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新傳企劃有限公司
New Media Lab Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1284)

2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (“**Board**” or “**Directors**”) of New Media Lab Limited (“**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as “**Group**”) for the year ended 31 December 2023 (“**Year**”).

FINANCIAL SUMMARY

	For the year ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
Total revenue	220,885	240,678
Digital advertising	211,534	229,169
Print advertising and circulation	9,351	11,509
Adjusted net profit*	22,194	37,876

* *Adjusted net profit represents the net profit excluding the listing expenses and one-off income, which reflects the Group’s core operating performance*

During the Year, the Group has recommended the payment of a final dividend of HK1.2 cents per share.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Despite the general recovery of the consumption market during the first half of the Year, the macro economy was clouded with uncertainties and market competition remained fierce, hence the Group's total revenue was HK\$220.9 million (2022: HK\$240.7 million) during the Year. Revenue from digital advertising was HK\$211.5 million (2022: HK\$229.2 million) and remained a key revenue contributor, accounting for 95.8% (2022: 95.2%) of the Group's total revenue. The Group's net profit was HK\$14.5 million (2022: HK\$39.4 million). The adjusted net profit excluding the listing expenses and one-off income was HK\$22.2 million (2022: HK\$37.9 million), which reflected the Group's core operating performance. The basic earnings per share was HK2.8 cents¹ (2022: HK8.8 cents¹). The Group has recommended the payment of a final dividend of HK1.2 cents per share (2022: Nil).

MARKET REVIEW

With outbound travel having resumed globally during the Year, relative normality has returned to most countries. Consumption sentiment has revived, contributing to the resurgence of retail activities as well as online businesses. As a result, brands were again willing to spend on advertisements to enhance brand visibility and drive sales. The resumption of spending in marketing campaigns and promotions has exerted a positive influence on the digital advertising industry.

Nevertheless, various global factors such as tightened monetary policies, inflationary pressure, interest rate hikes, ongoing geopolitical tensions, etc. have led to abundant challenges in the market during the second half of the Year, resulting in a volatile economic environment. With an uncertain economic outlook, again consumers turned cautious. A weakened consumption sentiment has directly affected brands' advertising spending, which is very responsive to market conditions.

BUSINESS REVIEW

The Group is a digital media flagship group, providing one-stop integrated advertising solutions to brand owners and advertising agencies through several digital media platforms. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 17 July 2023 (“**Listing Date**”).

¹ Please refer to note 9 on pages 16 to 17 for the number of shares used for calculation.

The Group has established its online business since 2011, and currently operates nine media brands, including “*Weekend Weekly*”, “*Oriental Sunday*”, “*Economic Digest*”, “*New Monday*”, “*More*”, “*GOtrip*”, “*Sunday Kiss*”, as well as two more recently introduced brands – “*SSwagger*” and “*Madame Figaro*”. Each brand has its dedicated content pillars covering dining and local attractions, gourmet and gastronomy, fashion and beauty, travel, entertainment news, kids and parenting, electronic gadgets and gaming, finance and investment, as well as designer and luxury labels. The target positions of each media brand are as follows:

“*Weekend Weekly*” – Specialises in providing lifestyle content ranging from topical dining trends and discoveries around town to best dining and shopping offers, tips and recommendations, to meet the demands of people from all walks of life.

“*Oriental Sunday*” – Offers up-to-date entertainment gossip news of artists and celebrities’ activities and providing updates on developments in the entertainment industry.

“*Economic Digest*” – Provides the latest information on economics, investment, financial markets and personal finance, with the major target audience comprising professional investors, white collars and general public who follow investment and financial markets.

“*New Monday*” – Provides content on the latest social trends, covering topics such as online shopping, online games, electronic gadgets, sports trend, fashion, entertainment news and beauty tips.

“*More*” – Targets a female audience with coverage of topics including fashion, skincare, makeup, nutritious menus for healthy diets and wedding planning.

“*GOtrip*” – Provides comprehensive travel information and suggested itineraries ranging from local excursions, staycation to global destinations.

