



# 星空華文控股有限公司 STAR CM Holdings Limited

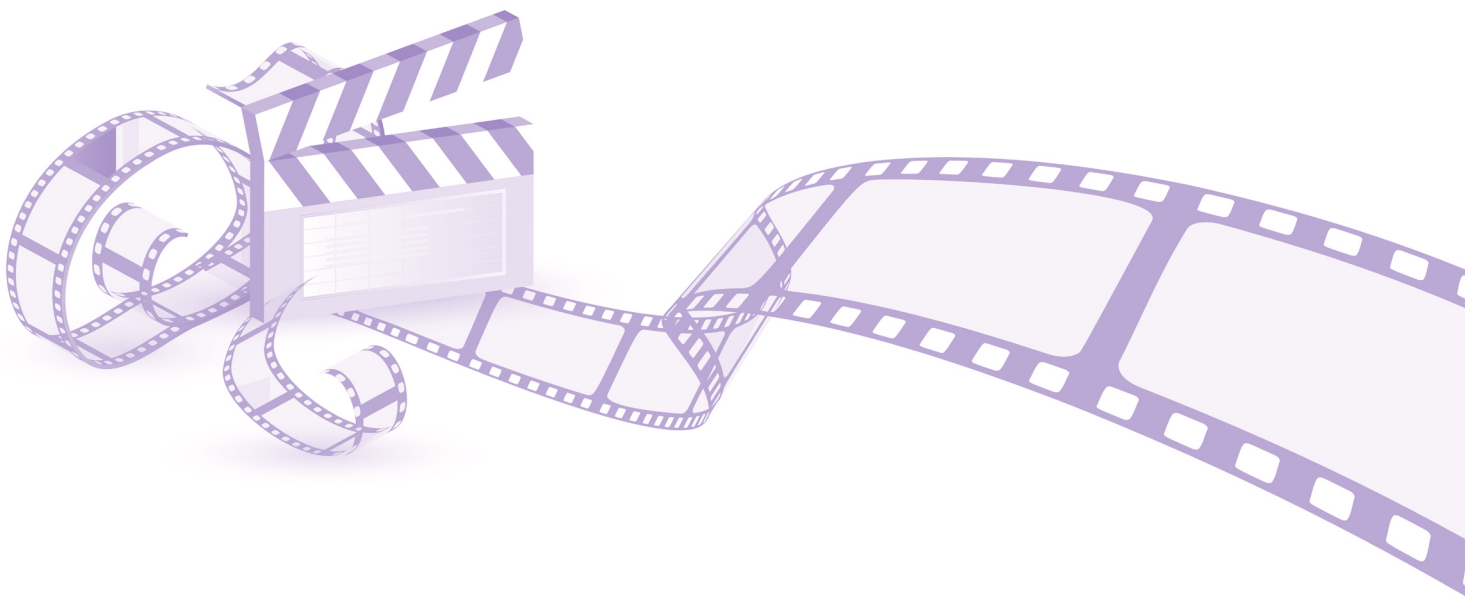
(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 6698



# 2024 INTERIM REPORT

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Tian Ming (*Chairman and Chief Executive Officer*)

Mr. Jin Lei

Mr. Xu Xiangdong

Mr. Lu Wei

Ms. Wang Yan

Ms. Shen Ning (*appointed on June 20, 2024*)

### Non-Executive Director

Mr. Lee Wei Choy (*retired on June 20, 2024*)

### Independent Non-executive Directors

Mr. Li Liangrong

Mr. Chen Rehao

Mr. Sheng Wenhao

## AUDIT COMMITTEE

Mr. Chen Rehao (*Chairman*)

Mr. Li Liangrong

Mr. Sheng Wenhao

## REMUNERATION COMMITTEE

Mr. Li Liangrong (*Chairman*)

Mr. Jin Lei

Mr. Chen Rehao

## NOMINATION COMMITTEE

Mr. Tian Ming (*Chairman*)

Mr. Chen Rehao

Mr. Li Liangrong

## JOINT COMPANY SECRETARIES

Ms. Wang Yan

Ms. Leung Wing Han Sharon

## AUTHORIZED REPRESENTATIVES

Ms. Wang Yan

Ms. Leung Wing Han Sharon

## AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

## REGISTERED OFFICE

P.O. Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Shanghai, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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348 Kwun Tong Road, Kowloon

Hong Kong

## LEGAL ADVISORS

### As to Hong Kong law

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4/F., Jardine House  
1 Connaught Place  
Central, Hong Kong

### As to PRC law

Zhong Lun Law Firm  
6/10/11/16/17F  
Two IFC, 8 Century Avenue  
Pudong New Area, Shanghai  
PRC

### As to Cayman Islands law

Maples and Calder (Hong Kong) LLP  
26th Floor, Central Plaza  
18 Harbour Road  
Wan Chai, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKS

China CITIC Bank Shanghai Wanping  
Road Sub Branch  
203 Wanping South Road  
Shanghai  
PRC

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

China Merchants Bank Shanghai Branch  
No. 1092 Hualing Road  
Baoshan District, Shanghai  
PRC

## STOCK CODE

6698

## COMPANY WEBSITE

[www.starcmgroup.com](http://www.starcmgroup.com)

# Management Discussion and Analysis

## BUSINESS OVERVIEW AND PROSPECTS

All along, the variety programs produced by our Group have earned the trust of some major broadcasting platforms and popularity among audience for their high-quality production contents.

In the first half of 2024, we completed the broadcast of a variety program, namely, “Asia Super Young 2023” (亞洲超星團). Our Group has been actively exploring strategic cooperation opportunities with other broadcasting platforms. In addition to some small-scale projects, commercial performances and music concerts, we will participate in the directing and post-production services of several variety shows on platforms such as “Light Up@edc CHINA” (閃亮星電音) on Youku platform, and “Sing Tourism” (鮮活唱遊團) on Tencent platform in the second half of 2024.

### Business Analysis by Business Segment

#### (i) Variety Program IP Production, Operation and Licensing

For the six months ended June 30, 2024, our Group completed the broadcast of a variety program, namely, “Asia Super Young 2023”.

The revenue, gross profit and gross profit margin of our variety programs are affected by multiple factors, including but not limited to (i) the cooperation model we adopted for programs, (ii) our negotiations with investing media platforms, (iii) overall economic environment, and (iv) shifts in audience preferences. As a result, our financial performance may fluctuate from year to year due to the inherent risk in the business model of our variety program IP production, operation and licensing. For details, see the section headed “Financial Review” in this interim report.

#### (ii) Music IP Operation and Licensing

As of June 30, 2024, our Group had a music library of 9,559 IPs, consisting of 3,765 live music recordings we produced during the creation of our music variety programs, 3,602 songs we produced for our managed artists, and 2,192 lyrics and music compositions.

#### (iii) Film and Drama Series IP Operation and Licensing

At its disposal, our Group has taken the opportunity of our extensive film library, experienced in-house professional teams and long-term cooperative relationships with media platforms, actively making inroads into the fields of film licensing and drama series production and licencing. As of June 30, 2024, our Group owned and operated a large library consisting of 757 Chinese film IPs and one drama series “Reading class (閱讀課)” produced by our Group.

Our Group generally licenses our films to domestic and overseas TV networks and online video platforms for reruns in exchange for a fixed licensing fee during a specified term. The licensing fee is usually determined on factors including the number of films licenced and the length of the licensing period.

## Management Discussion and Analysis

### (iv) Other IP-related Business

Our Group's other IP-related business primarily includes (i) artist management; (ii) concert organization and production; (iii) art education and training; (iv) mobile apps; (v) consumer products; and (vi) themed attractions. As of June 30, 2024, we had a total number of 86 managed artists.

## PROSPECTS AND FUTURE DEVELOPMENT

Looking ahead, leveraging our strengths and experience, our Group is dedicated to creating more entertainment IPs to accommodate the fast-changing market demands and audience preferences in the industry. Our development initiatives include:

- Further strengthen our IP creation and operation capabilities: We will continue to operate our music IP library and film IP library. We will further enhance our capabilities of content production in the field of variety programs, music, film and drama series, and diversify the genres and topics of our IPs.
- Further expand our audience outreach and brand influence to enhance our monetization capabilities: We will continue to set up distribution channels to reach wider audience. We will increase the number of partner TV networks, online video platforms and music service providers and diversify our distribution channels and offer onsite experience through IP-centered experience halls, electronic music centers and street dance centers. Leveraging the growth of the global entertainment industry, we will strengthen our efforts to recruit content production professionals in the overseas entertainment market and attract talented artists globally in order to further enhance our influence and value of our entertainment IPs in the global market.
- Further expand our business through mergers and acquisitions: We will keep a close watch on and continuously evaluate high-quality merger and acquisition targets that are complementary to our business and in line with our strategies. We aim to effectively integrate premium industry resources in the upstream and downstream of the entertainment value chain, further accelerating the expansion of our Group.
- Continue to attract talents and build our team: We provide excellent training and highly competitive compensation and incentive plan for our employees. We plan to attract top talents in the fields of IP production, operation and management via continuous improvement in our talent acquisition and retention system.

We are of the view that the general outlook of China's entertainment IP industry and the business environment in which our Group operates will remain promising in the future. Our Group remains confident that with our visionary in the entertainment industry and our experienced management team, we will continue to rise to prominence and deliver contents that are well enjoyed by our audience in the field of variety programs.

## Management Discussion and Analysis

Our Group's library of more than 700 films has been distributed globally over the years, maintaining a relatively stable market and sales. In addition, we are also actively expanding our presence in the fields of short drama and short-form video and will explore the integration of the short-form video field with e-commerce, and the short-form video field with the content industry and social networking. At the same time, we are also paying close attention to the in-depth application of artificial intelligence generated content (AIGC) technology in the cultural and entertainment field in order to reduce costs and improve user experience.

### FINANCIAL REVIEW

#### Overview

During the six months ended June 30, 2024, we recorded a revenue of RMB71.1 million and a gross profit of RMB6.6 million. Our net loss amounted to RMB56.0 million for the six months ended June 30, 2024, as compared with a net loss of RMB17.2 million for the same period last year. The increase in net loss was mainly due to a decrease in revenue for the Reporting Period driven by a reduction in the number of variety programs compared with the corresponding period of the previous year.

