



TOM Group Limited

20
INTERIM
REPORT 24

Incorporated in the Cayman Islands with Limited Liability
(Stock Code: 2383)

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Disclaimer

If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.

Definitions

| | |
|-----------------------------|--|
| “Associate(s)” | has the meaning ascribed to it in the Listing Rules |
| “B2B” | means business-to-business |
| “B2C” | means business-to-consumer |
| “Board” | means the board of Directors |
| “China Post” | means China Post Group Corporation Limited*, a state-owned enterprise of the People’s Republic of China, and its subsidiaries |
| “China Post HK” | means Telpo Philatelic Company Limited, a company incorporated under the laws of Hong Kong and a subsidiary of China Post |
| “CKH” | means Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose listing status on the Stock Exchange was replaced by CKHH on 18 March 2015 |
| “CKHH” | means CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange on 18 March 2015 (Stock Code: 0001) |
| “Company” or “TOM” | means TOM Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2383) |
| “Corporate Governance Code” | means the Corporate Governance Code sets out in Appendix C1 to the Listing Rules |
| “Director(s)” | means the director(s) of the Company |
| “ESG” | means environmental, social and governance |
| “Group” or “TOM Group” | means the Company and its subsidiaries |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HWL” | means Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, which was listed on the Stock Exchange until it was privatised in June 2015 |

Definitions

| | |
|---------------------------------------|---|
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange |
| “Main Board” | means the main board of the Stock Exchange |
| “Mainland China” | means for the purpose of the segment differentiation of this report, the People’s Republic of China, excluding coverage of Hong Kong, Macau Special Administrative Region and Taiwan region |
| “Media Business” | means two reportable operating segments of Publishing Group and Advertising Group |
| “MioTech” | means Mioying Holdings Inc., a company incorporated in the Cayman Islands with limited liability |
| “Model Code” | means Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules |
| “SFO” | means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited |
| “Technology Platform and Investments” | means three reportable operating segments of E-Commerce Group, Social Network Group and Mobile Internet Group; and investments in Fintech and Advanced Data Analytics sectors |
| “Ule” or “Ule Group” | means Ule Holdings Limited or Ule Holdings Limited and its subsidiaries, a material associate of the Company which undertakes an e-commerce/supply chain business in Mainland China and from time to time raises funds for its growing business |
| “WeLab” | means WeLab Holdings Limited, a BVI business company incorporated in the British Virgin Islands with limited liability |

* For identification purposes only

Corporate Information

Board of Directors

Chairman

Frank John Sixt

Executive Director

Yeung Kwok Mung

Non-executive Directors

Chang Pui Vee, Debbie

Lee Pui Ling, Angelina

Independent Non-executive Directors

James Sha

Fong Chi Wai, Alex

Chan Tze Leung

Alternate Director

Lai Kai Ming, Dominic

(Alternate to Frank John Sixt)

Company Secretary

Man Tak Cheung

Authorised Representatives

Yeung Kwok Mung

Man Tak Cheung

Auditor

PricewaterhouseCoopers

*(Certified Public Accountants and
Registered PIE Auditor)*

Audit Committee

Fong Chi Wai, Alex *(Committee Chairman)*

James Sha

Lee Pui Ling, Angelina

Chan Tze Leung

Remuneration Committee

Fong Chi Wai, Alex *(Committee Chairman)*

Frank John Sixt

Chan Tze Leung

Nomination Committee

James Sha *(Committee Chairman)*

Frank John Sixt

Chan Tze Leung

Sustainability Committee

Yeung Kwok Mung *(Committee Chairman)*

Fong Chi Wai, Alex

Man Tak Cheung

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited

Industrial and Commercial Bank of China
(Asia) Limited

Bank of China (Hong Kong) Limited

DBS Bank Ltd., Hong Kong Branch

Citibank, N.A., Hong Kong Branch

United Overseas Bank Limited

Bank of America, N.A.

Hang Seng Bank Limited

Standard Chartered Bank (Hong Kong) Limited

Chairman's Statement

For the six months ended 30 June 2024, TOM Group continued to focus on our growth opportunities including our investments in China rural e-commerce/supply chain, fintech and advanced data analytics.

The strong US dollar, geopolitical volatility, global inflation and interest rates continued to affect business confidence and customer spending. As a result, the Group's consolidated revenue decreased 9.6% to HK\$342 million. Gross revenue from the Group's Media Business and Technology Platform and Investments was HK\$332 million and HK\$10 million respectively. Gross profit was HK\$137 million and gross profit margin was maintained at 40.2%.

Due to increased finance costs and unfavorable exchange translation that weighed on earnings in this period, the Group's underlying loss for the period attributable to shareholders was HK\$145 million. Excluding the one-off effect of reversal of impairment loss of approximately HK\$14 million in relation to Ule in the first half of 2023, loss before net finance costs and taxation increased from HK\$16 million in the first half of 2023 to HK\$27 million.

Ule, the Group's investment in E-Commerce business with China Post, continued the development of its rural e-commerce business with a focus on supply chain innovation. Net loss of Ule narrowed by 40.8% from the same period last year to RMB33 million. No reversal of impairment loss was recognised in the period under review.

The Publishing Group in Taiwan remained the leader in its markets during the period. Despite unfavorable exchange rate translation, the impacts of geopolitical volatility and the slowdown of business activities associated with elections held in the first half of 2024, the Publishing Group showed resilience and delivered gross revenue of HK\$328 million and segment profit of HK\$22 million in the period. The publishing markets in Taiwan remain challenging and the Group will continue to seek opportunities to diversify its revenue streams and step up the digital adoption of this business.

Pixnet, the Group's social digital media business, continues to be the largest user-generated content platform in Taiwan. Pixnet reported gross revenue of HK\$8 million and segment loss of HK\$8 million.

Going forward, management will remain focused on selectively pursuing growth opportunities while maintaining stable performances in our businesses. The Group will also maintain a prudent financial profile by closely monitoring operating and capital expenses and investments, and implementing disciplined cash flow and working capital management.

I would like to take this opportunity to thank our shareholders, business partners, the management and all our dedicated staff for their contributions to the Group.

Frank John Sixt
Chairman

Hong Kong, 5 August 2024

Management's Discussion and Analysis

Financial Highlights

| | For the six months ended | |
|--|-----------------------------|-----------------------------|
| | 30 June 2024 HK\$'000 | 30 June 2023 HK\$'000 |
| Consolidated revenue | 342,339 | 378,672 |
| Loss ⁽¹⁾ before reversal of provision for impairment in amounts due from associated companies | (26,885) | (16,222) |
| Reversal of provision for impairment in amounts due from associated companies | – | 14,471 |
| Loss before net finance costs and taxation | (26,885) | (1,751) |
| Loss attributable to equity holders of the Company | (145,414) | (94,547) |
| Total comprehensive expense attributable to equity holders of the Company | (249,465) | (115,747) |
| Loss per share (HK cents) | (3.67) | (2.39) |
| Net liabilities | (1,551,841) | (1,033,804) |

(1) Being loss before net finance costs and taxation (including share of results of investments accounted for using the equity method)

Management's Discussion and Analysis

Business Review

In the first half of 2024, geopolitical volatility and economic concerns continued to present a challenging operating environment for businesses in the Greater China region. During the review period, TOM Group stayed focused on achieving efficiencies and optimising costs to further enhance operating performance. Gross revenue from the Group's Media Business was HK\$332 million with a segment profit of HK\$22 million. Gross revenue from the Group's Technology and Investments was HK\$10 million with a segment loss of HK\$14 million.

Media Business

Cite, TOM Group's media and publishing arm in Taiwan, is a market leader in the industry. During the review period, Cite continued to optimise its operations and content products as well as expand new revenue streams with innovative digital offerings for its users and clients. Amid the slowdown of economic activity in the first quarter of 2024 associated with the elections in Taiwan, the Publishing Group recorded a 7.8% decrease in gross revenue to HK\$328 million with a segment profit of HK\$22 million during the review period.

Technology Platform and Investments

Pixnet is the Group's social media business and is morphing into a multimedia social platform allowing users, KOLs, brands and merchants to share meaningful print and video content to unveil the best of Taiwan in terms of food, lifestyle and travel. During the review period, Taiwan's 2024 elections impacted investor sentiment and advertising spend. Pixnet's business was adversely affected by the geopolitical and economic uncertainty in Taiwan and recorded a gross revenue of HK\$8 million with a segment loss of HK\$8 million. As Taiwan's economy is expected to have a modest recovery in the second half of 2024, Pixnet will continue to focus on cost optimisation while developing new products and services that cater to the evolving user preference for watching short-form content in order to capture growth opportunities in the online video platforms market.