“*Sunday Kiss*” – Targets young parents with coverage of the latest trends in child-care, parenting and education, as well as shopping tips.

“*SSwagger*” – Targets GenZ community with content coverage of active and sustainable lifestyle, music and dance, as well as art and creative design trends.

“*Madame Figaro*” – An upmarket, prestigious platform covering fashion and beauty, aiming to capture the luxury market.

Strong Market Presence with Extensive Coverage

As of 31 December 2023, the Group had 9 media brands, covering 9 websites, 10 fanpages on Facebook and 9 profiles on Instagram. The Group has a strong digital presence with millions of subscribers who follow its contents on the websites, mobile apps and third-party social media platforms. This social media engagement creates an ideal platform for advertisers to communicate with and collect feedback from their current and potential consumers and broaden their reach.

Subsequent to the Year, the Group received several accolades in the 8th Media Convergence Awards, organised by Hong Kong Association of Interactive Marketing, in recognition of its efforts and excellence in using technology to transform and innovate in the delivery of news and information in the past year. “*Economic Digest*” received two awards, namely “Overall – Gold Award” and “ESG – Bronze Award”, both under the Magazine category. “*Weekend Weekly*” received four awards, namely “Social Media – Silver Award”, “Mobile Applications – Silver Award”, “Overall – Bronze Award” and “Top Ten Favourite Fanpages”, all of which are under the Online Media category.

Broad Range of Advertising Products and Services

The Group offers a wide spectrum of advertising products and integrated services on various media platforms including display banners, advertorials and reviews and social newsfeeds, along with creative production and strategic services such as search engine optimisation (SEO) and segment marketing. The Group has an in-house platform team dedicated to analysing audience behaviour on the Group’s media platforms via analytic tools for gaining insights into the behaviour and preferences of target audiences.

Well-established Relationships with Clients Across Different Industries

The Group has been engaged in the media industry in Hong Kong for over 20 years and is renowned for its popular flagship media brands including “*Oriental Sunday*”, “*Weekend Weekly*”, “*New Monday*” and “*Economic Digest*”. With a long history in the advertising business in the print media and an early entry into the digital marketing business, the Group has established an extensive client network. The Group’s diverse client portfolio ranges from 4A’s and non-4A’s advertising agencies, multinational corporations and brand owners to small and medium-sized enterprises, covering a large variety of business sectors.

PROSPECTS

Since the pandemic began, the media landscape has changed, with audiences and advertisers largely turning and adapting to the use of digital channels. Digital advertising has become a growth engine in the advertising industry. The Group established its online business a decade ago; riding on its advantage as a pioneer, it will continue investing in enhancing its digital platforms and upgrading its content management system, in order to provide quality, creative content, to help clients connect with their target audiences. The Group will also strengthen the application of artificial intelligence and machine learning models in its platforms' backend operations, in order to utilise the resulting data for assessing the performance of its business units.

As 2024 begins, consumer confidence remains weak in the face of an uncertain economic outlook. In the meantime, the deepening slump in China's property market is casting a shadow over global growth prospects. Advertisers therefore tend to stay conservative regarding their marketing budgets. In light of this, the Group will utilise the diversity of its nine media brands, which cover a broad spectrum of area of interests, in order to attract advertising clients with different target audiences. The Group will also enhance the content offering by identifying trending topics, to maintain the stickiness of its audiences, which will help strengthen its market presence and maintain stable business performance.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

Cash and cash equivalents of the Group as at 31 December 2023 amounted to HK\$142.7 million (2022: HK\$19.9 million), and were mainly denominated in Hong Kong dollars. As at 31 December 2023, the Group did not have any bank borrowings (2022: HK\$21.0 million), and hence its gearing ratio (calculated on the basis of the total debts over total equity) significantly decreased to 0.4% (2022: 31.1%). The strong liquidity position enables the Group to retain high flexibility for future development.

As at 31 December 2023, the Group's current assets and current liabilities were approximately HK\$212.7 million (2022: HK\$101.3 million) and HK\$36.2 million (2022: HK\$59.6 million), respectively. Current ratio and quick ratio of the Group were 5.9 (2022: 1.7) and 5.9 (2022: 1.7), respectively.

