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歡喜傳媒集團有限公司*

HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors”) of Huanxi Media Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 together with the comparative amounts for the corresponding period in 2024. The unaudited condensed consolidated interim financial information of the Group has been reviewed by the Company’s audit committee (the “Committee”).

* For identification purposes only

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Revenue and film investment income/(loss), net	4	179,940	115,209
Cost of revenue	7	(197,507)	(185,555)
Gross loss		(17,567)	(70,346)
Other income		1,287	51
Other (losses)/gains, net	6	(800)	1,922
Gain on film investment funds from investors	15	23,528	185,554
Selling and distribution costs	7	(54,298)	(153,391)
Administrative expenses	7	(52,814)	(54,072)
Operating loss		(100,664)	(90,282)
Finance income		777	1,507
Finance costs		(1,142)	(329)
Finance (costs)/income, net		(365)	1,178
Loss before tax		(101,029)	(89,104)
Income tax (expense)/credit	8	(1,203)	55
Loss for the period		(102,232)	(89,049)
Loss for the period attributable to owners of the Company		(102,232)	(89,049)

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Note			
Other comprehensive income/(loss)			
<i>Item that will not be reclassified to profit or loss:</i>			
	Exchange differences arising on translation of functional currency to presentation currency	5,465	(11,696)
<i>Item that may be reclassified to profit or loss:</i>			
	Exchange differences on translation of foreign operations	<u>26,730</u>	<u>(21,464)</u>
		<u>32,195</u>	<u>(33,160)</u>
	Total comprehensive loss for the period	<u>(70,037)</u>	<u>(122,209)</u>
	Total comprehensive loss for the period attributable to owners of the Company	<u>(70,037)</u>	<u>(122,209)</u>
Loss per share for the period attributable to the owners of the Company			
	–Basic and diluted (<i>HK dollar</i>)	<u>(0.03)</u>	<u>(0.02)</u>
	10		

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		1,032	1,158
Right-of-use assets		15,151	14,829
Deposits and prepayments	13	7,778	9,790
Prepayments for film and TV programmes rights	11	360,529	359,588
Film and TV programmes rights	12	357,909	347,414
Deferred tax assets		<u>14,419</u>	<u>14,054</u>
		<u>756,818</u>	<u>746,833</u>
Current assets			
Film and TV programmes rights	12	783,955	928,241
Trade and other receivables, deposits and prepayments	13	130,083	110,751
Contract assets		139,519	17,344
Cash and cash equivalents		<u>35,741</u>	<u>144,987</u>
		<u>1,089,298</u>	<u>1,201,323</u>
Total assets		<u><u>1,846,116</u></u>	<u><u>1,948,156</u></u>

		30 June 2025	31 December 2024
	<i>Note</i>	HK\$'000	HK\$'000
Equity			
Share capital		36,565	36,565
Reserves		1,047,813	1,117,850
Total equity		1,084,378	1,154,415
Non-current liabilities			
Lease liabilities		6,240	8,025
Borrowing	<i>16</i>	–	42,440
Contract liabilities		30,419	15,915
		36,659	66,380
Current liabilities			
Trade and other payables	<i>14</i>	113,966	159,674
Film investment funds from investors	<i>15</i>	529,961	519,039
Contract liabilities		859	756
Borrowing	<i>16</i>	29,544	–
Lease liabilities		7,838	6,283
Current tax liabilities		42,911	41,609
		725,079	727,361
Total liabilities		761,738	793,741
Total equity and liabilities		1,846,116	1,948,156

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the unaudited condensed consolidated interim financial information is to be read in conjunction with the annual report for the year ended 31 December 2024 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and any public announcements made by the Company during the six months ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards.