TOM Group invested in WeLab, a leading pan-Asian fintech platform, in 2014. WeLab operates two digital banks as well as multiple online financial services in Hong Kong, Mainland China, Indonesia, and Malaysia. With more than 64 million users, WeLab has facilitated and originated over US\$13 billion of loans. WeLab uses game-changing technology to help customers access credit, save money, and enjoy their financial journey. Powered by proprietary risk management technology, patented privacy computing techniques, and advanced AI capabilities, WeLab offers mobile-based consumer financing solutions and digital banking services to retail individuals and technology solutions to enterprise customers. WeLab operates in four markets under multiple brands, including WeLend and WeLab Bank in Hong Kong, various business lines in Mainland China, Maucash and Bank Saqu by Bank Jasa Jakarta in Indonesia. WeLab Bank is the most innovative company named by the Chinese University of Hong Kong and is also one of the first fully licensed digital banks in Asia. WeLab's Indonesia digital bank, Bank Saqu, continues to be a key focus, highlighted by strong initial momentum – attracting over 1 million customers within 6 months of launch. As at 30 June 2024, TOM Group owns 8.00% in WeLab on an issued basis.

Management's Discussion and Analysis

In March 2020, TOM Group invested in MioTech which is a leading sustainability data and software provider in Asia. Currently, its software ESGhub has gained significant traction in Mainland China, Hong Kong and Southeast Asia, overtaking many consulting firms as a major player in sustainability reporting and data management. On the data side, MioTech further cemented its leading position as the best ESG data provider in Asia, as it expands its clientele and use cases among financial institutions. As at 30 June 2024, TOM Group owns 6.22% of MioTech on an issued basis.

Ule, TOM Group's investment in E-Commerce business with China Post, continued the development of its rural e-commerce business with a focus on supply chain innovation. Net loss of Ule narrowed by 40.8% from the same period last year to RMB33 million.

For the six months ended 30 June 2024, the Group recorded a revenue of HK\$342 million with a gross profit margin of 40.2%. The Group's underlying loss for the period attributable to shareholders was HK\$145 million. Excluding the one-off effect of reversal of impairment loss of approximately HK\$14 million in relation to Ule in the first half of 2023, loss before net finance costs and taxation increased from HK\$16 million in the first half of 2023 to HK\$27 million.

Going forward, TOM Group will continue to remain agile and prudent in managing its operations and investments in the Greater China region, and accelerate its digital business development to capture market opportunities and drive further growth.

Management's Discussion and Analysis

Group Capital Resources and Other Information

As at 30 June 2024, TOM Group had cash and bank balances, excluding pledged deposits, of approximately HK\$422 million. A total of HK\$4,520 million financing facilities were available, of which HK\$3,719 million or 82.3% had been utilised as at 30 June 2024, to finance the Group's investments, capital expenditures and for working capital purposes.

The principal of the total borrowings of TOM Group amounted to approximately HK\$3,719 million as at 30 June 2024, which are denominated in Hong Kong dollar. The borrowings included long-term bank loans of approximately HK\$3,719 million. All bank loans borne floating interest rates. The gearing ratio (Total principal amount of bank borrowings/(Total principal amount of bank borrowings + Deficit)) of TOM Group was 171.6% as at 30 June 2024, compared to 154.4% as at 31 December 2023.

As at 30 June 2024, the Group had net current assets of approximately HK\$215 million, compared to approximately HK\$335 million as at 31 December 2023. The current ratio (Current assets/Current liabilities) of TOM Group as at 30 June 2024 was 1.41, compared to 1.62 as at 31 December 2023. The Group recorded net liabilities of approximately HK\$1,552 million as at 30 June 2024, compared to net liabilities of HK\$1,290 million as at 31 December 2023. Net cash outflow from operating activities after interest and taxation paid was HK\$62 million, compared to outflow of HK\$31 million in the same period last year as a result of the increased borrowings interest rates. Net cash outflow from investing activities was HK\$32 million, compared to inflow of HK\$72 million in the same period last year, which was mainly due to settlement of amounts due from Ule in the first half of 2023.

Loss before Net Finance Costs and Taxation

Despite the resilience of the Publishing Group, revenue and loss before net finance costs and taxation of the Group for the period under review arrived at HK\$342 million and HK\$27 million respectively against the backdrop of strong US dollar, global inflation and the slowdown of Taiwan business activities in the period associated with elections in Taiwan. In the first half of 2023, reversal of provision for impairment losses of approximately HK\$14 million was recognised for the Group's amounts due from associated companies to reflect the reduction in credit risk subsequent to settlement of amounts due from Ule in January 2023. No reversal of impairment loss was recognised in the period under review.

Excluding the effect on non-cash events such as reversal of provision for impairment losses, the recurring loss before net finance costs and taxation increased from HK\$16 million in the first half of 2023 to HK\$27 million.

Management's Discussion and Analysis

Charges on Group Assets

As at 30 June 2024, the Group had restricted cash amounting to HK\$7 million, being bank deposits mainly pledged in favour of certain publishing distributors as retainer fee for potential sales return, and banks as security for credit card and advance receipt in Taiwan.

Contingent Liabilities

As at 30 June 2024, the Group had no significant contingent liabilities.

Significant Investments

As at 30 June 2024, details of significant investments (with individual investment value of 5 per cent or more of the Group's total assets) held by the Group were set out as follows:

| Nature of investments | Number of shares held by the Group | Interests held on issued basis | Investment cost HK\$ | Carrying value HK\$ | Total assets of the Group HK\$ | Carrying value to total assets of the Group |
|-----------------------|------------------------------------|--------------------------------|-------------------------|------------------------|-----------------------------------|---|
| (i) Ule | | | | | | |
| – Ordinary shares | 437,310,730 | 22.39% | 94,251,000 | 355,222,000 | 2,778,008,000 | 12.79% |
| (ii) WeLab | | | | | | |
| – Preferred shares | 4,017,419 | 8.00% | 297,029,000 | 676,520,000 | 2,778,008,000 | 24.35% |

(i) Investment in Ule

The Group recorded investment in Ule as "investment accounted for using the equity method". The principal business of Ule is investment holding. The subsidiaries of Ule principally undertake an e-commerce/supply chain business which focuses on owning and operating the mobile and internet-based e-marketplaces in rural areas of Mainland China.

During the six months ended 30 June 2024, share of operating loss of HK\$7,911,000 in the condensed consolidated interim income statement has been recorded by the Group for its investment in Ule. No dividend has been received from the investment in Ule during the six months ended 30 June 2024.

The investment in Ule represents an opportunity to sustainable growth of the Group and to continue its business strategy of becoming a leading investor in the e-commerce/supply chain business in rural areas of Mainland China.

Management's Discussion and Analysis

(ii) Investment in WeLab

The Group recorded investment in WeLab as “financial asset at fair value through other comprehensive income”. WeLab is a leading pan-Asian fintech company and one of the first fully licensed digital banks established in Asia.

During the six months ended 30 June 2024, unrealised loss of HK\$65,323,000 on revaluation of the investment in WeLab has been recorded by the Group. No realised gain or dividend has been received from this investment.

The Group believes that the investment in WeLab will create synergies with the Group's other technology related businesses.

The above significant investments and other various investment portfolios of the Group are in line with the Group's strategy to focus on high growth potential sectors such as e-commerce/supply chain, fintech and advanced data analytics.

Subsequent Events

There is no subsequent event after the reporting period which has material impact to the condensed consolidated interim financial information of the Group.

Foreign Exchange Exposure

The Group's operations principally locate in Mainland China and Taiwan, with transactions and related working capital denominated in Renminbi and New Taiwan dollar respectively. In general, it is the Group's policy for each operating entity to borrow in their local currencies, where necessary, to minimise currency risk. Overall, the Group is not exposed to significant foreign exchange risk; however, the Group will monitor this risk on an ongoing basis.

Management's Discussion and Analysis

Employee Information

As at 30 June 2024, TOM Group had approximately 1,100 full-time employees. For the first six months of the year, employee costs, including Directors' emoluments, amounted to HK\$148 million. The Group's employment and remuneration policies remained the same as detailed in the Annual Report for the year ended 31 December 2023.

Past Performance and Forward-looking Statements

The performance and the results of the operations of the Group contained in this 2024 Interim Report are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this 2024 Interim Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this 2024 Interim Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Corporate Strategy

The principal objective of the Company is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings and cash flow without compromising the Group's financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographies where the Group has management experience and resources. The Chairman's Statement, and Management Discussion and Analysis contained on pages 5 to 13 in this Interim Report include discussions and analyses of the Group's performance, the basis on which the Group generates or preserves value in the longer term and delivers the Group's objectives. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group.