#### Revenue by Business Segment

During the six months ended June 30, 2024 and 2023, we generated our revenues primarily from (i) variety program IP production, operation and licensing, (ii) music IP operation and licensing, (iii) film and drama series IP operation and licensing, and (iv) other IP-related business. Revenue from variety program IP production, operation and licensing business was the largest component of our total revenues for the six months ended June 30, 2024 and 2023, accounting for approximately 35.9% and 52.3%, respectively. The table below sets forth a breakdown of our revenues by business segments for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,	
	2024	2023
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	25.5	75.4
Music IP operation and licensing	7.6	19.2
Film and drama series IP operation and licensing	16.4	23.3
Other IP-related business	21.6	26.2
<b>Total</b>	<b>71.1</b>	<b>144.1</b>

## Management Discussion and Analysis

### (i) Variety Program IP Production, Operation and Licensing

Our revenue generated from variety program IP production, operation and licensing consists primarily of (i) revenue from advertising sales; (ii) commission received from producing variety programs; (iii) licensing fees received from licensing the broadcasting rights of our variety programs; and (iv) licensing fees received from licensing the right to host offline entertainment events. The following table sets forth a breakdown of our revenue from variety program IP production, operation and licensing by nature during the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,	
	2024	2023
	<i>(RMB in millions)</i>	
Advertising sales	20.7	9.2
Commissioned programs	4.8	49.7
Licensing of broadcasting rights	–	–
Licensing of offline entertainment events	–	16.5
<b>Total</b>	<b>25.5</b>	<b>75.4</b>

Our Group's revenue generated from variety program IP production, operation and licensing decreased by 66.2% from RMB75.4 million for the six months ended June 30, 2023 to RMB25.5 million for the six months ended June 30, 2024, primarily due to a reduction in the number of variety programs as compared with the corresponding period of last year.

### (ii) Music IP Operation and Licensing

Our revenue generated from music IP operation and licensing consists primarily of the royalties or licensing fees received from licensing the music IPs we produced to music service providers such as (i) online music platforms; (ii) media companies and (iii) karaoke operators. Revenue generated from music IP operation and licensing decreased by 60.4% from RMB19.2 million for the six months ended June 30, 2023 to RMB7.6 million for the six months ended June 30, 2024, primarily due to a one-off income owing to the re-licensing of our old music library in the same period last year.

### (iii) Film and Drama Series IP Operation and Licensing

Our revenue generated from film and drama series IP operation and licensing consists primarily of the licensing fees received from licensing the broadcasting rights of the films in our film IP library. Revenue generated from film and drama series IP operation and licensing decreased by 29.6% from approximately RMB23.3 million for the six months ended June 30, 2023 to approximately RMB16.4 million for the six months ended June 30, 2024, primarily due to a decrease in revenue generated from our overseas markets through film IP licensing business as compared with the corresponding period in 2023.



## Management Discussion and Analysis

### (iv) Other IP-related Business

Our revenue generated from other IP-related business consists primarily of (i) service fees received from customers who engaged our artists for concerts, tours, in-person appearances and endorsement deals, and (ii) ticket sales from the concerts that we organized. Revenue generated from other IP-related business decreased by 17.6% from approximately RMB26.2 million for the six months ended June 30, 2023 to approximately RMB21.6 million for the six months ended June 30, 2024, which is primarily due to a mild decrease in the number of commercial performances by our managed artists compared with the same period last year.

### Cost of Sales

The following table sets forth our cost of sales by business segment for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,	
	2024	2023
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	35.9	59.3
Music IP operation and licensing	3.7	16.7
Film and drama series IP operation and licensing	6.2	6.2
Other IP-related business	18.7	14.5
<b>Total</b>	<b>64.5</b>	<b>96.7</b>

### (i) Variety Program IP Production, Operation and Licensing

Cost of sales associated with variety program IP production, operation and licensing decreased by 39.5% from RMB59.3 million for the six months ended June 30, 2023 to RMB35.9 million for the six months ended June 30, 2024, which is in line with the decrease in revenue driven by a reduction in the number of variety programs compared to the same period last year.

### (ii) Music IP Operation and Licensing

Cost of sales associated with music IP operation and licensing decreased by 77.8% from RMB16.7 million for the six months ended June 30, 2023 to RMB3.7 million for the six months ended June 30, 2024, primarily due to the higher costs incurred in connection with the re-licensing of the old songs of our Group's music library for the six months ended June 30, 2023.

## Management Discussion and Analysis

### (iii) Film and Drama Series IP Operation and Licensing

Cost of sales associated with film and drama series IP operation and licensing remained relatively stable at approximately RMB6.2 million for both the six months ended June 30, 2023 and 2024.

### (iv) Other IP-related Business

Cost of sales associated with other IP-related business increased by 29.0% from RMB14.5 million for the six months ended June 30, 2023 to RMB18.7 million for the six months ended June 30, 2024, primarily due to the increase in costs incurred in connection with the commercial performances by our artists.

### Gross (Loss)/Profit and Gross (Loss)/Profit Margin

The following table sets forth our gross (loss)/profit and gross (loss)/profit margin by each business segment for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,			
	2024		2023	
	Gross (Loss)/ Profit	Gross (Loss)/ Profit Margin	Gross Profit	Gross Profit Margin
<i>(RMB in millions except in percentage)</i>				
Variety program IP production, operation and licensing	<b>(10.4)</b>	<b>(40.8%)</b>	16.1	21.4%
Music IP operation and licensing	<b>3.9</b>	<b>51.3%</b>	2.5	13.0%
Film and drama series IP operation and licensing	<b>10.2</b>	<b>62.2%</b>	17.1	73.4%
Other IP-related business	<b>2.9</b>	<b>13.4%</b>	11.7	44.7%
<b>Total</b>	<b>6.6</b>	<b>9.3%</b>	47.4	32.9%

As a result of the foregoing, our gross profit decreased by 86.1% from RMB47.4 million for the six months ended June 30, 2023 to RMB6.6 million for the six months ended June 30, 2024.

### (i) Variety Program IP Production, Operation and Licensing

Our Group recorded a gross loss for variety program IP production, operation and licensing of RMB10.4 million for the six months ended June 30, 2024, as compared to gross profit of RMB16.1 million for the six months ended June 30, 2023. The turnaround from gross profit to gross loss was primarily due to a reduction in the number of variety programs, while the Company still incurred production team costs which were relatively fixed. Accordingly, our Group recorded a gross loss margin of 40.8% for this segment for the six months ended June 30, 2024, as compared to a gross profit margin of 21.4% for the same period last year.

## Management Discussion and Analysis

### (ii) Music IP Operation and Licensing

Our gross profit for music IP operation and licensing increased by 56.0% from RMB2.5 million for the six months ended June 30, 2023 to RMB3.9 million for the same period this year. Our gross profit margin also increased from 13.0% for the six months ended June 30, 2023 to 51.3% for the six months ended June 30, 2024, primarily due to the higher costs allocated in connection with the re-licensing of the old songs of our Group's music library with lower profitability for the six months ended June 30, 2023.

### (iii) Film and Drama Series IP Operation and Licensing

Our gross profit for film and drama series IP operation and licensing decreased by 40.4% from RMB17.1 million for the six months ended June 30, 2023 to RMB10.2 million for the same period this year. Our gross profit margin decreased to 62.2% for the six months ended June 30, 2024 from 73.4% for the six months ended June 30, 2023. The decrease in both our gross profit and gross profit margin for this segment is in line with the decrease in revenue for the Reporting Period.

### (iv) Other IP-related Business

Our gross profit for other IP-related business decreased by 75.2% from RMB11.7 million for the six months ended June 30, 2023 to RMB2.9 million for the same period this year. Our gross profit margin decreased from 44.7% for the six months ended June 30, 2023 to 13.4% for the same period this year. The decrease was primarily due to the increase in costs incurred in connection with the commercial performances by our artists.

## Other Income and Gains

Our other income and gains remained relatively stable at RMB7.6 million and RMB8.3 million for the six months ended June 30, 2023 and June 30, 2024, respectively.

## Selling and Distribution Expenses

Our selling and distribution expenses decreased by 34.5% from RMB11.9 million for the six months ended June 30, 2023 to RMB7.8 million for the six months ended June 30, 2024, primarily due to a reduction in the number of our sales staff.

## Administrative Expenses

Our administrative expenses decreased by 22.3% from RMB54.7 million for the six months ended June 30, 2023 to RMB42.5 million for the same period this year, primarily due to a decrease in research and development expenses.

### **Reversal of Impairments Losses/(Impairment Losses) on Financial Assets, net**

We recorded net reversal of impairment losses on financial assets of RMB4.2 million for the six months ended June 30, 2024 (net impairment losses on financial assets for the six months ended June 30, 2023: RMB3.1 million). The change was primarily due to the recovery of certain trade receivables.

### **Changes in Fair Value of Financial Assets at Fair Value Through Profit or Loss**

We recorded a loss in changes in fair value of financial assets at fair value through profit or loss of RMB5.6 million for the six months ended June 30, 2024 while recording a gain in changes in fair value of financial assets at fair value through profit or loss of RMB0.1 million for the same period last year due to the fluctuations in the stock prices of listed companies in which we invested.

### **Other Expenses**

Our other expenses were relatively stable at RMB0.5 million and RMB0.4 million for the six months ended June 30, 2023 and 2024, respectively.

### **Finance Costs**

Our finance costs were relatively stable at RMB1.5 million and RMB0.2 million for the six months ended June 30, 2023 and 2024, respectively.

### **Share of Profits and Losses of Joint Ventures and Associates**

Our share of losses of joint ventures increased to RMB14.9 million for the six months ended June 30, 2024 from RMB1.1 million for the same period last year, primarily because of an increase in loss in connection with the investment in Mengxiang Qi'an following the completion of a construction in progress of Mengxiang Qi'an which started to recognize depreciation in 2023. Our share of losses from associates for the six months ended June 30, 2024 increased slightly to RMB3.0 million from RMB2.2 million for the same period last year.

