	4,134
Provision		<b>1,311</b>	1,311
		<u><b>2,944</b></u>	<u>5,445</u>
<b>Net Assets</b>		<u><b>625,227</b></u>	<u>587,720</u>
<b>Equity</b>			
Share capital	13	<b>19,920</b>	19,920
Reserves		<b>605,307</b>	567,800
<b>Total Equity</b>		<u><b>625,227</b></u>	<u>587,720</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 are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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 consolidated financial information for the six months ended 30 September 2024 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 annual consolidated financial statements for the year ended 31 March 2024.

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 when 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 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “<b>2020 Amendments</b>”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “<b>2022 Amendments</b>”)</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

### 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 which comprises distributions and investments in media contents including animation series, variety shows, drama series, animated and live-action feature films and other video contents; and
- (b) the brand licensing segment which comprises (i) obtaining various rights to use third-party owned brands, which include certain merchandising rights, location-based entertainment rights and promotion rights, and sub-licensing the use of these brands to customers; and (ii) acting 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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income and unallocated gains, depreciation, share of results of a joint venture and an associate, and other corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, property, plant and equipment, investment in a convertible bond, investment in a joint venture, investment in an associate, cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis.

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

	<b>Media content distribution HK\$'000</b>	<b>Brand licensing HK\$'000</b>	<b>Total HK\$'000</b>
<b>Six months ended 30 September 2024 (Unaudited)</b>			
<b>Segment revenue:</b>			
Sales to external customers	176,838	117,206	294,044
Fair value gains on investments in media contents, net	<u>131</u>	<u>—</u>	<u>131</u>
Total	<u><u>176,969</u></u>	<u><u>117,206</u></u>	<u><u>294,175</u></u>
<b>Segment results</b>	<b>38,476</b>	<b>30,163</b>	<b>68,639</b>
<i>Reconciliation:</i>			
Share of profit of a joint venture			3,418
Share of loss of an associate			(62)
Interest income and unallocated gains			8,749
Depreciation			(3,427)
Other corporate and unallocated expenses			<u>(27,325)</u>
Profit before tax			<u><u>49,992</u></u>
<b>As at 30 September 2024 (Unaudited)</b>			
<b>Segment assets</b>	<b>556,538</b>	<b>119,621</b>	<b>676,159</b>
<i>Reconciliation:</i>			
Investment in a joint venture			8,049
Investment in an associate			3,058
Corporate and other unallocated assets			<u>381,879</u>
Total assets			<u><u>1,069,145</u></u>
<b>Segment liabilities</b>	<b>254,744</b>	<b>102,282</b>	<b>357,026</b>
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>86,892</u>
Total liabilities			<u><u>443,918</u></u>

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Six months ended 30 September 2023 (Unaudited)</b>			
<b>Segment revenue:</b>			
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>
<b>Segment results</b>	32,077	20,676	52,753
<i>Reconciliation:</i>			
Share of loss of a joint venture			(398)
Interest income and unallocated gains			3,730
Depreciation			(3,848)
Other corporate and unallocated expenses			<u>(10,240)</u>
Profit before tax			<u>41,997</u>
<b>As at 31 March 2024 (Audited)</b>			
<b>Segment assets</b>	528,780	127,701	656,481
<i>Reconciliation:</i>			
Investment in a joint venture			4,543
Corporate and other unallocated assets			<u>260,551</u>
Total assets			<u>921,575</u>
<b>Segment liabilities</b>	188,121	117,340	305,461
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>28,394</u>
Total liabilities			<u>333,855</u>



#### 4. REVENUE

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Major product or service lines</b>		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	<b>97,253</b>	145,196
Distribution of feature films	<b>79,585</b>	19,485
	<b>176,838</b>	164,681
Fair value gains on investments in media contents, net	<b>131</b>	769
	<b>176,969</b>	165,450
<i>Brand Licensing Business</i>		
Sub-licensing of brands	<b>63,880</b>	39,590
Provision of licensing agency services	<b>12,846</b>	17,447
Sales of merchandise	<b>40,480</b>	25,135
	<b>117,206</b>	82,172
	<b>294,175</b>	247,622

