



2020 中期報告 INTERIM REPORT



National Arts Entertainment and Culture Group Limited
國藝娛樂文化集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock code 股份代號 : 8228



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This report, for which the directors of National Arts Entertainment and Culture Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」) GEM 之特色

GEM 的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在 GEM 買賣的證券會有高流通量的市場。

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本報告載有遵照聯交所 GEM 證券上市規則之規定而提供有關國藝娛樂文化集團有限公司(「本公司」)之資料，本公司各董事願就此共同及個別承擔全部責任。本公司各董事經作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重大方面均屬準確及完整，並無誤導或欺詐成份，且並無遺漏任何其他事實，足以致使本報告或其所載任何陳述產生誤導。



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The board (the “Board”) of directors (the “Directors”) of National Arts Entertainment and Culture Group Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2020 and the three months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019 as follows:

國藝娛樂文化集團有限公司(「本公司」)董事(「董事」)會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零二零年六月三十日止六個月及截至二零二零年六月三十日止三個月之未經審核綜合業績，連同二零一九年同期之比較數字如下：

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核之綜合損益及其他全面收益表

		Notes 附註	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
			2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收入					
– Goods and services	– 貨品及服務	4	4,573	35,673	14,215	68,881
– Rental	– 租金	4	1,066	12,081	2,000	20,426
Total revenue	總收入		5,639	47,754	16,215	89,307
Other income	其他收入	4	7,238	1,492	9,841	1,957
Staff costs	員工成本	8	(11,204)	(14,382)	(23,512)	(27,865)
Other operating expenses	其他營運開支		(20,429)	(29,164)	(34,016)	(52,998)
Operating (loss)/profit	經營(虧損)/利潤		(18,756)	5,700	(31,472)	10,401
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8	(24,867)	(28,951)	(27,514)	(31,818)
Depreciation of right-of-use asses	使用權資產折舊	8	(3,439)	(3,439)	(6,878)	(6,878)
Net exchange gain/(losses)	匯兌收益/(虧損)淨額		1,397	(21,200)	(12,752)	(1,816)
Share of loss of a joint venture	分佔一間合營企業虧損		(576)	(979)	(1,229)	(1,285)
Impact on financial restructuring	對財務重組的影響	7	854,269	–	854,269	–
Finance costs	融資成本	6	(41,085)	(74,949)	(84,609)	(144,236)
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	8	766,943	(123,818)	689,815	(175,632)
Income tax expenses	所得稅開支	9	–	–	–	–
Profit/(loss) for the period	本期間利潤/(虧損)		766,943	(123,818)	689,815	(175,632)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核綜合損益及其他全面收益表

		Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Other comprehensive income/ (expense)	其他全面收入/(開支)				
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能重列為損益的項目				
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表時產生的匯兌差額	777	(14,126)	(8,736)	(1,029)
Other comprehensive income/ (expense) for the period, net of tax	本期間其他全面收入/(開支)，扣除稅項	777	(14,126)	(8,736)	(1,029)
Total comprehensive income/ (expense) for the period	本期間全面收入/(開支)總額	767,720	(137,944)	681,079	(176,661)
Profit/(loss) for the period attributable to:	應佔本期間利潤/(虧損)：				
Owners of the Company	本公司擁有人	767,125	(123,481)	690,292	(175,294)
Non-controlling interests	非控股權益	(182)	(337)	(477)	(338)
		766,943	(123,818)	689,815	(175,632)
Total comprehensive income/ (expense) for the period attributable to:	應佔本期間全面收入/(開支)總額				
Owners of the Company	本公司擁有人	(767,902)	(137,607)	681,556	(176,323)
Non-controlling interests	非控股權益	(182)	(337)	(477)	(338)
		767,720	(137,944)	681,079	(176,661)
Earnings/(loss) per share	每股盈利/(虧損)				
Basic and diluted	基本及攤薄	HK15.36 cents港仙	(HK2.55 cents港仙)	HK13.81 cents港仙	(HK3.68 cents港仙)

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

未經審核之綜合財務狀況表

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	12	1,361,372
Investment in a joint venture	合營企業投資		1,400,027
Pledged bank deposits	已抵押銀行存款		2,849
Right-of-use assets	使用權資產	13	2,186
Long-term receivables and investment deposits	長期應收款項及投資按金		353,340
			360,218
			127,291
			129,115
			1,845,809
			1,894,438
Current assets	流動資產		
Film products and film production in progress	電影產品及在製電影產品		4,544
Investment in films/dramas production	投資電影／劇集製作		4,344
Trade receivables	應收貿易款項	14	325
Inventories	存貨		68,630
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項		75,184
Amount due from a joint venture	應收合營企業款項		2,470
Cash and bank balances	現金及現金結餘		92,205
			42,265
			2,414
			1,510
			3,667
			172,098
			130,713
Current liabilities	流動負債		
Trade payables	應付貿易款項	15	35,574
Other payables and accruals	其他應付款項及應計費用		174,495
Loans from shareholders	來自股東的貸款	16	1,753
Borrowings	借貸		139,179
Bank overdrafts	銀行透支		-
Lease liabilities/Finance lease obligation	租賃負債／財務租賃承擔		5,778
Promissory note	承兌票據	18	13,758
Bonds	債券	17	14,100
Provision for income tax	所得稅撥備	9	-
			769,105
			2,951
			381,810
			1,946,600
Net current liabilities	流動負債淨額		(209,712)
			(1,815,887)
Total assets less current liabilities	資產總值減流動負債		1,636,097
			78,551

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
未經審核之綜合財務狀況表

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註		
Non-current liabilities	非流動負債		
Borrowings	借貸	8,410	9,895
Bonds	債券	–	384,178
Promissory notes	承兌票據	32,900	–
Convertible bonds	可換股債券	826,027	–
Finance lease obligation	財務租賃承擔	16,834	16,261
Deferred tax liabilities	遞延稅項負債	99,500	99,500
		983,671	509,834
Net assets/(liabilities)	淨資產／(負債)	652,426	(431,283)
Capital and reserves	資本及儲備		
Share capital	股本	710,329	494,817
Reserves	儲備	(56,883)	(925,557)
Equity attributable to owners of the Company	本公司擁有人應佔權益	653,446	(430,740)
Non-controlling interests	非控股權益	(1,020)	(543)
Total Equity	權益總額	652,426	(431,283)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核之綜合權益變動表