The unaudited condensed consolidated interim financial information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

2. ACCOUNTING POLICIES

The Group has adopted new or revised standards, amendments to standards and interpretations of HKFRS which are effective for accounting periods commencing on or after 1 January 2025. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the unaudited condensed consolidated interim financial information and does not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior years. The Group has not adopted any new standard or interpretation that is not yet effective for the current accounting period. Management does not anticipate any significant impact on the Group’s consolidated financial position and consolidated results of operations upon adopting the other new or revised standards, amendments or interpretations.

3. JUDGEMENTS AND ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2024.

4. REVENUE AND FILM INVESTMENT INCOME/(LOSS), NET

An analysis of the Group's revenue and film investment income/ (loss), net for the period, net of sales related tax, is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue		
– Share of box office income	144,518	63,374
– Sub-licensing of film and TV programmes rights	30,926	52,489
– Other media related revenue	1,219	3,890
	176,663	119,753
Film investment income/(loss), net	3,277	(4,544)
	179,940	115,209

5. SEGMENT INFORMATION

The chief operating decision maker (“CODM”) has been identified as the executive Directors who review the Group's internal reporting in order to assess performance and allocate resources. The Group's operations are currently organised into one reportable segment which is investment in film and TV programmes rights. The CODM reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

The Group's current operations are located in the People's Republic of China (the “PRC”) and Hong Kong. The Group's revenue and film investment income/(loss), net is substantially generated from customers in the PRC and the Group's non-current assets are substantially located in the PRC.

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net foreign exchange (losses)/gains	<u>(800)</u>	<u>1,922</u>

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Employee benefit expenses (excluding Directors' remuneration)	24,090	21,854
Directors' remuneration	7,636	7,636
Depreciation		
– Property, plant and equipment	175	264
– Right-of-use assets	5,203	6,666
Short-term lease expenses	206	210
Legal and professional expenses	1,618	1,260
Travelling and entertainment expenses	2,909	3,715
Advertising and marketing expenses	54,298	153,391
Amortisation of film and TV programmes rights	197,507	185,555
Film preparation and other media related costs	5,028	6,228
Others	<u>5,949</u>	<u>6,239</u>
Total cost of revenue, selling and distribution costs and administrative expenses	<u>304,619</u>	<u>393,018</u>

8. INCOME TAX EXPENSE/(CREDIT)

Under the Law of the PRC on Corporate Income Tax (the “CIT Law”) and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the CIT law, 7% (for the six months ended 30 June 2024: 10%) withholding tax is levied on the PRC sourced income on foreign entities without establishments or places of business in the PRC.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong profits tax has been made in the unaudited condensed consolidated interim financial information as the relevant Group entities have incurred tax losses (for the six months ended 30 June 2024: Same).

No overseas profits tax has been calculated for the Group entities that are incorporated in the British Virgin Islands or Bermuda as they are exempted from tax (for the six months ended 30 June 2024: Same).

Income tax expense/(credit) charged/(credited) to the profit or loss represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax	1,129	–
Deferred income tax	74	(55)
Income tax expense/(credit)	<u>1,203</u>	<u>(55)</u>

9. DIVIDENDS

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (30 June 2024: Same).

10. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (in HK\$'000)	<u>(102,232)</u>	<u>(89,049)</u>
Weighted average number of ordinary shares for basic and diluted loss per share (in thousands)	<u>3,656,472</u>	<u>3,656,472</u>
Basic loss per share (in HK\$)	<u>(0.03)</u>	<u>(0.02)</u>

(b) Diluted

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 (for the six months ended 30 June 2024: Same).

11. PREPAYMENTS FOR FILM AND TV PROGRAMMES RIGHTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Non-current		
Prepayments for film and TV programmes rights under development (<i>Note</i>)	<u>360,529</u>	<u>359,588</u>

Note:

The prepayments for film and TV programmes rights under development represent the prepayments made by the Group to respective parties in relation to the film and TV programmes rights which are yet to be concluded. The prepayments will form part of the contribution by the Group for the investments in the proposed film and TV programmes rights. The related terms will be further agreed between the respective parties upon the signing of the agreements.