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Geographical locations</b>		
<i>Media Content Distribution Business</i>		
Taiwan	<b>58,288</b>	12,307
Hong Kong	<b>45,718</b>	39,762
USA	<b>34,408</b>	85,503
Singapore	<b>6,852</b>	5,453
Others	<b>31,572</b>	21,656
	<u><b>176,838</b></u>	<u>164,681</u>
<i>Brand Licensing Business</i>		
Mainland China	<b>31,900</b>	15,927
Taiwan	<b>30,745</b>	10,589
Hong Kong	<b>20,615</b>	23,303
Japan	<b>18,199</b>	14,099
Others	<b>15,747</b>	18,254
	<u><b>117,206</b></u>	<u>82,172</u>
	<u><b>294,044<sup>^</sup></b></u>	<u>246,853<sup>^</sup></u>

<sup>^</sup> Excluded fair value changes in investments in media contents, net.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>Timing of revenue recognition</b>		
<u>At a point in time</u>		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	<b>97,253</b>	145,196
Distribution of feature films	<b>79,585</b>	19,485
	<b>176,838</b>	164,681
 <i>Brand Licensing Business</i>		
Sub-licensing of brands	<b>22,144</b>	9,408
Provision of licensing agency services	<b>2,646</b>	4,421
Sales of merchandise	<b>40,480</b>	25,135
	<b>65,270</b>	38,964
	<b>242,108</b>	203,645
 <u>Over time</u>		
<i>Brand Licensing Business</i>		
Sub-licensing of brands	<b>41,736</b>	30,182
Provision of licensing agency services	<b>10,200</b>	13,026
	<b>51,936</b>	43,208
	<b>294,044<sup>^</sup></b>	<b>246,853<sup>^</sup></b>

<sup>^</sup> Excluded fair value changes in investments in media contents, net.

## 5. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Bank interest income	4,523	3,685
Foreign exchange differences, net	3,225	—
Government subsidies ( <i>note</i> )	384	—
Other interest income	383	—
Interest on a convertible bond	176	82
Others	634	50
	<u>9,325</u>	<u>3,817</u>

*Note:* There were no unfulfilled conditions or contingencies relating to these subsidies.

## 6. PROFIT BEFORE TAX

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Cost of goods sold and services rendered	<b>145,867</b>	123,453
Depreciation:		
Right-of-use assets	<b>2,702</b>	2,755
Other items of property, plant and equipment	<b>725</b>	1,093
	<b>3,427</b>	3,848
Amortisation of intangible assets <sup>#</sup>	<b>552</b>	2,753
Lease payments not included in the measurement of lease liabilities	<b>349</b>	251
Employee benefit expense (including directors' remuneration):		
Salaries, wages, allowances and bonuses	<b>34,652</b>	37,663
Pension scheme contributions (defined contribution schemes) <sup>~</sup>	<b>2,694</b>	2,454
Share-based payment expenses	<b>1,735</b>	3,752
	<b>39,081</b>	43,869
Foreign exchange differences, net	<b>(3,225)</b>	4,675
Impairment of trade receivables*	<b>302</b>	920
Reversal of impairment of trade receivables*	<b>(185)</b>	(283)
Write-down of licensed rights to net realisable value, net*	<b>2,250</b>	11,692
Finance cost — interest on lease liabilities	<b>133</b>	145
Write-back of trade payables*	<b>(1,527)</b>	—
Other operating loss* <sup>^</sup>	<b>21,372</b>	—