Attributable to the owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Special reserve	Contributed surplus	Properties revaluation reserve	Translation reserve	Share option reserve	Convertible bond equity reserves	Accumulated losses	Subtotal	Attributable to non-controlling interests	Total
		股本	股份溢價	特別儲備	實繳盈餘	重估儲備	換算儲備	購股權儲備	可換股債券權益儲備	累計虧損	小計	權益應佔	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019 (Audited)	於二零一九年一月一日 (經審核)	451,716	804,495	6,302	78,791	335,013	(131,671)	41,912	-	(1,441,615)	144,943	232	145,175
Share issued upon exercise of share options	行使購股權所發行的股份	224	326	-	-	-	-	-	-	-	550	-	550
Share issued upon completion of placing new shares	配售新股份完成後所發行的股份	42,877	64,314	-	-	-	-	-	-	-	107,191	-	107,191
Transactions with owners	與擁有人進行的交易	43,101	64,640	-	-	-	-	-	-	-	107,741	-	107,741
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	(175,294)	(175,294)	(338)	(175,632)
Exchange difference on translation of financial statement of foreign operations	換算海外業務財務報表時產生的匯兌差額	-	-	-	-	-	(1,029)	-	-	-	(1,029)	-	(1,029)
Total comprehensive expense for the period	本期間全面開支總額	-	-	-	-	-	(1,029)	-	-	(175,294)	(176,323)	(338)	(176,661)
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	494,817	869,135	6,302	78,791	335,013	(132,700)	41,912	-	(1,616,909)	76,361	(106)	76,255
As at 1 January 2020 (Audited)	於二零二零年一月一日 (經審核)	494,817	866,992	6,302	78,791	158,104	(146,299)	49,377	-	(1,938,824)	(430,740)	(543)	(431,283)
Lapse of share options	購股權失效	-	-	-	-	-	-	(3,016)	-	3,016	-	-	-
Issue of convertible bonds arising from the completion of financial restructuring	財務重組完成後發行可換股債券	-	-	-	-	-	-	-	3,933	-	3,933	-	3,933
Share issued upon completion of financial restructuring	財務重組完成後所發行的股份	215,512	183,185	-	-	-	-	-	-	-	398,697	-	398,697
Transactions with owners	與擁有人進行的交易	215,512	183,185	-	-	-	-	(3,016)	3,933	3,016	402,630	-	402,630
Profit/(loss) for the period	本期間利潤/(虧損)	-	-	-	-	-	-	-	-	690,292	690,292	(477)	689,815
Exchange difference on translation of financial statement of foreign operations	換算海外業務財務報表時產生的匯兌差額	-	-	-	-	-	(8,736)	-	-	-	(8,736)	-	(8,736)
Total comprehensive income/(expense) for the period	本期間全面收入/(開支)總額	-	-	-	-	-	(8,736)	-	-	690,292	681,556	(477)	681,079
As at 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	710,329	1,050,177	6,302	78,791	158,104	(155,035)	46,361	3,933	(1,245,516)	653,446	(1,020)	652,426

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

未經審核之簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash used in operating activities	經營業務所用現金淨額	(53,965)	(43,868)
Net cash used in investing activities	投資活動所用現金淨額	(5,045)	(20,985)
Net cash generated by financing activities	融資活動所得現金淨額	62,747	53,019
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	3,737	(11,834)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等值項目	(2,111)	13,474
Effects of exchange rate changes of the balance of cash held in foreign currencies	匯率變動對所持外幣現金結餘的影響	(116)	(5)
Cash and cash equivalents at the end of the period	期末之現金及現金等值項目	1,510	1,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. GENERAL

National Arts Entertainment and Culture Group Limited was incorporated in the Cayman Islands on 16 November 2001 as an exempted company under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 14 October 2010, the Company deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda effective on 14 October 2010. The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company's principal place of business in Hong Kong is Room 1514-1515, 15/F., Seapower Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company's shares (the "**Shares**") are listed on GEM of the Stock Exchange. The Company is principally engaged in investment holding. The principal activities of the Group include film production and distribution, the provision of management services to artistes, event coordination, provision of travel related products and operations of film studio and hotels.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK\$'000**") unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting and Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules.

1. 一般資料

國藝娛樂文化集團有限公司於二零零一年十一月十六日根據開曼群島法例第22章公司法(一九六一年法例3, 經綜合及修訂)在開曼群島註冊成立為獲豁免公司。於二零一零年十月十四日, 本公司於開曼群島撤銷註冊, 並根據百慕達法例正式於百慕達以獲豁免公司形式存續, 於二零一零年十月十四日生效。本公司的註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司的香港主要營業地點位於香港九龍尖沙咀科學館道1號康宏廣場航天科技大廈15樓1514-1515室。

本公司股份(「**股份**」)於聯交所GEM上市。本公司主要從事投資控股。本集團之主要業務包括電影製作及發行、提供藝人管理服務、活動統籌、提供旅遊相關產品及經營影視城和酒店。

未經審核簡明綜合財務報表以港元(「**港元**」, 亦為本公司的功能貨幣)呈列, 除另有指明外, 所有價值均四捨五入至最接近的千位數(「**千港元**」)。

2. 編製基準

本集團之未經審核簡明綜合財務報表乃按照聯交所GEM證券上市規則(「**GEM上市規則**」)之適用披露條文(包括遵守香港會計師公會(「**香港會計師公會**」)頒佈之香港會計準則(「**香港會計準則**」)第34號中期財務報告及詮釋)及GEM上市規則第18章所載之披露規定編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. BASIS OF PREPARATION

(Continued)

On 10 July 2019, the Company invited all known creditors of the Company to make an offer to the Company for possible restructuring transaction, which has received substantial support from most of the creditors. On 26 August 2019, the Company put forward the proposed scheme of arrangement pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 670 of the Companies Ordinance (Cap. 622) of Hong Kong, further details of which are disclosed on pages 45 to 53 of this report and the Company's announcements dated 30 July, 12 August, 19 August, 20 September, 8 October, 14 October, 8 November, 19 November, 27 November, 15 December 2019, 7 January, 25 February, 8 March and 20 March 2020 and the circular of the Company dated 20 September 2019. Further announcements will be made by the Company to update the shareholders of the Company and investors on further progress of the financial restructuring and relevant court proceedings.

For the six months ended 30 June 2020, the Group incurred a profit attributable to the owners of the Company of approximately HK\$690,292,000 (2019: loss of approximately HK\$175,294,000). As at 30 June 2020, the Group had net current liabilities of approximately HK\$209,712,000 (31 December 2019: net current liabilities of approximately HK\$1,815,887,000).