12. FILM AND TV PROGRAMMES RIGHTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Completed film and TV programmes rights	760,910	930,087
Film and TV programmes rights under production	201,167	154,053
Film rights investments (<i>Note i</i>)		
– Financial assets at fair value through profit or loss	147,662	143,181
Licensed film and TV programmes rights (<i>Note ii</i>)	<u>32,125</u>	<u>48,334</u>
	<u>1,141,864</u>	<u>1,275,655</u>
Represented by:		
Non-current assets	357,909	347,414
Current assets	<u>783,955</u>	<u>928,241</u>
	<u>1,141,864</u>	<u>1,275,655</u>

Notes:

- (i) The balance represents the Group's investments in film productions which entitled the Group to predetermined percentage of income to be generated from the films based on the Group's investment portion as specified in respective film rights investments agreements.
- (ii) The balance represents the acquired license rights from independent third parties for broadcasting licensed films or TV programmes series on the Group's online video platform and sub-licensing the license rights to other independent third parties, if applicable.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade receivables		
– Share of box office income	29,584	28,687
– Sub-licensing of film and TV programmes rights	13,634	16,582
– Film rights investments	11,333	7,774
– Others	465	125
	<u>55,016</u>	<u>53,168</u>
Loss allowance	<u>(11,049)</u>	<u>(10,765)</u>
	<u>43,967</u>	<u>42,403</u>
Deposits	4,485	5,169
Prepayments (<i>Note i</i>)	18,456	14,646
Other receivables (<i>Note ii</i>)	102,415	89,347
Loss allowances	<u>(31,462)</u>	<u>(31,024)</u>
	<u>93,894</u>	<u>78,138</u>
	<u>137,861</u>	<u>120,541</u>
Represented by:		
Trade receivables	43,967	42,403
Deposits	2,940	3,624
Prepayments	12,174	6,352
Other receivables	102,415	89,347
Loss allowances	<u>(31,413)</u>	<u>(30,975)</u>
Current portion	<u>130,083</u>	<u>110,751</u>
Deposits	1,545	1,545
Prepayments	6,282	8,294
Loss allowances	<u>(49)</u>	<u>(49)</u>
Non-current portion	<u>7,778</u>	<u>9,790</u>

Notes:

- (i) The prepayments mainly represent the prepayments made by the Group in relation to a) pre-production development of identifiable film and TV programme projects; b) acquisition of licensed film rights from independent third parties for broadcasting on the Group's online video platform; and c) co-membership arrangement with other online platforms operated by different business partners.
- (ii) As at 30 June 2025, other receivables included loan receivables net of loss allowances of approximately HK\$13,161,000 (31 December 2024: Same), which carried interest at 6% (31 December 2024: Same) per annum.

The ageing analysis of the trade receivables, net of loss allowances, based on invoice date or date of settlement statement are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 – 30 days	4,044	64
31 – 90 days	143	158
181 – 365 days	–	22,989
Over 365 days	39,780	19,192
	<u>43,967</u>	<u>42,403</u>

The credit period is generally within 30 days from invoice date or the date when the settlement statement is duly confirmed as stipulated in the respective agreements.

Due to the short-term nature of the current receivables, the carrying amounts are approximated their fair values.

14. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade payables	89,200	96,183
Other payables	23,211	61,899
Accruals	<u>1,555</u>	<u>1,592</u>
	<u>113,966</u>	<u>159,674</u>

The carrying amounts of trade and other payables are approximated their fair values.

The ageing analysis of the trade payables based on invoice date or date of settlement statement are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 – 30 days	1,587	1,680
Over 365 days	<u>87,613</u>	<u>94,503</u>
	<u>89,200</u>	<u>96,183</u>

15. FILM INVESTMENT FUNDS FROM INVESTORS

The amounts represent investments made by certain investors in respect of film rights held by the Group. In accordance with the terms of the respective investment agreements, the investors are entitled to recoup their investment amounts as appropriate by the predetermined percentage of income to be generated from the theatrical release of the films. The financial liabilities were measured at amortised cost.