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

<sup>#</sup> Included HK\$506,000 (six months ended 30 September 2023: HK\$2,666,000) related to amortisation of media content commercial rights which are included in "cost of sales" in the interim 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.
- ^ During the six months ended 30 September 2024, the Group identified a cybersecurity incident which resulted in payments made to falsified bank accounts. The Group promptly reported to the police, engaged independent cybersecurity experts to conduct investigation, and sought legal advice. Based on the continuing investigation and the information currently available, the board of the Company considers there is an estimated loss of HK\$21,372,000 and it was charged to the interim condensed consolidated statement of profit or loss for the six months ended 30 September 2024.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 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. The first HK\$2,000,000 (six months ended 30 September 2023: HK\$2,000,000) of assessable profits of that subsidiary are taxed at 8.25% (six months ended 30 September 2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 September 2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current — Hong Kong		
Charge for the period	<b>3,699</b>	5,589
Overprovision in prior years	—	(237)
Current — Elsewhere		
Charge for the period	<b>3,894</b>	482
Deferred	<b>6</b>	(35)
	<hr/>	<hr/>
Total tax charge for the period	<b><u>7,599</u></b>	<b><u>5,799</u></b>

## 8. DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Dividend declared and recognised as distribution during the Reporting Period:		
Final dividend for the year ended 31 March 2024 — HK 0.32 cent (year ended 31 March 2023: HK 0.42 cent) per ordinary share	<b>6,374</b>	8,366
Special dividend for the year ended 31 March 2024 — HK 0.02 cent (year ended 31 March 2023: Nil) per ordinary share	<b>398</b>	—
Less: Dividend for shares held under the share award scheme	<b>(272)</b>	(291)
	<b><u>6,500</u></b>	<u>8,075</u>
Interim dividend declared after the end of the Reporting Period:		
For the year ending 31 March 2025 — HK 1.09 cent (year ended 31 March 2024: HK 0.89 cent) per ordinary share	<b><u>21,713</u></b>	<u>17,729</u>

The interim dividend for the years ending/ended 31 March 2025 and 2024 was not recognised as a liability as at 30 September 2024 and 2023, 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 2024 is based on the profit for the period attributable to shareholders of the Company of HK\$42,393,000 (six months ended 30 September 2023: HK\$36,198,000), and the weighted average number of ordinary shares of 1,916,856,566 (six months ended 30 September 2023: 1,917,875,175) 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 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 10. INVESTMENT IN A CONVERTIBLE BOND

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Investment in a convertible bond, at fair value	<u>5,743</u>	<u>5,369</u>

The above unlisted investment represents S\$1,000,000 6% convertible bonds due 2026 (“**Convertible Bond**”) issued by an independent third party (the “**CB issuer**”). According to the subscription agreement, the Group has the right (i) to convert the entire principal amount of the Convertible Bond 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 issuer’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 Group did not exercise the Call Option within the exercisable period (i.e., within six months from 30 June 2023). The Convertible Bond is unsecured, bearing interest at 6.0% per annum and will mature on 6 July 2026.

The Convertible Bond is 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 valuer to perform a valuation on the fair value of the Convertible Bond as at 30 September 2024 which is estimated to be S\$946,000 (approximately HK\$5,743,000) (31 March 2024: S\$926,000 (approximately HK\$5,369,000)), resulting in a fair value gain of HK\$374,000 (six months ended 30 September 2023: HK\$1,260,000) credited to profit or loss for the Reporting Period.



## 11. TRADE RECEIVABLES

	As at 30 September 2024 (Unaudited) <i>HK\$'000</i>	As at 31 March 2024 (Audited) <i>HK\$'000</i>
Billed	168,908	218,744
Unbilled	<u>45,974</u>	<u>13,189</u>
	214,882	231,933
Less: Allowance for impairment	<u>(8,242)</u>	<u>(8,130)</u>
	<u><u>206,640</u></u>	<u><u>223,803</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 payments usually due upon the Group's issuance of the letters of authorisation relating to the media content to the respective customers. 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 payments 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:

	<b>As at 30 September 2024 (Unaudited) HK\$'000</b>	<b>As at 31 March 2024 (Audited) HK\$'000</b>
Within 30 days	<b>43,378</b>	40,399
31 to 60 days	<b>26,192</b>	30,809
61 to 90 days	<b>4,145</b>	45,868
91 to 180 days	<b>14,622</b>	14,360
181 to 365 days	<b>44,966</b>	60,809
Over 365 days	<b>35,605</b>	26,499
	<b><u>168,908</u></b>	<b><u>218,744</u></b>