These conditions indicate the existence of a material uncertainty that might cast significant doubt about the Group's ability to continue as going concern. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Director have adopted several measure, including (1) obtaining various credit facilities of aggregate HK\$175,000,000 with the interest rate carrying from 6.5% to 12.0% available for the Group's working capital and its financial obligations; (2) the possible fund-raising activities with the investor, further details of which are disclosed on pages 55 to 59 of this report and (3) the Group has extended the maturity date of an loan agreement in relation to a loan amounting to approximately HK\$82,279,277 as at 31 December 2019 to 30 June 2023. On the basis of the foregoing, and after assessing the Group's current and forecasted cash positions, the Directors are satisfied that the Group will be able to settle the Group's liabilities when they become due.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2020 should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2019.

2. 編製基準(續)

於二零一九年七月十日，本公司邀請所有已知的本公司債權人就本公司之可能重組交易作出要約，獲得大部份債權人鼎力支持。於二零一九年八月二十六日，本公司根據百慕達(一九八一年)的公司法第99條及香港法例第622章《公司條例》第670條提呈建議計劃安排，更多詳情於本報告第45至53頁及本公司日期為二零一九年七月三十日、八月十二日、八月十九日、九月二十日、十月八日、十月十四日、十一月八日、十一月十九日、十一月二十七日、十二月十五日、二零二零年一月七日、二月二十五日、三月八日及三月二十日之公告及本公司日期為二零一九年九月二十日之通函披露。本公司將另行刊發公告以向本公司股東及投資者提供最新有關財務重組及相關法律訴訟的進一步進展。

截至二零二零年六月三十日止六個月，本集團產生本公司擁有人應佔溢利約690,292,000港元(二零一九年：虧損約175,294,000港元)。於二零二零年六月三十日，本集團有流動負債淨額約209,712,000港元(二零一九年十二月三十一日：流動負債淨額約1,815,887,000港元)。

該等狀況表明存在可能令本集團持續經營能力嚴重存疑的重大不確定因素。為改善本集團的財務狀況、即時流動資金及現金流量，並使本集團可持續經營，董事已採納多項措施，包括(1)獲取合共175,000,000港元的各類信貸融資，利率介乎6.5%至12.0%，用作本集團的營運資金及財務承擔；(2)尋找潛在投資者進行集資活動，有關進一步詳情於本報告第55至59頁中披露，及(3)本集團已將與一筆金額約82,279,277港元的貸款有關的貸款協議的到期日由二零一九年十二月三十一日延長至二零二三年六月三十日。鑒於上述，經評估本集團目前及預測現金狀況，董事信納於本集團負債到期時本集團將能夠結清其負債。

截至二零二零年六月三十日止六個月之未經審核簡明綜合財務報表應與本集團截至二零一九年十二月三十一日止年度之年度財務報表一併閱讀。

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group have been prepared on the historical cost basis except for certain property, film studio and financial instruments that are measured at revalued amount or fair values. The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2019.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3, Definition of a Business
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7, Interest Rate Benchmark Reform
- Amendments to HKAS 1 and HKAS 8, Definition of Material

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. 主要會計政策

除若干物業、影視城及金融工具按重估金額或公允值計量外，本集團之未經審核簡明綜合財務報表乃根據歷史成本法編製，截至二零二零年六月三十日止六個月之未經審核簡明綜合財務報表所使用之會計政策及計算方法與編製截至二零一九年十二月三十一日止年度之本集團年度財務報表所遵循者相同。

香港會計師公會已頒佈以下香港財務報告準則的修訂本，該等修訂本於本集團當前的會計期間首次生效：

- 香港財務報告準則第3號，業務的定義
- 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂本，利率基準改革
- 香港會計準則第1號及香港會計準則第8號的修訂本，重大的定義

該等進展概無對本期間或過往期間本集團業績及財務狀況於本中期報告的編製或呈列方式產生重大影響。本集團並無採用於本會計期間尚未生效的任何新準則或解釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. REVENUE AND OTHER INCOME

Revenue derived from the Group's principal activities recognised during the period is as follows:

4. 收入及其他收入

期內確認來自本集團主要業務的收入如下：

	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue from contracts with customers within the scope of HKFRS 15, disaggregated by major products or services lines:	香港財務報告準則第15號範圍內客戶合約的收益，按主要產品或服務線劃分：			
Artiste management fee income	7	9	7	27
Hotel room income	1,107	3,769	3,088	6,806
Food and beverage income	2,684	6,182	6,264	12,600
Entrance fee income	558	17,035	3,372	35,084
Sales of travel related products	(87)	2,144	313	2,408
Sales of goods	50	598	101	1,628
Ancillary services	254	5,936	1,070	10,223
Consultation Income	-	-	-	105
	4,573	35,673	14,215	68,881
Rental income	1,066	12,081	2,000	20,426
	5,639	47,754	16,215	89,307
Timing of revenue recognition:	收益確認時間：			
At a point of time	3,204	23,306	10,050	51,720
Over time	1,369	12,367	4,165	17,161
	4,573	35,673	14,215	68,881
Other income	其他收入			
Bank interest income	-	28	-	28
Government subsidy	4,141	-	4,141	-
Others	3,097	1,464	5,700	1,929
	7,238	1,492	9,841	1,957

5. SEGMENT INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments. No operating segments have been aggregated to form the following reportable segments.

Films production and distribution, sales of travel related products, artiste management and event coordination	- Production and distribution of films, provision of travel related products, provision of management services to artistes and event coordination
Film studio operation	- Operation of film studio
Hotel operation	- Operation of hotel

Segment information about the Group's reportable segments is presented below.

5. 分部資料

本集團按業務類別管理其業務。按就資源分配及表現評估目的向本集團最高層行政管理人員(即主要經營決策者(「主要經營決策者」))進行內部資料報告的一致方式,本集團現分成以下經營分部。本集團並無將經營分部合併,以組成下列可呈報分部。

電影製作及發行、銷售旅行相關產品、藝人管理及活動統籌	- 製作及發行電影、提供旅行相關產品、向藝人提供管理服務及活動統籌
影視城經營	- 經營影視城
酒店經營	- 經營酒店

有關本集團可呈報分部的分部資料呈列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION

(Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

5. 分部資料(續)

