



Mango Excellent Media Co., Ltd.

Annual Report 2023

April 2024

Annual Report 2023

Section I Important Note, Table of Contents and Definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and executives of the Company hereby warrant that the information contained in this Annual Report is true, accurate and complete and this Annual Report is free from any misrepresentation, misleading statement or material omission, and agree to assume joint and several liability for this Annual Report.

CAI Huaijun, Principal of the Company, ZHANG Zhihong, CFO and TAO Jinyu, Chief Accountant, hereby represent that the financial statements contained in this Annual Report are true, accurate and complete.

All directors of the Company attended the meeting of the Board of Directors reviewing this Report.

This Report contains certain forward-looking statements regarding future plans, development strategies and other projected matters, which do not constitute any substantial covenant made by the Company to the investors and related persons. The investors and related persons shall be fully aware of the relevant risks, and understand the differences among such plans, forecasts and covenants.

The Company has stated in details the possible risks in its operation and countermeasures in this Report. Investors are advised to refer to the Section III “Management’s Discussion and Analysis – Prospects for future development of the Company”.

According to the profit distribution proposal approved by the Board of Directors,

the Company will distribute a cash dividend of RMB1.8 (tax inclusive) per 10 shares to all shareholders on the basis of 1,870,720,815 shares, without distributing any bonus shares or transferring any capital reserve to the share capital.

Table of Contents

Section I Important Note, Table of Contents and Definitions.....	2
Section II Company Profile and Key Financial Indicators	7
Section III Management’s Discussion and Analysis	11
Section IV Corporate Governance	36
Section V Environmental and Social Responsibility	57
Section VI Important Events	58
Section VII Share Changes and Information of Shareholders	72
Section VIII Preference Shares.....	79
Section IX Bonds.....	80
Section X Financial Report.....	81

List of References

1. Financial statements signed and chopped by the Principal, CFO and Chief Accountant of the Company;
2. Original of the auditor's report stamped with the seal of the accounting firm and signed and chopped by the certified public accountants;
3. Originals of all documents of the Company publicly disclosed on the website for information disclosure designated by the China Securities Regulatory Commission during the Reporting Period and related announcements; and
4. Other references.

Definitions

Terms	means	Definition
Mango Excellent Media, Company, we or the Listed Company	means	Mango Excellent Media Co., Ltd.
Mango Excellent Media Co., Ltd.	means	the full name of the Company in English.
MANGO	means	the short name of the Company in English.
Happy Sunshine	means	Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., a wholly-owned subsidiary of the Listed Company.
Mango TV	means	the online video platform affiliated to the Listed Company and operated by Happy Sunshine.
Golden Eagle Cartoon	means	Hunan Golden Eagle Cartoon Media Co., Ltd., a wholly-owned subsidiary of the Listed Company.
Xiaomang E-commerce	means	Xiaomang E-commerce Co., Ltd., a subsidiary controlled by the Listed Company.
Happigo	means	Happigo Co., Ltd., a wholly-owned subsidiary of the Listed Company.
EE-Media	means	Shanghai EE-Media Co., Ltd., a wholly-owned subsidiary of the Listed Company.
Mango Studios	means	Mango Studios Culture Co., Ltd., a wholly-owned subsidiary of Happy Sunshine.
Mango Entertainment	means	Hunan Mango Entertainment Co., Ltd., a wholly-owned subsidiary of Happy Sunshine.
Mangofun	means	Shanghai Mangofun Technology Co., Ltd., a wholly-owned subsidiary of Happy Sunshine.
Mango Media	means	Mango Media Co., Ltd., the controlling shareholder of the Company.
GBS	means	Golden Eagle Broadcasting System Co., Ltd., the parent company of Mango Media Co., Ltd. as the controlling shareholder of the Company.
Hunan Cultural Assets Commission	means	Hunan State-owned Cultural Assets Supervision and Administration Commission, the actual controller of the Company.
Hunan Broadcasting System	means	the company that operates GBS in an integrated manner, where they are managed under the model of “one Party committee, two entities and integrated operation”.
HBNHG	means	Hunan Broadcasting Network Holding Group Co., Ltd., a subsidiary of GBS.
Xiaoxiang Film Group	means	Xiaoxiang Film Group Co., Ltd., a subsidiary of GBS.
HTBI	means	Hunan TV & Broadcast Intermediary Co., Ltd.
China Mobile	means	China Mobile Communications Group Co., Ltd.
IPTV	means	Internet protocol television, a technology integrated with Internet, multimedia, communication and other technologies that provides home users with digital television and other interactive services through broadband network.
OTT	means	over the top, which provides a variety of video and data services to users via the Internet.
IP	means	intellectual property, the property rights given to persons over the creations of their minds.
APP	means	application, i.e. mobile application program.
PAD	means	portable device.
PC	means	personal computer.
TV	means	television.
AR	means	augmented reality.
VR	means	virtual reality.
5G	means	5G network.
QM	means	QuestMobile, a mobile web big data company.
AIGC	means	AI generated content.
ChatGPT	means	Chat Generative Pre-trained Transformer, a large language model based on the GPT-4 architecture developed by OpenAI
Enlightent	means	a data platform which carries out statistics and analysis of the program broadcast data of long video platforms and channels

Section II Company Profile and Key Financial Indicators

I. Company profile

Stock short name	Mango	Stock code	300413
Chinese name	芒果超媒股份有限公司		
Chinese short name	芒果超媒		
English name (if any)	Mango Excellent Media Co., Ltd.		
English short name (if any)	Mango		
Legal representative	CAI Huaijun		
Registered address	Golden Eagle TV Culture City, Changsha, Hunan		
Postal code of registered address	410003		
History of changes in registered address	None		
Office address	Golden Eagle TV Culture City, Changsha, Hunan		
Postal code of office address	410003		
Company website	https://www.mgtv.com		
Email	mangocm@mangocm.com		

II. Contact person and contact information

	Board Secretary	Securities Affairs Representative
Name	ZHANG Zhihong	ZHOU Yong
Address	Golden Eagle TV Culture City, Changsha, Hunan	Golden Eagle TV Culture City, Changsha, Hunan
Telephone	(0731) 82967188	(0731) 82967188
Facsimile	(0731) 82897962	(0731) 82897962
Email	mangocm@mangocm.com	mangocm@mangocm.com

III. Information disclosure and place for keeping annual report

Website of the stock exchange for disclosing the Company's annual report	http://www.szse.cn
Media and website for disclosing the Company's annual report	The China Securities Journal, the Securities Times, the Securities Daily, the Shanghai Securities News and http://www.cninfo.com.cn
Place for keeping the Company's annual report	Board of Directors Office of the Company

IV. Other related information

Accounting firm engaged by the Company:

Name of accounting firm	Pan-China Certified Public Accountants LLP
Office address of accounting firm	6/F, No. 128, Xixi Road, Xihu District, Hangzhou City, Zhejiang Province
Name of accountants signing this Report	ZHENG Shengjun and HU Jian

Sponsor engaged by the Company that performs the duties of ongoing supervision over the Company during the Reporting Period:

Applicable N/A

Name of sponsor	Office address of sponsor	Names of sponsor representatives	Period of continuous supervision
China International Capital Corporation Limited	27 & 28/F, Block 2, China World Towers, No. 1	YAO Xudong and WANG Kun	From August 24, 2021 to December 31, 2023

	Jianguomenwai Street, Chaoyang District, Beijing		
--	---	--	--

Financial advisor engaged by the Company that performs the duties of ongoing supervision over the Company during the Reporting Period:

Applicable N/A

V. Key accounting data and financial indicators

Did the Company need to retrospectively adjust or re-state accounting data of prior accounting years?

Yes No

Reason for retrospective adjustment or re-statement:

Changes in accounting policies, the business combination involving entities under common control, and other reasons.

	2023	2022		Increase/decrease YoY	2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Operating revenue (RMB)	14,628,016,301.84	13,704,339,712.31	13,976,774,034.92	4.66%	15,355,863,482.07	15,800,575,582.17
Net profit attributable to shareholders of the Listed Company (RMB)	3,555,705,558.90	1,824,925,935.93	1,864,245,432.69	90.73%	2,114,090,171.85	2,173,186,477.07
Net profit attributable to shareholders of the Listed Company less non-recurring gain or loss (RMB)	1,695,473,001.05	1,587,332,987.64	1,604,009,042.23	5.70%	2,059,758,151.24	2,067,988,835.94
Net cash flow from operating activities (RMB)	1,083,773,256.71	551,646,897.99	621,803,699.44	74.30%	561,800,882.37	591,807,858.26
Basic earnings per share (RMB/share)	1.90	0.98	1.00	90.00%	1.17	1.20
Diluted earnings per share (RMB/share)	1.90	0.98	1.00	90.00%	1.17	1.20
Weighted average return on equity	17.34%	10.20%	10.17%	7.17%	16.25%	16.22%
	End of 2023	End of 2022		Increase/decrease YoY	End of 2021	
		Before adjustment	After adjustment	After adjustment	Before adjustment	After adjustment
Total assets (RMB)	31,422,386,654.49	29,049,673,556.55	29,783,551,722.86	5.50%	26,110,751,404.90	26,809,389,379.67
Net assets attributable to shareholders of the Listed Company (RMB)	21,492,422,786.43	18,850,714,836.78	19,014,691,412.16	13.03%	16,966,400,358.23	17,373,834,160.11

Reason for changes in accounting policies and correction of accounting errors:

Since January 1, 2023, we have adopted the provisions contained in the Interpretation of the Accounting Standards for Business Enterprises No. 16 issued by the Ministry of Finance, regarding the “accounting treatment of deferred taxes related to assets and liabilities arising from single transactions to which the initial recognition exemption does not apply”, and adjusted the single transactions to which such provisions apply that occurred during the period from the beginning of the earliest period in which we adopted such provisions in the presentation of the financial statements for the first time, till the date of initial adoption of such provisions as follows: with respect to the taxable temporary difference and deductible temporary differences arising from lease liabilities and right-of-use assets, provisions related to retirement obligations and corresponding assets recognized in connection with the single transactions to which such provisions apply, at the beginning of the earliest period in which we adopted such provisions in the presentation of the financial statements for the first time, the cumulative effect is treated as an adjustment to the opening retained earnings and other related financial statement items for that period in accordance with such provisions and the provisions of the CASBE No. 18 – Income Tax.

Whether the lower of the net profit before and after deduction of non-recurring gain or loss in the past three accounting years has been negative and the most recent annual auditor’s report indicates that the Company’s ability to continue as a going concern is uncertain?

Yes No

Whether the lower of the net profit before and after deduction of non-recurring gain or loss is negative?

Yes No

VI. Key financial indicators by quarter

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating revenue	3,101,059,998.83	3,691,961,699.32	3,573,177,607.48	4,261,816,996.21
Net profit attributable to shareholders of the Listed Company	548,278,325.03	711,208,458.41	521,322,289.18	1,774,896,486.28
Net profit attributable to shareholders of the Listed Company less non-recurring gain or loss	521,486,713.37	657,359,741.32	443,861,449.84	72,765,096.52
Net cash flow from operating activities	-252,682,158.94	1,299,068,498.96	44,571,778.27	-7,184,861.58

Whether there's any material difference between the financial indicators or aggregate amounts thereof set out above and the corresponding financial indicators set out in any quarter report or semi-annual report of the Company already disclosed?

Yes No

The differences between the indicators set out above and the corresponding indicators contained in the quarterly reports and semi-annual reports already disclosed were primarily due to the effect of the business combination involving entities under common control (Hunan Golden Eagle Cartoon Media Co., Ltd.).

VII. Differences in accounting data arising from adoption of foreign and Chinese accounting standards concurrently

1. Differences between net profit and net assets disclosed on the financial statements according to the international accounting standards and the Chinese accounting standards concurrently

Applicable N/A

During the Reporting Period, there was no difference in net profits and net assets in the financial report disclosed in accordance with the international accounting standards and the Chinese accounting standards.

2. Differences between net profit and net assets disclosed on the financial statements according to the foreign accounting standards and the Chinese accounting standards concurrently

Applicable N/A

During the Reporting Period, there was no difference in net profits and net assets in the financial report disclosed in accordance with the foreign accounting standards and the Chinese accounting standards.

VIII. Items and amounts of non-recurring gain or loss

Applicable N/A

In RMB

Item	Amount in 2023	Amount in 2022	Amount in 2021	Remark
Gain or loss on disposal of non-current assets (including the written-off part of the asset impairment reserve accrued)	1,151,553.70	807,213.90	501,358.91	
Government subsidies accrued to the current profit and loss (excluding government subsidies that are closely related to the business of the Company and are provided in fixed amount or quantity continuously according to the applicable polices and standards of the country)	63,122,567.77	29,499,336.70	27,521,238.14	

Profit and loss from investment or asset management by commissioned parties	92,809,746.83	119,290,763.72	34,265,617.23	
Reversal of impairment loss on accounts receivable tested for impairment individually	17,343,043.26	3,355,000.00	4,843,660.00	
Net profit or loss of subsidiaries acquired through business combination involving entities under common control from the beginning of the current period to the combination date	32,481,963.81	39,292,296.69	59,525,956.70	
Profit and loss from debt restructuring	3,000,000.00	27,219,600.00		
One-off effect of adjustments of tax, accounting and other laws and regulations on current profit or loss	1,628,790,218.38			One-off adjustment due to changes in the enterprise income tax policy
Other non-operating revenue and expenditure other than those listed above	25,036,359.58	41,319,889.16	-21,265,876.15	
Less: Effect on income tax	243,024.40			
Effect on minority interests (tax exclusive)	3,259,871.08	547,709.71	194,313.70	
Total	1,860,232,557.85	260,236,390.46	105,197,641.13	--

Specific circumstances of other gain or loss items that meet the definition of non-recurring gain or loss:

Applicable N/A

We do not have any other gain or loss items that can be defined as non-recurring gain or loss.

Statement on defining non-recurring gain or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure of Publicly Listed Companies – Non-recurring Gain or Loss as recurring gain or loss items

Applicable N/A

We do not have any non-recurring gain or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure of Publicly Listed Companies – Non-recurring Gain or Loss defined as recurring gain or loss items.

Section III Management’s Discussion and Analysis

I. Situations of our industry during the Reporting Period

1. Media convergence enters a new stage, and the mainstream media greet strategic opportunities.

Since the overall implementation of media convergence as a national strategy, the development of media convergence has yielded remarkable results, including continuously expanding all-media arena, numerous phenomenal convergence media products, and wider and deeper mainstream communication through network channels. At present, China’s media convergence process has gradually moved from “addition” toward “convergence”, and in the context of new ecosystem and new technologies, entered the new stage of all-round development and system building. In the new journey, the mainstream media have the duty to continuously build a healthy network ecosystem, step up the development of media convergence, improve the communication and leadership powers, influence and public credibility of mainstream opinions, and provide strong support to the building of a strong country and national rejuvenation of China in the field of public opinions and communication.

2. Content supply focuses on top-tier works, and the share of exclusively broadcast films, TV dramas and variety shows is increasing.

Though the major long video platforms may adopt different content patterns, TV dramas and variety shows are their foundation. According to Enlightent, in 2023, the supply of variety shows, films and TV dramas was generally stable, the number of new works was almost the same as that in 2022, and the video platforms focused more on top-tier works that can remarkably attract new users and vertical contents focusing on core users, and cut certain ordinary contents having a poor return on investment. In terms of broadcasting strategy, the video platforms adopted exclusive broadcast as their primary strategy, with the share of exclusively broadcast new TV dramas and series increasing from 72% to 78%, the share of variety shows exclusively broadcast on TV and online both exceeded 50%, and the share of variety shows exclusively broadcast online reached 93%. As micro and short dramas become a new incremental content market, the long video platforms have increased their deployment in short dramas.

3. The long video user base is basically stable and membership operation enters a high-quality development stage.

According to QuestMobile, the number of online video users was 786 million in December 2023, almost the same as one year ago. The competition pattern of the domestic long video industry has gradually shifted from the original “top 3” toward “2+2” top 4 video platforms. The user base and duration of watch time on the major video platforms may fluctuate due to the release of key contents and popular programs, but the overall competition pattern is stabilizing. In the context of competition over existing users, the platforms are actively exploiting existing users taking into account their user development stage, developing new user terminals and channels, improving the refined content operation level, and increasing their ARPPU, in order to achieve high-quality development.

4. The industry is gradually regaining its confidence, and the advertising market is showing a structural recovery trend.

According to CTR, the domestic advertising market was gradually recovering amid fluctuations in 2023, up about 6% year on year. Despite the recovery of the market confidence to a certain extent, certain advertisers are cautious in the utilization of their advertising budget. In terms of different advertisement types, general performance-based advertisements have taken the lead in strong recovery, while the recovery of brand advertisements lags behind. When the consumer market enters an upward cycle, a more reliable and sustainable recovery of brand advertisements can be expected, due to replenishment of budget. The top-tier media have relative advantages in market competition due to their brand value, user access and transformation effect. AI and other technologies may bring about new drives for the upgrading of advertisement operation system.

5. Large screen users are increasing stably, and the new policies promote the healthy development of the industry.

The industrial authorities have taken a combination of actions against the Matryoshka doll-style charges, complicated operations and other problems existing in the household large screen TV business, to continuously regulate the order of business operation of the industry, and achieved staged results of governance. IPTV and OTT license holders are expected to benefit from the regulatory compliant and high-quality development of the industry. According to Gozen Analytics, in 2023, the percentage of homes using IPTV, OTT and other types of intelligent TV in China was 52% per day or 91% per month, which was basically stable. As of the end of 2023, there were 326 million intelligent TV subscribers in China, an increase of 4% year on year. As a household information and entertainment hub and major channel for the content ecosystem of long and short video platforms, intelligent TV still occupies an important position in content terminals.

6. AIGC promotes industrial reform and enables the application scenarios in the field of media in an all-round way.

In July 2023, the Cyberspace Administration of China and other six authorities jointly promulgated the Interim Measures for the Administration of Artificial Intelligence Generated Content Services, designed to promote the healthy development of the artificial intelligence generated content (AIGC) industry with policies. AIGC provides a new way to create content following PGC and UGC. A large number of large model products have been released, and widely applied in the exploration of innovative applications and business models in gaming, social networking, video and other media fields. The continuous upgrading of AI models is expected to create more application scenarios and space for growth, further reduce content production costs, improve the efficiency and quality of content production, and open up new commercial spaces.

II. Our main business during the Reporting Period

We are required to comply with the disclosure requirements for “Internet Video Business” set forth in the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 4 – Disclosure of Industry Information by the Companies Listed on the ChiNext Board.

We are the sole state-owned long video and new media company listed on the A-share market, represent an important achievement in reform made by the Hunan Broadcasting System (HBS) in actively responding to the strategy of the Central Government on promoting the in-depth media convergence and development, and are one of the first group of leading entities in the convergence of radio, TV and media named by the State Administration of Radio, Film and Television (“SARFT”). Leveraging the Mango media convergence ecosystem, and centered on our Internet video platform, Mango TV, we have focused on the control of the entire industry chain and ecosystem synergy, integrated resources of key elements, opened up the upstream and downstream of the industry chain, established an interconnected ecosystem matrix with multiple linkages, and built a mainstream new media group with strong leadership, communication and competitive powers. We are primarily engaged in Mango TV Internet video, new media interactive entertainment content production, and content e-commerce businesses.



1. Mango TV Internet video

Our Mango TV Internet video business comprises advertising, membership and operator businesses, where the membership business is designed to attract target audience to become subscribing members through promotional campaigns and channel expansions, by leveraging our rich copyright resources and premium exclusive contents; the advertising business focuses on contents, fully explores the marketing value of high-quality content IPs, and provides clients with naming, placement, patching, inserting and other advertising products and services; and in the operator’s large-screen business, we, as a license holder with advantageous contents, cooperate with telecommunication carriers and cable TV operators, and share the revenues from VOD with them.

2. New media interactive entertainment content production

Our new media interactive entertainment content production business mainly comprises content production and operation, artist agency, music copyright, and IP derivatives businesses; in the content production and operation business, we create and produce variety shows, films, TV dramas, cartoons for children and other programs, and earn revenues through copyright distribution, content operation or otherwise; in the artist agency business, we build an echelon of artists at all levels and of various types, and create a closed loop by arranging for the artists to take part in films, TV dramas, variety shows, commercial performances, branded concerts or otherwise; in the music copyright business, we grant licenses on the basis of music IP resources accumulated and continuously enriched by the artists; and in the IP derivatives business, we develop multi-dimensional derivatives based on our premium content IPs, and M-CITY, Maiji and other offline location based entertainment and amusement brands.

3. Content e-commerce

In the content e-commerce business, leveraging our advantages in media creativity and content production, we conduct integrated communications and marketing through APP, large screen, mini program, live streaming room and other channels, to attract consumer demands and sell goods. Xiaomang e-commerce is designed as “a content e-commerce platform focusing on home-made new fashions”, that focuses on the integration of IP content and e-commerce modes, creates the “super live steaming rooms” with the help of multiple unique content-based product lines, and continuously improves the closed loop of “content + video + e-commerce”. Happigo e-commerce targets silver-haired old people on the basis of large screen TV audience, serves high-end members through private domain marketing, and sells goods through TV, APP and other channels.

III. Analysis of core competencies

1. Platform advantages

As a Party-controlled media and state-owned enterprise, we inherit the media gene that “orientation is more precious than gold”, enter the main battlefield as a main force, stick to the correct political direction, direction of guidance of public opinion and orientation of values, strictly implement the content “three reviews” system and the responsibility system for ideological work, build a strong ideological front, vigorously create a sound network ecosystem, and improve the communication and leadership powers, influence and public credibility of mainstream public opinions. We have precise insight, profound understanding and strong execution capability in mainstream communication, and integrate mainstream communication with the communication system for social mainstream cultural values.

2. Advantages in convergence

The Report to the 20th National Congress of the Communist Party of China (“CPC”) requires the improvement of the systems for communications across all forms of media and creation of a new environment of mainstream public opinion”, which marks that the in-depth media convergence enters a period of important opportunities for high-quality development. We have intensively implemented the strategic plan made by the Central Government on accelerating the in-depth media convergence, and built an integrated ecosystem comprising Mango TV, Golden Eagle Cartoon, Xiaomang e-commerce and Hunan Satellite TV. Through multi-screen linkage, multi-domain marketing and diversified convergence, the four platforms give full play to the effect of business synergy and resource integration, create a linked development model featuring joint creation and sharing, and effectively transform the advantages of media convergence into drives for development.

3. Institutional advantages

Relying on our efficient and flexible market-oriented operating mechanism, we continuously improve the management and operating efficiency of our platforms, implement the compensation and incentive system that gives more pay for more work, and gives priority to efficiency, to stimulate the employees’ creativity; grant the power to manage and allocate personnel and property to the front-liners based on the four-level management system comprising independent studios, teams, etc.; accelerate the competition among internal teams through market-oriented talent flows, “H” type double talent channel management, young talent training project or otherwise; and use the “intelligent mid-end matrix” to build a content-technology-risk control-operation coordinated linkage mechanism, to further liberate the productive forces of content teams.

4. Advantages in innovation

We stick to the concept of “innovate or die”, build a strong content team system, continuously secure core essential production factors, and firmly maintain our core competencies in content innovation. Our four platforms currently have 56 variety show production teams, 22 film and TV drama production teams, and 36 strategic studios under the Xinmang Program, thereby becoming the largest variety show producer in China. By establishing the content innovation bidding system, innovating in creativity research, development and production chain or otherwise, we stimulate the teams’ creative power, maintain a keen sense of smell, and rapidly respond to market changes with innovative contents.

5. Advantages in users

As of the end of 2023, Mango TV had 66.53 million paying users, ranking steadily among the top long video platforms in China. We stick to the special content strategy and platform positioning of “youth, metropolis and women”, to realize that our clear user base, fine content products and advertisers are linked and fit perfectly with each other. The overall user image of Mango TV is “vigor, fashion and quality”, among others, and its percentage of women users is higher than the average level of the industry. Clear user imaging and platform positioning will enhance our special advantages in realizing the brand value of our platform through multiple channels and in a variety of ways, and building the membership operation system.

6. Advantages in ecosystem

Leveraging our advantages in proprietary contents, we have built the synergistic and complementary closed loop of Mango new media ecosystem covering the entire industry chain of media and Internet, where the upstream mainly includes artist agency and variety show, film and TV drama, and children’s cartoon production business, the mid-stream is responsible for content operation and distribution through multiple channels provided by the online video platforms, in reliance on our strong content production capabilities and premium content matrix, and the downstream centers on offline location-based entertainment, parent-child amusement park, and other derivative operations based on Mango family content IPs, creates a wholly new business model comprising “content + video + e-commerce” with content as the basis, and realizes monetization of derivatives through multiple online and offline channels.

7. Advantages in licenses

Mango TV is the sole market player in the Internet video industry that holds both IPTV and OTT business licenses, with its smart large-screen business covering 31 provincial regions in China, which is an important supporting point for us to develop 5G and living room economy. In reliance on our complete licenses, our video content business covers all terminals, including mobile phone, PAD, PC, TV, IPTV and OTT. We are the first video media platform that has actually built “one cloud and multiple screens” system in the industry. As the Internet TV industry enters the high-quality development stage, the licenses held by us will further show our advantages.

8. Advantages in business model

We firmly believe that the content is the king, and have established a sustainable and sound business model. In reliance on our sound market-oriented operation mechanisms, we have continuously improved the efficiency of business innovation and the risk control level, maximized the input-output ratio, and become a market player in the online video industry that has made profits for many years. We have realized effective control over content production costs through accurate user positioning, strong content production capabilities, and effective cluster of core production factors. In reliance on our industry leading model of monetization through “membership + advertising + operator + e-commerce” channels, we have developed multiple sources of revenue.

IV. Analysis of main business

1. Overview

The year of 2023 is the first year for the full implementation of the spirit of the 20th National Congress of the CPC, and also the 10th year of the overall implementation of media convergence as a national strategy. During the Reporting Period, we adhered to the spirit of General Secretary Xi Jinping’s cultural ideology and the instructions in his series important speeches on media convergence as the fundamental principles and guidelines, addressed the uncertainties of the external environment with the certainties of our own development, focused on in-depth media convergence, consolidated the advantages of multi-platform coordinated development, stimulated intrinsic drives for our core business through content innovation, promoted diversified development of the emerging types of operations on the basis of ecosystem coordination, and took into consideration both short-term goals and medium- and long-term strategies, made steady and strong progress in high-quality development, and achieved steady improvement of all key operating indicators. In 2023, our total operating revenue was RMB14.628 billion, an increase of 4.66% year on year (where in the fourth quarter,

our total operating revenue was RMB4.262 billion, an increase of 21.16% year on year); our net profit attributable to the shareholders of the List Company was RMB3.556 billion, an increase of 90.73% year on year; and our net profit attributable to the shareholders of the List Company after deduction of non-recurring gain or loss was RMB1.695 billion, an increase of 5.70% year on year. We made the 15th list of “Top 30 Cultural Enterprises in China”, which was the fourth time we made the list since we completed the major asset restructuring in 2018, and further consolidated our position in the “first echelon” of the cultural industry.

1. Hold fast to the communication position, and always fulfill the duties and missions of mainstream media

We always uphold the principle that “media controlled by the Party shall adhere to the leadership of the Party with utter loyalty”, focus on the duties and missions to “hold up the flag, gather the people, train new talents, promote culture, and showcase the image”, continuously strengthen the mainstream new media through our high-quality development, and enhance the leadership and communication powers, and influence of the mainstream public opinion through reform, innovation, convergence and development, to make positive energy stronger and central theme more magnificent. First, focusing on major thematic communication. Mango TV has prominently featured “Study Moments” on the first screen of its homepage, with a total of over 6 billion views of the special section of important reports featuring General Secretary Xi Jinping, and released special features on themes such as themed education for studying and implementing Xi Jinping thought on socialism with Chinese characteristics for a new era, studying and implementing Xi Jinping’s cultural ideology, and celebrating the 102nd anniversary of the founding of the CPC. Second, promoting cultural internationalization. We have actively implemented the requirement for “strengthening international communications capabilities” proposed in the Report to the 20th National Congress of the CPC, and continuously explored the ways to tell China’s stories and make China’s voices heard in the world. “Ride the Wind 2023” attracted wide attention from 600 overseas media outlets, with its program mode exported to Vietnam. “Divas Hit the Road” was recommended by 36 embassies abroad. Mango TV international App covers over 195 countries and regions globally, with over 140 million downloads, and has become an important window for promoting Chinese culture internationally. Third, creating a lot of excellent works. Our central theme documentaries have won the “China News Award” for six consecutive years. Six works, including “China S3” and “Finding Beyond Time and Space”, were selected as excellent domestic documentaries by the SARFT in 2023. We have produced many works featuring Hunan, such as “Hunan Tourism Development Conference”, “Taste of Hunan” and “A Travelogue of Hunan”, to spread Hunan culture and tell stories of Hunan.

2. Build a hub for long video creation and production, and continuously strengthen the ecosystem moat for Mango contents

We persist in the long-termism and futurism, ensure that content innovation holds high ideological banners, deepens cultural roots, respects market rules, and complies with the laws of new media communication, and vigorously build a talent and innovation hub for domestic long video content creation and production. With 56 variety show production teams, 22 film and TV drama production teams, and 36 strategic studios, we have further consolidated our advantages in high-level, innovative and diversified content supply. According to Enlightent, in 2023, the effective all-network playback volume of Mango TV’s full-length variety shows increased by 31% year on year, and the effective all-network playback volume of its full-length TV dramas and series increased by 46% year on year, both ranking first in terms of growth rate in the long video industry.

We have further consolidated the leading position of our variety shows in the industry. During the Reporting Period, Mango TV released over 100 variety shows, leading the industry in new releases, exclusive broadcasts, and innovation rates. Eight of the top ten most popular variety shows on Douban belong to Mango TV. Our popular variety shows include “Ride the Wind 2023”, “Call Me by Fire S3”, “Infinity and Beyond 2023”, “Divas Hit the Road”, “Who’s the Murderer S8” and other generation N variety shows, and “Happy Friends”, “SHERlock”, and “Happy Adults” and other “small and beautiful” novelty variety shows that formed the “Douban 9 Points Club of Mango Variety Shows”. In addition, works such as “Chinese Village Flowers” and “Mom & Daughter” stood out from over 700 ideas in the “Mango 1% Creative Finals”, laying a solid foundation for future popular variety shows.

We have continuously enhanced the supply of premium films and TV dramas, innovated in the organizational structure and incentive mechanisms for the film and TV drama production teams, established the drama evaluation and quality control center, introduced super studios, launched the “Xinmang Program S” and the super partner system for films and TV dramas, focused on the development of top-tier TV dramas and series, enhanced the supply capacity of high-quality TV dramas and series, and significantly improved our content quality. During the Reporting Period, Mango TV released 128 TV dramas and series in total, including key films and TV dramas, and micro and short dramas under the “Damang Program”. “Meet Yourself”, “Fake It Till You Make It” and “The Forerunner” were selected by the SARFT into the “Selected Chinese TV Dramas and Series 2023”. Mango TV and Douyin have jointly launched the “Premium Short Drama Support Program”, under which the parties will focus on the joint creation of short dramas, and explore new opportunities for cooperation in long and short videos. “Changing Wind and Moon” had its premiere on the Hunan Satellite TV, becoming the first domestic micro and short drama broadcast on a satellite TV station for the first time. In 2024, we will release over 80 films and TV dramas and 100 micro and short dramas, which will further enhance our ability to supply high-quality TV dramas and series.

3. Overcome challenges for the core business, and bring the membership business into a new stage of high-quality development

Membership, advertising and operator businesses are important monetization channels for long video contents, and form the “three pillars” of Mango TV Internet video business. During the Reporting Period, our membership business grew rapidly, and continuously increased its proportion in the total operating revenue; our advertising business stabilized the fundamentals and continued to improve; and our operator business continued to maintain steady growth. These segments are structurally complementary to one another, making our business development more healthy and resilient.

The number of our members reached a new high. As of the end of 2023, Mango TV had 66.53 million active members. In 2023, our membership revenue was RMB4.315 billion, an increase of 10.23% year on year, where the membership revenue in the fourth quarter increased by 35.64% year on year. Our membership business is developing at an accelerated pace again, and the growth of members and input of contents have formed a virtuous cycle and positive feedback loop. During the Reporting Period, Mango TV focused on both content and channels, attracted and retained users with premium and exclusive contents, actively expanded the high-quality cross-industry channels; advanced the four themed membership brand season events, namely “Chasing Wind Season”, “Joyful Season”, “Graduation Season” and “Co-branded Season”, in an orderly manner, and increased the ARPPU of members in a refined manner; innovated in and upgraded membership entitlements, and offered over 300 kinds of membership benefits. Our member customized programs set industrial benchmarks, with the average input-output ratio of “Happy Adults”, “Forest Evolution Theory”, “God Training Camp” and other member customized innovative IPs reaching 286%.

Our advertising revenue has rebounded rapidly. In 2023, our advertising revenue was RMB3.532 billion, a decrease of 11.57% year on year; however, the drop narrowed as compared to the first half of 2023, and the advertising revenue in the fourth quarter increased by 15.95% year on year, marking that the annual growth has turned from negative to positive. The top-tier IPs, such as “Ride the Wind 2023” and “Call Me by Fire S3”, stabilized the variety show advertising market, while “Meet Yourself” and “The Love of Love” set new records in terms of advertising revenue and the number of project partners achieved by our TV dramas and series within the past three years. Benefiting from the ecosystem advantages of multi-platform convergence and the continuously growing user base, the platform value of Mango TV in brand marketing was further highlighted. During the Reporting Period, we solicited a number of top-tier brand customers in Internet platform, liquor, food and other key sectors, and now one third of our customers are new customers.

Our operator business has maintained steady growth. In 2023, our operating revenue from the operator business was RMB2.767 billion, an increase of 10.27% year on year. In the business operation outside Hunan, we leveraged the cooperation with operators, especially the strategic partnership with China Mobile, improved the online release rate and recommendation rate of large-screen contents, and achieved full coverage of basic and value-added services. In the business operation in Hunan, we promoted growth of revenues from the IPTV business through innovative operations, optimization of offline incentive policies, and focus on key areas, released the “Hunan Smart Education Platform App for TV”, and created a lot of innovative special courses that attracted over 6 million users. In addition, we launched the innovative “Crowdfunding Plan” based on the large-screen treasure bowl platform, under which the family sitcom entitled “Happy Family” was broadcast jointly on IPTVs of 16 provinces and cities.

4. Fully leverage the synergy effect, and create a diversified and deeply converged Mango ecosystem

During the Reporting Period, we completed the acquisition of Golden Eagle Cartoon, pursued a unique development path for Xiaomang E-commerce, and upgraded our “Mango TV + Hunan Satellite TV” double platforms media convergence model to “Mango TV + Hunan Satellite TV + Golden Eagle Cartoon + Xiaomang E-commerce” four platforms model. On the basis of consolidating Mango TV Internet video business, the four platforms have fully integrated content creation, production and operation, leveraged the effects of business synergy and resource integration, built “1+1+1+N” Mango ecosystem with richer contents, continuously improved the monetization chain for our content ecosystem and values, and pursued more diversified business development paths.

The acquisition of Golden Eagle Cartoon, as a top-tier domestic parent-child content platform, was an important step made by us in enriching our all-media communication ecosystem, which will further consolidate our content moat in the parent-child field, and produce a comprehensive synergy effect with our existing business in program innovation, marketing resources, venture capital investment in cartoons, research-based learning parks, derivative products, etc. During the Reporting Period, Golden Eagle Cartoon focused its efforts on building content barriers for children’s programs and parent-child ecosystem, explored new parent-child consumption models, focused on content operation, brand marketing, development of derivative products, and offline amusement parks, etc., and made a net profit of RMB63,473,700, successfully fulfilling the performance commitment for the year 2023. Xiaomang E-commerce leveraged the premium content IPs and artist resources of Mango ecosystem, focused on core user groups, explored new commercial models for contents, and maintained the momentum of rapid growth, with GMV exceeding RMB10 billion. The GMV of our first self-operated fashion brand “No. 1” exceeded RMB270 million, achieving the transition from single products to a brand, and providing a more commercially valuable growth model for partner brands. “A Journey for No.1”, the first customized variety show released by Xiaomang received a Douban rating of over 9 points, realized an in-depth convergence of content and e-commerce, and achieved a win-win situation for the program and product sales. EE-Media fully leveraged its advantages as an artist agency, enhanced training of new talents, optimized the artist structure, and actively explored the new growth space for artist agency and music copyright businesses. Happigo fully leveraged the advantages of Mango ecosystem, developed high-quality products on the supply chain, and created multiple categories of self-owned brands.

5. Promote in-depth convergence of technology and content, and actively explore the application of cutting-edge technologies

We attach great importance to technology research, development and application, fully leverage rich application scenarios, and actively explore the application of AI and other cutting-edge technologies, and innovation in types of operation. We have released more than 40 AI products, and widely applied AI technologies in media operation, advertisement placement, member interaction, video edition, content production, and other business scenarios. In order to increase the recommendation conversion effect, we have released an AI multimodal retrieval and creation engine, which enables interactive retrieval of massive contents within seconds through vector engine and dialogue model. In order to reduce costs and increase efficiency, we have used AI-generated short videos in variety shows such as “Call Me by Fire” and “Run for Time”, produced over 1 million short videos, and significantly reduced the content promotion costs and platform customer acquisition costs. In order to improve our operational efficiency, we have developed the AIGC HUB application platform, which integrates AIGC capabilities in text, image and speech modalities such as domain models, AI drawing and voice generation. We have innovated in business models, cooperated with large model companies to launch AI character dialogue products, linked AI large anthropomorphic models with popular IPs such as “Young Blood 2” and “The Love of Love”, created AI character chat scenarios, tried new monetization modes, and increased user adhesion and activity. In addition, we have also explored the in-depth integration of AI and content, and widely used AIGC audio dramas, AIGC copies, and AIGC posters.

2. Revenues and costs

(1) Components of operating revenue

Overall situation of operating revenue

In RMB

	2023		2022		Y/Y % change
	Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	

Total operating revenue	14,628,016,301.84	100%	13,976,774,034.92	100%	4.66%
By segment					
Mango TV Internet video business	10,614,030,327.62	72.56%	10,417,661,860.99	74.54%	1.88%
New media interactive entertainment content production and operation	1,149,941,038.24	7.86%	1,390,868,611.95	9.95%	-17.32%
Content e-commerce	2,822,529,201.38	19.30%	2,135,993,003.68	15.28%	32.14%
Others	41,515,734.60	0.28%	32,250,558.30	0.23%	28.73%
By product					
Mango TV Internet video business	10,614,030,327.62	72.56%	10,417,661,860.99	74.54%	1.88%
New media interactive entertainment content production and operation	1,149,941,038.24	7.86%	1,390,868,611.95	9.95%	-17.32%
Content e-commerce	2,822,529,201.38	19.30%	2,135,993,003.68	15.28%	32.14%
Others	41,515,734.60	0.28%	32,250,558.30	0.23%	28.73%
By region					
Hunan	3,558,155,682.72	24.32%	3,361,013,169.27	27.51%	5.87%
Outside Hunan	11,069,860,619.12	75.68%	10,615,760,865.65	72.49%	4.28%
By sales model					
Sale	14,628,016,301.84	100.00%	13,976,774,034.92	100.00%	4.66%

(2) Segments, products, regions or sales models representing more than 10% of operating revenue or profit

Applicable N/A

In RMB

	Operating revenue	Operating cost	Gross margin	Y/Y % change in operating revenue	Y/Y % change in operating cost	Y/Y % change in gross margin
By segment						
Mango TV Internet video business	10,614,030,327.62	6,229,223,213.61	41.31%	1.88%	1.52%	0.21%
New media interactive entertainment content production	1,149,941,038.24	855,899,278.24	25.57%	-17.32%	-18.11%	0.71%
Content e-commerce	2,822,529,201.38	2,682,738,552.41	4.95%	32.14%	34.17%	-1.44%
Others	41,515,734.60	35,145,850.68	15.34%	28.73%	26.86%	1.25%
By product						
Mango TV Internet video business	10,614,030,327.62	6,229,223,213.61	41.31%	1.88%	1.52%	0.21%

New media interactive entertainment content production	1,149,941,038.24	855,899,278.24	25.57%	-17.32%	-18.11%	0.71%
Content e-commerce	2,822,529,201.38	2,682,738,552.41	4.95%	32.14%	34.17%	-1.44%
Others	41,515,734.60	35,145,850.68	15.34%	28.73%	26.86%	1.25%
By region						
Hunan	3,558,155,682.72	2,383,287,108.23	33.02%	5.87%	8.58%	-1.68%
Outside Hunan	11,069,860,619.12	7,419,719,786.71	32.97%	4.28%	5.80%	-0.96%
By sales model						
Sale	14,628,016,301.84	9,803,006,894.94	32.98%	4.66%	6.46%	-1.13%

In case of any adjustment to the statistic scale for main business data, the main business data of the most recent reporting period as adjusted according to the statistic scale applied at the end of the current reporting period:

Applicable N/A

(3) Whether the Company's revenue from sale of tangible goods is higher than the revenue from labor service?

Yes No

(4) Performance of material sales contracts and material purchase contracts of the Company as of the end of the Reporting Period

Applicable N/A

(5) Components of operating cost

Classification of segments and products:

In RMB

Segment	Item	2023		2022		Y/Y % change
		Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	
Mango TV Internet video business	Internet video business	5,795,180,476.82	59.12%	5,771,468,065.50	62.68%	0.41%
Mango TV Internet video business	Operator business	434,042,736.79	4.43%	364,240,806.41	3.96%	19.16%
New media interactive entertainment content production	Copyright and production costs	692,872,785.79	7.07%	842,065,761.90	9.14%	-17.72%
New media interactive entertainment content production	Employee remuneration and others	163,026,492.45	1.66%	203,064,774.92	2.21%	-19.72%
Content e-commerce	Content e-commerce	2,682,738,552.41	27.37%	1,999,535,703.06	21.72%	34.17%
Others	Others	35,145,850.68	0.36%	27,705,011.28	0.30%	26.86%

In RMB

Product	Item	2023		2022		Y/Y % change
		Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	
Mango TV Internet video business	Internet video business	5,795,180,476.82	59.12%	5,771,468,065.50	62.68%	0.41%
Mango TV Internet video business	Operator business	434,042,736.79	4.43%	364,240,806.41	3.96%	19.16%
New media interactive entertainment content production	Copyright and production costs	692,872,785.79	7.07%	842,065,761.90	9.14%	-17.72%
New media interactive entertainment content production	Employee remuneration and others	163,026,492.45	1.66%	203,064,774.92	2.21%	-19.72%
Content e-commerce	Content e-commerce	2,682,738,552.41	27.37%	1,999,535,703.06	21.72%	34.17%
Others	Others	35,145,850.68	0.36%	27,705,011.28	0.30%	26.86%

Analysis: None.

(6) Changes in the scope of consolidation during the Reporting PeriodYes No

During the Reporting Period, we acquired Golden Eagle Cartoon through a business combination involving entities under common control, and deregistered Beijing Happy Mango Culture Media Co., Ltd. See “IX. Changes in Scope of Consolidation” under “Section X Financial Report” for details.

(7) Material changes or adjustments in respect of business, products or services of the Company during the Reporting PeriodApplicable N/A**(8) Major customers and suppliers**

Major customers of the Company:

Aggregate sales revenue from top 5 customers (RMB)	4,739,829,701.56
Proportion of aggregate sales revenue from top 5 customers to annual sales revenue	32.40%
Proportion of aggregate sales revenue from related parties among top 5 customers to annual sales revenue	27.21%

Particulars of top 5 customers:

No.	Name of customer	Sales revenue (RMB)	Proportion to annual sales revenue
1	Customer 1	2,699,571,918.02	18.45%
2	Customer 2	1,279,986,808.00	8.75%
3	Customer 3	262,758,232.01	1.80%
4	Customer 4	262,298,381.58	1.79%
5	Customer 5	235,214,361.95	1.61%
Total	--	4,739,829,701.56	32.40%

Other information of major customers:

Applicable N/A

Major suppliers of the Company:

Aggregate purchase amount from top 5 suppliers (RMB)	2,241,153,433.69
Proportion of aggregate purchase amount from top 5 suppliers to annual purchase cost	22.86%
Proportion of aggregate purchase amount from related parties among top 5 suppliers to annual purchase cost	12.13%

Particulars of top 5 suppliers:

No.	Name of supplier	Purchase amount (RMB)	Proportion to annual purchase cost
1	Supplier 1	1,189,151,288.20	12.13%
2	Supplier 2	291,572,413.80	2.97%
3	Supplier 3	283,018,868.78	2.89%
4	Supplier 4	260,377,358.49	2.66%
5	Supplier 5	217,033,504.42	2.21%
Total	--	2,241,153,433.69	22.86%

Other information of major suppliers:

Applicable N/A.

3. Expenses

In RMB

	2023	2022	Y/Y % change	Reason of significant change
Selling expenses	2,260,065,273.97	2,244,824,328.98	0.68%	Primarily due to an increase in channel development expenses
Administrative expenses	612,009,007.33	646,502,018.06	-5.34%	Primarily due to a decrease in labor costs
Financial expenses	-147,667,394.09	-142,444,802.89	3.67%	Primarily due to an increase in interest income
R&D expenses	278,728,244.78	257,607,242.41	8.20%	Primarily due to an increase in the labor costs of R&D personnel

4. R&D expenses

Applicable N/A

Description of major R&D project	Purpose	Progress	Objectives	Expected effect on the future development of the Company
Mango TV smart audio-visual media service platform	Use proprietary technologies to build a basic service platform, an intelligent content production and processing platform, a content distribution platform, an application service platform and other systems, and form a domestic leading smart audio-visual media service platform.	Mango TV basic service platform module: the research, development and building of the business experimental platform, highly reliable gateway, Mango coordinated system and other products have been completed; audio-visual media business application innovation platform: the research, development and building of the rich media advertising, Mango digital collection platform and other products have been completed; VR application research platform: the research, development and building of the XR live streaming platform, VR interactive content platform and other products have been completed; Guangmang cloud production and broadcasting platform: using the advanced design concept based on the “end-edge-cloud” coordinated treatment, the directional research and development of cloud production and broadcast process and management model have been completed, which will improve the production efficiency of ultra HD video contents; new infrastructure platform for content production management: the research, development and building of the cloud content review system, media structural platform and other products have been completed; audio-visual media refined operation support platform: the research,	To improve the security of platform data contents and other information, and enhance R&D efficiency; provide efficient and powerful tools for smart content production, refined operation and multi-channel distribution, support “4K+5G” high-definition intelligent production, explore VR and other cutting-edge technology scenarios and realize their industrialization.	The project can support the ever-expanding demands for content production and distribution, meet the growing needs of users for the development of audio-visual experience, help Mango TV to enhance its image in the industry and its soft power, and build a media technology moat. It is the only way to reduce costs and improve efficiency in operation and enhance user experience, and is of great significance for the Company to maintain its core competitiveness in the future.

		development and building of the intelligent customer service system, Mango instant messaging service and other products have been completed.		
Video supercomputing-based virtual shooting and production	According to the software and hardware configurations for video supercomputing, integrate camera equipment, cloud real-time rendering engine, spatial positioning data collection and virtual standard production system with VFX basic production workflow, and build cloud-native virtual production SaaS service.	The Phase I development of virtual production based on supercomputing platform, development and deployment of virtual asset library and related function test report have been completed; and three patent applications in connection with the project have been submitted, which are under review.	Based on the home-made cloud-native virtual production platform mainly comprising virtual production collection system, supercomputing rendering system and lightweight space data collection system, in combination with cloud-native supercomputing virtual production SaaS and PaaS services, to develop a cloud-native supercomputing-based home-made virtual production SaaS platform that supports the production of program contents; and based on XR shooting technology, to develop virtual space lighting calibration algorithms for integrated lighting linkage, LED texture detection algorithms for LED screen display, and ROI (Region of Interest) ultra HD video optimization algorithms for video rendering.	The project focuses on the technology field of “ultra HD video algorithms”, and is an important attempt in the localization of virtual shooting technology, supercomputing platform and other advanced technologies. The project will not only reduce the content production costs of Happy Sunshine, and is an important measure to develop “culture + technology”, and create fine contents incorporating mainstream values and cutting-edge video technologies.
Research and development of anthropomorphic AI project	The anthropomorphic AI project will link the new ChatGPT technology with Mango’s specialty contents, and based on large-scale drama training, create AI characters for popular TV dramas and series, and assign personality settings to such characters.	Phase I development: Release derivative characters of Young Blood 2, complete the deployment of AI interactive capability, and link with Mango large-scale AI training camp, to accumulate technologies for Phase II large-scale development.	To increase the number of daily active users and members of the platform, expand the boundary of AI capability, enable platform scenarios other than content, build “IP+” ecosystem model, explore AI response experience on user side, and reserve technologies for product upgrading.	AI technology is an advantage of Happy Sunshine technology team and the focus of future cutting-edge technologies. In light of the new reform of the industry and new impact on user habits brought about by ChatGPT, the project intends to take the lead in releasing interactive AI products in the industry, and produce positive results in the production-research integration of AI technology, user attraction, retention and conversion, among others.