Management's Discussion and Analysis

Sustainability

The key sustainability mission of the Group is to create long-term value for all stakeholders by aligning its sustainability objectives to the strategic development of its businesses. The collaborative approach of the Group supports the United Nations Sustainable Development Goals in "Good Health and Well-being", "Quality Education", "Gender Equality", "Decent Work and Economic Growth", "Reduced Inequalities", "Sustainable Cities and Communities", "Responsible Consumption and Production", "Climate Action", and "Peace, Justice and Strong Institutions".

The sustainability governance structure of the Group provides a solid foundation for developing and delivering on its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the Sustainability Committee, the Audit Committee and business units. This governance structure guides the Group in implementing sustainability strategies, managing goals, setting targets and reporting processes, strengthening relationships with its stakeholders, and ensuring accountability across its businesses.

Currently, the Group has identified four goals to guide its strategy for sustainable development. These goals have been arranged into four sustainability pillars – Business, People, Environment and Community, and are aligned with the United Nations Sustainable Development Goals.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as profit/(loss) before net finance costs and taxation including share of results of investments accounted for using the equity method and excluding reversal of provision for impairment in amounts due from associated companies, and segment profit/(loss) are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported certain non-GAAP results to investors, it is considered the inclusion of non-GAAP measures provides consistency in the Group's financial reporting.

Independent Review Report



羅兵咸永道

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF TOM GROUP LIMITED (incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 15 to 42, which comprises the condensed consolidated interim statement of financial position of TOM Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2024 and the condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 5 August 2024

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2024

| | Note | Unaudited Six months ended 30 June | |
|--|------|---------------------------------------|------------------|
| | | 2024 HK\$'000 | 2023 HK\$'000 |
| Revenue | 5 | 342,339 | 378,672 |
| Cost of sales | | (204,888) | (223,463) |
| Selling and marketing expenses | | (57,058) | (59,117) |
| Administrative expenses | | (34,786) | (34,174) |
| Other operating expenses, net | 7 | (67,136) | (68,673) |
| Other gains, net | 8 | 155 | 4,470 |
| | | (21,374) | (2,285) |
| Reversal of provision for impairment in amounts due from associated companies | 6 | – | 14,471 |
| | | (21,374) | 12,186 |
| Share of profits less losses of investments accounted for using the equity method | 17 | (5,511) | (13,937) |
| Loss before net finance costs and taxation | 9 | (26,885) | (1,751) |
| Finance income | | 1,780 | 2,197 |
| Finance costs | | (112,208) | (80,772) |
| Finance costs, net | 10 | (110,428) | (78,575) |
| Loss before taxation | | (137,313) | (80,326) |
| Taxation | 11 | (6,146) | (9,179) |
| Loss for the period | | (143,459) | (89,505) |
| Attributable to: | | | |
| – Non-controlling interests | | 1,955 | 5,042 |
| – Equity holders of the Company | | (145,414) | (94,547) |
| Loss per share attributable to equity holders of the Company during the period | | | |
| Basic and diluted | 13 | HK(3.67) cents | HK(2.39) cents |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2024

| | Unaudited | |
|--|--------------------------|-----------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Loss for the period | (143,459) | (89,505) |
| Other comprehensive expense for the period, net of tax | | |
| – Item that will not be reclassified to income statement: | | |
| Revaluation deficit of financial assets at fair value through other comprehensive income | (94,436) | (11,720) |
| – Item that may be reclassified to income statement: | | |
| Exchange translation differences | (23,485) | (5,034) |
| | (117,921) | (16,754) |
| Total comprehensive expense for the period | (261,380) | (106,259) |
| Total comprehensive (expense)/income for the period attributable to: | | |
| – Non-controlling interests | (11,915) | 9,488 |
| – Equity holders of the Company | (249,465) | (115,747) |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2024

| | | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|--|-------------|--|--|
| | <i>Note</i> | | |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Fixed assets | 14 | 48,374 | 18,033 |
| Right-of-use assets | | 84,648 | 89,500 |
| Investment properties | | 18,511 | 18,857 |
| Goodwill | 15 | 501,841 | 501,883 |
| Other intangible assets | 16 | 133,032 | 137,571 |
| Investments accounted for using the equity method | 17 | 361,736 | 374,996 |
| Financial assets at fair value through other comprehensive income | | 818,863 | 913,992 |
| Deferred tax assets | | 60,733 | 64,697 |
| Pension assets | | 2,849 | 2,849 |
| Other non-current assets | 18 | 7,373 | 5,279 |
| | | 2,037,960 | 2,127,657 |
| Current assets | | | |
| Inventories | | 89,210 | 93,474 |
| Trade and other receivables | 19 | 222,491 | 241,221 |
| Short-term deposit with original maturity over 3 months | | – | 43,680 |
| Restricted cash | 20 | 6,550 | 7,317 |
| Cash and cash equivalents | | 421,797 | 494,551 |
| | | 740,048 | 880,243 |
| Current liabilities | | | |
| Trade and other payables | 21 | 482,171 | 498,504 |
| Taxation payable | | 21,084 | 27,367 |
| Lease liabilities – current portion | | 21,552 | 19,035 |
| | | 524,807 | 544,906 |
| Net current assets | | 215,241 | 335,337 |
| Total assets less current liabilities | | 2,253,201 | 2,462,994 |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2024

| | | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|--|------|--|--|
| | Note | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 23,093 | 26,186 |
| Long-term bank loans – non-current portion | 22 | 3,708,917 | 3,648,756 |
| Lease liabilities – non-current portion | | 67,731 | 71,713 |
| Pension obligations | | 5,301 | 6,800 |
| | | <u>3,805,042</u> | <u>3,753,455</u> |
| Net liabilities | | <u>(1,551,841)</u> | <u>(1,290,461)</u> |
| EQUITY | | | |
| Equity attributable to the Company's equity holders | | | |
| Share capital | 23 | 395,852 | 395,852 |
| Deficits | | (2,234,497) | (1,985,032) |
| Own shares held | | (6,244) | (6,244) |
| | | <u>(1,844,889)</u> | <u>(1,595,424)</u> |
| Non-controlling interests | | 293,048 | 304,963 |
| Total deficit | | <u>(1,551,841)</u> | <u>(1,290,461)</u> |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2024

| | Unaudited | | | | | | | | | | | | |
|--|---|---------------------------|-----------------------------|--|-----------------------------|---|--|------------------------------|---------------------------|--------------------------------|--|---------------------------------------|---------------------------|
| | Attributable to equity holders of the Company | | | | | | | | | | | | |
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital reserve HK\$'000 | Capital redemption reserve HK\$'000 | General reserve HK\$'000 | Fair value through other comprehensive income reserve HK\$'000 | Properties revaluation reserve HK\$'000 | Exchange reserve HK\$'000 | Other reserve HK\$'000 | Accumulated losses HK\$'000 | Total shareholders' deficits HK\$'000 | Non-controlling interests HK\$'000 | Total deficit HK\$'000 |
| Balance at 1 January 2024 | 395,852 | (6,244) | 3,744,457 | (75,210) | 776 | 90,307 | 347,623 | 14,625 | 654,837 | 6,096 | (6,768,543) | 304,963 | (1,290,461) |
| Comprehensive income: | | | | | | | | | | | | | |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | (145,414) | 1,955 | (143,459) |
| Other comprehensive income: | | | | | | | | | | | | | |
| Revaluation deficit of financial assets at fair value through other comprehensive income | - | - | - | - | - | - | (87,710) | - | - | - | - | (6,726) | (94,436) |
| Exchange translation differences | - | - | - | - | - | - | - | (16,341) | (16,341) | - | - | (7,144) | (23,485) |
| Total comprehensive expense for the period ended 30 June 2024 | - | - | - | - | - | - | (87,710) | (16,341) | (16,341) | - | (145,414) | (11,915) | (261,380) |
| Balance at 30 June 2024 | 395,852 | (6,244) | 3,744,457 | (75,210) | 776 | 90,307 | 259,913 | 14,625 | 638,496 | 6,096 | (6,913,957) | 293,048 | (1,551,841) |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2024