分部收入及業績

以下為按可呈報分部劃分的本集團收入及業績分析：

		Films production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅行相關產品、藝人管理及活動統籌	Film studio operation 影視城經營	Hotel operation 酒店經營	Inter-segment elimination 分部間抵銷	Total 總金額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Six months ended 30 June 2020 (Unaudited)	截至二零二零年六月三十日止六個月(未經審核)					
Revenue from external customers	來自外界客戶的收入	320	6,047	9,848	-	16,215
Inter-segment revenue	分部間收入	-	-	46	(46)	-
Reportable segment revenue	可呈報分部收入	<u>320</u>	<u>6,047</u>	<u>9,894</u>	<u>(46)</u>	<u>16,215</u>
Reportable segment loss	可呈報分部虧損	<u>(9,576)</u>	<u>(33,388)</u>	<u>(24,472)</u>	<u>-</u>	<u>(67,436)</u>
Impact on financial restructuring	對財務重組的影響					854,269
Net exchange losses	匯兌虧損淨額					(12,752)
Other income	其他收入					9,841
Unallocated corporate expenses	未分配公司開支					(9,498)
Finance costs	融資成本					(84,609)
Profit before income tax	除所得稅前利潤					<u>689,815</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5. SEGMENT INFORMATION
(Continued)

5. 分部資料(續)

Segment revenues and results (Continued)

分部收入及業績(續)

	Films production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅行相關產品、藝人管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Inter-segment elimination 分部間抵銷 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
Six months ended 30 June 2019 (Unaudited)	截至二零一九年六月三十日止六個月(未經審核)				
Revenue from external Customers	來自外界客戶的收入	2,435	66,657	20,215	89,307
Inter-segment revenue	分部間收入	-	-	134	-
Reportable segment revenue	可呈報分部收入	<u>2,435</u>	<u>66,657</u>	<u>20,349</u>	<u>89,307</u>
Reportable segment (loss)/revenue	可呈報分部(虧損)/收入	<u>(7,971)</u>	<u>10,814</u>	<u>(24,716)</u>	<u>(21,873)</u>
Other income	其他收入				1,957
Unallocated corporate expenses	未分配公司開支				(9,664)
Net exchange losses	匯兌虧損淨額				(1,816)
Finance costs	融資成本				<u>(144,236)</u>
Loss before income tax	除所得稅前虧損				<u>(175,632)</u>

Revenue reported above represents revenue generated from external customers and inter-segment sales during the period.

上表呈報的收入指期內來自外界客戶的收入及分部間銷售。

Segment loss represents the loss incurred by each segment without allocation of central administration costs including directors' salaries, waiver of interest of convertible bond, loss on early redemption of convertible bond, amortisation, other operating income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

分部虧損指各分部產生的虧損，當中並無分配中央行政成本(包括董事薪金、豁免可換股債券的利息、提早贖回可換股債券之虧損、攤銷、其他經營收入及融資成本)。此乃為分配資源及評估分部表現而向主要經營決策者報告的計量方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5. SEGMENT INFORMATION
(Continued)

5. 分部資料(續)

Segment assets and liabilities

分部資產及負債

		Films production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅行相關產品、藝人管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)				
Reportable segment assets	可呈報分部資產	<u>8,559</u>	<u>1,157,186</u>	<u>800,023</u>	<u>1,965,768</u>
Property, plant and equipment	物業、廠房及設備				950
Unallocated corporation assets	未分配公司資產				<u>51,189</u>
Consolidated assets	綜合資產				<u>2,017,907</u>
Reportable segment liabilities	可呈報分部負債	<u>(8,746)</u>	<u>(137,486)</u>	<u>(39,741)</u>	<u>(185,973)</u>
Loans from shareholders	來自股東的貸款				(1,753)
Borrowings	借貸				(147,589)
Convertible bonds	可換股債券				(826,027)
Promissory notes	承兌票據				(47,000)
Deferred tax liabilities	遞延稅項負債				(99,500)
Provision for income tax	所得稅撥備				(2,951)
Unallocated corporation liabilities	未分配公司負債				<u>(54,688)</u>
Consolidated liabilities	綜合負債				<u>(1,365,481)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5. SEGMENT INFORMATION
(Continued)

5. 分部資料(續)

Segment assets and liabilities (Continued)

分部資產及負債(續)

		Films production and distribution, sales of travel related products, artiste management and event coordination 電影製作及 發行、銷售 旅行相關產品、 藝人管理及 活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 31 December 2019 (Audited)	於二零一九年六月三十日 (經審核)				
Reportable segment assets	可呈報分部資產	11,383	1,188,066	823,807	2,023,256
Property, plant and equipment	物業、廠房及設備				14
Cash and cash equivalents	現金及現金等值項目				273
Unallocated corporation assets	未分配公司資產				1,608
Consolidated assets	綜合資產				2,025,151
Reportable segment liabilities	可呈報分部負債	(10,937)	(135,858)	(31,897)	(178,692)
Loans from shareholder	來自股東的貸款				(589,457)
Borrowings	借貸				(227,040)
Bonds	債券				(1,153,283)
Promissory Note	承兌票據				(115,197)
Deferred tax liabilities	遞延稅項負債				(99,500)
Provision for income tax	所得稅撥備				(2,951)
Unallocated corporate liabilities	未分配公司負債				(90,314)
Consolidated liabilities	綜合負債				(2,456,434)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION

(Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets; and
- all liabilities are allocated to reportable segments other than corporate liabilities.

Other segment information

5. 分部資料 (續)

分部資產及負債 (續)

為監察分部表現及於分部間分配資源：

- 除公司資產外，所有資產會分配至各可呈報分部；及
- 除公司負債外，所有負債會分配至各可呈報分部。

其他分部資料

		Films production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅行相關產品、藝人管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	495	12,697	14,321	27,513
Depreciation of right-of-use assets	使用權資產折舊	-	5,756	1,122	6,878
Addition to non-current assets	添置非流動資產	32	6,947	7	6,986
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	683	15,791	15,344	31,818
Amortisation of land lease Prepayments	土地租賃預付款攤銷	-	5,756	1,122	6,878
Addition to non-current assets	添置非流動資產	68	22,945	173	23,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

5. SEGMENT INFORMATION

(Continued)

Geographical information

All the Group's revenue and non-current assets are principally attributable to the People's Republic of China (the "PRC") including Hong Kong (being the place of domicile of the major companies comprising the Group).

The geographical location of customers is based on the location at which the contracts are negotiated and entered with the customers. The total revenue from external customers is mainly sourced from the PRC.