### **Income Tax (Expenses)/Credit**

We recorded income tax expenses of RMB0.6 million for the six months ended June 30, 2024 as compared with income tax credit of RMB2.7 million for the same period last year, primarily due to the derecognition of deferred tax assets arising from losses incurred during the Reporting Period.

### **Loss for the Period**

As a result of the above, we recorded a net loss of RMB56.0 million for the six months ended June 30, 2024 as compared with a net loss of RMB17.2 million for the same period last year, primarily due to a decrease in revenue for the Reporting Period driven by a reduction in the number of variety programs compared with the same period last year.

# Management Discussion and Analysis

## FINANCIAL POSITION

### Property, Plant and Equipment

Our property, plant and equipment remained stable at RMB197.5 million as of December 31, 2023 and RMB193.1 million as of June 30, 2024, respectively.

### Goodwill

Our goodwill remained stable at RMB301.3 million as of December 31, 2023 and RMB303.1 million as of June 30, 2024, respectively.

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

	As at	
	June 30, 2024	December 31, 2023
	<i>(RMB in millions)</i>	
Unit of Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd.	24.0	24.0
Unit of Fortune Star Media Limited	279.1	277.3
	<b>303.1</b>	301.3

### Significant Investments

Our investments in associates remained stable at RMB612.9 million and RMB609.9 million as of December 31, 2023 and June 30, 2024, respectively. Our investments in joint ventures remained stable at RMB361.0 million and RMB346.1 million as of December 31, 2023 and June 30, 2024, respectively. Save as disclosed in this interim report, we did not make or hold any significant investments (including any investment in an investee company with a value of 5.0 percent or more of our Company's total assets) during the Reporting Period. For details, please refer to notes 10 and 11 to the interim condensed consolidated financial information.

### Amounts Due from Related Parties

Amounts due from related parties increased by RMB36.5 million or 7.5% to RMB524.5 million as of June 30, 2024 from RMB488.0 million as of December 31, 2023. For details, please refer to note 18 to the interim condensed consolidated financial information.

### Other Intangible Assets

Our other intangible assets remained stable at RMB139.3 million as of December 31, 2023 and RMB136.7 million as of June 30, 2024, respectively.

### Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss amounted to RMB49.9 million as of June 30, 2024, representing a reduction of RMB5.4 million or 9.8% from RMB55.3 million as of December 31, 2023, primarily due to the fluctuations in the stock prices of listed companies in which we invested.

### Restricted Cash

Our restricted cash remained relatively stable at RMB69.5 million and RMB71.1 million for the year ended December 31, 2023 and for the six months ended June 30, 2024, respectively.

### Program Copyrights

Our program copyrights amounted to RMB3.3 million and RMB0.2 million as of June 30, 2024 and December 31, 2023, respectively.

### Trade Receivables

Our trade and notes receivables amounted to RMB175.7 million as of June 30, 2024, representing a decrease of RMB45.1 million or 20.4% from RMB220.8 million as of December 31, 2023, which was primarily due to the collection of trade receivables arising from our variety programs produced in 2023.

### Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets amounted to RMB98.7 million as of June 30, 2024, representing a decrease of RMB181.3 million or 64.8% from RMB280.0 million as of December 31, 2023, primarily due to the redemption of short-term notes upon their maturity.

### Trade Payables

Our trade payables amounted to RMB138.6 million as of June 30, 2024, representing a decrease of RMB38.8 million or 21.9% from RMB177.4 million as of December 31, 2023, primarily due to the settlement of trade payables incurred in relation to our variety programs produced and initially broadcasted in 2023.

### Other Payables and Accruals

Our other payables and accruals amounted to RMB92.9 million as of June 30, 2024, representing a decrease of RMB24.5 million or 20.9% from RMB117.4 million as of December 31, 2023, primarily due to settlement of certain other payables.

### Lease Liabilities

Our lease liabilities amounted to RMB9.2 million as of June 30, 2024, representing a decrease of RMB2.8 million or 23.3% from RMB12.0 million as of December 31, 2023, primarily due to the lease payments made over time while there was no lease renewal during the first half of 2024.

## Management Discussion and Analysis

### Liquidity and Capital Resources

As of June 30, 2024, we funded our cash requirements primarily from cash flows mainly through equity financing and the retained earnings of our Company. We had cash and cash equivalents of RMB446.5 million and RMB353.9 million as of June 30, 2024 and December 31, 2023, respectively.

Our principal uses of cash have been for our business operations and expansion plans which require a significant amount of capital, including costs for variety program production, costs for music IPs production, and other working capital requirements. In the foreseeable future, our Company believes that our liquidity requirements will be satisfied by a combination of cash flow generated from our operating activities, the net proceeds received from our Company's Global Offering, and other funds raised from capital markets from time to time.

The following table sets forth a summary of our cash flows for the periods indicated, respectively:

	<b>For the six months ended June 30, 2024</b>	For the year ended December 31, 2023
	<i>(RMB in millions)</i>	
Loss before tax	<b>(55.3)</b>	(1,601.4)
Adjustments	<b>27.5</b>	1,557.9
Change in working capital	<b>(1.5)</b>	113.3
Income tax paid	<b>(5.6)</b>	(9.1)
Interest received	<b>6.6</b>	6.9
Net cash flows (used in)/generated from operating activities	<b>(28.3)</b>	67.6
Net cash flows generated from/(used in) investing activities	<b>119.4</b>	(304.9)
Net cash flows (used in)/generated from financing activities	<b>(3.1)</b>	1.7
Net increase/(decrease) in cash and cash equivalents	<b>88.0</b>	(235.6)
Cash and cash equivalents at the beginning of the period	<b>353.9</b>	587.6
Effect of foreign exchange rate changes, net	<b>4.6</b>	1.9
<b>Cash and cash equivalents at the end of the period/year</b>	<b>446.5</b>	353.9

### Gearing Ratio

Our gearing ratio, representing the total debt (including interest-bearing borrowings amounts, amounts due to related parties and lease liabilities) divided by total equity, was 0.3% as of June 30, 2024 (December 31, 2023: 0.4%).

### Material Acquisitions and Disposals

Save as disclosed in this interim report, we did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended June 30, 2024.

### Pledge of Assets

As of June 30, 2024, pledged time deposit amounting to RMB71.1 million was pledged for the purchase of leasehold land and litigation.

### Contingent Liabilities

As of June 30, 2024, except for the lawsuits set out in note 16 to the interim condensed consolidated financial information, our Group had no other significant contingent liabilities.

### Foreign Exchange Exposure

Our Group's businesses are principally conducted in RMB. We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As of June 30, 2024, major non-RMB assets are cash and cash equivalents which denominated in HK\$ or US\$. Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect our Group's results of operations. Our Group does not intend to hedge its exposure to foreign exchange fluctuations. We will constantly monitor the economic situation and our Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

### Funding and Treasury Policy

Our Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. Our Group's liquidity and financing requirements are regularly reviewed. Our Board closely monitors our Group's liquidity position to ensure that our Group can meet its funding requirements for business development from time to time and seize future growth opportunities as and when such opportunities appear.

## FUTURE PLANS FOR MATERIAL INVESTMENTS

Our Company has no other plans for material investments or capital assets, except the intended use of proceeds as disclosed in our Prospectus.



# Management Discussion and Analysis

## EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2024, our Group had 200 employees. Total staff remuneration expenses including Directors' remuneration in the first half of 2024 amounted to RMB31.5 million. Remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policies of our Group are determined based on prevailing market levels and performance of the respective Group companies and individual employees. These policies are reviewed on a regular basis. Our Group strongly believes that our staff is an invaluable asset to our Group and is significant to our Group's business. Therefore, our Group recognizes the importance of maintaining a good relationship with employees. In addition to salary, our Group also offers to its employees other fringe benefits, including year-end bonus, discretionary bonus, allowances and benefits in kind and pension scheme contributions.

## MATERIAL LITIGATIONS

Our Group was involved in a number of pending/ongoing/concluded litigations during the six months ended June 30, 2024 and up to the date of this interim report.

### (i) The ongoing concluded litigation with Hummingbird Music Ltd.

From May to June 2016, an artist participated in the production of three episodes of "Heroes of Remix (蓋世英雄)", one of our variety programs. In July 2022, the artist's then management company, Hummingbird Music Ltd. (蜂鳥音樂有限公司) ("**Hummingbird**"), brought a lawsuit against us at the Primary People's Court of Changning District of Shanghai, claiming performance service fee of RMB16.3 million and attorney's fee of RMB200,000. In June 2023, the court rendered a judgment in our favor, absolving us of any obligation to provide compensation. On July 6, 2023, Hummingbird filed a petition to the Shanghai High People's Court for appeal against this judgment.

On August 29, 2024, the Shanghai High People's Court rendered a judgment and Hummingbird was awarded an aggregate amount of RMB8.0 million. The Group is currently handling the details of the settlement.

### (ii) The ongoing litigation with Munhwa Broadcasting Corporation

In February 2016, our Group entered into an agreement with Munhwa Broadcasting Corporation ("**MBC**") (the "**February 2016 Agreement**"), under which MBC agreed to provide program licensing services in exchange for a program licensing fee of US\$2.8 million per season to jointly produce seasons two to four of a variety program "King of Mask Singer (蒙面歌王)" with our Group. In June 2016, in light of regulatory changes in the PRC, our Group entered into a supplemental agreement with MBC in October 2015, pursuant to which, both parties clarified that the service to be provided under the February 2016 Agreement was production consulting services and the parties agreed to co-develop a music variety program in 2016 and two subsequent seasons. In October 2016, our Group entered into another agreement with MBC, under which US\$2.6 million of the down payment our Group already made to MBC under the February 2016 Agreement was to be returned to our Group, but only in the form of down payment for a new variety program, "Outdoor Reality Show (戶外真人秀)," to be jointly produced by MBC and our Group.