Particulars of R&D personnel:

	2023	2022	Y/Y % change
Number of R&D personnel	694	604	14.90%

Proportion of R&D personnel	15.78%	13.62%	2.16%
Education background of R&D personnel			
Undergraduates	518	445	16.40%
Masters	111	97	14.43%
Others	65	62	4.84%
Ages of R&D personnel			
Below 30	185	180	2.78%
30-40	453	383	18.28%
Others	56	41	36.59%

Amount of R&D expenses and proportion of R&D expenses to operating revenue in the past three years:

	2023	2022	2021
Amount of R&D expenses (RMB)	418,744,155.24	364,132,943.53	429,785,963.31
Proportion of R&D expenses to operating revenue	2.86%	2.61%	2.72%
Amount of R&D expenses capitalized (RMB)	140,015,910.46	106,525,701.12	97,370,501.74
Proportion of capitalized R&D expenses to total R&D expenses	33.44%	29.25%	22.66%
Proportion of R&D expenses capitalized to the net profit of the current period	4.03%	5.90%	4.48%

Analysis of the cause and effect of significant change in the composition of R&D personnel:

Applicable N/A

Analysis of the cause of significant change in the proportion of R&D expenses to operating revenue compared with the preceding year:

Applicable N/A

Analysis of the cause and reasonableness of significant change in the proportion of R&D expenses capitalized:

Applicable N/A

5. Cash flows

In RMB

Item	2023	2022	Y/Y % change
Subtotal of cash provided by operating activities	14,518,104,991.76	13,574,285,652.07	6.95%
Subtotal of cash used in operating activities	13,434,331,735.05	12,952,481,952.63	3.72%
Net cash flows from operating activities	1,083,773,256.71	621,803,699.44	74.30%
Subtotal of cash provided by investment activities	7,219,501,306.58	14,218,842,067.23	-49.23%
Subtotal of cash used in investment activities	6,463,056,173.92	13,561,887,809.91	-52.34%
Net cash flows from investment activities	756,445,132.66	656,954,257.32	15.14%
Subtotal of cash provided by financing activities	679,622,361.64	1,923,325,434.53	-64.66%
Subtotal of cash used in financing activities	997,937,817.51	391,530,893.80	154.88%
Net cash flows from financing activities	-318,315,455.87	1,531,794,540.73	-120.78%
Net increase in cash and cash equivalents	1,521,997,270.65	2,811,010,904.25	-45.86%

Analysis of the main causes of significant changes in the relevant data:

Applicable N/A

The net cash flow from operating activities increased by 74.30% year on year, primarily due to an increase in receipts from operating items in the current year.

The net cash flow from investment activities increased by 15.14% year on year, primarily due to the amount of bank wealth management products redeemed exceeding the amount of bank wealth management products purchased in the current year.

The net cash flow from financing activities decreased by 120.78% year on year, primarily due to a decrease in the discounted notes not qualified for derecognition, resulting in a decrease in cash flows provided by financing activities from the last year, and an increase in dividends in the current year, resulting in an increase in cash flows used in financing activities from the last year.

Analysis of the significant difference between net cash flows from operating activities during the Reporting Period and net profit in current year:

Applicable N/A

Primarily because the deferred tax expenses recognized in the current year did not generate cash flows.

V. Analysis of non-main business

Applicable N/A

In RMB

	Amount	Proportion to total profit	Main source	Whether or not sustainable
Investment income	73,236,767.58	3.96%	Income on bank wealth	No

			management products	
Impairment loss on assets	-100,061,039.58	-5.41%	Impairment losses on accounts receivable and inventories	No
Non-operating revenue	35,532,003.82	1.92%	Income from rights protection actions	No
Non-operating expenses	4,005,884.29	0.22%	Expenses in connection with indemnity	No

VI. Analysis of assets and liabilities

1. Material changes in the components of assets

In RMB

	End of 2023		Beginning of 2023		Change	Reason of significant change
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Cash and bank balances	11,882,208,257.60	37.81%	10,369,682,100.19	34.82%	2.99%	
Accounts receivable	3,496,523,370.15	11.13%	3,239,435,040.40	10.88%	0.25%	
Contract assets	838,691,849.14	2.67%	929,403,936.51	3.12%	-0.45%	
Inventories	1,717,435,689.33	5.47%	1,608,818,863.16	5.40%	0.07%	
Investment properties	81,084,052.23	0.26%	83,381,033.60	0.28%	-0.02%	
Long-term equity investment			4,123,864.73	0.01%	-0.01%	
Fixed assets	142,419,568.37	0.45%	173,715,579.21	0.58%	-0.13%	
Right-of-use assets	228,587,413.61	0.73%	180,794,786.22	0.61%	0.12%	
Short-term borrowings	33,781,325.60	0.11%	1,057,932,476.80	3.55%	-3.44%	Primarily due to the maturity of discounted notes not qualified for derecognition
Contract liabilities	1,223,382,815.57	3.89%	1,095,959,210.88	3.68%	0.21%	
Lease liabilities	151,809,003.34	0.48%	138,344,104.72	0.46%	0.02%	

Analysis of high proportion of overseas assets:

Applicable N/A

2. Assets and liabilities at fair value

Applicable N/A

In RMB0'000

Item	Opening balance	Gain or loss on changes in fair value	Aggregate changes in fair value recorded in equity	Impairment loss recognized in the current period	Amount acquired in the Reporting Period	Amount sold in the Reporting Period	Other changes	Closing balance
Financial assets								
1. Financial assets held	269,500.00				547,800.00	712,100.00		105,200.00

for trading (excluding derivative financial assets)								
2. Accounts receivable financing	4,905.44						64,934.04	69,839.49
Subtotal	274,405.44				547,800.00	712,100.00	64,934.04	175,039.49
Financial liabilities	0.00							0.00

Other changes:

Other changes of receivables financing are primarily due to changes in discounting, endorsement or acceptance upon maturity of banker's acceptance bills.

Whether there's any material change in the measurement properties of main assets of the Company during the Reporting Period?

Yes No

3. Encumbrances on assets as of the end of the Reporting Period

As of the end of the Reporting Period, the total amount of restricted assets was RMB49,811,900, where the cash and bank balances included RMB12,942,100 subject to judicial freeze, RMB995,100 of third-party platform deposits, RMB954,700 of other deposits, and the amount of endorsed or discounted but not matured bills was RMB34,920,000.

VII. Analysis of investments

1. Overall situation

Applicable N/A

Amount of investment in 2023 (RMB)	Amount of investment in 2022 (RMB)	Y/Y % change
834,795,100.00	2,880,000.00	28,885.94%

2. Major equity investments acquired during the Reporting Period

Applicable N/A

In RMB

Investee	Main business	Method of investment	Amount of investment	Shareholding percentage	Source of funds	Partner	Term of investment	Product type	Status as of the balance sheet date	Expected income	Investment income/ loss in the Reporting Period	Whether or not involved in any litigation	Date of disclosure (if any)	Disclosure index (if any)
Hunan Golden Eagle Cartoon Media Co., Ltd.	Production of contents for youth	Acquisition	834,795,100.00	100.00%	Self-owned funds	N/A	N/A	Equity	Completed business combination involving entities under common control	834,795,100.00	63,473,693.23	No	July 26, 2023	Announcement of Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction disclosed on www.cninfo.com.cn
Total	--	--	834,795,100.00	--	--	--	--	--	--	834,795,100.00	63,473,693.23	--	--	--

3. Major non-equity investments that have not yet been completed in the Reporting Period

Applicable N/A

4. Investment in financial assets

(1) Securities investment

Applicable N/A

No such case during the Reporting Period.

(2) Derivative investment

Applicable N/A

No such case during the Reporting Period.

5. Use of offering proceeds

Applicable N/A

(1) Description of use of offering proceeds

Applicable N/A

In RMB 0'000

Year of offering	Method of offering	Total offering proceeds	Net offering proceeds	Total amount of offering proceeds used in the Reporting Period	Aggregate amount of offering proceeds already used	Total amount of offering proceeds the purpose of which was changed in the Reporting Period	Aggregate amount of offering proceeds the purpose of which has been changed	Percentage of offering proceeds the purpose of which has been changed	Total amount of unused offering proceeds	Purpose and whereabouts of unused offering proceeds	Total amount of offering proceeds that has remained unused for more than two years
2019	Private share offering	200,000	198,270.07	22,450	130,669.45	0	0	0.00%	67,600.62	Deposited in the dedicated account of offering proceeds and used for the purchase of cash management products; wherein, RMB368,805,500 has been used to permanently replenish the working capital	67,600.62
2021	Share offering to specific persons	450,000	448,579.21	116,615.39	297,340.12	0	0	0.00%	151,239.09	Deposited in the dedicated account of offering proceeds, and purchase cash management products	151,239.09
Total	--	650,000	646,849.28	139,065.39	428,009.57	0	0	0.00%	218,839.71	--	218,839.71
Description of use of offering proceeds											
<p>During the Reporting Period, the total amount of offering proceeds used by us was RMB1,390,653,900. As of December 31, 2023, the aggregate amount of offering proceeds used by us was RMB4,280,095,700, and RMB390,599,900 (including interest) was used to permanently replenish the working capital. The balance of the dedicated account of offering proceeds was RMB2,090,065,200, including RMB1,797,797,200 of principal and RMB292,268,000 of interest income, of which, RMB224,065,200 was deposited in the dedicated account of offering proceeds, and RMB1,866,000,000 of idle offering proceeds was used to purchase cash management products.</p>											

(2) Committed fund-raising investment projects

Applicable N/A

In RMB0'000

Committed investment project and use of over-raised funds	Whether the project has been changed or partially changed	Total committed investment amount	Total investment amount as adjusted (1)	Amount invested in the Reporting Period	Aggregate amount already invested as of the end of the Reporting Period (2)	Progress of investment as of the end of the Reporting Period (3) = (2)/(1)	Date that the project is ready for its intended use	Income earned in the Reporting Period	Aggregate income as of the end of the Reporting Period	Whether the project has produced the desired result	Whether there's any significant change in the feasibility of the project
Committed investment project											
Mango TV copyright pool expansion project	No	148,674	148,674	22,450	117,992	79.36%		-4,168.57	24,291.72	N/A	No
Mango TV cloud storage and multi-screen broadcast platform project	No	49,558	49,558		12,677.45	25.58% ¹		²		N/A	No
Content resource pool expansion project	No	398,587.78	398,587.78	107,899.02	283,417.38	71.11%		111,095.48	289,816.29	Yes	No
Mango TV smart audio & video media service platform project	No	49,991.43	49,991.43	8,716.37	13,922.74	27.85%		³		N/A	No
Subtotal	--	646,811.21	646,811.21	139,065.39	428,009.57	--	--	106,926.91	314,108.01	--	--
Use of over-raised funds											
None											
Total	--	646,811.21	646,811.21	139,065.39	428,009.57	--	--	106,926.91	314,108.01	--	--
Explain the situation and reason for failure to achieve the planned progress and desired result by item (including the reason for choosing "N/A" for "Whether the project has produced the	<p>Mango TV cloud storage and multi-screen broadcast platform project: The project was planned in 2017 and implemented in 2019 after receipt of the relevant offering proceeds. However, within these two years, the technical environment changed greatly, and the technical requirements also changed. Therefore, after receipt of the relevant offering proceeds, we adjusted the fund use plan, resulting in a significant deviation of the fund use progress from the fund use plan originally disclosed. Pursuant to the Guide on Operational Compliance for Companies Listed on the ChiNext Board of the Shenzhen Stock Exchange, we proposed to adjust the fund use plan in respect of the cloud storage and multi-screen broadcast platform project, by extending the fund use period to 2021. The fund use plan in respect of Mango TV cloud storage and multi-screen broadcast platform project was adjusted pursuant to the Proposal for Adjusting the Fund Use Plan in Respect of Certain Fund-raising Investment Project adopted at the 29th meeting of the 3rd Board of Directors of the Company on April 23, 2020, and further adjusted pursuant to the Proposal for Adjusting the Fund Use Plan in Respect of Certain Fund-raising Investment Project adopted at the 35th meeting of the 3rd Board of Directors on January 26, 2021.</p> <p>Mango TV smart audio & video media service platform project: The planning of the project was completed in 2020, the fundraising of the project was completed in 2021, the project was officially implemented in 2022, and the construction of the project is planned to be completed in 2023. During the implementation of the project, certain changes have taken place in both the external market and the technical environment: On the one hand, due to the impact of travel conditions in 2022, there was a certain lag in business negotiation, contract signing and other procedures required for the procurement of software and hardware in this project; meanwhile, the frequency of</p>										

desired result”)	<p>offline communication and field follow-up projects of the R&D team has decreased, which, to some extent, has affected the progress of project construction. On the other hand, in the background of reducing costs and increasing efficiency, Mango TV has suspended the development of heavy-asset projects after multiple reviews of project implementation and R&D focuses; it has prioritized the development of light-asset projects, mainly with human resources and a small quantity of software and hardware. With the transfer and adjustment of R&D resources and strategies, the overall implementation progress of the project has certain changes. According to the evaluation, it is expected that the project needs to be postponed for one year on the basis of the original project construction schedule; to be specific, all construction contents under the project plan will be completed by the end of 2024. The Company held the 15th meeting of the 4th Board of Directors of the Company on April 20, 2023, reviewing and adopting the Proposal for Adjusting the Fund Use Plan in Respect of Fund Raised for Mango TV Smart Audio & Video Media Service Platform Project, to adjust the fund use plan of the Mango TV smart audio & video media service platform project. The Company’s independent directors and the Board of Supervisors expressed their consent to the above proposal, and the sponsor issued a verification opinion. Due to the impact of the operational strategy of cost reduction and efficiency enhancement and supply of hardware and software resources in the market, in order to adapt to the construction progress of the smart audio-visual project, the Company held the 20th meeting of the 4th Board of Directors and the 18th meeting of the 4th Board of Supervisors of the Company on April 18, 2024, reviewing and adopting the Proposal for Adjusting the Fund Use Plan in Respect of Fund Raised for Mango TV Smart Audio & Video Media Service Platform Project, to adjust the fund use plan of the Mango TV smart audio & video media service platform project, and extend the construction period of the project to December 31, 2025. A special meeting of independent directors of the Company reviewed and adopted the above proposal, and the sponsor issued a verification opinion.</p> <p>Content resource pool expansion project: The Company held the 18th meeting of the 4th Board of Directors on August 17, 2023, reviewing and adopting the Proposal on Adjusting the Use Plan of Funds Raised by the Content Resource Pool Expansion Project, to adjust the fund use plan of the content resource pool expansion project, and extend the project construction period to December 31, 2025. The Company’s independent directors and the Board of Supervisors expressed their consent to the above proposal. The actual use of funds raised by the project is slower than the planned. It is mainly because under the impact of the overall development trend of the industry, the Company deeply cultivated the quality of contents, pursued high-quality development, and made content production more cautious than planned. Besides, the Company added a new bill acceptance method for content payment, which also delayed the actual payment of raised funds in the project to a certain extent.</p>
Reason of significant change in the feasibility of the project	None
Amount and use of over-raised funds and progress of use thereof	N/A
Change in the place of the fund-raising investment project	N/A
Adjustment of the method of implementation of the fund-raising investment project	Applicable
	Occurred in previous years

	<p>Mango TV copyright pool expansion project: As of December 31, 2020, we purchased and released on Hunan TV 5 key TV series as scheduled. The progress of investment and development meets expectations. The amount of actual investment being lower than the planned amount of investment was primarily due to changes in industry policies, as a result of which the prices for content copyright have returned to the reasonable level, so the price for TV series per part actually paid by us was lower than the estimated amount. On November 28, 2021, the Company held the 7th meeting of the 4th Board of Directors, considering and approving the Proposal for Adjusting the Method of Implementation and Fund Use Plan in Respect of Certain Fund-raising Investment Project, pursuant to which the method of implementation and fund use plan in respect of the Mango TV copyright pool expansion project were adjusted. The Company’s independent directors and Board of Supervisors expressed their consent to the above proposal, and the independent financial advisor issued a verification opinion. On December 21, 2021, the above proposal was reviewed and approved at the Company’s 2nd extraordinary general meeting of shareholders in 2021. The remaining offering proceeds were used to purchase exclusive Internet copyright of teleplays. On April 18, 2024, the 20th meeting of the 4th Board of Directors and the 18th meeting of the 4th Board of Supervisors of the Company reviewed and adopted the Proposal on Adjusting the Implementation Method and Fund Use Plan of Mango TV Copyright Pool Expansion Project. Due to commercial negotiations, scheduling planning and other reasons, the films and TV dramas that the Company intended to purchase were subject to scheduling adjustment, repertoire change, etc. According to the actual implementation of the project, the Company adjusted the implementation method and fund use plan of the Mango TV copyright pool expansion project, adjusted part of the films and TV dramas to be purchased, and extended the project construction period to December 31, 2026. A special meeting of the Company’s independent directors reviewed and adopted the above proposal, and the sponsor issued the verification opinion. The adjustment matters still need to be submitted to the Company’s general meeting for review and approval.</p> <p>Content resource pool expansion project: On April 18, 2024, the 20th meeting of the 4th Board of Directors and the 18th meeting of the 4th Board of Supervisors of the Company reviewed and adopted the Proposal on Adjusting the Implementation Method of the Content Resource Pool Expansion Project. Due to commercial negotiations, scheduling planning and other reasons, the films and TV dramas that the Company intended to purchase were subject to rescheduling, repertoires changes, etc. According to the actual implementation of the project, the Company adjusted the implementation method of the content resource pool expansion project, and continued to use the balance of the raised funds of Sub-project 1 “Grade-S Film and TV Drama Copyright Procurement Project” for Sub-project 2, and adjusted the implementation method of Sub-project 2 “Grade-A Film and TV Drama Copyright Self-production (including Customization) and Procurement Project” into “Grade-S / Grade-A Film and TV Drama Copyright Self-production (including Customization) and Procurement Project”. A special meeting of the Company’s independent directors reviewed and adopted the above proposal, and the sponsor issued a verification opinion. The adjustment matters still shall be submitted to the Company’s general meeting for review and approval.</p>
Funds pre-invested in the investment project and replacement thereof	<p>Applicable</p> <p>On August 25, 2020, the 31th meeting of the 3rd Board of Directors considered and adopted the Proposal Regarding Payment by the Wholly-owned Subsidiary of Funds Invested in the Fund-Raising Investment Project with Banker’s Acceptance Bills and Replacement of the Same with the Offering Proceeds, approving that Happy Sunshine, a wholly-owned subsidiary of the Company, may use banker’s acceptance bills as the case may be during project investment with the fund raised, and replacement of the same with the offering proceeds by transferring the amount actually paid from the special account of offering proceeds to the account of owned funds of the Company. The independent directors and the Board of Supervisors of the Company expressed their consent to the above proposal, and the independent financial advisor issued a verification opinion.</p> <p>On September 23, 2021, the 5th meeting of the 4th Board of Directors considered and adopted the Proposal for Replacing the Self-raised Funds Pre-invested in the Fund-Raising Investment Project and Funds Used to Pay Part of the Offering Costs with the Offering Proceeds, approving the replacement of the funds pre-invested in the investment project in the amount of RMB703,945,553.67 and self-raised funds used to pay part of the offering costs in the amount of RMB475,471.70 (tax exclusive) with the offering proceeds. The independent directors and the Board of Supervisors of the Company approved such proposal, and the sponsor (CICC) issued a verification opinion. The Replacement of raised funds pre-invested in the fund-raising investment project was completed as of December 31, 2021.</p> <p>On September 23, 2021, the 5th meeting of the 4th Board of Directors considered and adopted the Proposal Regarding Payment by the Wholly-owned Subsidiary of Funds Invested in the Fund-Raising Investment Project with Banker’s Acceptance Bills and Replacement of the Same with the Offering Proceeds, approving the payment by Happy Sunshine, our wholly-owned subsidiary, of amounts in connection with the fund-raising investment project with banker’s acceptance bills during the period of fund-raising for such investment project through share offering to specific persons in 2020, and replacement of the same with the offering proceeds by transferring the amount actually paid from the dedicated account of offering proceeds to the account of owned funds of the Company. The independent directors and the Board of Supervisors of the Company approved such proposal, and the sponsor issued a verification opinion.</p> <p>On April 20, 2023, the 15th meeting of the 4th Board of Directors of the Company reviewed and adopted the Proposal Regarding Payment with Commercial Acceptance</p>

	Bills or Otherwise and Replacement of the Same with the Offering Proceeds, approving the payment by Happy Sunshine, our wholly-owned subsidiary, of amounts in connection with the fund-raising investment project with commercial acceptance bills (including issuance and endorsement of banker's acceptance bills and commercial acceptance bills), letters of credit, cloud certificates or otherwise, and replacement of the same with the offering proceeds by transferring the amount actually paid from the dedicated account of offering proceeds to the account of owned funds of the Company. The independent directors and the Board of Supervisors of the Company expressed their consent to, and the sponsor and independent financial advisor issued verification opinions on, the proposal referred to above.
Temporary replenishment of working capital with the unused offering proceeds	N/A
Amount of unused offering proceeds and reason thereof	Applicable
	Mango TV cloud storage and multi-screen broadcast platform project: The project was planned in 2017 and implemented from 2019 when the supporting funds were raised. The construction of the project was basically completed in 2021, and the project has reached the expected usable state as planned. On April 21, 2022, Mango Excellent Media held the 8 th meeting of the 4 th Board of Directors, reviewing and adopting the Proposal on the Closing of Mango TV Cloud Storage and Multi-screen Broadcast Platform Project and Permanent Supplementation of Working Capital through with Remaining Raised Funds. The independent directors and the Board of Supervisors expressed their independent consent. On May 19, 2022, the Company held the 2021 annual general meeting of shareholders, reviewing and adopting the proposal referred to above. As of December 31, 2022, the special fund-raising account of the Mango TV cloud storage and multi-screen broadcast platform project has been canceled, and the remaining raised funds of RMB390,599,900 (including interest) has been transferred out to permanently supplementing the working capital. The reason for the balance is that the fundraising plan of the project was mainly based on investments in hardware platforms, mainly including the procurement of node servers, switches, storage servers and other equipment. During the project construction, cloud computing technology developed rapidly, and the Company also actively grasped the opportunity brought about by the technological innovation by purchasing commercial CDNs and cloud resources to replace the original hardware procurement plan, which, without affecting the implementation of the project, effectively reduced the project cost and enhanced the resource utilization efficiency of the Company. Besides, the Company has strengthened its independent innovation capabilities, increased expenses for personnel, increased self-research efforts, insisted on nationalization and self-development, replaced procurement with self-research, increase the number of R&D team members from 287 to 558, and had 70 patents from the project. For this project, in addition to the investment with raised funds, the Company also spent around RMB164,599,300 with its own funds in R&D personnel, commercial CDNs, cloud resources, etc.
Purpose and whereabouts of unused offering proceeds	As of the end of the Reporting Period, we used RMB1,866,000,000 of unused offering proceeds to purchase cash management products, and deposited the balance of the unused offering proceeds in the dedicated account of offering proceeds.
Problems or other matters existing in the use and disclosure of offering proceeds	None

Note: 1. The project has been completed. 2. The project aims at fully improving users' experience of watching across the platform, no economic benefits will be yielded directly, so it is impossible to calculate the benefits of such project separately. 3. The project aims at improving overall platform-level solutions in ultra HD video, interactive video and re-consumable video in the future, accelerating integration of Mango TV in aspects of resources, technology, services, business and flow, and no economic benefits will be yielded directly, so it is impossible to calculate the benefits of such project separately.

(3) Changes in the fund-raising investment projects Applicable N/A

There has been no change in the fund-raising investment projects during the Reporting Period.

VIII. Sale of material assets and equities**1. Sale of material assets** Applicable N/A

No material asset has been sold during the Reporting Period.

2. Sale of material equities Applicable N/A**IX. Analysis of major subsidiaries and associates** Applicable N/A

Major subsidiaries and associates representing more than 10% of the net profit of the Company:

								In RMB0'000
Company name	Type of company	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Happy Sunshine	Subsidiary	Internet video business, operator business and content operation business	24,247.00	2,952,884.03	2,019,896.78	1,167,991.37	199,154.49	362,291.48
Xiaomang E-commerce	Subsidiary	Content e-commerce	7,500.00	10,781.43	-45,394.15	102,097.05	-25,125.61	-25,117.77
Golden Eagle Cartoon	Subsidiary	Production of contents for youth	5,969.33	39,185.59	22,767.09	25,134.78	5,398.53	6,347.37
Happigo	Subsidiary	Media retail	40,100.00	87,759.89	53,046.57	181,214.57	-4,037.44	-3,416.94
EE-Media	Subsidiary	Artist agency business, program, film and TV drama production business and copyright business	9,000.00	84,576.45	57,719.32	38,011.94	4,098.12	4,106.94

Subsidiaries acquired or disposed of during the Reporting Period:

 Applicable N/A

Company name	Method of acquisition or disposal of	Effect on the production, operation and results of the Company
--------------	--------------------------------------	--

	subsidiary during the Reporting Period	taken as a whole
Xiaomang E-commerce	Internal transfer without consideration	Xiaomang E-commerce originally was a wholly-owned subsidiary of Happy Sunshine (in the data of major subsidiaries set out above, the data of Happy Sunshine contain the data of Xiaomang E-commerce between January and June 2023), and was transferred to the Company in July 2023 without consideration. This transaction does not have a material effect on the overall production, operation and results of the Company.
Golden Eagle Cartoon	Business combination involving entities under common control	The effect on the net profit of the Listed Company was RMB63,473,700.

Particulars of major subsidiaries and associates:

X. Structured entities controlled by the Company

Applicable N/A

XI. Prospects for future development of the Company

1. Prospects for future development

The year of 2024 is a critical year for achieving the goals and tasks set forth in the “14th Five-Year Plan”, and also a year for us to tackle thorny problems and accelerate the in-depth media convergence and development. The vast journey knows no bounds, setting sail with faith in the wind. We will always adhere to the guidance of Xi Jinping’s cultural ideology, and the important instruction made by General Secretary Xi Jinping during his inspection of the Malanshan Video Cultural and Creative Park that “the convergence of cultural and technology has great prospects”, firmly focus on “culture + technology” as the key for the future, accurately identify changes, adapt scientifically, and seek changes proactively. In the new journey of building a mainstream new media group with strong leadership, communication and competitive powers, we will strive to provide “Mango answer” to the high-quality media convergence and development.

(1) Strictly fulfill the missions and duties of a Party-controlled media and state-owned enterprise. We will always uphold the principle that “media controlled by the Party shall adhere to the leadership of the Party with utter loyalty”, adhere to the correct political direction, direction of guidance of public opinion and orientation of values, and strengthen the ideological front. Oriented on the 75th anniversary of the founding of New China, and the annual theme of “bright journey of Chinese-style modernization”, we will innovate in mainstream communication, build high-quality communication and public opinion positions, and create a number of fine programs, to deeply implant the mainstream values in the hearts of the people. We will implement the plan to double the number of users of Mango TV International APP, increase copyright exports, continue to promote the internationalization of Mango’s variety show model, and enhance the overseas influence of Mango contents.

(2) Continue to consolidate the advantages of media convergence and development. After a decade of development, media convergence has entered a new stage and a new journey. We will follow up the instructions contained in the important speeches of General Secretary Xi Jinping on media convergence, on the basis of the original double platforms, focus more on the strategic synergy and resource intensification in the convergence of four platforms, break down the barriers among new media and between new media and traditional media, ensure that the convergence brings about opportunities, values and benefits, and achieve new competitive advantages for high-quality media convergence and development. We will train a group of artists with potentials, promote in-depth convergence of artist agency and content business on the four platforms, and form a virtuous cycle.

(3) Work harder and firmly defend the leading position in content innovation. We stick to the people-centered philosophy in content innovation, uphold cultural confidence, make innovations on the basis of what has worked in the past, refrain from relying on past experiences and paths, anchor fast to super-hit products, strive to maintain the absolute lead through ongoing innovations, continuously strengthen the core advantages in long video contents, promote the improvement of both “quality” and “quantity”, and firmly defend the absolute leading position of “Mango products” in content innovation. We will consolidate our advantages in the field of variety show, strengthen the combination of content with AI and other new technologies, make breakthroughs in the new vertical contents, and ensure that the proportion of innovative programs is not less than 40%. We will increase investments in film and TV drama business, focus on the development of top-tier TV dramas and series, enhance the supply capability of premium TV dramas and series, and continue to seek new opportunities in the fields of other contents, such as micro and short dramas, and cartoons for children.

(4) Make plans before taking actions, and promote the steady growth of the core business in an all-round way. General Secretary Xi Jinping pointed out at the Central Economic Work Conference at the end of 2023 that “high-quality development is of paramount importance in the new era”. In the new journey, we will continuously enhance incentives to innovate and develop, seize opportunities, forge ahead bravely, and unswervingly promote the high-quality development of our core business. Leveraging our rich content resources, we will improve the efficiency of membership operations, develop high-quality channel users, and achieve rapid user growth and steady increase in ARPPU; integrate advertising marketing resources of the four platforms, adopt differential marketing strategies, target budgets of core customers, seize additional budgets from the blue ocean and industry segments; rely on strategic cooperation, steadily improve the online release rate and duration of watch time of operator’s large screen contents; and expand content monetization chain through content e-commerce, offline concerts, on-site research-based learning, artist agency or otherwise.

(5) Walk faster and accelerate the upgrading of emerging businesses. Golden Eagle Cartoon and Xiaomang E-commerce, as important components of our ecosystem, will be fully integrated with the main platform Mango TV in content creation and operations,

which will continuously improve our content monetization chain with stronger ecosystem enabling. As a top-tier domestic parent-child content platform, Golden Eagle Cartoon will comprehensively upgrade the Maiji brand, deploy offline locations, and promote the faster and steadier growth of the “content + research-based learning + offline + derivative” industry chain. Xiaomang E-commerce will strengthen platform building and operation, focus on core users, efficiently and differentially link artists, contents, products and brands, fully integrate the production advantages and artist resources of Mango ecosystem, and build distinctive “super live steaming rooms”.

(6) Driven by technology, focus on the development of new quality productive forces in the cultural field. Development of new quality productive forces in the cultural field requires a dialectical unity of high-quality creativity and advanced technology. Leveraging our advantages in content creativity and values-based guidance, we will explore effective mechanisms for the convergence of culture and technology, and promote the shift of the technical team from a “supporting mindset” to a “leading mindset”, to become “creative engineers” who solve content demands and lead content trends. In reliance on the “Mango large model”, we will effectively incorporate “culture + technology” throughout the entire chain of creativity, planning, execution, data analysis, commercialization, among others, give full play to the role of new quality productive forces in innovation in business models, enhancing user experience, and improving quality and efficiency, and create more growth points in the cultural industry.

(7) Make steady progress, and continuously consolidate the foundation of high-quality development and governance. We will fully implement all measures set forth in the three-year action plan to improve the quality of listed companies and the action plan to improve quality and returns of listed companies, and pursue high-quality development through standardized corporate governance; continuously improve our governance system in accordance with the current regulatory policies, taking into account our actual situations; strengthen the primary responsibility of the “key few”, enhance the internal driving forces for corporate governance; establish the special meeting system of independent directors, and guarantee the performance of duties by the independent directors; broaden the channels for investors’ participation in corporate governance, facilitate the participation by all kinds of investors in major decision-making, continuously improve the return on investment mechanisms; strengthen ESG governance, and use ESG as an important means to pursue high-quality corporate development.

(8) Vigorously train the new generation of young leading talents. “People” are the key to the development of new quality productive forces, so we must make good use of talents as the “primary resources”. We will attach greater importance to team building and exploitation of young talents, provide an infinite stage for daring and innovative Mango people; explore and establish incentive mechanisms in line with the market competition rules, create conditions and environment for the growth of new technical talents; advance the “Young Talent Program” with high quality; create a more enthusiastic, more free cultural atmosphere, to enable more post-95s and post-00s to stand up, step forward and rise up, and inject endless vitality for the building of a mainstream new media group.

2. Potential risks and countermeasures

(1) Risks of impact of economic cycles. The advertising budget of business customers and consumption preference of end users of our Internet video business are closely related to the macroeconomic cycles. In recent years, China’s economy has maintained medium-to-high speed of development, and Internet media industry has realized rapid growth. However, given the economic cycles, our business development may still be affected to a certain extent. To this end, we will fully make foresight and planning and continuously consolidate our core competitiveness in terms of content, products, talents and technologies to effectively cope with the impact of economic cycles.

(2) Risk of changes in industrial policies. We pertain to the cultural and art industry. The market players shall conduct relevant business in strict accordance with the industrial regulatory policies and shall obtain broadcast licenses before releasing the films, TV dramas, variety shows. Any change in industrial regulatory policies will bring uncertainties to our content production and broadcast schedule. As a Party media and state-owned enterprise, we have head start advantages in policy research, and will adhere to the correct political direction, direction of guidance of public opinion and direction of values, and create content in strict compliance with requirements of industrial policies.

(3) Risks of market competition. The Internet long video industry witnesses fundamental changes in operational thinking and underlying logics and enters a new stage of rational development in terms of industry competition. Various major video platforms are further strengthening capabilities of proprietary content production, improving operation efficiency and enhancing profitability. Changes in industrial competitive situation may have adverse impact on our market shares and profitability. As a state-owned long video platform, we will continue to pursue the values guiding role of media and innovation in proprietary content and consolidate development advantages with content advantages.

(4) Risk of business qualifications. Our certain businesses require and maintain special business qualifications. If we are unable to promptly renew or obtain new business qualifications upon expiration of the relevant existing business qualifications, our business development may be adversely affected. We will enhance business qualification management, work out a scientific plan for applying for business qualifications, increase communications with the competent business qualifications authorities to promptly renew business qualifications upon expiration thereof.

(5) Risks of return on investment. The broadcast effect of audiovisual content including films, TV dramas and variety shows is highly uncertain because it is affected by several factors such as program quality, user preference and public opinion environment. The production of audiovisual content and the procurement of copyright have the inherent characteristics of huge amount of single investment, long period of return on investment and non-predictability of market reaction, among others, so the return on investment is greatly uncertain. As a result, we have firmly controlled content production elements in the whole process, established a comprehensive appraisal system to focus on the content input-output ratio and minimize investment risks.

(6) Risk of technology upgrading. Along with the maturity and application of metaverse, AIGC and other technologies, new business patterns and business models will bring wholly new cultural and entertainment experience to users. If we fail to keep with the trend of technology upgrading, the commercial remodeling brought by technology upgrading may have an adverse effect on our operation. We have established the innovation research institute to enhance researches on new technologies, new models and future trends of the industry, make judgments and arrangements in advance, and grasp development opportunities brought by technology upgrading.

(7) Risk of outflow of talents. The new media business, film and TV drama production, and artist agency business conducted by us have high requirements for the professional levels of practitioners, so outflow of core personnel could affect the conduct of our business to a certain degree. We have established an open and innovative incentive mechanism, a unique self-motivation mechanism

and a content ecosystem suitable for creative talents to release their potential, so as to arouse the enthusiasm and creativity of core personnel while retaining them.

(8) Risk of infringement on intellectual property rights. Our main business involves the use of copyright of audiovisual programs, so the purchased copyright may have defects and infringe on the interests of legal right holders. Meanwhile, there exist infringements on copyright of the programs to which we have legal rights and interests. Therefore, we have established a copyright procurement management system, regulated the procurement process, conducted strict examination of copyright supporting documents, and specified relevant rights and obligations as well as liability for breach of contract; and intensified efforts to safeguard our intellectual property rights against copyright infringements.

XII. Investigation, research, communication, interview and other activities during the Reporting Period

Applicable N/A

Date	Place	Method of communication	Type of guests	Guests	Main topic of discussion and information provided	Particulars of the investigation and research activity available at
April 25, 2023	Teleconference	Communication by telephone	Institutional investors	Refer to the Record of Investor Relations Activities of Mango Excellent Media Co., Ltd. (2023-001)	Our business situations	Refer to our Record of Investor Relations Activities (2023-001) disclosed on www.cninfo.com.cn
May 12, 2023	Web meeting	Online communication	Others	Refer to the Record of Investor Relations Activities of Mango Excellent Media Co., Ltd. (2023-002)	Our business situations	Refer to the Record of Investor Relations Activities of Mango Excellent Media Co., Ltd. (2023-002)
August 18, 2023	Teleconference	Communication by telephone	Institutional investors	Refer to the Record of Investor Relations Activities of Mango Excellent Media Co., Ltd. (2023-003)	Our business situations	Refer to the Record of Investor Relations Activities of Mango Excellent Media Co., Ltd. (2023-003)

XIII. Implementation of the action plan to improve the quality and returns

Whether the Company has disclosed its action plan to improve the quality and returns?

Yes No

In order to implement the guiding ideology of “vigorously improving the quality and investment value of listed companies, and taking more effective measures to stabilize the market and enhance confidence” proposed by an Executive Meeting of the State Council, to safeguard the interests of all shareholders, enhance investor confidence, and promote high-quality development, based on its development strategies, operating conditions, and financial status, the Company formulated the “Improving Both Quality and Returns” action plan. The progress of the implementation of the “Improving Both Quality and Returns” action plan by the Company is detailed in the Progress Announcement on the ‘Improving Both Quality and Returns’ Action Plan disclosed by the Company on the same day on www.cninfo.com.cn.

Section IV Corporate Governance

I. Overview of our corporate governance

During the Reporting Period, we have continuously improved our corporate governance structure, internal management and control policies, promoted compliant operations and raised the governance level in strict accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the ChiNext Board of the Shenzhen Stock Exchange, the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 2 – Compliant Operations of Listed Companies on the ChiNext Board, and other applicable laws, regulations and normative documents. As of the end of the Reporting Period, our corporate governance complies with the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies.

1. Shareholders and the general meeting of shareholders

We convened and held general meetings of shareholders in strict accordance with our Articles of Association and the Rules of Procedure of the General Meeting of Shareholders and treated all shareholders fairly. We permitted investors to elect to vote in person or on line at our shareholders' meetings, so as to enable minority investors to fully exercise their voting rights. In considering material matters that affect the interests of minority investors, the votes cast by them were counted separately and disclosed on the relevant announcements on the resolutions of our shareholders' meeting.

2. Relationship with the controlling shareholder

Our controlling shareholder exercised its rights as a contributor to the Company in accordance with law and did not directly or indirectly interfere with the decision-making and business activities of the Company without the authorization of the general meeting of shareholders. We conduct business and operate independently, and are independent of our controlling shareholder in business, personnel, assets, organization and finance.

3. Directors and the Board of Directors

Our Board of Directors has 9 directors, including 3 independent directors. The number of members and composition of our Board of Directors comply with the requirements of the applicable laws and regulations and our Articles of Association. The procedures for convening and holding the meetings of the Board of Directors, voting procedures and resolutions comply with the relevant provisions of the laws, regulations, Articles of Association and the Rules of Procedure of the Board of Directors. All directors exercise their functions and perform their duties and obligations with good faith and diligently and in accordance with the provisions of the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 2 – Compliant Operations of Listed Companies on the ChiNext Board.

4. Supervisors and the Board of Supervisors

The Board of Supervisors of the Company consists of 3 supervisors, including 1 employee supervisor. The number of members and composition of the Board of Supervisors are in compliance with the requirements of relevant laws and regulations. During the Reporting Period, our supervisors seriously performed their duties, and actively supervised our material matters, related-party transactions, insiders, internal controls and financial condition and performance of duties by our directors and executives in compliance with the applicable laws and regulations, pursuant to the Rules of Procedure of the Board of Supervisors.

5. Establishment and implementation of internal audit policy

Our Board of Directors has set up the Audit Committee, responsible for communications, supervision, meeting organization and examinations in respect of internal and external audits. The Audit Department under the Audit Committee is responsible for handling day-to-day affairs, and examination and supervision of the establishment and implementation of internal controls, truthfulness and completeness of financial information of the Company.

6. Performance appraisal and incentive and restraint mechanisms

Our Board of Directors has set up the Compensation and Appraisal Committee, responsible for the establishment of compensation policies, determination of compensation plans, and performance appraisal of executives. We have established scientific performance appraisal standards and procedures for executives.

7. Stakeholders

We fully respect the legitimate rights and interests of stakeholders, and strive to coordinate and balance the interests of shareholders, employees, partners, the society and other stakeholders, and jointly promote our high-quality development, the details of which are shown in the 2023 ESG Report and Social Responsibility Report disclosed on www.cninfo.com.cn on the same day.

8. Information disclosure and transparency

We have established the relevant systems on information disclosure management, made the secretary of the Board of Directors be responsible for the information disclosure of the Company, and designated www.cninfo.com.cn, the China Securities Journal, the Shanghai Securities News, the Securities Times and the Securities Daily as the websites and newspapers for us to disclose information. During the Reporting Period, we performed the obligations of information disclosure in strict accordance with the requirements of the CSRC and the Shenzhen Stock Exchange and ensured that all shareholders have equal opportunities to access the information about us.

We have established the office of the Board of Directors in charge of investor relations management in strict compliance with the Work Guidelines for the Investor Relations Management of Listed Companies and the relevant systems on investor relations management and is dedicated to enabling investors to equally access the business management, future development and other information on us in a better manner. We actively replied to important problems that employees care about through the investor "interaction" platform, investor consultation telephone, public email and other communication channels, as well as through performance briefings convened on a periodic basis and receiving investigations by investors from time to time.

During the Reporting Period, we were awarded A, the highest level, in an annual assessment of information disclosure of listed companies for the 5th consecutive year, and awarded the “2023 Best Practice Cases of Directors’ Office of Listed Companies” by the China Association for Public Companies.

Is there any significant difference between the actual circumstance of corporate governance of the Company and the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies?

Yes No

There is no significant difference between the actual circumstance of our corporate governance and the applicable laws, administrative regulations and the provisions of the CSRC regarding corporate governance of the listed companies.

II. The Company’s independence of its controlling shareholder and actual controller in assets, personnel, finance, organization and business

We are independent of our controlling shareholder and actual controller in assets, personnel, finance, organization and business. The Company’s assets are complete and free from any encumbrance, and we have independent purchasing, production and sales systems and supporting facilities; we have an independent human resources department; we have an independent finance department, and have established independent financial and accounting system and formulated financial management policies; we have set up internal bodies that are suitable for our development requirements and operate independently; we are an independent corporate entity, and conduct business and operate independently. None of our controlling shareholder, actual controller or their affiliates have illegally occupied our funds or requested us to provide any guarantee in violation of the applicable laws and regulations.

III. Horizontal competition

Applicable N/A

Type of problems	Type of related-party relationship with the Listed Company	Company name	Company nature	Reasons	Solutions	Progress and subsequent plans
Coexistence	Actual controller	HTBI	Regulated by SASAC local counterparts	In accordance with relevant notices and replied approvals issued by the General Office of the CPC Hunan Provincial Committee, the General Office of the People’s Government of Hunan Province and the Special Panel for Reform of Hunan Provincial Cultural System from 2018, the CPC Hunan Provincial Committee and the People’s Government of Hunan Province proposed to reorganize the CPC Committee of Golden Eagle Broadcasting System Co., Ltd. to universally lead GBS, Xiaoxiang Film Group and HBNHG. It was agreed that Xiaoxiang Film Group and HBNHG	GBS has issued written commitment on matters related to horizontal competition with the Listed Company during the application process of the Company’s 2020 non-public offering and of free transfer by the Company’s controlling shareholder of the state-owned shares, which clearly describes the plan and schedule for solving the horizontal competition, with details referring to Section VI “I. Performance of commitments”.	GBS has issued written commitment on matters related to horizontal competition with the Listed Company during the application process of the Company’s 2020 non-public offering and of free transfer by the Company’s controlling shareholder of the state-owned shares, which clearly describes the plan and schedule for solving the horizontal competition, with details referring to Section VI “I. Performance of commitments”.
Coexistence	Actual controller	Xiaoxiang Film Group	Regulated by SASAC local counterparts	In accordance with relevant notices and replied approvals issued by the General Office of the CPC Hunan Provincial Committee, the General Office of the People’s Government of Hunan Province and the Special Panel for Reform of Hunan Provincial Cultural System from 2018, the CPC Hunan Provincial Committee and the People’s Government of Hunan Province proposed to reorganize the CPC Committee of Golden Eagle Broadcasting System Co., Ltd. to universally lead GBS, Xiaoxiang Film Group and HBNHG. It was agreed that Xiaoxiang Film Group and HBNHG	GBS has issued written commitment on matters related to horizontal competition with the Listed Company during the application process of the Company’s 2020 non-public offering and of free transfer by the Company’s controlling shareholder of the state-owned shares, which clearly describes the plan and schedule for solving the horizontal competition, with details referring to Section VI “I. Performance of commitments”.	GBS has issued written commitment on matters related to horizontal competition with the Listed Company during the application process of the Company’s 2020 non-public offering and of free transfer by the Company’s controlling shareholder of the state-owned shares, which clearly describes the plan and schedule for solving the horizontal competition, with details referring to Section VI “I. Performance of commitments”.

				<p>were merged into GBS to be its wholly-owned subsidiaries, and all institutional assets owned by Hunan Broadcasting System were divested and transferred to GBS, so that the management system of “two institutions under the leadership of one CPC committee operating integratedly” can be realized, and GBS can further develop. After the integration of GBS, Xiaoxiang Film Group (film and television content production business) and HTBI (game business) under HBNHG have similar businesses with the Listed Company.</p>	
--	--	--	--	--	--

IV. Annual and extraordinary general meetings of shareholders held during the Reporting Period

1. General meetings of shareholders held during the Reporting Period

Session	Type of meeting	Percentage of investors attending the meeting	Date of meeting	Disclosure date	Resolution of the meeting
1 st extraordinary general meeting of shareholders in 2023	Extraordinary general meeting of shareholders	71.32%	February 21, 2023	February 22, 2023	Refer to the Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2023 (Announcement No. 2023-010) disclosed on www.cninfo.com.cn .
Annual general meeting of shareholders in 2022	Annual general meeting of shareholders	71.12%	May 31, 2023	June 1, 2023	Refer to the Announcement on Resolutions of the 2022 Annual General Meeting of Shareholders (Announcement No.: 2023-040) disclosed on www.cninfo.com.cn .

2. Extraordinary general meetings of shareholders convened at the request of preferred shareholders with resumed voting rights

Applicable N/A

V. Arrangement for differential voting rights

Applicable N/A

VI. Corporate governance of red-chip structured companies

Applicable N/A

VII. Directors, supervisors and executives

1. Particulars

Name	Gender	Age	Title	Status	Beginning date of the term of office	End date of the term of office	Opening balance of shares held	No. of additional shares acquired in the Reporting Period	No. of shares disposed of in the Reporting Period	Changes in the number of shares held due to other reasons	Closing balance of shares held	Cause of increase or decrease in the number of shares held
CAI Huaijun	Male	47	Chairman	Current	January 31, 2023							
			Director	Current	September 12, 2018							
ZHONG Hongming	Male	49	Independent Director	Current	June 14, 2017							
XIAO Xing	Female	53	Independent Director	Current	January 8, 2019							
LIU Yuhui	Male	54	Independent Director	Current	January 8, 2019							
YANG Yun	Male	51	Director	Current	February 21, 2023		1,500				1,500	
SONG Zichao	Male	55	Director	Current	February 21, 2023							
LIANG Deping	Male	45	Director	Current	February 21, 2023							
			General Manager	Current	January 31, 2023							
LIU Xin	Male	53	Director	Current	September 19, 2019							
PENG Jian	Male	52	Director	Current	May 19, 2022							
FANG Fei	Male	39	Chairman of the Board of Supervisors	Current	February 27, 2023							
			Supervisor	Current	February 21, 2023							
ZHANG Shangbin	Male	52	Supervisor	Current	February 21, 2023							
XIE Shaoqiang	Male	39	Employee Supervisor	Current	September 7, 2022							
ZHENG Huaping	Male	48	Deputy General Manager	Current	August 16, 2018							
ZHOU Hai	Male	48	Deputy General Manager	Current	January 31, 2023							
ZHANG Zhihong	Male	47	Deputy General Manager & Finance Director	Current	July 4, 2022							
			Board Secretary	Current	July 25, 2023							
SHEN Yadong	Male	44	Deputy General Manager	Current	July 4, 2022							

LUO Zejun	Male	53	Deputy General Manager	Current	July 4, 2022							
ZHANG Huali	Male	60	Chairman and Director	Retired	November 16, 2017	January 31, 2023						
CAI Huaijun	Male	47	General Manager	Retired	August 16, 2018	January 31, 2023						
YANG Yun	Male	51	Chairman of the Board of Supervisors and Supervisor	Retired	June 14, 2017	February 21, 2023						
LUO Weixiong	Male	62	Director	Retired	September 19, 2019	January 31, 2023						
ZHANG Yong	Male	62	Director	Retired	November 25, 2011	January 31, 2023						
LIANG Deping	Male	45	Executive Deputy General Manager	Appointed and removed	July 4, 2022	January 31, 2023						
LI Jiaochun	Male	60	Supervisor	Retired	June 14, 2017	February 21, 2023						
WU Jun	Female	41	Deputy General Manager	Retired	July 4, 2022	April 27, 2023						
			Board Secretary	Retired	April 27, 2019	April 27, 2023						
Total	--	--	--	--	--	--	1,500	0	0	0	1,500	--

Whether any director or supervisor retired or any executive was removed during the Reporting Period?

Yes No

On January 31, 2023, Mr. ZHANG Huali resigned as the Chairman, director, and member of the Strategy Committee of the Company due to work adjustment.

On January 31, 2023, Mr. LUO Weixiong and Mr. ZHANG Yong resigned as the director and members of the relevant committees of the Board of Directors because they have reached the statutory retirement age.

On January 31, 2023, upon deliberation and approval at the 14th meeting of the 4th Board of Directors of the Company, Mr. CAI Huaijun, director, served as the Chairman of the 4th Board of Directors and ceased to serve as the general manager of the Company.

On January 31, 2023, upon deliberation and approval at the 14th meeting of the 4th Board of Directors of the Company, Mr. LIANG Deping served as the general manager of the Company and ceased to serve as the executive deputy general manager.

On February 21, 2023, Mr. YANG Yun resigned as the non-employee supervisor and Chairman of the 4th Board of Supervisors due to work adjustment.

On February 21, 2023, Mr. LI Jiaochun resigned as the non-employee supervisor of the 4th Board of Supervisors due to work adjustment.

On April 27, 2023, Ms. WU Jun resigned as the deputy general manager and Board Secretary of the Company due to work adjustment.