| | Unaudited | | | | | | | | | | | | | |
|--|---|-----------------------------|---------------------------|-----------------------------|--|-----------------------------|--|------------------------------|---------------------------|--------------------------------|---------------------------------------|---------------------------|--|-------------|
| | Attributable to equity holders of the Company | | | | | | | | | | | | | |
| | Share capital HK\$'000 | Own shares held HK\$'000 | Share premium HK\$'000 | Capital reserve HK\$'000 | Capital redemption reserve HK\$'000 | General reserve HK\$'000 | Fair value | | | | Non-controlling interests HK\$'000 | Total deficit HK\$'000 | | |
| through other comprehensive income reserve HK\$'000 | | | | | | | Properties revaluation reserve HK\$'000 | Exchange reserve HK\$'000 | Other reserve HK\$'000 | Accumulated losses HK\$'000 | | | Total shareholders' deficits HK\$'000 | |
| Balance at 1 January 2023 | 395,852 | (6,244) | 3,744,457 | (75,210) | 776 | 94,280 | 471,295 | 14,625 | 663,549 | 6,096 | (6,551,257) | (1,241,781) | 316,555 | (925,226) |
| Comprehensive income: | | | | | | | | | | | | | | |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | (94,547) | (94,547) | 5,042 | (89,505) |
| Other comprehensive income: | | | | | | | | | | | | | | |
| Revaluation deficit of financial assets at fair value through other comprehensive income | - | - | - | (11,669) | - | - | - | - | - | - | - | (11,669) | (51) | (11,720) |
| Exchange translation differences | - | - | - | - | - | - | - | - | (9,531) | - | - | (9,531) | 4,497 | (5,034) |
| Total comprehensive (expense)/income for the period ended 30 June 2023 | - | - | - | - | - | - | (11,669) | - | (9,531) | - | (94,547) | (115,747) | 9,488 | (106,259) |
| Transactions with equity holders: | | | | | | | | | | | | | | |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - | (2,319) | (2,319) |
| Transfer to general reserve | - | - | - | - | - | 727 | - | - | - | - | (727) | - | - | - |
| Transactions with equity holders | - | - | - | - | - | 727 | - | - | - | - | (727) | - | (2,319) | (2,319) |
| Balance at 30 June 2023 | 395,852 | (6,244) | 3,744,457 | (75,210) | 776 | 95,007 | 459,626 | 14,625 | 654,018 | 6,096 | (6,646,531) | (1,357,528) | 323,724 | (1,033,804) |

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2024

| | Note | Unaudited Six months ended 30 June | |
|--|------|---------------------------------------|------------------|
| | | 2024 HK\$'000 | 2023 HK\$'000 |
| Cash flows from operating activities | | | |
| Net cash inflow from operations | | 46,843 | 56,089 |
| Interest paid | | (96,563) | (70,126) |
| Overseas taxation paid | | (11,866) | (16,716) |
| Net cash used in operating activities | | (61,586) | (30,753) |
| Cash flows from investing activities | | | |
| Capital expenditures | | (81,730) | (53,573) |
| Capital investment in a financial asset at fair value through other comprehensive income | | – | (17,293) |
| Settlement of amounts due from associated companies | | – | 179,800 |
| Proceeds from disposal of fixed assets | | 240 | 89 |
| Decrease/(increase) in bank deposit with original maturity over 3 months | | 43,680 | (43,680) |
| Dividends received | | 6,183 | 6,214 |
| Net cash (used in)/from investing activities | | (31,627) | 71,557 |
| Cash flows from financing activities | | | |
| New bank loans | 22 | 103,000 | 107,000 |
| Loan repayments | 22 | (45,000) | (160,000) |
| Loan arrangement fee paid | | (10,458) | (8,863) |
| Principal elements of lease payments | | (10,656) | (12,739) |
| Dividend paid to non-controlling interests | | – | (2,319) |
| Decrease/(increase) in restricted cash | | 447 | (9) |
| Net cash from/(used in) financing activities | | 37,333 | (76,930) |
| Decrease in cash and cash equivalents | | (55,880) | (36,126) |
| Cash and cash equivalents at 1 January | | 494,551 | 481,668 |
| Exchange adjustment | | (16,874) | (3,384) |
| Cash and cash equivalents at 30 June | | 421,797 | 442,158 |

Notes to the Condensed Consolidated Interim Financial Information

1 Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and applicable disclosure requirements of the Listing Rules.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

In preparing this unaudited condensed consolidated interim financial information, the Group has taken into account all information that could reasonably be expected to be available and has ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 30 June 2024, the Group had net liabilities of HK\$1,552 million. The Group also has undrawn banking facilities guaranteed by one of its substantial shareholders. Given the availability of these undrawn banking facilities, the Group considers it will have adequate financial resources to enable it to operate and meet its liabilities and commitments as and when they fall due within the next 12 months from the end of the reporting period. Accordingly, the Group has prepared this unaudited condensed consolidated interim financial information on a going concern basis.

2 Accounting policies

The accounting policies and methods of computation used in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in 2023 annual financial statements, except for the adoption of amendments to standards which are relevant to the operations of the Group and mandatory for annual periods beginning 1 January 2024.

The adoption of these amendments to standards does not have a material impact on the Group’s accounting policies.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3 Critical accounting estimates and judgements

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

Notes to the Condensed Consolidated Interim Financial Information

4 Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including cash flow interest rate risk, foreign currency risk and price risk).

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

There have been no changes in the risk management policies since the year ended 31 December 2023.

(b) Fair value estimation

The financial instruments that are measured at fair value require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

Notes to the Condensed Consolidated Interim Financial Information

4 Financial risk management (Continued)

(b) Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value:

| | Level 1 HK\$'000 | Level 2 HK\$'000 | Level 3 HK\$'000 | Total HK\$'000 |
|--|---------------------|---------------------|---------------------|-------------------|
|--|---------------------|---------------------|---------------------|-------------------|

As at 30 June 2024 (Unaudited)

Assets

| | | | | |
|--|-------|---|---------|---------|
| Investment properties | – | – | 18,511 | 18,511 |
| Financial assets at fair value through other comprehensive income ("FVOCI") – Equity securities (note) | 4,945 | – | 813,918 | 818,863 |

| | | | | |
|---------------------|--------------|----------|----------------|----------------|
| Total assets | 4,945 | – | 832,429 | 837,374 |
|---------------------|--------------|----------|----------------|----------------|

| | | | | |
|--------------------------|----------|----------|----------|----------|
| Total liabilities | – | – | – | – |
|--------------------------|----------|----------|----------|----------|

As at 31 December 2023 (Audited)

Assets

| | | | | |
|--|-------|---|---------|---------|
| Investment properties | – | – | 18,857 | 18,857 |
| Financial assets at FVOCI – Equity securities (note) | 5,494 | – | 908,498 | 913,992 |

| | | | | |
|---------------------|--------------|----------|----------------|----------------|
| Total assets | 5,494 | – | 927,355 | 932,849 |
|---------------------|--------------|----------|----------------|----------------|

| | | | | |
|--------------------------|----------|----------|----------|----------|
| Total liabilities | – | – | – | – |
|--------------------------|----------|----------|----------|----------|

Notes to the Condensed Consolidated Interim Financial Information

4 Financial risk management (Continued)

(b) Fair value estimation (Continued)

Note:

Certain financial assets at FVOCI of HK\$755,062,000 have been fair valued as at 30 June 2024 by an independent external valuer. As at 30 June 2024, the fair values of the financial assets at FVOCI were arrived by reference to the subscription price of latest round of financing of equity interests which is a significant input. Other insignificant inputs include market multiple, marketability discount, minority discount and probability of conversion scenario.

Included in financial assets at FVOCI, the Group owns 8.00% (31 December 2023: 8.03%) equity interests in WeLab as at 30 June 2024.

The Group has unrecognised gain on initial recognition of financial assets at FVOCI during the year ended 31 December 2023 and as at 30 June 2024 of HK\$12,907,000. The unrecognised gain was arised from acquisition of financial assets at FVOCI. The respective transaction price is favorable than the fair value and is not best evidence of fair value. The Company considers it is of the best interest of the shareholders for the Company to enter into the transaction. The amount is yet to be recognised in financial assets at FVOCI until the fair value of underlying financial asset is evidenced by a quoted price in an active market (ie a Level 1 input) or based on a valuation technique that uses only data from observable markets.

Changing unobservable inputs in Level 3 valuation to reasonable alternative assumptions would not have significant impact on the Group's profit or loss.

There were no transfers among Level 1, Level 2 and Level 3 during the six months ended 30 June 2024. The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following table presents the changes in Level 3 items for the period ended 30 June 2024:

| | Investment properties <i>HK\$'000</i> | Unlisted equity securities <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|-----------------------------|---|---|--------------------------|
| At 1 January 2024 | 18,857 | 908,498 | 927,355 |
| Net revaluation deficit | – | (93,887) | (93,887) |
| Exchange adjustment | (346) | (693) | (1,039) |
| At 30 June 2024 (unaudited) | 18,511 | 813,918 | 832,429 |

Notes to the Condensed Consolidated Interim Financial Information

5 Segment information

The Group has five reportable operating segments:

- E-Commerce Group – provision of services to users using the mobile and Internet-based marketplace and provision of technical services for e-commerce/supply chain operations.
- Mobile Internet Group – provision of mobile Internet services, online advertising and commercial enterprise solutions.
- Social Network Group – provision of services of online community and social networking websites and related online advertising.
- Publishing Group – magazine and book publishing and circulation, sales of advertising and other related products.
- Advertising Group – provision of media sales, event production and marketing services.