## Management Discussion and Analysis

In July 2020, MBC brought a lawsuit against our Group to the Primary People's Court of Xuhui District of Shanghai Municipality for breach of contract, claiming an aggregate amount of RMB124.4 million from us. In January 2021, our Group filed a counterclaim against MBC for the return of US\$1.6 million down payment we paid to MBC, and to pay us US\$480,000 in damages for breach of contract. The court rendered judgment in November 2022 and awarded MBC an aggregate amount of RMB11.9 million, less than one-tenth of the amount claimed by MBC. Both parties filed petitions for appeal against the first instance judgment of which the hearing commenced on June 16, 2023. As of the date of this interim report, the court is yet to render judgment on this case.

### (iii) The ongoing litigation with Mr. Xiong Yuanteng (熊遠騰) and Mr. Xie Hongbo (謝洪波)

Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd. (夢響強音文化傳播(上海)有限公司) ("MXQY") is a limited liability company established in the PRC and one of our wholly owned subsidiaries. Mengxiang Dangran Music Culture & Communication (Shanghai) Co., Ltd. (夢響當然音樂文化傳播(上海)有限公司) ("MXDR") is a limited liability company established in the PRC, with 51% of its registered share capital currently held by MXQY and 14.05% collectively held by Mr. Xiong Yuanteng (熊遠騰) and Mr. Xie Hongbo (謝洪波).

In July 2024, Mr. Xiong Yuanteng and Mr. Xie Hongbo brought a lawsuit against MXQY to the Fengxian District People's Court of Shanghai Municipality (上海市奉賢區人民法院) over damage to the interest of MXDR, requesting that MXQY be ordered to return and pay to MXDR an aggregate amount of approximately RMB15.66 million. MXDR has been listed as a third party to this case. As arranged by the court, the trial originally scheduled for August 20, 2024 has been rescheduled to September 14, 2024. As of the date of this interim report, the court has yet to render judgment on this case.

Save as disclosed above, the Directors are not aware of any material litigations or claims that are pending or threatened against our Group during the Reporting Period and up to the date of this interim report.

## Other Information

### DISCLOSURE OF INTERESTS

#### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of our Company or Any of Its Associated Corporations

As of June 30, 2024, the interests and short positions of the Directors and chief executives of our Company's Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

#### Interest in our Company

Name of Director	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(3)</sup>	Long position/ Short position
Mr. Tian Ming	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	286,038,677	71.77%	Long position
Mr. Jin Lei	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	286,038,677	71.77%	Long position
Mr. Xu Xiangdong	Interest in controlled corporations; interest held jointly with other persons <sup>(1)(2)</sup>	286,038,677	71.77%	Long position

*Notes:*

- (1) As of June 30, 2024, the ultimate controlling shareholders of our Company are Chinese Culture, Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong (together the "**Ultimate Controlling Shareholders**").
- (2) As of June 30, 2024, Unionstars is owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively. East Brothers is owned as to 81.76%, 6.22% and 12.02% by Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong, respectively. Goldenbroad is wholly-owned by Mr. Jin Lei. Beamingstars is owned as to 51.99% and 48.01% by SH Zhihua and Harvest Sky, respectively. Harvest Sky is wholly-owned by Mr. Tian Ming. SH Zhihua is wholly-owned by CMC (Shanghai). CMC (Tianjin) is the general partner of CMC (Shanghai). Pursuant to a joint control agreement dated August 3, 2021 entered into by and among our Ultimate Controlling Shareholders and each of Unionstars, East Brothers, Goldenbroad, Beamingstars, Harvest Sky, Mr. Tian Ming, Mr. Jin Lei, Mr. Xu Xiangdong, SH Zhihua, CMC (Shanghai) and CMC (Tianjin) (together, the "**Controlling Group Entities**"), each of the Controlling Group Entities agreed to vote unanimously at board meetings and general meetings (as applicable) at all levels along the control chain to jointly exercise control over our Company. Therefore, each of the Controlling Group Entities is deemed to be interested in the 226,528,996 Shares held by Unionstars and the 59,509,681 Shares held by Harvest Sky under the SFO. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Offshore Restructuring – Step 5. Signing of the Joint Control Agreement" of the Prospectus.
- (3) The calculation is based on the total number of 398,538,168 Shares in issue as of June 30, 2024.

### Interest in our associated corporations

Name of Director	Capacity/Nature of interest	Associated Corporations	Approximate Percentage of Shareholding <sup>(1)</sup>	Long position/ Short position
Mr. Tian Ming	Interest in a controlled corporation	Shaanxi Star Shuolan Real Estate Co., Ltd	100.0% <sup>(2)</sup>	Long position
	Interest in a controlled corporation	Shaanxi Star Yuanlv Real Estate Co., Ltd.	100.0% <sup>(3)</sup>	Long position
	Beneficial interest	Canxing Culture	1.77%	Long position
	Interest in a controlled corporation		23.09% <sup>(4)</sup>	Long position
	Interest in a controlled corporation; interest held jointly with other persons		73.71% <sup>(5)</sup>	Long position
Mr. Jin Lei	Interest in a controlled corporation; interest held jointly with other persons	Canxing Culture	73.71% <sup>(5)</sup>	Long position
Mr. Xu Xiangdong	Interest in a controlled corporation; interest held jointly with other persons	Canxing Culture	73.71% <sup>(5)</sup>	Long position

## Other Information

### Notes:

- (1) To the best knowledge of our Company, as of the Latest Practicable Date and based on publicly available information.
- (2) As of June 30, 2024, Shaanxi Star Shuolan Real Estate Co., Ltd. was owned as to 60% by SH Zhouxing Investment Co., Ltd., a company wholly-owned by Mr. Tian Ming and 40% by Qinhan New City Star Chinese Culture Media Co., Ltd., a wholly-owned subsidiary of our Company in which Mr. Tian Ming controlled more than one-third of voting power, respectively. Therefore Mr. Tian Ming is deemed to be interested in the Shares in Shaanxi Star Shuolan Real Estate Co., Ltd. held by SH Zhouxing Investment Co., Ltd. and the Shares in Qinhan New City Star Chinese Culture Media Co., Ltd. held by our Company under the SFO.
- (3) As of June 30, 2024, Shaanxi Star Yuanlv Real Estate Co., Ltd. was owned as to 60% by SH Zhouxing Investment Co., Ltd., a company wholly-owned by Mr. Tian Ming and 40% by Qinhan New City Star Chinese Culture Media Co., Ltd., a wholly-owned subsidiary of our Company in which Mr. Tian Ming controlled more than one-third of voting power, respectively. Therefore Mr. Tian Ming is deemed to be interested in the shares in Shaanxi Star Yuanlv Real Estate Co., Ltd. held by SH Zhouxing Investment Co., Ltd. and the shares in Qinhan New City Star Chinese Culture Media Co., Ltd. held by our Company under the SFO.
- (4) As of June 30, 2024, SH Zhouxing Investment Co., Ltd. was wholly-owned by Mr. Tian Ming. Therefore Mr. Tian Ming is deemed to be interested in the shares in Canxing Culture held by SH Zhouxing Investment Co., Ltd. under the SFO.
- (5) Each of Mr. Tian Ming, Mr. Jin Lei, and Mr. Xu Xiangdong is a party to the Canxing JCA. See "History, Reorganization and Corporate Structure – Reorganization" of the Prospectus. In light of the Canxing JCA, each of Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong is deemed to be interested in the shares in Canxing Culture held by SH Xingtou under the SFO. For further details, see "History, Reorganization and Corporate Structure – Our History and Corporate Development – Entering into the Canxing JCA and Joint-stock Reform" of the Prospectus.

Save as disclosed above, as of June 30, 2024, none of our Directors or chief executives of our Company had or was deemed to have any interests or short positions in our Shares, underlying shares or debentures of our Company or any of its associated corporations.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As of June 30, 2024, so far as our Directors are aware, the following parties (other than our Directors or chief executives of our Company) had interests or short positions in our Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(5)</sup>	Long position/ Short position
Unionstars <sup>(1)(2)</sup>	Beneficial interest	226,528,996	56.84%	Long position
	Interest held jointly with other persons	59,509,681	14.93%	Long position
Harvest Sky <sup>(1)(2)</sup>	Beneficial interest	59,509,681	14.93%	Long position
	Interest in a controlled corporation; interest held jointly with other persons	226,528,996	56.84%	Long position
Mr. Tian Ming <sup>(1)(2)(3)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position

## Other Information

Name of Shareholder	Capacity/Nature of interest	Number of ordinary Shares	Approximate percentage of holding <sup>(5)</sup>	Long position/ Short position
East Brothers <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
Goldenbroad <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
Beamingstars <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
Mr. Jin Lei <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
Mr. Xu Xiangdong <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
SH Zhihua <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
CMC (Shanghai) <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
CMC (Tianjin) <sup>(1)(2)</sup>	Interest in a controlled corporation; interest held jointly with other persons	286,038,677	71.77%	Long position
Tibet Yuanhe Enterprise Management Co., Ltd. <sup>(3)(4)</sup>	Beneficial interest	21,851,163	5.48%	Long position
Zhefu Group <sup>(3)(4)</sup>	Interest in a controlled corporation	21,851,163	5.48%	Long position

## Other Information

### Notes:

- (1) As of June 30, 2024, the Ultimate Controlling Shareholders of our Company are Chinese Culture, Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong.
- (2) As of June 30, 2024, Unionstars is owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively. East Brothers is owned as to 81.76%, 6.22% and 12.02% by Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong, respectively. Goldenbroad is wholly-owned by Mr. Jin Lei. Beamingstars is owned as to 51.99% and 48.01% by SH Zhihua and Harvest Sky, respectively. Harvest Sky is wholly-owned by Mr. Tian Ming. SH Zhihua is wholly-owned by CMC (Shanghai). CMC (Tianjin) is the general partner of CMC (Shanghai). Pursuant to a joint control agreement dated August 3, 2021 entered into by and among our Company's Controlling Group Entities agreed to vote unanimously at board meetings and general meetings (as applicable) at all levels along the control chain to jointly exercise control over our Company. Therefore, each of the Controlling Group Entities is deemed to be interested in the 226,528,996 Shares held by Unionstars and the 59,509,681 Shares held by Harvest Sky under the SFO. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Offshore Restructuring – Step 5. Signing of the Joint Control Agreement" of the Prospectus.
- (3) Tibet Yuanhe Enterprise Management Co., Ltd. (西藏源合企業管理有限公司) ("**Tibet Yuanhe**"), a company established in the PRC on August 31, 2015 and one of our Pre-IPO investors. For further details, see "History, Reorganization and Corporate Structure – Reorganization – Pre-IPO Investments – Information about the Pre-IPO Investors" of the Prospectus.
- (4) As of June 30, 2024, Tibet Yuanhe was wholly-owned by Zhefu Holding Group Co., Ltd. (浙富控股集團股份有限公司) ("**Zhefu Group**"). Therefore Zhefu Group is deemed to be interested in the Shares held by Tibet Yuanhe under the SFO.
- (5) The calculation is based on the total number of 398,538,168 Shares in issue as of June 30, 2024.