5. 分部資料(續)

地區資料

本集團所有收入及非流動資產均主要源自中華人民共和國(「中國」)(包括香港)(即本集團旗下主要公司所處的地點)。

客戶地域資料乃基於與客戶磋商及簽訂合約的位置而定。來自外部客戶的總收入主要源自中國。

6. FINANCE COSTS

6. 融資成本

		Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Finance lease charges	財務租賃費用	415	444	829	884
Interest on bonds	債券利息	18,564	57,197	41,491	103,254
Interest on convertible bonds	可換股債券利息	506	-	506	-
Interest on promissory note	承兌票據利息	-	2,093	-	4,186
Interest on loan from shareholders	股東貸款的利息	16,959	13,087	33,919	27,740
Interest on unsecured other borrowings	其他無抵押借貸利息	1,944	800	2,530	2,903
Interest on secured other borrowings	其他有抵押借貸利息	2,697	1,328	5,334	5,269
		41,085	74,949	84,609	144,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7. IMPACT ON FINANCIAL RESTRUCTURING

7. 對財務重組的影響

	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Carrying amount of liabilities settled by issue of convertible bonds and new shares under the restructuring transaction	2,082,419	-	2,082,419	-
Fair value of convertible bonds issued pursuant to the restructuring transaction	(829,454)	-	(829,454)	-
Fair the value of new shares issued pursuant to the restructuring transaction	(398,696)	-	(398,696)	-
	854,269	-	854,269	-

The fair value of the convertible bonds is determined by the directors of the Company with reference to the valuation report prepared by an independent professional valuer, by applying discounted cash flow model on the liability component and Binomial Tree Model on the equity component and derivative component, if any.

可換股債券的公允值乃由本公司董事經參考獨立專業估值師編製的估值報告，採用負債部分的貼現現金流模型及權益部分和衍生部分(如有)的二叉樹模型釐定。

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8. PROFIT/(LOSS) BEFORE
INCOME TAX

8. 除所得稅前利潤／（虧損）

	Three months ended 30 June 截至六月三十日止三個月		Six months ended 30 June 截至六月三十日止六個月	
	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit/(loss) before income tax is arrived at after charging				
Auditor's remuneration	250	212	500	425
Depreciation of right-of-use assets	3,439	3,439	6,878	6,878
Depreciation of property, Plant and equipment	<u>24,867</u>	<u>28,951</u>	<u>27,514</u>	<u>31,818</u>
Employee benefit expenses (including directors' remuneration)				
Salaries and allowances	10,712	13,278	22,401	25,746
Contributions to retirement benefits schemes	492	1,104	1,111	2,119
	<u>11,204</u>	<u>14,382</u>	<u>23,512</u>	<u>27,865</u>

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9. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the six months ended 30 June 2020 (2019: Nil) as the Group did not generate any assessable profits in Hong Kong during these periods.

The PRC Enterprises Income Tax at 25% has not been provided as the PRC subsidiaries incurred losses for taxation purpose for both periods.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to the owners of the Company of approximately HK\$690,292,000 (2019: loss of approximately HK\$175,294,000) and the weighted average of approximately 4,999,322,000 (2019: approximately 4,767,083,000) ordinary shares in issue during the period.

Diluted earnings/(loss) per share for the profit/(loss) attributable to the owners of the Company for the six months ended 30 June 2020 and 2019 was the same as basic loss per share as the impact of the exercise of the share options, warrants and convertible bonds is anti-dilutive.

11. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: Nil).

9. 所得稅開支

由於本集團於截至二零二零年六月三十日止六個月並無在香港產生任何應課稅溢利，故並無就此等期間之香港利得稅作出撥備(二零一九年：無)。

由於中國附屬公司於兩個期間均錄得稅務虧損，故並無就中國企業所得稅(稅率為25%)作出撥備。

於其他司法權區產生的稅項乃按相關司法權區的當前稅率計算。

10. 每股盈利／(虧損)

每股基本盈利／(虧損)乃根據本公司擁有人應佔利潤約690,292,000港元(二零一九年：虧損約175,294,000港元)及期內已發行普通股的加權平均數約4,999,322,000股(二零一九年：約4,767,083,000股)計算。

由於行使購股權、認股權證及可換股債券具有反攤薄影響，故截至二零二零年及二零一九年六月三十日止六個月，本公司擁有人應佔利潤／(虧損)的每股攤薄盈利／(虧損)與每股基本虧損相同。

11. 股息

董事不建議派付截至二零二零年六月三十日止六個月的中期股息(二零一九年：無)。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
At 1 January	於一月一日	1,400,027	1,683,190
Additions:	添置：		
Property, plant and equipment	物業、廠房及設備	7,005	36,470
Deficit on valuation	估值虧絀	-	(235,879)
Disposal	出售	(731)	(83)
Depreciation	折舊	(27,514)	(63,582)
Exchange realignment	匯兌調整	(17,415)	(20,089)
		1,361,372	1,400,027

The carrying amount of leasehold land and buildings shown above are situated on:

上文所示租賃土地及樓宇賬面值的分析如下：

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Land in Hong Kong under medium-term leases	位於香港的中期租賃土地	-	-
Land in the PRC under medium-term leases	位於中國的中期租賃土地	7,331	7,679
		7,331	7,679

As at 30 June 2020, hotel properties and the film studio had not been revaluated and had been included in the consolidated financial statements at historical cost of approximately HK\$453,713,000 and approximately HK\$824,643,000 respectively as at 30 June 2020.

於二零二零年六月三十日，酒店物業及影視城並無進行重估，並於二零二零年六月三十日按歷史成本分別約453,713,000港元及約824,643,000港元計入綜合財務報表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Hotel properties were revaluated on 31 December 2019 and 2018 by RHL Appraisal Limited (“RHL”) an independent qualified professional valuer not connected to the Group. RHL is a member of the Hong Kong Institute of Surveyors and have appropriate qualifications and recent experience in the valuation of properties in the relevant location. The revaluation deficit of approximately HK\$3,195,000 (2018: surplus of approximately HK\$32,102,000) net of applicable deferred income taxes credit of approximately HK\$799,000 (2018: approximately HK\$8,026,000) was debited to properties revaluation reserve in the amount of approximately HK\$2,396,000 (2018: credited to properties revaluation reserve of approximately HK\$24,076,000). If the hotel properties had not been revalued, it would have been included in the consolidated financial statements at historical cost of approximately HK\$453,713,000 (2018: approximately HK\$453,713,000) as at 31 December 2019.