Sales between segments are carried out at arm's length.

Notes to the Condensed Consolidated Interim Financial Information

5 Segment information (Continued)

The segment results for the six months ended 30 June 2024 are as follows:

| | Unaudited Six months ended 30 June 2024 | | | | | | | Total HK\$'000 |
|---|--|---|--|-----------------------|---------------------------------|----------------------------------|-----------------------|-------------------|
| | Technology Platform and Investments | | | | Media Business | | | |
| | E-Commerce Group HK\$'000 | Mobile Internet Group HK\$'000 | Social Network Group HK\$'000 | Sub-total HK\$'000 | Publishing Group HK\$'000 | Advertising Group HK\$'000 | Sub-total HK\$'000 | |
| Gross segment revenue | - | 2,621 | 7,845 | 10,466 | 327,787 | 4,616 | 332,403 | 342,869 |
| Inter-segment revenue | - | - | (423) | (423) | - | (107) | (107) | (530) |
| Net revenue from external customers | - | 2,621 | 7,422 | 10,043 | 327,787 | 4,509 | 332,296 | 342,339 |
| Timing of revenue recognition: | | | | | | | | |
| At a point in time | - | 369 | 7,422 | 7,791 | 306,969 | 1,551 | 308,520 | 316,311 |
| Over time | - | 2,252 | - | 2,252 | 20,818 | 2,958 | 23,776 | 26,028 |
| | - | 2,621 | 7,422 | 10,043 | 327,787 | 4,509 | 332,296 | 342,339 |
| Segment profit/(loss) before amortisation and depreciation | (606) | (4,970) | (7,078) | (12,654) | 81,566 | 107 | 81,673 | 69,019 |
| Amortisation and depreciation | (1) | (694) | (1,003) | (1,698) | (59,688) | (1) | (59,689) | (61,387) |
| Segment profit/(loss) | (607) | (5,664) | (8,081) | (14,352) | 21,878 | 106 | 21,984 | 7,632 |
| Other material item: Share of profits less losses of investments accounted for using the equity method | (7,911) | - | - | (7,911) | 2,400 | - | 2,400 | (5,511) |
| Finance costs: | | | | | | | | |
| Finance income (note a) | 1 | 849 | 9 | 859 | 2,883 | 299 | 3,182 | 4,041 |
| Finance expenses | - | (24) | (144) | (168) | (1,208) | - | (1,208) | (1,376) |
| | 1 | 825 | (135) | 691 | 1,675 | 299 | 1,974 | 2,665 |
| Segment profit/(loss) before taxation | (8,517) | (4,839) | (8,216) | (21,572) | 25,953 | 405 | 26,358 | 4,786 |
| Unallocated corporate expenses | | | | | | | | (142,099) |
| Loss before taxation | | | | | | | | (137,313) |
| Expenditure for operating segment non-current assets | - | 6 | 1,503 | 1,509 | 80,180 | - | 80,180 | 81,689 |
| Unallocated expenditure for non-current assets | | | | | | | | 13,062 |
| Total expenditure for non-current assets | | | | | | | | 94,751 |

Note (a):

Inter-segment interest income amounted to HK\$2,261,000 was included in the finance income.

Notes to the Condensed Consolidated Interim Financial Information

5 Segment information (Continued)

The segment results for the six months ended 30 June 2023 are as follows:

| | Unaudited Six months ended 30 June 2023 | | | | | | | |
|---|--|-----------------------------------|----------------------------------|-----------------------|------------------------------|-------------------------------|-----------------------|-------------------|
| | Technology Platform and Investments | | | | Media Business | | | |
| | E-Commerce Group HK\$'000 | Mobile Internet Group HK\$'000 | Social Network Group HK\$'000 | Sub-total HK\$'000 | Publishing Group HK\$'000 | Advertising Group HK\$'000 | Sub-total HK\$'000 | Total HK\$'000 |
| Gross segment revenue | - | 3,330 | 12,201 | 15,531 | 355,531 | 8,244 | 363,775 | 379,306 |
| Inter-segment revenue | - | - | (452) | (452) | - | (182) | (182) | (634) |
| Net revenue from external customers | - | 3,330 | 11,749 | 15,079 | 355,531 | 8,062 | 363,593 | 378,672 |
| Timing of revenue recognition: | | | | | | | | |
| At a point in time | - | 570 | 11,749 | 12,319 | 327,933 | 543 | 328,476 | 340,795 |
| Over time | - | 2,760 | - | 2,760 | 27,598 | 7,519 | 35,117 | 37,877 |
| | - | 3,330 | 11,749 | 15,079 | 355,531 | 8,062 | 363,593 | 378,672 |
| Segment profit/(loss) before amortisation and depreciation | 6,538 | (7,497) | (6,229) | (7,188) | 104,922 | (512) | 104,410 | 97,222 |
| Amortisation and depreciation | (1) | (557) | (2,013) | (2,571) | (68,277) | (1) | (68,278) | (70,849) |
| Segment profit/(loss) | 6,537 | (8,054) | (8,242) | (9,759) | 36,645 | (513) | 36,132 | 26,373 |
| Other material items: | | | | | | | | |
| Reversal of provision for impairment in amounts due from associated companies | 3,134 | 11,091 | - | 14,225 | - | - | - | 14,225 |
| Share of profits less losses of investments accounted for using the equity method | (16,839) | (187) | - | (17,026) | 3,089 | - | 3,089 | (13,937) |
| | (13,705) | 10,904 | - | (2,801) | 3,089 | - | 3,089 | 288 |
| Finance costs: | | | | | | | | |
| Finance income (note a) | 2 | 1,375 | 4 | 1,381 | 2,499 | 304 | 2,803 | 4,184 |
| Finance expenses | - | (21) | (7) | (28) | (146) | - | (146) | (174) |
| | 2 | 1,354 | (3) | 1,353 | 2,353 | 304 | 2,657 | 4,010 |
| Segment profit/(loss) before taxation | (7,166) | 4,204 | (8,245) | (11,207) | 42,087 | (209) | 41,878 | 30,671 |
| Unallocated corporate expenses | | | | | | | | (110,997) |
| Loss before taxation | | | | | | | | (80,326) |
| Expenditure for operating segment non-current assets | - | 1,370 | 119 | 1,489 | 73,442 | - | 73,442 | 74,931 |
| Unallocated expenditure for non-current assets | | | | | | | | - |
| Total expenditure for non-current assets | | | | | | | | 74,931 |

Note (a):

Inter-segment interest income amounted to HK\$1,987,000 was included in the finance income.

Notes to the Condensed Consolidated Interim Financial Information

5 Segment information (Continued)

The segment assets and liabilities at 30 June 2024 are as follows:

| | Unaudited As at 30 June 2024 | | | | | | | |
|--|-------------------------------------|---|--|-----------------------|---------------------------------|----------------------------------|-----------------------|-------------------|
| | Technology Platform and Investments | | | | Media Business | | | |
| | E-Commerce Group HK\$'000 | Mobile Internet Group HK\$'000 | Social Network Group HK\$'000 | Sub-total HK\$'000 | Publishing Group HK\$'000 | Advertising Group HK\$'000 | Sub-total HK\$'000 | Total HK\$'000 |
| | | | | | | | | |
| Segment assets | 173,606 | 613,038 | 17,047 | 803,691 | 1,404,401 | 55,548 | 1,459,949 | 2,263,640 |
| Investments accounted for using the equity method | 355,222 | 3,113 | - | 358,335 | 3,401 | - | 3,401 | 361,736 |
| Unallocated assets | | | | | | | | 152,632 |
| Total assets | | | | | | | | 2,778,008 |
| Segment liabilities | 14,864 | 19,863 | 12,044 | 46,771 | 411,630 | 12,724 | 424,354 | 471,125 |
| Unallocated liabilities: | | | | | | | | |
| Corporate liabilities | | | | | | | | 105,630 |
| Current taxation | | | | | | | | 21,084 |
| Deferred taxation | | | | | | | | 23,093 |
| Borrowings | | | | | | | | 3,708,917 |
| Total liabilities | | | | | | | | 4,329,849 |