Changes in directors, supervisors and executives

Applicable N/A

Name	Title	Type	Date	Reason
ZHANG Huali	Chairman	Retired	January 31, 2023	Mr. ZHANG Huali resigned as the Chairman of the 4 th Board of Directors, director, and member of the Strategy Committee of the Company due to work adjustment.
CAI Huaijun	Chairman	Appointed and removed	January 31, 2023	Upon deliberation and approval at the 14 th meeting of the 4 th Board of Directors of the Company, director Mr. CAI Huaijun served as the Chairman of the 4 th Board of Directors and ceased to serve as the general manager of the Company.
LUO Weixiong	Director	Retired	January 31, 2023	Mr. LUO Weixiong resigned as the director of the 4 th Board of Directors and member of the relevant committees of the Board of Directors because he has reached the retirement age.
ZHANG Yong	Director	Retired	January 31, 2023	Mr. ZHANG Yong resigned as the director of the 4 th Board of Directors and member of the relevant committees of the Board of Directors because he has reached the retirement age.
LIANG Deping	General Manager	Appointed and removed	January 31, 2023	Upon deliberation and approval at the 14 th meeting of the 4 th Board of Directors of the Company, Mr. LIANG Deping served as the general manager of the Company and ceased to serve as the executive deputy general manager.
ZHOU Hai	Deputy General Manager	Appointed	January 31, 2023	Upon deliberation and approval at the 14 th meeting of the 4 th Board of Directors of the Company, Mr. ZHOU Hai was appointed as the deputy general manager of the Company.
YANG Yun	Director	Elected	February 21, 2023	Mr. YANG Yun was elected as the director at the 1 st extraordinary general meeting of shareholders in 2023.
SONG Zichao	Director	Elected	February 21, 2023	Mr. SONG Zichao was elected as the director at the 1 st extraordinary general meeting of shareholders in 2023.
LIANG Deping	Director	Elected	February 21, 2023	Mr. LIANG Deping was elected as the director at the 1 st extraordinary general meeting of shareholders in 2023.
FANG Fei	Supervisor and Chairman of the Board of Supervisors	Elected	February 21, 2023	Mr. FANG Fei was elected as the non-employee supervisor at the 1 st extraordinary general meeting of shareholders in 2023, and as the chairman of the 4 th Board of Supervisors at the 12 th meeting of the 4 th Board of Supervisors on February 27, 2023.
YANG Yun	Chairman of the	Retired	February 21, 2023	Mr. YANG Yun resigned as the non-employee

	Board of Supervisors			supervisor and chairman of the 4 th Board of Supervisors due to work adjustment, which will become effective after a new supervisor is elected at the general meeting of shareholders of the Company.
ZHANG Shangbin	Supervisor	Elected	February 21, 2023	Mr. ZHANG Shangbin was elected as the non-employee supervisor at the 1 st extraordinary general meeting of shareholders in 2023.
LI Jiaochun	Supervisor	Retired	February 21, 2023	Mr. LI Jiaochun resigned as the non-employee supervisor of the 4 th Board of Supervisors due to work adjustment, which will become effective after a new supervisor is elected at the general meeting of shareholders of the Company.
ZHANG Zhihong	Board Secretary	Appointed	July 25, 2023	Mr. ZHANG Zhihong was elected as the board secretary at the 17 th meeting of the 4 th Board of Directors.
WU Jun	Deputy General Manager and Board Secretary	Removed	April 27, 2023	Ms. WU Jun resigned as the deputy general manager and board secretary due to work adjustment.

2. Positions held

Professional background and main work experience of our current directors, supervisors and executives and main positions held by them in the Company:

Directors of the Company:

CAI Huaijun, male, born in December 1977, member of the Communist Party of China, holds a doctor's degree in management; former director, General Manager and Chief Editor of Mango Excellent Media Co., Ltd., Secretary of the Party Committee, executive director and General Manager of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and Chairman of Xiaomang Electronic Commerce Co., Ltd.; and is now member of the Party Committee and Deputy General Manager (Vice President) of Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System), Secretary of the Party Committee of Satellite TV Channel, and Deputy Secretary and Chairman of the Board of Directors in Mango Excellent Media Co., Ltd.

ZHONG Hongming, male, Han ethnicity, born in January 1975, graduated from the Law School of Renmin University of China, doctor of laws; is now associate research fellow at the Institute of Law, Sichuan Academy of Social Sciences, member of the Executive Council of the China Commercial Law Society, member of the Executive Council of the China Securities Law Society, and independent director of FIYTA Precision Technology Co., Ltd. and Chengdu Shengbang Seals Co., Ltd.; and has been our independent director since June 2017.

XIAO Xing, female, born in March 1971, member of the Communist Party of China, graduated from the Tsinghua University, PhD in accounting; joined the School of Economics and Management of Tsinghua University in 1997, successively acted as teaching assistant, lecturer, associate professor, tenured associate professor and tenured professor there; and is now professor and chief of the Department of Accounting of the School of Economics and Management, Tsinghua University, and Director of the Institute for Global Private Equity, Tsinghua University, member of the National Accounting Professional Master Education Steering Committee, member of the Accounting Teaching Steering Committee of the Ministry of Education, executive director of the Accounting Society of China, and independent director of Li Auto and Kuaishou Technology; and has been our independent director since January 2019.

LIU Yuhui, male, born in October 1970, graduated from the Chinese Academy of Social Sciences majoring in quantitative economics, PhD; Head of the Key Financing Laboratory, the Institute of Finance, the Chinese Academy of Social Sciences from August 2003 to April 2017; research fellow of the Institute of Economics, the Chinese Academy of Social Sciences between April 2017 and April 2023; and is now member of the Executive Council of the China Chief Economist Forum; and has been our independent director since January 2019.

YANG Yun, male, born in July 1973, member of the Communist Party of China, holds an MBA degree, accountant; former Deputy Director of the Entertainment Channel of Hunan Broadcasting System, member of the Party Committee and Deputy General Manager of Mango Media Co., Ltd., Director of the Finance Department of Hunan Broadcasting System, Head of the Assets and Finance Department of Golden Eagle Broadcasting System Co., Ltd., and the Chairman of the Board of Supervisors in Mango Excellent Media Co., Ltd.; and is now member of the Party Committee, Deputy General Manager (Vice President) and Head of the Assets and Finance Department of Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System), Secretary of the General Party Branch, director and General Manager of Mango Media Co., Ltd., director of Mango Excellent Media Co., Ltd. and Hunan TV & Broadcast Intermediary Co., Ltd.

SONG Zichao, male, born in August 1969, member of the Communist Party of China, grade-1 director, holds a master's degree in arts; former Director of R&D Center, Production Scheduling Center and Advertising Department of Satellite TV channel and Deputy Director of Satellite TV channel in Hunan Broadcasting System, and Secretary of the Party Committee of TV channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System); and is now Deputy Secretary of the Party Committee and Director of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System), Deputy Secretary of the Party Committee and director of Mango Excellent Media Co., Ltd.

LIANG Deping, male, born in February 1979, member of the Communist Party of China, holds a MBA degree; former Deputy General Manager and Finance Director, Executive Deputy General Manager of Mango Excellent Media Co., Ltd., member of the Party Committee, Deputy General Manager and Finance Director of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and Secretary of the Party Committee and executive director of Hapigo Co., Ltd.; and is now member of the Party Committee, director

and General Manager of Mango Excellent Media Co., Ltd., Secretary of the Party Committee, executive director and General Manager of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., director of Xiaomang Electronic Commerce Co., Ltd., and member of the Party Committee of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System).

LIU Xin, male, born in October 1971, member of the Communist Party of China, PhD; former Deputy General Manager and General Manager of the Data Department of China Mobile, and Secretary of the Party Committee, Chairman and General Manager of Migu Culture Technology Co., Ltd., and is now General Manager of the Development Strategy Department of China Mobile, and director of iFlyTek Co., Ltd.; and has been our director since September 2019.

PENG Jian, male, born in November 1972, member of the Communist Party of China, undergraduate; former Deputy Director of the Division IV of Hunan Commissioner Office of the Ministry of Finance, full-time Deputy Secretary of the Party Committee of Hunan Commissioner Office of the Ministry of Finance, full-time Deputy Secretary of the Party Committee of Hunan Regulatory Bureau of the Ministry of Finance and Assistant to the General Manager (temporary) of Hunan Chasing Financial Holding Group Co., Ltd.; is now Assistant to the General Manager of Hunan Chasing Financial Holding Group Co., Ltd.; and our director since May 2022.

Supervisors of the Companies:

FANG Fei, male, born in December 1985, member of the Communist Party of China, holds a master's degree in science; former General Manager of Advertising & Marketing Center, Assistant to the President and Deputy General Manager of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and employee supervisor of Mango Excellent Media Co., Ltd.; and is now Chairman of the Board of Supervisors of Mango Excellent Media Co., Ltd., Deputy Director of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System), member of the Party Committee of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., General Manager of Shanghai Mangofun Technology Co., Ltd. and director of Xiaomang Electronic Commerce Co., Ltd.

ZHANG Shangbin, male, born in May 1972, member of the Communist Party of China, holds a bachelor's degree in law; former Deputy Director of Production and Scheduling Center and Director of Public Affairs Department, Director of Comprehensive Affairs Department, and Director of HR Department of Satellite TV Channel in Hunan Broadcasting System; and is now member of the Party Committee, Secretary of Discipline Inspection Committee, and supervisor of Mango Excellent Media Co., Ltd.

XIE Shaoqiang, male, born in March 1985, member of the Communist Party of China, undergraduate; former General Manager of Large Membership Center, General Manager of Operator Network Center and General Manager of Smart Large Screen Center in Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and the General Manager of Xiaomang Electronic Commerce Co., Ltd.; and is now employee supervisor of Mango Excellent Media Co., Ltd., Deputy Chief Editor and General Manager of Brand Promotion Center of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd.

Executives (other than those who serve on the Board of Directors concurrently) of the Company:

ZHENG Huaping, male, born in October 1976, member of the Communist Party of China, holds a master's degree in philosophy; former Deputy Chief of Mango Media Restructuring and Listing Office, Deputy Director of the Chief Editor Office of the Hunan Satellite TV Channel, Deputy Director of HBS Program Transaction Management Center, and Chairman and General Manager of Shanghai Mangofun Technology Co., Ltd.; and is now member of the Party Committee, Chief Editor and Deputy General Manager of Mango Excellent Media Co., Ltd., member of the Party Committee, Chief Editor and Deputy General Manager of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., director of Xiaomang Electronic Commerce Co., Ltd., and member of the Party Committee of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System).

ZHOU Hai, male, born in November 1976, member of the Communist Party of China, holds a master's degree in law, literary editor of second rank; former Director of the Chief Editor Office, Assistant to the Director and Director of the Chief Editor Office of the Satellite TV Channel in Hunan Broadcasting System, member of the Party Committee, Deputy Director and Director of the Chief Editor Office of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System), member of the Party Committee and Secretary of the Discipline Inspection Committee of Mango Excellent Media Co., Ltd.; and is now member of the Party Committee and Deputy General Manager of Mango Excellent Media Co., Ltd., executive director of Mango Studios Culture Co., Ltd., and member of the Party Committee of Satellite TV Channel in Golden Eagle Broadcasting System Co., Ltd. (Hunan Broadcasting System).

ZHANG Zhihong, male, born in September 1977, member of the Communist Party of China, holds a master's degree in management; former Senior Director of the Assets and Finance Department, General Manager of the Finance Center, and Finance Director of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and Deputy General Manager and Finance Director of Happy Sunshine Xingmang Interactive Entertainment Media Co., Ltd.; and is now Deputy General Manager, Finance Director and Board Secretary of Mango Excellent Media Co., Ltd, member of the Party Committee, Deputy General Manager and Finance Director of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd., and the director of Xiaomang Electronic Commerce Co., Ltd.

SHEN Yadong, male, born in June 1980, member of the Communist Party of China, holds a master's degree in law; former Deputy General Manager of the Program Department of the Chief Editor Office of Satellite TV Channel in Hunan Broadcasting System, Head of Copyright Management Department of HBS Program Transaction Management Center, Deputy General Manager of Shanghai EE-Media Co., Ltd., No. 1 Deputy Director of Legal Affairs Department of Golden Eagle Broadcasting System Co., Ltd., and Assistant to General Manager of Mango Excellent Media Co., Ltd.; and is now Deputy General Manager of Mango Excellent Media Co., Ltd., and executive director and General Manager of Shanghai EE-Media Co., Ltd.

LUO Zejun, male, born in February 1971, member of the Communist Party of China, undergraduate; former Director of the Security Department of Hunan Economic TV Channel, Deputy Director of HBS Urban Channel, Executive Deputy General Manager, Secretary of the General Party Branch, and General Manager of Hunan Radio, Film & Television Property Management Center, and Director of HBS Logistics Support Center; and is now Deputy General Manager of Mango Excellent Media Co., Ltd., and member of the Party Committee and Deputy General Manager of Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd.

Positions held in shareholders:

Applicable N/A

Name	Shareholder	Position	Beginning date of	End date of the	Whether or not
------	-------------	----------	-------------------	-----------------	----------------

			the term of office	term of office	receiving remunerations and subsidies from such shareholder
YANG Yun	Mango Media Co., Ltd.	Secretary of the General Party Branch, Director & General Manager			

Positions held in other entities:

Applicable N/A

Name	Entity	Position	Beginning date of the term of office	End date of the term of office	Whether or not receiving remunerations and subsidies from such entity
CAI Huaijun	GBS (HBS)	Member of the Party Committee, Deputy General Manager (Vice President) and Secretary of the Party Committee of Satellite TV Channel			
ZHONG Hongming	Institute of Law, Sichuan Academy of Social Sciences	Associate research fellow			
ZHONG Hongming	China Commercial Law Society	Member of the Executive Council			
ZHONG Hongming	China Securities Law Society	Member of the Executive Council			
ZHONG Hongming	FIYTA (Group) Co., Ltd.	Independent Director			
ZHONG Hongming	Chengdu Shengbang Seals Co., Ltd.	Independent Director			
XIAO Xing	School of Economics and Management, Tsinghua University	Professor			
XIAO Xing	Institute for Global Private Equity, Tsinghua University	Dean			
XIAO Xing	National Accounting Professional Master Education Steering Committee	Member			
XIAO Xing	Accounting Teaching Steering Committee of the Ministry of Education	Member			
XIAO Xing	Accounting Society of China	Executive director			
XIAO Xing	Li Auto	Independent Director			
XIAO Xing	Kuaishou Technology	Independent Director			
LIU Yuhui	China Chief Economist Forum	Member of the Executive Council			

YANG Yun	GBS (HBS)	Member of the Party Committee, Deputy General Manager (Vice President) and Head of the Assets and Finance Department			
YANG Yun	HTBI	Director			
SONG Zichao	GBS (HBS)	Deputy Secretary of the Party Committee and Director of Satellite TV Channel			
LIANG Deping	GBS (HBS)	Member of the Party Committee of Satellite TV Channel			
LIU Xin	China Mobile	General Manager of the Development Strategy Department			
LIU Xin	iFlyTek Co., Ltd.	Director			
PENG Jian	Hunan Chasing Financial Holding Group Co., Ltd.	Assistant to the General Manager			
ZHENG Huaping	GBS (HBS)	Member of the Party Committee of Satellite TV Channel			
ZHOU Hai	GBS (HBS)	Member of the Party Committee of Satellite TV Channel			
FANG Fei	GBS (HBS)	Deputy Director of Satellite TV Channel			

Punishments imposed by the securities regulatory authorities in the past three years on the directors, supervisors and executives of the Company currently in office or leaving office during the Reporting Period:

Applicable N/A

3. Remunerations of directors, supervisors and executives

Decision-making process, criteria for determination and actual amount in respect of remunerations of directors, supervisors and executives

Decision-making process: The remunerations of our directors and supervisors are decided by the shareholders' meeting according to our Articles of Association and other relevant provisions; the remunerations of executives are decided by the Board of Directors. The remunerations and subsidies of our directors and supervisors are considered and approved by the Board of Directors, and then submitted to the general meeting of shareholders for approval.

Criteria for determination of the remunerations: The remunerations are determined according to our business situations, scope, duties, importance and result of performance appraisal. The subsidies of independent directors are determined by reference to the overall level of the listed companies in the same region and industry.

Amount of remunerations actually paid: The remunerations of directors, supervisors and executives holding posts in the Company are paid by the Company during the Reporting Period. We do not pay any additional subsidy to our directors and supervisors. The amount of total remunerations paid in 2023 was RMB33,881,000.

Remunerations of directors, supervisors and executives paid in the Reporting Period:

						In RMB 0'000	
Name	Gender	Age	Title	Status	Total remuneration received from	Whether or not receiving remunerations	

					the Company (tax inclusive)	from any affiliate of the Company
CAI Huaijun	Male	47	Chairman	Current	0	
ZHONG Hongming	Male	49	Independent Director	Current	22	
XIAO Xing	Female	53	Independent Director	Current	22	
LIU Yuhui	Male	54	Independent Director	Current	22	
YANG Yun	Male	51	Director	Current	0	
SONG Zichao	Male	55	Director	Current	0	
LIANG Deping	Male	45	Director & General Manager	Current	500	
LIU Xin	Male	53	Director	Current	0	
PENG Jian	Male	52	Director	Current	0	
FANG Fei	Male	39	Chairman of the Board of Supervisors	Current	450	
ZHANG Shangbin	Male	52	Supervisor	Current	244.77	
XIE Shaoqiang	Male	39	Employee Supervisor	Current	280	
ZHENG Huaping	Male	48	Deputy General Manager	Current	450	
ZHOU Hai	Male	48	Deputy General Manager	Current	400	
ZHANG Zhihong	Male	47	Deputy General Manager, Finance Director and Board Secretary	Current	400	
SHEN Yadong	Male	44	Deputy General Manager	Current	256	
LUO Zejun	Male	53	Deputy General Manager	Current	256	
ZHANG Huali	Male	60	Chairman	Retired	0	
LUO Weixiong	Male	62	Director	Retired	0	
ZHANG Yong	Male	62	Director	Retired	0	
LI Jiaochun	Male	60	Supervisor	Retired	0	
WU Jun	Female	41	Deputy General Manager and Board Secretary	Retired	85.33	
Total	--	--	--	--	3,388.1	--

Other information:

Applicable N/A

VIII. Performance of duties by the directors during the Reporting Period

1. Meetings of the Board of Directors held during the Reporting Period

Meeting	Date of meeting	Disclosure date	Resolution of the meeting
14 th meeting of the 4 th Board of Directors	January 31, 2023	February 1, 2023	Refer to the Announcement on Resolutions of the 14 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-003)
15 th meeting of the 4 th Board	April 20, 2023	April 22, 2023	Refer to the Announcement on

of Directors			Resolutions of the 15 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-016)
16 th meeting of the 4 th Board of Directors	May 10, 2023	May 11, 2023	Refer to the Announcement on Resolutions of the 16 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-035)
17 th meeting of the 4 th Board of Directors	July 25, 2023	July 26, 2023	Refer to the Announcement on Resolutions of the 17 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-044)
18 th meeting of the 4 th Board of Directors	August 17, 2023	August 18, 2023	Refer to the Announcement on Resolutions of the 18 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-048)
19 th meeting of the 4 th Board of Directors	October 24, 2023	October 25, 2023	Refer to the Announcement on Resolutions of the 19 th meeting of the 4 th Board of Directors disclosed on www.cninfo.com.cn (Announcement No. 2023-057)

2. Attendance of the directors at meetings of the Board of Directors and shareholders

Attendance of the directors at meetings of the Board of Directors and shareholders							
Director	No. of board meetings that should be attended during the Reporting Period	No. of board meetings present in person	No. of board meetings present by means of communication equipment	No. of board meetings present by proxy	No. of board meetings absent from	Whether or not having been absent from two consecutive board meetings	No. of shareholders' meeting attended
CAI Huaijun	6	0	6	0	0	No	2
ZHONG Hongming	6	0	6	0	0	No	2
XIAO Xing	6	0	6	0	0	No	2
LIU Yuhui	6	0	6	0	0	No	2
YANG Yun	5	0	5	0	0	No	1
SONG Zichao	5	0	5	0	0	No	1
LIANG Deping	5	0	5	0	0	No	1
LIU Xin	6	0	6	0	0	No	0
PENG Jian	6	0	6	0	0	No	2

Explanation about absence from two consecutive meetings of the Board of Directors

3. Objections raised by the directors regarding matters of the Company

Whether any director has raised any objection regarding matters of the Company?

Yes No

No director has raised any objection regarding matters of the Company during the Reporting Period.

4. Other information regarding the performance of duties by the directors

Whether the suggestions put forward by the directors have been adopted by the Company?

Yes No

Explanation about the adoption or non-adoption by the Company of the suggestions put forward by the directors

During the Reporting Period, our directors have performed their duties and obligations diligently in strict accordance with the Company Law, the Securities Law and other applicable laws and regulations and our Articles of Association, actively participated in the relevant meetings, and seriously considered all proposals. Our independent directors have kept communications with other directors, executives and related personnel by multiple ways, asked for information about our production, operation and financial conditions, put forward suggestions regarding our development strategies and corporate governance, and expressed independent opinions about related-party transactions, profit distribution policies, remuneration management and other matters, to effectively ensure the fairness and objectiveness of the decisions made by the Board of Directors. Our directors perform their duties honestly and in good faith, safeguard the legitimate rights and interests of the Company and all shareholders, and play an active role in promoting our operational compliance and healthy development.

IX. Activities of the committees of the Board of Directors during the Reporting Period

Committee	Members	No. of meetings held	Date of meeting	Topics	Important opinions and suggestions	Performance of other duties	Objections (if any)
Audit Committee	XIAO Xing (Chairman), ZHONG Hongming and LIU Yuhui	5	April 10, 2023	Considered and approved the Proposal Regarding the 2022 Auditor's Report, the Proposal Regarding the Self-assessment of Internal Controls in 2022, the Proposal Regarding the Special Report on the Deposit and Use of Offering Proceeds in 2022, the Proposal Regarding the Special Examination Report on the Implementation of Significant Events and Material Receipts and Payments in 2022, and the Proposal Regarding the Re-engagement of the Accounting Firm.			
	XIAO Xing (Chairman), ZHONG Hongming and LIU Yuhui		April 14, 2023	Considered and approved the Proposal Regarding the Financial Report for the First Quarter of 2023 and the Proposal Regarding the Special Report on the Deposit and Use of Offering Proceeds in the First Quarter of 2023; and reviewed the First Quarter Audit Work Summary and Second Quarter Work Plan 2023 prepared by the Audit Department.			
	XIAO Xing (Chairman), ZHONG Hongming, LIU Yuhui, LIANG Deping and LIU Xin		August 6, 2023	Considered and approved the Proposal Regarding the Financial Report for the First Half of 2023, and the Proposal Regarding the Special Report on the Deposit and Use of Offering Proceeds in the First Half of 2023; and approved the Proposal Regarding the Special Examination Report on the Implementation of Significant Events and Material Receipts and Payments in the First Half of 2023; and reviewed the Second Quarter Audit Work Summary and Third Quarter Work Plan 2023 prepared by the Audit Department.			
	XIAO Xing (Chairman), ZHONG Hongming, LIU Yuhui, LIANG Deping and LIU Xin		October 19, 2023	Considered and approved the Proposal Regarding the Financial Report for the Third Quarter of 2023; approved the Proposal Regarding the Special Report on the Deposit and Use of Offering Proceeds in the Third Quarter of 2023; and reviewed the Third Quarter Audit Work Summary and Fourth Quarter Work Plan 2023 prepared by the Audit Department.			
	XIAO Xing (Chairman),		December 29, 2023	Considered and approved the Proposal Regarding the 2023 Annual Report Audit Plan prepared by Pan-			

	ZHONG Hongming, LIU Yuhui, LIANG Deping and LIU Xin			China Certified Public Accountants LLP, the Proposal Regarding the 2023 General Internal Control Plan and the Proposal Regarding the 2024 Internal Audit Plan; and reviewed the 2023 Audit Work Summary and 2024 Work Plan prepared by the Audit Department.			
Nominating Committee	ZHONG Hongming (Chairman), XIAO Xing, LIU Yuhui, and CAI Huaijun	2	January 31, 2023	Considered and approved the Proposal Regarding Waiver of the Notice Period for the 1 st Meeting of the Nominating Committee of the 4 th Board of Directors in 2023, the Proposal Regarding Nomination of Chairman of the 4 th Board of Directors, the Proposal Regarding Nomination of Non-independent Directors of the 4 th Board of Directors, the Proposal Regarding Nomination of the General Manager of the Company, and the Proposal Regarding Nomination of the Deputy General Manager of the Company.			
	ZHONG Hongming (Chairman), XIAO Xing, LIU Yuhui, CAI Huaijun and SONG Zichao		July 19, 2023	Considered and approved the Proposal Regarding Nomination of the Board Secretary of the Company.			
Compensation and Appraisal Committee	LIU Yuhui (Chairman), ZHONG Hongming, XIAO Xing, and LIU Xin	2	January 31, 2023	Considered and approved the Proposal Regarding Total Salaries and Executives' Remunerations of Company for 2022.			
	LIU Yuhui (Chairman), ZHONG Hongming, XIAO Xing and LIU Xin		April 10, 2023	Considered and approved the Proposal Regarding Performance Appraisal of Executives for 2022 and Remuneration Proposal for 2023.			

X. Activities of the Board of Supervisors

Whether the Board of Supervisors has identified any risk involving the Company in its supervisory activities during the Reporting Period?

Yes No

The Board of Supervisors has not raised any objection to the supervisory matters during the Reporting Period.

XI. Employees

1. Employees and their composition by specialization and education background

Employees of the parent company (person) at the end of the Reporting Period	31
Employees of main subsidiaries (person) at the end of the Reporting Period	4,366
Total of employees on active duty (person) at the end of the Reporting Period	4,397
Total of employees receiving remuneration for the current period (person)	4,397
Retired employees whose expense is undertaken by parent company and main subsidiaries (person)	13
Composition of employees by specialization	
Areas of specialization	Headcounts
Production personnel	1,517
Sales personnel	1,694
Technical personnel	774
Finance personnel	147
Administrative personnel	265
Total	4,397
Education background	
Education background	Headcounts
Doctorate	6
Master's degree	611
Bachelor's degree	3,035
Junior college or below	745
Total	4,397

2. Remuneration policy

In order to establish and improve the market-based salary determination mechanism and internal incentive and restraint mechanism, and effectively promote the scientific development of the Company, the Company has formulated and promulgated the Measure of Gross Remuneration Determination Mechanism and Management of Mango Excellent Media Co., Ltd., which provides detailed provisions on the method of determining the gross payroll of the Company's employees, reasonable intervals, formula, management procedures and supervision and inspection mechanisms. This measure strictly complies with the relevant provisions of the policy documents and adheres to the basic principles of "strategic orientation, dual-effect unification, benefits synergy and dynamic supervision". According to this measure, the annual gross payrolls of employees of the Company are determined reasonably by taking the total annual salary of prior year as the basis and considering the Company's salary-income ratio and market and industry benchmark, the completion of the assessment goals, the rate of value preservation and appreciation of state-owned assets, labor cost production ratio and other factors in accordance with the Company's development strategy and remuneration strategy, annual production and operation goals, social benefits, economic benefits and other factors.

3. Training plan

The Company continuously establishes and improves a systematic employee training system and cultivation system, and carries out training work by categories and levels. Based on an in-depth understanding of the training needs of employees, the Company has developed interesting and practical courses for employees of different functions, and established a comprehensive training system

covering vocational training, theoretical education, professional training, marketing, new technology, new media operation, etc., to support the comprehensive development of the Company's talents and enhance employees' sense of belonging.

4. Outsourcing

Applicable N/A

Total working hours of outsourcing (hour)	516,594
Total remuneration paid for outsourcing (RMB)	23,505,685.49

XII. The Company's profit distribution and capitalization of capital reserve

Policies of profit distribution during the Reporting Period, especially the development, implementation, or adjustment of cash dividend distribution policies

Applicable N/A

During the Reporting Period, the Company implemented the 2022 profit distribution plan as follows: a cash dividend of RMB1.3 (tax inclusive) per 10 shares, or RMB243,193,705.95 in total, was distributed to all shareholders based on the total share capital of 1,870,720,815 shares, without distributing any bonus shares or transferring any capital reserve to the share capital.

Special explanation for cash dividend policies	
Do they comply with the provisions of Articles of Association or the requirements of the resolutions of general meeting of shareholders?	Yes
Are dividend standards and ratios clear and explicit?	Yes
Are decision-making procedures and mechanisms complete?	Yes
Do independent directors diligently perform their duties and play their roles?	Yes
If the Company has not distributed cash dividends, explain the reason, and describe the measures to be taken in order to increase the return to investors in the futures	N/A
Do minority shareholders have the opportunity to fully express their opinions and demands? Are their legal rights and interests fully protected?	Yes
Are conditions and procedures for adjusted or changed cash dividend policies compliant and transparent?	Yes

The Company's proposed profit distribution plan and proposed capitalization of capital reserve during the Reporting Period are consistent with relevant provisions of the Company's Articles of Association and dividend management methods.

Yes No N/A

The Company's proposed profit distribution plan and proposed capitalization of capital reserve during the Reporting Period are consistent with relevant provisions of the Company's Articles of Association and other regulations.

Description of the profit distribution and capitalization of capital reserve during this year

Number of bonus shares distributed for each 10 shares (unit: share)	0
Amount of dividends distributed for each 10 shares (in RMB) (tax inclusive)	1.8
Number of shares transferred from capital reserve each 10 shares (unit: share)	0
Basic number of the share capital for the distribution proposal (unit: share)	1,870,720,815
Amount of cash dividends (tax inclusive)	336,729,746.70
Amount of cash dividends distributed by other means (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (RMB)	336,729,746.70
Distributable profit (RMB)	485,261,705.93
Ratio of total cash dividends to the distributable profit	100.00%
Particulars of cash dividends distributed for the Reporting Period	
If the Company is at the growth period and has any major asset arrangement, then at the time of distribution of profits, its cash	

dividends shall account for at least 20% of profits distributed this time.

Descriptions on proposal of profit distribution or capitalization of capital reserve

The profit distribution proposal which is in compliance with the relevant provisions of the Articles of Association and the deliberation procedures, has fully protected the legitimate rights and interests of minority investors.

The Company puts forward no proposal for cash dividend distribution despite of profitable and positive profits of its parent company attributable to shareholders during the Reporting Period

Applicable N/A

XIII. Implementation of the Company's equity incentive plan, employee shareholding plan or other employee incentive measures

Applicable N/A

The Company has no equity incentive plan, employee shareholding plan or other employee incentive measures as well as the implementation thereof during the Reporting Period.

XIV. Construction and implementation of internal control system during the Reporting Period

1. Construction and implementation of internal control system

During the Reporting Period, the Company conscientiously complies with all laws and regulations as well as the provisions of the Company's internal control system to standardize operations, optimize governance and control risks. Through comprehensive implementation of the Company's internal control application manual, the Company makes continuous review and evaluation on the implementation effects of the internal control system, continues to improve and optimize various important business processes in conjunction with business changes, and revises and updates the internal control application manual, in order to ensure its internal control management develops synchronously with businesses, and its internal control system is complete, compliant with laws and regulations, effective and feasible. The Audit Department under the Audit Committee of the Board of Directors of the Company carries out independent and objective supervision and evaluation within the Company pursuant to regulations and systems such as the Basic Standards for Enterprise Internal Control, Internal Audit Standards, the Company's Audit Management System and Management Measures for Self-Evaluation of the Company's Internal Control. In accordance with the determination of material deficiencies in the Company's internal control over financial report, the Company has no material deficiencies in internal control over financial report on the benchmark date of the internal control evaluation report, and the Company has maintained effective internal control over financial report in all material aspects under the requirements of Standards for Enterprise Internal Control and related regulations. In accordance with the determination of material deficiencies in the Company's internal control over non-financial report, the Company has no material deficiencies in internal control over non-financial report on the benchmark date of the internal control evaluation report. There are no factors affecting the evaluation conclusion of the effectiveness of internal control from the benchmark date of the internal control evaluation report to the issue date thereof.

2. Details of material internal control deficiencies identified during the Reporting Period

Yes No

XV. Management and control of subsidiaries by the Company during the Reporting Period

Company name	Integration plan	Integration progress	Problems met in integration	Solutions adopted	Progress	Subsequent solutions
Golden Eagle Cartoon	Acquisition by cash	Completed	N/A	N/A	N/A	N/A

XVI. Internal control assessment report or internal control audit report

1. Internal control assessment report

Disclosure date	April 22, 2024
Disclosure index	http://www.cninfo.com.cn
Proportion of the total assets of the entities	100.00%

included in the assessment scope to the total assets recorded in the Company's consolidated financial statements		
Proportion of the operating revenue of the entities included in the assessment scope to the operating revenue recorded in the Company's consolidated financial statements		100.00%
Identification Standard of Deficiencies		
Category	Financial Report	Non-financial Report
Qualitative standard	<p>1. General deficiencies: other internal control deficiencies under the threshold of material deficiencies and significant deficiencies.</p> <p>2. Significant deficiencies: the selection and application of accounting policies inconsistent with the generally accepted accounting standards; the absence of anti-fraud procedures and control measures; the absence of appropriate control mechanisms, the absence of compensatory controls or failure in the implementation thereof for the accounting treatment of irregular or special transactions; the existence of one or more deficiencies in the control of the financial reporting process at the end of the period and the absence of reasonable assurance that the financial statements prepared are true and accurate.</p> <p>3. Material deficiencies: fraud acts of the Company's directors, supervisors, or executives; correction of published financial reports by the Company, and material misstatements in the current financial reports detected by the certified public accountants but not identified by the Company's internal control process; ineffective supervision by the Audit Committee and the internal audit institution on internal control.</p>	<p>1. General deficiencies: other internal control deficiencies under the threshold of material deficiencies and significant deficiencies.</p> <p>2. Significant deficiencies: general mistakes resulting from decision-making procedures; violation of internal rules and regulations, resulting in losses; deficiencies in significant business mechanisms or systems; significant or general deficiencies in internal control that have not been rectified.</p> <p>3. Material deficiencies: significant mistakes due to lack of democratic decision-making procedures or unscientific decision-making procedures, resulting in significant property losses to the Company; serious violations of national laws and regulations; lack of significant business mechanisms, or ineffectiveness of implementation thereof; continuous or a large quantity of significant internal control deficiencies in the Company.</p>
Quantitative standard	<p>1. General deficiencies: potential misstatement of total consolidated profit <3%, potential misstatement of total consolidated owner's equity <0.5%, potential misstatement of total consolidated assets <0.5%, potential misstatement of total consolidated operating revenue <0.5%.</p> <p>2. Significant deficiencies: $3\% \leq$ potential misstatement of total consolidated profit <5%, $0.5\% \leq$ potential misstatement of total consolidated owner's equity <1%, $0.5\% \leq$ potential misstatement of total consolidated assets <3%, $0.5\% \leq$ potential misstatement of total consolidated operating revenue <1%.</p> <p>3. Material deficiencies: potential misstatement of total consolidated profit $\geq 5\%$, potential misstatement of total consolidated owner's equity $\geq 1\%$, potential misstatement of total consolidated assets $\geq 3\%$, potential misstatement of total consolidated operating revenue $\geq 1\%$.</p>	<p>1. General deficiencies: direct property loss subsequent to consolidation <0.5% of total assets of the Company;</p> <p>2. Significant deficiencies: 0.5% of total assets of the Company \leq direct property loss subsequent to consolidation <1% of total assets of the Company;</p> <p>3. Material deficiencies: 1% of total assets of the Company \leq direct property loss subsequent to consolidation.</p>
Number of material deficiencies of financial reports (piece)		0
Number of material deficiencies of non-financial reports (piece)		0

Number of significant deficiencies of financial reports (piece)	0
Number of significant deficiencies of non-financial reports (piece)	0

2. Audit or assurance report of internal control

Assurance report of internal control

Audit opinion on assurance report of internal control	
The Company maintained effective internal control over financial reports in all material aspects as of December 31, 2023 in accordance with the Basic Standard for Corporate Internal Control and relevant regulations. This conclusion is based on the inherent limitations set forth in the authentication report.	
Disclosure of Internal Control Assurance Report	Disclosure
Disclosure date	April 22, 2024
Disclosure index	http://www.cninfo.com.cn
Type of opinions	Standard unqualified opinion
Whether there are any material deficiencies in non-financial reports	No

Did the accounting firm issue a modified assurance report of internal control?

Yes No

Was the assurance report of internal control issued by the accounting firm in line with self-assessment report opinion of the Board of Directors?

Yes No

XVII. Rectification on self-examination problems regarding the special campaign to improve the governance of listed companies

Under relevant requirements of the Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies (Zheng Jian Hui [2020] No. 69) by China Securities Regulatory Commission (“CSRC”) and the Circular on Launching a Special Campaign to Improve the Governance of Listed Companies (Xiang Zheng Jian Gong Si Zi [2020] No. 31) by Hunan Regulatory Bureau of CSRC, the Company conscientiously organizes, carefully arranges and actively carries out the special campaign to improve the governance of listed companies. Through self-examination, self-correction and self-regulation, the Company has strengthened the endogenous power of corporate governance and improved rules of corporate governance system, thus a good ecology of corporate governance has been established, and a listed company governance structure with each department taking accountability for their own duties and responsibilities, coordinated operation and effective balances has been further improved, so as to solidify the foundation of the Company’s high-quality development.

Problems: There was no horizontal competition between Mango Media Co., Ltd. as our controlling shareholder and the Listed Company. Mango Media Co., Ltd. has made written commitment on matters related to horizontal competition with the Listed Company to avoid horizontal competition with the Listed Company. Xiaoxiang Film Group under GBS as our indirect controlling shareholder and HTBI have similar businesses with the Listed Company.

Reasons: In accordance with relevant notices and replied approvals issued by the General Office of the CPC Hunan Provincial Committee, the General Office of the People’s Government of Hunan Province and the Special Panel for Reform of Hunan Provincial Cultural System from 2018, the CPC Hunan Provincial Committee and the People’s Government of Hunan Province proposed to reorganize the CPC Committee of Golden Eagle Broadcasting System Co., Ltd. to universally lead Golden Eagle Broadcasting System, Xiaoxiang Film Group and HBNHG. It was agreed that Xiaoxiang Film Group and HBNHG were merged into GBS to be its wholly-owned subsidiaries, and all institutional assets owned by Hunan Broadcasting System were divested and transferred to GBS, so that the management system of “two institutions under the leadership of one CPC committee operating integratedly” can be realized, and GBS can further develop. After the integration of GBS, Xiaoxiang Film Group (film and television content production business) and HTBI (game business) under HBNHG have similar businesses with the Listed Company.

Rectification plan: GBS has issued written commitment on matters related to horizontal competition with the Listed Company during the application process of the Company’s 2020 non-public offering and of free transfer by the Company’s controlling shareholder of the state-owned shares, which clearly describes the plan and schedule for solving the horizontal competition with key details referring to Section VI “I. Performance of commitments”.

Section V Environmental and Social Responsibility

I. Significant environment protection problems

Whether the Listed Company and its subsidiaries are in high pollution industries regulated by the State Department of Environmental Protection?

Yes No

Description of administrative penalties for environmental problems during the Reporting Period

Company or subsidiaries	Reasons for penalty	Violation cases	Penalty result	Effects on production and operation of the Listed Company	Rectification measures
N/A	N/A	N/A	N/A	N/A	N/A

Other environment information disclosed with reference to other entities engaged in high pollution industries

None

Measures taken to reduce its carbon emissions and their effectiveness during the Reporting Period

Applicable N/A

Reasons for not disclosing other environment information

None of the Company or its subsidiaries is a major polluter identified by the environmental protection authority. During the Reporting Period, the Company and its subsidiaries received no penalties due to violation of laws and regulations related to environment protection.

II. Description of social responsibilities

See the 2023 ESG Report and Social Responsibility Report disclosed on www.cninfo.com.cn on the same day.

III. Description of consolidating and expanding achievements of poverty eradication and rural revitalization

See the 2023 ESG Report and Social Responsibility Report disclosed on www.cninfo.com.cn on the same day.

Section VI Important Events

I. Performance of Commitments

1. Commitments completed during the Reporting Period or not completed as of the end of the Reporting Period by the actual controller, shareholders, affiliates and acquirer of the Company, the Company itself and other related parties

Applicable N/A

Commitment	Committed by	Type	Content	Date	Deadline	Performance
Commitments made in the Acquisition Report or Equity Change Report	Golden Eagle Broadcasting System Co., Ltd.	Commitments on Avoiding Horizontal Competition, Related-party Transactions and Fund Use	1. After completion of this free transfer, we and our related parties will minimize and regulate the related-party transactions with the List Company and its subordinate enterprises. 2. After completion of this free transfer, with respect to the related-party transactions with the Listed Company and its subordinate enterprises that are unavoidable or conducted with good reason, we and our related parties will comply with the market principle to conclude such transactions at fair and reasonable market prices, perform decision-making procedures for related-party transactions in accordance with the provisions of applicable laws, regulations and normative documents, fulfill the obligations of information disclosure in accordance with law and go through the relevant formalities for approval, and avoid such transactions as required, and will not use related-party transactions to illegally use funds and assets of the Listed Company or seek any other improper interests or use the status of the controlling shareholder to damage the legitimate interests of the Listed Company and other shareholders. 3. After completion of this free transfer, we will not use the shareholder rights owned by us in the Listed Company to manipulate or instruct the List Company or any of its directors, supervisors and executives to cause the Listed Company to provide or accept funds, goods, services or other assets on unfair terms, or do any act that is detrimental to the interests of the Listed Company. The aforementioned commitments will remain in effect for so long as we actually control the Listed Company and the Listed Company maintains its listing status. We will be liable for any actual losses, if any, caused to the Listed Company arising from our breach of the aforementioned commitments.	November 22, 2022	Long-term	Ongoing
Commitments made in the Acquisition Report or Equity Change Report	Golden Eagle Broadcasting System Co., Ltd.	Other Commitments	In order to ensure the independence of the Listed Company, we make the following commitments with respect to maintaining the independence of the Listed Company after this free transfer: 1. We guarantee that Mango Excellent Media will be independent of us and our related parties business, assets, finance, personnel and organization, among others, and we will strictly comply with the relevant provisions of the China Securities Regulatory Commission (the "CSRC") on the independence of listed companies; 2. we undertake that we will not use our status as the actual controller of the Listed Company to damage the legitimate interests of the Listed Company; 3. we and the channels and enterprises controlled by us will eliminate any illegal use of assets and funds of the Listed Company, and in no event shall we request the Listed Company and its controlled subsidiaries to provide any form of guarantee or financial support to us. The aforementioned commitments will remain in effect for so long as we remain control of Mango Excellent Media. We will compensate Mango Excellent Media in time and in full for any and all losses caused to Mango Excellent Media arising from our failure to fulfill the aforementioned commitments.	November 22, 2022	Long-term	Ongoing
Commitments made in the Acquisition Report or Equity Change	Golden Eagle Broadcasting System Co., Ltd.	Other Commitments	After completion of this transfer, we will give full play to our active role as an indirect controlling shareholder of the Listed Company, cause the Listed Company to continuously improve the corporate governance structure,	November 22, 2022	Long-term	Ongoing

Report			establish a sound internal control system, regulate the operations of the Listed Company and raise the governance level of the Listed Company in accordance with the requirements of the Articles of Association of Mango Excellent Media Co., Ltd., the Companies Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance of Listed Companies, the Rules Governing Listing of Stocks on Shenzhen Stock Exchange, the Guidelines for Articles of Association of Listed Companies and all other applicable laws and regulations of the CSRC and the Shenzhen Stock Exchange.			
Commitments made in the Acquisition Report or Equity Change Report	Golden Eagle Broadcasting System Co., Ltd.	Other Commitments	1. As at the date of issue of the letter of commitments, we and the channels or enterprises controlled by us have not carried out horizontal competition which has material adverse effect on the Listed Company and/or its controlled enterprises. 2. By the end of July 2026, we and the channels or enterprises controlled by us will settle the horizontal competition with the Listed Company that already existed by various means such as entrusted management, assets restructuring, business adjustment/termination and assets transfer/sale, and implement measures related to business integration, in accordance with laws, regulations, policies, articles of association or similar constitutional documents of such channels or enterprise, with a view to benefiting business development of the Listed Company and safeguarding benefits of shareholders of the Listed Company. 3 We will, and procure that channels and enterprises controlled by us will, adopt effective measures to: (1) avoid adding other business constituting horizontal competition with the Listed Company and/or its controlled enterprises before settling existing horizontal competition; (2) not to support any persons other than the Listed Company and/or its controlled enterprises in conducting any business or activities which compete or would compete with the business currently conducted or presently proposed to be conducted by the Listed Company and/or its controlled enterprises. 4 If we and the channels or enterprises controlled by us have any business opportunity of carrying out, participating in or holding shares in any business or activity which would compete with the business conducted by the Listed Company and/or its controlled enterprises, then the Listed Company and/or its controlled enterprises shall have preferred rights with respect to such business opportunity. 5 We agree to bear and compensate for all losses, damages and expenses caused to the Listed Company and/or its controlled enterprises arising from our breach of the aforementioned commitments. 6. The aforementioned commitments will remain in effect for so long as we actually control the Listed Company and the Listed Company maintains its listing status. We will be liable for any actual losses, if any, caused to the Listed Company arising from our breach of the aforementioned commitments.	November 22, 2022	Long-term	Ongoing
Commitments made at the time of IPO or re-financing	Mango Excellent Media Co., Ltd.	Other Commitments	1. During 6 months prior to the date of board resolution concerning this issuance and till today, we did not invest in any similar financial business; from the date of issuing letter of commitment (December 25, 2020) to the date when the capitals raised this time are totally used or during 36 months after raised capitals are available, we undertake to not add investment in any similar financial business (including capital increase, loan, security and other forms of investment); 2. As at the date of this Announcement, we hold 100% of shares in Hunan Happy Money Microfinance Co., Ltd. (hereinafter "Happy Money"), we will complete dispose of small loan business of Happy Money through dissolution and liquidation, termination of business or transferring equities to qualified entity within 6 months after letter of commitments is issued, and we will no longer be engaged in small loan business.	December 25, 2020	Long-term	Ongoing
Commitments made at the time of IPO or re-financing	Golden Eagle Broadcasting System Co., Ltd.	Commitments on Avoiding Horizontal Competition, Related-party Transactions and Fund Use	(1) As at the date of issue of the letter of commitments, GBS and the channels or enterprises controlled by it have not carried out horizontal competition which has material adverse effect on the Issuer and/or its controlled enterprises. (2) Within 5 years after completion of this issuance, GBS and the channels or enterprises controlled by it will settle the horizontal competition with the Issuer that already existed by various means such as entrusted management, assets restructuring, business	September 25, 2020	Long-term	Fully fulfilled (Such commitments have been made in the Acquisition Report again).

			adjustment/termination and assets transfer/sale, and implement measures related to business integration, in accordance with laws, regulations, policies, articles of association or similar organizational documents of such channels or enterprise, with a view to benefiting business development of the Issuer and safeguarding benefits of shareholders of the Issuer. (3) GBS will, and procure that channels and enterprises controlled by it will, adopt effective measures to: (i) avoid adding other business constituting horizontal competition with the Issuer and/or its controlled enterprises before settling existing horizontal competition; (ii) not to support any persons other than those of the Issuer and/or its controlled enterprises in conducting any business or activities which compete or would compete with the business currently conducted or presently proposed to be conducted by the Listed Company and/or its controlled enterprises. (4) If GBS and the channels or enterprises controlled by it have any business opportunity of carrying out, participating in or holding shares in any business or activity which would compete with the business conducted by the Issuer and/or its controlled enterprises, then the Issuer and/or its controlled enterprises shall have preferred rights with respect to such business opportunity. (5) GBS agrees to bear and compensate for all losses, damages and expenses caused to the Issuer and/or its controlled enterprises arising from GBS's breach of the aforementioned commitments.			
Commitments made at the time of IPO or re-financing	Hunan Broadcasting System; Mango Media Co., Ltd.	Other Commitments	(1) We undertake that we will not interfere in the Company's operation and management activities beyond our authority, nor will we encroach on the Company's interests; (2) From the date of this letter of commitment to the completion of the Company's issuance of A-share shares to specific persons, if securities regulatory authorities such as the CSRC and Shenzhen Stock Exchange make separate provisions or put forward other requirements on measures to compensate for diluted returns and the commitments thereon, and the above commitments cannot meet such provisions, we will then make supplementary commitments in accordance with the latest provisions; (3) We will effectively take relevant recovery measures for returns formulated by the Company and fulfill our corresponding commitments on recovery measures for returns. Besides, we will, in case of violating or refusing to fulfill the above commitments, undertake the corresponding obligations of explanation, apology and so on in accordance with the relevant provisions, and will be liable for compensation as appropriate in accordance with law if losses are thus caused to the Company or its shareholders.	September 25, 2020	Long-term	Ongoing
Commitments made at the time of IPO or re-financing	CAI Huaijun; HE Jin; LIANG Deping; LIU Xin; LIU Yuhui; LUO Weixiong; TANG Liang; WANG Ke; WU Jun; XIAO Xing; ZHANG Huali; ZHANG Yong; ZHENG Huaping; ZHONG Hongming	Other Commitments	(1) I undertake that I will faithfully and diligently perform my duties and safeguard the legitimate rights and interests of the Company and all shareholders; (2) I undertake that I will not to transfer benefits to other entities or individuals free of charge or under unfair conditions, nor otherwise damage the Company's interests; (3) I undertake that I will restrict my position-related consumption; (4) I undertake that I will not use the Company's assets to engage in investment or consumption activities irrelevant to performance of my duties; (5) I undertake that I will procure the linkage of the compensation system formulated by the board of directors or the remuneration and appraisal assessment committee with the implementation of the Company's recovery measures for returns within my legal authority; (6) If the Company subsequently implements the equity incentive plan, I undertake that I will procure the linkage of exercise conditions for the Company's equity incentives to be announced with the implementation of the Company's recovery measures for returns within my legal authority; (7) From the date of this letter of commitment to the completion of the Company's issuance of A-share shares to specific persons, if securities regulatory authorities such as the CSRC and Shenzhen Stock Exchange make separate provisions or put forward other requirements on measures to compensate for diluted returns and the commitments thereon, and the above commitments cannot meet such provisions, I undertake that I will then make supplementary commitments in accordance with the latest provisions; (8) I undertake that I will effectively implement measures to compensate for diluted returns formulated by the Company	September 25, 2020	Long-term	Ongoing

