Meta Media Holdings Limited
超媒體控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 72)

SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF ABOUT 3% OF THE ISSUED SHARE CAPITAL IN MODERN DIGITAL HOLDINGS LIMITED

Reference is made to the announcement ("**Announcement**") of Meta Media Holdings Limited (the "**Company**") dated 23 December 2025 in relation to the acquisition of about 3% of the issued share capital in Modern Digital Holdings Limited. Unless otherwise stated, all capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In connection with the Announcement, the Company would like to supplement, in this announcement, (i) the basis of the Consideration, and (ii) the Board's assessment on the Consideration and basis.

BASIS OF THE CONSIDERATION

The Consideration was agreed by the Purchaser and the Vendor after arm's length negotiations with reference to the net assets of the Target Group as at 31 December 2024 of approximately RMB251 million; the historical performance of the Target Group (having regard to, in particular, the steady increase in revenue of the Target Group over the past five years and the Target Group's EBITDA for the five years ended 31 December 2024); the strategic synergy value between the Target Group's business and the Group, and combined with general valuations for digital media and AI applications industries by the capital markets. Details of the assessments of the Consideration are as follows:

(i) The Target Group operates a diversified and mature digital media matrix, including "NOWNESS" a short film production platform that has gained the support of a variety of global brands with its creativity and quality; "Meta Media AI" and "shao.ai", AI applications developed by the Target Group in-house; "iWeekly" a pioneering Chinese mobile digital media platform with more than 15 million users; "InStyle iLady", a high-end women's lifestyle platform; and "iBloomberg" (i商周), a high-end business information platform jointly created by Target Group and Bloomberg L.P..

(ii) The revenue of the Target Group which has steadily increased over the past five years, with its core youth culture creative platform "NOWNESS" demonstrating high growth potential. Even amidst the global economic pressure and overall contraction of the advertising market following the COVID-19 pandemic, "NOWNESS" has achieved a double-digit compound annual growth rate (CAGR) in revenue over the past five years, capitalising on its highly recognisable content positioning, global creator network, and diversified.

(iii) The Target Group's average EBITDA for the five years ended 31 December 2024 of approximately RMB25.6 million is taken into account when determining the Consideration, on the basis that that the Target Group's business model mainly relies on content creation and brand collaborations, also it was considered appropriate to take the aforesaid average EBITDA into account in respect of the Target Group's operating cash flow and the Group's focus on cash flow returns, and as such, EBITDA should be given appropriate weight as it measures the Target Group's core operating profitability and the substance of its business.

(iv) Having regard to the below, price-to-EBITDA ratio was considered by the Board to be a fair and representative indicator for determining the Consideration and was used for determining the Consideration:

(a) The Target Group (i) is not only an established digital media company with a stable high-net-worth user base, high-quality content production capability, and long-term brand partnerships, but (ii) has also, over the past three years, actively explored and developed AI-driven business models, including the launch of its AI-native applications (such as "Meta Media AI" and "shao.ai"), demonstrating significant innovation potential and momentum for revenue growth.

(b) Against the dual backdrop–where "a mature digital business generates stable cash flow" while "an emerging AI business offers high growth prospects", relying solely on price-to-earnings ratio may not truly reflect the Target Group's value, as the ratio could be distorted by short-term profitability fluctuations and non-recurring expenses incurred during the AI investment phase. On the other hand, relying solely on price-to-sales ratio makes it difficult to reflect the Target Group's established profitability and cash flow generating ability. By comparison, price-to-EBITDA ratio can effectively balance these two aspects: (1) EBITDA excludes non-operating factors such as depreciation, amortisation, interest, and taxes, thereby more accurately reflects core operating performance of the Target Group; and (2) price-to-EBITDA ratio is more suitable in valuation practice for hybrid technology and media companies that combine stable cash flows with growth potential, such as the Target Group, as it recognises the cash-generating capability of their existing businesses while also reserving reasonable room for future growth from newly integrated AI-related revenues.

(v) In determining the price-to-EBITDA ratio, the Group conducted a prudent market comparability analysis, making reference to two categories of business-related transactions and valuation practices observed recently in the public market. The first category comprises listed companies engaging in digital media content production and brand advertising collaborations, whose business models are comparable to those of the Target Group in terms of user operations, content commercialization, and cash flow generation mechanisms. This includes XD Inc. (a company listed on the Stock Exchange (stock code: 2400)), Mango Excellent Media Co., Ltd. ("**Mango Excellent**") (芒果超媒股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300413)) and Guangdong Guangzhou Daily Media Co., Ltd. ("**GZ Daily**") (廣東廣州日報傳媒股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002181)). Based on their respective audited published financial information, for the year ended 31 December 2024, price-to-EBITDA ratios of these companies ranged from approximately 12 times to 60 times. The table below sets out the approximate price-to-EBITDA ratios of these selected comparable companies for the year ended 31 December 2024:

Name of company	Price-to-EBITDA ratios
XD Inc.	12
Mango Excellent	15
GZ Daily	60
Median	**15**

The second category comprises start-ups that focused on AI application development, particularly in the areas of artificial intelligence generated content (AIGC) and intelligent creative tools, which share similar technology paths, product structures, and growth logic with the AI-native application business currently being developed by the Target Group. This includes OpenAI, DeepSeek, and 01.AI (零一萬物). Based on publicly available information and estimates from independent third party research institutions, and subject to such changes based on publicly available figures, the price-to-sales ratios of these companies ranged from approximately 42 times to 166 times for the year ended 31 December 2024. Based on publicly available information, price-to-earnings ratio and price-to-EBITDA ratio of these companies are not available.

The Board considered that the Target Group business characteristics fall between the aforesaid two categories. Therefore, in assessing the value for the Target Group, the Group did not directly apply the price-to-earnings (on a trailing twelve-month basis) ratio or price-to-sales ratio. Instead, the Board adopted a prudent approach by applying the lowest price-to-EBITDA multiple of 12 among the selected comparable companies in the first category above as a starting point. Other factors taken into account by the Group include that, the Target Group has not only established a solid traditional digital media business but is also actively expanding into the AI sector and has launched its own AI application products, as well as the high-growth AI innovation companies in the second category that capture the potential value associated with AI development. After considering the above, the parties, upon arm's length negotiation, agreed to assign a weighting of approximately 20% to the aforesaid factor in the overall valuation and adjusted price-to-EBITDA multiple to 15 to reflect the incremental value contributed by the AI business. As this ratio reflects both the stability of the Target Group's established digital business and the strategic value contributed by its emerging AI operations, and also equals to the median of the selected comparable companies in the first category above, the Board considers the multiple to be fair, reasonable, and consistent with general commercial practice.

(vi) the aforementioned comprehensive assessment not only reflects the Target Group's current profitability, business maturity, and development potentials, but also fully incorporates forward-looking value dimensions such as its content IP reserves, global high-net-worth user base, potential for AI application integration, and the synergistic effect with the Group's development strategy of "AI-enabled digital creativity, transforming from digital media to intelligent media" (AI賦能數位創意，將數位媒體轉變為智慧媒體) ensuring that the Consideration is sufficiently fair and commercially reasonable, and in the interests of the Company and the Shareholders as a whole.

Taking into account the Target Group's average EBITDA for the five years ended 31 December 2024 of approximately RMB25.6 million and applying a price-to-EBITDA multiple of 15 times, the value of the total issued share capital in the Target Group is approximately RMB384 million. Accordingly, the value of 3% of the Target Group's issued share capital is approximately RMB11.52 million. After further adjustments to reflect the specific terms of the Acquisition and related transaction costs, the Consideration was agreed by parties to be RMB11.6 million.

THE BOARD'S ASSESSMENT ON THE CONSIDERATION AND BASIS

After careful consideration and assessment, taking into account the following bases and comprehensive assessment performed above, the Board considered that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole:

(i) The Target Group's robust financial performance and has maintained steady growth over the years

The Target Group's revenue primarily derives from various well-established mobile applications and online platforms, such as "NOWNESS", "iWeekly", "InStyle iLady" and "iBloomberg". Among these, "NOWNESS" has performed exceptionally well, gaining the supports of a variety of global brands with its creativity and quality. Since 2020, "NOWNESS" has demonstrated strong financial resilience and growth potential. In the post-pandemic era, amidst continued global economic pressure and a cautious market environment, "NOWNESS" has achieved steady and solid development which capitalises on its unique cultural perspective and high-quality content, further solidifying its leading position in the high-end digital media sector. From 2020 to 2025, "NOWNESS" exhibits impressive financial growth. The platform has not only steadily expanded its brand client base across multiple sectors but also achieved a double-digit compound annual growth rate in revenue over the past five years. This reflects the maturity of its business model, demonstrating diversified content monetisation (including brand collaborations, customised content, and advertising) and strong cash flow generation capabilities.