In view of the Group's financial position as at 31 December 2023, the Board considered that the Group had sufficient working capital for its operations and future development plans.

Initial Public Offering and Use of Proceeds

The Company has been successfully listed on the Main Board of the Stock Exchange on the Listing Date following the completion of a share offer of ordinary shares of the Company, including a public offer of 45,000,000 shares and placing of 105,000,000 shares, at a price of HK\$0.92 per share (“**Share Offer**”). As at the Listing Date, the Company had 600,000,000 shares in issue.

Based on the offer price of HK\$0.92 per share, the net proceeds from the Share Offer, after deducting listing related expenses, amounted to approximately HK\$103.5 million. The actual use of the net proceeds up to 31 December 2023 is set out below:

	Approximate percentage of net proceeds	Allocation of use of net proceeds <i>(HK\$ million)</i>	Actual use of net proceeds up to 31 December 2023 <i>(HK\$ million)</i>	Unutilised net proceeds as of 31 December 2023 <i>(HK\$ million)</i>	Expected timetable for use of the unutilised net proceeds
Expand and enhance product lines and enhance data collection and analytical capabilities	44.5%	46.0	1.9	44.1	By 31 December 2025
Mergers and acquisitions and/or strategic alliances with other media or e-commerce market players	26.3%	27.2	Nil	27.2	By 31 December 2024
Construct in-house media content management platform	12.5%	13.0	0.3	12.7	By 31 December 2025
General working capital	9.9%	10.2	10.2	Nil	NA
Repay bank borrowings	6.8%	7.1	7.1	Nil	NA
Total	100%	103.5	19.5	84.0	

For the expected timeline of the intended use of proceeds, please refer to the “Future Plans and Use of Proceeds” section in the Company’s prospectus dated 30 June 2023. The unutilised net proceeds are held by way of bank deposits with licensed banks or authorised financial institutions in Hong Kong.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had 232 (2022: 240) employees. Total staff costs including Directors’ remuneration and the other staff costs for the Year were HK\$100.9 million (2022: HK\$94.7 million). Each employee’s remuneration was determined in accordance with the individual’s responsibility, competence and skills, experience and performance as well as market pay levels. Staff benefits include medical insurance, retirement benefits and other competitive fringe benefits. The Company has adopted a share option scheme on 26 June 2023, which became effective on the Listing Date to provide incentives or rewards to its staff.

FINAL DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK1.2 cents (2022: Nil) per share (“**Final Dividend**”) for the Year, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (“**AGM**”) to be held on 6 June 2024 (Thursday). If being approved, the Final Dividend will be paid on 3 July 2024 (Wednesday) to shareholders whose names appear on the register of members of the Company on 18 June 2024 (Tuesday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders’ right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 31 May 2024 (Friday)
AGM	6 June 2024 (Thursday)

For ascertaining shareholders’ entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 14 June 2024 (Friday)
Book close dates	17 June 2024 (Monday) – 18 June 2024 (Tuesday) (both days inclusive)
Record date	18 June 2024 (Tuesday)
Final Dividend payment date	3 July 2024 (Wednesday)

In order to qualify for the right to attend and vote at the AGM and for the entitlement to the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before the above respective latest time.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