Notes to the Condensed Consolidated Interim Financial Information

5 Segment information (Continued)

The segment assets and liabilities at 31 December 2023 are as follows:

| | Audited | | | | | | | |
|---|-------------------------------------|-----------------------|----------------------|-----------|------------------|-------------------|-----------|-----------|
| | As at 31 December 2023 | | | | | | | |
| | Technology Platform and Investments | | | | Media Business | | | |
| | E-Commerce Group | Mobile Internet Group | Social Network Group | Sub-total | Publishing Group | Advertising Group | Sub-total | Total |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| Segment assets | 199,412 | 714,747 | 21,607 | 935,766 | 1,458,065 | 55,583 | 1,513,648 | 2,449,414 |
| Investments accounted for using the equity method | 364,556 | 3,172 | - | 367,728 | 7,268 | - | 7,268 | 374,996 |
| Unallocated assets | | | | | | | | 183,490 |
| Total assets | | | | | | | | 3,007,900 |
| Segment liabilities | 14,976 | 21,776 | 13,424 | 50,176 | 452,597 | 12,154 | 464,751 | 514,927 |
| Unallocated liabilities: | | | | | | | | |
| Corporate liabilities | | | | | | | | 81,125 |
| Current taxation | | | | | | | | 27,367 |
| Deferred taxation | | | | | | | | 26,186 |
| Borrowings | | | | | | | | 3,648,756 |
| Total liabilities | | | | | | | | 4,298,361 |

The unallocated assets represent the corporate assets. The unallocated liabilities represent the corporate liabilities in addition to operating segment taxation payable, deferred tax liabilities and borrowings which are managed on a central basis.

Notes to the Condensed Consolidated Interim Financial Information

6 Reversal of provision for impairment in amounts due from associated companies

| | Unaudited | |
|---|--------------------------|----------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Reversal of provision for impairment in respect of: | | |
| Amounts due from associated companies (note 19) | – | 14,471 |

Note:

For the period ended 30 June 2023, a reversal of provision for impairment amounting to HK\$14,471,000 in relation to the Group's amounts due from associated companies had been further recognised in the condensed consolidated interim income statement to reflect the reduction in credit risk for amounts due from Ule Holdings Limited ("Ule") and its subsidiaries ("Ule Holdings Group") subsequent to the settlement of RMB155,000,000 from Ule.

7 Other operating expenses, net

| | Unaudited | |
|--|--------------------------|---------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Staff costs | 39,418 | 41,361 |
| Travel and entertainment | 535 | 597 |
| Provision for inventories | 5,945 | 6,425 |
| Provision/(reversal of provision) for impairment of trade receivables, net | 214 | (356) |
| Depreciation of fixed assets | 2,006 | 3,386 |
| Depreciation of right-of-use assets | 11,759 | 10,662 |
| Amortisation of other intangible assets | 1 | 1 |
| Other expenses, net | 7,258 | 6,597 |
| | <u>67,136</u> | <u>68,673</u> |

Notes to the Condensed Consolidated Interim Financial Information

8 Other gains, net

| | Unaudited | |
|--|--------------------------|--------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Dividend income from financial assets at FVOCI | 272 | 726 |
| Gain on disposal of fixed assets | 233 | 89 |
| Exchange (loss)/gain, net | (350) | 3,655 |
| | <u>155</u> | <u>4,470</u> |

9 Loss before net finance costs and taxation

Loss before net finance costs and taxation is stated after charging/crediting the following:

| | Unaudited | |
|--|--------------------------|---------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Charging: | | |
| Depreciation of fixed assets (note 14) | 3,546 | 5,196 |
| Depreciation of right-of-use assets | 14,189 | 12,586 |
| Amortisation of other intangible assets (note 16) | 46,081 | 55,721 |
| Exchange loss, net | 350 | – |
| | <u>64,166</u> | <u>73,503</u> |
| Crediting: | | |
| Reversal of provision for impairment in amounts due from associated companies (notes 6 and 19) | – | 14,471 |
| Dividend income from financial assets at FVOCI | 272 | 726 |
| Gain on disposal of fixed assets | 233 | 89 |
| Exchange gain, net | – | 3,655 |
| | <u>503</u> | <u>18,941</u> |

The above expense items by nature were included in cost of sales, selling and marketing expenses, administrative expenses, other operating expenses, net and other gains, net in the condensed consolidated interim income statement.

Notes to the Condensed Consolidated Interim Financial Information

10 Finance costs, net

| | Unaudited | |
|--|--------------------------|---------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Interest and borrowing costs on bank loans | 110,803 | 80,577 |
| Interest costs on lease liabilities | 1,405 | 195 |
| Bank interest income | (1,780) | (2,197) |
| | <u>110,428</u> | <u>78,575</u> |

Note:

No interest has been capitalised for the six months ended 30 June 2024 (2023: Same).

11 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated interim income statement represents:

| | Unaudited | |
|--------------------------------|--------------------------|--------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Overseas taxation | 6,303 | 7,161 |
| Under-provision in prior years | 946 | 1,113 |
| Deferred taxation | (1,103) | 905 |
| Taxation charge | <u>6,146</u> | <u>9,179</u> |

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

Notes to the Condensed Consolidated Interim Financial Information

12 Dividends

No dividends had been paid or declared by the Company for the six months ended 30 June 2024 (2023: Nil).

13 Loss per share

(a) Basic

The calculation of basic loss per share is based on consolidated loss attributable to equity holders of the Company of HK\$145,414,000 (2023: HK\$94,547,000) and the weighted average of 3,958,510,558 (2023: 3,958,510,558) ordinary shares in issue during the period.

(b) Diluted

Diluted loss per share is equal to the basic loss per share for the period ended 30 June 2024 (2023: Same).

14 Fixed assets

| | <i>HK\$'000</i> |
|-----------------------------|-----------------|
| Net book value | |
| At 1 January 2023 | 20,740 |
| Additions | 2,113 |
| Depreciation charge | (5,196) |
| Exchange adjustment | (263) |
| | <hr/> |
| At 30 June 2023 (unaudited) | 17,394 |
| | <hr/> |
| Net book value | |
| At 1 January 2024 | 18,033 |
| Additions (note) | 34,492 |
| Disposals | (7) |
| Depreciation charge | (3,546) |
| Exchange adjustment | (598) |
| | <hr/> |
| At 30 June 2024 (unaudited) | 48,374 |
| | <hr/> |

Note:

During the period ended 30 June 2024, major fixed assets incurred by the Group were leasehold improvements amounting to HK\$27,023,000.

Notes to the Condensed Consolidated Interim Financial Information

15 Goodwill

| | <i>HK\$'000</i> |
|-----------------------------|-----------------|
| Net book value | |
| At 1 January 2023 | 509,396 |
| Exchange adjustment | (61) |
| | <u>509,335</u> |
| At 30 June 2023 (unaudited) | <u>509,335</u> |
| Net book value | |
| At 1 January 2024 | 501,883 |
| Exchange adjustment | (42) |
| | <u>501,841</u> |
| At 30 June 2024 (unaudited) | <u>501,841</u> |

16 Other intangible assets

| | <i>Publishing rights HK\$'000</i> | <i>Trademarks HK\$'000</i> | <i>Total HK\$'000</i> |
|-----------------------------|---|--------------------------------|---------------------------|
| Net book value | | | |
| At 1 January 2023 | 135,950 | 17 | 135,967 |
| Additions | 51,460 | – | 51,460 |
| Amortisation charge | (55,720) | (1) | (55,721) |
| Exchange adjustment | 53 | – | 53 |
| | <u>131,743</u> | <u>16</u> | <u>131,759</u> |
| At 30 June 2023 (unaudited) | <u>131,743</u> | <u>16</u> | <u>131,759</u> |
| Net book value | | | |
| At 1 January 2024 | 137,558 | 13 | 137,571 |
| Additions | 47,238 | – | 47,238 |
| Amortisation charge | (46,080) | (1) | (46,081) |
| Exchange adjustment | (5,696) | – | (5,696) |
| | <u>133,020</u> | <u>12</u> | <u>133,032</u> |
| At 30 June 2024 (unaudited) | <u>133,020</u> | <u>12</u> | <u>133,032</u> |

Notes to the Condensed Consolidated Interim Financial Information

17 Investments accounted for using the equity method

The amounts recognised in the condensed consolidated interim statement of financial position are as follows:

| | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|----------------------|--|--|
| Associated companies | 361,736 | 374,996 |

The share of net losses recognised in the condensed consolidated interim income statement are as follows:

| | Unaudited Six months ended 30 June 2024 HK\$'000 | 2023 HK\$'000 |
|----------------------|---|------------------|
| Associated companies | (5,511) | (13,937) |

Interests in associated companies

Movements in interests in associated companies during the period:

| | Unaudited Six months ended 30 June 2024 HK\$'000 | 2023 HK\$'000 |
|---|---|------------------|
| At 1 January | 374,996 | 401,060 |
| Share of profits less losses | (5,511) | (13,937) |
| Dividend income from associated companies | (5,911) | (5,488) |
| Exchange adjustment | (1,838) | (1,975) |
| At 30 June (unaudited) | 361,736 | 379,660 |

Note:

(a) Recoverable amount assessment for investments accounted for using the equity method

During the period ended 30 June 2024, management has assessed and considered there is no indicator for further impairment or reversal of impairment on the carrying value of investments accounted for using the equity method.