Commitments made at the time of IPO or re-financing	Mango Media Co., Ltd.	Commitments on Share Lock-Up	<p>and fulfill my corresponding commitments on measures to compensate for diluted returns. Besides, I will, in case of violating or refusing to fulfill the above commitments, undertake the corresponding obligations of explanation, apology and so on in accordance with the relevant provisions, and will be liable for compensation as appropriate in accordance with if losses are thus caused to the Company or its shareholders.</p> <p>1. Within 36 months from the end of this issuance, we will not transfer the Listed Company's shares acquired by us in this restructuring in any form, including but not limited to the public transfer through securities market or transfer by agreement, nor will we entrust others with management of the Listed Company's shares held by us. Within 6 months of completion of this restructuring, if the daily closing price of the Listed Company's shares is lower than the issue price for 20 consecutive trading days, or the daily closing price of the Listed Company's shares at the end of a 6-month period is lower than the issue price, then the lock-up period of the Listed Company's shares acquired by us in this restructuring will automatically be extended for 6 months; 2. The aforesaid share lock-up arrangements shall also apply to the increase in holdings of consideration shares acquired by us in this restructuring due to placement of shares, bonus share distribution and capitalization of capital reserve by the Listed Company and other reasons within the lock-up period; 3. If the aforesaid commitments on the lock-up period are inconsistent with the latest regulatory opinions issued by the security regulatory authority, then we agree to make adjustments accordingly pursuant to the regulatory opinions issued by the competent security regulatory authority; after the expiry of the aforesaid lock-up period, the relevant regulations of the CSRC and Shenzhen Stock Exchange shall apply; 4. If we are suspected of providing or disclosing any information containing misrepresentations, misleading statements or materials omissions in this transaction and are therefore investigated by the judicial authority or the CSRC, we will not transfer the beneficial interest held by us in the Listed Company before the investigation conclusion of the case is determined.</p>	July 12, 2018	July 12, 2021	Fully fulfilled, but such shareholder has not gone through the formalities for circulation of restricted shares.
	Commitments made at the time of IPO or re-financing	Hunan Broadcasting System; Mango Media Co., Ltd.	Commitments on Avoiding Horizontal Competition, Related-party Transactions and Fund Use	<p>In order to avoid the horizontal competition with the Listed Company, Mango Media and Hunan Broadcasting System have respectively issued their own Letter of Commitments on Avoiding Horizontal Competition, undertaking that, during the period of acting as the controlling shareholder and actual controller of the Listed Company,</p> <p>1. We and the channels and enterprises controlled by us are not engaged in any business or activity in any form that competes or would compete, directly or indirectly, with the business of the Listed Company and/or its controlled enterprises.</p> <p>2. After completion of this restructuring, we will take and procure the channels and companies controlled by us to take effective measures to avoid: (1) engaging in any business or activities directly or indirectly in any form that competes or would compete, directly or indirectly, with the business of the Listed Company and/or its controlled enterprises, or holding any interests or benefits in such business; (2) supporting in any form any persons other than the Listed Company and/or its controlled enterprises in engagement in any business or activity that competes or would compete with the business currently conducted or presently proposed to be conducted by the Listed Company and/or its controlled enterprises.</p> <p>3. If we and the channels and enterprises controlled by us have any business opportunity of carrying out, participating in or holding shares in any business or activity which would compete with the business conducted by the Listed Company and/or its controlled enterprises, then Listed Company and/or its controlled enterprises shall have preferred rights with respect to such business opportunity.</p> <p>4. If our business and the business of the channels and enterprises controlled by us competes with business of the Listed Company and/or its controlled enterprises, then we and the channels and enterprises controlled by us will cease engaging in any business similar with or identical with the principal business of the Listed Company and/or its controlled enterprises to avoid the horizontal competition by stopping conduct of the relevant competitive business,</p>	July 12, 2018	Long-term

			including the relevant competitive business in that of the listed company or transferring the relevant competitive business to any unrelated third party. 5. We agree to bear and be liable for all losses, damage and costs caused to the Listed Company and/or its controlled enterprises due to our breach of the aforesaid commitments.”			
Commitments made at the time of IPO or re-financing	Hunan Broadcasting System; Mango Media Co., Ltd.	Commitments on Avoiding Horizontal Competition, Related-party Transactions and Fund Use	In order to reduce and regulate the related-party transactions and safeguard the legal rights and interests of Happigo and minority shareholders, Hunan Broadcasting System and Mango Media have issued the Letter of Commitments on Regulating Related-party Transactions with the contents as follows: we and the channels and other public institutions or economic organizations controlled by us will take measures to avoid conducting the related-party transactions with the Listed Company and its controlled enterprises as far as possible; regarding the related-party transactions that cannot be avoided or are definitely necessary (including but not limited to product transactions, mutual offer of services/labor and etc.), we undertake that we will urge the channels and other public institutions or economic organizations controlled by us to follow the principles of market fairness, justice and openness, legally sign agreements and perform the legal procedures in accordance with the provisions on the decision-making and abstention of related-party transactions of the relevant laws and regulations, normative documents and the Listed Company to guarantee the fairness and compliance of the related-party transactions, will not harm the legitimate rights and interests of shareholders of the Listed Company and its controlled subsidiaries as well as shareholders of the Listed Company through related-party transactions, and will promptly disclose the information as required by the relevant laws and regulations and normative documents; We and the channels and other public institutions or economic organizations controlled by us will eliminate any illegal use of assets and funds of the Listed Company. If aforesaid commitments are breached, we are willing to assume all legal responsibilities arising therefrom.	July 12, 2018	Long-term	Ongoing
Commitments made at the time of IPO or re-financing	Mango Media Co., Ltd.	Commitments on Reducing Shareholdings	Mango Media Co., Ltd., the controlling shareholder of the Company, makes the following commitments with respect to the intention to reduce shareholdings: (1) If we intend to reduce the shares of the Company held by us after expiry of lock-up period, we will legally do same, and make a public announcement within 3 trading days prior to reduction through the Company. The total number of shares of the Company reduced by us within 2 years after expiry of lock-up period shall not exceed 5% of total shares held by us at the time of IPO, and the price at which shares are reduced shall not be less than 100% of price of IPO. If shares are reduced 2 years after expiry of lock-up period, the price at which shares are reduced through call auction trading system of securities exchange shall not be less than closing price of shares in the trading day immediately preceding the share reduction announcement day. (2) The reduction period will be 6 months after the public announcement of the reduction plan, and if we continue to reduce our shareholdings after expiry of the reduction period, we will make the public announcement anew in accordance with the aforesaid arrangements.	January 21, 2015	Long-term	Ongoing
Commitments made at the time of IPO or re-financing	Hongyi Investment Industry Phase I Fund (Tianjin) (L.P.); Mianyang Science and Technology Industry Investment Fund (L.P.); Tianjin Hongshan Capital Investment Fund Center (L.P.)	Commitments on Reducing Shareholdings	Hongyi Investment Industry Phase I Fund (Tianjin) (L.P.) (“Hongyi Investment”), Mianyang Science and Technology Industry Investment Fund (L.P.) (“Mianyang Fund”) and Tianjin Hongshan Capital Investment Fund Center (L.P.) (“Hongshan Capital”) as other existing shareholders of the Company make the following commitments with respect to the intention to reduce shareholdings: (1) We will not transfer or entrust others with management of any pre-IPO shares of the Issuer held by us, nor propose the repurchase of such shares by the Company within 12 months from the listing date of the Issuer. (2) If we intend to reduce our shareholdings in the Company after the expiry of the lock-up period of shares held by us in the Company, we will legally do same, and make a public announcement within 3 trading days prior to reduction through the Company. The shareholdings of Hongyi Investment, Mianyang Fund, Hongshan Capital we reduce in aggregate within 2 years after the expiry of the lock-up period will equal to the issuer’s shares held in total	January 21, 2015	January 21, 2018	Mianyang Fund and Hongshan Capital disclosed on November 19, 2016 and Hongyi Investment disclosed on December 10, 2016 the Announcement on Prompt of Shareholdings Reduction Plan for Shareholders Holding 5% or More of Shares Prior to IPO through the Company, and as of the end of 2017,

			<p>by us and the reduction price will not lower than 80% of the IPO price of the Company. The reduction period will be 6 months after the public announcement of the reduction plan, and if we continue to reduce our shareholdings after expiry of the reduction period, we will make the public announcement anew in accordance with the aforesaid arrangements. During the period from the listing of the Company's shares until reduction of shareholdings, if the Company has paid dividends, given bonus shares, capitalized capital reserve, issued new shares or had other ex-right and ex-dividend matters, the floor reduction price and number of reduced shares will be adjusted accordingly. If the Company's shareholders fail to fulfill these commitments, the proceeds from reduction of shareholdings in the Company will belong to the listed Company.</p>			<p>all of them have completed reduction of their shareholdings.</p>
<p>Commitments made at the time of IPO or re-financing</p>	<p>Mango Excellent Media Co., Ltd.</p>	<p>Commitments on Distributing Dividends</p>	<p>We will improve the profit distribution system, particularly the cash dividend policy. The Company improved the Articles of Associations (Draft) at the 1st extraordinary general meeting of shareholders in 2014, stipulating the Company's profit distribution policy, the procedures for decision-making and implementation of the profit distribution policy, preparation and adjustment mechanism of the profit distribution policy, and the plan for shareholders' dividend returns in order to enhance the protection over minority shareholders. The Articles of Associations (Draft) further defines the Company's profit distribution, especially the specific conditions, percentages, and forms of the cash dividend distribution as well as the conditions of the bonus share distribution, and clarifies that the cash dividends are superior to bonus shares; and the Company prepared the Plan on Dividend Returns for the Coming Three Years of Hapigo Inc. to further implement the profit distribution system.</p>	<p>January 21, 2015</p>	<p>Long-term</p>	<p>Ongoing</p>
<p>Commitments made at the time of IPO or re-financing</p>	<p>Hunan Broadcasting System; Mango Media Co., Ltd.</p>	<p>Commitments on Avoiding Horizontal Competition, Related-party Transactions and Fund Use</p>	<p>(1) Commitments on Avoiding Horizontal Competition In order to avoid the horizontal competition and protect the interests of the Company and other shareholders, Hunan Broadcasting System as the actual controller of the Company and Mango Media as the controlling shareholder of the Company have respectively issued their own Letter of Commitments on Avoiding Horizontal Competition. 1. Mango Media as the controlling shareholder of the Company has issued its Letter of Commitments on Avoiding Horizontal Competition. (1) Mango Media and its other subordinate enterprises other than the Issuer are not engaged in any business or activity in any form that competes or would compete, directly or indirectly, with the business of the Issuer and/or its subordinate enterprises. (2) Mango Media will, and procure that any enterprises controlled by Mango Media will, adopt effective measures to avoid: (A) engaging in any business or activities directly or indirectly in any form that competes or would compete, directly or indirectly, with the business of the Issuer and/or its subordinate enterprises, or holding any interests or benefits in such business; (B) supporting any persons other than the Issuer and/or its subordinate enterprises in conducting any business or activities which compete or would compete with the business currently conducted or presently proposed to be conducted by the Issuer and/or its subordinate enterprises. (3) If Mango Media and its subordinate enterprises have any business opportunity of carrying out, participating in or holding shares in any business or activity that would compete with the business conducted by the Issuer and/or its subordinate enterprises, then the Issuer and/or its subordinate enterprises shall have preferred rights with respect to such business opportunity. (4) Mango Media, as the shareholder of the Issuer, will not engage in any business or activity that damages or would damage the interests of the Issuer and/or its subordinate enterprises by utilizing the status of the shareholder, the rights to which the shareholder is entitled and the information obtained in accordance with the relevant laws, regulations and the Articles of Association, including but not limited to the trade secrets of the Issuer and/or its subordinate enterprises. Mango Media agrees to bear and be liable for all losses, damage and costs caused to the Issuer and/or its subordinate enterprises due to breach of the aforementioned commitments. 2. Commitments on avoiding horizontal competition and</p>	<p>January 21, 2015</p>	<p>Long-term</p>	<p>Ongoing</p>

			<p>constraint measures of the actual controller</p> <p>(1) Letter of Overall Commitments issued by Hunan Broadcasting System</p> <p>On March 29, 2012, Hunan Broadcasting System, as the actual controller of the Company, issued the Letter of Commitments on Avoiding Horizontal Competition, undertaking that: ①Hunan Broadcasting System and its other subordinate enterprises other than the Issuer are not engaged in any business or activity in any form that competes or would compete with the business of the Issuer and/or its subordinate enterprises directly or indirectly. ② Hunan Broadcasting System will, and procure that any enterprises controlled by Hunan Broadcasting System will, adopt effective measures to avoid: (A) engaging in any business or activities directly or indirectly in any form that competes or would compete with the business of the Issuer and/or its subordinate enterprises, or holding any interests or benefits in such business; (B) supporting any persons other than the Issuer and/or its subordinate enterprises in conducting any business or activities which compete or would compete with the business currently conducted or presently proposed to be conducted by the Issuer and/or its subordinate enterprises. ③ If Hunan Broadcasting System and its subordinate enterprises have any business opportunity of carrying out, participating in or holding shares in any business or activity which would compete with the business conducted by the Issuer and/or its subordinate enterprises, then the Issuer and/or its subordinate enterprises shall have preferred rights with respect to such business opportunity. Hunan Broadcasting System agrees to bear and be liable for all losses, damage and costs caused to the Issuer and its subordinate enterprises due to breach of the aforementioned commitments.</p> <p>(II) Letter of Commitments on Avoiding Fund Use</p> <p>The controlling shareholder and the actual controller of the Company undertake that: they will strictly comply with the provisions of the laws, regulations, normative documents and the Company's relevant rules and systems, not appropriate or use the Company's assets or resources in any form, nor do anything directly or indirectly which harms or would harm the interests of the Company and other shareholders. If the rights and interests of the Company or other shareholders are harmed due to breach of the aforementioned commitments and undertakings, the controlling shareholder and the actual controller will be liable for compensation in accordance with law.</p>			
Other Commitments	Mango Media Co., Ltd.	Commitments on not Reducing Shareholdings	We undertake not to sell any shares held by us in the Listed Company, including the additional shares that we may receive due to any distribution of bonus shares, capitalization of capital reserve, share allotment or otherwise, within 12 months from August 28, 2023.	August 28, 2023	August 27, 2024	Ongoing
Fulfill the commitments on time or not	Yes					

2. If the Company has made any profit forecast on its assets or project and the Reporting Period falls within the period of such profit forecast, explanation about whether the forecast profit has been achieved and the related reasons

Applicable N/A

Underlying asset or project	Beginning time of forecast	End time of forecast	Forecast result of the current period (RMB0'000)	Actual result of the current period (RMB0'000)	Reason of failure to achieve the forecast profit (if applicable)	Disclosure date of the original forecast	Disclosure index (if any)
Golden Eagle Cartoon	January 1, 2023	December 31, 2025	4,625.38	4,754.32	N/A	July 26, 2023	Announcement of Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by

													Cash and Related-party Transaction (Announcement No.: 2023-046) disclosed on www.cninfo.com.cn on July 26, 2023
--	--	--	--	--	--	--	--	--	--	--	--	--	--

Commitments made by the shareholders and counterparties of the Company with respect to the annual operating results of the Company or related assets:

Applicable N/A

See the Announcement of Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction (Announcement No. 2023-046) disclosed on www.cninfo.com.cn on July 26, 2023.

Fulfillment of the commitment on operating results and effect on the assessment of impairment loss on goodwill:

Golden Eagle Cartoon has fulfilled the commitment on operating results for 2023.

II. Appropriation of non-operating funds of the Listed Company by the controlling shareholder and other related parties

Applicable N/A

In RMB0'000

Shareholders or related parties	Type of related relationship	Appropriation period	Reason for appropriation	Opening balance	New appropriated amount during the Reporting Period	Proportion of the latest audited net assets	Total repayments during the Reporting Period	Closing balance	Proportion of the latest audited net assets	Balance as of the disclosure date of the annual report	Estimated repayment method	Estimated repayment amount	Estimated repayment time (month)
Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	Others	7 years	Borrowings for production and operation	232.98	0	0.00%	30	202.98	0.00%	202.98	Cash settlement	202.98	May 2026
Total				232.98	0	0.00%	30	202.98	0.00%	202.98		202.98	
Relevant decision procedures				In order to support the business development of Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd. ("Mamma Mia") which was originally a wholly-owned subsidiary of Happy News, Mamma Mia would be supported with liquidity from Happy News through Happy News' internal approval and decision-making process.									
Reasons for new appropriation of non-operating funds by controlling shareholders and other related parties and description of the responsible persons' accountability and proposed measures by the Board of Directors in the current period				N/A									
Reasons for failure to settle appropriated non-operating funds as planned, and description of accountability and proposed measures by the Board of Directors in the current period				In December 2016, Happy News transferred 70% of the equity shares of Mamma Mia externally (to non-controlling shareholders and their affiliates), so that Mamma Mia was no longer included in the scope of consolidation of Happy News. At present, Happy News still holds 24.25% of the equity shares of Mamma Mia. In order to ensure stable development of Mamma Mia, Happy News and Mamma Mia signed Repayment Plan, which stipulates monthly repayment of RMB 50,000 since January 2022, until the loan is paid off.									
Special review opinions on appropriation of funds given by accounting firm				Pan-China Certified Public Accountants LLP believes that the summary sheet prepared by management of Mango Excellent Media complies with the provisions of Guideline No. 8 on Regulation of Listed Companies – Regulatory Requirements on Fund Transfer and External Guarantee of Listed Companies (CSRC Announcement (2022) No. 26) and Guideline No. 1 on Self-discipline Regulation of Companies Listed at of the Shenzhen Stock Exchange – Business Handling (Revised in February 2023) (SZS (2023) No. 135) in all material aspects, truly reflecting appropriation of non-operating funds and transfer of other related capitals of Mango Excellent Media in 2023.									
Reasons for inconsistency between appropriation of non-operating funds by the controlling shareholder and other related parties disclosed in the Company's annual report and that in the special audit opinion				N/A									

III. External Guarantees in Violation of Regulations Applicable N/A

The Company has no external guarantees in violation of regulations during the Reporting Period.

IV. Explanations from the Board of Directors for the “Modified Auditor’s Report” Issued Most Recently Applicable N/A**V. Explanations from the Board of Directors, the Board of Supervisors, the Independent Directors (if any) for the “Modified Auditor’s Report” Issued by the Engaged Accounting Firm during the Reporting Period** Applicable N/A**VI. Explanation from the Board of Directors for Accounting Policies and Accounting Estimate Change and Significant Accounting Mistake Correction** Applicable N/A

Explanation about changes in the accounting policies:

Since January 1, 2023, we have applied the Interpretation of the Accounting Standards for Business Enterprises No. 16 issued by the Ministry of Finance, and pursuant to the provisions regarding transition between old and new standards, treated the cumulative effect of the adoption of the new standard as an adjustment to the opening retained earnings and other related financial statement items for the current period. See “V. Significant Accounting Policies and Accounting Estimates” under “Section X Financial Report” for details.

VII. Explanation for Changes in the Scope of Consolidated Financial Statements Comparing with Those in Prior Year Applicable N/A

During the Reporting Period, we acquired Golden Eagle Cartoon through a business combination involving entities under common control, and deregistered Beijing Happy Mango Culture Media Co., Ltd. See “IX. Changes in Scope of Consolidation” under “Section X Financial Report” for details.

VIII. Engagement and Dismissal of the Accounting Firm

Current certified public accountants

Domestic certified public accountants	Pan-China Certified Public Accountants LLP
Remuneration paid to the domestic certified public accountants (in RMB0'000)	198
Audit period of the domestic accounting firm	8
Name of the engaged certified public accountants	ZHENG Shengjun and HU Jian
Audit period of the engaged certified public accountants	2 years for ZHENG Shengjun and 2 years for HU Jian

Whether the certified public accountant is changed

 Yes No

Description of engaging certified public accountants, financial advisor, or sponsor for internal control

 Applicable N/A

IX. Delisting Subsequent to the Disclosure of the Annual Report

Applicable N/A

X. Bankruptcy and Reorganization

Applicable N/A

The Company has no matters with respect to bankruptcy and reorganization during the Reporting Period.

XI. Material Litigation or Arbitration

Applicable N/A

The Company involves in no material litigation or arbitration during the year.

XII. Penalty and Rectification

Applicable N/A

The Company has no penalty and rectification during the Reporting Period.

XIII. Integrity of the Company and its Controlling Shareholder and Actual Controller

Applicable N/A

XIV. Significant Related-party Transactions

1. Related-party transactions related to daily operations

Applicable N/A

Related-party	Related-party relationship	Type	Content	Pricing principle	Price	Amount (in RMB0'000)	Proportion of similar trading amount	Approved trading amount (in RMB0'000)	Exceed the approved amount or not	Mode of settlement	Available market price of similar transactions	Disclosure date	Disclosure index
GBS	Under common control of the same actual controller	Acceptance of labor service	Copyright, etc.	Market pricing	86300.26	86,300.26	8.80%	78,130	Yes	Bank transfer	86300.26	April 22, 2023	Announcement of Estimated Daily Related-party Transactions in 2023 disclosed on www.cninfo.com.cn
GBS	Under common control of the same actual controller	Rendering of labor service	Advertising release, etc.	Market pricing	67609.33	67,609.33	4.62%	90,000	No	Bank transfer	67609.33	April 22, 2023	
Yunhong Communication Technology (Guangzhou) Co., Ltd.	Company materially affected by the actual controller	Acceptance of labor service	Advertising service	Market pricing	17234.19	17,234.19	1.76%	20,000	No	Bank transfer	17234.19	April 22, 2023	
Yunhong Communication Technology (Guangzhou) Co., Ltd.	Company materially affected by the actual controller	Rendering of labor service	Advertising release	Market pricing	56631.6	56,631.6	3.87%	81,000	No	Bank transfer	56631.6	April 22, 2023	
MIGU Culture Technology Co., Ltd.	Sharing the key manager	Acceptance of labor service	Bandwidth, etc.	Market pricing	9678.04	9,678.04	0.99%	12,187	No	Bank transfer	9678.04	April 22, 2023	
MIGU Culture Technology Co., Ltd.	Sharing the key manager	Rendering of labor service	Operator revenue	Market pricing	269954.76	269,954.76	18.45%	265,000	Yes	Bank transfer	269954.76	April 22, 2023	
Total				--	--	507,408.18	--	546,317	--	--	--	--	

Details of return of goods in large sales	None
Actual performance during the Reporting Period (if any) in the event that the total amount of the daily related-party transactions to occur in the current period is expected by categories	None
Reasons for the large difference between the trading price and the market reference price (if applicable)	N/A

2. Related-party transactions related to acquisition or disposal of assets and equities

Applicable N/A

Related-Party	Related-party relationship	Type	Content	Pricing principle	Carrying value of transferred assets (RMB0'000)	Appraisal value of transferred assets (RMB0'000)	Transfer price (RMB0'000)	Mode of settlement	Trading profit or loss (RMB0'000)	Disclosure date	Disclosure index
Mango Media Co., Ltd.	Parent company	Share acquisition	100% shares of Golden Eagle Cartoon	Appraisal value	19,667.92	83,479.51	83,479.51	Bank transfer	0	October 24, 2023	Announcement of Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction (Announcement No.: 2023-046) disclosed on www.cninfo.com.cn on July 26, 2023
Reasons for significant difference between transfer price and carrying value or appraisal value (if any)				None.							
Impact on the Company's operating results and financial situation				The effect on the net profit of the Listed Company was RMB63,473,700.							
The performance realization during the Reporting Period if the related-party transaction involves performance agreement				The net profit of Golden Eagle Cartoon attributable to the shareholders of the Listed Company after deduction of non-recurring gain or loss was RMB47,543,200 for the Reporting Period, which achieved its performance commitment for 2023.							

3. Related-party transactions related to joint external investment

Applicable N/A

The Company has no related-party transactions involving joint external investments during the Reporting Period.

4. Credits and debits with related parties

Applicable N/A

Whether there are non-operating credits and debits with related parties

Yes No

Credits due from related parties

Related-party	Relation	Reason of formation	Whether there is any non-operating fund use	Opening balance (RMB0'000)	Current increased amount (RMB0'000)	Current recovered amount (RMB0'000)	Interest rate	Current interest (RMB0'000)	Closing balance (RMB0'000)
Mango Entertainment	Subsidiary	Accounts current	No	8,000					8,000
Happy Sunshine	Subsidiary	Profit distribution	No	30,000	60,000	90,000			0

Impact of related-party creditor's rights on the Company's operating results and financial status	No material impact
---	--------------------

Debts due to related-party

Related-party	Relation	Reason of formation	Opening balance (RMB0'000)	Current increased amount (RMB0'000)	Current recovered amount (RMB0'000)	Interest rate	Current interest (RMB0'000)	Closing balance (RMB0'000)

5. Transactions with finance companies having related-party relationship

Applicable N/A

The Company has no deposit, loan, credit facility or other financial business with finance companies having related-party relationship and related parties.

6. Transactions between finance companies controlled by the Company and related parties

Applicable N/A

Finance companies controlled by the Company have no deposit, loan, credit facility or other financial business with related parties.

7. Other significant related-party transactions

Applicable N/A

The Company has no other significant related-party transactions during the Reporting Period.

XV. Significant Contracts and Performances Thereof**1. Trusteeship, contracting and leasing****(1) Trusteeship**

Applicable N/A

No such case during the Reporting Period.

(2) Contracting

Applicable N/A

No such case during the Reporting Period.

(3) Leases

Applicable N/A

No such case during the Reporting Period.

2. Significant guarantee

Applicable N/A

No such case during the Reporting Period.

3. Entrusted management of cash assets

(1) Entrusted wealth management

Applicable N/A

Overview of entrusted wealth management during the Reporting Period

Specific type	Capital sources of entrusted wealth management	Amount of entrusted wealth management	Undue balance	Amount overdue and not recovered	In RMB0'000
					Impaired amount of wealth management overdue and not recovered
Bank wealth management product	Own funds	181,000	45,200	0	0
Bank wealth management product	Raised funds	209,500	60,000	0	0
Total		390,500	105,200	0	0

Details of high-risk entrusted wealth management with significant single amount or poor security and liquidity

Applicable N/A

Expected unavailability to recover the principal or other situations that may lead to impairment with respect to entrusted wealth management

Applicable N/A

(2) Entrusted loans

Applicable N/A

No such case during the Reporting Period.

4. Other significant contracts

Applicable N/A

No such case during the Reporting Period.

XVI. Description of Other Significant Matters

Applicable N/A

On July 25, 2023, at the 17th meeting of the 4th Board of Directors and the 15th meeting of the 4th Board of Supervisors, the Proposal Regarding Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction was considered and adopted, approving the acquisition by us of 100% shares of Golden Eagle Cartoon using RMB834,795,100 of self-owned funds. On October 20, 2023, Golden Eagle Cartoon completed the relevant alteration filing procedures with the administration for industry and commerce, and became one of our wholly-owned subsidiaries, included in our scope of consolidation. See the Announcement of Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction (Announcement No. 2023-046) and the Announcement of Completion of the Alteration Filing Procedures Related to the Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction (Announcement No. 2023-056) disclosed on www.cninfo.com.cn on July 26, 2023 and October 24, 2023 respectively for details.

XVII. Description of Significant Matters of the Company's Subsidiaries

Applicable N/A

On July 18, 2023, Xiaomang E-commerce completed the relevant alteration filing procedures with the administration for industry and commerce, and turned from a subsidiary controlled by our wholly-owned subsidiary Happy Sunshine into a subsidiary directly controlled by us.

Section VII Share Changes and Information of Shareholders

I. Share changes

1. Share changes

	Before this change		Increase or decrease this time (+,-)					After this change	
	Number	Proportion	New shares	Bonus shares	Capitalization of capital reserve	Others	Sub-total	Number	Proportion
I. Restricted share	849,020,857	45.38%	0	0	0	0	0	849,020,857	45.38%
1. Shareholdings by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shareholdings by the state-owned legal persons	849,019,732	45.38%	0	0	0	0	0	849,019,732	45.38%
3. Other shareholdings by domestic investors	1,125	0.00%	0	0	0	0	0	1,125	0.00%
Incl.: shareholdings by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shareholdings by domestic natural persons	1,125	0.00%	0	0	0	0	0	1,125	0.00%
4. Shareholdings by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Incl.: shareholdings by overseas legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shareholdings by overseas natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted share	1,021,699,958	54.62%	0	0	0	0	0	1,021,699,958	54.62%
1. RMB ordinary share	1,021,699,958	54.62%	0	0	0	0	0	1,021,699,958	54.62%
2. Domestic listed foreign share	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign share	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total	1,870,720,815	100.00%	0	0	0	0	0	1,870,720,815	100.00%

Reasons for share changes

Applicable N/A

Approval of share changes

Applicable N/A

Description of registration of share changes

Applicable N/A

Effect of share changes on financial indicators in the most recent year and the most recent period, such as basic earnings per share, diluted earnings per share, net assets per share attributable to the Company's shareholders of ordinary shares

Applicable N/A

Other information that the Company deemed as necessary, or security regulators require to be disclosed

Applicable N/A

2. Restricted share changes

Applicable N/A

II. Shares issuing and listing

1. Securities issuing during the Reporting Period (excluding preferred shares)

Applicable N/A

2. Explanation for changes in the Company's total shares, shareholder structure, and structure of assets and liabilities

Applicable N/A

3. Current shares subject to employee share ownership plan

Applicable N/A

III. Shareholders and actual controllers

1. Description of the Number of the Company's shareholders and shares held by them

Unit: Shares

Name of shareholders	Nature of shareholder	Shareholding ratio	Closing shareholding quantity	Increase or decrease	Number of restricted shares held	Number of unrestricted shares held	Pledged, marked or frozen		
							Status	Quantity	
Total ordinary shareholders as of the end of the period	56,718	Total ordinary shareholders as of the end of the month prior to the disclosure date of annual report	62,435	Total preferred shareholders (if any) with recovered voting rights as of the end of the period (Note 9)	0	Total preferred shareholders (if any) with recovered voting rights as of the end of the month prior to the disclosure date of annual report (Note 9)	0	Total shareholders (if any) holding special voting right shares	0
Information of shareholders holding 5% or more of shares or top 10 shareholders (excluding the shares lent via refinancing)									
Mango Media Co., Ltd.	State-owned corporation	56.09%	1,049,300,301	0	849,019,732	200,280,569	N/A		0
Zhongyi Capital Holding Group Limited	State-owned corporation	7.01%	131,188,792	0	0	131,188,792	N/A		0
Hunan Caixin Jingguo Equity Investment Partnership	State-owned corporation	5.01%	93,647,857	0	0	93,647,857	N/A		0

(LP)									
Hong Kong Securities Clearing Company Limited	Foreign corporation	3.15%	58,844,957	1,831,245	0	58,844,957	N/A		0
China Life Insurance Co., Ltd. – Traditional – General Insurance Product 005L-CT001 (Shanghai)	Others	0.54%	10,159,284	7,545,157	0	10,159,284	N/A		0
Industrial and Commercial Bank of China Limited – E-Fund ChiNext ETF	Others	0.49%	9,080,876	5,814,380	0	9,080,876	N/A		0
Hua Life Insurance Co., Ltd. – Self-owned funds	Others	0.36%	6,712,900	5,301,700	0	6,712,900	N/A		0
National Social Security Fund Portfolio 604	Others	0.36%	6,643,867	6,373,567	0	6,643,867	N/A		0
Dajia Life Insurance Co., Ltd. – Universal product	Others	0.32%	6,006,700	6,006,700	0	6,006,700	N/A		0
National Social Security Fund Portfolio 414	Others	0.31%	5,799,992	5,799,992	0	5,799,992	N/A		0
Strategic investors or general corporations becoming top 10 ordinary shareholders as a result of rights issue (if any) (Note 4)	None								
Related-party relationship or concerted action relationship among the aforementioned shareholders	There is no related-party relationship or concerted action relationship between Mango Media Co., Ltd. as the controlling shareholder of the Company and other top 10 shareholders; we are not aware whether or not there is a related-party relationship or concerted action relationship among other top 10 shareholders.								
Explanation for entrusting/accepting entrusted voting rights and waiver of voting rights regarding above shareholders	None								
Special explanation about any special account for repurchase opened by any top 10 shareholder (if any) (Note 10)	None								
Shareholdings of top 10 unrestricted shareholders									
Name of shareholders	Number of unrestricted shares held at the end of the Reporting Period	Type							
		Type	Number						
Mango Media Co., Ltd.	200,280,569	RMB ordinary shares	200,280,569						
Zhongyi Capital Holding Group Limited	131,188,792	RMB ordinary shares	131,188,792						
Hunan Caixin Jingguo Equity Investment Partnership (LP)	93,647,857	RMB ordinary shares	93,647,857						
Hong Kong Securities Clearing Company Limited	58,844,957	RMB ordinary shares	58,844,957						
China Life Insurance Co., Ltd. – Traditional – General Insurance Product 005L-CT001 (Shanghai)	10,159,284	RMB ordinary shares	10,159,284						
Industrial and Commercial Bank of China Limited – E-Fund ChiNext ETF	9,080,876	RMB ordinary shares	9,080,876						
Hua Life Insurance Co., Ltd. – Self-owned funds	6,712,900	RMB ordinary shares	6,712,900						
National Social Security Fund Portfolio 604	6,643,867	RMB ordinary shares	6,643,867						

Dajia Life Insurance Co., Ltd. – Universal product	6,006,700	RMB ordinary shares	6,006,700
National Social Security Fund Portfolio 414	5,799,992	RMB ordinary shares	5,799,992
Explanation for related-party relationship or concerted actions between top 10 unrestricted outstanding shareholders, and between top 10 unrestricted outstanding shareholders and top 10 shareholders	There is no related-party relationship or concerted action relationship between Mango Media Co., Ltd. as the controlling shareholder of the Company and other top 10 unrestricted outstanding shareholders; we are not aware whether or not there is a related-party relationship or concerted action relationship among top 10 unrestricted outstanding shareholders and between top 10 unrestricted outstanding shareholders and top 10 shareholders.		
Special explanation about any shareholder operating margin financing and short selling business (if any) (Note 5)	None		

Share lending by top 10 shares via refinancing:

Applicable N/A

Unit: Shares

Share lending by top 10 shares via refinancing								
Full name of shareholder	Number of shares held in ordinary account and margin trading account at the beginning of the current period		Number of outstanding shares lent via refinancing at the beginning of the current period		Number of shares held in ordinary account and margin trading account at the end of the current period		Number of outstanding shares lent via refinancing at the end of the current period	
	Total number	% of total share capital	Total number	% of total share capital	Total number	% of total share capital	Total number	% of total share capital
Industrial and Commercial Bank of China Limited – E-Fund ChiNext ETF	3,266,496	0.17%	854,600	0.05%	9,080,876	0.49%	140,000	0.01%
National Social Security Fund Portfolio 604	270,300	0.01%	7,300	0.00%	6,643,867	0.36%	0	0.00%

Changes in top 10 shareholders compared to the prior period:

Applicable N/A

Unit: Shares

Changes in top 10 shares compared to the end of the prior period					
Full name of shareholder	New or withdrawn shareholder in the current period	Number of outstanding shares lent via refinancing at the end of the current period		Number of shares held in ordinary account and margin trading account and outstanding shares lent via refinancing at the end of the current period	
		Total number	% of total share capital	Total number	% of total share capital
China Life Insurance Co., Ltd. – Traditional – General Insurance Product 005L-CT001 (Shanghai)	New	0	0.00%	10,159,284	0.54%
Industrial and Commercial Bank of China Limited – E-Fund ChiNext ETF	New	140,000	0.01%	9,220,876	0.49%
Hua Life Insurance Co., Ltd. – Self-owned funds	New	0	0.00%	6,712,900	0.36%
National Social Security Fund Portfolio 604	New	0	0.00%	6,643,867	0.36%

Dajia Life Insurance Co., Ltd. – Universal product	New	0	0.00%	6,006,700	0.32%
National Social Security Fund Portfolio 414	New	0	0.00%	5,799,992	0.31%
China Merchants Bank Co., Ltd. - Xingquan Herun Hybrid Securities Investment Fund	Withdrawn	0	0.00%	0	0.00%
China Merchants Bank Co., Ltd. - Xingquan Heyi Flexible Allocation Hybrid Securities Investment Fund (LOF)	Withdrawn	0	0.00%	0	0.00%
Industrial and Commercial Bank of China Limited - Xingquan Green Investment Hybrid Securities Investment Fund (LOF)	Withdrawn	0	0.00%	0	0.00%
Industrial Bank Co., Ltd. - Xingquan Qushi Investment Hybrid Securities Investment Fund	Withdrawn	0	0.00%	0	0.00%
China Merchants Bank Co., Ltd. - Xingye Xingrui 2-Year Hybrid Securities Investment Fund	Withdrawn	0	0.00%	0	0.00%
Industrial and Commercial Bank of China Limited - GF China Securities Media LOF	Withdrawn	0	0.00%	5,033,661	0.27%

Whether the Company has made arrangement for voting right differences?

Applicable N/A

Whether the Company's top 10 ordinary shareholders and top 10 unrestricted ordinary shareholders have engaged in an agreed repurchase transaction during the Reporting Period?

Yes No

The Company's top 10 ordinary shareholders and top 10 unrestricted ordinary shareholders have no agreed repurchase transaction during the Reporting Period.

2. Controlling shareholder of the Company

Nature of the controlling shareholder: Local state-owned holding company

Type of the controlling shareholder Legal person

Controlling shareholder	Legal representative/responsible person	Date of incorporation	Organization code	Principal activities
Mango Media Co., Ltd.	ZHANG Huali	July 10, 2007	914300006707880875	Planning, production and operation of radio and television programs; investments in culture, sports, entertainment, media, technology, Internet and other industries by self-owned funds (excluding national

				financial supervision and financial credit businesses such as deposit absorption, fund collection, entrusted loans, notes, and loans issuance); advertising planning, production and operation; multimedia technology development and operation. (Projects required for legal approval shall be operated on the premise of being approved by relevant authorities)
Shares held in other domestic or foreign listed companies controlled or invested by the controlling shareholder during the Reporting Period	None			

Change of the controlling shareholder during the Reporting Period

Applicable N/A

There was no change in the controlling shareholder of the Company during the Reporting Period.

3. Actual controller and its acting-in-concert parties of the Company

Nature of the actual controller: Local state capital management institution

Type of the controlling shareholder: Legal person

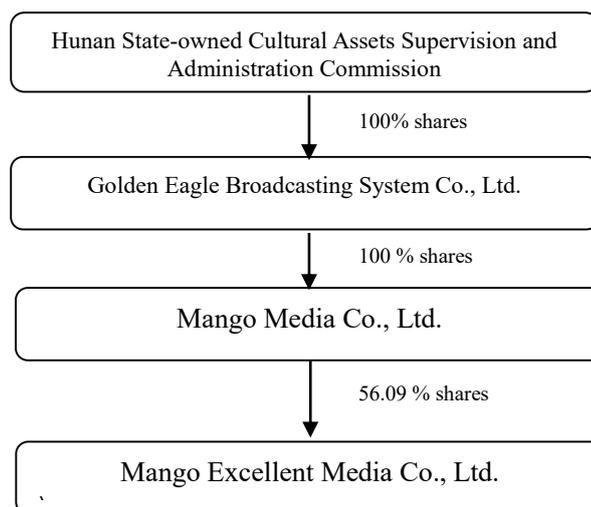
Actual controller	Legal representative/responsible person	Date of incorporation	Organization code	Principal activities
Hunan State-owned Cultural Assets Supervision and Administration Commission	-	May 27, 2015	-	Perform the responsibilities of provincial state-owned cultural enterprise as a contributor
Equity of other domestic and oversea listed companies controlled by the actual controller during the Reporting Period	Directly holding 16.66% of shares in Hunan TV & Broadcast Intermediary Co., Ltd.			

Change of the actual controller during the Reporting Period

Applicable N/A

There was no change in the actual controller of the Company during the Reporting Period.

Block diagram for the ownership and controlling relationship between the Company and the actual controller



The Company is controlled by the actual controller through trust funds or other asset management methods

Applicable N/A

4. The Company's controlling shareholder or top 1 shareholder and its acting-in-concert parties pledged more than 80% in total of the Company's shares held by them

Applicable N/A

5. Other institutional shareholders owning over 10% of shares

Applicable N/A

6. Restrictions on shareholding reduction of the controlling shareholder, actual controller, restructuring parties, and other commitment subjects

Applicable N/A

IV. Specific implementation of share repurchases during the Reporting Period

Implementation progress of share repurchase

Applicable N/A

Progress of reducing repurchased shares by means of centralized auction trading

Applicable N/A

Section VIII Preference Shares

Applicable N/A

The Company has no preferred shares during the Reporting Period.

Section IX Bonds

Applicable N/A

Section X Financial Report

I. Auditor's Report

Audit opinion	Unmodified Opinion
Signing date of audit report	April 18, 2024
Auditor	Pan-China Certified Public Accountants LLP
Audit report document No.	Tian Jian Shen (2024) 2-191
Name of certified public accountants	ZHENG Shengjun and HU Jian

Auditor's Report

To all shareholders of Mango Excellent Media Co., Ltd.:

I. Audit opinion

We have audited the financial statements of Mango Excellent Media Co., Ltd. ("Mango Excellent Media"), which comprise the consolidated and the parent company's balance sheets as at December 31, 2023, and the consolidated and the parent company's income statements, the consolidated and the parent company's statements of cash flow and the consolidated and the parent company's statements of changes in owners' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared in all material respects in accordance with Accounting Standards for Business Enterprises and fairly present the consolidated and the parent company's financial position as of December 31, 2023, and the consolidated and the parent company's operating results and cash flows for the year then ended.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Mango Excellent Media in accordance with the Code of Ethics for Chinese Institute of Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

(I) Revenue recognition

1. Descriptions

Details of relevant information are disclosed in Note III (XXIII), V(II)1 and XIV(I) to the financial statements.

The operating revenue of Mango Excellent Media is mainly from new media platform operation, new media interactive entertainment content production and media retail, etc. In 2023, the operating revenue of Mango Excellent Media amounted to RMB14,628,016,300, of which the operating revenue from the segments including new media platform operation and new media interactive entertainment content production amounted to RMB11,763,971,400, accounting for 80.42 % thereof.

As the operating revenue is one of Mango Excellent Media's KPIs, there may be an inherent risk that the management of Mango Excellent Media ("management") may recognize the revenue inappropriately to achieve specific objectives or expectations. Meanwhile, revenue recognition also needs complex information systems and significant management judgment. Therefore, we identified revenue recognition as a key audit matter.

2. Audit response

Our audit procedures related to revenue recognition included the following, among others:

(1) Understand the key internal controls related to revenue recognition, evaluate the design of those controls, determine whether they are implemented, and test the operational effectiveness of the relevant internal controls;

(2) Test general information system controls and application controls related to the revenue recognition process by virtue of the work results of the in-house information technology experts;

(3) Examine major sales contracts, understand the major terms or conditions thereof, and evaluate whether revenue recognition methods are proper;

(4) Implement substantive analysis procedures for operating revenue and gross margin by month, product, customer, etc., to identify whether there are significant or unusual fluctuations and to find out the causes of such fluctuations;

(5) Sample contracts, licenses, settlements, receipts and sign-offs to make test of details according to different types of revenues, and pay attention to the business content of the related sales and their commercial reasonableness;

(6) In conjunction with accounts receivable confirmation procedures, send confirmation to major customers to recognize the current sale volumes on a sample basis;

(7) Conduct the cut-off test on the operating revenues recognized about the balance sheet date to evaluate whether the operating revenues are recognized appropriately;

(8) Obtain a record of sales returns after the balance sheet date to check if there is any instance that conditions for revenue recognition were not met at the balance sheet date; and

(9) Check whether information relating to operating revenue is properly presented and disclosed in the financial statements.

(II) Recognition of deferred tax assets

1. Descriptions

Details of relevant information are disclosed in Note III(XXVII), Note III(XXX) and Note V(I)18 to the financial statements.

As of December 31, 2023, Mango Excellent Media recognized RMB1,628,790,200 of deferred tax assets for the year 2023, mainly arising from temporary differences between the accounting amortization approach for film and TV drama copyright and the amortization approach set forth in tax law. Since the recognition of deferred tax assets involves complicated calculation of differences between the accounting amortization approach for film and TV drama copyright and the amortization approach set forth in tax law, the judgment of the availability of taxable income in future periods against which the deductible temporary differences can be utilized involves estimates, and the recognition of deferred tax assets has a significant on accounting profit, we identified the recognition of deferred tax assets as a critical audit matter.

2. Audit response

Our audit procedures related to recognition of deferred tax assets included the following, among others:

(1) Assess the design and implementation, and test the effectiveness, of internal controls related to recognition of deferred tax assets;

(2) Understand and evaluate the management's calculation methods for the differences between the accounting amortization approach for film and TV drama copyright and the amortization approach set forth in tax law, and reasonableness of forecast and assumptions in respect of taxable income available in future periods;

(3) Review the process of calculation of deferred tax assets, and ensure they are accurate and comply with the provisions of the tax law and accounting standards;

(4) Analyze and assess the temporary differences related to film and TV drama copyright, and review the historic data, assess the sustainability of forecasts and changes in the relevant tax laws and regulations; and

(5) Communicate with the tax advisor, to obtain professional opinions on the relevant tax law, and assess the effect on the recognition of deferred tax assets.

(III) The carrying amount of content copyrights

1. Descriptions

Details of relevant information are disclosed in Note III (XIII), Note III (XVIII) and Note V (I) 8 and Note V (I) 15 to the financial statements.

As of December 31, 2023, the carrying amount of Mango Excellent Media's content copyrights such as online information dissemination rights, screenplays, and film and television series was RMB9,445,987,200; of which, intangible assets were RMB7,814,463,500 and stocks were RMB1,631,523,700.

The management makes significant judgment to evaluate the carrying amount of content copyrights such as online information dissemination rights, screenplays, and film and television series. In making such evaluation, the management considers all possible factors that may affect the future broadcasting, production and distribution plans of the content copyrights such as the online information dissemination rights, screenplays and film and television series, the saleable or booking prices of film and television series, the discount rate and the current market environment to judge the expectation of obtaining future cash flows. The amount of content copyrights such as online information dissemination rights, screenplays, and film and television series is material, and involves significant management judgments, therefore, we identify the carrying amount of content copyrights such as online information dissemination rights, screenplays, and film and television series as a key audit matter.

2. Audit response

For the carrying amount of content copyrights such as online information dissemination rights, screenplays, and film and television series, our audit procedures include, inter alia:

(1) Understand the key internal controls related to content copyrights such as online information dissemination rights, screenplays, and film and television series, evaluate the design of those controls, determine whether they are implemented, and test the operational effectiveness of the relevant internal controls;

(2) Know and evaluate the reasonableness of amortization policies of online information dissemination rights, and implement computer-aided audit procedure for amortization information system of online information dissemination rights;

(3) Evaluate the reasonableness of accounting policies related to content copyrights such as online information dissemination rights, screenplays, and film and television series by comparing relevant accounting standards and industry practice benchmarks, and test the management's assessment of the recoverable amount of content copyrights such as online information dissemination rights, screenplays, and film and television series on a project basis based on the materiality level of the closing balance of net value of content copyrights such as online information dissemination rights, screenplays, and film and television series;

(4) Inspect selected relevant agreements for the purchase of content copyrights such as online information dissemination rights, and screenplays, and verify the valid period of their licenses to evaluate the reasonableness of their net realizable values. For self-produced film and television series, select projects and discuss with the management to understand the current market environment, their future production and distribution plans;

(5) Inspect distribution contracts to verify the estimated selling price of content rights such as online information dissemination rights, screenplays, and film and television series. For television series that have been produced but have not obtained broadcast licenses, we select projects to compare their projected selling prices with the selling prices available to similar television series, so as to assess their impairment;

(6) Pay attention to public opinion of content rights such as online information dissemination rights, screenplays, and film and television series, assessing their negative public opinion and discussing with the management that whether there is an expected withdrawal or failure to complete production;

(7) Check whether information relating to impairment and copyright amortization of content rights such as online information dissemination rights, screenplays, and film and television series is properly presented and disclosed in the financial statements;

IV. Other Information

The management is responsible for other information. The other information comprises the information included in the Annual

Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is any material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of Mango Excellent Media is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises, and designing, implementing, and maintaining internal control that is necessary to enable the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Mango Excellent Media's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Mango Excellent Media or to cease operations, or have no realistic alternative but to do so.

Those charged with governance of Mango Excellent Media ("those charged with governance") are responsible for overseeing Mango Excellent Media's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(IV) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Mango Excellent Media's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Mango Excellent Media to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure, and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Mango Excellent Media to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in our audit report unless laws or regulations preclude public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP

Hangzhou, China

Certified Public Accountant: ZHENG Shengjun
(Engagement Partner)

Certified Public Accountant: HU Jian

April 18, 2024

II. Financial Statements

Statements in notes to the financial statements are dominated in RMB.

1. Consolidated balance sheet

Prepared by: Mango Excellent Media Co., Ltd.