Save as disclosed above, as of June 30, 2024 based on publicly available information, no other person (other than our Directors or chief executives of our Company) had an interest or short position in the Shares or underlying Shares of our Company which were required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept under section 336 of the SFO.

## SHARE AWARD SCHEME

On July 29, 2024 (the "**Adoption Date**"), the Share Award Scheme was approved and adopted by the Company. Further details of the Share Award Scheme are set out in the Company's announcement dated July 29, 2024. No award has been granted or agreed to be granted under the Share Award Scheme since its adoption.

A summary of the principal terms of the Share Award Scheme is set out below:

### 1. Purposes of the Share Award Scheme

The purposes of the Share Award Scheme are to provide the Selected Participants (as defined below) with an opportunity to acquire a proprietary interest in the Company, to encourage and retain such individuals to work with the Group, to provide additional incentives for them to achieve performance goals, to attract suitable personnel for further development of the Group, and to motivate the Selected Participants to maximize the value of the Company for the benefits of both the Selected Participants and the Company.

### 2. Participants in the Share Award Scheme

Participants of the Share Award Scheme (the "**Participant(s)**") include the following:

- (1) directors and employees of the Company or any of its subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies);
- (2) directors and employees of the holding companies, fellow subsidiaries, or associated companies of the Company; and
- (3) persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group (excluding placing agents, financial advisers, professional service providers such as auditors and valuers).

### 3. Total number of Shares under the Share Award Scheme

At no time shall the maximum number of Shares which may be awarded, or the total number of Shares held by the trustee exceed 10% of the issued Share of the Company as at the Adoption Date, being 39,853,816 Shares representing 10% of the issued Shares as of the date of this report.

### 4. Maximum entitlement of each Selected Participant

The maximum number of Award Shares which may be granted to a Selected Participant at any one time or in aggregate may not exceed 1% of the issued Share of the Company as at the Adoption Date (i.e. 3,985,381 Shares).

### 5. Grant and acceptance of Awards

The Board or an administration committee of the Board may, at any time during the scheme period in its sole and absolute discretion, select any Participant to be a selected participant (the "**Selected Participant(s)**") and make an Award to such Selected Participant on and subject to any terms and conditions that the Board or an administration committee of the Board may impose.

After the Board or an administration committee of the Board has determined a Selected Participant, the number of the Award Shares to be granted, the purchase price and other terms and conditions of the Award, it shall notify the trustee and the Selected Participant on the grant date in writing (which may also be made through the designated online portal facilities) (the "**Grant Letter**"), setting out, among other things, the terms, conditions and amount, if any, payable on acceptance of such Award.

Upon receipt of the Grant Letter, the Selected Participant is required to confirm his/her acceptance of the Award within five Business Days after the grant date (the "**Acceptance Period**") by returning the notice of acceptance and completing any other required steps to confirm his/her acceptance of the Award within the Acceptance Period to the Company. For any failure to confirm his/her acceptance within the Acceptance Period, the Award shall automatically lapse forthwith and the Shares pursuant to the Award shall become unaccepted Shares.



## Other Information

### 6. Vesting of Award Shares

Any Award Shares granted to a grantee pursuant to the Share Award Scheme shall vest in such grantee in accordance with the vesting conditions as set out in the Grant Letter. If the Board or an administration committee of the Board is satisfied that a grantee has satisfied the vesting conditions (save for the receipt of the purchase price, if any), the Board or an administration committee of the Board shall send to the grantee (or his/her representative or lawful successor as the case may be) a vesting notice (which may also be made through the designated online portal facilities) (the “**Vesting Notice**”) at least 10 Business Days before the vesting date notifying the grantee of the intended vesting of the Award Shares. The Board or an administration committee shall have the sole and absolute discretion in determining whether the Award Shares shall be satisfied by Shares or cash of the equivalent value of such Award Shares at the vesting date.

Upon receipt of the vesting notice, the grantee is required to return to the Company a reply slip duly executed by him/her substantially at least five Business Days before the vesting date. If the Board or an administration committee of the Board specifies in the Vesting Notice that actual Award Shares will be transferred to a nominee account upon vesting, the grantee shall complete the payment of the purchase price (if any) within the specified period set out in the Vesting Notice.

As soon as practicable after the Award Shares have vested in a grantee in accordance with the Share Award Scheme, the Board or an administration committee of the Board shall issue to the trustee a confirmation letter that the vesting conditions have been fulfilled to effect the transfer of the relevant vested Award Shares to a nominee account or, if so determined and instructed by the Board or an administration committee of the Board, direct and procure the trustee to pay to the grantee in cash the amount of equivalent value of such Award Shares after deducting the purchase price (if any) thereof and/or the amount to be withheld or deducted in accordance with the Share Award Scheme.

### 7. Basis of determining the purchase price of the Award Shares

The purchase price of the Award Shares under the Share Award Scheme shall be determined at the sole discretion of the Board or an administration committee of the Board, and stipulated in the Grant Letter.

### 8. Remaining life

Unless terminated earlier by the Company in accordance with the rules of the Share Award Scheme, the Share Award Scheme is valid and effective for a term of 10 years commencing from the Adoption Date. The Share Award may be terminated by ordinary resolution of the general meeting or by resolution of the Board. Upon termination, (i) no further grant of Award Shares may be made under the Share Award Scheme; and (ii) the Awards granted prior to such termination shall continue to be valid.

As of the date of this report, the remaining life of the Share Award Scheme was approximately nine years and 10 months.

### CORPORATE GOVERNANCE PRACTICES

Our Board is committed to achieving corporate governance standards.

Our Board believes that high corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Our Company has adopted the principles and code provisions of the CG Code as contained in Appendix C1 of the Listing Rules as the basis of our Company's corporate governance practices. Our Company has also applied the principles of the CG Code on our corporate governance structure and operation in the manner as stated in this interim report, and will always and has complied with all applicable code provisions of the CG Code for the Reporting Period. Our Company will continue to review and oversee the corporate governance practices to ensure its compliance with the CG Code.

Code provision C.2.1 of the CG Code recommends that the roles of chairman and chief executive officer to be separate and not be performed by the same individual. Our Company deviates from this provision as Mr. Tian Ming performs both the roles of chairman of our Board and the chief executive officer of our Company. As Mr. Tian Ming has been managing our Group's business and overall strategic planning for several years, our Directors consider that vesting the roles of chairman and chief executive officer in Mr. Tian Ming is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that our Group implemented, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Saved as disclosed above, to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, our Directors are not aware of any deviation from code provisions in the CG Code as set out in Appendix C1 to the Listing Rules.

### UPDATE ON DIRECTOR'S INFORMATION

Pursuant to the disclosure requirement under Rule 13.51B of the Listing Rules, the changes in the Directors' information subsequent to the publication of the Company's annual report for the year ended December 31, 2023 are set out as follows:

- In late March 2024, Mr. Xu Xiangdong reached the statutory retirement age and proceeded with the retirement process. As a result of his retirement, Mr. Xu Xiangdong's total director's remuneration for the six months ending June 30, 2024 amounts to RMB219,100, representing a decrease of RMB214,200 compared with RMB433,300 for the corresponding period of last year. Save as disclosed above, the terms of Mr. Xu Xiangdong's existing service contract remain unaffected.

## Other Information

### MODEL CODE FOR SECURITIES DEALINGS BY DIRECTORS

Our Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions.

Specific enquiry has been made of all of our Directors and our Directors have confirmed that they have complied with the Model Code during the Reporting Period.

Our Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to our Company or our securities. The Employees Written Guidelines stipulate that insiders should not deal with the securities of our Company or should report his/her securities transactions in advance. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by our Company.

### PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

During the Reporting Period, neither our Company nor any of our subsidiaries has purchased, sold or redeemed any of our Company's securities listed on the Stock Exchange.

### USE OF NET PROCEEDS FROM GLOBAL OFFERING

Our Company's Shares were listed on the Stock Exchange on December 29, 2022. Net proceeds from the Listing (including the partial exercise of the over-allotment option) of HK\$328.3 million (equivalent to RMB293.0 million), after deducting the underwriting commissions, fees and expenses payable by us in connection with the Listing, will be applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Set out below is the status of use of proceeds from the Global Offering by the Group.

Purpose	% of use of proceeds	Net proceeds as of December 31, 2023 (including net proceeds from the partial exercise of the over allotment option dated January 19, 2023)	Utilized for the year ended December 31, 2023	Unutilized proceeds as of December 31, 2023	Utilized for the six months ended June 30, 2024	Unutilized proceeds as of June 30, 2024	Expected timeline of the intended use of the unutilized proceeds as of December 31, 2023	Expected timeline of the intended use of the unutilized proceeds as of June 30, 2024
		(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)		
(1) To fund our Company's IP production and operations	80.0	262.6	246.0	16.6	0.2	16.4	December 2025	December 2025
(i) To fund our Company's variety program IP creation and operation;	70.0	229.8	229.8	-	-	-	-	-
(ii) To fund our Company's music IP production and operation;	4.0	13.1	12.3	0.8	0.2	0.6	December 2025	December 2025
(iii) To fund our Company's film and drama series IP production and operation;	4.0	13.1	-	13.1	-	13.1	December 2025	December 2025
(iv) To fund the purchase and upgrade of equipment, hardware and software for our Company's technical team, production team and short-video team.	2.0	6.6	3.9	2.7	-	2.7	December 2025	December 2025
(2) To expand our Company's audience reach to provide better customer service and build our Company's established entertainment IP Industry value chain.	20.0	65.7	6.7	59.0	-	59.0	December 2025	December 2025
<b>Total</b>	<b>100.0</b>	<b>328.3</b>	<b>252.7</b>	<b>75.6</b>	<b>0.2</b>	<b>75.4</b>		

From the Listing Date up to the Latest Practicable Date, there was no change in the intended use of net proceeds as disclosed in the Prospectus. The expected timeline of full utilization set out above is based on our Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions. Should there be any change in the use of proceeds, further announcement(s) will be made by our Company as soon as practicable.