Notes to the Condensed Consolidated Interim Financial Information

18 Other non-current assets

| | Unaudited 30 June 2024 <i>HK\$'000</i> | Audited 31 December 2023 <i>HK\$'000</i> |
|--------------------------------|---|---|
| Long-term receivables | 7,373 | 5,279 |
| Represented by: | | |
| Receivables from third parties | 7,373 | 5,279 |

The maximum exposure to credit risk on long-term receivables at the reporting date is their carrying values.

The Group does not hold any collateral as security.

19 Trade and other receivables

| | Unaudited 30 June 2024 <i>HK\$'000</i> | Audited 31 December 2023 <i>HK\$'000</i> |
|---|---|---|
| Trade receivables | 177,667 | 194,153 |
| Prepayments, deposits and other receivables | 44,824 | 47,068 |
| | 222,491 | 241,221 |

The Group has established credit policies for customers in each of its businesses. The average credit period granted for trade receivables ranges from 30 to 180 days. The Group's revenue is determined in accordance with terms specified in the contracts governing the relevant transactions. The carrying values of trade and other receivables approximate their fair values.

Notes to the Condensed Consolidated Interim Financial Information

19 Trade and other receivables (Continued)

The ageing analyses of the Group's trade receivables, based on terms specified in the contracts governing the relevant transactions, were as follows:

| | Unaudited 30 June 2024 <i>HK\$'000</i> | Audited 31 December 2023 <i>HK\$'000</i> |
|--------------------------------|---|---|
| Current | 87,791 | 101,667 |
| 31 – 60 days | 40,583 | 42,243 |
| 61 – 90 days | 21,950 | 25,099 |
| Over 90 days | 55,606 | 53,911 |
| | <u>205,930</u> | <u>222,920</u> |
| Less: Provision for impairment | <u>(28,263)</u> | <u>(28,767)</u> |
| | <u>177,667</u> | <u>194,153</u> |
| Represented by: | | |
| Receivables from third parties | <u>177,667</u> | <u>194,153</u> |

The Group's prepayments, deposits and other receivables as at 30 June 2024 included amounts due from associated companies of HK\$3,581,000 (31 December 2023: HK\$12,313,000).

The amounts due from associated companies are unsecured, interest-free and repayable on demand.

The Group does not hold any collateral as security.

Notes to the Condensed Consolidated Interim Financial Information

19 Trade and other receivables (Continued)

Movements in the provision for impairment of other receivables were as follows:

| | Unaudited | |
|--|--------------------------|----------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Balance as at 1 January | – | 13,997 |
| Reversal of provision for impairment in amounts due from associated companies (note 6) | – | (14,471) |
| Exchange adjustment | – | 474 |
| Balance as at 30 June (unaudited) | – | – |

20 Restricted cash

At 30 June 2024, NT\$27,134,000 (approximately HK\$6,550,000) (31 December 2023: NT\$28,934,000 (approximately HK\$7,317,000)) was mainly pledged in favour of certain publishing distributors as retainer fee for potential sales return, and banks as security for credit card and advance receipt in Taiwan.

21 Trade and other payables

| | Unaudited | Audited |
|-----------------------------|----------------|------------------|
| | 30 June 2024 | 31 December 2023 |
| | HK\$'000 | HK\$'000 |
| Trade payables | 102,546 | 109,707 |
| Other payables and accruals | 277,256 | 281,835 |
| Contract liabilities | 102,369 | 106,962 |
| | 482,171 | 498,504 |

The contract liabilities primarily relate to the advance consideration received from customers, or the Group has unconditional right to considerations before the goods or services are delivered.

The carrying values of trade and other payables approximate their fair values.

Notes to the Condensed Consolidated Interim Financial Information

21 Trade and other payables (Continued)

The ageing analyses of the Group's trade payables, based on terms specified in the contracts governing the relevant transactions, were as follows:

| | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|---------------------------|--|--|
| Current | 46,072 | 52,279 |
| 31 – 60 days | 11,598 | 8,653 |
| 61 – 90 days | 6,539 | 6,169 |
| Over 90 days | 38,337 | 42,606 |
| | <u>102,546</u> | <u>109,707</u> |
| Represented by: | | |
| Payables to third parties | <u>102,546</u> | <u>109,707</u> |

22 Movements in borrowings

| | Long-term bank loans HK\$'000 | Transaction costs arising on bank facility HK\$'000 | Total HK\$'000 |
|-----------------------------------|-------------------------------------|---|-------------------|
| As at 1 January 2023 | 3,527,000 | (703) | 3,526,297 |
| Recognition of transaction costs | – | (282) | (282) |
| Amortisation on transaction costs | – | 456 | 456 |
| Borrowings | 107,000 | – | 107,000 |
| Repayments | <u>(160,000)</u> | <u>–</u> | <u>(160,000)</u> |
| As at 30 June 2023 (unaudited) | <u>3,474,000</u> | <u>(529)</u> | <u>3,473,471</u> |
| As at 1 January 2024 | 3,661,000 | (12,244) | 3,648,756 |
| Recognition of transaction costs | – | (1,266) | (1,266) |
| Amortisation on transaction costs | – | 3,427 | 3,427 |
| Borrowings | 103,000 | – | 103,000 |
| Repayments | <u>(45,000)</u> | <u>–</u> | <u>(45,000)</u> |
| As at 30 June 2024 (unaudited) | <u>3,719,000</u> | <u>(10,083)</u> | <u>3,708,917</u> |

Notes to the Condensed Consolidated Interim Financial Information

23 Share capital

| | Ordinary shares of HK\$0.1 each | |
|---|---------------------------------|-----------------|
| | <i>No. of shares</i> | <i>HK\$'000</i> |
| Company – Authorised | | |
| At 1 January and 30 June 2023 and 1 January and 30 June 2024 | <u>5,000,000,000</u> | <u>500,000</u> |
| Company – Issued and fully paid | | |
| At 1 January and 30 June 2023 and 1 January and 30 June 2024 | <u>3,958,510,558</u> | <u>395,852</u> |

24 Pledge of assets

Save as disclosed in note 20 to the condensed consolidated interim financial information, the Group had no pledge of assets as at 30 June 2024 (31 December 2023: Nil).

25 Contingent liabilities

As at 30 June 2024, the Group had no significant contingent liabilities.

26 Capital commitments

As at 30 June 2024, the Group had no significant capital commitments.

27 Related party transactions

A summary of significant related party transactions is set out below:

(a) Sales of goods and services

| | Unaudited | |
|--|----------------------------------|-----------------|
| | Six months ended 30 June 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Provision of services to – Associated companies | <u>113</u> | <u>150</u> |

Notes to the Condensed Consolidated Interim Financial Information

27 Related party transactions (Continued)

(b) Purchase of goods and services

| | Unaudited | |
|--|--------------------------|----------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Purchase of services payable to – Non-controlling interests of a subsidiary and their subsidiaries | 182 | 152 |
| Service fees payable to – CKHH and its subsidiaries | 1,644 | 1,543 |

A substantial shareholder of the Company granted guarantee to the Company at a guarantee fee equivalent to 0.5% per annum (2023: Same) for aggregate principal amount outstanding under a loan facility of HK\$4,500 million (2023: HK\$3,700 million). For the six months ended 30 June 2024, guarantee fee amounted to approximately HK\$9,168,000 (2023: HK\$8,590,000) was paid by the Company to the substantial shareholder.

(c) Key management compensation

For the six months ended 30 June 2024, no transactions have been entered into with the directors of the Company (being the key management personnel) other than the emoluments paid to them (being key management personnel compensation) (2023: Nil).

28 Subsequent events

There is no subsequent event after the reporting period which has material impact to the condensed consolidated interim financial information of the Group.

29 Approval of interim financial information

The condensed consolidated interim financial information was approved by the Board of Directors on 5 August 2024.

Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

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

Long positions in the shares of the Company

| Name of Director | Capacity | Number of shares of the Company | | | | Total | Approximate percentage of shareholding |
|------------------|--------------------|---------------------------------|------------------|---------------------|-----------------|---------|--|
| | | Personal interests | Family interests | Corporate interests | Other interests | | |
| Frank John Sixt | Beneficial owner | 492,000 | – | – | – | 492,000 | 0.01% |
| Yeung Kwok Mung | Interest of spouse | – | 30,000 | – | – | 30,000 | Below 0.01% |

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company and their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders Disclosable under the SFO

So far as the Directors and chief executive of the Company are aware, as at 30 June 2024, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" under "Disclosure of Interests", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Disclosure of Interests

| Name | Capacity | No. of shares of the Company held | Approximate percentage of shareholding |
|---|--|---------------------------------------|--|
| CKHH | Interest of controlled corporations | 1,430,120,545 (L) (Notes 1, 2 & 3) | 36.13% |
| CKH | Interest of controlled corporations | 1,430,120,545 (L) (Notes 1, 2 & 3) | 36.13% |
| Cheung Kong Investment Company Limited | Interest of controlled corporations | 476,341,182 (L) (Note 1) | 12.03% |
| Cheung Kong Holdings (China) Limited | Interest of controlled corporations | 476,341,182 (L) (Note 1) | 12.03% |
| Sunnylink Enterprises Limited | Interest of a controlled corporation | 476,341,182 (L) (Note 1) | 12.03% |
| Romefield Limited | Beneficial owner | 476,341,182 (L) (Note 1) | 12.03% |
| CK Hutchison Global Investments Limited | Interest of controlled corporations | 952,683,363 (L) (Note 2) | 24.07% |
| HWL | Interest of controlled corporations | 952,683,363 (L) (Note 2) | 24.07% |
| Hutchison International Limited | Interest of a controlled corporation | 952,683,363 (L) (Note 2) | 24.07% |
| Easterhouse Limited | Beneficial owner | 952,683,363 (L) (Note 2) | 24.07% |
| Chau Hoi Shuen | Interest of controlled corporations | 1,003,432,363 (L) (Notes 4, 5 & 6) | 25.35% |
| Composers International Limited | Interest of controlled corporations | 1,003,432,363 (L) (Notes 4, 5 & 6) | 25.35% |
| Cranwood Company Limited | Beneficial owner & interest of controlled corporations | 995,078,363 (L) (Notes 4 & 6) | 25.14% |
| Schumann International Limited | Beneficial owner | 580,000,000 (L) (Notes 4 & 6) | 14.65% |
| Handel International Limited | Beneficial owner | 348,000,000 (L) (Notes 4 & 6) | 8.79% |
| Lin Tian Maw | Beneficial owner, interest of child under 18 and/or spouse & interest of controlled corporations | 529,028,000 (L) (Note 7) | 13.36% |

(L) denotes a long position

Disclosure of Interests

Notes:

- (1) Romefield Limited is a wholly-owned subsidiary of Sunnylink Enterprises Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Holdings (China) Limited. Cheung Kong Holdings (China) Limited is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH. CKH is a wholly-owned subsidiary of CKHH.

By virtue of the SFO, CKHH, CKH, Cheung Kong Investment Company Limited, Cheung Kong Holdings (China) Limited and Sunnylink Enterprises Limited are all deemed to be interested in the 476,341,182 shares of the Company held by Romefield Limited.

- (2) Easterhouse Limited is a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of HWL. HWL is a non wholly-owned subsidiary of CK Hutchison Global Investments Limited, which in turn is a wholly-owned subsidiary of CKHH. In addition, certain subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

By virtue of the SFO, CKHH, CKH, CK Hutchison Global Investments Limited, HWL and Hutchison International Limited are all deemed to be interested in the 952,683,363 shares of the Company held by Easterhouse Limited.

- (3) Casaurina Investments Limited, an Associate of CKH, which in turn is a wholly-owned subsidiary of CKHH, holds 1,096,000 shares of the Company.

By virtue of the SFO, CKHH and CKH are all deemed to be interested in the 1,096,000 shares of the Company held by Casaurina Investments Limited.

- (4) Schumann International Limited and Handel International Limited are companies controlled by Cranwood Company Limited ("Cranwood Company Limited (Liberia)", incorporated in Liberia), which in turn is a wholly-owned subsidiary of Composers International Limited. Composers International Limited is wholly owned by Ms. Chau Hoi Shuen.

By virtue of the SFO, Ms. Chau Hoi Shuen, Composers International Limited and Cranwood Company Limited (Liberia) are all deemed to be interested in the 580,000,000 and 348,000,000 shares of the Company held by Schumann International Limited and Handel International Limited respectively. Also, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 67,078,363 shares of the Company held by Cranwood Company Limited (Liberia) directly.

- (5) A company Cranwood Company Limited ("Cranwood Company Limited (BVI)", incorporated in British Virgin Islands), a wholly-owned subsidiary of Composers International Limited, which in turn is wholly owned by Ms. Chau Hoi Shuen, holds 8,354,000 shares of the Company.

By virtue of the SFO, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 8,354,000 shares of the Company held by Cranwood Company Limited (BVI) directly.

- (6) Cranwood Company Limited (Liberia), Schumann International Limited, Handel International Limited and Cranwood Company Limited (BVI) have charged 67,078,363, 580,000,000, 348,000,000 and 8,354,000 shares of the Company respectively in favour of CKHH on 21 December 2015.

- (7) Such disclosure of interests was notified to the Company by Mr. Lin Tian Maw on 11 July 2024.

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any other person or corporation having an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

Share Option Scheme

The Company has no share option scheme during the six months ended 30 June 2024.

Corporate Governance

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

Audit Committee

The Company has established an Audit Committee in January 2000. The Audit Committee currently consists of three Independent Non-executive Directors and one Non-executive Director who possess the relevant financial and business management experience and skills to understand financial statements and monitor the financial governance, internal controls and risk management of the Company. It is chaired by Dr. Fong Chi Wai, Alex and the other members of the Audit Committee include Mr. James Sha, Mrs. Lee Pui Ling, Angelina and Mr. Chan Tze Leung. Written terms of reference in compliance with the Listing Rules have been adopted for the Audit Committee.

The principal duties of the Audit Committee include, among other things, overseeing and reviewing the adequacy and effectiveness of risk management and internal control systems, oversight of the relationship with external auditor, review of the Group's financial information and monitoring the corporate governance of the Group including compliance with statutory and Listing Rules requirements, reviewing of scope, extent and effectiveness of the activities of the Group's financial reporting system and internal audit function, engages independent legal and other advisors and conducting investigations as it so determines to be necessary.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 has been reviewed by the Audit Committee.

Compliance with the Corporate Governance Code

The Company has complied throughout the six months ended 30 June 2024 with all applicable code provisions of the Corporate Governance Code.

Compliance with the Model Code for Securities Transactions by Directors

The Board has adopted the Model Code as the code of conduct regulating Directors' dealings in securities of the Company. In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the six months ended 30 June 2024.

Other Information

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including treasury shares) of the Company.

Changes in Information of Directors

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors of the Company subsequent to the date of the 2023 Annual Report of the Company are set out below:

| Name of Directors | Details of the Changes |
|-----------------------|---|
| Frank John Sixt | Re-designated as executive director, group co-managing director and group finance director of CKHH on 1 April 2024. |
| Chan Tze Leung | Appointed as independent non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited on 9 May 2024. |
| Lai Kai Ming, Dominic | Re-designated as executive director and group co-managing director of CKHH on 1 April 2024. Appointed as chairman and non-executive director of Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust on 1 April 2024. |

Information for Shareholders

| | |
|---|--|
| Listing | The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited |
| Stock Code | The Stock Exchange of Hong Kong Limited: 2383 |
| Financial Calendar | 2024 Interim Results Announcement: 5 August 2024 |
| Registered Office | Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands |
| Head Office and Principal Place of Business | Rooms 1601-05, 16/F., China Resources Building 26 Harbour Road, Wanchai, Hong Kong Telephone: +852 2121 7838 Facsimile: +852 2186 7711 |
| Principal Share Registrar | Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands |
| Branch Share Registrar | Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17/F., Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong Telephone: +852 2862 8628 Facsimile: +852 2865 0990 |
| Investor Information | Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company |
| Investor Relations Contact | Please direct enquiries to: Group Corporate Communications & Investor Relations Rooms 1601-05, 16/F., China Resources Building 26 Harbour Road, Wanchai, Hong Kong Telephone: +852 2121 7838 Facsimile: +852 2186 7711 Email: ir@tomgroup.com |
| Website Address | www.tomgroup.com |