December 31, 2023

In RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash and bank balances	11,882,208,257.60	10,369,682,100.19
Balances with clearing agencies		
Placements with banks and other financial institutions		
Held-for-trading financial assets	1,052,000,000.00	2,695,000,000.00
Derivative financial assets		
Notes receivable	34,920,000.00	1,424,539,500.76
Accounts receivable	3,496,523,370.15	3,239,435,040.40
Receivable financing	698,394,858.57	49,054,442.19
Prepayments	1,016,664,374.18	1,661,390,146.29
Premium receivable		
Amounts receivable under reinsurance contracts		
Reinsurer's share of insurance contract reserves		
Other receivables	47,852,640.07	57,117,565.37
Incl.: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	1,717,435,689.33	1,608,818,863.16
Contract assets	838,691,849.14	929,403,936.51
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	130,178,232.12	113,462,529.80
Total current assets	20,914,869,271.16	22,147,904,124.67
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments		4,123,864.73
Other investments in equity instruments		

Other non-current financial assets		
Investment properties	81,084,052.23	83,381,033.60
Fixed assets	142,419,568.37	173,715,579.21
Construction in progress		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	228,587,413.61	180,794,786.22
Intangible assets	8,113,877,366.31	6,968,001,679.08
Development expenditure	241,848,656.69	101,832,746.23
Goodwill		
Long-term prepaid expenses	69,653,104.00	88,341,119.22
Deferred tax assets	1,628,790,218.38	6,782.33
Other non-current assets	1,257,003.74	35,450,007.57
Total non-current assets	10,507,517,383.33	7,635,647,598.19
Total assets	31,422,386,654.49	29,783,551,722.86
Current liabilities:		
Bank borrowings	33,781,325.60	1,057,932,476.80
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,714,493,274.32	1,641,001,844.25
Accounts payable	5,211,653,685.68	4,929,885,871.44
Receipts in advance		
Contract liabilities	1,223,382,815.57	1,095,959,210.88
Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	1,133,198,261.73	1,019,793,590.40
Taxes payable	271,158,208.58	208,468,050.32
Other payables	118,868,606.40	508,775,724.99
Incl.: Interest payable		
Dividends payable		310,000,000.00
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		
Non-current liabilities due within one year	63,380,220.77	52,927,194.87

Other current liabilities	90,565,321.21	108,136,216.45
Total current liabilities	9,860,481,719.86	10,622,880,180.40
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Incl.: Preference shares		
Perpetual bonds		
Lease liabilities	151,809,003.34	138,344,104.72
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities	3,156,100.00	9,038,875.00
Deferred income	43,207,716.48	42,775,997.77
Deferred tax liabilities	94,340.19	227,428.11
Other non-current liabilities		
Total non-current liabilities	198,267,160.01	190,386,405.60
Total liabilities	10,058,748,879.87	10,813,266,586.00
Owner's equity:		
Share capital	1,870,720,815.00	1,870,720,815.00
Other equity instruments		
Incl.: Preference shares		
Perpetual bonds		
Capital reserve	8,811,414,997.63	9,646,210,097.63
Less: Treasury shares		
Other comprehensive income	172,058.22	157,436.90
Special reserve		
Surplus reserve	179,622,015.26	126,108,937.21
General risk reserve		
Undistributed profit	10,630,492,900.32	7,371,494,125.42
Total equity attributable to owners of the parent company	21,492,422,786.43	19,014,691,412.16
Minority interests	-128,785,011.81	-44,406,275.30
Total owners' equity	21,363,637,774.62	18,970,285,136.86
Total liabilities and owners' equity	31,422,386,654.49	29,783,551,722.86

Legal representative: CAI Huaijun

CFO: ZHANG Zhihong

Chief Accountant: TAO Jinyu

2. Balance sheet of the parent company

Item	In RMB	
	December 31, 2023	January 1, 2023
Current assets:		
Cash and bank balances	282,978,984.89	536,508,258.51
Held-for-trading financial assets		

Derivative financial assets		
Notes receivable		
Accounts receivable		
Receivable financing		
Prepayments	1,585,821.83	23,629.23
Other receivables	80,009,604.19	380,020,000.00
Incl.: Interest receivable		
Dividends receivable		300,000,000.00
Inventories		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	5,647,818.59	4,739,926.06
Total current assets	370,222,229.50	921,291,813.80
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	12,173,055,024.52	11,976,375,839.55
Other investments in equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	228,497.46	438,682.49
Construction in progress		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	5,351,417.43	7,135,223.31
Intangible assets	599,408.36	696,395.36
Development expenditure		
Goodwill		
Long-term prepaid expenses	3,056,182.69	3,920,863.29
Deferred tax assets		
Other non-current assets		
Total non-current assets	12,182,290,530.46	11,988,567,004.00
Total assets	12,552,512,759.96	12,909,858,817.80
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Receipts in advance		

Contract liabilities		
Employee benefits payable	49,039,181.88	54,779,216.00
Taxes payable	1,072,123.90	429,648.09
Other payables	14,345,469.63	18,721,165.76
Incl.: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,773,647.85	1,693,962.89
Others Current liabilities		
Total current liabilities	66,230,423.26	75,623,992.74
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Incl.: Preference shares		
Perpetual bonds		
Lease liabilities	4,010,907.98	5,784,555.83
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	4,010,907.98	5,784,555.83
Total liabilities	70,241,331.24	81,408,548.57
Owner's equity:		
Share capital	1,870,720,815.00	1,870,720,815.00
Other equity instruments		
Incl.: Preference shares		
Perpetual bonds		
Capital reserve	9,946,666,892.53	10,584,782,807.56
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	179,622,015.26	126,108,937.21
Undistributed profit	485,261,705.93	246,837,709.46
Total owners' equity	12,482,271,428.72	12,828,450,269.23
Total liabilities and owners' equity	12,552,512,759.96	12,909,858,817.80

3. Consolidated income statement

In RMB

Item	2023	2022
------	------	------

I. Total operating revenue	14,628,016,301.84	13,976,774,034.92
Incl.: Operating revenue	14,628,016,301.84	13,976,774,034.92
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	12,906,257,244.76	12,305,534,748.08
Incl.: Operating cost	9,803,006,894.94	9,208,080,123.07
Interest expenses		
Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Net withdrawal of insurance contract reserves		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Taxes and surcharges	100,115,217.83	90,965,838.45
Selling expenses	2,260,065,273.97	2,244,824,328.98
Administrative expenses	612,009,007.33	646,502,018.06
R&D expenses	278,728,244.78	257,607,242.41
Financial expenses	-147,667,394.09	-142,444,802.89
Incl.: Interest expenses	23,068,674.36	20,141,897.51
Interest income	208,888,917.13	200,121,015.01
Add: Other income	122,924,507.92	127,463,901.62
Investment income (loss is indicated by “-”)	73,236,767.58	133,063,862.35
Incl.: Income from investments in associates and joint ventures	-4,123,864.73	-2,576,746.69
Income from derecognition of financial assets measured at amortized cost		
Foreign exchange gains (loss is indicated by “-”)		
Net exposure hedging income (loss is indicated by “-”)		
Gains from changes in fair value (loss is indicated by “-”)		
Credit loss (loss is indicated by “-”)	-67,536,455.57	-118,469,952.32
Impairment losses of assets (loss is indicated by “-”)	-32,524,584.01	-49,744,224.16
Gains from disposal of assets (loss is indicated by “-”)	1,171,623.19	891,438.70

III. Operating profit (loss is indicated by “-”)	1,819,030,916.19	1,764,444,313.03
Add: Non-operating revenue	35,532,003.82	45,628,450.37
Less: Non-operating expenses	4,005,884.29	4,490,381.74
IV. Total profit (total losses are indicated by “-”)	1,850,557,035.72	1,805,582,381.66
Less: Income tax expense	-1,620,769,786.67	76,071.59
V. Net profit (net loss is indicated by “-”)	3,471,326,822.39	1,805,506,310.07
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operations (net loss is indicated by “-”)	3,471,326,822.39	1,805,506,310.07
2. Net profit from discontinued operations (net loss is indicated by “-”)		
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	3,555,705,558.90	1,864,245,432.69
2. Profit or loss attributable to minority interests	-84,378,736.51	-58,739,122.62
VI. Other comprehensive income, net of tax	14,621.32	171,220.08
Other comprehensive income attributable to owners of the parent company, net of tax	14,621.32	171,220.08
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Changes in fair value of other investments in equity instruments		
4. Changes in fair value of enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	14,621.32	171,220.08
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amounts of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment		

of other debt investments		
5. Reserve for cash flow hedges		
6. Translation differences of financial statements denominated in foreign currencies	14,621.32	171,220.08
7. Others		
Other comprehensive income attributable to minority interests, net of tax		
VII. Total comprehensive income	3,471,341,443.71	1,805,677,530.15
Total comprehensive income attributable to owners of the parent company	3,555,720,180.22	1,864,416,652.77
Total comprehensive income attributable to minority interests	-84,378,736.51	-58,739,122.62
VIII. Earnings per share		
(I) Basic earnings per share	1.90	1.00
(II) Diluted earnings per share	1.90	1.00

With respect to the business mergers involving entities under common control consummated in the current period, the net profit of the acquirees was RMB32,481,963.81 prior to the merger, and RMB39,292,296.69 in the prior period.

Legal representative: CAI Huaijun

CFO: ZHANG Zhihong

Chief Accountant: TAO Jinyu

4. Income statement of the parent company

Item	In RMB	
	2023	2022
I. Operating revenue	11,056.00	18,867.92
Less: Operating cost	0.00	0.00
Taxes and surcharges	423,344.58	2,099.24
Selling expenses		
Administrative expenses	79,347,994.13	101,887,298.84
R&D expenses		
Financial expenses	-14,858,117.90	-12,545,424.65
Incl.: Interest expenses	328,285.09	401,132.83
Interest income	15,190,882.99	12,954,190.78
Add: Other income	15,041.29	84,643.52
Investment income (loss is indicated by "-")	600,000,000.00	300,000,000.00
Incl.: Income from investments in associates and joint ventures		
Income from derecognition of financial assets measured at amortized cost (loss is indicated by "-")		
Net exposure hedging income (loss is indicated by "-")		
Gains from changes in fair value (loss is indicated by "-")		
Impairment losses of credit (loss is indicated by "-")	-97.01	1,001.18
Impairment losses of assets (loss is indicated by "-")		
Gains from disposal of assets (loss is indicated by "-")		
II. Operating profit (loss is indicated by	535,112,779.47	210,760,539.19

“-”)		
Add: Non-operating revenue	18,001.00	75,000.00
Less: Non-operating expenses		
III. Total profit (total loss is indicated by “-”)	535,130,780.47	210,835,539.19
Less: Income tax expense		
IV. Net profit (net loss is indicated by “-”)	535,130,780.47	210,835,539.19
(I) Net profit from continuing operations (net loss is indicated by “-”)	535,130,780.47	210,835,539.19
(II) Net profit from discontinued operations (net loss is indicated by “-”)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss		
1. Changes from re-measurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Changes in fair value of other investments in equity instruments		
4. Changes in fair value of enterprises' own credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amounts of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedges		
6. Translation differences of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	535,130,780.47	210,835,539.19
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated statements of cash flows

In RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	14,115,387,393.70	13,095,415,217.09
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from banks and other financial institutions		

Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and commissions		
Net increase in taking from banks and other financial institutions		
Net increase in financial assets sold under repurchase arrangements		
Net cash received from securities trading agency		
Receipts of tax refunds	8,609,557.50	30,895,444.30
Other cash receipts relating to operating activities	394,108,040.56	447,974,990.68
Sub-total of cash inflows from operating activities	14,518,104,991.76	13,574,285,652.07
Cash payments for goods purchased and services received	9,748,214,137.91	9,318,836,426.27
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and policyholders' benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	1,493,967,167.82	1,616,052,857.07
Payment of various types of taxes	292,315,607.94	205,306,601.01
Other cash payments relating to operating activities	1,899,834,821.38	1,812,286,068.28
Sub-total of cash outflows from operating activities	13,434,331,735.05	12,952,481,952.63
Net cash flows from operating activities	1,083,773,256.71	621,803,699.44
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments		
Cash receipts from investment income		
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	225,533.85	173,531.48
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities	7,219,275,772.73	14,218,668,535.75
Sub-total of cash inflows from investing activities	7,219,501,306.58	14,218,842,067.23
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	150,261,073.92	189,897,809.91
Cash payments to acquire investments		
Net increase in pledged loans receivable		
Net cash payments for acquisitions of subsidiaries and other business entities	834,795,100.00	

Other cash payments relating to investing activities	5,478,000,000.00	13,371,990,000.00
Sub-total of cash outflows from investing activities	6,463,056,173.92	13,561,887,809.91
Net cash flows from investment activities	756,445,132.66	656,954,257.32
III. Cash flows from financing activities:		
Cash receipts from investments by others		315,693,346.30
Incl.: Cash received by subsidiaries from minority shareholders' investments		286,000,000.00
Cash receipts from borrowings	679,622,361.64	1,607,632,088.23
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	679,622,361.64	1,923,325,434.53
Cash repayments of borrowings	296,562,773.00	39,051,360.40
Cash payments for distribution of dividends or profits or settlement of interest expenses	555,137,003.35	255,759,728.90
Incl.: Dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	146,238,041.16	96,719,804.50
Sub-total of cash outflows from operating activities	997,937,817.51	391,530,893.80
Net cash flows from financing activities	-318,315,455.87	1,531,794,540.73
IV. Effect of foreign exchange rate changes on cash and cash equivalents	94,337.15	458,406.76
V. Net increase in cash and cash equivalents	1,521,997,270.65	2,811,010,904.25
Add: Opening balance of cash and cash equivalents	10,345,319,073.78	7,534,308,169.53
VI. Closing balance of cash and cash equivalents	11,867,316,344.43	10,345,319,073.78

6. Statement of cash flows of the parent company

In RMB

Item	2023	2022
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services		
Receipts of tax refunds		
Other cash receipts relating to operating activities	22,753,060.50	17,332,962.40
Sub-total of cash inflows from operating activities	22,753,060.50	17,332,962.40
Cash payments for goods purchased and services received		
Cash payments to and on behalf of employees	58,220,694.58	52,213,840.99
Payment of various types of taxes	5,947.03	2,099.24
Other cash payments relating to operating activities	38,515,544.95	26,017,975.33
Sub-total of cash outflows from operating activities	96,742,186.56	78,233,915.56
Net cash flows from operating activities	-73,989,126.06	-60,900,953.16
II. Cash flows from investing activities:		
Cash receipts from disposals and recovery of investments		
Cash receipts from investment income	900,000,000.00	250,000,000.00
Net cash receipts from disposals of fixed assets, intangible assets and other		

long-term assets		
Net cash receipts from disposals of subsidiaries and other business entities		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	900,000,000.00	250,000,000.00
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	158,535.05	497,131.58
Cash payments to acquire investments	834,795,100.00	
Net cash payments for acquisitions of subsidiaries and other business entities		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	834,953,635.05	497,131.58
Net cash flows from investment activities	65,046,364.95	249,502,868.42
III. Cash flows from financing activities:		
Cash receipts from investments by others		
Cash receipts from borrowings		
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash repayments of borrowings		
Cash payments for distribution of dividends or profits or settlement of interest expenses	243,193,705.95	243,193,705.95
Other cash payments relating to financing activities	2,204,250.30	2,099,286.00
Sub-total of cash outflows from operating activities	245,397,956.25	245,292,991.95
Net cash flows from financing activities	-245,397,956.25	-245,292,991.95
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-254,340,717.36	-56,691,076.69
Add: Opening balance of cash and cash equivalents	536,508,258.51	593,199,335.20
VI. Closing balance of cash and cash equivalents	282,167,541.15	536,508,258.51

7. Consolidated statement of changes in owners' equity

Amount in the current period

In RMB

Item	2023													Minority interests	Total owners' equity	
	Equity attributable to owners of the parent company											Sub-total				
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits		Others			
	Preference shares	Perpetual bonds	Others													
I. Closing balance of the preceding year	1,870,720,815.00				9,646,210,097.63		157,436.90		126,108,937.21		7,371,494,125.42		19,014,691,412.16	-	44,406,275.30	18,970,285,136.86
Add: Changes in accounting policies																
Corrections of prior period errors																
Others																
II. Opening balance of the current year	1,870,720,815.00				9,646,210,097.63		157,436.90		126,108,937.21		7,371,494,125.42		19,014,691,412.16	-		18,970,285,136.86

	815.00				0,097.63	90	937.21		125.42		91,412.16	44,406,275.30	
III. Changes for the year (decrease is indicated by “-”)					-834,795,100.00	14,621.32	53,513,078.05		3,258,998,774.90		2,477,731,374.27	84,378,736.51	2,393,352,637.76
(I) Total comprehensive income						14,621.32			3,555,705,558.90		3,555,720,180.22	84,378,736.51	3,471,341,443.71
(II) Owners' contributions and reduction in capital													
1. Ordinary shares contributed by owners													
2. Capital contribution from holders of other equity instruments													
3. Share-based payment recognized in owners' equity													
4. Others													
(III) Profit distribution							53,513,078.05		-296,706,784.00		-243,193,705.95		-243,193,705.95
1. Transfer to surplus reserve							53,513,078.05		53,513,078.05				
2. Transfer to general risk reserve													
3. Distributions to owners (shareholders)									-243,193,705.95		-243,193,705.95		-243,193,705.95
4. Others													
(IV) Transfers within owners' equity													
1. Capitalization of capital reserve													
2. Capitalization of surplus reserve													
3. Loss offset by surplus reserve													
4. Retained earnings carried forward from changes in defined benefit plans													
5. Retained earnings carried forward from other comprehensive income													
6. Others													
(V) Special reserve													
1. Transfer to special reserve in the period													
2. Amount utilized in the period													
(VI) Others					-834,795,100.00						834,795,100.00		-834,795,100.00
IV. Closing balance of the current period	1,870,720,815.00				8,811,414,997.63	172,058.22	179,622,015.26		10,630,492,900.32		21,492,422,786.43	128,785,011.81	21,363,637,774.62

Amount in the prior period

In RMB

Item	2022													Minority interests	Total owners' equity
	Equity attributable to owners of the parent company											Sub-total			
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits		Others		
	Preference shares	Perpetual bonds	Others												
I. Closing balance of the	1,870,720,815.00				9,244,300.00		-	105,025.00		5,746,280.00		16,966,000.00	30,763,885.00	16,997,164,244.07	

preceding year	815.00			86,503.55		13,783.18		,383.29		1,439.57		400,358.23	84	
Add: Changes in accounting policies										-		-	-20,010.03	-267,855.88
Corrections of prior period errors														
Others				61,645,488.85						346,036,158.88		407,681,647.73		407,681,647.73
II. Opening balance of the current year	1,870,720,815.00			9,306,031,992.40		-13,783.18		105,025,383.29		6,092,069,752.60		17,373,834,160.11	30,743,875.81	17,404,578,035.92
III. Changes for the year (decrease is indicated by "-")				340,178,105.23		171,220.08		21,083,553.92		1,279,424,372.82		1,640,857,252.05	-75,150,151.11	1,565,707,100.94
(I) Total comprehensive income						171,220.08				1,864,245,432.69		1,864,416,652.77	-58,739,122.62	1,805,677,530.15
(II) Owners' contributions and reduction in capital				340,178,105.23								340,178,105.23	16,411,028.49	323,767,076.74
1. Ordinary shares contributed by owners				37,767,076.74								37,767,076.74		37,767,076.74
2. Capital contribution from holders of other equity instruments														
3. Share-based payment recognized in owners' equity														
4. Others				302,411,028.49								302,411,028.49	16,411,028.49	286,000,000.00
(III) Profit distribution								21,083,553.92		584,821,059.87		563,737,505.95		-563,737,505.95
1. Transfer to surplus reserve								21,083,553.92		21,083,553.92				
2. Transfer to general risk reserve														
3. Distributions to owners (shareholders)										-		-		-563,737,505.95
4. Others														
(IV) Transfers within owners' equity														
1. Capitalization of capital reserve														
2. Capitalization of surplus reserve														
3. Loss offset by surplus reserve														
4. Retained earnings carried forward from changes in defined benefit plans														
5. Retained earnings carried forward from other comprehensive income														
6. Others														
(V) Special reserve														
1. Transfer to special reserve in the period														

2. Amount utilized in the period															
(VI) Others															
IV. Closing balance of the current period	1,870,720,815.00			9,646,210,097.63		157,436.90		126,108,937.21		7,371,494,125.42		19,014,691,412.16	44,406,275.30	-	18,970,285,136.86

8. Statement of changes in owners' equity of the parent company

Amount in the current period

In RMB

Item	2023											Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	
		Preference shares	Perpetual bonds	Others								
I. Closing balance of the preceding year	1,870,720,815.00				10,584,782,807.56				126,108,937.21	246,837,709.46		12,828,450,269.23
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Opening balance of the current year	1,870,720,815.00				10,584,782,807.56				126,108,937.21	246,837,709.46		12,828,450,269.23
III. Changes for the year (decrease is indicated by "-")					-638,115,915.03				53,513,078.05	238,423,996.47		-346,178,840.51
(I) Total comprehensive income										535,130,780.47		535,130,780.47
(II) Owners' contributions and reduction in capital												
1. Ordinary shares contributed by owners												
2. Capital contribution from holders of other equity instruments												
3. Share-based payment recognized in owners' equity												
4. Others												
(III) Profit distribution									53,513,078.05	-296,706,784.00		-243,193,705.95
1. Transfer to surplus reserve									53,513,078.05	-53,513,078.05		
2. Distributions to owners (shareholders)										-243,193,705.95		-243,193,705.95
3. Others												
(IV) Transfers within owners' equity												
1. Capitalization of capital reserve												
2. Capitalization of surplus reserve												
3. Loss offset by surplus reserve												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												

(V) Special reserve												
1. Transfer to special reserve in the period												
2. Amount utilized in the period												
(VI) Others					638,115,915.03							-638,115,915.03
IV. Closing balance of the current period	1,870,720,815.00				9,946,666,892.53			179,622,015.26	485,261,705.93			12,482,271,428.72

Amount in the prior period

In RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total owners' equity
		Preference shares	Perpetual bonds	Others								
I. Closing balance of the preceding year	1,870,720,815.00				10,584,782,807.56			105,025,383.29	300,279,430.14			12,860,808,435.99
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Opening balance of the current year	1,870,720,815.00				10,584,782,807.56			105,025,383.29	300,279,430.14			12,860,808,435.99
III. Changes for the year (Decrease is indicated by "-")								21,083,553.92	-53,441,720.68			-32,358,166.76
(I) Total comprehensive income									210,835,539.19			210,835,539.19
(II) Owners' contributions and reduction in capital												
1. Ordinary shares contributed by owners												
2. Capital contribution from holders of other equity instruments												
3. Share-based payment recognized in owners' equity												
4. Others												
(III) Profit distribution								21,083,553.92	-264,277,259.87			-243,193,705.95
1. Transfer to surplus reserve								21,083,553.92	-21,083,553.92			
2. Distributions to owners (shareholders)									-243,193,705.95			-243,193,705.95
3. Others												
(IV) Transfers within owners' equity												
1. Capitalization of capital reserve												
2. Capitalization of surplus reserve												
3. Loss offset by surplus reserve												

4. Retained earnings carried forward from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Transfer to special reserve in the period												
2. Amount utilized in the period												
(VI) Others												
IV. Closing balance of the current period	1,870,720,815.00				10,584,782,807.56				126,108,937.21	246,837,709.46		12,828,450,269.23

III. Basic Information of the Company

Mango Excellent Media Co., Ltd. (the “Company”), formerly known as Happigo Inc., was established on the basis of the overall change of Happigo Co., Ltd. It completed the registration with the Administration for Industry and Commerce of Changsha City, Hunan Province on December 28, 2005, with the headquarter located in Changsha City, Hunan Province. In July 2018, the Company changed its name from “Happigo Inc.” to “Mango Excellent Media Co., Ltd”. Currently, the Company holds a business license with unified social credit code numbered 91430100782875193K, with registered capital amounting to RMB1,870,720,815.00 and a total of 1,870,720,815 shares (with the par value of RMB 1 per share) comprising restricted outstanding A-share of 849,020,900 shares and unrestricted A-share of 1,021,700,000 shares as of December 31, 2023. The Company’s shares were listed for trading on the Shenzhen Stock Exchange on January 21, 2015.

The Company is an entity engaged in the Internet new media industry. Its principal operating activities can be divided into three parts, namely new media platform operation, new media interactive entertainment content production and media retail business.

These financial statements were approved by the 20th meeting of the 4th Board of Directors of the Company on April 18, 2024 for issuance.

IV. Basis of Preparation of Financial Statements

1. Basis of preparation

The Company’s financial statements are prepared on a going-concern basis.

2. Going-concerning

The Company has detected no events or circumstances that may cast significant doubt upon its ability to continue as a going concern within 12 months from the Reporting Period.

V. Significant Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

Notice: The Company has formulated the specific accounting policies and made the specific accounting estimates with respect to the impairment of financial instruments, depreciation of fixed assets, depreciation of right-of-use assets, amortization of intangible assets, recognition of revenues and other transactions and events according to the actual production and operation characteristics of the Company.

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial position, operating results, cash flows and other related information.

2. Accounting period

The Company's accounting year is from January 1 to December 31 of each calendar year.

3. Operating cycle

The Company has a relatively short operating cycle, and determines the liquidity of assets and liabilities on the basis of 12 months.

4. Functional currency

The Company and its domestic subsidiaries adopt RMB as its functional currency, while Mgtv.com (Hong Kong) Media Company Limited engages in overseas operations and accordingly selects the US dollar, the currency used in the main economic environment in which it operates, as its functional currency.

5. Determination and basis for selection of materiality criteria

Applicable N/A

Item	Materiality criteria
Material accounts receivable assessed for impairment loss individually	Individual accounts receivable in excess of RMB10 million are recognized as material accounts receivable.
Material prepayments aged more than one year	Individual prepayments in excess of RMB30 million and aged more than one year are recognized as material prepayments.
Material accounts payable aged more than one year	Individual accounts payable in excess of RMB30 million and aged more than one year are recognized as material accounts payable.
Material other payables aged more than one year	Individual other payables in excess of RMB3 million and aged more than one year are recognized as material other payables.
Material capitalised research and development projects	Any capitalised research and development project in excess of RMB30 million is recognized as a material capitalised research and development project
Material subsidiaries and non-wholly-owned subsidiaries	Any subsidiary whose total assets/operating revenue accounts for more than 15% of the Group's total assets/operating revenue, or whose total profit/net profit accounts for more than 10% of the Group's total profit/net profit is recognized as a material subsidiary or non-wholly-owned subsidiary (as the case may be).
Material commitments	Individual commitments in excess of RMB100 million are recognized as material commitments.
Material contingencies	Individual contingencies in excess of RMB10 million or of a special nature are recognized as material contingencies.
Material subsequent events	Individual subsequent events in excess of RMB100 million are recognized as material subsequent events.
Material debt restructuring	Any debt restructuring in excess of RMB10 million is recognized as a material debt restructuring

6. Accounting treatment of business mergers involving entities under common control and business mergers not involving entities under common control

1. Accounting treatment of business merger involving entities under common control

Assets and liabilities that are obtained by the Company in a business merger shall be measured at their carrying values in the consolidated financial statements of the ultimate controller at the merger date as recorded by the acquiree. The difference between the carrying value of the owners' equity of the acquiree as stated in the consolidated financial statements of the ultimate controller and the carrying value of the total consideration paid or total par value of the shares issued in connection with the merger is treated as an

adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

2. Accounting treatment of business mergers not involving entities under common control

Where the cost of the merger exceeds the Company's share of the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill at the date of acquisition. Where the cost of merger is lower than the Company's share of the fair value of the acquiree's identifiable net assets, the Company reviews the measurement of the fair value of each of the identifiable assets, liabilities and provisions acquired from the acquiree and the cost of merger, and if the cost of merger as reviewed is still lower than the Company's share of the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period.

7. Determination of control and method of preparation of consolidated financial statements

1. Determination of control

Control refers to the investor has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power of the investee to influence the amount of returns.

2. Method of preparation of consolidated financial statements

The Company includes all of its controlled subsidiaries in its consolidated financial statements. The consolidated financial statements are prepared by the parent company in accordance with the Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements, on the basis of the respective financial statements of the parent company and its subsidiaries, by reference to other relevant data.

8. Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements are classified into joint operations and joint ventures.

2. When the Company is a party to a joint operation, the Company recognizes the following items relating to its interest in the joint operation:

- (1) the assets individually held by the Company, and the Company's share of the assets held jointly;
- (2) the liabilities incurred individually by the Company, and the Company's share of the liabilities incurred jointly;
- (3) the Company's revenue from the sale of its share of output of the joint operation;
- (4) the Company's share of revenue from the sale of assets by the joint operation; and
- (5) the expenses incurred individually by the Company, and the Company's share of the expenses incurred jointly.

9. Recognition of cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises cash on hand and demand deposits, and cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements

1. Translation of foreign currency transactions

Upon initial recognition, foreign currency transactions are translated into RMB using the exchange rates prevailing at the transaction dates. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from such translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets and accrued interest. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the foreign exchange rates ruling at the transaction dates, without adjusting the amounts in RMB. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rates prevailing at the dates the fair value was determined, and exchange differences arising from such translations are recognized in profit or loss for the current period or other comprehensive income.

2. Translation of foreign currency financial statements

The asset and liability items in the balance sheet are translated at the spot exchange rates at the balance sheet date. The owners' equity items other than "Undistributed profits" are translated at the spot exchange rates at the transaction dates. The income and expense items in the income statements are translated at the spot exchange rates at the transaction dates. Exchange differences arising from such translations are recognized in other comprehensive income.

11. Financial instruments

1. Classification of financial assets and financial liabilities

Upon initial recognition, financial assets are classified into: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; and (3) financial assets at fair value through profit or loss.

Upon initial recognition, financial liabilities are classified into: (1) financial liabilities at fair value through profit or loss; (2)

financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred; (3) financial guarantee contracts not falling under items (1) and (2), and loan commitments not falling under item (1) and below market interest rate; and (4) financial liabilities at amortized cost.

2. Recognition, measurement and derecognition of financial assets and financial liabilities

(1) Recognition and initial measurement of financial assets and financial liabilities

When the Company becomes a party to a financial instrument contract, a financial asset or liability is recognized. Financial assets and liabilities are initially measured at fair value. Transaction costs relating to financial assets or liabilities at fair value through profit or loss are directly recognized in profit or loss for the current period. Transaction costs relating to other kinds of financial assets or liabilities are included in their initially recognized amount. However, where the accounts that do not contain any significant financing component or are recognized by the Company without taking into consideration the significant financing components under the contracts with a term of less than one year upon initial recognition are initially measured at transaction price defined in the Accounting Standards for Business Enterprises No. 14 - Revenue.

(2) Subsequent measurement of financial assets

1) Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. Gains or losses on financial assets at amortized cost that do not belong to any hedging relationship are recognized in profit or loss for the current period upon derecognition, reclassification, amortization using the effective interest method or recognition of impairment.

2) Investments in debt instruments at fair value through other comprehensive income

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. On derecognition, the cumulative gain or loss previously included in other comprehensive income is removed out from other comprehensive income and included in profit or loss for the current period.

3) Investments in equity instruments at fair value through other comprehensive income

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value. Dividends received (other than those received as recovery of investment cost) are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. On derecognition, the cumulative gain or loss previously included in other comprehensive income is removed out from other comprehensive income and included in retained earnings.

4) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains or losses thereon, including interest and dividend income, are recognized in profit or loss for the current period, except the financial assets belonging to any hedging relationship.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives classified as financial liabilities), and financial liabilities directly designated as at fair value through profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated as at fair value through profit or loss arising out of changes in the Company's credit risk are recognized in other comprehensive income, unless such treatment will result in or increase any accounting mismatch in profit or loss. Other gains or losses on such financial liabilities, including interest expenses and changes in fair value not arising out of changes in the Company's credit risk, are recognized in profit or loss for the current period, except the financial liabilities belonging to any hedging relationship. On derecognition, the cumulative gain or loss previously included in other comprehensive income is removed out from other comprehensive income and included in retained earnings.

2) Financial liabilities arising as a result of the transfer of financial assets not meeting the criteria for derecognition or continuing involvement in the financial assets transferred

Such financial liabilities are measured in accordance with the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets.

3) Financial guarantee contracts not falling under items 1) and 2) above, and loan commitments not falling under item 1) above and below market interest rate

Such financial liabilities are subsequently measured at the higher of ① provision for impairment losses determined according to the policy for impairment of financial instruments; and ② balance of the initially recognized amount after deduction of the accumulated amortization determined in accordance with Accounting Standards for Business Enterprises No. 14 - Revenue.

4) Financial liabilities at amortized cost

Such financial liabilities are measured at amortized cost using the effective interest method. Gains or losses on financial liabilities at amortized cost that do not belong to any hedging relationship are recognized in profit or loss for the current period upon derecognition or amortization using the effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

① the contractual right to receive cash flows from the financial assets has expired; or

② the financial assets have been transferred and such transfer meets the criteria for derecognition of financial assets as set forth in the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets.

2) A financial liability (or part thereof) is derecognized when all or part of the outstanding obligations thereon have been discharged.

3. Determination and measurement of financial assets transferred

When a financial asset of the Company is transferred, if substantially all the risks and rewards incidental to the ownership of the financial asset have been transferred, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be). If the Company retains substantially all the risks and rewards of ownership of a financial asset, the Company shall not derecognize the financial asset. If the Company retains substantially

all the risks and rewards of ownership of a financial asset, the Company shall not derecognize the financial asset. If the Company neither transferred nor retained a substantial portion of all risks and rewards incidental to the ownership of the financial asset, then: (1) if the Company does not retain control over the financial asset, the financial asset is derecognized, and the rights and obligations incurred or retained in such transfer are separately recognized as assets or liabilities (as the case may be); and (2) if the Company retains control over the financial asset, the financial asset continues to be recognized to the extent of the Company's continuing involvement in the financial asset transferred, and a corresponding liability is recognized.

If an entire transfer of a financial asset meets the criteria for derecognition, the difference between (1) the carrying value of the financial asset transferred at the date of derecognition; and (2) the sum of the consideration received from the transfer and the portion of the cumulative amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss for the current period. If part of a financial asset is transferred and the part transferred entirely meets the criteria for derecognition, the total carrying value of the financial asset immediately prior to the transfer is allocated between the part derecognized and the part not derecognized in proportion to their relative fair value at the date of transfer, and the difference between (1) the carrying value of the part derecognized and (2) the sum of the consideration received from the transfer of the part derecognized and the portion of the cumulative amount of changes in fair value directly recorded as other comprehensive income originally that corresponds to the part derecognized (where the financial asset transferred is an investment in debt instruments at fair value through other comprehensive income) is recognized in profit or loss for the current period.

4. Determination of fair value of financial assets and financial liabilities

The Company adopts the valuation techniques applicable to the current situations and with sufficient data available and support of other information to determine the fair value of financial assets and financial liabilities. The Company classifies the inputs used by the valuation techniques in the following levels and uses them in turn:

(1) Level 1 inputs: quoted market price (unadjusted) in an active market for an identical asset or liability available at the date of measurement;

(2) Level 2 inputs: inputs other than inputs included within Level 1 that are observable directly or indirectly. This category includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, observable inputs other than quoted prices (such as interest rate and yield curves observable during regular intervals of quotation), and inputs validated by the market;

(3) Level 3 inputs: inputs that are unobservable. This category includes interest rate or stock volatility that cannot be directly observed or validated by observable market data, future cash flows from retirement obligation incurred in business mergers, and financial forecasts made using own data.

5. Impairment of financial instruments

(1) Measurement and accounting treatment of impairment of financial instruments

The Company carries out impairment treatment and determines impairment losses of financial assets at amortized cost, investments in debt instruments at fair value with changes accrued to other comprehensive income, contract assets, lease receivables, loan commitments other than financial liabilities at fair value with changes accrued to current profit or loss, and financial guarantee contracts other than financial liabilities at fair value with changes accrued to current profit or loss and other than financial liabilities arising as a result of the transfer of financial assets that does not meet the criteria for derecognition or that continues being involved in the financial assets transferred, on the basis of expected credit losses.

Expected credit loss is the weighted average of credit losses on financial instruments taking into account the possibility of default. Credit loss is the present value of the difference between all contractual cash flows receivable under the contract and estimated future cash flows discounted at the original effective interest rate, i.e., the present value of all cash shortage, wherein the Company's purchased or originated financial assets that have become credit impaired are discounted at their credit-adjusted effective interest rate.

With respect to purchased or originated financial assets that have become credit impaired, at the balance sheet date, the Company recognizes a loss allowance equal to the cumulative amount of changes in lifetime expected credit losses since initial recognition.

With respect to accounts receivable and contract assets that arise from the transactions regulated under the Accounting Standard for Business Enterprises No. 14 - Revenue and do not contain any significant financing component or are recognized by the Company without taking into consideration the significant financing components under the contracts with a term of less than one year, the Company uses the simple measurement method and recognizes a loss allowance equal to the lifetime expected credit losses.

With respect to financial assets not using the measurement methods stated above, at each balance sheet date, the Company assesses whether the credit risk has increased significantly since initial recognition, and recognizes a loss allowance equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition, or to the expected credit losses within the next 12 months if the credit risk has not increased significantly since initial recognition.

The Company uses reasonable and supportable information, including forward-looking information, and compares the possibility of default at the balance sheet date with the possibility of default upon initial recognition, to determine whether the credit risk of the financial instruments has increased significantly since initial recognition.

At the balance sheet date, if the Company determines that a financial instrument has low credit risk, the Company assumes that its credit risk has not increased significantly since initial recognition.

The Company assesses expected credit risk and measures expected credit losses of financial instruments individually or collectively. When assessing the financial instruments collectively, the Company includes the financial instruments in different groups according to their common risk characteristics.

At each balance sheet date, the Company re-assesses the expected credit losses, with the amount of increase in or reversal of loss allowance recognized in profit or loss for the current period as impairment losses or gains. With respect to a financial asset at amortized cost, its carrying value recorded in the balance sheet is written off against the loss allowance. With respect to an investment in debt instruments at fair value through other comprehensive income, the Company recognizes the loss allowance in other comprehensive income, without reducing its carrying value.

(2) Financial instruments with expected credit risk assessed on a group basis and expected credit loss measured under three-stage model

Item	Basis for grouping	Method for measuring expected credit losses
Other receivables - group of receivables from related parties controlled by the same actual controller	Nature of receivables	Calculate the expected credit losses according to the default risk exposure and rate of expected credit loss within the next 12 months or lifetime expected credit losses by reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions.
Other receivables - group of deposit and security receivable		
Other receivables - grouping by age	Aging	

(3) Accounts receivable and contract assets for which expected credit losses are measured collectively

1) Specific grouping and method for measuring expected credit losses

Item	Basis for grouping	Method for measuring expected credit losses
Notes receivable - banker's acceptance bills	Type of notes	Calculate the expected credit losses according to the default risk exposure and lifetime expected credit losses by reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions.
Notes receivable - commercial acceptance bills receivable		
Accounts receivables - group of receivables from related parties controlled by the same actual controller	Group of receivables from related parties controlled by the same actual controller	
Accounts receivable - grouping by age	Aging	Prepare a comparison table of the age of accounts receivable and rate of lifetime expected credit loss, and calculate the expected credit losses by reference to historic credit loss experience, and taking into account the current situations and prediction of future economic conditions.
Contract assets - group of operator business	Operator business	Calculate the expected losses according to the default risk exposure and rate of lifetime expected loss by reference to historic loss experience, and taking into account the current situations and prediction of future economic conditions.

2) Accounts receivable - comparison table of the age of accounts receivable and rate of lifetime expected credit loss

Aging	Accounts receivable Rate of expected credit loss (%)
Group I: Mango TV Internet Video Business (Happy Sunshine)	
Within 1 year (inclusive, same below)	5.00
1-2 years	10.00
2-3 years	30.00
3-4 years	50.00
4-5 years	100.00
Over 5 years	100.00
Group II: New media interactive entertainment production and operation, content e-commerce and others (companies other than Happy Sunshine)	
Within 1 year (inclusive, same below)	1.00
1-2 years	5.00
2-3 years	10.00
3-4 years	30.00
4-5 years	50.00
Over 5 years	100.00

Accounts receivable shall be aged from the month in which they are actually incurred.

(4) The criteria for the identification of receivables and contract assets for the accrual of expected credit losses on an individual basis

For receivables and contract assets whose credit risk is significantly different from its portfolio credit risk, the expected credit losses shall be accrued on an individual basis.

6. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, a financial asset and a financial liability shall be offset, and the net amount presented in the balance sheet when both of the following conditions are satisfied: (1) the Company has a legal right to set off the recognized amounts and the legal right is currently enforceable; and (2) the Company intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred financial asset and the associated liability.

12. Contract assets

Contract assets or contract liabilities are presented in the balance sheet according to the relationship between the relevant performance obligations and payment by the customer. Contract assets and contract liabilities under the same contract are presented on a net basis.

The right of the Company to payment that is unconditional, except for the passage of time, is presented as an account receivable. The right of the Company to payment for goods already transferred to a customer is presented as a contract asset if that right to payment is conditional on something other than the passage of time.

13. Inventories

The Company shall comply with the disclosure requirements for “Internet Video Business” set forth in the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 4 – Disclosure of Industry Information by the Companies Listed on the ChiNext Board.

1. Classification of inventories

Inventories include finished goods or merchandise held by the Company for sale in the ordinary course of business, or work in progress in the process of production for such sale, or materials or supplies to be consumed in the production process or in the rendering of services.

2. Pricing methods of inventories transferred out

When transferring out inventories, the Company determines the actual cost of automobile, film and TV drama and consignment goods using the specific-identification method and of the remaining goods using the weighted moving average method.

3. Inventory systems for inventories

A perpetual inventory system is adopted, among which the Company uses verification of copyright and other right documents as the inventory system for films and TV dramas.

4. Amortization of low-value consumables and packing materials

(1) Low-value consumables

The packing materials are amortized using immediate write-off method.

(2) Packing materials

The packing materials are amortized using immediate write-off method.

5. Determination criteria and accrual method of inventory depreciation reserve

On the balance sheet date, inventory is measured at the lower of the cost or the net realizable value, and the inventory depreciation reserve is accrued for the difference between the cost and the net realizable value. In the normal production and operation process, the net realizable value of inventory directly used for sale is determined by the estimated selling prices of inventory less the estimated selling expenses and related taxes; in the normal production and operation process, the net realizable value of inventory to be processed is determined by the estimated selling prices of finished products less the estimated costs to be incurred upon completion, the estimated selling expenses, and related taxes; on the balance sheet date, if part of the same inventory has contract price agreements, while the other part does not have any, their net realizable values shall be determined respectively, which shall be compared with the corresponding costs, to determine the amount of the inventory depreciation reserve to be accrued or reserved respectively.

14. Long-term equity investments

1. Judgment criteria of joint control and significant influence

Joint control is the agreed sharing of control over an arrangement, and the decision in relation to the relevant activities of such arrangement may only be made upon the unanimous consent of the parties sharing control. Significant influence is the power of the investing enterprise to participate in the financial and operating policy decisions of an investee, but is not control or joint control with other parties over the establishment of those policies.

2. Determination of investment cost

(1) In case of an equity investment acquired through a business merger involving entities under common control, if the acquirer pays consideration for the business merger by cash, transfer of non-cash assets, assumption of liabilities or issuance of equity securities, the initial investment cost of the long-term equity investment is the Company’s share of the carrying value of the owners’ equity of the acquiree in the consolidated financial statements of the ultimate controller at the date of merger. The difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid for the merger or the total par value of the shares issued (as applicable) is treated as an adjustment to the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

In case of a long-term equity investment acquired through a business merger involving entities under common control and through multiple transactions by steps, the Company judges whether they constitute a “package deal” or not. If they belong to a “package deal”, the Company accounts for all transactions as one transaction to acquire control. If such transactions do not constitute a “package deal”, the initial investment cost is the Company’s post-merger share of the carrying value of the net assets of the acquiree in the consolidated financial statements of the ultimate controller at the date of merger. The difference between the initial investment cost of the long-term equity investment at the date of merger and the sum of the carrying value of long-term equity investment before the merger and the carrying value of the consideration paid for acquisition of the additional shares at the date of merger is adjusted against the capital reserve. In case the capital reserve is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

(2) In case of an equity investment acquired through a business merger not involving entities under common control, the initial

investment cost is the fair value of the consideration paid for the merger at the date of acquisition.

With respect to a long-term equity investment acquired through a business merger not involving entities under common control that is achieved through multiple transactions by steps, the accounting treatment thereof in the separate financial statements is different from that in the consolidated financial statements as stated below:

1) In the separate financial statements, the initial investment cost for which the Company changes to the cost method is the sum of the carrying value of the long-term equity investment originally held and the new investment cost.

2) In the consolidated financial statements, the Company judges whether the transactions constitute a “package deal” or not. If they belong to a “package deal”, the Company accounts for all transactions as one transaction to acquire control. If such transactions do not constitute a “package deal”, the Company re-measures the fair value of the equity held in the acquiree prior to the date of acquisition, and records the difference between the fair value and the carrying value as investment income for the current period; if the equity held in the acquiree prior to the date of acquisition involves other comprehensive income under equity method, such other comprehensive income is transferred to the income of the period in which the date of acquisition falls, except for other comprehensive income arising from re-measurement by the investee of changes in net liabilities or net assets of defined benefit plans.

(3) In case of an equity investment not acquired through business merger, the initial investment cost is the purchase price actually paid if it is acquired by cash, or the fair value of the equity securities issued if it is acquired through issuance of equity securities, or is determined in accordance with the Accounting Standards for Business Enterprises No. 12 - Debt Restructuring if it is acquired through debt restructuring, or in accordance with the Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets if it is acquired through exchange of non-monetary assets.

3. Subsequent measurement and recognition of profit or loss

Long-term equity investments in investees are measured using the cost method. Long-term equity investments in associates and joint ventures are measured using the equity method.

4. Disposal of investment in a subsidiary through multiple transactions by steps until loss of control over the subsidiary

(1) Determination of whether a transaction is a “package deal”

Where equity investment is made in the subsidiary step by step through multiple transactions until the control is lost, the Company determines whether the step-by-step transaction is a “package deal” by considering the transaction agreement terms, the respective disposal consideration acquired, the object of the equity sale, the disposal means, the disposal time and other information of each step of the step-by-step transaction. If the terms, conditions and economic impact of each transaction meet one or more than one of the following conditions, it generally indicates that the multiple transactions are the “package deal”:

- 1) The transactions are concluded at the same time or with regard to their mutual effects;
 - 2) These transactions can achieve a complete business outcome only when being considered as a whole;
 - 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
 - 4) A transaction is uneconomic in isolation, but economic when considered together with other transactions.
- (2) Accounting treatment that is not a “package deal”

1) Separate financial statements

The difference between the carrying value of the equity disposed of and the proceeds of disposal actually received is recognized in profit or loss for the current period. If the remaining equity empowers the Company to exercise significant influence or joint control over the investees, the remaining equity is accounted for using the equity method; if the remaining equity does not empower the Company to exercise control, joint control or significant influence over the investees, the remaining equity is accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

2) Consolidated financial statements

Prior to the loss of control, the difference between the proceeds from disposal and the share owned by the Company in the net assets of the subsidiary in relation to the long-term equity investment disposed of that is calculated continuously from the date of acquisition or merger is adjusted against the capital reserve (capital premium). In case the capital premium is not sufficient to absorb the difference, the remaining balance is adjusted against the retained earnings.

When losing control over an original subsidiary, the remaining equity is re-measured at its fair value at the date of loss of control. The sum of the consideration received from the disposal of the equity and the fair value of the remaining equity, net of the share owned by the Company in the net assets of the subsidiary as calculated continuously from the date of acquisition or merger according to the previous shareholding ratio, is recognized in the investment income for the period in which the control is lost, and the goodwill is reduced accordingly. Other comprehensive income relating to the equity investment in the original subsidiary should be transferred to the investment income for the period in which the control is lost.

(3) Accounting treatment for “package deals”

1) Separate financial statements

The Company accounts for such transactions as one transaction to dispose of and lose its control over the subsidiary, however, the difference between the proceeds from each disposal before loss of control and the carrying value of long-term equity investments in relation to the investment disposed of is recognized in other comprehensive income in individual financial statements, which is wholly transferred to the profit or loss in the period in which the control is lost.

2) Consolidated financial statements

The Company accounts for such transactions as one transaction to dispose of and lose its control over the subsidiary, however, the difference between the proceeds from each disposal before loss of control and the share owned by the Company in the net assets of the subsidiary in relation to the investment disposed of is recognized in other comprehensive income in the consolidated financial statements, which is wholly transferred to the profit or loss in the period in which the control is lost.

15. Investment properties

Measurement model of investment properties
Cost method measurement

Depreciation or amortization method

1. Investment properties include land use rights already leased, land use rights held and ready to be transferred upon appreciation and leased buildings.

2. An investment property is measured initially at cost, and subsequently using the cost model. The cost of the investment property, net of estimated net residual value and cumulative provision for impairment loss, is depreciated or amortized using the straight-line method over its remaining useful life.

16. Fixed assets

(1) Criteria for recognition

Fixed assets are tangible assets held for production of goods, rendering of services, lease or operation and management with a useful life of more than one accounting year. A fixed asset is recognized if the economic benefits relating to it are very likely to flow to the Company and its cost can be reliably measured.

(2) Depreciation

Category	Method of depreciation	Estimated useful life (years)	Residual value rate	Annual depreciation rate
Buildings	Straight line method	30	4	3.2
Machines and equipment	Straight line method	3-8	0-5	11.88-33.33
Transportation equipment	Straight line method	5-8	0-5	11.88-20
Electronic equipment, devices and furniture	Straight line method	3-10	0-5	9.50-33.33

With respect to artworks whose estimated useful life is uncertain, the Company does not assess their depreciation but performs an impairment test on them every year.

17. Borrowing costs

1. Recognition of capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant asset. The amounts of other borrowing costs incurred are expensed when incurred and included in profit or loss for the current period.

2. Period of capitalization of borrowing costs

(1) A borrowing cost is capitalized when all of the following conditions are satisfied: 1) the expenditures on the asset have already been incurred; 2) the borrowing cost has already been incurred; and 3) the acquisition, construction or production activities necessary to prepare the asset for its intended use or sale have already commenced.

(2) Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months. The borrowing costs incurred during these periods are recognized as an expense for the current period until the acquisition, construction or production activity is resumed.

(3) When the qualifying asset being acquired, constructed or produced has become ready for its intended use or sale, the capitalization ceases.

3. Rate and amount of capitalization of borrowing costs

If funds are borrowed under a specific-purpose borrowing for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized shall be the actual interest expense incurred on that borrowing for the period (including amortized discount or premium determined using the effective interest method) less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. If funds are borrowed under general-purpose borrowings and are utilized for the acquisition, construction or production of a qualifying asset, the Company shall determine the amount of interest to be capitalized on such borrowings by multiplying a capitalization rate of the utilized general-purpose borrowings by the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

18. Intangible assets

(1) Useful life, basis for determination of useful life, estimates, amortization or review process

The Company shall comply with the disclosure requirements for "Internet Video Business" set forth in the Guide on Self-regulatory Supervision for Companies Listed on the Shenzhen Stock Exchange No. 4 - Disclosure of Industry Information by the Companies

Listed on the ChiNext Board.