(ii) Aligning with the Group's development strategy of "AI-enabled digital creativity, transforming from digital media to intelligent media" to drive future growth

Over the past three years, the Target Group has continuously increased its investment in innovation in cutting-edge technologies, promoting its strategic transformation from a traditional digital media company to an intelligent media company. This aligns with the Group's development strategy of "AI-enabled digital creativity, transforming from digital media to intelligent media". In 2022, the Group entered into a strategic partnership with Beijing Baidu Netcom Science Technology Co., Ltd. (北京百度網訊科技有限公司) to jointly develop the metaverse ecosystem and successfully created China's first metaverse city, "Yuanbang." In 2025, the Target Group successfully developed and launched its own AI application products, "Meta Media AI" and "shao.ai". This series of ground-breaking deployments, based on industry frontiers and demonstrating a forward-looking vision, allows the Target Group to take the lead in implementing technology, achieving a key transformation from PGC (Professional Generated Content) to UGC (User Generated Content), and then to AIGC (Artificial Intelligence Generated Content), at a time when most traditional media companies have not yet ventured into AI native applications or metaverse applications. This not only makes the Target Group a pioneer in the intelligent transformation of the media industry but also establishes a significant competitive advantage within the industry through this unique deployment. Against the backdrop of a global AI wave sweeping across the world, with related companies experiencing soaring valuations and gaining high recognition from the capital market, the Target Group's AI application platform will be a core strategic asset for future development, possessing enormous commercial potential and long-term value. Moreover, with the deep integration of technology and application scenarios, this core asset will inevitably generate synergies with the Group's other businesses, thereby enhancing the Group's overall value.

(iii) Target Group's brand influence continue to grow, with its potential value far exceeding its net assets

In August 2025, a short film "A Very Straight Neck" produced by the NOWNESS China team won the Golden Leopard Award for Best Short Film at the Locarno Film Festival. This award belongs to a Category A film festival certified by the International Federation of Film Producers Associations (FIAPF), ranking alongside Cannes, Venice, and Berlin as one of the four top European film festivals. In December 2025, another short film produced by "NOWNESS" received official nomination for the Rotterdam International Film Festival. Such high-level international recognition not only enhances NOWNESS's brand value but also strengthens the platform's bargaining power in the market, attracting more high-end brand clients and cross-industry collaboration opportunities. Crucially, NOWNESS's user base is highly concentrated among high-net-worth individuals with high aesthetic sensitivity globally. This scarce audience asset possesses extremely high commercial conversion potential, but its value might not be fully reflected by reference to solely net asset value.

(iv) *Accelerating its global expansion, "NOWNESS" is entering the Japanese market as a new growth engine*

According to the Group's strategic plan, "NOWNESS" will officially expand into the Japanese market in the first half of 2026, marking a new stage in its global expansion. Based in Tokyo, the platform will deeply integrate into the core fashion and cultural sphere of East Asia, meeting the profound needs of high-net-worth audiences for contemporary aesthetics and creative imagery. In addition, the self-developed AI applications "Meta Media AI" and "shao.ai" are also planned to support the development of "NOWNESS", empowering the platform's efficient creative production in the Japanese market. Simultaneously, "NOWNESS" will also develop synergistically with the Group's cultural and artistic businesses in Japan, forming resource integration and brand synergy, and is expected to become an important engine for the Group's future growth.

Based on the above, the Acquisition possesses significant synergies and multiple strategic values, which compliments the Group's overall strategic synergy and business expansion, with the aim of enhancing the Group's global brand influence and long-term profitability. Although the Target Group is already a subsidiary of the Group, the Board considered that the Acquisition would further strengthen the Group's consolidation of financial performance from the Target Group. More importantly, the Acquisition demonstrates the Board's strong confidence in the Target Group's future development prospects, particularly following the successful launch of its AI-native application products such as "Meta Media AI" and "shao.ai". These developments have created an unprecedented level of synergy with the Group's overall development strategy of "AI-enabled digital creativity, transforming from digital media to intelligent media". Such synergy is reflected not only in technological integration and resource sharing, but will also accelerate the Target Group's transformation from professional-generated content (PGC) to AIGC, thereby creating greater overall value for the Group in the future.

After a comprehensive assessment considering financial performance, strategic synergy value, brand value, and future growth potential, in particular, that a price-to-EBITDA multiple of 15 times is fair, reasonable, and consistent with general commercial practice, the Board believed that the Consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board believes that the Consideration reflects not only the Target Group's solid financial performance and established business model, but also fully takes into account its unique brand value, high-net-worth user base, the significant potential of its AI applications, and its strong strategic synergy with the Group. The Board is of the view that the Consideration is on normal commercial terms or better under Rule 14A.101 of the Listing Rules.

By Order of the Board
Meta Media Holdings Limited
Shao Zhong
Chairman

Hong Kong, 16 January 2026

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. SHAO Zhong, Ms. YANG Ying and Mr. LI Jian; and (b) as independent non-executive Directors, Mr. YICK Wing Fat, Simon, Ms. WEI Wei and Mr. WAN Jie.