During the six months ended 30 June 2025, the Group recognised a gain on film investment funds from investors amounted to approximately HK\$23,528,000 (for the six months ended 30 June 2024: HK\$185,554,000) upon the theatrical release of the respective film because the net proceeds entitled by the investors in accordance with the respective investment agreement was less than the film investment funds contributed by the investors.

16. BORROWING

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Unsecured borrowing	<u>29,544</u>	<u>42,440</u>
Represented by:		
Non-current liabilities	–	42,440
Current liabilities	<u>29,544</u>	<u>–</u>
	<u>29,544</u>	<u>42,440</u>

As at 30 June 2025, the borrowing amounted to HK\$29,544,000 (31 December 2024: HK\$42,440,000), of which interest carried at 4.35% per annum, is repayable on 27 March 2026 (31 December 2024: Same).

17. EVENT AFTER THE REPORTING PERIOD

Mr. Dong Ping has resigned as an executive Director and chairman of the Company with effect from 27 July 2025. The Board has appointed Ms. Hu Hui as an executive Director with effect from 27 July 2025. Ms. Hu Hui's appointment will be subject to the retirement and rotation requirements in accordance with the by-laws of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATION REVIEW

The Group reviewed the first half of 2025, the Chinese film market as a whole remained in an adjustment phase, with box office performance continuing to be weak and off-peak periods recording elevated vacancy rates. Although government initiatives such as the “China Film Consumption Year” program were launched in response to changing audience consumption habits, the film market has not yet been fully revived, reflecting weaker-than-expected recovery momentum.

In the face of a challenging market environment, the Group closely monitored the market situation and flexibly adjusted the pace of releasing its films, while maintaining a sufficient reserve of film and television content. This enabled the Group to prepare for the revitalisation of the film and TV industry. During the period, the Group released *She’s Got No Name* (醬園弄•懸案), directed by Chan Ho Sun Peter and starring Zhang Ziyi and Lei Jiayin. The feature film is adapted from one of the four major sensational cases of the Republic of China and became one of the most talked about works during the summer holiday movie season. In July 2025, the Group launched *The Stage* (戲台), written and directed by Chen Peisi and starring Huang Bo and Chen Peisi, etc., which was also one of the audience favorites in the summer blockbuster lineup.

In addition, the Group actively prepared and completed post production work or obtained release license for several films, including *Li Na* (獨自•上場), directed by Chan Ho Sun Peter and starring Hu Ge, Vincent Cassel, and Hao Lei, and *Unspoken* (以父親之名), directed by Chen Daming and starring Zhang Hanyu, etc. The Group believes that its rich and diverse reserve of films, created by renowned directors and featuring impressive casts, will win the favor of audiences.

Regarding the online video platform “huanxi.com”, the Group continued to expand its video content, including the addition of *Cottontail* (棉尾兔), a heartfelt family story starring renowned Japanese actor Lily Franky and co-produced by Japan and the United Kingdom; *The Little Gang* (小幫派), a justice-themed adventure film told from a child’s perspective; *Eiffel* (埃菲爾鐵塔), which received three nominations at the French film César Awards and chronicles the history of the world-famous architectural landmark and the legendary life of its architect, Gustave Eiffel; *My Brothers and I* (我和我的兄弟們), which premiered in the Un Certain Regard section at the Cannes Film Festival and was nominated for a Golden Camera, telling the story of a teenager’s dream of pursuing Italian opera; *Incredible But True* (不可思議但千真萬確), a grotesque masterpiece directed by talented French director Quentin Dupieux, which was given a special screening at the Berlin Film Festival; and *The Braves* (浪間), a feature film about sisterhood that premiered in the Directors’ Fortnight at Cannes.