1. Intangible assets include film and TV copyrights, land use rights, software, trademarks and domains, game copyrights, etc., which are initially measured at cost.

2. Service life and amortization method

(1) Amortization and carryforward of film and TV copyrights

When a film and TV copyright is recognized as an intangible asset, that copyright is amortized in the light of the following principles during the copyright benefit period: in case of the permanent copyright with the benefit period being determined to be 5 years and the films and TV dramas copyright with the benefit period being determined to be not less than 3 years (inclusive), they are amortized on a 5:3:2 basis (that is, 50% of the intangible asset value is amortized evenly in the first 12 months, 30% in the second 12 months and the remaining 20% is amortized on a straight-line basis during the remaining benefit period); in case of the copyrights with the benefit period of more than 2 years (inclusive) but less than 3 years, they are amortized on a 5:5 basis (that is, 50% is amortized in the first 12 months and the remaining 50% is amortized in a straight line during the remaining benefit period); and in case of the copyrights with the benefit period of less than 2 years, they are amortized on a monthly straight-line basis during the benefit period.

When the film and TV copyright is used for distribution, the right to use and income right, etc. shared jointly or enjoyed respectively by the Company and its counterparty after distribution should be transferred as the book cost of the intangible assets at the lower of the income amount and the amortized carrying value of intangible assets from the date on which they satisfy the recognition criteria of revenue. If the amortized value after transfer is still greater than zero, they continue to be amortized using the original amortization method during the remaining amortization period.

(2) Amortization of other intangible assets other than film and TV copyright.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic and rational basis over its useful life in the pattern in which the asset's economic benefits are expected to be realized. If that pattern cannot be determined reliably, the straight line method shall be used. The specific life is shown as follows:

Item	Useful life (years)	Basis for determination of useful life	Method of amortization
Land use rights	Term of the relevant land use right certificate	Title certificate	Straight line method
Software	3-10	Expected benefit period	Straight line method
Trademarks and domain names	Term of license	Term of license	Straight line method
Patent license fee	10	Expected benefit period	Straight line method
Program adaptation right	3	Expected benefit period	Straight line method
Game copyright	Agreed term of license	Agreed term of license	Straight line method

(2) Scope and accounting treatment of research and development expenditures

(1) Labor costs

Labor costs include wages and salaries for the Company's R&D personnel, basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing provident funds, employee benefits, etc.

If R&D personnel serve multiple R&D projects concurrently, their costs are allocated proportionally based on their recorded work hours across different projects.

(2) Direct investment costs

Direct investment costs mean actual expenditures incurred by the Company for implementing R&D activities, such as technical service fees for the operation, maintenance, inspection, testing, and repair of equipment used in R&D activities.

(3) Depreciation expenses and long-term deferred expenses

Depreciation expense mean costs for the depreciation of equipment and buildings in R&D activities.

For equipment and buildings used both for R&D and non-R&D activities, necessary records shall be made on the use of such equipment and buildings, and the actually incurred depreciation costs shall be allocated between R&D expenses and production and operating expenses in a reasonable manner according to the actual working hours, use area, etc.

Long-term deferred expenses include costs incurred during the alteration, modification, renovation and repair of R&D facilities. When the facilities are used for non-R&D activities at the same time, the expenses shall be allocated between R&D expenses and production and operating expenses in a reasonable manner according to the actual working hours and usage area.

(4) Amortization expenses for intangible assets

Amortization expenses for intangible assets mean the amortization expenses for software and intellectual properties used in R&D activities.

(5) Commissioned external R&D expenses

The commissioned external R&D expenses mean expenses incurred by the Company in delegating other organizations or individuals, both at home and abroad, to conduct R&D activities (the results of the R&D activities are owned by the Company and are closely related to the Company's main business).

(6) Other expenses

Other expenses mean expenses directly related to R&D activities other than the above expenses, including document translation fees, expert consulting fees, fees for the retrieval, demonstration, review, appraisal, examination and acceptance of R&D results, intellectual property application fees, registration fees, conference expenses, travel expenses, communication fees, etc.

The Company engages in the research and development of system software. Expenditures on research and development projects are classified into expenditures at research phase and expenditures at development phase according to the nature of expenditures and

depending on whether it is significantly uncertain that the research and development activities will result in intangible assets. Expenditures at research phase are expenditures at the phase of planned investigation, evaluation and selection for purpose of software research, which are recognized in profit or loss for the period in which they are incurred. Expenditures at the phase of design and testing for purpose of final application of the software are recorded as expenditures at development phase, which are capitalized prior to the final application of the software when all of the following conditions are satisfied: (1) the development of the software has been sufficiently validated by the technical team; (2) the management has approved the budget for the development of the software; (3) the system functions and performance of the software to be developed can satisfy the requirements of economic activities; (4) the technical and financial resources available are sufficient to meet the requirements of the development activities and subsequent use of the software; and (5) the expenditures attributable to the development of the software can be reliably measured.

19. Impairment of long-term assets

With respect to long-term equity investments, fixed assets, construction in progress, intangible assets with a finite useful life, right-of-use assets and other long-term assets, if there's an indication of impairment at the balance sheet date, the Company assesses their recoverable amount. Goodwill arising from a business merger and an intangible asset with an indefinite useful life are tested for impairment annually, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, goodwill is considered together with the related asset groups or sets of asset groups.

If the recoverable amount of the long-term asset above is lower than its carrying value, the difference is measured as impairment loss of the asset and recognized in profit or loss for the current period.

20. Long-term prepaid expenses

Long-term prepaid expenses are expenses that have already been incurred but should be amortized over a period of more than one year (exclusive). Long-term prepaid expenses are stated as incurred and are amortized evenly by stages within the benefit period or specified period. If an item of long-term prepaid expenses will not benefit the subsequent periods, the amortized value of the item that has not yet been amortized is wholly transferred to profit or loss for the current period.

21. Contract liabilities

The Company presents the contract assets or liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company lists the net contract assets and liabilities under the same contract after offset.

The Company presents its obligation to transfer goods to customers for the consideration received or receivable from customers as the contract liabilities.

22. Employee benefits

(1) Accounting treatment of short-term employee benefits

The Company recognizes the short-term benefits actually incurred during the accounting period when the employees provide services for the Company as liabilities, and include the same in profit or loss for the current period or as part of the cost of related assets.

(2) Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

(1) The Company recognizes the contributions payable as calculated based on the defined contribution plan during the accounting period when the employees provide services for the Company as liabilities, and include the same in profit or loss for the current period or as part of the cost of related assets.

(2) The accounting treatment of a defined benefit plan generally involves the following steps:

1) According to the projected unit credit method, use the unbiased and consistent actuarial assumptions to estimate demographic variables and financial variables, measure the obligation arising from the defined benefit plan and determine the period to which the relevant obligation belongs. Meanwhile, discount the obligation arising from the defined benefit plan, in order to determine the present value of the benefit plan obligation and the current service cost;

2) If the defined benefit plan has assets, the deficit or surplus resulting after reducing the present value of the defined benefit plan obligation by the fair value of the assets is recognized as a net liability or asset of the defined benefit plan. If the defined benefit plan has a surplus, the net assets of the defined benefit plan are measured at the lower of surplus in the defined benefit plan and asset ceiling;

3) At the end of the Reporting Period, the cost of employee benefits arising from the defined benefit plan is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, and changes arising from re-measurement of the net liabilities or net assets of the defined benefit plan, wherein the service cost and the net interest on the net liabilities or net assets of the defined benefit plan are included in profit or loss for the current period or the cost of related assets, and the changes arising from re-

measurement of the net liabilities or net assets of the defined benefit plan are included in other comprehensive income, which will not be converted back to profit or loss in subsequent periods, but those recognized as other comprehensive income may be transferred within the scope of equity.

(3) Accounting treatment of termination benefits

The Company recognizes the employment compensation liabilities generated by termination benefits and records them into the profit or loss for the current period at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the termination benefits provided as a result of the labor relationship termination plan or layoff proposal; or (2) when the Company recognizes the costs or expenses related to the restructuring of the termination benefits payment.

(4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits are accounted for in accordance with the provisions applicable to defined contribution plans if they are qualified as defined contribution plans, otherwise, are accounted for in accordance with the provisions applicable to defined benefit plans. In order to simplify the accounting treatment, the total net amount of the cost of employee benefits arising from the defined benefit plans that is recorded as service cost, net interest on the net liabilities or net assets of the defined benefit plan, changes arising from re-measurement of the net liabilities or net assets of the defined benefit plan and other components is included in profit or loss for the current period or the cost of related assets.

23. Provisions

1. An obligation arising from any external guarantee, litigation, product quality warranty, onerous contract or other contingencies is recognized as a provision if it is a present obligation assumed by the Company, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.

2. Provisions are initially measured according to the best estimates of the expenditures required to settle the related present obligations. The carrying value of provisions is reviewed at the balance sheet date.

24. Revenue

Accounting policies adopted for the recognition and measurement of revenues disclosed by type of business

Accounting policies adopted for the recognition and measurement of revenues

1. Revenue recognition

At the inception of the contract, the Company evaluates the contract, identifies each single performance obligation contained therein and determine whether each single performance obligation is performed over time or at a point in time.

When meeting one of the following criteria, it belongs to the obligation performed over time, otherwise it constitutes the obligation performed at a point in time: (1) the customer obtains and consumes the economic benefits generated by the Company's performance when the Company performs the contract; (2) the customer can control the products under construction in the process of the Company's performance; (3) the products produced in the process of the Company's performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed up to date throughout the term of the contract.

For the obligation performed over time, the Company recognizes the revenue based on the performance progress over time. When the performance progress cannot be reasonably determined, and the costs incurred are expected to be recoverable, revenue is recognized to the extent of costs incurred until the performance progress can be reasonably determined. For the obligation performed at a point in time, the revenue is recognized at the time point when the customer obtains the control of the related goods or services. When judging whether the customer has obtained the control of goods, the Company considers the followings signs: (1) the Company has the current right to receive payment for such goods, that is, the customer has the current obligation to make payment for such goods; (2) the Company has transferred the legal ownership of such goods to the customer, that is, the customer has the legal ownership of such goods; (3) the Company has transferred such goods to the customer physically, that is, the customer has taken possession of such goods physically; (4) the Company has transferred major risks and rewards of such goods to the customer, that is, the customer has obtained major risks and rewards of such goods; (5) the customer has accepted such goods; and (6) other signs that the customer has obtained control of such goods.

2. Revenue measurement

(1) The Company measures revenue based on the transaction price allocated to each single performance obligation. The transaction price is the amount of consideration to which the Company is entitled arising from the transfer of goods or services to the customer, excluding the amount collected on behalf of a third party and expected to be returned to the customer.

(2) If there is variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount. However, variable consideration is included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal of accumulatively recognized revenue in the future when the uncertainty has been subsequently resolved.

(3) If there is a major financing component in the contract, the Company determines the transaction price based on the presumed amount payable in cash when the customer obtains the control of goods or services. The difference between that transaction price and

the contract consideration is amortized over the period of the contract using the effective interest method. If at the inception of the contract, the Company expects that the customer's acquisition of control of goods or services is not more than one year from the customer's payment therefor, the major financing component in the contract will not be considered.

(4) If the contract has two or multiple performance obligations, the Company allocates the transaction price to each single performance obligation in the contract by reference to relative standalone selling prices of goods promised thereby.

3. Specific methods for revenue recognition

(1) Revenue recognized at a point in time

The Company's sales of TV shopping products, films and TV dramas and other goods belong to the obligation performed at a point in time. The revenue is recognized when goods made for domestic market meet the following criteria: the Company has delivered the products to the customer pursuant to the contract and the customer has accepted such products, the payment for products has been received or the receipt of payment has been obtained and it is probable that the associated economic benefits will flow to the Company, the legal ownership of the products has been transferred, and the major risks and rewards of the products have been transferred to the customer. The revenue is recognized when goods made for foreign market meet the following criteria: the Company has declared the products pursuant to the contract and obtained the bill of lading, the payment for products has been received or the receipt of payment has been obtained and it is probable that the associated economic benefits will flow to the Company, the legal ownership of the products has been transferred, and the major risks and rewards of the products have been transferred.

(2) Revenue recognized according to the progress of contract performance

The Company provides membership, artiste, operator and financial services, etc. As the customer obtains and consumes the economic benefits generated by the Company's performance when the Company performs the contract, the customer can control the goods or services under construction in the process of the Company's performance, the services or goods provided in the process of the Company's performance have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance that has been completed up to date throughout the term of the contract, the Company regards it as a performance obligation over time and recognizes revenue according to the performance progress, unless the performance progress cannot be reasonably determined. The Company determines the progress of performance obligation using the output method. When the performance progress cannot be reasonably determined, and the costs incurred by the Company are expected to be recoverable, revenue is recognized to the extent of costs incurred until the performance progress can be reasonably determined.

(3) The Company's specific principles for the recognition and measurement of revenues earned in the sectors and lines of business

1) Revenue from sale of goods through TV channels, network channels, outbound channels, online to offline channels and other channels

The goods sold by the Company are mainly delivered by logistics companies to the buyers or picked by the buyers themselves. The Company recognizes the revenue from sale of goods when the goods have been delivered by logistics companies to the buyers and signed for by the buyers and the period for return of goods has expired.

If the customer is a group, sales revenue is recognized when the group has received the goods and signed the receipt of the goods.

If credits are offered to the customers upon sale of goods, the Company allocates the amount received or receivable from the sale of goods between the revenue from the sale of goods and the value of the credits, and recognizes the amount received or receivable from the sale of goods net of the value of the credits as revenue, and the value of the credits as contract liabilities.

When the credits are exchanged by the customers, the portion of contract liabilities originally recognized in connection with the credits exchanged is recognized as revenue, wherein, the amount of revenue recognized is determined according to the proportion of the amount of the credits exchanged to the total estimated amount of the credits exchangeable.

2) Advertising revenue

Advertising revenue is recognized after the advertisements have been delivered or according to the settlement amount during the process of service when all of the following conditions are satisfied: (i) the amount of revenue can be measured reliably; (ii) it is probable that the economic benefits associated therewith will flow to the Company; and (iii) the costs incurred or to be incurred for the delivery of advertisements can be measured reliably.

3) Membership revenue

Service revenue is recognized during the valid period of membership on a daily basis according to the top-up amount paid by the members.

4) Royalty revenue

Royalty revenue includes copyright licensing revenue and revenue from joint copyright investment.

① Copyright licensing revenue is recognized when the license has been granted to the counter party and the license fee has been received or the right to receive the license fee has been obtained under the relevant copyright license contract.

② Revenue from joint copyright investment

A. Investment in films and TV dramas and other programs in which the Company does not hold copyright

Applicable business: The Company participates in the production of films and TV dramas in the capacity of a co-investor under the relevant investment agreement which explicitly provides that the return on investment receivable by the Company shall be a fixed income or a risk investment income wherein the Company does not hold copyright as other investors. Income from such business is recognized as investment income.

B. Investment in films and TV dramas and other programs in which the Company holds joint copyright

Applicable business: The Company participates in the production of films and TV dramas in the capacity of a co-investor under the relevant investment agreement which explicitly provides that the Company shall participate in the income distribution or loss sharing of the project in the capacity of a co-investor and holds copyright therein jointly with other investors in such proportion as agreed. Revenue from release of television series is recognized when the production of the television series has been completed, the films and TV dramas authority has examined the television series and issued a Television Series Release License, the copies, tapes and other media of the television series have been delivered to the buyers and it is probable that the economic benefits associated therewith will flow to the Company. Revenue from release of films is recognized when the production of the films has been completed, the films and TV dramas authority has examined the films and issued a *Film Release License*, the film has been screened in theaters and the settlement statement has been received from the relevant theater chains. Revenue from release of programs is recognized when the

production of the programs has been completed, the copies, tapes and other media of the program have been delivered to the buyers and it is probable that the economic benefits associated therewith will flow to the Company.

Such revenue is recognized in two different ways:

If the Company is responsible for release, when the criteria for recognition of revenue is met, the Company recognizes the distribution income as agreed as operating revenue and records the share of income payable to the production partners as deductions from revenue. If another party is responsible for release, when the Company receives the income settlement statement as agreed, the Company recognizes the income receivable as “operating revenue”.

③ Specific methods for cost recognition

If the Company is responsible for the production of and accounting for film or television series, the cost actually incurred is recorded as “inventories - production cost”. When the production fee advanced by the investors under the contract is received, such amount is initially recorded as “contract liabilities”, and when the production has been completed and the film or television series is ready for release, such amount is offset against the inventory cost of film or television series. If another party is responsible for the production of and accounting for the film or television series, the production fee paid by the Company to the production partner under the contract is initially recorded as “prepayments”, the travel expenses incurred by the Company directly in connection with the project is recorded as “inventories - production cost”, and when the production has been completed and the film or television series is ready for release, such amount is transferred to inventory cost. After receiving the cost or expense settlement vouchers or statements issued by the producer and audited or confirmed by the co-investors, the assets originally recorded are adjusted according to the actual settlement amount, by transferring the Company’s share of the cost of the film or television series investment project from “prepayments” to “inventories - production cost”. After obtaining copyright in the film or television series under the contract, the actual cost of the film or television series is wholly transferred to “inventories - goods on hand”, and the revenue earned is offset against the cost using the percentage of completion method. Under the percentage of completion method, from the date the film or TV play is granted a release permit (i.e. the date of satisfaction of the criteria for recognition of revenue), during the period of cost transfer, the Company uses the cost transfer rate (the proportion of total cost of the film or TV play to the total planned revenue) to calculate and determine the cost of sales to be transferred in the current period and the inventories to be recognized at the end of the period.

5) Revenue from operator service

Revenue from operator service is recognized according to the relevant business settlement statements or third-party or technical background business data provided according to the relevant cooperation agreement.

The Company recognizes the revenue according to the settlement data provided by the operator and confirmed by the Company and the operator prior to the balance sheet date, or if the settlement data is not obtained from the operator prior to the balance sheet date, according to the data collected by the billing platform and other data and information available to the extent that the revenue can be measured reliably, and adjusts the same upon actual settlement.

6) Revenue from sale of hardware

Revenue from sale of hardware is recognized on a monthly basis according to the quantity of intelligent terminal products actually sold in the given month and their selling prices.

7) Recognition of revenue from artiste agent service

① Artiste performance service

The service period is relatively short. In this service, the Company mainly helps the artistes give commercial performance or concerts, and recognizes the revenue after a contracted artiste has fulfilled his or her contractual obligations.

② Artiste shooting service

Shooting service includes participation by the artistes in the shooting of films and TV dramas and recording of programs. The service period is about three months generally. The Company recognizes the revenue after a contracted artiste has fulfilled his or her contractual obligations.

③ Artiste endorsement service

The term of an artiste’s endorsement is about 1-2 years generally. During the term of endorsement, the artiste needs to be featured in video commercials, record theme songs, and participate in public relations and other activities. The revenue is recognized according to the specific contract terms. If the contract provides that after the performance of the obligations by the artiste, and the service fee already received by the Company will not be refunded except for force majeure, the service fee may be wholly recognized as revenue. If the contract provides that, in addition to indicating the force majeure, the artiste needs to give exclusive endorsement or maintain his or her good image, the revenue is recognized in installments during the term of endorsement.

8) Derivative revenue from films, TV dramas and programs

Derivative revenue from films, TV dramas and programs is recognized after the showing thereof, at such time as provided in the relevant contract.

9) Revenue from games

The Company’s revenue from games mainly includes revenue from game copyright, game distribution service and self-developed games, which are recognized as follows:

① Revenue from game copyright includes royalty revenue and minimum guarantee revenue. The royalties received by the Company are recorded as contract liabilities upon receipt, and included in the operating revenue for the current period using the straight line method during the term of agreement. The minimum guarantees received are recognized as revenue when all the risks and rewards have been transferred in accordance with the schedule of payment and division of revenues as provided in the relevant contract or agreement.

② Game distribution service is a mode of operation in which the Company obtains a license to operate an online game and then enters into cooperation with Mango TV, 360 Game Center or other third-party channel platforms to jointly operate the game; the players of the game need to be registered as users of the third-party channel, top up their accounts in the top-up system of the third-party platform to obtain virtual cash, and use such virtual cash to purchase virtual props. In the mode of joint operation by a third party, each third-party platform is responsible for the operation, promotion, charging service and management of billing system of its channel, and the Company recognizes its share of revenue as the operating revenue as calculated according to the cooperation agreement concluded

with the third-party platform and confirmed by the Company and the third-party platform.

③ Self-developed games include online games and standalone games. In the mode of self-operation of an online game, the Company distributes and operates the game through its own or third-party channels, and is solely responsible for the operation, promotion and maintenance of the game; the players of the game are directly registered with such channels and then log in to the game, top up their accounts to obtain virtual cash, and use such virtual cash to purchase virtual props; after the game props purchased by the players have been used up, the Company recognizes the amount actually paid and consumed by the players as the operating revenue. Standalone games are available for downloading by the players in the form of a mobile standalone game package. When a player purchases props of the game, the embedded program generates a billing instruction; the telecom carrier or service provider sends a billing code by text message, and then the carrier confirms the deduction of the relevant telephone charge to complete the process of billing and payment. The deduction and payment of the information charge for the mobile standalone game is irrevocable. After the deduction of such charge by the carrier, the risks and rewards are transferred to the users. The Company's standalone games are distributed jointly with third parties. After the users have downloaded and installed the games, the Company is not responsible for the management of the games or otherwise restricts the use of the games by the users, that is, the Company does not have control over such games. In such mode, the Company recognizes its share of revenue as the operating revenue as calculated according to the cooperation agreement concluded with the relevant third-party platform and confirmed by the Company and the third-party platform.

10) Revenue from H5 interaction

Revenue from H5 interaction mainly comes from H5 interactive advertisements placed by clients in the television programs of Hunan TV, and is recognized after the showing of the relevant programs on Hunan TV.

11) Revenue from wireless value-added service

According to the wireless value-added service contract concluded by the Company and the relevant client, if the contract specifies the total contract price, the contract price is allocated according to the schedule of payment during the term of license specified therein if the contract price will be paid in installments, or wholly recognized as revenue after the delivery of service if the contract price will be paid in one lump sum. If the contract does not specify the total contract price, the revenue is recognized according to the settlement statements provided by the client.

Difference in the accounting policy for revenue recognition arising from adoption of different modes of operation for the same kind of business

None

25. Contract costs

Assets related to contract costs include contract acquisition costs and contract performance costs.

If the incremental cost incurred by the Company to obtain a contract is expected to be recovered, it is recognized as an asset as the cost of obtaining a contract. If the amortization period of the cost of obtaining a contract does not exceed one year, such cost is directly included in the profit or loss for the current period.

The cost incurred by the Company to perform a contract is not governed by the standards on inventories, fixed assets or intangible assets, and if meeting the following criteria, is recognized as an asset as the contract performance cost:

1. Such cost is directly related to an existing or expected contract, including expenses for direct labor, direct materials and manufacturing (or similar expenses), costs to be clearly borne by the customer and other costs incurred only due to the contract;
2. Such cost increases the Company's future resources for fulfilling its performance obligations; and
3. Such cost is expected to be recovered.

The Company amortizes the asset related to the contract cost on the same basis as the recognition of the revenue of the goods or services related to the asset, and includes it in the profit or cost for the current period.

If the carrying amount of the asset related to the contract cost is higher than the remaining consideration expected to be obtained due to the transfer of the goods or services related to the asset less the estimated cost, then the Company makes a provision for impairment of the excess and recognizes it as an impairment loss for the asset. If the impairment factors for prior periods have changed afterwards so that the remaining consideration expected to be obtained due to the transfer of the goods or services related to the asset less the estimated cost is higher than the carrying amount of the asset, then the Company reverses the provision for impairment originally made and include it in the profit or loss for the current period, provided that the carrying amount after reversal shall not exceed the carrying amount the asset would have reached on the date of reversal had the provision for impairment been not made.

26. Government grants

1. Government grants are recognized if (1) the Company meets the conditions attaching to the government grants; and (2) the Company will receive the government grants. If a government grant is in the form of a transfer of a monetary asset, the item is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, the item is measured at fair value. If fair value is not reliably determinable, the item is measured at a nominal amount.

2. Determination and accounting treatment of government grants related to assets

Government grants related to assets are government grants which are offered for purchasing, constructing or otherwise acquiring long-term assets as provided by the applicable government documents, or in the absence of such express provision in the applicable government documents, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire long-term assets. The government grants related to assets are offset against the carrying value of the related assets or recognized as deferred income. Government grants related to assets recognized as deferred income are included in profit or loss over the service life of the relevant assets on a reasonable and systemic basis. Government grants measured at nominal amount are directly recognized in profit or loss for the current period. In case of sale, transfer, retirement or damage of the relevant assets before the end of intended

service life, the balance of the unallocated deferred income is transferred to profit or loss for the period in which the assets are disposed of.

3. Determination and accounting treatment of government grants related to income

Government grants related to income are government grants other than those related to assets. Government grants related to both assets and income in which it is difficult to make a distinction between the portion related to assets and the portion related to income are wholly classified as government grants related to income.

Government grants related to income as compensation for expenses or losses to be incurred in subsequent periods are recognized as deferred income and in the period for recognizing the relevant costs, expenses or losses, included in profit or loss for the current period or offset against the relevant costs. Government grants related to income as compensation for expenses or losses already incurred are directly included in profit or loss for the current period or offset against the relevant costs.

4. Government grants related to day-to-day operations of the Company are recognized in other income or offset against the relevant costs and expenses depending on the nature of economic business. Government grants not related to day-to-day operations of the Company are recognized in non-operating revenues or expenses.

5. Accounting treatment of policy preferential loans and interest subsidies

(1) If the Ministry of Finance appropriates the interest subsidies to the lending bank, and then the lending bank offers a loan to the Company at the policy-based preferential interest rate, the Company recognizes the loan amount actually received as the recorded amount of the loan, and calculates the borrowing costs according to the loan principal and such policy-based preferential interest rate.

(2) If the Ministry of Finance directly appropriates the interest subsidies to the Company, the Company offsets the corresponding interest subsidy against the related borrowing costs.

27. Deferred tax assets / deferred tax liabilities

1. The difference between the tax base of an asset or liability and its carrying value (or in case of an item not recognized as asset or liability whose tax base can be determined according to the applicable tax law, the difference between its tax base and carrying value), is recognized as a deferred tax asset or deferred tax liability according to the tax rate applicable to the period in which the asset or liability is expected to be recovered or settled.

2. Deferred income tax assets are recognized to the extent of the amount of income tax payable that will be available in future periods against which deductible temporary differences are deductible. At the balance sheet date, deferred tax assets not recognized in prior periods are recognized if there's conclusive evidence that it is probable that sufficient taxable income will be available in future periods against which the deductible temporary differences are deductible.

3. At the balance sheet date, the carrying value of a deferred tax asset is reviewed. The Company reduces the carrying value of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income will be available in future periods to allow the benefit of the deferred tax asset to be utilized. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. Current and deferred tax of the Company is recognized as income or an expense and included in profit or loss for the current period, except to the extent that the tax arises from: (1) business merger; or (2) a transaction or event which is recognized directly in owner's equity.

5. When the following conditions are met at the same time, the Company will present the net amount of deferred income tax assets and deferred income tax liabilities after offset: (1) It has the legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer or related to different taxpayers, provided that during the period in which each of the future material deferred income tax assets and deferred income tax liability is reversed, the taxpayer involved intends to net the current income tax assets and current income tax liabilities, or acquire assets and settle debts at the same time.

28. Lease

(1) The Company as lessee

At the commencement date of the lease term, the Company recognizes a lease with a lease term not more than 12 months that include no purchase option as short-term lease; and a lease at lower value when the individually leased asset is brand-new as low-value asset lease. If the Company subleases or expects to sublease the leased assets, the original lease is not recognized as a low-value asset lease.

For all short-term lease and low-value asset lease, the Company recognizes the lease payments in the cost of relevant assets or profit or loss for the current period on a straight-line basis over the term of the relevant lease.

Except the above short-term leases and low-value asset leases subject to simplified treatment, the Company recognizes the right of use assets and lease liabilities on the lease at the commencement date of the lease period.

(1) Right of use assets

The right of use asset is initially measured at cost, which includes: 1) the initially measured amount of the lease liability; 2) the lease payments made on or before the commencement date of the lease term less the amount related to lease incentives (if any); 3) the initial direct costs incurred by the lessee; 4) the costs that the lessee expects to incur in order to dismantle and remove the leased asset, restore the site where the leased asset locates, or restore the leased asset to the condition agreed upon in the lease terms.

The Company depreciates the right of use asset on a straight-line basis. If it reasonably ensures that ownership of the leased assets will be obtained at the expiry of the lease term, the Company will depreciate the leased assets over their remaining useful lives. If not, the Company will depreciate the leased asset over the shorter of the lease term or the remaining useful life of the leased asset.

(2) Lease liabilities

At the commence date of the lease term, the Company recognizes the present value of the outstanding lease payments as a lease liability. When calculating the present value of lease payments, the interest rate in the lease is determined as the discount rate. If the interest rate in the lease is unavailable, the Company's incremental borrowing rate is determined as the discount rate. The difference between the lease payments and their present value is recognized as an unrecognized financing expense, with interest expenses recognized at the discount rate used to recognize the present value of the lease payments and charged to profit or loss for the current period over the term of the relevant lease. The variable lease payments not measured as the lease liability are recognized in profit or loss when they are actually incurred.

After the commencement date of the lease term, when there is a change in the substantive fixed payments, the expected amount of payable for the guaranteed residual value, the index or rate used to determine the lease payments, or the evaluation result or actual exercise of the purchase option, renewal option or termination option, the Company will remeasure the lease liability at the present value of the changed lease payments and adjusts the carrying amount of the right of use asset accordingly. If the carrying amount of the right of use asset has been reduced to nil but the lease liability still needs to be further reduced, the remaining amount will be recognized in profit or loss for the current period.

(2) The Company as lessor

At the commencement date of the lease term, the Company classifies a lease as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, and all other leases as operating leases.

The Company recognizes lease receipts as rental income on a straight-line basis over the term of the relevant lease, with initial direct costs incurred capitalized and apportioned on the same basis of recognizing rental income to include in profit or loss for the current period separately. Variable lease payments obtained by the Company relevant to operating leases that are not included in the lease receipts are recognized in profit or loss when they are actually incurred.

(1) Operating lease

The Company recognizes lease receipts as rental income on a straight-line basis over the term of the relevant lease, with initial direct costs incurred capitalized and apportioned on the same basis of recognizing rental income to include in profit or loss for the current period separately. Variable lease payments obtained by the Company relevant to operating leases that are not included in the lease receipts are recognized in profit or loss when they are actually incurred.

(2) Finance lease

On the commencement date of the lease period, the Company recognizes the finance lease payments receivable in accordance with the net lease investment (sum of the unguaranteed balance and the lease payment not received on the commencement date of the lease period based on the present value discounted at the inherent interest rate of the lease), and derecognizes the finance lease assets. At each phase of the lease period, the Company calculates and recognizes the interest income at the inherent interest rate of the lease.

The amount of variable lease payments obtained by the Company that are not accrued to the measurement of net lease investment is accrued to the current profit and loss when actually incurred.

29. Other significant accounting policies and accounting estimates**Customer credit policy**

The accounting for customer credits requires an estimate of the fair value and the time and possibility of use of credits. Valuation and recording of customer credits require judgment and estimation. If the result of re-estimation is different from the current estimation, such difference will affect the carrying value of contract liabilities for the period in which the estimation is changed.

30. Changes in significant accounting policies and accounting estimates**(1) Changes in significant accounting policies**

Applicable N/A

In RMB

Content and reason of changes in accounting policies	Item significantly affected	Amount affected
Since January 1, 2023, the Company has adopted the provisions contained in the Interpretation of the Accounting Standards for Business Enterprises No. 16 issued by the Ministry of Finance, regarding the "accounting treatment of deferred taxes related to assets and liabilities arising from single transactions to which the initial recognition exemption does not apply".	See Note	

Note: Effect of adoption of the Interpretation of the Accounting Standards for Business Enterprises No. 16:

Since January 1, 2023, we have adopted the provisions contained in the Interpretation of the Accounting Standards for Business Enterprises No. 16 issued by the Ministry of Finance, regarding the "accounting treatment of deferred taxes related to assets and liabilities arising from single transactions to which the initial recognition exemption does not apply", and adjusted the single transactions to which such provisions apply that occurred during the period from the beginning of the earliest period in which we adopted such provisions in the presentation of its financial statements for the first time, till the date of initial adoption of such provisions

as follows: with respect to the taxable temporary difference and deductible temporary differences arising from lease liabilities and right-of-use assets, provisions related to retirement obligations and corresponding assets recognized in connection with the single transactions to which such provisions apply, at the beginning of the earliest period in which we adopted such provisions in the presentation of its financial statements for the first time, the cumulative effect is treated as an adjustment to the opening retained earnings and other related financial statement items for that period in accordance with such provisions and the provisions of the Accounting Standards for Business Enterprises No. 18 “Income Tax”. The table shows the specific adjustments:

Item significantly affected	Amount affected	Remark
Items of the balance sheet at December 31, 2022		
Deferred tax assets	6,782.33	
Deferred tax liabilities	227,428.11	
Undistributed profits	-220,645.78	
Items of the income statement for the year ended December 31, 2022		
Income tax expenses	-47,210.10	

(2) Changes in significant accounting estimates

Applicable N/A

(3) Adjustments to related financial statement items for the period in which the new accounting standards were adopted for the first time since 2023

Applicable N/A

VI. Taxes

1. Major categories of taxes and tax rates

Tax type	Taxation basis	Tax rate
VAT	VAT payable is the output tax based on the sales of goods and taxable labor income calculated pursuant to the tax law, net of the input tax that is allowed to be deducted in the current period.	13%, 9%, 5%, 6%, 3%
Consumption tax	Taxable sales turnover (volume)	5%
Urban maintenance and construction tax	Actually paid turnover tax	7%, 5%
Enterprise income tax	Taxable income	Tax exemption, 8.25%, 15%, 16.5%, 25%
Cultural program expenditure	Taxable service income stipulated by the tax law	1.5%
Property tax	If it is levied on an ad valorem basis, the tax is calculated as 1.2% of the remaining value after being deducted 20% of the original value of the property; if it is levied subject to rent, the tax is calculated as 12% of the rental income.	1.2%, 12%
Education surcharges	Actually paid turnover tax	3%
Local education surcharges	Actually paid turnover tax	2%

Disclosure of taxpayers with different rates of enterprise income tax:

Taxpayer	Rate of enterprise income tax
Happigo Co., Ltd.	Tax exemption
Happy Sunshine	Tax exemption
Mango Studios Culture Co., Ltd. (“Mango Studios”)	Tax exemption
Hunan Mango Entertainment Co., Ltd. (“Mango Entertainment”)	Tax exemption
Hunan Happy Mango Fun Technology Co., Ltd.	Tax exemption
Hunan E.E. Media Film and Television Production Co. Ltd.	Tax exemption
Hunan Golden Eagle Cartoon Media Co., Ltd. (“Golden Eagle Cartoon”)	Tax exemption
Hainan E.E. Media Co. Ltd.	15%
Happy Sunshine Xingmang Interactive Entertainment Media Co., Ltd.	15%
Xiaomang E-commerce Co., Ltd.	15%

Hunan Maiji Park Cultural Development Co., Ltd.	5%
Dameiren Global Trading Co., Limited	8.25%, 16.5%
Mgtv.com (Hong Kong) Media Company Limited	8.25%, 16.5%
Other taxpayers not listed above	25%

2. Tax incentives

1. Happy Sunshine, Mango Studios, Mango Entertainment, Hunan Happy Mango Fun Technology Co., Ltd., Hunan E.E. Media Film and Television Production Co. Ltd., Happigo and Golden Eagle Cartoon are enterprises transformed from cultural public institutions with for-profit operations approved by the Ministry of Finance and the State Administration of Taxation. In accordance with the Notice of Continuing Implementing Several Tax Policies for the Transformation of Cultural Public Institutions with For-Profit Operations into Enterprises During the Cultural System Reform jointly released by the Ministry of Finance, the State Administration of Taxation, and the Publicity Department of the CPC Central Committee (Cai Shui [2019] No. 16) in February 2019, cultural enterprises transformed are qualified to be exempt from enterprise income tax within five years from January 1, 2019. This period is the fifth year of exempting from enterprise income tax.

2. Pursuant to the List of the Second Batch of High and New Technology Enterprises Recognized and Filed by the Recognition Authority of Hunan Province in 2023 jointly issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises and the Hunan Provincial Department of Science and Technology, Xiaomang E-commerce Co., Ltd. was recognized as a high and new technology enterprise with a term of three years (Certificate No.: GR202343005636), and therefore is subject to a reduced enterprise income tax rate of 15% applicable to high and new technology enterprises from 2023 to 2025.

3. Pursuant to the List of the First Batch of High and New Technology Enterprises Recognized and Filed by the Recognition Authority of Hunan Province in 2022 issued by the Office of the National Leading Group for Recognition Management of High and New Technology Enterprises, Happy Sunshine was recognized as a high and new technology enterprise with a term of three years (Certificate No.: GR202243000815), and therefore is subject to a reduced enterprise income tax rate of 15% applicable to high and new technology enterprises from 2022 to 2024.

4. Pursuant to the Notice on the Preferential Enterprise Income Tax Policy for the Hainan Free Trade Port jointly released by the Ministry of Finance and the State Administration of Taxation (Cai Shui [2020] No. 31), the encouraged enterprises registered and actually operating at the Hainan Free Trade Port are subject to a reduced enterprise income tax rate of 15% from January 1, 2020 till December 31, 2024. Happy Sunshine Xingmang Interactive Entertainment Media Co., Ltd. and Hainan E.E. Media Co. Ltd. met such conditions, and therefore enjoyed such preferential enterprise income tax policy in 2023.

5. As stipulated by the Announcement of the General Administration of Taxation of the Ministry of Finance on Related Tax Policies for Further Supporting the Development of SMEs and Private Businesses (Announcement No. 12 of the General Administration of Taxation of the Ministry of Finance, 2023), from January 1, 2023 to December 31, 2027, taxable incomes of SMEs shall be reduced to 25%, and enterprise income taxes shall be levied at a rate of 20%. Hunan Maiji Park Cultural Development Co., Ltd. is entitled the above preferential enterprise income tax policy for the period.

6. Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Clarifying the Value-added Tax Reduction and Exemption and Other Policies for Small-scale Value-added Tax Payers (Announcement of the Ministry of Finance and the State Administration of Taxation [2023] No. 1), taxpayer engaged in producer services are permitted to deduct their taxable income by an amount equal to 105% of their deductible input tax for the current period, and taxpayer engaged in life services are permitted to deduct their taxable income by an amount equal to 110% of their deductible input tax for the current period from January 1, 2023 till December 31, 2023.

7. In accordance with the Notice of the Ministry of Finance on Relevant Policies on Adjusting Certain Government-Managed Funds (Cai Shui [2019] No. 46), from July 1, 2019 to December 31, 2024, development fees for cultural undertakings attributable to the Central Treasury shall be reduced at 50% of the taxable income paid by the taxpayer. In accordance with the Notice of Hunan Provincial Department of Finance on Relevant Policies on Adjusting Development Fees for Cultural Undertakings (Xiang Cai Zong (2019) No. 11), from July 1, 2019 to December 31, 2024, local enterprises and institutions and individuals can pay the development fees for cultural undertakings under a reduction rate of 50%.

VII. Notes to Items in the Consolidated Financial Statements

1. Cash and bank balances

In RMB

Item	Closing balance	Opening balance
Cash on hand	34,083.85	88,009.61
Bank deposits	11,857,589,366.06	10,345,526,756.10
Other monetary capital	24,584,807.69	24,067,334.48
Total	11,882,208,257.60	10,369,682,100.19

Other information:

Among the closing balance of bank deposits, RMB12,942,129.82 was frozen due to litigation, and RMB954,663.47 was security deposits, the use of which was restricted.

Among the closing balance of other monetary capital, RMB995,119.88 was third-party platform deposits, the use of which was

restricted.

2. Held-for-trading financial assets

In RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value with any changes accrued to the current profits and losses	1,052,000,000.00	2,695,000,000.00
Incl.:		
Finance products	1,052,000,000.00	2,695,000,000.00
Incl.:		
Total	1,052,000,000.00	2,695,000,000.00

Other information:

3. Notes receivable

(1) Presentation of notes receivable by category

In RMB

Item	Closing balance	Opening balance
Banker's acceptance bills	34,920,000.00	1,374,099,617.12
Commercial acceptance bills		50,439,883.64
Total	34,920,000.00	1,424,539,500.76

(2) Presentation by method of recognition of provision for bad debts

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Incl.:										
Notes receivable for which the provision for bad debts were made by group	34,920,000.00	100.00%			34,920,000.00	1,424,562,652.53	100.00%	23,151.77	0.01%	1,424,539,500.76
Incl.:										
Banker's acceptance bills	34,920,000.00	100.00%			34,920,000.00	1,374,099,617.12	96.46%			1,374,099,617.12
Commercial acceptance bills						50,463,035.41	3.54%	23,151.77	0.05%	50,439,883.64
Total	34,920,000.00	100.00%			34,920,000.00	1,424,562,652.53	100.00%	23,151.77	0.01%	1,424,539,500.76

Provisions for bad debts made by group:

In RMB

Item	Closing balance		
	Book balance	Bad debt provision	Proportion
Group of banker's acceptance bills	34,920,000.00		
Total	34,920,000.00		

Description of basis for determining the group:

Provisions for bad debts made for notes receivable in accordance with the general model of expected credit losses ("ECL"):

Applicable N/A

(3) Provisions, recovery or reversal of bad debts for the current period

Provision for bad debts made for the current period:

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts by group	23,151.77	-23,151.77				
Total	23,151.77	-23,151.77				

Significant recovery or reversal of bad debt provision for the current period:

Applicable N/A

(4) Notes receivable already endorsed or discounted but not yet become due at the balance sheet date

In RMB

Item	Balance derecognized at the end of the period	Balance not derecognized at the end of the period
Banker's acceptance bills		34,920,000.00
Total		34,920,000.00

4. Accounts receivable

(1) Presentation by aging

In RMB

Aging	Opening book balance	Closing book balance
Within 1 year (inclusive)	2,943,842,242.71	2,673,410,461.03
1-2 years	397,974,645.55	312,602,330.35
2-3 years	148,659,620.53	253,671,558.04
Over 3 years	372,906,782.88	300,450,173.44
3-4 years	176,552,081.76	246,115,723.72
4-5 years	147,583,365.37	37,994,170.59
Over 5 years	48,771,335.75	16,340,279.13
Total	3,863,383,291.67	3,540,134,522.86

(2) Presentation by method of recognition of provision for bad debts

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Accounts receivable for which the provision for bad debts are made individually	81,268,801.50	2.10%	64,684,124.95	79.59%	16,584,676.55	83,744,634.94	2.37%	66,739,958.39	79.69%	17,004,676.55
Incl.:										
Accounts receivable for which the provision for bad debts are made by group	3,782,114,490.17	97.90%	302,175,796.57	7.99%	3,479,938,693.60	3,456,389,887.92	97.63%	233,959,524.07	6.77%	3,222,430,363.85
Incl.:										
Total	3,863,383,291.67	100.00%	366,859,921.52	9.50%	3,496,523,370.15	3,540,134,522.86	100.00%	300,699,482.46	8.49%	3,239,435,040.40

Provisions for bad debts made individually: RMB64,684,124.95

In RMB

Name	Opening balance		Closing balance			Reason for provisions
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion	
The first	23,383,374.87	16,777,045.64	23,383,374.87	16,777,045.64	71.75%	Likely to be non-recoverable
The second	11,755,050.00	3,526,515.00	11,155,050.00	3,346,515.00	30.00%	Likely to be non-

						recoverable
The third	10,786,000.00	10,786,000.00	10,786,000.00	10,786,000.00	100.00%	Expected to be non-recoverable
Others	37,820,210.07	35,650,397.75	35,944,376.63	33,774,564.31	93.96%	Likely to be non-recoverable
Total	83,744,634.94	66,739,958.39	81,268,801.50	64,684,124.95		--

Provisions for bad debts made by group: RMB302,175,796.57

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Aging group	2,965,806,985.22	302,175,796.57	10.19%
Group of receivables from related parties controlled by the same actual controller	816,307,504.95		
Total	3,782,114,490.17	302,175,796.57	

Description of basis for determining the group:

Provisions for bad debts made for notes receivable in accordance with the general model of ECL:

Applicable N/A

(3) Provisions, recovery or reversal of bad debts for the current period

Provisions for bad debts made for the current period

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts made individually	66,739,958.39	192,870.14	2,248,703.58			64,684,124.95
Provisions for bad debts made by group	233,959,524.07	68,216,272.50				302,175,796.57
Total	300,699,482.46	68,409,142.64	2,248,703.58			366,859,921.52

Significant recovery or reversal of bad debt provision for the current period:

In RMB

Entity	Amount of recovery or reversal	Reason for recovery	Method of recovery	Basis for determining the proportion of provision for bad debts and its reasonableness

No significant provision for bad debts was recovered or reversal in the current period.

(4) Accounts receivable actually written off for the current period

In RMB

Item	Write-off amount

Information of significant accounts receivable that are written off:

In RMB

Entity	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions

Description of write-off of accounts receivable:

No accounts receivable was actually written off in the current period.

(5) Top five closing balances of accounts receivable and contract assets categorized by debtor

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Total closing balance of accounts receivable and	Proportion of total closing balance of accounts receivable and	Closing balance of provisions for bad debts

			contract assets	contract assets	
The first	407,019,813.68	453,681,820.30	860,701,633.98	18.11%	43,129,770.17
The second	379,464,569.15		379,464,569.15	7.98%	
The third	333,165,220.54		333,165,220.54	7.01%	16,658,261.03
The fourth	264,411,329.80		264,411,329.80	5.56%	14,220,566.49
The fifth	192,697,344.54		192,697,344.54	4.05%	
Total	1,576,758,277.71	453,681,820.30	2,030,440,098.01	42.71%	74,008,597.69

5. Contract assets

(1) Details of contract assets

In RMB

Item	Closing balance			Opening balance		
	Book balance	Bad debt provision	Carrying value	Book balance	Bad debt provision	Carrying value
Operator business	890,102,310.00	51,410,460.86	838,691,849.14	984,299,576.93	54,895,640.42	929,403,936.51
total	890,102,310.00	51,410,460.86	838,691,849.14	984,299,576.93	54,895,640.42	929,403,936.51

(2) Presentation by method of recognition of provision for bad debts

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Incl.:										
Provision for bad debts made by group	890,102,310.00	100.00%	51,410,460.86	5.78%	838,691,849.14	984,299,576.93	100.00%	54,895,640.42	5.58%	929,403,936.51
Incl.:										
Total	890,102,310.00	100.00%	51,410,460.86	5.78%	838,691,849.14	984,299,576.93	100.00%	54,895,640.42	5.58%	929,403,936.51

Total amount of provision for bad debts made by group: RMB51,410,460.86.

In RMB

Item	Closing balance		
	Book balance	Bad debt provision	Proportion
Group of operator business	890,102,310.00	51,410,460.86	5.78%
Total	890,102,310.00	51,410,460.86	

Description of basis for determining the group:

Provisions for bad debts made in accordance with the general model of ECL:

 Applicable N/A

(3) Provisions, recovery or reversal of bad debts for the current period

In RMB

Item	Provision	Recovery or reversal	Write-off	Reason
Provision for bad debts made by group	-3,485,179.56			
Total	-3,485,179.56			-

Significant recovery or reversal of bad debt provision for the current period:

In RMB

Entity	Amount of recovery or reversal	Reason for recovery	Method of recovery	Basis for determining the proportion of provision for bad debts and its reasonableness

Other information:

(4) Accounts receivable actually written off for the current period

In RMB

Item	Write-off amount
------	------------------

Information of significant accounts receivable that are written off:

In RMB

Entity	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from related-party transactions
--------	-------------------------------	------------------	----------------------	--------------------------------	---

Description of write-off of accounts receivable:

No contract asset was actually written off in the current period.

Other information:

6. Accounts receivable financing**(1) Presentation of accounts receivable financing by category**

In RMB

Item	Closing balance	Opening balance
Banker's acceptance bills	690,394,858.57	49,054,442.19
Letters of credit	8,000,000.00	
Total	698,394,858.57	49,054,442.19

(2) Presentation by method of recognition of provision for bad debts

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Incl.:										
Provision for bad debts made by group	698,394,858.57	100.00%			698,394,858.57	49,054,442.19	100.00%			49,054,442.19
Incl.:										
Total	698,394,858.57	100.00%			698,394,858.57	49,054,442.19	100.00%			49,054,442.19

Total amount of provision for bad debts made by group: Nil.

Item	Closing balance		
	Book balance	Bad debt provision	Proportion
Provision for bad debts made by group	698,394,858.57		
Total	698,394,858.57		

Description of basis for determining the group:

Provisions for bad debts made in accordance with the general model of ECL:

In RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Future 12-month ECL	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance at January 1, 2023 in the current period:				

Basis for determination of stages and proportion of provision for bad debts:

Changes in book balance whose loss allowance changed significantly in the current period:

(3) Accounts receivable financing already endorsed or discounted but not yet become due at the balance sheet date

In RMB

Item	Balance derecognized at the end of the period	Balance not derecognized at the end of the period
Banker's acceptance bills	583,906,273.61	
Letters of credit	271,949,741.00	
Total	855,856,014.61	

7. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	47,852,640.07	57,117,565.37
Total	47,852,640.07	57,117,565.37

(1) Other receivables**1) Classification of other receivables by nature**

In RMB

Nature	Closing book balance	Opening book balance
Security deposit	19,318,333.70	36,034,726.83
Amount due to or from related parties	5,196,090.37	6,476,459.35
Suspense payments receivable	2,490,337.84	4,223,880.28
Petty cash	9,418,011.24	8,481,654.54
Receivables and payables	24,349,805.30	13,444,936.71
Total	60,772,578.45	68,661,657.71

2) Presentation by aging

In RMB

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	29,587,160.90	38,308,635.19
1-2 years	6,355,747.68	5,999,901.68
2-3 years	5,244,596.68	8,340,533.84
Over 3 years	19,585,073.19	16,012,587.00
3-4 years	6,159,143.40	3,872,664.29
4-5 years	1,515,668.57	7,395,551.78
Over 5 years	11,910,261.22	4,744,370.93
Total	60,772,578.45	68,661,657.71

3) Presentation by method of recognition of provision for bad debtsApplicable N/A

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made individually	9,913,746.23	16.31%	8,986,473.20	90.65%	927,273.03	9,164,635.72	13.35%	8,237,362.69	89.88%	927,273.03
Incl.:										
Provision for bad debts made by group	50,858,832.22	83.69%	3,933,4	7.73%	46,925,367.04	59,497,02	86.65%	3,306,7	5.56%	56,190,292.