Film Studio were revaluated on 31 December 2019 and 2018 by Ravia Global Appraisal Advisory Limited, an independent qualified professional valuer not connected to the Group. The revaluation deficit of approximately HK\$232,684,000 (2018: deficit of approximately HK\$60,739,000) net of applicable deferred income taxes credit of approximately HK\$58,171,000 (2018: approximately HK\$15,185,000) was debited to properties revaluation reserve in the amount of approximately HK\$174,513,000 (2018: debited to properties revaluation reserve of approximately HK\$45,554,000). If the film studio had not been revalued, it would have been included in the consolidated financial statements at historical cost of approximately HK\$836,095,000 (2018: approximately HK\$818,434,000) as at 31 December 2019.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

12. 物業、廠房及設備(續)

酒店物業於二零一九年及二零一八年十二月三十一日由永利行評估顧問有限公司(「永利行」，一名與本集團無關連的獨立合資格專業估值師)重估。永利行為香港測量師學會的會員，具有適當資格且近期於相關地點曾進行物業估值。重估虧絀約3,195,000港元(二零一八年：盈餘約32,102,000港元)扣除適用的遞延所得稅抵免約799,000港元(二零一八年：約8,026,000港元)已於物業重估儲備中扣除約2,396,000港元(二零一八年：於物業重估儲備中計入約24,076,000港元)。倘酒店物業並無進行重估，其將按二零一九年十二月三十一日的歷史成本約453,713,000港元(二零一八年：約453,713,000港元)計入綜合財務報表。

影視城已於二零一九年及二零一八年十二月三十一日由瑞豐環球評估諮詢有限公司(一名與本集團無關連的獨立合資格專業估值師)重估。重估虧絀約232,684,000港元(二零一八年：虧絀約60,739,000港元)扣除適用的遞延所得稅抵免約58,171,000港元(二零一八年：約15,185,000港元)已於物業重估儲備中扣除約174,513,000港元(二零一八年：於物業重估儲備中扣除約45,554,000港元)。倘影視城未經重估，其將按二零一九年十二月三十一日的歷史成本約836,095,000港元(二零一八年：約818,434,000港元)計入綜合財務報表。

於估計物業的公允值時，物業的最高及最佳用途為其現有用途。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The following table gives information about how the fair values of these hotel properties and film studio are determined (in particular, the valuation techniques and key inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the key inputs to the fair value measurements is observable.

As at 31 December 2019:

Element 元素	Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Range/Amount 範圍/金額	Sensitivity 敏感度
Hotel properties	Level 3	Depreciated replacement costs approach (based on current cost of replacement of the improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimisation)	Replacement costs of constructions hotel properties	RMB650,000,000 (2018: RMB663,000,000)	The higher the costs of constructions, the higher the fair values
酒店物業	第三級	折舊重置成本法(基於物業裝修目前重置成本, 再按實際損耗及一切相關形式的陳舊及優化撥備作出扣減)	酒店物業建設的重置成本	人民幣650,000,000元 (二零一八年: 人民幣663,000,000元)	建築成本愈高, 公允價值愈高
Film studio	Level 3	Income approach-discounted cashflow approach	Discount, rate	14.00% (2018: 14.00%)	The higher the discount rate, the lower the fair value
影視城	第三級	收入法-貼現現金流量法	變現率	14.00% (二零一八年: 14.00%)	變現率愈高, 公允價值愈低

下表提供有關該等酒店物業及影視城的公允價值如何釐定(尤其是所用估值技術及主要輸入數據)的資料, 以及有關公允價值計量按照公允價值計量主要輸入數據的可觀察程度而分類的公允價值層級(第一級至第三級)。

於二零一九年十二月三十一日:

At the end of the reporting period, the net carrying amount of film studio held under finance leases of the Group was approximately HK\$7,331,000 (2019: approximately HK\$8,062,000).

於報告期末, 本集團根據財務租賃持有的影視城之賬面淨值約為7,331,000港元(二零一九年: 約8,062,000港元)。

13. RIGHT-OF-USE ASSETS

13. 使用權資產

		Land lease prepayment 土地租賃預付款 HK\$'000 千港元	Office premises and staff quarters 辦公場所及員工宿舍 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2020 (Audited)	於二零二零年一月一日 (經審核)	357,317	2,901	360,218
Additions	添置	—	—	—
Depreciation expense	折舊開支	(6,878)	—	(6,878)
Exchange realignment	匯兌調整	—	—	—
As at 30 June 2020 (Unaudited)	於二零二零年六月三十日(未經審核)	350,439	2,901	353,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14. TRADE RECEIVABLES

The Group generally allows a credit period ranging from 30 to 90 days to its trade customers. The ageing analysis of trade receivables based on the invoice dates, net of impairment loss, are stated as follows:

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 to 60 days	0至60日	114	15,621
61 to 90 days	61至90日	81	6,218
91 to 180 days	91至180日	2,965	23,632
Over 180 days	超逾180日	65,470	29,713
		68,630	75,184

Included in the balances are debtors with carrying amounts of approximately HK\$68,435,000 (31 December 2019: approximately HK\$53,345,000) which have been past due at the reporting date. The Group has not recognised any impairment loss for these trade receivables on the basis of (a) payments were noted from these customers during the current period and (b) the management would make its best efforts to collect these outstanding balances and believes that these outstanding balances will be substantially recoverable at the end of 2020. The Group does not hold any collateral over these balances.

The Directors considered that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods at their inception.

14. 應收貿易款項

本集團向其貿易客戶提供的信貸期一般為30至90日。應收貿易款項按發票日期呈列(扣除減值虧損)的賬齡分析如下：

計入結餘之賬面值約為68,435,000港元(二零一九年十二月三十一日：約53,345,000港元)的應收款項於報告日期已逾期。本集團並無就該等應收貿易款項確認任何減值虧損，其依據為(a)於本期間已注意到來自該等客戶的付款及(b)管理層將盡最大努力收回該等未償還餘額，並且相信該等尚未清償結餘大部分將可於二零二零年末收回。本集團並無就該等結餘持有任何抵押品。

董事認為，由於應收貿易款項均於產生後短期內到期，故其公允值與賬面值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

15. TRADE PAYABLES

The Group has been granted by its suppliers' credit periods ranging from 30 to 60 days. The ageing analysis of trade payables based on the invoice dates are stated as follows:

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0–30 days	0至30日	872	1,382
31–60 days	31至60日	4,585	1,365
61–90 days	61至90日	2,971	1,070
91–180 days	91至180日	2,764	14,724
Over 180 days	超逾180日	24,382	17,531
		35,574	36,072

15. 應付貿易款項

本集團獲其供應商授予30至60日的信貸期。應付貿易款項按發票日期呈列的賬齡分析如下：

16. LOANS FROM SHAREHOLDERS

Loans from shareholders were unsecured, with the interest rate ranging from 5%–15% and repayable within one year.

16. 股東的貸款

股東的貸款為無抵押，利率介乎5%至15%，並須於一年內償還。

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17. BONDS

No new bonds were issued by the Company during the six months ended 30 June 2020. On 29 June 2020, all outstanding bonds of the Company were settled by issuance of convertible bonds and new shares of the Company pursuant to the Company's restructuring transaction.