FINANCIAL REVIEW

Review of Results

During the reporting period, the Group recorded revenue and film investment income/(loss), net of HK\$179,940,000 (30 June 2024: HK\$115,209,000) and a net loss of HK\$102,232,000 (30 June 2024: HK\$89,049,000).

During the six months ended 30 June 2025 (the “Period”), the competition in the industry was fierce, and the film market was weak. The box office receipts of a film debuted by the Group during the Period were not as expected, resulting in the Group recording a loss during the Period. The film *The Stage* (戲台) invested by the Group debuted on cinema screens in China after the Period and hence its related revenue and costs will be booked in the second half of 2025.

The decrease in selling and distribution costs during the Period was mainly due to the decrease in movie distribution activities; and the decrease in gain on film investment funds from investors as there was a decrease in the amount of loss shared by the film investors with the Group. The amount of gain or loss shared by the film investors with the Group depends on their investment proportion in the films and the amount of gain or loss generated from the theatrical release of the films which they invested.

For the six months ended 30 June 2025, loss per share of the Group amounted to HK\$0.03 (30 June 2024: HK\$0.02) and net asset value per share attributable to the owners of the Company was HK\$0.30 (31 December 2024: HK\$0.32).

Liquidity and Financial Resources

As at 30 June 2025, the Group had net current assets of HK\$364,219,000 (31 December 2024: HK\$473,962,000), with cash and cash equivalents of HK\$35,741,000 (31 December 2024: HK\$144,987,000). As at 30 June 2025, the Group’s current ratio (defined as total current assets divided by total current liabilities) was approximately 1.50 (31 December 2024: approximately 1.65). As at 30 June 2025, the total equity of the Company amounted to HK\$1,084,378,000 (31 December 2024: HK\$1,154,415,000) with borrowing of HK\$29,544,000 (31 December 2024: HK\$42,440,000). The Group’s gearing ratio, expressed as the percentage of total borrowings over total capital, was 0.03 (31 December 2024: 0.04) as at 30 June 2025. Total capital is calculated as total equity plus total borrowings.

Capital Structure

As at 30 June 2025, the Company had shareholders' capital of approximately HK\$36,565,000 (31 December 2024: Same) which is constituted of 3,656,472,362 ordinary shares (31 December 2024: Same) of HK\$0.01 each in issue. The Company did not carry out any fund raising activities by issuing new shares of the Company during the period under review.

Charges on Assets

As at 30 June 2025, the Group did not have any charge on assets (31 December 2024: Same).

Foreign Exchange Exposure

The Group's cash flow from operations, cash on hand and assets are denominated mainly in Hong Kong dollars and Renminbi. Although most of the production costs and management fees are denominated in Renminbi, foreign currencies are needed for many investment opportunities and cooperation plans with Mainland China and overseas film companies. The Group will continue to monitor its capital needs closely and take appropriate measures to minimise any adverse impact of exchange rate fluctuation on its overall financial status and lower the Group's financial risks.

Risk Management

During the reporting period, the Group regularly reviewed the risk and credit control systems of its profit centers to improve those systems overall and mitigate credit risk. There have been no significant changes in the Group's risk management policy since the year-end date last year.

Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Same).

Employees and Remuneration Policies

As at 30 June 2025, the Group had 85 full-time employees (31 December 2024: 85) and 2 part-time employees (31 December 2024: 2). The Group has in place well-designed remuneration management and incentive mechanisms, with employees remunerated based on their positions and work performance, along with industry trends.

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the Chinese government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Forfeited contributions cannot be used by the Group to reduce the existing level of contribution to the defined contribution schemes.

Event After the Reporting Period

Mr. Dong Ping has resigned as an executive Director and chairman of the Company with effect from 27 July 2025. The Board has appointed Ms. Hu Hui as an executive Director with effect from 27 July 2025. Ms. Hu Hui's appointment will be subject to the retirement and rotation requirements in accordance with the bye-laws of the Company.