			65.18			1.99		29.65		34
Incl.:										
Total	60,772,578.45	100.00%	12,919,938.38	21.26%	47,852,640.07	68,661,657.71	100.00%	11,544,092.34	16.81%	57,117,565.37

Provisions for bad debts made individually: RMB8,986,473.20.

In RMB

Name	Opening balance		Closing balance			Reason for provisions
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion	
Provision for bad debts made individually	9,164,635.72	8,237,362.69	9,913,746.23	8,986,473.20	90.65%	Likely to be non-recoverable
Total	9,164,635.72	8,237,362.69	9,913,746.23	8,986,473.20		--

Provisions for bad debts made by group: RMB3,933,465.18.

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Group of receivables from related parties controlled by the same actual controller	3,166,325.68		
Group of security deposits receivable	18,789,813.71		
Aging group	28,902,692.83	3,933,465.18	13.61%
Total	50,858,832.22	3,933,465.18	

Description of basis for determining the group:

Provisions for bad debts made in accordance with the general model of ECL:

In RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Future 12-month ECL	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2023	523,940.68	122,362.25	10,897,789.41	11,544,092.34
Balance as at January 1, 2023 in the current period				
-- Stage II	-105,903.09	105,903.09		
-- Stage III		-50,301.32	50,301.32	
Current provision	594,006.97	-69,564.92	874,726.24	1,399,168.29
Current write-off			23,322.25	23,322.25
Balance as at December 31, 2023	1,012,044.56	108,399.10	11,799,494.72	12,919,938.38

Basis for determination of stages and proportion of provision for bad debts:

Changes in book balance whose loss allowance changed significantly in the current period:

Applicable N/A

4) Provisions, recovery or reversal of bad debts for the period

Provision for bad debts made for the current period:

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts	11,544,092.34	1,399,168.29		23,322.25		12,919,938.38
Total	11,544,092.34	1,399,168.29		23,322.25		12,919,938.38

Including significant amounts recovered or reversed from the current provision for bad debts:

In RMB

Entity	Amount of recovery or reversal	Reason for recovery	Method of recovery	Basis for determining the proportion of provision for bad debts and its reasonableness

No significant provision for bad debts was recovered or reversal in the current period.

5) Other receivables actually written off for the period

In RMB

Item	Write-off amount
Other receivables	23,322.25

Descriptions of significant other receivables that are written off:

In RMB

Entity	Nature of other receivables	Write-off amount	Reasons for write-off	Write-off procedures performed	Whether the payments were generated from related-party transactions

Descriptions of write-off of other receivables:

6) Top five closing balances of other receivables categorized by debtor

In RMB

Entity	Nature	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of provisions for bad debts
The first	Receivables and payables	8,546,713.60	Within 1 year	14.06%	427,335.68
The second	Amount due to or from related parties	2,029,764.69	Over 5 years	3.34%	2,029,764.69
The third	Receivables and payables	2,000,000.00	1-2 years	3.29%	200,000.00
The fourth	Security deposit	2,000,000.00	Within 1 year	3.29%	
The fifth	Receivables and payables	1,746,310.20	Within 1 year	2.87%	87,315.51
Total		16,322,788.49		26.85%	2,744,415.88

8. Prepayments

(1) Presentation of prepayments by aging

In RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	703,944,332.23	69.24%	1,121,304,181.75	67.49%
1-2 years	116,269,839.01	11.44%	446,355,580.68	26.87%
2-3 years	174,573,702.88	17.17%	14,407,355.13	0.87%
Over 3 years	21,876,500.06	2.15%	79,323,028.73	4.77%
Total	1,016,664,374.18		1,661,390,146.29	

Reasons for overdue settlement of prepayments with significant amounts and aged more than 1 year:

Entity	Closing balance	Reasons for unsettlement
The first	58,653,586.43	Prepayments for copyrights, pending broadcasting
The second	49,999,516.00	Undelivered goods
The third	31,733,651.04	Prepayments for copyrights, pending broadcasting
Sub-total	140,386,753.47	

(2) Top five closing balances of prepayments categorized by receivers

Entity	Book balance	Proportion to total prepayments (%)
The first	99,622,641.47	8.71
The second	84,528,302.21	7.39
The third	59,207,547.14	5.18
The fourth	59,113,207.92	5.17
The fifth	58,653,586.43	5.13
Sub-total	361,125,285.17	31.58

Other information:

9. Inventories

Did the Company need to comply with the disclosure requirements on the real estate industry?

No

(1) Categories of inventories

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories or for impairment of contract performance costs	Carrying value	Book balance	Provision for decline in value of inventories or for impairment of contract performance costs	Carrying value
Raw materials	70,747,527.56		70,747,527.56	110,454,024.29		110,454,024.29
Work in process	760,533,375.34		760,533,375.34	756,888,334.48		756,888,334.48
Goods on hand	1,023,495,995.75	152,362,654.35	871,133,341.40	829,494,139.87	140,737,871.18	688,756,268.69
Turnover materials	807,117.72	41,751.25	765,366.47	863,306.85	41,751.25	821,555.60
Goods upon delivery	14,256,078.56		14,256,078.56	51,898,680.10		51,898,680.10
Total	1,869,840,094.93	152,404,405.60	1,717,435,689.33	1,749,598,485.59	140,779,622.43	1,608,818,863.16

(2) Provision for decline in value of inventories and for impairment of contract performance costs

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Work in process	140,737,871.18	16,104,442.05		4,479,658.88		152,362,654.35
Goods on hand	41,751.25					41,751.25
Total	140,779,622.43	16,104,442.05		4,479,658.88		152,404,405.60

As to the Company's products directly used for sale, the net realizable value was recognized by: the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes. External sales have been realized with respect to the current write-off of provision for decline in value of inventories.

Provision for decline in value of inventories made by group:

In RMB

Name of group	End of the current period			Beginning of the current period		
	Closing balance	Provision for decline	Proportion	Opening balance	Provision for decline	Proportion

Criteria for provision for decline in value of inventories made by group:

10. Non-current assets due within one year

In RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

(1) Debt investments due within one yearApplicable N/A**(2) Other debt investments due within one year**Applicable N/A**11. Other current assets**

In RMB

Item	Closing balance	Opening balance
Prepayments for Internet access cooperation	7,628,577.66	13,696,428.21
Input VAT to be deducted	115,296,910.67	83,150,519.10
Others	7,252,743.79	16,615,582.49
Total	130,178,232.12	113,462,529.80

Other information:

12. Long-term equity investments

In RMB

Investee	Opening balance (carrying value)	Opening balance of provisions for impairment	Increase or decrease for the period								Closing balance (carrying value)	Closing balance of provision for diminution in value
			Additional investment	Decreased investment	Investment profit or loss under equity method	Adjustment in other comprehensive income	Other equity changes	Declared cash dividends or profits	Provisions for impairment	Others		
I. Joint ventures												
II. Associates												
Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	4,123,864.73	17,181,905.95			-4,123,864.73							17,181,905.95
Sub-total	4,123,864.73	17,181,905.95			-4,123,864.73							17,181,905.95
Total	4,123,864.73	17,181,905.95			-4,123,864.73							17,181,905.95

Recoverable amount determined based on fair value net of disposal cost:

Applicable N/A

Recoverable amount determined based on present value of expected future cash flows:

Applicable N/A

Reason of significant difference between the information set out above and the information used in prior year's impairment assessment or external information:

Reason of significant difference between the information used in prior year's impairment assessment and the actual situation of the current year:

Other information:

13. Investment properties

(1) Investment properties measured at cost

Applicable N/A

Unit: RMB

Item	Buildings	Land use right	Construction in process	Total
I. Original carrying value:				
1. Opening balance	84,309,445.29			84,309,445.29
2. Increase in the current period				
(1) Purchase				
(2) Inventory/fixed assets/transfer from construction in progress				
(3) Increase due to business merger				
3. Current decreases				
(1) Disposal				
(2) Other amounts transferred out				
4. Closing balance	84,309,445.29			84,309,445.29
II. Accumulative depreciation and accumulative amortization				
1. Opening balance	928,411.69			928,411.69
2. Current increase	2,296,981.37			2,296,981.37
(1) Provision or amortization	2,296,981.37			2,296,981.37
3. Current decreases				
(1) Disposal				
(2) Other amounts transferred out				
4. Closing balance	3,225,393.06			3,225,393.06
III. Provision for impairment				
1. Opening balance				
2. Current increase				
(1) Provision				
3. Current decreases				
(1) Disposal				
(2) Other amounts transferred out				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	81,084,052.23			81,084,052.23
2. Opening carrying value	83,381,033.60			83,381,033.60

Recoverable amount determined based on fair value net of disposal cost:

Applicable N/A

Recoverable amount determined based on present value of expected future cash flows:

Applicable N/A

Reason of significant difference between the information set out above and the information used in prior year's impairment assessment or external information:

Reason of significant difference between the information used in prior year's impairment assessment and the actual situation of the current year:

Other information:

(2) Investment properties measured at fair value

Applicable N/A

14. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	142,419,568.37	173,715,579.21
Total	142,419,568.37	173,715,579.21

(1) Details of fixed assets

In RMB

Item	Buildings	Machines and equipment	Electronic equipment, devices and furniture	Transportation equipment	Others	Total
I. Original carrying value:						
1. Opening balance	58,268,091.66	328,859,161.06	309,321,735.99	18,299,945.31	11,000,000.00	725,748,934.02
2. Increase in the current period		722,319.86	9,982,676.11			10,704,995.97
(1) Purchase		722,319.86	9,982,676.11			10,704,995.97
(2) Transfer from construction in progress						
(3) Increase due to business merger						
3. Decrease in the current period		19,097,888.95	4,586,880.44	2,607,951.00		26,292,720.39
(1) Disposal or retirement		19,097,888.95	4,586,880.44	2,607,951.00		26,292,720.39
4. Closing balance	58,268,091.66	310,483,591.97	314,717,531.66	15,691,994.31	11,000,000.00	710,161,209.60
II. Accumulated depreciation						
1. Opening balance	14,507,279.97	290,829,659.11	232,228,293.48	14,073,007.76		551,638,240.32
2. Increase in the current period	1,908,705.37	12,867,792.06	25,979,281.21	1,034,197.47		41,789,976.11
(1) Provision	1,908,705.37	12,867,792.06	25,979,281.21	1,034,197.47		41,789,976.11
3. Decrease in the current period		19,086,373.11	4,517,763.12	2,477,553.46		26,081,689.69
(1) Disposal or retirement		19,086,373.11	4,517,763.12	2,477,553.46		26,081,689.69
4. Closing balance	16,415,985.34	284,611,078.06	253,689,811.57	12,629,651.77		567,346,526.74
III. Provision for impairment						

1. Opening balance		391,088.27	4,026.22			395,114.49
2. Increase in the current period						
(1) Provision						
3. Decrease in the current period						
(1) Disposal or retirement						
4. Closing balance		391,088.27	4,026.22			395,114.49
VI. Carrying value						
1. Closing balance	41,852,106.32	25,481,425.64	61,023,693.87	3,062,342.54	11,000,000.00	142,419,568.37
2. Opening balance	43,760,811.69	37,638,413.68	77,089,416.29	4,226,937.55	11,000,000.00	173,715,579.21

(2) Fixed assets leased out under operating lease

In RMB

Item	Closing carrying value
Buildings	22,478,413.02

15. Right-of-use assets

(1) Details of right-of-use assets

In RMB

Item	Buildings	Total
I. Original carrying value:		
1. Opening balance	276,220,823.46	276,220,823.46
2. Increase in the current period	138,902,030.11	138,902,030.11
(1) Lease in	138,902,030.11	138,902,030.11
3. Decrease in the current period	66,733,461.50	66,733,461.50
(1) Disposal	33,057,412.03	33,057,412.03
(2) Expiration of lease	33,676,049.47	33,676,049.47
4. Closing balance	348,389,392.07	348,389,392.07
II. Accumulated depreciation		
1. Opening balance	95,426,037.24	95,426,037.24
2. Increase in the current period	83,840,720.26	83,840,720.26
(1) Provision	83,840,720.26	83,840,720.26
3. Decrease in the current period	59,464,779.04	59,464,779.04
(1) Disposal	25,788,729.57	25,788,729.57
(2) Expiration of lease	33,676,049.47	33,676,049.47
4. Closing balance	119,801,978.46	119,801,978.46
III. Provision for impairment		
1. Opening balance		
2. Increase in the current period		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
VI. Carrying value		
1. Closing balance	228,587,413.61	228,587,413.61
2. Opening balance	180,794,786.22	180,794,786.22

16. Intangible assets

(1) Details of intangible assets

In RMB

Item	Land use rights	Patent	Non-patent technology	Films and TV dramas copyright	Software	Trademarks and domain names	Patent licensing fees and program adaptation rights	Game copyright	Total
I. Original carrying value									
1. Opening balance	33,157,507.40			25,809,815,188.69	438,538,674.17	4,746,884.13	36,792,452.82	27,920,810.64	26,350,971,517.85
2. Increase in the current period				6,267,314,397.01	1,411,135.55			3,944,832.94	6,272,670,365.50
(1) Purchase				6,267,314,397.01	1,411,135.55			3,944,832.94	6,272,670,365.50
(2) Internal research and development									
(3) Increase due to business mergers									
3. Decrease in the current period				595,900,892.55				170,173.24	596,071,065.79
(1) Disposal				595,900,892.55				170,173.24	596,071,065.79
4. Closing balance	33,157,507.40			31,481,228,693.15	439,949,809.72	4,746,884.13	36,792,452.82	31,695,470.34	32,027,570,817.56
II. Accumulated amortization									
1. Opening balance	7,838,254.24			19,184,357,541.85	137,074,359.91	3,832,642.90	28,040,736.11	21,826,303.76	19,382,969,838.77
2. Increase in the current period	676,683.82			5,078,308,521.19	42,334,144.12	201,211.00	1,875,367.80	3,398,750.34	5,126,794,678.27
(1) Provision	676,683.82			5,078,308,521.19	42,334,144.12	201,211.00	1,875,367.80	3,398,750.34	5,126,794,678.27
3. Decrease in the current period				595,900,892.55				170,173.24	596,071,065.79
(1) Disposal				595,900,892.55				170,173.24	596,071,065.79
4. Closing balance	8,514,938.06			23,666,765,170.49	179,408,504.03	4,033,853.90	29,916,103.91	25,054,880.86	23,913,693,451.25
III. Provision									

for impairment									
1. Opening balance									
2. Increase in the current period									
(1) Provision									
3. Decrease in the current period									
(1) Disposal									
4. Closing balance									
VI. Carrying value									
1. Closing balance	24,642,569.34		7,814,463,522.66	260,541,305.69	713,030.23	6,876,348.91	6,640,589.48	8,113,877,366.31	
2. Opening balance	25,319,253.16		6,625,457,646.84	301,464,314.26	914,241.23	8,751,716.71	6,094,506.88	6,968,001,679.08	

Proportion of intangible assets generated from the Company's internal research and development to the balance of intangible assets at the end of the period: 0.90%.

17. Long-term prepaid expenses

In RMB

Item	Opening balance	Increase in the current period	Amortization	Other decrease	Closing balance
Projects of rebuilding and decoration for rented buildings	88,341,119.22	12,626,857.56	31,314,872.78		69,653,104.00
Total	88,341,119.22	12,626,857.56	31,314,872.78		69,653,104.00

Other information:

18. Deferred tax assets / deferred tax liabilities

(1) Deferred tax assets not offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	355,596,582.46	54,294,735.45		
Unrealized profits on intragroup transactions	93,422,322.40	14,013,348.36		
Intangible assets	10,377,237,346.29	1,556,627,584.71		
Lease liabilities	204,140,260.49	38,732,376.27	80,860,974.39	15,747,631.58
Deferred income	37,912,257.53	5,886,838.63		
Income from equity investment	6,855,915.19	1,028,387.28		
Provisions	3,156,100.00	473,415.00		
Total	11,078,320,784.36	1,671,056,685.70	80,860,974.39	15,747,631.58

(2) Deferred tax liabilities not offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Right-of-use assets	228,587,413.61	42,360,807.51	73,622,532.30	15,968,277.36
Total	228,587,413.61	42,360,807.51	73,622,532.30	15,968,277.36

(3) Deferred tax assets and deferred tax liabilities presented on a netting basis

In RMB

Item	Closing offset amount of deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	42,266,467.32	1,628,790,218.38	15,740,849.25	6,782.33
Deferred tax liabilities	42,266,467.32	94,340.19	15,740,849.25	227,428.11

(4) Details of unrecognized deferred tax assets

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences	364,843,876.01	9,370,255,527.90
Deductible losses	1,049,348,341.90	837,495,510.21
Total	1,414,192,217.91	10,207,751,038.11

(5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following year

In RMB

Year	Closing balance	Opening balance	Remark
2023		33,995,918.61	
2024	383,268.85	383,268.85	
2025	39,485,265.41	39,666,144.36	
2026	349,142,170.13	352,766,517.40	
2027	393,914,930.28	410,683,660.99	
2028	266,422,707.23		
Total	1,049,348,341.90	837,495,510.21	

Other information:

19. Other non-current assets:

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Prepayments for equipment and construction projects	1,257,003.74		1,257,003.74	35,450,007.57		35,450,007.57
Total	1,257,003.74		1,257,003.74	35,450,007.57		35,450,007.57

Other information:

20. Assets subject to restrictions on ownership or right of use

In RMB

Item	End of the current period				Beginning of the current period			
	Book balance	Carrying value	Type of restriction	Reason of restriction	Book balance	Carrying value	Type of restriction	Reason of restriction
Cash and bank balances	14,891,913.17	14,891,913.17	Freeze and security	Freeze due to litigation, security deposit and third-party platform account security deposit	24,363,026.41	24,363,026.41	Freeze and security	Freeze due to litigation, security deposit and third-party platform account security deposit
Notes receivable	34,920,000.00	34,920,000.00	Endorsement and discount	Endorsed or discounted but yet not matured bills	1,024,395,661.37	1,024,395,661.37	Endorsement and discount	Endorsed or discounted but yet not matured bills
Total	49,811,913.17	49,811,913.17			1,048,758,687.78	1,048,758,687.78		

Other information:

21. Short-term borrowings

(1) Category of short-term borrowings

In RMB

Item	Closing balance	Opening balance
Pledge borrowings		1,018,145,573.43
Credit borrowings - principal	33,731,500.00	39,731,500.00
Credit borrowings - interest	49,825.60	55,403.37
Total	33,781,325.60	1,057,932,476.80

Description for categories of short-term borrowings:

The pledged loans are banker's acceptance bills and commercial acceptance bills of small commercial banks that have already been discounted yet not derecognized at the end of the period.

22. Notes payable

In RMB

Category	Closing balance	Opening balance
Commercial acceptance bills	121,027,286.03	403,807,532.47
Banker's acceptance bills	585,287,605.99	1,237,194,311.78
Letters of credit	1,008,178,382.30	
Total	1,714,493,274.32	1,641,001,844.25

Total notes payable matured but not paid yet is RMB0.00 at the end of the period.

23. Accounts payable

(1) Details of accounts payable

In RMB

Item	Closing balance	Opening balance
Payments for purchase of engineering equipment and goods	5,211,653,685.68	4,929,885,871.44
Total	5,211,653,685.68	4,929,885,871.44

(2) Significant accounts payable aged over one year or overdue

In RMB

Item	Closing balance	Reason for failure to be repaid or carried forward
The first	50,395,471.69	Not yet due for settlement
The second	49,410,599.97	Not yet due for settlement
The third	47,077,269.85	Not yet due for settlement
The fourth	40,892,106.88	Not yet due for settlement
The fifth	38,679,245.29	Not yet due for settlement
The sixth	30,159,886.01	Not yet due for settlement
Total	256,614,579.69	

Other information:

24. Other payables

In RMB

Item	Closing balance	Opening balance
Dividends payable		310,000,000.00
Other payables	118,868,606.40	198,775,724.99
Total	118,868,606.40	508,775,724.99

(1) Dividends payable

In RMB

Item	Closing balance	Opening balance
Dividends on ordinary shares		310,000,000.00
Total		310,000,000.00

Other information, including the reason for failure to pay any material dividends overdue for more than one year:

(2) Other payables**1) Other payables by nature**

In RMB

Item	Closing balance	Opening balance
Receivables and payables	89,952,391.96	167,244,129.47
Security deposit	28,916,214.44	31,531,595.52
Total	118,868,606.40	198,775,724.99

2) Other significant payables aged over one year

In RMB

Item	Closing balance	Reason for failure to be repaid or carried forward
The first	3,793,780.40	Not yet due for settlement
Total	3,793,780.40	

3) Top 5 other payables in terms of closing balance categorized by counterparty

Other information:

25. Contract liabilities

In RMB

Item	Closing balance	Opening balance
Payment for goods	326,891,199.04	346,714,804.82
Investments in films and TV dramas co-production	55,498,792.71	84,187,513.92
Membership service	840,992,823.82	665,056,892.14
Total	1,223,382,815.57	1,095,959,210.88

Material contract liabilities aged more than one year:

In RMB

Item	Closing balance	Reason for failure to be repaid or carried forward

Significant changes in the carrying value during the Reporting Period and reasons therefor:

In RMB

Item	Changes	Reason for changes

26. Employee benefits payable**(1) Details of employee benefits payable**

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term benefits	1,018,804,563.91	1,662,551,293.03	1,549,404,332.02	1,131,951,524.92
II. Post-employment benefits-defined benefit plan	478,800.10	44,223,376.30	43,780,003.77	922,172.63
III. Termination benefits	510,226.39	15,031,762.77	15,217,424.98	324,564.18
Total	1,019,793,590.40	1,721,806,432.10	1,608,401,760.77	1,133,198,261.73

(2) Short-term benefits

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	1,016,144,756.03	1,540,798,266.80	1,427,775,301.67	1,129,167,721.16
2. Employee welfare expenses	323,060.00	53,125,778.80	53,141,539.80	307,299.00
3. Social security contributions	250,945.43	29,336,605.06	29,306,211.18	281,339.31
Incl.: Medical insurance	233,096.54	24,628,570.39	24,611,918.67	249,748.26
Work-related injuries insurance	11,624.05	1,623,353.14	1,621,668.52	13,308.67
Maternity insurance	6,224.84	257,214.62	257,143.37	6,296.09
Other commercial insurance		2,827,466.91	2,815,480.62	11,986.29
4. Housing provident fund	350,457.00	32,548,777.00	32,684,183.00	215,051.00
5. Union running costs and employee education cost	1,735,345.45	6,741,865.37	6,497,096.37	1,980,114.45
Total	1,018,804,563.91	1,662,551,293.03	1,549,404,332.02	1,131,951,524.92

(3) Defined benefit plan

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pensions	463,529.93	40,960,951.91	40,523,494.33	900,987.51
2. Unemployment insurance	15,270.17	3,262,424.39	3,256,509.44	21,185.12
Total	478,800.10	44,223,376.30	43,780,003.77	922,172.63

Other information:

27. Taxes payable

In RMB

Item	Closing balance	Opening balance
VAT	11,408,321.49	13,344,691.29
Enterprise income tax	8,206,297.94	61,255.01
Personal Income Tax	40,619,583.31	36,982,910.73
Urban maintenance and construction tax	198,770.35	421,370.61
Stamp duty	2,521,617.23	1,985,402.35
Education surcharges	141,978.81	327,072.20
Development fee for cultural undertakings	205,222,676.00	152,478,937.95
Other taxes	2,838,963.45	2,866,410.18
Total	271,158,208.58	208,468,050.32

Other information:

28. Non-current liabilities due within one years

In RMB

Item	Closing balance	Opening balance
Lease liabilities due within 1 year	63,380,220.77	52,927,194.87
Total	63,380,220.77	52,927,194.87

Other information:

29. Other current liabilities

In RMB

Item	Closing balance	Opening balance
Output tax to be transferred	55,645,321.21	81,629,189.75
Notes endorsed but not derecognized [note]	34,920,000.00	
Others		26,507,026.70
Total	90,565,321.21	108,136,216.45

Changes in short-term bonds payable:

In RMB

Name of bond	Par value	Coupon rate	Issue date	Term of bond	Issue amount	Opening balance	Issue for the period	Interest accrued based on par value	Amortization of premiums or discounts	Repayment for the period	Closing balance	Default or not
Total												

Other information:

[Note] Notes endorsed but not derecognized are banker's acceptance bills of small-sized commercial banks that have been endorsed but not derecognize at the end of the Reporting Period.

30. Lease liabilities

In RMB

Item	Closing balance	Opening balance
Housing and building rental payments	163,907,504.63	148,555,695.29

Unrecognized financing expenses	-12,098,501.29	-10,211,590.57
Total	151,809,003.34	138,344,104.72

Other information:

31. Provisions

In RMB

Item	Closing balance	Opening balance	Reason
Pending litigation	3,156,100.00	9,038,875.00	Estimated compensation for pending litigation
Total	3,156,100.00	9,038,875.00	

Other information, including important assumptions and estimation explanations related to significant estimated liabilities:

32. Deferred income

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Governmental grants	42,775,997.77	24,310,000.00	23,878,281.29	43,207,716.48	Government grants related to assets and income
Total	42,775,997.77	24,310,000.00	23,878,281.29	43,207,716.48	--

Other information:

33. Share capital

In RMB

	Opening balance	Increase or decrease (+,-)					Closing balance
		New shares	Bonus shares	Capitalization of capital reserve	Others	Sub-total	
Total shares	1,870,720,815.00						1,870,720,815.00

Other information:

34. Capital reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (Share capital premium)	9,639,945,659.79		834,795,100.00	8,805,150,559.79
Other capital reserve	6,264,437.84			6,264,437.84
Total	9,646,210,097.63		834,795,100.00	8,811,414,997.63

Other information, including changes and reasons therefor:

The decrease in the current capital premium (equity premium) was caused by acquisition of 100% shares of Golden Eagle Cartoon from the parent company Mango Media. See Note VII.54 and Note IX.1 for details.

35. Other comprehensive income

In RMB

Item	Opening balance	Amount in the current period						Closing balance
		Amount before income tax for the current period	Less: Amount included in other comprehensive income for the prior periods	Less: Amount included in other comprehensive income for the prior periods	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority interests after tax	

			and transferred to the profit or loss for the current period	and transferred to the retained earnings for the current period				
II. Other comprehensive income that will be reclassified to profit or loss	157,436.90	14,621.32				14,621.32		172,058.22
Translation differences of financial statements denominated in foreign currencies	157,436.90	14,621.32				14,621.32		172,058.22
Total of other comprehensive income	157,436.90	14,621.32				14,621.32		172,058.22

Other information, including adjustment of the effective part of the cash flow hedge gains and losses transferred to initially recognized amount of hedged items:

36. Surplus reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory capital reserves	126,108,937.21	53,513,078.05		179,622,015.26
Total	126,108,937.21	53,513,078.05		179,622,015.26

Descriptions of surplus reserve, including changes for the current period and reasons therefor: Current increase of statutory capital reserves is accrued based on 10% of net profits of parent company.

37. Undistributed profit

In RMB

Item	Amount in the current period	Amount in the prior period
Undistributed profits at the end of the prior period before adjustment	7,306,930,115.63	5,746,281,439.57
Aggregate adjustment to the opening balance of undistributed profits (increase expressed with "+", and decrease expressed with "-")	64,564,009.79	345,788,313.03
Beginning balance of undistributed profits after adjustment	7,371,494,125.42	6,092,069,752.60
Add: Net profit attributable to owners of the parent company for the period	3,555,705,558.90	1,864,245,432.69
Less: Appropriation to statutory surplus reserve	53,513,078.05	21,083,553.92
Dividends payable for ordinary shares	243,193,705.95	563,737,505.95
Closing balance of undistributed profits	10,630,492,900.32	7,371,494,125.42

Details of adjustments to the opening balance of undistributed profits:

- 1) Effect on the opening balance of undistributed profits due to retrospective adjustment pursuant to the Accounting Standards for Business Enterprises and related new provisions: Nil.
- 2) Effect on the opening balance of undistributed profits due to changes in accounting policies: RMB-220,645.78.
- 3) Effect on the opening balance of undistributed profits due to the correction of material accounting errors: Nil.
- 4) Effect on the opening balance of undistributed profits due to changes in the scope of consolidation resulting from business merger involving entities under common control: RMB64,784,655.57.
- 5) Effect on the opening balance of undistributed profits due to other adjustments: Nil.

38. Operating revenues and operating costs

In RMB

Item	Amount in the current period		Amount in the prior period	
	Revenue	Cost	Revenue	Cost
Primary business	14,593,731,803.65	9,764,976,782.77	13,960,815,498.38	9,194,378,666.53
Other business	34,284,498.19	38,030,112.17	15,958,536.54	13,701,456.54
Total	14,628,016,301.84	9,803,006,894.94	13,976,774,034.92	9,208,080,123.07

Whether the lower of the audited net profit before and after deduction of non-recurring gain or loss is negative?

Yes No

Breakdown of operating revenues and operating costs:

In RMB

Category of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
By segment	14,607,812,188.73	9,788,565,453.99					14,607,812,188.73	9,788,565,453.99
Incl.:								
Mango TV Internet video business	10,614,030,327.62	6,229,223,213.61					10,614,030,327.62	6,229,223,213.61
New media interactive entertainment content production and operation	1,149,941,038.24	855,899,278.24					1,149,941,038.24	855,899,278.24
Content e-commerce	2,822,529,201.38	2,682,738,552.41					2,822,529,201.38	2,682,738,552.41
Others	21,311,621.49	20,704,409.73					21,311,621.49	20,704,409.73
By operating region	14,607,812,188.73	9,788,565,453.99					14,607,812,188.73	9,788,565,453.99
Incl.:								
Hunan	3,537,951,569.61	2,368,845,667.28					3,537,951,569.61	2,368,845,667.28
Others	11,069,860,619.12	7,419,719,786.71					11,069,860,619.12	7,419,719,786.71
By market or customer type								
Incl.:								
By contract type								
Incl.:								
By transfer time of goods	14,607,812,188.73	9,788,565,453.99					14,607,812,188.73	9,788,565,453.99
Incl.:								
Revenue recognized at a point in time	7,322,021,341.01	5,480,672,112.18					7,330,400,480.95	5,480,672,112.18
Revenue recognized over time	7,285,790,847.72	4,307,893,341.81					6,635,020,319.10	4,307,893,341.81
By term of contract								
Incl.:								
By sales channel								
Incl.:								
Total								

Information related to performance obligations:

Item	Time for satisfaction of performance obligation	Material terms of payment	Nature of goods to be transferred by the Company	Whether the Company is a primary obligor	Amount that the Company is expected to return to the customer	Type of warranty provided by the Company and related obligation

Other information:

Information related to the transaction price allocated to the outstanding performance obligations:

The revenue corresponding to the performance obligations for which the contract has been signed but has not yet been performed or fully performed at the end of the Reporting Period was RMB1,167,884,022.86, of which RMB[] is expected to be recognized as revenue in [], RMB[] is expected to be recognized as revenue in [], and RMB[] is expected to be recognized as revenue in [].

Information related to variable consideration under the contract:

Material changes to contract or material adjustment to transaction price:

In RMB

Item	Method of accounting treatment	Effect on revenues
Other information:		

Other information:

39. Taxes and surcharges

In RMB

Item	Amount in the current period	Amount in the prior period
Consumption tax	4,609,149.68	182,749.05
Urban maintenance and construction tax	15,971,815.04	14,198,586.07
Education surcharges	11,426,041.49	10,195,202.13
Property tax	848,676.35	728,127.45
Land use rights	317,111.64	304,072.27
Vehicle and vessel tax	52,190.00	44,743.15
Stamp duty	4,172,011.31	1,613,045.10
Cultural program expenditure	62,712,654.64	63,689,854.06
Others	5,567.68	9,459.17
Total	100,115,217.83	90,965,838.45

Other information:

40. Administrative expenses

In RMB

Item	Amount in the current period	Amount in the prior period
Employee's benefits and labor costs	430,604,885.05	464,190,051.90
Depreciation and amortization	60,923,666.46	60,547,830.40
Legal costs	10,709,601.29	9,512,505.95
Office and administrative service	71,238,413.34	69,184,998.74
Agency fees	17,522,886.67	14,401,232.02
Business entertainment expenses	2,661,030.35	1,936,702.25
Others	18,348,524.17	26,728,696.80
Total	612,009,007.33	646,502,018.06

Other information:

41. Selling expenses

In RMB

Item	Amount in the current period	Amount in the prior period
Employee's benefits and labor costs	576,127,812.59	639,343,477.94
Depreciation and amortization	8,466,298.99	11,677,591.99
Advertising costs	1,096,031,531.92	1,114,422,163.05
Expenses for Internet access cooperation	34,925,253.55	35,562,482.84
Office and travel expenses	26,303,720.55	15,828,308.40
Program production costs	19,085,890.68	9,674,917.32
Channel sales and operations development expenses	474,478,818.33	390,480,869.67
Others	24,645,947.36	27,834,517.77
Total	2,260,065,273.97	2,244,824,328.98

Other information:

42. Research and development expenses

In RMB

Item	Amount in the current period	Amount in the prior period
Employee's benefits and labor costs	132,809,324.23	78,469,189.04

Depreciation and amortization	14,284,930.13	15,548,111.63
Technical service fees	112,770,214.15	140,783,980.32
Others	18,863,776.27	22,805,961.42
Total	278,728,244.78	257,607,242.41

Other information:

43. Financial expenses

In RMB

Item	Amount in the current period	Amount in the prior period
Loan interest expenses	1,937,719.63	2,022,222.95
Expenditure from interest of bills discounted not derecognized	14,480,442.10	8,626,569.06
Less: Interest income	208,888,419.38	200,121,015.01
Service charge	43,051,724.38	33,125,167.59
Interest expenses from lease liabilities	6,650,512.63	9,493,105.50
Foreign exchange gains and losses	-4,899,373.45	4,409,147.02
Total	-147,667,394.09	-142,444,802.89

Other information:

44. Other income

In RMB

Source of other income	Amount in the current period	Amount in the prior period
Government grants related to assets	16,732,948.07	16,648,854.52
Government grants related to income	69,609,403.38	35,466,135.70
Refund of service fees of withholding personal income tax	3,820,990.58	5,240,976.47
Additional VAT deduction	32,761,165.89	70,107,934.93
Total	122,924,507.92	127,463,901.62

45. Investment income

In RMB

Item	Amount in the current period	Amount in the prior period
Income from long-term equity investments under equity method	-4,123,864.73	-2,576,746.69
Proceeds from debt restructuring	3,000,000.00	27,219,600.00
Interest expenses on derecognized discount notes	-18,449,114.52	-10,956,907.95
Income from wealth management products	92,809,746.83	119,377,916.99
Total	73,236,767.58	133,063,862.35

Other information:

46. Impairment losses of credit

In RMB

Item	Amount in the current period	Amount in the prior period
Losses from impairment of notes receivable	23,151.77	-23,151.77
Bad debt losses of accounts receivable	-66,160,439.05	-117,264,188.06
Bad debt losses of other receivables	-1,399,168.29	-1,182,612.49
Total	-67,536,455.57	-118,469,952.32

Other information:

47. Impairment losses of assets

In RMB

Item	Amount in the current period	Amount in the prior period
I. Loss from inventory depreciation and loss from impairment of contract performance cost	-16,104,442.05	-20,689,008.13
II. Loss from impairment of long-term equity investment		-17,181,905.95
XI. Impairment losses of contractual assets	3,485,179.56	-3,213,575.08
XII. Others	-19,905,321.52	-8,659,735.00
Total	-32,524,584.01	-49,744,224.16

Other information:

48. Income from disposal of assets

In RMB

Source of income from disposal of assets	Amount in the current period	Amount in the prior period
Income from disposal of long-term assets	1,171,623.19	891,438.70

49. Non-operating revenue

In RMB

Item	Amount in the current period	Amount in the prior period	Amount included in the non-recurring gain or loss for the current period
Payment not to be made	2,956,600.70	5,290,663.40	2,956,600.70
Income from safeguarding legal rights	25,508,083.38	37,208,566.67	25,508,083.38
Others	7,067,319.74	3,129,220.30	7,067,319.74
Total	35,532,003.82	45,628,450.37	35,532,003.82

Other information:

50. Non-operating expenses

In RMB

Item	Amount in the current period	Amount in the prior period	Amount included in the non-recurring gain or loss for the current period
Outbound donations	447,013.55	8,291.60	447,013.55
Losses from damage and retirement of non-current assets	51,994.54	84,224.80	51,994.54
Compensation expenditures	3,179,097.37	4,086,213.49	3,179,097.37
Others	327,778.83	311,651.85	327,778.83
Total	4,005,884.29	4,490,381.74	4,005,884.29

Other information:

51. Income tax expenses**(1) Table of income tax expenses**

In RMB

Item	Amount in the current period	Amount in the prior period
Current income tax expenses	8,146,737.30	76,071.59
Deferred income tax expenses	-1,628,916,523.97	
Total	-1,620,769,786.67	76,071.59

(2) Reconciliation of income tax expenses to the accounting profit

Item	In RMB	
	Amount in the current period	
Total profit	1,850,557,035.72	
Income tax expense calculated based on statutory/applicable tax rate	462,639,258.93	
Effect of different tax rates of subsidiaries operating in other jurisdictions	-512,820,365.96	
Effect of adjustment on income tax for the prior period	84,246.60	
Effect of non-deductible cost, expense and loss	115,470.39	
Effect of utilizing deductible loss not recognized for deferred tax assets for the prior period	-1,780,002.87	
Effect of deductible temporary difference or deductible loss not recognized for deferred tax assets for the current period	59,908,130.21	
Other	-1,628,916,523.97	
Income tax expense	-1,620,769,786.67	

Other information: Other deferred income tax expenses recognized as temporary differences due to the expiration of tax exemptions for the Company.

52. Items of the cash flow statement**(1) Cash flows relating to operating activities**

Other cash receipts relating to operating activities:

Item	In RMB	
	Amount in the current period	Amount in the prior period
Governmental grants	86,774,070.16	49,373,216.18
Interest income	208,888,917.13	200,121,015.01
Income from safeguarding legal rights	25,508,083.38	37,208,566.67
Payment for goods collected for others	57,918,097.18	134,507,004.72
Receivables and payables and others	15,018,872.71	26,765,188.10
Total	394,108,040.56	447,974,990.68

Descriptions of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Item	In RMB	
	Amount in the current period	Amount in the prior period
Payments of various expenses	1,794,393,196.61	1,640,256,969.08
Band service charges	43,052,222.13	33,125,167.59
Payment for goods made for others	57,918,097.18	134,507,004.72
Accounts current and others	4,471,305.46	4,396,926.89
Total	1,899,834,821.38	1,812,286,068.28

Descriptions of other cash payments relating to operating activities:

(2) Cash flows relating to investing activities

Other cash receipts relating to investing activities:

Item	In RMB	
	Amount in the current period	Amount in the prior period
Redemption of bank wealth management products	7,121,000,000.00	14,099,290,618.76
Income from wealth management products	98,275,772.73	119,377,916.99
Total	7,219,275,772.73	14,218,668,535.75

Material cash receipts relating to investing activities:

Item	In RMB	
	Amount in the current period	Amount in the prior period

Descriptions of other cash receipts relating to investing activities:

Other cash payments relating to investing activities

In RMB

Item	Amount in the current period	Amount in the prior period
Purchase of wealth management products	5,478,000,000.00	13,371,990,000.00
Total	5,478,000,000.00	13,371,990,000.00

Material cash payments relating to investing activities:

In RMB

Item	Amount in the current period	Amount in the prior period
------	------------------------------	----------------------------

Descriptions of other cash payments relating to investing activities:

(3) Cash flows relating to financing activities

Other cash receipts relating to financing activities:

In RMB

Item	Amount in the current period	Amount in the prior period
------	------------------------------	----------------------------

Descriptions of other cash receipts relating to financing activities:

Other cash payments relating to financing activities

In RMB

Item	Amount in the current period	Amount in the prior period
Lease payment	82,238,041.16	67,026,458.20
Repayment of intergroup loans	64,000,000.00	29,693,346.30
Total	146,238,041.16	96,719,804.50

Descriptions of other cash payments relating to financing activities:

Repayment of intergroup loans involves the intergroup loans obtained by Golden Eagle Cartoon before it was merged into the Company, which were repaid in full before it was merged into the Company.

Changes in liabilities arising from financing activities:

Applicable N/A

In RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Monetary change	Non-monetary change	Monetary change	Non-monetary change	
Short-term borrowings	1,057,932,476.80	679,622,361.64		296,562,773.00	1,407,210,739.84	33,781,325.60
Lease liabilities (including those due within one year)	191,271,299.59		106,155,965.68	82,238,041.16		215,189,224.11
Total	1,249,203,776.39	679,622,361.64	106,155,965.68	378,800,814.16	1,407,210,739.84	248,970,549.71

53. Supplementary information to the cash flow statement**(1) Supplementary information to the cash flow statement**

In RMB

Supplementary information	Amount in the current period	Amount in the prior period
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	3,471,326,822.39	1,805,506,310.07
Add: Provision for impairment losses of assets	100,061,039.58	168,214,176.48
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	44,086,957.48	41,351,798.47
Depreciation of right-of-use assets	83,840,720.26	65,495,312.38
Amortization of intangible assets	5,126,794,678.27	5,009,896,316.63
Amortization of long-term prepaid expenses	31,314,872.78	31,408,448.81
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by “-”)	-1,171,623.19	-891,438.70

Losses on retirement of fixed assets (gains are indicated by “-”)	51,994.54	84,224.80
Income from changes in fair value (gains are indicated by “-”)		
Financial expenses (gains are indicated by “-”)	18,169,300.91	24,551,044.53
Investment losses (gains are indicated by “-”)	-73,236,767.58	-132,976,709.08
Decrease in deferred tax assets (increase is indicated by “-”)	-1,628,783,436.05	-6,782.33
Increase in deferred tax liabilities (decrease is indicated by “-”)	-133,087.92	227,428.11
Decrease in inventories (increase is indicated by “-”)	-124,721,268.22	80,414,477.47
Decrease in receivables from operating activities (increase is indicated by “-”)	-258,552,482.21	-1,257,620,367.60
Increase in payables from operating activities (decrease is indicated by “-”)	562,070,967.16	75,204,594.63
Others	-6,267,345,431.49	-5,289,055,135.23
Net cash flows from operating activities	1,083,773,256.71	621,803,699.44
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within 1 year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	11,867,316,344.43	10,345,319,073.78
Less: opening balance of cash	10,345,319,073.78	7,534,308,169.53
Add: Closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,521,997,270.65	2,811,010,904.25

(2) Net cash paid for acquisition of subsidiaries in the current period

In RMB

	Amount
Cash or cash equivalents paid in connection with business mergers in the current period	834,795,100.00
Incl.:	
Golden Eagle Cartoon	834,795,100.00
Incl.:	
Incl.:	
Net cash paid for acquisition of subsidiaries	834,795,100.00

Other information:

(3) Composition of cash and cash equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	11,867,316,344.43	10,345,319,073.78
Incl.: Cash on hand	34,083.85	88,009.61
Bank deposit that can be paid at any time	11,843,692,572.77	10,322,905,867.30
Other monetary capital that can be paid at any time	23,589,687.81	22,325,196.87
III. Closing balance of cash and cash equivalents	11,867,316,344.43	10,345,319,073.78
Incl.: Restricted cash and cash equivalents held by the parent company or other subsidiaries in the Group	1,490,065,232.16	2,105,457,389.75

(4) Amounts whose use is restricted but which are still presented as cash and cash equivalents

In RMB

Item	Amount in the current period	Amount in the prior period	Reason for presentation as cash and cash equivalents
Amount held in the account of offering proceeds	1,490,065,232.16	2,105,457,389.75	Be subject to limited usage but can be spent at any time
Total	1,490,065,232.16	2,105,457,389.75	

54. Notes to the statement of changes in owners' equity

Titles of items under "others" whose balance at the end of the prior year was adjusted and amount of adjustment:

On July 25, 2023, at the 17th meeting of the 4th Board of Directors and the 15th meeting of the 4th Board of Directors, the Proposal Regarding Acquisition of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. by Cash and Related-party Transaction was considered and adopted, which provides that, pursuant to the Asset Valuation Report on the Total Interests Held by the Shareholders of Hunan Golden Eagle Cartoon Media Co., Ltd. Involved in the Proposed Transfer by Mango Media Co., Ltd. of 100% Shares of Hunan Golden Eagle Cartoon Media Co., Ltd. (Vacation International Ping Bao Zi (2023) No. 1243) issued by Vacation (Beijing) International Asset Valuation Co., Ltd., as of December 31, 2022, the reference date for the valuation, the value of the total interests held by the shareholders of Golden Eagle Cartoon was RMB834,795,100; based on such result of valuation, the parties to the transaction agreed that the transaction price for 100% shares of Golden Eagle Cartoon was RMB834,795,100; the Company would pay RMB834,795,100, using its self-owned funds, to acquire 100% shares of Golden Eagle Cartoon. In October 2023, Golden Eagle Cartoon completed the relevant alteration filing procedures with the administration for industry and commerce, the Company acquired 100% shares of Golden Eagle Cartoon, and Golden Eagle Cartoon was included in the scope of consolidation of the Company.

Both the Company and Golden Eagle Cartoon are controlled by Mango Media before and after this business merger, and such control is not temporary, so the acquisition by the Company of Golden Eagle Cartoon constitute a business merger involving entities not under common control. Pursuant to the Accounting Standards for Business Enterprises No. 2 "Long-term Equity Investment" and the Accounting Standards for Business Enterprises No. 33 "Consolidated Financial Statements", the Company needs to retroactively adjust the balance of related financial statement items at January 1, 2023.

Retroactive adjustment to opening balance:

Item	Opening balance before adjustment	Other adjustment	Opening balance after adjustment
Capital reserve	9,546,797,532.04	99,412,565.59	9,646,210,097.63
Undistributed profit	7,306,930,115.63	64,784,655.57	7,371,714,771.20

Adjustment to the opening balance of capital reserve was primarily due to recognition of the Company's share in the paid-in capital and capital reserve of Golden Eagle Cartoon, and adjustment to the opening balance of undistributed profit was primarily due to recognition of the Company's share in the distributable profit of Golden Eagle Cartoon.

55. Monetary items denominated in foreign currencies**(1) Monetary items denominated in foreign currencies**

In RMB

Item	Closing balance of foreign currency	Exchange rate	Translated balance in RMB at the end of the period
Cash and bank balances			
Incl.: USD	800,823.15	7.0827	5,671,990.12
EUR			
HKD	2,320.83	0.9062	2,103.18
Accounts receivable			
Incl.: USD	1,657,521.19	7.0827	11,739,725.33
EUR			
HKD			
Long-term borrowings			
Incl.: USD			
EUR			
HKD			
Accounts payable			

Incl.: USD	7,597,907.25	7.0827	53,813,697.68
------------	--------------	--------	---------------

Other information:

(2) Descriptions of overseas operating entities, including disclosure of the main overseas business locations, functional currency and the basis for selection of important overseas operating entities, and the reasons for changes in functional currency (if any)

Applicable N/A

56. Leases

(1) The Company as lessee

Applicable N/A

Variable lease payments not included in lease liabilities:

Applicable N/A

Lease expenses under short-term leases and leases of low-value assets using the simplified approach:

Applicable N/A

Sale and leaseback transactions:

None.

(2) The Company as lessor

The Company as lessor under operating leases

Applicable N/A

In RMB

Item	Rental income	Incl.: Income related to variable lease payments not included in lease receipts
Buildings	20,204,113.11	
Total	20,204,113.11	

The Company as lessor under finance leases

Applicable N/A

Annual undiscounted lease receipts in the following five years:

Applicable N/A

In RMB

Item	Annual undiscounted lease receipts	
	Closing balance	Opening balance
Year 1	9,654,633.78	10,623,126.18
Year 2	7,959,920.12	11,238,554.40
Year 3	5,760,657.31	9,883,531.00
Year 4	3,000,125.74	8,326,777.08
Year 5	2,161,091.60	6,061,978.71
Total undiscounted lease receipts after five years	68,807.34	5,370,943.39

Reconciliation of undiscounted lease receipts to net investment in leases:

(3) Gain or loss on sales under finance leases as producer or distributor

Applicable N/A

VIII. Research and Development Expenses

In RMB

Item	Amount in the current period	Amount in the prior period
Employee's benefits and labor costs	239,717,202.20	157,497,801.91
Depreciation and amortization	25,265,966.87	27,896,456.26
Technical service fees	127,840,867.11	153,660,894.75
Others	25,920,119.06	25,077,790.61
Total	418,744,155.24	364,132,943.53

Incl.: Charging research and development expenses	278,728,244.78	257,607,242.41
Capitalized research and development expenses	140,015,910.46	106,525,701.12

1. Research and development projects qualified for capitalization

In RMB

Project	Opening balance	Increase in the current period			Decrease in the current period			Closing balance
		Internal research and development expenses	Others		Recognized as intangible assets	Transferred to current profit or loss		
Smart audio-visual project	98,662,331.53	125,920,688.48						224,583,020.01
Self-developed game project	3,170,414.70	14,095,221.98						17,265,636.68
Total	101,832,746.23	140,015,910.46						241,848,656.69

Important capitalized research and development projects:

Project	Progress of research and development	Expected time of completion	Expected ways to produce economic benefits	Beginning time of capitalization	Basis for beginning capitalization
Smart audio-visual project	The smart audio-visual project has 6 second-level sub-projects. At present, all projects have proceeded in an orderly manner, and the research and development of 20 out of 33 sub-modules have been completed, marking more than half of the research and development tasks has been completed.	December 1, 2025	The project aims to strengthen the basic service ability, intelligent content production management, refined audio-visual media operations, cutting-edge audio-visual experience exploration, innovative business application sector, "4K+5G" high-definition smart production, etc., to build China's leading smart audio-visual media service platform, so as to improve the core competitiveness and brand awareness of the Company.	March 25, 2022	Approval of the project by the meeting of technical committee of Happy Sunshine.