The movement for the period on the bonds of the Company was as follows:

17. 債券

於截至二零二零年六月三十日止六個月，本公司概無發行新債券。於二零二零年六月二十九日，本公司根據本公司的重組交易發行可換股債券及新股份以結付本公司所有未贖回債券。

本期間內本公司債券的變動如下：

		30 June 2020 二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Balance at 1 January	於一月一日之結餘	1,153,283	1,023,319
Proceeds from issue of the bonds	發行債券所得款項	-	526,871
Transaction cost allocated to the liability component	分配至負債部分之交易成本	-	(24,302)
Interest expense (note 6)	利息支出(附註6)	41,491	144,797
Interest paid during the year	年內已付利息	-	(35,398)
Repayment during the year	年內償還	-	(482,004)
Settled by issuance of convertible bonds and new shares	以發行可換股債券及新股份的方式結付	(1,194,774)	-
Closing balance	期終結餘	-	1,153,283
Carrying amount repayable:	須於以下期限內償還之賬面值：		
Within one year	一年內	-	769,105
More than one year but not exceeding two years	一年以上但不超過兩年	-	220,088
More than two years but not exceeding five years	兩年以上但不超過五年	-	91,612
More than five years	五年以上	-	72,478
		-	1,153,283

18. PROMISSORY NOTES

PN 4

On 14 April 2018, the promissory note with principal amount of HK\$104,640,000 (the “**PN 4**”) at par value was issued to settle part of the principal and interest accrued on the CB5 in accordance with the supplementary loan agreement dated 14 April 2018 entered into between the Company and Mr. Sin. The PN 4 has a maturity of approximately 27 months from the date of issue and bears coupon interest at 8% per annum, accrued monthly and payable in full on the maturity date.

On 29 June 2020, the PN 4 was settled by issuance of convertible bonds and new shares of the Company pursuant to the Company’s restructuring transaction.

PN 5

On 13 March 2020, the Company issued promissory note with principal amount of HK\$14,100,000 (“**PN 5**”) at par value in accordance with the share subscription facility agreement dated 13 March 2020 entered into among between GEM Global Yield LLC SCS and GEM Yield Bahamas Ltd and the Company. The PN 5 has a maturity of 1 year from the date of issue and bear coupon interest at 4% per annum, accrued daily and payable annually in arrears. The PN 5 are denominated in HK\$.

PN 6

On 13 March 2020, the Company issued promissory note with principal amount of HK\$14,100,000 (“**PN 6**”) at par value in accordance with the share subscription facility agreement dated 13 March 2020 entered into among between GEM Global Yield LLC SCS and GEM Yield Bahamas Ltd and the Company. The PN 6 has a maturity of 2 years from the date of issue and bear coupon interest at 4% per annum, accrued daily and payable annually in arrears. The PN 6 are denominated in HK\$.

18. 承兌票據

承兌票據4

於二零一八年四月十四日，根據本公司與冼先生訂立日期為二零一八年四月十四日之貸款補充協議，按面值發行本金額為104,640,000港元之承兌票據（「**承兌票據4**」）以結付第五批可換股債券之部分本金及其累計利息。承兌票據4於發行日期起計約二十七個月到期，票息按年利率8%每月累計，並須於到期日全數支付。

於二零二零年六月二十九日，根據本公司的重組交易發行本公司可換股債券及新股份的方式結付承兌票據4。

承兌票據5

於二零二零年三月十三日，本公司根據GEM Global Yield LLC SCS、GEM Yield Bahamas Ltd及本公司所訂立日期為二零二零年三月十三日的股權掛鉤信貸協議按面值發行本金額為14,100,000港元的承兌票據（「**承兌票據5**」）。承兌票據5自發行日期起計1年後到期，票息按年利率4%每日累計，按年支付。承兌票據5以港元計值。

承兌票據6

於二零二零年三月十三日，本公司根據GEM Global Yield LLC SCS、GEM Yield Bahamas Ltd及本公司所訂立日期為二零二零年三月十三日的股權掛鉤信貸協議按面值發行本金額為14,100,000港元的承兌票據（「**承兌票據6**」）。承兌票據6自發行日期起計2年後到期，票息按年利率4%每日累計，按年支付。承兌票據6以港元計值。

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18. PROMISSORY NOTES (Continued)

PN 7

On 13 March 2020, the Company issued promissory note with principal amount of HK\$18,800,000 (“PN 7”) at par value in accordance with the share subscription facility agreement dated 13 March 2020 entered into among between GEM Global Yield LLC SCS and GEM Yield Bahamas Ltd and the Company. The PN 7 has a maturity of 3 years from the date of issue and bear coupon interest at 4% per annum, accrued daily and payable annually in arrears. The PN 7 are denominated in HK\$.

The movement for the period on the PN4, PN5, PN6 and PN7 were as follows:

		PN4 承兌票據4 HK\$'000 千港元	PN5 承兌票據5 HK\$'000 千港元	PN6 承兌票據6 HK\$'000 千港元	PN7 承兌票據7 HK\$'000 千港元
Balance at 1 January 2019 (audited)	於二零一九年一月一日之結餘(經審核)	106,477	-	-	-
Effective interest expenses	實際利息開支	8,720	-	-	-
Balance at 31 December 2019 and 1 January 2020 (audited)	於二零一九年十二月三十一日及二零二零年一月一日之結餘(經審核)	115,197	-	-	-
Settled by issuance of convertible bonds and new shares	以發行可換股債券及新股份的方式結付	(115,197)	-	-	-
Issuance of promissory note	發行承兌票據	-	14,100	14,100	18,800
Balance at 30 June 2020 (unaudited)	於二零二零年六月三十日之結餘(未經審核)	-	14,100	14,100	18,800

9. 可換股債券(續)

承兌票據7

於二零二零年三月十三日，本公司根據GEM Global Yield LLC SCS、GEM Yield Bahamas Ltd及本公司所訂立日期為二零二零年三月十三日的股權掛鉤信貸協議按面值發行本金額為18,800,000港元的承兌票據(「承兌票據7」)。承兌票據7自發行日期起計3年後到期，票息按年利率4%每日累計，按年支付。承兌票據7以港元計值。

期內，承兌票據4、承兌票據5、承兌票據6及承兌票據7變動如下：

19. CONVERTIBLE BONDS

CB6

In 2019, a winding up petition together with appointment of provisional liquidators of the Company on a light touch approach for financial restructuring purposes was presented and filed with the Supreme Court of Bermuda. The purpose of the financial restructuring is to allow the Group to seek to better preserve value and business operations of the Group. As part of the Company's financial restructuring plans, the Company invited all known creditors of the Company to make an offer to the Company to subscribe for convertible bonds to be issued by the Company and new shares of the Company. The Company has received substantial support from its creditors regarding its financial restructuring plans and the plans were proceeded accordingly.