Prospects

Looking ahead, China's film industry faces both opportunities and challenges, with the overall trend expected to be stable and positive. Despite fierce competition during certain release windows, positive factors driving the industry's development continue to emerge. The China Film Administration, continuing its policy of providing special funding for quality films, has introduced new targeted policies with the Ministry of Finance to encourage the adoption of innovative technologies in film and television production. At the same time, cinemas have also been encouraged to accelerate the upgrading of their projection equipment, and many areas have distributed film coupons to inject momentum into film content innovation and industry upgrading from both the supply and demand sides.

The Stage (戲台), written and directed by Chen Peisi and starring Huang Bo and Chen Peisi, etc., was released during the summer season and has achieved both acclaim and box office. The film depicts how China's famous Wuqing troupe was harassed by thugs and overrun by a warlord during their three-day performance in the early years of the Republic of China, a period marked by warlordism. While the "on-stage" performance captivates the audience, there is turbulence "off stage", building to a series of comedic climaxes. The film, adapted from the play of the same name, has brought both laughter and tears to audiences, and also generated revenue for the Group which will be booked in the second half of this year.

The Group will continue to expand its diversified film pipeline, including produce films such as *Li Na* (獨自•上場) and *Unspoken* (以父親之名), and investment in *Intercross* (人魚), directed by Cheng Er and starring Wang Yibo and Wang Chuanjun, and *Deep In The Mountains* (如意飯店), directed by Li Yongyi and starring Qiao Shan, Wang Yanhui and Yang Zishan. Through subject innovation and genre breakthroughs, the Group can meet the viewing preferences of different audience groups and realize the dual development of artistic value and commercial success. The Group also plans to collaborate with Zhang Yimou again to create another fascinating work.

With regard to the online video platform, the Group will continue to enrich the content of “huanxi.com” by introducing outstanding global film and television works. Upcoming films include the suspense film *The Rental* (租房驚魂) starring Dan Stevens, Alison Brie and Jeremy Allen White; *The Woman Who Ran* (逃走的女人), a feature film that was selected to compete in the main competition section at the 70th Berlin International Film Festival in 2020 and won the Silver Bear for Best Director; *Hinterland* (身在內陸), which won the Audience Award for Best Film at the Locarno Film Festival in 2021; and *The Forger* (護照偽造者), a crime film starring Louis Hofmann, which was screened at the 72nd Berlin International Film Festival in 2022. By introducing a diverse array of content, including suspense, drama, and crime, the resource layout of the “huanxi.com” platform has been further strengthened, providing viewers with greater options. Moreover, the Group will collaborate with industry partners to explore various areas, including the online operation of film and television content resources, content creation for blockbuster cinema projects, copyright cooperation, and innovation in platform-based video broadcasting services, with the aim of bringing more high-quality content to the market.

In the future, the Group will continue to promote its “Content is King” strategy. By working with top film directors and professional creative teams, it will continue to produce high-quality and diversified film and television works to meet the viewing preferences of Chinese consumers, consolidate the Group’s leading position in the Chinese film and television industry, and create long-term value for shareholders.

CORPORATE GOVERNANCE

Corporate Governance Practices

Throughout the six months ended 30 June 2025, the Company has applied the principles and complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry, all directors confirmed that they fully complied with the Model Code throughout the reporting period.

Board Composition

The Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors. All the Directors are high calibre executives with diversified industry expertise and bring a wide range of skills and experience to the Group.

Change in Information of Directors

There was no change in Directors' information since the date of the annual report 2024, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (30 June 2024: Same).

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

Review of Interim Results

The Committee has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025. The Committee is satisfied with the review and the Board is also satisfied with the Committee's report.

By Order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Xiang Shaokun Steven (Chief Executive Officer) and Ms. Hu Hui as executive Directors, Mr. Ning Hao, Mr. Xu Zheng and Ms. Li Ni as non-executive Directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive Directors.