Provision for impairment of research and development expenses:

In RMB

Project	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Impairment assessment
---------	-----------------	--------------------------------	--------------------------------	-----------------	-----------------------

IX. Changes in Scope of Consolidation

1. Business merger involving entities under common control

(1) Business merger involving entities under common control effected in the current period

In RMB

Acquiree	Percentage of shares acquired	Basis for constituting business merger involving entities under common control	Merger date	Basis for determining the merger date	Revenues of the acquiree from the beginning of the period in which the merger occurred till the merger date	Net profit of the acquiree from the beginning of the period in which the merger occurred till the merger date	Revenues of the acquiree in the comparative period	Net profit of the acquiree in the comparative period
Hunan Golden Eagle Cartoon Media Co., Ltd.	100.00%	The Company acquired 100% shares of Golden Eagle Cartoon held by its parent company Mango Media	October 20, 2023	The Company has paid 100% of the cash consideration and there isn't any substantial barrier to the change in share ownership.	193,926,532.98	32,481,963.81	273,141,672.07	39,292,296.69

Other information:

(2) Acquisition cost

In RMB

Acquisition cost	Hunan Golden Eagle Cartoon Media Co., Ltd.
-Cash	834,795,100.00
-Carrying value of non-cash assets	
-Carrying value of liabilities issued or assumed	
-Carrying value of equity securities issued	
-Contingent consideration	

Contingent consideration and changes therein:

Other information:

(3) Carrying value of the assets and liabilities of the acquiree at the merger date

In RMB

	Hunan Golden Eagle Cartoon Media Co., Ltd.	
	Merger date	End of prior period
Assets:		
Cash and bank balances	334,428,751.74	682,992,725.80
Accounts receivable	25,835,411.85	18,813,428.92

Inventories	21,019,575.06	8,687,024.50
Fixed assets	6,641,330.65	8,439,709.59
Intangible assets	3,993,602.40	2,932,094.35
Other current assets		2,703,695.83
Right-of-use assets	7,012,756.00	8,606,564.20
Long-term deferred expenses	16,935.60	266,324.17
Other non-current assets	225,513.43	432,816.62
Liabilities:		
Borrowings		
Accounts payable	191,086,482.69	558,619,564.87
Non-current liabilities due within one year	999,638.17	1,743,486.89
Other non-current liabilities	1,579,534.04	2,485,074.20
Lease liabilities	6,829,036.86	6,829,036.86
Deferred income	2,000,000.00	
Net assets	196,679,184.97	164,197,221.16
Less: Minority interest		
Net assets acquired	196,679,184.97	164,197,221.16

Provisions of the acquiree assumed in the business merger:

Other information:

2. Changes in the scope of merger for other reasons

Descriptions of changes in the scope of merger for other reasons (such as establishment of a new subsidiary and liquidation of a subsidiary, etc.) and the relevant information:

Reduction in the scope of merger

In RMB

Company name	Method of disposal of shares	Time of disposal of shares	Net assets at the disposal date	Net profit from the beginning of the current period till the disposal date
Beijing Happy Mango Culture Media Co., Ltd.	Deregistered	June 27, 2023		745,341.66

X. Interests in Other Entities

1. Interests in subsidiaries

(1) Composition of enterprise group

In RMB

Name of subsidiary	Registered capital	Main business place	Registered address	Business nature	Shareholding ratio		Method of acquisition
					Direct	Indirect	
Shanghai Happigo Enterprise Development Co., Ltd.	3,000,000.00	Shanghai	Shanghai	Commerce		100.00%	Establishment
Shanghai Happivision Advertising Communication Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Commerce		100.00%	Establishment
Doug Cloud Business (Hunan) Trade Limited	10,000,000.00	Changsha	Changsha	Commerce		100.00%	Establishment

Liability Company							
Mango Life (Hunan) E-commerce Limited Liability Company	70,000,000.00	Changsha	Changsha	Commerce		100.00%	Establishment
Happigo (Hunan) Supply Chain Management Co., Ltd.	60,000,000.00	Changsha	Changsha	Storage		100.00%	Business merger involving entities not under common control
Shanghai Meimi Trade Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Commerce		100.00%	Establishment
Dameiren Global Trading Co., Limited	1,612,970.00	Shanghai	Hong Kong	Commerce		100.00%	Establishment
Hunan Mango Auto Automobile Sales Co., Ltd.	100,000,000.00	Changsha	Changsha	Commerce		51.00%	Establishment
Happigo Co., Ltd.	401,000,000.00	Changsha	Changsha	Commerce	100.00%		Establishment
Hunan Happy Sunshine Interactive Entertainment Media Co., Ltd.	242,470,013.00	Changsha	Changsha	Video	100.00%		Business merger involving entities under common control
Mango Entertainment Co., Ltd.	48,306,424.00	Changsha	Changsha	Film & Television		100.00%	Business merger involving entities under common control
Mango Studios Co., Ltd.	80,000,000.00	Changsha	Changsha	Film & Television		100.00%	Business merger involving entities under common control
Shanghai Mangofun Technology Co., Ltd.	72,968,014.00	Shanghai	Shanghai	Game		100.00%	Business merger involving entities under common control
Shanghai EE-Media Co., Ltd.	90,000,000.00	Shanghai	Shanghai	Film & Television	100.00%		Business merger involving entities under common control
Zhejiang Dongyang Tianyu Film and Television Culture Co. Ltd.	10,000,000.00	Zhejiang	Zhejiang	Film & Television		100.00%	Business merger involving entities under common control
Hunan Tianyu Film and Television Production Co. Ltd.	3,000,000.00	Changsha	Changsha	Film & Television		100.00%	Business merger involving entities under common control
Beijing E.E. Media Co., Ltd.	5,000,000.00	Beijing	Beijing	Music		100.00%	Business merger involving entities under common control
Hainan E.E. Media Co., Ltd.	30,000,000.00	Hainan	Hainan	Culture media		100.00%	Establishment
Horgos Happy Sunshine Media Co., Ltd.	10,000,000.00	Horgos	Horgos	Culture media		100.00%	Business merger involving entities under common control
Hunan Happy Mangofun Technology Co., Ltd.	10,000,000.00	Changsha	Changsha	Game		100.00%	Business merger involving entities under common control
Shanghai Mango	10,000,000.00	Shanghai	Shanghai	Game		100.00%	Establishment

Universe Culture and Entertainment Co., Ltd.							
Happy Sunshine Xingmang Interactive Entertainment Media Co., Ltd.	50,000,000.00	Haikou	Haikou	Commerce		100.00%	Establishment
Happy Sunshine Hongmang Education Technology Co., Ltd.	50,000,000.00	Changsha	Changsha	Commerce		100.00%	Establishment
Xiaomang E-Commerce Co., Ltd.	75,000,000.00	Changsha	Changsha	Commerce	66.67%		Establishment
Mgtv.com (Hong Kong) Media Company Limited	10,000,000.00	Hong Kong	Hong Kong	Commerce		100.00%	Establishment
Shenzhen Zhonghe Boao Technology Development Co., Ltd.	5,000,000.00	Changsha	Shenzhen	Game		100.00%	Business merger involving entities not under common control
Hunan Immersion Technology Co., Ltd.	10,000,000.00	Changsha	Changsha	Advertising		100.00%	Establishment
Changsha Xingmang Artist Culture Communications Partnership (L.P.)	100,000.00	Changsha	Changsha	Commerce		20.00%	Establishment
Changsha Xingzhimang Entertainment Media Co., Ltd. Changsha	100,000.00	Changsha	Changsha	Commerce		20.80%	Establishment
Xingmang Interactive Entertainment Media Partnership (Limited Partnership)	10,000,000.00	Changsha	Changsha	Commerce		99.21%	Establishment
Hunan Golden Eagle Cartoon Media Co., Ltd.	59,693,346.30	Changsha	Changsha	Production of radio programs	100.00%		Business merger involving entities not under common control
Hunan Maiji Park Cultural Development Co., Ltd.	10,000,000.00	Changsha	Changsha	Commerce		100.00%	Business merger involving entities not under common control

In RMB

Descriptions of the difference between the shareholding ratio and the proportion of voting rights in a subsidiary:

Basis for holding half of the voting rights or below but still controlling the investee, and holding over half of the voting right but having no control over the investee:

Basis for controls over significant structured entities included in consolidation scope:

Basis for determining the Company as the agent or the principal:

Other information:

(2) Significant non-wholly owned subsidiaries

In RMB

Name of subsidiary	Shareholding ratio by minority shareholders	Profit or loss attributable to minority interests for	Dividends declared for distribution to minority	Closing balance of minority interests
--------------------	---	---	---	---------------------------------------

		the current period	shareholders for the current period	
Xiaomang E-commerce Co., Ltd.	33.33%	-83,725,886.84		-151,313,846.25

Descriptions of the difference between the shareholding ratio of minority shareholders and their proportion of voting rights in a subsidiary:

Other information:

(3) Key financial information of significant non-wholly owned subsidiaries

In RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Xiaomang E-commerce Co., Ltd.	96,307,006.58	11,507,335.55	107,814,342.13	556,404,454.52	5,351,426.35	561,755,880.87	308,110,516.20	926,595.24	309,037,111.44	511,800,989.65		511,800,989.65

In RMB

Name of subsidiary	Amount in the current period				Amount in the prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Xiaomang E-commerce Co., Ltd.	1,020,970,536.13	-251,177,660.53	-251,177,660.53	219,609,805.36	680,133,769.80	-245,678,033.21	-245,678,033.21	200,830,560.22

Other information:

XI. Government Grants

1. Government grants recognized at the amount receivable at the end of the Reporting Period

Applicable N/A

Reason of failure to receive expected government grants at expected time:

Applicable N/A

2. Liabilities related to government grants

Applicable N/A

In RMB

Account title	Opening balance	Additional grants received in the current period	Amount of non-operating revenue recognized in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	33,675,664.51	21,800,000.00		16,732,948.07		38,742,716.44	Related to assets
Deferred income	9,100,333.26	2,510,000.00		7,145,333.22		4,465,000.04	Related to income

3. Government grants recognized in profit or loss

Applicable N/A

In RMB

Account title	Amount in the current period	Amount in the prior period
Government grants recognized in other income	86,342,351.45	52,114,990.22

Other information:

XII. Risks Related to Financial Instruments

1. Risks arising from financial instruments

The Company's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Company's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Company's basic risk management strategy is to identify and analyze its exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitor regularly and effectively these exposures to ensure the risks are monitored at a certain level.

The Company is exposed to various risks associated with financial instruments in its daily routines, primarily including credit risk, liquidity risk and market risk. The management has reviewed and approved policies to manage these risks, summarized as below.

(I) Credit risk

Credit risk refers to the risk that a party of the financial instrument will default on its obligations resulting in financial loss to the counterparty.

1. Management of credit risk

(1) Evaluation of credit

The Company assesses at each balance sheet date whether the credit risk of the underlying financial instruments has increased significantly since initial recognition. In determining whether the credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including quantitative and qualitative analysis based on historical data, ranking of external credit risks and forward-looking information. The Company compares the risk of a default occurring on a financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition based on individual financial instrument or a group of financial instruments with similar credit risk characteristic, to determine the change of the risk of a default occurring on a financial instrument over the expected life.

The Company considers the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria are met:

1) The quantitative criterion primarily refers to a certain percentage of increase in the probability of default over the remaining life of the financial instruments as of the balance sheet date when comparing with that at initial recognition of the financial instruments;

2) The qualitative criteria include, inter alia, adverse material changes in business or financial conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations, and an actual or expected significant adverse change in the technological, market, economic, or legal environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;

(2) Definition of defaulted or credit-impaired assets

A financial asset is defined as defaulted when the financial instrument meets one or more conditions stated as below, and the criteria of defining defaulted asset is consistent with the that of defining credit-impaired asset:

1) significant financial difficulty of the debtor;

2) a breach of contract terms with binding force by the debtor;

3) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit loss ("ECL")

Key parameters to measure ECL include the probability of default, loss given default and the exposure at default. The Company established models of the probability of default, loss given default and the exposure at default on the basis of qualitative analysis on historical statistical data (such as counterparty ranking, guarantee methods, collateral category, and repayment way) and forward-looking information.

3. Details of reconciliation of the opening balance and the closing balance of provision for impairment of financial instruments can be referred to in Note V(I)4, Note V(I)7 and Note V(I)9 to the financial statements hereof.

4. Credit risk exposure and credit risk concentration

The Company's credit risk is primarily from cash and bank balances and receivables. In order to control the risks associated with aforementioned items, the Company has taken the following measures.

(1) Cash and bank balances

The credit risk of the Company is limited because the Company has deposited bank deposits and other monetary capital in banks with high credit ratings.

(2) Receivables

The Company continually evaluates the creditworthiness of its customers with deals on credit, and selects to deal with approved

and creditworthy customers subject to the results of the credit assessment with monitoring the balance of its receivables, so as to ensure that the Company is not exposed to significant risk of bad debt.

No collateral is required since the Company only deals with third parties that are approved and creditworthy. The concentrated credit risks are managed by customers. As of December 31, 2023, the Company is exposed to certain concentration of credit risks, as the Company's accounts receivable from top 5 customers have accounted for 42.71% of the total balance of accounts receivable and contract assets (December 31, 2022: 40.24%). The Company held no collateral or other credit ranking measures for the balance of accounts receivable.

The maximum exposure to the Company is the carrying value of each financial asset in the balance sheet.

(II) Liquidity risk

Liquidity risk refer to the risk that the Company is in shortage of funds in performing obligations that are settled by delivering cash or another financial asset.

In order to control this risk, the Company balances the continuity and flexibility of financing by using various financing measures such as notes settlement and bank loans comprehensively and adopting both long-term and short-term financing methods to optimize the financing structure. The Company has received credit facilities from a number of commercial banks to satisfy its working capital requirements and capital expenditures.

Financial liabilities classified by remaining maturity

Item	Closing balance				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	33,781,325.60	34,406,880.84	34,406,880.84		
Notes payable	1,714,493,274.32	1,714,493,274.32	1,714,493,274.32		
Accounts payable	5,211,653,685.68	5,211,653,685.68	5,211,653,685.68		
Other payables	118,868,606.40	118,868,606.40	118,868,606.40		
Other current liabilities	34,920,000.00	34,920,000.00	34,920,000.00		
Lease liabilities (including those due within one year)	215,189,224.11	236,266,339.88	71,301,647.54	120,460,350.15	44,504,342.19
Sub-total	7,328,906,116.11	7,350,608,787.12	7,185,644,094.78	120,460,350.15	44,504,342.19

(Continued)

Item	Balance at the end of last year				
	Carrying value	Undiscounted contract amount	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	1,057,932,476.80	1,058,796,992.31	1,058,796,992.31		
Notes payable	1,641,001,844.25	1,641,001,844.25	1,641,001,844.25		
Accounts payable	4,929,885,871.44	4,929,885,871.44	4,929,885,871.44		
Other payables	508,775,724.99	508,775,724.99	508,775,724.99		
Lease liabilities (including those due within one year)	191,271,299.59	212,301,884.04	61,503,064.82	82,280,864.66	68,517,954.56
Sub-total	8,328,867,217.07	8,350,762,317.03	8,199,963,497.81	82,280,864.66	68,517,954.56

(III) Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly includes interest rate risk and currency risk.

1. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company's borrowings are at fixed interest rates, fluctuations in interest rates of borrowings will not have a material impact on the Company's total profits or shareholders' equity.

2. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the Company mainly operates in Mainland China with its principal activities denominated in RMB, its exposure to the currency risk due to changes in market is not material.

The closing balance of the Company's monetary assets and liabilities dominated in foreign currencies can be referred to in Note V(V)2 to the financial statements hereof.

XIII. Disclosure of Fair Value

1. Closing balance of the fair value of assets and liabilities measured at fair value

In RMB

Item	Closing balance of fair value			
	Level 1	Level 2	Level 3	Total
I. Continuous fair value measurement	--	--	--	--
(I) Held-for-trading financial assets		1,052,000,000.00		1,052,000,000.00
1. Financial assets at fair value through profit or loss		1,052,000,000.00		1,052,000,000.00
(3) Derivative financial assets		1,052,000,000.00		1,052,000,000.00
(II) Accounts receivable financing			698,394,858.57	698,394,858.57
Total liabilities continuously measured at fair value		1,052,000,000.00	698,394,858.57	1,750,394,858.57
II. Non-continuous fair value measurement	--	--	--	--

2. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 2 fair value measurement items

With respect to held-for-trading financial assets with similar products quotation in an active market, the fair value of them shall be determined by the quotation of such similar products in the active market.

3. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 3 fair value measurement items

The Company's receivables financing refers to the banker's acceptance bills accepted by commercial banks with higher credit rating, without quotation in the active market. The cost thereof represents the best estimate of fair value.

XIV. Related Parties and Related-party Transactions

1. Parent company of the Company

Name of the parent company	Registered address	Business nature	Registered capital	Proportion of the Company's ownership interest held by the parent company (%)	Proportion of the Company's voting right held by the parent company(%)
Mango Media Co., Ltd.	PRC	Planning, production and operation of radio and television programs; asset management and investment subject to laws and regulations; advertising planning, production and operation;	2,050,000,000.00	56.09%	56.09%

Descriptions of the Company's parent company

Mango Media Co., Ltd., which holds 56.09% of the shares in the Company, was established on July 10, 2007 with a registered capital of RMB2,050,000,000 and registered address and principal place of business in Golden Eagle Studio Culture City in Kaifu

District, Changsha City. GBS holds 100% shares in Mango Media Co., Ltd. Mango Media Co., Ltd. is mainly engaged in planning, production and operation of radio and television programs; investment in culture, sports, entertainment, media, science and technology, Internet and other industries with self-owned funds (not allowed to engage in activities under national financial supervision and financial credit businesses such as deposit absorption, fund raising and collection, entrusted loan, bill issuance, loan issuance, etc.); advertising planning, production and operation; and multimedia technology development and management.

The ultimate controller of the Company is Hunan State-owned Cultural Assets Supervision and Administration Commission.

Other information:

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, see the descriptions in the accompanying Note X.

3. Associates and joint ventures of the Company

For details of the significant joint ventures or associates of the Company, see the descriptions in the accompanying Note X.

The details of other joint ventures or associates having related-party transactions and balances with the Company in the current period or prior periods are presented as follows:

Name of joint venture or associate	Relationship with the Company
Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	Associates
Tianjin Sunshine Meichuang Technology Co., Ltd.	Associates

Other information:

4. Other related parties of the Company

Name of other related-party	Relationship between other related-party and the Company
Hunan EE Advertising Co., Ltd.	Controlled by the same actual controller
Yunhong Communication Technology (Guangzhou) Co., Ltd. ¹	Controlled by the same actual controller
GBS ²	Controlled by the same actual controller
Subsidiaries of GBS ³	Controlled by the same actual controller
Hunan Broadcasting System	Controlled by the same actual controller
Subsidiaries of Hunan Broadcasting System ⁴	Controlled by the same actual controller
Subsidiaries of HTBI (excluding Yunhong) ⁵	Controlled by the same actual controller
Subsidiaries of Mango Media ⁶	Controlled by the same actual controller
Xiaoxiang Film Group ⁷	Controlled by the same actual controller
MIGU Culture Technology Co., Ltd. ⁸	Company materially affected by the key officers
iFlyTek Co., Ltd.	Company materially affected by the key officers

Note:

1. Yunhong Communication Technology (Guangzhou) Co., Ltd. comprises Shanghai Yunhong Advertising Co., Ltd. and Guangzhou Yunhong Jiaze Advertising Co., Ltd.

2. GBS comprises Hunan Radio, Film and Television Group Satellite TV Channel Branch.

3. The subsidiaries of GBS include Hunan Fengmang Media Co., Ltd., Hunan Public Media Co., Ltd., Hunan Economic TV Malanshan Media Co., Ltd., Hunan Malanshanshang Media Co., Ltd., Golden Light Culture Co., Ltd., Hunan Golden Bee Audio & Visual Publishing House Co., Ltd., Changsha Mango Cinema Student Branch Co., Ltd., Hunan TV Drama Media Co., Ltd., Hunan Broadcasting and Television Logistics Management Service Co., Ltd., Hunan Xiangguang Property Management Co., Ltd., Hunan Broadcasting International Media Co., Ltd., Hunan International Exhibition Center Co., Ltd., Hunan International Convention and Exhibition Management Center Co., Ltd., Letian Entertainment (Hunan) Co., Ltd., Hunan Happy Avant Garde Media Co., Ltd., Hunan Happy Avant Garde Tea Culture Media Co., Ltd., Hunan Happy Fishing Development Co., Ltd., Shenzhen Jiuzhitianxia Technology Co., Ltd., Hunan Pingan Fairy Media Co., Ltd., THBI, Hunan Radio Media Co., Ltd., Hunan Broadcasting Media Co., Ltd., Hunan Golden Eagle International Exhibition Co., Ltd., Hunan Golden Eagle Documentary Media Co., Ltd., Hunan Golden Eagle Sound Media Co., Ltd., Hunan Economic TV Media Co., Ltd., Hunan Letian Shanshuiwan Studio Co., Ltd., Hunan Mango Tingjian Technology Co., Ltd., Hunan Film Release and Showing Center Co., Ltd., Hunan Shijie Golden Eagle Media Co., Ltd., Hunan Xiangshi Advertising Golden Co., Ltd., and Shanghai Happy Mango Music & Cultural Media Co., Ltd., Hunan Broadcasting and Television Logistics Management Service Co., Ltd., and Hunan Xiangshi TV Program Center Co., Ltd.

4. The subsidiaries of Hunan Broadcasting System include all channels of Hunan Broadcasting System (excluding satellite TV channels), Hunan Broadcasting System Radio Media Center, Hunan Broadcasting System Logistics Center, Shanghai Xiangmanguo Cultural Investment Co., Ltd.

5. The subsidiaries of HTBI (excluding Yunhong) include Hunan Saint Tropez Investment Co., Ltd., Shanghai Jiuyou Network Technology Co., Ltd., Changsha Colorful World Co., Ltd., Hunan Mango Travel Investment Co. Ltd. and Huafengda Cable Network Holding Co., Ltd.

6. Mango Media and its subsidiaries comprise Mango Media, Hunan Mango Vision Technology Co., Ltd., Hunan Happy Money Microfinance Co., Ltd., Hunan Pingan Little Fairy Cultural Development Co., Ltd., and Hunan Innovative Entertainment Media Co.,

Ltd.

7. Xiaoxiang Film Group comprises Hunan Dangran Film Co., Ltd., Hunan Xiaoying Interactive Entertainment Media Co., Ltd., Hunan Xiaoying Cultural Industry Investment Co., Ltd., Anren Xiaoxiang International Studio Co., Ltd., Dong'an Xiaoxiang International Studio Co., Ltd., Hengyang Xiaoxiang International Studio Co., Ltd., Hunan Xiaoxiang Jinqiu International Studio Co., Ltd., Hunan Xiaoxiang Xinsheng International Studio Co., Ltd., Hunan Xiaoxiang Studio Investment Management Co., Ltd., Hunan Xiaoxiang Yongzhou International Studio Co., Ltd., Jishou Xiaoxiang Studio Management Co., Ltd., Jinshi Xiaoxiang International Studio Co., Ltd., Nanchang Xiaoxiang Studio Co., Ltd., Pingxiang Xiaoxiang Studio Co., Ltd., Xiamen Xiaoxiang Youth Studio Co., Ltd., Xiangtan Xiaoxiang International Studio Co., Ltd., Yichang Xiaoxiang Studio Co., Ltd., Yingtan Xiaoxiang Studio Co., Ltd., Yueyang Xiaoxiang Studio Co., Ltd., Tianxin District Xiaoxiang International Studio Co., Ltd. of Changsha, and Zhoukou Xiaoxiang Studio Co., Ltd.

8. MIGU Culture Technology Co., Ltd. comprises MIGU Video Technology Co., Ltd., MIGU Xinkong Cultural Technology (Xiamen) Co., Ltd., MIGU Digital Media Co., Ltd., MIGU Music Co., Ltd. and MIGU Interactive Entertainment Co., Ltd.

5. Related-party transactions

(1) Sales and purchase of goods, and rendering and receipt of services

Statement of purchase of goods/ receipt of services

In RMB

Related party	Details of related-party transactions	Amount in the current period	Transaction quota approved	Whether exceeding the approved transaction amount	Amount in the prior period
Yunhong Communication Technology (Guangzhou) Co., Ltd	Advertising agency	172,341,901.28	200,000,000.00	No	193,311,480.39
Subsidiaries of Hunan Broadcasting System	Publicity and promotion, artist agency, program production, venue exhibition and supporting services, purchase of goods, and advertising agency	48,000,000.00	2,000,000.00	Yes	526,415.09
MIGU Culture Technology Co., Ltd.	Bandwidth, copyright purchase, advertising fee and goods purchase	96,781,406.82	121,920,000.00	No	58,600,167.19
GBS	Purchase of copyrights, operator sharing, publicity and promotion, and advertising agency	863,002,591.18	781,300,000.00	Yes	553,460,079.49
Subsidiaries of HTBI (excluding Yunhong)	Operator sharing, board and lodging expenses, purchase of goods and site expenses	5,261,975.27	4,500,000.00	Yes	8,090,859.46
Mango Media and its subsidiaries	Artist agency, technical fees and acceptance of services	2,512,891.82	650,000.00	Yes	12,128,629.83
Hunan EE Advertising Co., Ltd.	Advertising agency, Internet access cooperation fees	3,191,482.69	2,000,000.00	Yes	2,698,445.39
Xiaoxiang Film Group	Copyright purchase	80,543,509.28	95,150,000.00	No	158,633,453.49
Subsidiaries of GBS	Purchase of goods, program	14,296,936.68	14,300,000.00	No	79,763,769.49

	production, publicity and promotion, copyright purchase, and advertising agency service				
iFlyTek Co., Ltd.	Operator sharing	1,994,176.45	0.00	Yes	
HBS	Operator added-value sharing, brand license, and program use fees		0.00	No	1,674,491.61
Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	Purchase of goods		0.00	No	547,062.50

Statement of sales of goods/rendering of services

In RMB

Related party	Details of related-party transactions	Amount in the current period	Amount in the prior period
Yunhong Communication Technology (Guangzhou) Co., Ltd.	Advertising	566,316,002.35	849,964,110.56
GBS	Advertising, distribution revenue, publicity and promotion	676,350,261.13	775,699,205.81
Hunan Broadcasting System	Technical services	5,667.77	1,704,317.14
Subsidiaries of Hunan Broadcasting System	Member rights, distribution revenues, and merchandise sales	2,431,978.37	3,303,257.24
Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	Sales of goods and supplier charge	32,923.80	642,662.54
MIGU Culture Technology Co., Ltd.	Operator revenue, advertising, membership rights and interests, derivative sales, and sales of goods	2,699,571,918.02	2,166,512,518.08
Hunan EE Advertising Co., Ltd.	Advertising and sales of goods	28,355,845.92	29,240,355.34
Mango Media and its subsidiaries	Membership rights, and sales of goods	423,755.03	1,422,806.62
Xiaoxiang Film Group	Copyright transfer	1,689,882.51	2,015,601.22
Subsidiaries of GBS	Member rights, distribution revenues, and merchandise sales	4,337,943.22	19,323,179.50
Subsidiaries of HTBI (excluding Yunhong)	Member rights, and artiste revenues	75,471.70	377,358.80
iFlyTek Co., Ltd.	Advertising revenue	7,223,630.17	

Descriptions of related-party transactions with respect to the sales and purchase of goods, as well as rendering and receipt of services

(2) Related-party leases

The Company as lessor:

In RMB

Name of lessee	Category of leased assets	Lease income recognized in the current period	Lease income recognized in the prior period
Mango Media Co., Ltd. and its subsidiaries	Lease and property management		150,000.00

The Company as lessee:

In RMB

Lessor	Categor	Expenses related to	Variable lease	Paid rent	Assumed interest	Added use right assets
--------	---------	---------------------	----------------	-----------	------------------	------------------------

	Type of leased assets	short-term leases and low-value assets leases subject to simplified treatment, if any		payments through profit or loss not included in the measurement of lease liabilities, if any				expenses of lease liabilities			
		Amount in the current period	Amount in the prior period	Amount in the current period	Amount in the prior period	Amount in the current period	Amount in the prior period	Amount in the current period	Amount in the prior period	Amount in the current period	Amount in the prior period
Subsidiaries of GBS	Buildings		425,760.00			24,085,967.09	20,948,243.47	3,683,160.64	3,301,840.93	14,507,383.03	3,361,745.10
Subsidiaries of Human Broadcasting System	Buildings							699,900.34	559,675.42		64,564.85
Subsidiaries of HTBI (excluding Yunhong)	Buildings					17,611,301.70	12,921,465.56	1,049,293.71	963,132.91	6,765,197.35	19,871,390.55

Explanation about related-party leases:

(3) Compensation for key management

In RMB

Item	Amount in the current period	Amount in the prior period
Compensation for key management personnel	33,881,000.00	34,612,300.00

(4) Other related-party transactions

The Company acquired 100% shares of Golden Eagle Cartoon from Mango Media in the current period. See Note VII.54 and Note IX.1 in Section X for details.

6. Receivables from and payables to related parties

(1) Accounts receivable

In RMB

Item	Related parties	Closing balance		Opening balance	
		Gross carrying value	Provisions for bad debts	Gross carrying value	Provisions for bad debts
Accounts receivable	GBS	543,586,847.15		561,086,053.15	
Accounts receivable	Subsidiaries of GBS	361,429.50		990,268.43	
Accounts receivable	Tianjin Sunshine Meichuang Technology Co., Ltd.	766,557.10	766,557.10	766,557.10	766,557.10
Accounts receivable	Yunhong Communication Technology (Guangzhou) Co., Ltd	68,026,149.58		104,970,272.61	
Accounts receivable	MIGU Culture Technology Co., Ltd.	768,340,398.63	38,518,127.65	435,996,686.27	21,941,878.57
Accounts	Subsidiaries of	7,370,220.54		7,313,220.54	

receivable	Hunan Broadcasting System				
Accounts receivable	Hunan EE Advertising Co., Ltd.	194,899,844.54		273,927,032.36	
Accounts receivable	Mango Media and its subsidiaries	598,245.52		382,284.32	
Accounts receivable	Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	8,310.60	2,493.18	8,310.60	831.06
Accounts receivable	Xiaoxiang Film Group	1,464,768.12		335,354.75	
Accounts receivable	iFlyTek Co., Ltd.	1,868,771.35	93,438.57		
Accounts receivable	Subsidiaries of HTBI (excluding Yunhong)			4,503.00	
Subtotal		1,587,291,542.63	39,380,616.50	1,385,780,543.13	22,709,266.73
Notes receivable	MIGU Culture Technology Co., Ltd.			1,371,194,442.95	
Notes receivable	Yunhong Communication Technology (Guangzhou) Co., Ltd			50,000,000.00	
Subtotal				1,421,194,442.95	
Accounts receivable financing	GBS	29,000,000.00		30,300,000.00	
Accounts receivable financing	MIGU Culture Technology Co., Ltd.	664,078,684.63			
Subtotal		693,078,684.63		30,300,000.00	
Prepayments	Subsidiaries of HTBI (excluding Yunhong)	5,000.00		3,568.00	
Prepayments	Tianjin Sunshine Meichuang Technology Co., Ltd.	6,014,723.96	6,014,723.96	6,014,723.96	6,014,723.96
Prepayments	Subsidiaries of GBS	2,683,842.12		2,617,385.23	
Prepayments	Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.			13,399.99	
Prepayments	Mango Media and its subsidiaries	23,894.18		26,493.58	
Prepayments	Yunhong Communication Technology (Guangzhou) Co., Ltd	160,754.72			
Subtotal		8,888,214.98	6,014,723.96	8,675,570.76	6,014,723.96
Other receivables	Subsidiaries of Hunan Broadcasting System	789,360.97		789,360.97	
Other receivables	Subsidiaries of HTBI (excluding Yunhong)	1,273,334.80		1,393,334.80	

Other receivables	Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	2,029,764.69	2,029,764.69	2,329,764.69	2,329,764.69
Other receivables	GBS	20,000.00			
Other receivables	Subsidiaries of GBS	1,031,581.00		1,005,081.00	
Other receivables	Mango Media and its subsidiaries	22,048.91		928,917.89	
Other receivables	Hunan Broadcasting System	30,000.00		30,000.00	
Subtotal		5,196,090.37	2,029,764.69	6,476,459.35	2,329,764.69
Contract assets	MIGU Culture Technology Co., Ltd.	456,846,336.30	22,842,316.82	530,029,532.96	26,501,476.65
Subtotal		456,846,336.30	22,842,316.82	530,029,532.96	26,501,476.65

(2) Accounts payable

In RMB

Item	Related parties	Closing book balance	Opening book balance
Accounts payable	Yunhong Communication Technology (Guangzhou) Co., Ltd	150,429,482.95	230,784,237.63
Accounts payable	Hunan Broadcasting System	7,918,506.80	7,938,849.06
Accounts payable	GBS	227,335,748.86	94,915,908.41
Accounts payable	Subsidiaries of GBS	3,285,130.10	3,477,774.03
Accounts payable	Shanghai Mamma Mia Interactive Entertainment Technology Co., Ltd.	21,015.94	359,769.40
Accounts payable	MIGU Culture Technology Co., Ltd.	56,656,887.99	42,409,357.34
Accounts payable	Subsidiaries of HTBI (excluding Yunhong)	622,908.63	22,000.30
Accounts payable	Mango Media and its subsidiaries	514,847.07	37,092.58
Accounts payable	Hunan EE Advertising Co., Ltd.	131,922,236.18	132,483,303.41
Accounts payable	Xiaoxiang Film Group	80,484,310.47	47,548,491.26
Accounts payable	Subsidiaries of Hunan Broadcasting System	25,083,333.35	
Accounts payable	iFlyTek Co., Ltd.	2,531,110.00	
Subtotal		686,805,518.34	559,976,783.42
Notes payable	GBS	272,855,000.00	169,608,024.71
Notes payable	Xiaoxiang Film Group	50,400,000.00	95,600,000.00
Notes payable	MIGU Culture Technology Co., Ltd.	25,500,000.00	10,948,683.43
Notes payable	Subsidiaries of GBS		38,360,000.00
Notes payable	Yunhong Communication Technology (Guangzhou) Co., Ltd.		15,408,000.00
Subtotal		348,755,000.00	329,924,708.14
Contract liabilities	Hunan Broadcasting System	1,886,792.45	1,886,792.45
Contract liabilities	MIGU Culture Technology Co., Ltd.	1,281,446.49	3,628,680.18
Contract liabilities	Hunan EE Advertising Co., Ltd.	319,273.40	311,881.28
Contract liabilities	Mango Media and its subsidiaries	6,100.00	
Contract liabilities	Subsidiaries of GBS	2,378,035.43	1,296,394.11
Contract liabilities	Xiaoxiang Film Group	15,887.00	15,860.00

Contract liabilities	Yunhong Communication Technology (Guangzhou) Co., Ltd.	2,460,203.60	2,206,439.33
Contract liabilities	Subsidiaries of Hunan Broadcasting System	41,700.00	55,335.53
Subtotal		8,389,438.37	9,401,382.88
Other payables	Subsidiaries of HTBI (excluding Yunhong)	108,422.13	88,384.49
Other payables	Mango Media and its subsidiaries	3,795,134.25	15,798,134.25
Other payables	Subsidiaries of Hunan Broadcasting System	13,455,655.01	2,373,786.45
Other payables	GBS	708,051.10	28,051.10
Other payables	Subsidiaries of GBS	2,765,789.04	3,543,587.59
Other payables	MIGU Culture Technology Co., Ltd.	3,000.00	3,000.00
Other payables	Hunan Broadcasting System		64,005,667.77
Subtotal		20,836,051.53	85,840,611.65
Dividends payable	Mango Media and its subsidiaries		300,000,000.00
Subtotal			300,000,000.00
Other current liabilities	Hunan Broadcasting System		113,207.55
Other current liabilities	Hunan EE Advertising Co., Ltd.		11,320.75
Subtotal			124,528.30
Non-current liabilities due within one year	Subsidiaries of HTBI (excluding Yunhong)	6,726,989.84	11,646,253.42
Non-current liabilities due within one year	Subsidiaries of Hunan Broadcasting System	706,625.23	
Non-current liabilities due within one year	Subsidiaries of GBS	12,049,411.52	18,456,135.43
Subtotal		19,483,026.59	30,102,388.85
Lease liabilities	Subsidiaries of HTBI (excluding Yunhong)	9,311,800.75	12,664,387.49
Lease liabilities	Subsidiaries of Hunan Broadcasting System	14,784,960.57	14,791,685.46
Lease liabilities	Subsidiaries of GBS	30,562,364.15	44,407,335.14
Subtotal		54,659,125.47	71,863,408.09

XV. Commitments and Contingencies

1. Significant commitments

Significant commitments as of the balance sheet date

The table shows the irrevocable external business contracts executed by the Company and its subsidiaries as of the balance sheet date:

Copyright purchase commitment

In RMB0'000

Copyright purchase agreements	Closing balance	Opening balance
The 1st year subsequent to the balance sheet date	54,571.00	54,571.00
The 2nd year subsequent to the balance sheet date	54,571.00	54,571.00
The 3rd year subsequent to the balance sheet date		54,571.00
Total	109,142.00	163,713.00

Copyright purchase agreements are concluded by and between Happy Sunshine and GBS for considerations that should be paid by the Company to purchase copyrights in each relevant agreement period.

2. Contingencies

(1) Significant contingencies as of the balance sheet date

1. Beijing Guolong Film Investment Co., Ltd. (hereinafter referred to as “Guolong”) is a debtor to Lead Capital Management Co., Ltd. (hereinafter referred to as “Lead Capital”), and Happy Sunshine purchased the exclusive information network dissemination right for the TV series “If Paris Downcast” from Guolong at a total licensing fee of RMB74.4 million. Happy Sunshine has already made the down payment of 22.32 million. As Guolong has not fully delivered the copyright chain of the works, Happy Sunshine has not made the remaining two payments of RMB 52.08 million in total. In August 2019, Lead Capital filed a subrogation lawsuit against Happy Sunshine with Changsha Intermediate People’s Court, requesting Happy Sunshine to settle the payment and liquidated damages of approximately RMB20,461,100 to Lead Capital on behalf of Guolong. During the litigation, Lead Capital applied with the Changsha Intermediate People’s Court for property preservation, as a result of which RMB21 million in the account opened at the Business Department of CZBank Changsha Branch under the name of Happy Sunshine. Happy Sunshine sued Guolong in a separate case on the grounds that Guolong failed to fulfill the main obligations under the contract, requesting the termination of the copyright procurement contract. In the ruling in effect, it is found that the copyright procurement contract for “If Paris Downcast” should be terminated, Guolong should pay liquidated damages of RMB 2.98 million to Happy Sunshine, and the amount of the royalty to be paid by Happy Sunshine to Guolong should be tried in a separate case.

The subrogation case of Lead Capital v. Sunshine was heard by the Hunan Provincial Higher People’s Court as the court of second instance. As Guolong, a key party in the case, was ruled bankrupt during the second instance, the trial of the case was suspended.

2. With respect to the dispute between Xiangshan Wukong Cultural Media Co., Ltd. (“Xiangshan Wukong”) and Mango Studios arising out of the settlement of investment in the TV drama “Great Expectation”, Xiangshan Wukong brought a suit against Mango Studios at the Huairou District People’s Court of Beijing, requesting Mango Studios to pay the settlement price of about RMB28.3155 million. Mango Studios has submitted an opposition to jurisdiction over the case, which is pending review. The final result of the case is subject to the judgment rendered by the court.

XVI. Events Subsequent to the Balance Sheet Date

1. Profit distribution

Dividends to be distributed per 10 shares (RMB)	1.8
Number of bonus shares to be distributed per 10 shares (shares)	0
Number of shares to be distributed per 10 shares through capitalization of capital reserve (shares)	0
Dividends to be distributed per 10 shares approved and declared (RMB)	1.8
Number of bonus shares to be distributed per 10 shares approved and declared (shares)	0
Number of shares to be distributed per 10 shares through capitalization of capital reserve approved and declared (shares)	0
Profit distribution proposal	To distribute a cash dividend of RMB1.8 (inclusive of tax) per 10 shares to all shareholders on the basis of 1,870,720,815 shares, without distributing any bonus shares or transferring any capital reserve to the share capital.

XVII. Other Significant Events

1. Segment information

(1) Determination basis and accounting policies of reporting segments

The Company has established four reporting segments being Mango TV Internet video business, new media interactive entertainment content production, content e-commerce and others, which are divided based on its internal organizational structure, management requirements, and inner reporting system, among others, in light of the industry and product actuality. The reporting information on each segment is disclosed according to the accounting policies and measurement standards adopted thereby when reporting to the management, the measurement bases of which are in line with the accounting and measurement bases for the preparation of the financial statements.

(2) Financial information of reporting segments

In RMB

Item	Mango TV Internet Video Business	New media interactive entertainment content production and operation	Content E-commerce	Others	Inter-segment offset	Total
Operating revenue	10,614,030,327.62	1,149,941,038.24	2,822,529,201.38	41,515,734.60		14,628,016,301.84
Operating cost	6,229,223,213.61	855,899,278.24	2,682,738,552.41	35,145,850.68		9,803,006,894.94

(3) If the Company has no reporting segment or is unable to disclose total assets and liabilities of each reporting segment, please give the reason therefor

Happy Sunshine, a subsidiary of the Company, engages in business involving two segments i.e. Mango TV Internet video, and new media interactive entertainment content production and operation, the total assets and liabilities of each reporting segment of whom cannot be disclosed as its assets and liabilities cannot be divided according to the reporting segments.

XVIII. Notes to Main Items in the Financial Statements of the Parent Company**1. Other receivables**

In RMB

Item	Closing balance	Opening balance
Dividends receivable		300,000,000.00
Other receivables	80,009,604.19	80,020,000.00
Total	80,009,604.19	380,020,000.00

(1) Dividends receivable**1) Classification of dividends receivable**

In RMB

Project (or investee)	Closing balance	Opening balance
Happy Sunshine		300,000,000.00
Total		300,000,000.00

2) Presentation by method of recognition of provision for bad debts

Applicable N/A

(2) Other receivables**1) Classification of other receivables by nature**

In RMB

Nature	Closing book balance	Opening book balance
Hunan Mango Entertainment Co., Ltd.	80,000,000.00	80,020,000.00
Temporary payment receivable	9,701.20	
Total	80,009,701.20	80,020,000.00

2) Presentation by aging

In RMB

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	9,701.20	20,000.00
Over 3 years	80,000,000.00	80,000,000.00
3-4 years		80,000,000.00
4-5 years	80,000,000.00	
Total	80,009,701.20	80,020,000.00

3) Presentation by method of recognition of provision for bad debtsApplicable N/A

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying value	Book balance		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Incl.:										
Provision for bad debts made by group	80,009,701.20	100.00%	97.01		80,009,604.19	80,020,000.00	100.00%			80,020,000.00
Incl.:										
Total	80,009,701.20	100.00%	97.01		80,009,604.19	80,020,000.00	100.00%			80,020,000.00

Provisions for bad debts made individually: RMB97.01.

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Group of receivables from related parties controlled by the same actual controller	80,000,000.00		
Aging group	9,701.20	97.01	1.00%
Total	80,009,701.20	97.01	

Description of basis for determining the group:

Provisions for bad debts made in accordance with the general model of ECL:

In RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Future 12-month ECL	Lifetime ECL (without credit impairment)	Lifetime ECL (with credit impairment)	
Balance as at January 1, 2023 in the current period				
Current provision	97.01			97.01
Balance as at December 31, 2023	97.01			97.01

Basis for determination of stages and proportion of provision for bad debts:

Changes in book balance whose loss allowance changed significantly in the current period:

Applicable N/A**4) Provisions, recovery or reversal of bad debts for the period**

Provision for bad debts made for the current period:

In RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Aging group		97.01				97.01
Total		97.01				97.01

Including significant amounts recovered or reversed from the current provision for bad debts:

In RMB

Entity	Amount of recovery or reversal	Reason for recovery	Method of recovery	Basis for determining the proportion of provision for bad debts and its reasonableness

No significant provision for bad debts was recovered or reversal in the current period.

5) Top five closing balances of other receivables categorized by debtor

In RMB

Entity	Nature	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of provisions for bad debts
Hunan Mango Entertainment Co., Ltd.	Receivables from subsidiary	80,000,000.00	4-5years	99.99%	0.00
Hunan Provincial Public Institution Pension Service Center	Temporary payment receivable	9,701.20	Within 1 year	0.01%	97.01
Total		80,009,701.20		100.00%	97.01

2. Long-term equity investments

In RMB

Item	Closing balance			Opening balance		
	Gross carrying value	Provision for impairment	Carrying value	Gross carrying value	Provision for impairment	Carrying value
Investments in subsidiaries	12,173,055,024.52		12,173,055,024.52	11,976,375,839.55		11,976,375,839.55
Total	12,173,055,024.52		12,173,055,024.52	11,976,375,839.55		11,976,375,839.55

(1) Investments in subsidiaries

In RMB

Investees	Opening balance (carrying value)	Opening balance of provisions for bad debts	Changes in the current period				Closing balance (carrying value)	Closing balance of provisions for bad debts
			Additional investment	Decreased investment	Provisions for impairment	Others		
Happy Sunshine	10,845,049,607.62						10,845,049,607.62	
EE-Media	535,281,326.72						535,281,326.72	
Happigo	596,044,905.21						596,044,905.21	
Golden Eagle Cartoon			196,679,184.97				196,679,184.97	
Xiaomang E-comemrce								
Total	11,976,375,839.55		196,679,184.97				12,173,055,024.52	

3. Operating revenue and operating cost

In RMB

Item	Amount in the current period		Amount in the prior period	
	Income	Cost	Income	Cost
Other business	11,056.00		18,867.92	

Total	11,056.00		18,867.92	
-------	-----------	--	-----------	--

Breakdown of operating revenues and operating costs:

In RMB

Category of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost						
By segment								
Incl.:								
Others	11,056.00						11,056.00	
By operating region								
Incl.:								
Hunan	11,056.00						11,056.00	
By market or customer type								
Incl.:								
By contract type								
Incl.:								
By transfer time of goods								
Incl.:								
Revenue recognized at a point in time	11,056.00						11,056.00	
By term of contract								
Incl.:								
By sales channel								
Incl.:								
Total								

Information related to performance obligations:

Item	Time for satisfaction of performance obligation	Material terms of payment	Nature of goods to be transferred by the Company	Whether the Company is a primary obligor	Amount that the Company is expected to return to the customer	Type of warranty provided by the Company and related obligation

Other information:

Information related to the transaction price allocated to the outstanding performance obligations:

The revenue corresponding to the performance obligations for which the contract has been signed but has not yet been performed or fully performed at the end of the Reporting Period was nil, of which RMB[] is expected to be recognized as revenue in [], RMB[] is expected to be recognized as revenue in [], and RMB[] is expected to be recognized as revenue in [].

Material changes to contract or material adjustment to transaction price:

In RMB

Item	Method of accounting treatment	Effect on revenues
------	--------------------------------	--------------------

Other information:

4. Investment income

In RMB

Item	Amount in the current period	Amount in the prior period
Long-term equity investment income accounted by the cost method	600,000,000.00	300,000,000.00
Total	600,000,000.00	300,000,000.00

XIX. Supplementary Information

1. Statement of non-recurring gain or loss for the current period

Applicable N/A

In RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets	1,151,553.70	
Government subsidies accrued to the current profit and loss (excluding government subsidies that are closely related to the business of the Company and are provided in fixed amount or quantity continuously according to the applicable policies and standards of the country)	63,122,567.77	
Profit and loss from investment or asset management by commissioned parties	92,809,746.83	
Reversal of impairment loss on accounts receivable tested for impairment individually	17,343,043.26	
Net profit or loss of subsidiaries acquired through business merger involving entities under common control from the beginning of the current period to the merger date	32,481,963.81	
Profit and loss from debt restructuring	3,000,000.00	
One-off effect of adjustments of tax, accounting and other laws and regulations on current profit or loss	1,628,790,218.38	One-off adjustment due to changes in the enterprise income tax policy
Other non-operating revenue and expenditure other than those listed above	25,036,359.58	
Less: Effect on income tax	243,024.40	
Effect on minority interests (exclusive of tax)	3,259,871.08	
Total	1,860,232,557.85	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable N/A

The Company has no other items of profit and loss that meet the definition of non-recurring profit and loss.

Explanations for classifying non-recurring profit and loss items enumerated in the Explanatory Announcement No. 1 for Public Company Information Disclosures – Non-recurring Profits and Losses as recurring profit and loss items:

Applicable N/A

2. Return on equity and earnings per share

Profit for the Reporting Period	Weighted average return on equity (%)	Earnings per share	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net loss attributable to the Company's ordinary shareholders	17.34%	1.90	1.90
Net profit attributable to the parent company's shareholders after deduction of non-recurring gain or loss	8.32%	0.91	0.91

3. Accounting data differences arising from accounting standard of the PRC and the International Accounting Standards

(1) Differences in net profits and net assets in the financial reports disclosed concurrently under international accounting standards and Chinese accounting standards

Applicable N/A

(2) Differences in net profits and net assets in the financial reports disclosed concurrently under overseas accounting standards and Chinese accounting standards

Applicable N/A

(3) Explanation about the accounting date differences under overseas accounting standards and Chinese accounting standards, and if the data audited by a foreign firm have been conciliated for such differences, name of such foreign firm

Applicable N/A