## 12. TRADE PAYABLES

	<b>As at 30 September 2024 (Unaudited) HK\$'000</b>	<b>As at 31 March 2024 (Audited) HK\$'000</b>
Billed	<b>94,615</b>	99,356
Unbilled	<b>133,034</b>	66,509
	<b><u>227,649</u></b>	<b><u>165,865</u></b>

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

	<b>As at 30 September 2024 (Unaudited) HK\$'000</b>	As at 31 March 2024 (Audited) HK\$'000
Within 30 days	<b>12,313</b>	31,260
31 to 90 days	<b>20,316</b>	13,828
Over 90 days	<b>61,986</b>	54,268
	<b><u>94,615</u></b>	<u>99,356</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 and are calculated based on the royalty rates as stipulated in the respective licensing contracts.

### 13. SHARE CAPITAL

	<b>As at 30 September 2024 (Unaudited) HK\$'000</b>	As at 31 March 2024 (Audited) HK\$'000
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<b><u>50,000</u></b>	<u>50,000</u>
Issued and fully paid:		
1,992,000,000 ordinary shares of HK\$0.01 each	<b><u>19,920</u></b>	<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			
	2024		2023	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Media Content Distribution Business	<b>176,969</b>	<b>60.2</b>	165,450	66.8
Brand Licensing Business	<b>117,206</b>	<b>39.8</b>	82,172	33.2
Total	<b><u>294,175</u></b>	<b><u>100.0</u></b>	<b><u>247,622</u></b>	<b><u>100.0</u></b>

For the six months ended 30 September 2024, the Group's total revenue reached HK\$294.2 million, representing a period on period increase of HK\$46.6 million or 18.8%, due to increased revenue generated from both Media Content Distribution Business and Brand Licensing Business.

Media Content Distribution Business contributed 60.2% (six months ended 30 September 2023: 66.8%) of the Group's total revenue for the six months ended 30 September 2024. Revenue derived from Media Content Distribution Business increased by 7.0% to HK\$177.0 million during the Reporting Period, due to the strong revenue was mainly derived from distribution of films during the Reporting Period.

Revenue derived from Brand Licensing Business increased by 42.6% to HK\$117.2 million during the Reporting Period. The increase was mainly due to the growth in revenue from sub-licensing income, which contributed HK\$63.9 million for six months ended 30 September 2024, representing an increase of approximately HK\$24.3 million or 61.4% as compared with the six months ended 30 September 2023. Besides, there was an increase in the sales of merchandise in various pop-up stores, events and different online sales channels, which contributed revenue of HK\$40.5 million for the six months ended 30 September 2024, representing an increase of approximately HK\$15.3 million or 61.1% as compared with the six months ended 30 September 2023.

## **Cost of Sales**

The Group's cost of sales was primarily royalty payments to the media content licensors and brand licensors at the mutually agreed royalty rates. The Group's cost of sales increased by HK\$20.3 million or 16.1% to HK\$146.4 million for the six months ended 30 September 2024. 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 2024 amounted to HK\$147.8 million, representing an increase of HK\$26.3 million or 21.6% as compared to the six months ended 30 September 2023, mainly due to the increase in revenue for the six months ended 30 September 2024 as compared to the same period of last year. Meanwhile, the Group's gross profit margin increased by 1.1 percentage point from 49.1% for the six months ended 30 September 2023 to 50.2% for the six months ended 30 September 2024, which was mainly attributable to the increase in the distribution of feature films which has relatively higher gross profit margin.

## **Other Income and Gains, net**

The Group's other income and gains, net increased by 144.3% to HK\$9.3 million for the six months ended 30 September 2024. The increase was mainly due to the increase in bank interest income, government subsidies and interest on a convertible bond, and foreign exchange gain of HK\$3.2 million (six months ended 30 September 2023: nil).