		2023	2022
	Notes	HK\$'000	HK\$'000
REVENUE	4	220,885	240,678
Other income and gains	4	4,430	7,311
Employee benefit expense		(100,901)	(94,684)
Production costs		(54,909)	(59,522)
Printing costs		(2,829)	(2,982)
Depreciation and amortisation		(16,966)	(17,079)
Other expenses, net		(27,074)	(21,252)
Finance costs	6	(3,766)	(5,626)
PROFIT BEFORE TAX	5	18,870	46,844
Income tax expense	7	(4,345)	(7,413)
PROFIT FOR THE YEAR		<u>14,525</u>	<u>39,431</u>
Attributable to:			
Owners of the parent		<u>14,525</u>	<u>39,431</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		<u>HK2.8 cents</u>	<u>HK8.8 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	HK\$'000	HK\$'000
PROFIT FOR THE YEAR	14,525	39,431
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>79</u>	<u>32</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>14,604</u>	<u>39,463</u>
Attributable to:		
Owners of the parent	<u>14,604</u>	<u>39,463</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		19,841	22,610
Right-of-use assets		52,086	62,789
Intangible assets		256	408
Prepayments, deposits and other receivables		2,983	2,960
Deferred tax assets		665	508
Total non-current assets		75,831	89,275
CURRENT ASSETS			
Trade receivables	<i>10</i>	62,663	71,470
Prepayments, deposits and other receivables		4,243	9,144
Tax recoverable		2,292	–
Pledged bank deposit		800	800
Cash and cash equivalents		142,738	19,930
Total current assets		212,736	101,344
CURRENT LIABILITIES			
Trade payables	<i>11</i>	6,398	6,107
Other payables and accruals		20,296	18,371
Interest-bearing bank borrowings		–	21,000
Lease liabilities		9,412	10,536
Tax payable		99	3,594
Total current liabilities		36,205	59,608
NET CURRENT ASSETS		176,531	41,736
TOTAL ASSETS LESS CURRENT LIABILITIES		252,362	131,011
NON-CURRENT LIABILITIES			
Lease liabilities		45,074	52,956
Provision		6,557	6,557
Total non-current liabilities		51,631	59,513
Net assets		200,731	71,498
EQUITY			
Equity attributable to owners of the parent			
Issued capital		6,000	–
Reserves		194,731	71,498
Total equity		200,731	71,498

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

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

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group’s financial statements.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group principally focuses on the digital and print media businesses and magazine and book publishing. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

Substantially all of the Group's revenues from external customers during the current and prior years were attributed to Hong Kong based on the location in which the relevant Group's activities which generated such revenues were carried out.

(b) Non-current assets

Substantially all of the Group's non-current assets as at the end of the respective reporting periods, excluding financial instruments and deferred tax assets, were located in Hong Kong based on the location of the assets.

Information about major customers

Revenue from respective external customers derived from digital and print media businesses and magazine and book publishing contributing over 10% of the total revenue of the Group for the respective years is as follows:

	2023 HK\$'000	2022 HK\$'000
Customer A	N/A*	24,168
Customer B	27,635	N/A*

Revenues from these customers include revenue from a group of entities which are known to be under common control of these customers.

* Less than 10% of the total revenue of the Group in the respective years.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers		
<i>Disaggregated revenue information</i>		
Types of goods or services		
Digital advertising (other than programmatic advertising)	183,030	188,090
Programmatic advertising	28,504	41,079
	<u>211,534</u>	<u>229,169</u>
Print advertising	6,760	8,608
Circulation	2,591	2,901
	<u>220,885</u>	<u>240,678</u>
Total revenue from contracts with customers	<u>220,885</u>	<u>240,678</u>
Timing of revenue recognition		
At a point in time	155,181	167,722
Over time	65,704	72,956
	<u>220,885</u>	<u>240,678</u>
Total revenue from contracts with customers	<u>220,885</u>	<u>240,678</u>

4. REVENUE, OTHER INCOME AND GAINS (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Circulation	223	255
Digital advertising	1,158	1,226
	1,381	1,481
Revenue recognised from performance obligations satisfied in previous periods:		
Sales of goods not previously recognised due to constraints on variable consideration	19	37
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other income and gains		
Bank interest income	3,033	8
Accretion of interest on rental deposit paid	88	85
Government subsidies	–	5,680
Commission income	138	145
Licensing of content	38	107
Sales of scraps	46	44
Others	1,087	1,242
	4,430	7,311

5. PROFIT BEFORE TAX

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of goods sold and other services rendered	57,738	62,504
Depreciation of property, plant and equipment	4,356	3,989
Depreciation of right-of-use assets	12,270	12,620
Amortisation of intangible assets	340	470
Lease payments not included in the measurement of lease liabilities	164	219
Auditors' remuneration	1,590	395
Listing expenses	7,669	4,125
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, bonuses, fees, allowances and other benefits	97,479	91,259
Pension scheme contributions (defined contribution schemes)	3,422	3,425
Total	<u>100,901</u>	<u>94,684</u>
Reversal of impairment of trade receivables, net	(1,186)	(360)
Foreign exchange differences, net	<u>(26)</u>	<u>(29)</u>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank borrowings	581	1,932
Interest on lease liabilities	3,185	3,694
	<u>3,766</u>	<u>5,626</u>

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the Year.