## Other Information

### INTERIM DIVIDEND

Our Board has resolved not to declare an interim dividend for the Reporting Period.

### EVENTS AFTER THE REPORTING PERIOD

Save as already disclosed as of the date of this interim report, there were no significant events that might affect our Group since the end of the Reporting Period.

### AUDIT COMMITTEE

The Board has established an audit committee ("**Audit Committee**") with written terms of reference in compliance with the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chen Rehao (Chairman), Mr. Li Liangrong and Mr. Sheng Wenhao. The primary duties of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and reviewing the Group's financial information, financial controls, internal control and risk management systems.

### REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with our Company's management, the accounting principles and practices adopted by our Group, has discussed internal control and financial reporting matters and has reviewed the unaudited condensed consolidated financial information of our Group for the Reporting Period.

The Audit Committee is satisfied that the unaudited condensed consolidated financial information of our Group for the Reporting Period were prepared in accordance with the applicable accounting standards and fairly present our Group's financial position and results for the Reporting Period.

# Unaudited Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2024

	<i>Notes</i>	<b>2024 (Unaudited) RMB'000</b>	2023 (Unaudited) RMB'000
Revenue	5	<b>71,113</b>	144,067
Cost of sales		<b>(64,521)</b>	(96,717)
Gross profit		<b>6,592</b>	47,350
Other income and gains		<b>8,270</b>	7,608
Selling and distribution expenses		<b>(7,817)</b>	(11,888)
Administrative expenses		<b>(42,504)</b>	(54,724)
Impairment losses on financial assets, net		<b>4,206</b>	(3,065)
Other expenses		<b>(387)</b>	(498)
Changes in fair value of financial assets at fair value through profit or loss		<b>(5,594)</b>	76
Finance costs		<b>(221)</b>	(1,452)
Share of losses of:			
Joint ventures		<b>(14,873)</b>	(1,143)
Associates		<b>(3,012)</b>	(2,151)
LOSS BEFORE TAX	6	<b>(55,340)</b>	(19,887)
Income tax (expense)/credit	7	<b>(635)</b>	2,669
<b>LOSS FOR THE PERIOD</b>		<b>(55,975)</b>	(17,218)
Attributable to:			
Owners of the parent		<b>(56,796)</b>	(15,078)
Non-controlling interests		<b>821</b>	(2,140)
		<b>(55,975)</b>	(17,218)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	9	<b>(0.14)</b>	(0.04)

## Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
LOSS FOR THE PERIOD	<b>(55,975)</b>	(17,218)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>2,576</b>	29,327
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<b>2,576</b>	29,327
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<b>2,576</b>	29,327
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<b>(53,399)</b>	12,109
Attributable to:		
Owners of the parent	<b>(54,220)</b>	14,249
Non-controlling interests	<b>821</b>	(2,140)
	<b>(53,399)</b>	12,109

# Unaudited Interim Condensed Consolidated Statement of Financial Position

June 30, 2024

	<i>Notes</i>	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>193,116</b>	197,522
Other intangible assets		<b>136,735</b>	139,269
Right-of-use assets		<b>101,116</b>	104,675
Goodwill		<b>303,069</b>	301,343
Investments in joint ventures	<i>10</i>	<b>346,078</b>	360,951
Investments in associates	<i>11</i>	<b>609,889</b>	612,901
Financial assets at fair value through profit or loss	<i>12</i>	<b>49,880</b>	55,277
Restricted cash		<b>71,121</b>	69,535
Deferred tax assets		<b>25,770</b>	31,510
Prepayments, other receivables and other assets		<b>19,131</b>	19,131
<b>Total non-current assets</b>		<b>1,855,905</b>	1,892,114
<b>CURRENT ASSETS</b>			
Inventories		<b>21</b>	21
Program copyrights		<b>3,282</b>	224
Trade receivables	<i>13</i>	<b>175,653</b>	220,792
Prepayments, other receivables and other assets		<b>79,568</b>	260,895
Due from related parties	<i>18</i>	<b>524,499</b>	487,957
Cash and cash equivalents		<b>446,532</b>	353,878
<b>Total current assets</b>		<b>1,229,555</b>	1,323,767
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>14</i>	<b>138,572</b>	177,366
Other payables and accruals		<b>84,953</b>	106,311
Tax payable		<b>24,100</b>	35,050
Lease liabilities		<b>5,387</b>	5,659
<b>Total current liabilities</b>		<b>253,012</b>	324,386
<b>NET CURRENT ASSETS</b>		<b>976,543</b>	999,381
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,832,448</b>	2,891,495

continued/...



## Unaudited Interim Condensed Consolidated Statement of Financial Position (continued)

June 30, 2024

	<i>Note</i>	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>3,790</b>	6,315
Deferred tax liabilities		<b>3,951</b>	3,898
Other payables and accruals		<b>7,923</b>	11,099
<b>Total non-current liabilities</b>		<b>15,664</b>	21,312
<b>Net assets</b>		<b>2,816,784</b>	2,870,183
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	<i>15</i>	<b>3</b>	3
Reserves		<b>2,825,972</b>	2,880,192
		<b>2,825,975</b>	2,880,195
<b>Non-controlling interests</b>		<b>(9,191)</b>	(10,012)
<b>Total equity</b>		<b>2,816,784</b>	2,870,183

# Unaudited Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended June 30, 2024

	Attributable to owners of the parent								
	Share capital RMB'000 (note 15)	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Share Award Scheme reserve* RMB'000	Retained losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At December 31, 2023 (audited)	3	3,016,046	139,282	34,174	136,130	(445,440)	2,880,195	(10,012)	2,870,183
Loss for the period	-	-	-	-	-	(56,796)	(56,796)	821	(55,975)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	2,576	-	-	2,576	-	2,576
Total comprehensive loss for the period	-	-	-	2,576	-	(56,796)	(54,220)	821	(53,399)
At June 30, 2024 (unaudited)	3	3,016,046	139,282	36,750	136,130	(502,236)	2,825,975	(9,191)	2,816,784

continued/...

## Unaudited Interim Condensed Consolidated Statement of Changes In Equity (continued)

For the six months ended June 30, 2024

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Share Award Scheme reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At December 31, 2022 (audited)	3	3,007,053	139,282	17,335	136,130	1,159,194	4,458,997	19,295	4,478,292
Loss for the period	-	-	-	-	-	(15,078)	(15,078)	(2,140)	(17,218)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	29,327	-	-	29,327	-	29,327
Total comprehensive income for the period	-	-	-	29,327	-	(15,078)	14,249	(2,140)	12,109
Issue of shares	-	8,993	-	-	-	-	8,993	-	8,993
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	-	60	60
At June 30, 2023 (unaudited)	3	3,016,046	139,282	46,662	136,130	1,144,116	4,482,239	17,215	4,499,454

\* These reserve accounts comprise the consolidated reserves of RMB2,825,972,000 in the unaudited interim condensed consolidated statement of financial position as at June 30, 2024.

# Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	<i>Notes</i>	<b>2024</b> <b>(Unaudited)</b> <b>RMB'000</b>	2023 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<b>(55,340)</b>	(19,887)
Adjustments for:			
Bank interest income		<b>(6,570)</b>	(2,320)
Finance costs		<b>221</b>	1,452
Depreciation of property, plant and equipment		<b>6,099</b>	2,867
Depreciation of right-of-use assets		<b>2,575</b>	5,320
Amortisation of other intangible assets		<b>6,809</b>	20,779
Share of losses of joint ventures		<b>14,873</b>	1,143
Share of losses of associates		<b>3,012</b>	2,151
Loss on lease termination		<b>47</b>	–
Reversal of impairment losses on trade receivables	6	<b>(3,572)</b>	(798)
(Reversal of impairment losses)/impairment losses on financial assets included in prepayments, other receivables and other assets	6	<b>(634)</b>	3,863
Changes in fair value of financial assets at fair value through profit or loss		<b>5,594</b>	(76)
Interest income from loans to related parties		<b>(403)</b>	(1,078)
Foreign exchange differences, net		<b>(543)</b>	613
		<b>(27,832)</b>	14,029
Decrease in trade and notes receivables		<b>48,708</b>	167,565
Increase in prepayments, other receivables and other assets		<b>(9,148)</b>	(5,123)
Increase in inventories		<b>–</b>	(430)
Increase in program copyrights		<b>(3,058)</b>	(9,250)
Decrease in trade payables		<b>(30,078)</b>	(96,119)
(Decrease)/increase in other payables and accruals		<b>(6,287)</b>	17,947
Increase in restricted cash		<b>(1,586)</b>	(285)
Cash generated from operations		<b>(29,281)</b>	88,334
Interest received		<b>6,570</b>	2,320
Income tax paid		<b>(5,608)</b>	(9,897)
Net cash generated from/(used in) operating activities		<b>(28,319)</b>	80,757

continued/...

## Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended June 30, 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	<b>(19,128)</b>	(25,342)
Addition to other intangible assets	<b>(3,469)</b>	(3,404)
Loan to a joint venture	<b>(23,630)</b>	(6,000)
Loan to an associate	–	(19,922)
Loan to a related party	<b>(25,486)</b>	–
Repayment from a third party	–	2,000
Repayment from disposal of note instruments	<b>176,940</b>	–
Repayment of loans from a joint venture	<b>4,300</b>	–
Interests received	<b>9,861</b>	–
Payment for the note instruments	–	(176,940)
Purchases of items of financial assets at fair value through profit or loss	–	(40,232)
<b>Net cash flows from/(used in) investing activities</b>	<b>119,388</b>	(269,940)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	–	8,993
Repayment of the principal portion of lease liabilities	<b>(2,856)</b>	(4,295)
Capital contribution from non-controlling interests	–	60
Interest paid	<b>(221)</b>	(345)
<b>Net cash flows (used in)/from financing activities</b>	<b>(3,077)</b>	4,413
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>87,992</b>	(184,770)
Cash and cash equivalents at beginning of period	<b>353,878</b>	587,590
Effect of foreign exchange rate changes, net	<b>4,662</b>	2,033
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>446,532</b>	404,853
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	<b>446,532</b>	404,853

# Notes to Interim Condensed Consolidated Financial Information

## 1. CORPORATE AND GROUP INFORMATION

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

The shares of the Company were listed on the Main Board of the Stock Exchange on December 29, 2022.

The Company is an investment holding company. The Company's subsidiaries were principally involved in variety program IP production, operation and licensing, music IP operation and licensing, drama series and film IP operation and licensing and other IP-related business.

In the opinion of the directors, the ultimate controlling shareholders of the Company are Chinese Culture, Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong ("Controlling Shareholders").

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. 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 December 31, 2023.

## 3. 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 December 31, 2023, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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

- (a) Amendments to IFRS 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 IFRS 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 January 1, 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 IAS 7 and IFRS 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.

#### 4. OPERATING SEGMENT INFORMATION

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

##### Geographical information

(a) Revenue from external customers

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Mainland China	54,674	120,766
Other regions	16,439	23,301
Total	71,113	144,067

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

(b) Non-current assets

	June 30,	December 31,
	2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
Mainland China	1,279,242	1,304,318
Other regions	429,892	431,474
Total	1,709,134	1,735,792

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



## Notes to Interim Condensed Consolidated Financial Information (continued)

### 5. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue from contracts with customers	71,113	144,067

#### Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<b>Types of goods or services</b>		
Variety program IP production, operation and licensing	25,453	75,387
Music IP operation and licensing	7,566	19,238
Drama series and film IP operation and licensing	16,393	23,301
Other IP-related business	21,701	26,141
Total revenue from contracts with customers	71,113	144,067
<b>Geographical markets</b>		
Mainland China	54,674	120,766
Other regions	16,439	23,301
Total revenue from contracts with customers	71,113	144,067
<b>Timing of revenue recognition</b>		
Transferred at a point in time	41,805	27,489
Transferred over time	29,308	116,578
Total revenue from contracts with customers	71,113	144,067

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 6. LOSS BEFORE TAX

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

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cost of variety program IP production, operation and licensing	35,934	59,321
Cost of music IP operation and licensing	3,707	16,701
Cost of drama series and film IP operation and licensing	6,211	6,194
Cost of other IP-related business	18,669	14,501
Reversal of impairment losses on trade receivables, net (Reversal of impairment losses)/impairment losses on financial assets included in prepayments, other receivables other assets	(3,572)  <b>(634)</b>	(798)  3,863

### 7. INCOME TAX

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

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

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Pursuant to the relevant tax law of the Macau Special Administrative Region, Macau profits tax has been provided at the rate of 12% (2023: 12%) on the estimated assessable profits arising in Macau during the period.

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% (2023: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Canxing Culture is qualified as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% (2023: 15%) during the period, which will expire on December 12, 2026.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 7. INCOME TAX (CONTINUED)

The major components of income tax expense of the Group during the period are analysed as follows:

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current – Charge for the period	611	3,950
Deferred tax	24	(6,619)
Total tax charge/(credit) for the period	635	(2,669)

### 8. DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

### 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period ended June 30, 2024 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 398,538,168 (six months ended on June 30, 2023: 398,495,465) in issue for the period ended June 30, 2024. The Group had no potentially dilutive ordinary shares in issue during the period ended June 30, 2024 and 2023.

The calculations of basic and diluted loss per share are based on:

	For the six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(56,796)	(15,078)

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Number of Shares For the six months ended June 30,	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the period	<b>398,538,168</b>	398,495,465

### 10. INVESTMENTS IN JOINT VENTURES

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Share of net assets	<b>346,078</b>	360,951

The Group's loan receivable balances due from a joint venture are disclosed in note 18 to the financial statements.

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

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

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

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 10. INVESTMENTS IN JOINT VENTURES (CONTINUED)

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

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Cash and cash equivalents	<b>4,507</b>	8,817
Other current assets	<b>370,938</b>	365,385
Non-current assets	<b>1,197,420</b>	1,218,057
Current liabilities	<b>(496,375)</b>	(479,730)
Non-current liabilities	<b>(582,093)</b>	(596,885)
<b>Net assets</b>	<b>494,397</b>	515,644
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	<b>70%</b>	70%
Group's share of net assets of the joint venture	<b>346,078</b>	360,951
Revenue	<b>20,074</b>	19,732
Loss for the period	<b>(21,247)</b>	(58,693)
Total comprehensive loss for the period	<b>(21,247)</b>	(58,693)

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Share of net assets	<b>609,889</b>	612,901

The Group's prepayments and loans to associates are disclosed in note 18 to the financial statements.

Particulars of the Group's material associates as at June 30, 2024 are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest/ profit sharing	Voting power	Principal activities
Shaanxi Star Shuolan Real Estate Co., Ltd. ("Shuolan") 陝西星空碩藍置業有限公司	Ordinary shares	PRC/Mainland China	40.00%	40.00%	Real estate development and operation
Shaanxi Star Yuanlv Real Estate Co., Ltd. ("Yuanlv") 陝西星空原綠置業有限公司	Ordinary shares	PRC/Mainland China	40.00%	40.00%	Real estate development and operation
Shanghai Binqiao Enterprise management Co., Ltd.* ("Shanghai Binqiao") 上海濱橋企業管理有限公司	Ordinary shares	PRC/Mainland China	17.59%*	17.59%	Real estate development and operation

\* The Group has significant influence even though it holds less than 20 percent of the equity interest of Shanghai Binqiao as it serves as a member of the key management personnel of Shanghai Binqiao by serving one-fifth of the Board's composition, hence the Company has significant influence over its management, including participation in the financial, operating policy and strategic investment decisions.

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

**11. INVESTMENTS IN ASSOCIATES (CONTINUED)**

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

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Current assets	<b>142</b>	88
Non-current assets	<b>124,938</b>	125,658
Current liabilities	<b>(14,838)</b>	(13,604)
<b>Net assets</b>	<b>110,242</b>	112,142
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>40%</b>	40%
Group's share of net assets of the associate	<b>44,097</b>	44,857
Revenue	-	-
Loss for the period	<b>(1,899)</b>	(3,635)
Total comprehensive loss for the period	<b>(1,899)</b>	(3,635)

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Current assets	<b>931,890</b>	928,697
Current liabilities	<b>(5,210)</b>	(1,644)
Net assets	<b>926,680</b>	927,053
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>40%</b>	40%
Group's share of net assets of the associate	<b>370,672</b>	370,821
Revenue	-	-
Loss for the period	<b>(373)</b>	(549)
Total comprehensive loss for the period	<b>(373)</b>	(549)



## Notes to Interim Condensed Consolidated Financial Information (continued)

### 11. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of Shanghai Binqiao adjusted for any differences in accounting policies and reconciled to the carrying amount in the interim condensed consolidated financial information:

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Current assets	<b>2,921,743</b>	2,813,942
Non-current assets	<b>39</b>	50
Current liabilities	<b>(1,492,330)</b>	(1,538,043)
Non-current liabilities	<b>(339,477)</b>	(178,925)
Net assets	<b>1,089,975</b>	1,097,024
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>17.59%</b>	17.59%
Group's share of net assets of the associate	<b>191,727</b>	192,967
Revenue	<b>-</b>	(310)
Profit for the period	<b>(7,052)</b>	(2,976)
Total comprehensive income for the period	<b>(7,052)</b>	(2,976)

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

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Share of the associates' profits and losses for the period	<b>(863)</b>	(3,769)
Share of the associates' total comprehensive loss for the period	<b>(863)</b>	(3,769)
Aggregate carrying amount of the Group's investment in the associates	<b>3,393</b>	4,256

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
A listed equity investment, at fair value Tencent Music Entertainment Group	<b>38,700</b>	24,663
Other stock investments	<b>11,180</b>	30,614
<b>Total</b>	<b>49,880</b>	55,277

**13. TRADE AND NOTES RECEIVABLES**

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Trade receivables	<b>452,933</b>	524,573
Less: Impairment of trade receivables	<b>(277,280)</b>	(303,781)
<b>Total</b>	<b>175,653</b>	220,792

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days depending on the specific payment terms in each contract. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 13. TRADE AND NOTES RECEIVABLES (CONTINUED)

An ageing analysis of the trade receivables as at the end of each reporting period, based on the transaction dates and net of loss allowance, is as follows:

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Within 3 months	<b>14,549</b>	95,533
3 to 6 months	<b>28,608</b>	20,073
6 to 12 months	<b>59,071</b>	16,380
1 to 2 years	<b>54,944</b>	52,794
2 to 3 years	<b>6,044</b>	31,184
Over 3 years	<b>12,437</b>	4,828
<b>Total</b>	<b>175,653</b>	220,792

Included in the Group's trade receivables were amounts due from the Group's related parties of nil (December 31, 2023: RMB474,000), which were repayable on credit terms similar to those offered to the major customers of the Group.

### 14. TRADE PAYABLES

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

	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Within 1 year	<b>90,142</b>	115,876
1 to 2 years	<b>20,897</b>	39,062
2 to 3 years	<b>11,669</b>	11,054
Over 3 years	<b>15,864</b>	11,374
<b>Total</b>	<b>138,572</b>	177,366

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 14. TRADE PAYABLES (CONTINUED)

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

Included in the trade payables are trade payables of RMB3,103,000 as at June 30, 2024 (December 31, 2023: RMB11,499,000) due to the Group's related parties which are repayable within 30 days, which represented credit terms similar to those offered by the related parties to their major customers.

Included in the trade payables are liabilities arising from contracts with suppliers that are subject to legal cases of RMB3,098,000 as at June 30, 2024 (December 31, 2023: RMB4,267,000), details of which are disclosed in note 16 to the financial statements.