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses for the Reporting Period amounted to HK\$60.8 million, representing an increase of HK\$24.4 million or 67.1% when compared to the same period of last year. There were increases in staff costs, expenses for marketing and withholding taxes 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 2024 amounted to HK\$27.3 million, representing a decrease of HK\$3.3 million or 10.9% when compared to the same period of last year. The decrease was mainly due to the decrease in staff costs during the Reporting Period.

## **Fair Value Gain on Investment in a Convertible Bond**

The Group has invested in an unlisted convertible bond due 2026 issued by an independent third party. The fair value of the convertible bond as at 30 September 2024 is estimated to be S\$946,000 (approximately HK\$5,743,000), resulting in a fair value gain of HK\$0.4 million credited to profit or loss for the Reporting Period.

## **Other Expenses, Net**

Other expenses, net for the Reporting Period amounted to HK\$22.6 million, representing an increase of HK\$5.6 million, primarily owing to the loss on payments to falsified bank accounts, partially offset by the decrease of write-down of licensed rights to net realisable value, the decrease of impairment of trade receivables and increase in write-back of old-aged trade payable during the Reporting Period. These mainly included (i) loss on payments to falsified bank accounts of HK\$21.4 million (six months ended 30 September 2023: nil); (ii) a write-down of HK\$2.3 million of licensed rights to net realisable value, a decrease of HK\$9.4 million compared with the same period of last year, after taking into account the current market conditions and estimated future recoverable amounts in respect of the licensed rights; (iii) nil foreign exchange loss (six months ended 30 September 2023: loss of HK\$4.7 million) resulting mainly from the appreciation of Japanese Yen and Renminbi; (iv) net of impairment and reversal of impairment of trade receivables of HK\$0.1 million during the Report Period (six months ended 30 September 2023: HK\$0.6 million) after taking into account the aged trade receivable balances and customers that were in financial difficulties; and (v) write-back of long aged trade payable of HK\$1.5 million (six months ended 30 September 2023: Nil).

## **Income Tax Expenses**

Income tax expenses for the period amounted to HK\$7.6 million (six months ended 30 September 2023: HK\$5.8 million), representing an effective tax rate (income tax expenses divided by profit before tax) of 15.2% for the period (six months ended 30 September 2023: 13.8%).

## **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\$6.2 million or 17.1% to HK\$42.4 million. Net profit margin of 14.4% was similar to the same period of last year.

## **Intangible assets**

Intangible assets comprise media content commercial rights, computer software, brand licensing contracts and ERP system under development.

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

	<b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2023 <i>HK\$'000</i> (Unaudited)
At 1 April	<b>8,700</b>	8,582
Additions	<b>143</b>	2,530
Amortisation	<b>(552)</b>	(2,753)
Exchange realignment	<b>84</b>	(144)
	<hr/>	<hr/>
At 30 September	<b>8,375</b>	8,215
	<hr/> <hr/>	<hr/> <hr/>

### **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:

	<b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2023 <i>HK\$'000</i> (Unaudited)
At 1 April	<b>15,355</b>	23,888
Additions	—	1,894
Return of investments	—	(7,975)
Change in fair value	<b>131</b>	769
	<hr/>	<hr/>
At 30 September	<b>15,486</b>	18,576
	<hr/> <hr/>	<hr/> <hr/>

### **Licensed Assets**

The licensed assets increased by HK\$43.2 million or 12.0% to HK\$403.1 million as at 30 September 2024, of which HK\$2.9 million (as at 31 March 2024: HK\$13.3 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 decreased by 7.7%, indicating robust collection efforts during the Reporting Period.

## **Trade payables**

The increase in trade payables by 37.2% 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 2024, the Group's cash and cash equivalents were HK\$356.9 million (as at 31 March 2024: HK\$235.7 million), most of which were denominated in US dollars. As at 30 September 2024, the Group's net current assets were HK\$544.3 million (as at 31 March 2024: HK\$513.9 million), while the current ratio of the Group was 2.2 times (as at 31 March 2024: 2.6 times).