For the subsidiary in Mainland China, Corporate Income Tax has been provided at the rate of 25% (2022: 25%) for the Year.

	2023	2022
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the year	4,349	7,547
Under/(over) provision in prior years	100	(13)
Current – Mainland China		
Charge for the year	65	36
Over provision in prior years	(12)	–
Deferred	(157)	(157)
	<hr/>	<hr/>
Total tax charge for the year	4,345	7,413
	<hr/> <hr/>	<hr/> <hr/>

8. DIVIDENDS

	2023	2022
	HK\$'000	HK\$'000
Interim – HK\$500 (2022: HK\$600) per ordinary share	10,000	12,000
Proposed final – HK1.2 cents (2022: Nil) per ordinary share	7,200	–
	<hr/>	<hr/>
	17,200	12,000
	<hr/> <hr/>	<hr/> <hr/>

The proposed final dividend for the Year is subject to the approval of the Company's shareholders at the AGM.

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

The calculation of the basic earnings per share amounts is based on the profit for the Year attributable to ordinary equity holders of the parent of HK\$14,525,000 (2022: HK\$39,431,000) and the weighted average number of ordinary shares of 519,041,096 (2022: 450,000,000) in issue during the Year, as adjusted retrospectively to reflect the capitalisation issue of the Company during the Year.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

In determining the weighted average number of ordinary shares in issue, the capitalisation issue of the Company during the Year was deemed to have been completed on 1 January 2022.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share calculations	<u>14,525</u>	<u>39,431</u>

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the Year used in the basic and diluted earnings per share calculations, as adjusted retrospectively to reflect the capitalisation issue of the Company during the year	<u>519,041,096</u>	<u>450,000,000</u>

10. TRADE RECEIVABLES

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	26,435	27,116
1 to 3 months	21,342	22,988
3 to 6 months	11,327	13,886
Over 6 months	<u>3,559</u>	<u>7,480</u>
	<u>62,663</u>	<u>71,470</u>

11. 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Less than 30 days	6,140	5,350
30 to 90 days	224	436
More than 90 days	34	321
	<u>6,398</u>	<u>6,107</u>

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

12. FAIR VALUE AND FAIR VALUE HIERARCHY

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

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 values of cash and cash equivalents, pledged bank deposit, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments/they are repayable on demand or the effect of discounting is not material.

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables had been calculated and assessed mainly by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, as appropriate. The changes in fair value as a result of the Group's own non-performance risk at the end of the reporting period were assessed to be insignificant.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises three independent non-executive Directors, has reviewed the Group's consolidated financial statements for the Year in conjunction with the Group's auditors, Ernst & Young. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's consolidated financial position as at 31 December 2023 and annual results for the Year.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") throughout the period from the Listing Date to 31 December 2023.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by Directors. Having made specific enquiry to the Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the period from the Listing Date to 31 December 2023.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines in line with the Model Code. No incident of non-compliance by relevant employees was noted throughout the period from the Listing Date to 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 December 2023.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.NewMediaLab.com.hk>). The annual report of the Company will be published on the aforesaid websites in due course.

By order of the Board
New Media Lab Limited
Lee Yat Pui, Royce

Chief Executive Officer and Executive Director

Hong Kong, 26 March 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wong Chi Fai
Mr. Lee Yat Pui, Royce
Ms. Fan Man Seung, Vanessa

Independent Non-executive Directors:

Ms. Cheng Ka Yu
Mr. Mak Kam Chiu
Mr. Niu Zhongjie