### 15. SHARE CAPITAL

	<b>As at June 30, 2024 USD</b>	As at December 31, 2023 USD
Authorised:		
50,000,000,000 (2023: 50,000,000,000) ordinary shares of USD0.000001 (2023: USD0.000001) each	<b>50,000</b>	50,000
Issued and fully paid:		
398,538,168 (2023: 398,538,368) ordinary shares of USD0.000001 (2023: USD0.000001) each	<b>399</b>	399

A summary of movements in the Company's share capital is as follows:

	<b>Number of shares in issue</b>	<b>Share capital RMB'000</b>
At December 31, 2023, January 1, 2024 and June 30, 2024	<b>398,538,168</b>	<b>3</b>

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 16. CONTINGENT LIABILITIES

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

For the period ended June 30, 2024 (unaudited)

	Carrying amount at January 1, RMB'000	Addition RMB'000	Change in estimates RMB'000	Payments RMB'000	Carrying amount at June 30, RMB'000
MBC – Guess the Singer! 2016	11,900	-	-	-	11,900
Entity A	1,435	-	-	-	1,435
Entity B	1,663	-	-	-	1,663
Others	1,169	-	-	(1,169)	-
<b>Total</b>	<b>16,167</b>	<b>-</b>	<b>-</b>	<b>(1,169)</b>	<b>14,998</b>

For the year ended December 31, 2023 (audited)

	Carrying amount at January 1, RMB'000	Addition RMB'000	Change in estimates RMB'000	Payments RMB'000	Carrying amount at December 31, RMB'000
MBC – Guess the Singer! 2016	11,900	-	-	-	11,900
Entity A	-	1,435	-	-	1,435
Entity B	-	1,663	-	-	1,663
Others	440	1,029	-	(300)	1,169
<b>Total</b>	<b>12,340</b>	<b>4,127</b>	<b>-</b>	<b>(300)</b>	<b>16,167</b>

### 17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Contracted, but not provided for:		
Leasehold land and construction in progress	762,149	767,286

## Notes to Interim Condensed Consolidated Financial Information (continued)

### 18. RELATED PARTY TRANSACTIONS

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

Name	Relationship with the Company
Star China Media Ltd. ("SCML")	An entity controlled by the Controlling Shareholders
Mengxiang Qi'an	A joint venture
Shanghai Xingkong Shui'an enterprise development Ltd. ("Xingkong Shui'an")	An entity controlled by an associate
Shanghai Binqiao	An associate
CMC News Asia Holdings Ltd. ("CMC News")	An entity controlled by the Controlling Shareholders

**(a) The Group had the following transactions with related parties during the period:**

	Notes	For the six months ended June 30,	
		2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
Loans to:			
Mengxiang Qi'an	(i)	23,630	6,000
CMC News	(ii)	25,525	–
Shanghai Binqiao		–	19,922
		<b>49,155</b>	25,922

Notes:

- (i) The loans to Mengxiang Qi'an were unsecured and repayable on demand with interest rates ranging from 0.0% to 8.0%.
- (ii) The loans to CMC News were unsecured and repayable on demand with interest-free.

**18. RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Outstanding balances with related parties:**

	<i>Notes</i>	<b>June 30, 2024 (Unaudited) RMB'000</b>	December 31, 2023 (Audited) RMB'000
Due from related parties (non-trade):			
Mengxiang Qi'an	<i>(i)</i>	<b>241,560</b>	222,230
Shanghai Binqiao	<i>(iii)</i>	<b>265,630</b>	265,227
Xingkong Shui'an	<i>(iv)</i>	<b>500</b>	500
CMC News	<i>(v)</i>	<b>16,809</b>	–
<b>Total</b>		<b>524,499</b>	487,957
Trade receivables (trade):			
SCML		–	474
Other receivables (trade):			
Mengxiang Qi'an		<b>1,386</b>	1,386
Trade payables (trade):			
SCML	<i>(ii)</i>	<b>320</b>	8,716
Mengxiang Qi'an	<i>(ii)</i>	<b>2,783</b>	2,783
<b>Total</b>		<b>3,103</b>	11,499

## Notes:

- (i) The amounts due from Mengxiang Qi'an were unsecured and repayable on demand with interest rates ranging from 0.0% to 8.0%.
- (ii) Trade payables were unsecured and interest-free.
- (iii) The loans to Shanghai Binqiao of RMB250,811,000 were unsecured, interest-free and repayable on demand and the remaining loans to Shanghai Binqiao of RMB13,444,000 bear interest at the rate of 6% per annum.
- (iv) The amounts were unsecured, interest-free and repayable on demand.
- (v) The loans to CMC News of RMB16,809,000 were unsecured, interest-free and repayable on demand.

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

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

Assets measured at fair value:

As at June 30, 2024 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable (Level 2) RMB'000	Significant unobservable (Level 3) RMB'000	
Financial assets at fair value through profit or loss	49,880	-	-	49,880

As at December 31, 2023 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable (Level 2) RMB'000	Significant unobservable (Level 3) RMB'000	
Financial assets at fair value through profit or loss	55,277	-	-	55,277

The Group did not have any financial liabilities measured at fair value as at June 30, 2024 and June 30, 2023.

During the six months ended June 30, 2023 and six months ended June 30, 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

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



## 19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (Continued)

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

The fair value of the restricted cash has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amount of the restricted cash is the same as its fair value.

The fair values of listed equity investments are based on quoted market prices.

The fair values of unlisted equity investments are estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

## Definitions

“Articles of Association”	the articles of association of our Company adopted on December 9, 2022 with effect from the Listing Date (as amended from time to time);
“Audit Committee”	the audit committee of our Board;
“Award”	an award granted by the Board or an administration committee of the Board to a grantee of a conditional right for such grantee to receive such number of Award Shares, subject to the satisfaction of vesting conditions and such other terms and conditions, as the Board or an administration committee of the Board may in its absolute discretion determine;
“Award Share(s)”	in respect of a grantee, such number of Share(s) underlying the Award(s) as determined by the Board or the administration committee of the Board, and as may be acquired through on-market or off-market purchases of Shares, in accordance with the terms of the Share Award Scheme;
“Beamingstars”	Beamingstars Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 16, 2021 and owned as to 51.99% by SH Zhihua and 48.01% by Harvest Sky, being one of our controlling shareholders under the Listing Rules;
“Board”	the board of Directors of our Company;
“Business Day(s)”	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays);
“BVI”	the British Virgin Islands;
“Canxing Culture”	Shanghai CanXing Culture & Media Co., Ltd. (上海燦星文化傳媒股份有限公司), a limited liability company established in the PRC on March 24, 2006 and is one of the Consolidated Affiliated Entities;
“Canxing JCA”	has the meaning ascribed to it in the Prospectus;
“China” or the “PRC”	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China;
“Chinese Culture”	CMC (Shanghai) and CMC (Tianjin);

## Definitions

“CMC (Shanghai)”	Chinese Culture (Shanghai) Equity Investment Center (L.P.) (華人文化產業股權投資(上海)中心(有限合夥)), a limited partnership incorporated in the PRC on December 31, 2009 and one of our controlling shareholders under the Listing Rules;
“CMC (Tianjin)”	Chinese Culture (Tianjin) Investment Management Co., Ltd. (華人文化(天津)投資管理有限公司), a company incorporated in the PRC on November 11, 2008, the general partner of CMC (Shanghai) and one of our controlling shareholders under the Listing Rules;
“Company”	STAR CM Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on March 29, 2021;
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“Director(s)”	the director(s) of our Company;
“East Brothers”	East Brothers Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and owned as to 81.76% by Mr. Tian Ming, 6.22% by Mr. Jin Lei and 12.02% by Mr. Xu Xiangdong, being one of our controlling shareholders under the Listing Rules;
“Global Offering”	has the meaning ascribed to it in the Prospectus;
“Group”, “Our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries and Consolidated Affiliated Entities at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries or the Consolidated Affiliated Entities, the business operated by such subsidiaries or the Consolidated Affiliated Entities or their predecessors (as the case may be);
“Goldenbroad”	Goldenbroad Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and wholly owned by Mr. Jin Lei, being one of our controlling shareholders under the Listing Rules;
“Harvest Sky”	Harvest Sky Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 10, 2021 and wholly owned by Mr. Tian Ming, being one of our controlling shareholders under the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

## Definitions

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board;
“IP”s	intellectual properties such as exiting variety programs, music works, films, drama series or other literary or artistic works, concepts, stories and expressions that can be used or considered, entirely or partially, to create and/or produce new variety programs, music works, drama series or films;
“Latest Practicable Date”	September 13, 2024, being the latest practicable date for ascertaining certain information in this interim report before its publication;
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange;
“Listing Date”	December 29, 2022, the date on which our Shares were listed and on which dealings in our Shares were first permitted to take place on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Mengxiang Qi’an”	Mengxiang Qi’an Culture Development (Shanghai) Co., Ltd. (夢響啟岸文化發展(上海)有限公司);
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
“Prospectus”	Our Company’s prospectus dated December 15, 2022, a copy of which is available on the Stock Exchange’s website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ;
“Reporting Period”	the six months ended June 30, 2024;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shares”	ordinary share(s) in the share capital of our Company with a par value of US\$0.000001 each;

## Definitions

“Share Award Scheme”	the Share Award Scheme adopted by the Company on July 29, 2024;
“SH Zhihua”	Shanghai Zhihua Enterprise Management Partnership (Limited Partnership) (上海至驊企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 23, 2021 and wholly-owned by CMC (Shanghai);
“Shareholder(s)”	holder(s) of our Company's Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tencent”	Tencent (騰訊), a leading online video platform based in Shenzhen;
“Unionstars”	Unionstars Investment Holdings Limited, a business company incorporated under the laws of the BVI on March 26, 2021 and owned as to 7.53%, 17.64%, 34.18% and 40.65% by East Brothers, Goldenbroad, Beamingstars and Harvest Sky, respectively;
“US\$”	United States dollars, the lawful currency for the time being of the United States; and
“Youku”	Youku (優酷), a leading online video platform based in Beijing