As at 31 March 2024 and 30 September 2024, 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 of the shares of the Company on the Main Board of the Stock Exchange on 21 May 2019 (the "**Listing**"). With a 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 2024 and 30 September 2024.

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATE AND TREASURY POLICIES**

The majority of the transactions, assets and liabilities of the Group was denominated in United States ("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 2024.



## **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 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There was no material acquisition or disposal of subsidiaries, associates and joint venture during the six months ended 30 September 2024.

## **PLEDGE OF ASSETS**

As at 30 September 2024, none of the assets of the Group were pledged (as at 31 March 2024: Nil).

## **EMPLOYEES**

As at 30 September 2024, our Group had a total of 177 full-time and part-time employees (as at 31 March 2024: 164 full-time and part-time employees) in Hong Kong, Mainland China, Taiwan, Singapore, Malaysia 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 Company adopted a share award scheme on 6 February 2020. The purposes of the share award scheme are to reward the Eligible Persons for their past, present or expected contribution and loyalty to the Group and align their interests with those of the Shareholders through the grant of award shares. The share award scheme is funded solely by the existing shares of the Company. 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 2024, our Group did not have any significant capital commitment (as at 31 March 2024: 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 2024, the Group utilised approximately HK\$182.2 million of the Net Proceeds, representing approximately 98.0% of the Net Proceeds, and the unutilised Net Proceeds amounted to approximately HK\$3.7 million (the “**Unutilised Net Proceeds**”), representing approximately 2.0% 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 2024.

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 <sup>(Note 1)</sup> HK\$ million	Utilised Net Proceeds as at 25 July 2022 HK\$ million	Unutilised Net Proceeds as at 25 July 2022 HK\$ million	Revised allocation of the unutilised Net Proceeds as at 25 July 2022 HK\$ million	Utilised Net Proceeds from 26 July 2022 to 30 September 2024 HK\$ million	Unutilised Net Proceeds as at 30 September 2024 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	(3.2)	2.7
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	(4.3)	0.1
Relocation and renovation of Hong Kong office and upgrade information technology equipment	6.9%	12.9	(4.8)	8.1	3.8	(2.9)	0.9
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>(89.3)</u>	<u>3.7</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 2024 to 30 September 2024, 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 1.09 cent per share for the six months ended 30 September 2024 payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company on Friday, 20 December 2024. The interim dividend is expected to be paid to the Shareholders on Wednesday, 15 January 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to the interim dividend for the six months ended 30 September 2024, the register of members of the Company will be closed from Wednesday, 18 December 2024 to Friday, 20 December 2024, 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 2024, 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 Tuesday, 17 December 2024.

## **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 of the Company 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 C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. For the six months ended 30 September 2024 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 (including sale of treasury shares), except that the trustee of the share award scheme of the Company purchased a total 8,010,000 shares of the Company on the market for the purpose of the share award scheme and the grant of the award shares. As at 30 September 2024, the Company did not hold any treasury 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 C3 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 2024 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.

## **INSIDE INFORMATION**

The following is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In September 2024, the Group identified a cybersecurity incident which resulted in payments made to falsified bank accounts. The Group promptly reported to the police, engaged independent cybersecurity experts to conduct investigation, and sought legal advice. Based on the continuing investigation and the information currently available, the board of the Company considered that (i) there is an estimated loss of HK\$21,372,000 which was charged to the interim condensed consolidated statement of profit or loss for the six months ended 30 September 2024; and (ii) this is an isolated incident and the Group expects that it will not have any material impact on the Group’s daily operations and that the Group’s financial position remains solid. Based on recommendations from the independent cybersecurity experts, the Group has promptly implemented enhanced internal controls focusing on network information security, payment procedures, and cybersecurity risk awareness. The Company will make further announcement if there are any significant updates regarding the incident as and when appropriate.

## **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 2024.

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

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.medialink.com.hk](http://www.medialink.com.hk)). The interim report of the Company for the six months ended 30 September 2024 will be dispatched to Shareholders who have requested to receive printed copies and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 November 2024

*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](http://www.medialink.com.hk).*

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