Pursuant the Company's financial restructuring plans, on 29 June 2020, the Company issued convertible bonds with an aggregate principal amount of HK\$1,244,876,198 ("CB6").

The conversion price for CB6, subject to the usual adjustments, is HK\$0.55 per conversion share. The outstanding principal amount of the CB6 can be converted in whole or any part (in minimum amount of HK\$500,000 or an integral multiple thereof) into conversion shares from the date of issue of the CB6 up to and including the date falling on the 5th day immediately prior to the maturity date.

The holder of the CB6 shall be entitled to request the Company to pay interest to it (wholly or partly) by way of allotment and issuance of new shares of the Company at the conversion price on the due day of the interest payment in lieu of payment by cash by giving not less than 2 business days' written notice prior to the due date for payment of interest. Such interest conversion arrangement is only applicable to the 1% per annum interest payment. The Company may redeem the CB6 at any time prior to the maturity date in whole or any part at the principal amount of such CB6 thereof plus interest accrued thereon up to the actual date of redemption by giving to the bond holder not less than 5 business days' written notice of its intention to make such redemption.

19. 可換股債券

第六批可換股債券

於二零一九年，本集團向百慕達最高法院送呈及提交清盤呈請，連同以在「非強制」基礎上委任本公司臨時清盤人以作財務重組。財務重組旨在令本集團更妥善地保留本集團的價值及業務營運。作為本公司財務重組計劃的一部分，本公司向所有已知的本公司債權人發出邀請，以認購將由本公司發行的可換股債券及本公司新股份。本公司已就其財務重組計劃獲得其債權人的支持，該計劃正在相應進行。

根據本公司的財務重組計劃，本公司於二零二零年六月二十九日發行本金總額為1,244,876,198港元的可換股債券（「第六批可換股債券」）。

第六批可換股債券的轉換價為每股兌換股份0.55港元，惟須受一般調整所規限。自第六批可換股債券發行日期起至緊接到期日前第五日（包括該日）期間，第六批可換股債券的未償還金額（最低金額須為500,000港元或其完整倍數）可全部或部分轉換成轉換股份。

第六批可換股債券的持有人有權於到期付息日前向本公司發出不少於2個營業日的書面通知，要求按付息到期日的轉換價透過配發及發行本公司的新股份來向其支付利息（全部或部分）以代替現金付款。此利息兌換安排只適用於按年利率1%支付的利息。本公司可透過向債券持有人發出不少於5個營業日的書面通知表示其有意作出有關贖回的方式於到期前任何時候按第六批可換股債券的本金額連同直至實際贖回日期為止的應計利息，贖回全部或部分第六批可換股債券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19. CONVERTIBLE BONDS

(Continued)

CB6 (Continued)

The fair value of the liability component of the CB6 was calculated using future repayments discounted at an estimate discount rate of 9.85% per annum. The residual amount of approximately HK\$3,933,000 (being the difference between the fair value of the CB6 at issuance date and the fair value of the liability component on initial recognition) is assigned as the equity component and is included in equity heading convertible bond equity reserve. The liability component is subsequently stated at fair value, with changes recorded in consolidated statement of profit or loss and other comprehensive income.

The fair value of the convertible bonds is determined by the directors of the Company with reference to the valuation report prepared by an independent professional valuer, by applying discounted cash flow model on the liability component and Binomial Tree Model on the equity component and derivative component, if any.

19. 可換股債券 (續)

第六批可換股債券 (續)

第六批可換股債券負債部分的公允值乃按每年9.85%的估計折現率折現未來還款而計算。剩餘金額約3,933,000港元(即第六批可換股債券於發行日期的公允值與負債部分於初步確認時的公允值的差額)指派為權益部分及計入可換股債券權益儲備的權益項下。負債部分其後按公允值計量,有關變動於綜合損益及其他全面收益表內列賬。

可換股債券的公允值乃由本公司董事經參考獨立專業估值師編製的估值報告,採用負債部分的貼現現金流模型及權益部分和衍生部分(如有)的二叉樹定價模型釐定。

		CB6 第六批 可換股債券 HK\$'000 千港元
Balance at 1 January 2020 (Audited)	於二零二零年一月一日的結餘(經審核)	-
Fair value of liability components on initial recognition	初步確認時負債部分的公允值	825,521
Effective interest expenses (note 6)	實際利息開支(附註6)	506
Balance at 30 June 2020 (Unaudited)	於二零二零年六月三十日的結餘(未經審核)	<u>826,027</u>
Balance at 30 June 2020 (Unaudited)	於二零二零年六月三十日之結餘(未經審核)	
		CB6 第六批 可換股債券 HK\$'000 千港元
Carrying amount repayable	須於以下期限內償還之賬面值	
More than one year but not exceeding five years	一年以上但五年以內	<u>826,027</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

20. CAPITAL COMMITMENTS

20. 資本承擔

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Contracted but not provided for: Construction of properties	已訂約但未撥備： 物業建設	75,478	78,389
Authorised but not contracted for: Construction of properties	已批准但未訂約： 物業建設	328,551	334,411

Note: Capital commitment for construction of properties related to capital commitment for construction of film studio and hotel in Foshan, the PRC. The authorised amount was approved by the Directors according to the land lease agreements signed between the Group and the local authority in Foshan, the PRC, in relation to the leasing of lands for development of tourism and related entertainment business and hotel operations.

*附註：*物業建設的資本承擔是關於在中國佛山市興建影視城及酒店的資本承擔。根據本集團與中國佛山市地方政府所簽訂的土地租賃協議（內容有關租賃土地以發展旅遊業及相關娛樂業務和酒店經營），有關授權金額已由董事批准。

21. RELATED PARTY TRANSACTION

21. 關聯方交易

Save as disclosed elsewhere in the unaudited condensed consolidated financial statements, during the six months ended 30 June 2020, the Group paid interest of approximately HK\$265,000 (2019: approximately HK\$29,157,000) to a shareholder and director of the Company.

除未經審核簡明綜合財務報表內其他部分所披露者外，於截至二零二零年六月三十日止六個月，本集團向本公司一名股東及董事支付利息約265,000港元（二零一九年：約29,157,000港元）。

The emoluments paid or payable to key management personal during the six months ended 30 June 2020 was approximately HK\$3,332,000 (2019: HK\$2,222,000).

於截至二零二零年六月三十日止六個月已支付或應付主要管理人員的薪酬為約3,332,000港元（二零一九年：2,222,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The revenue for the period under review decreased to approximately HK\$16.22 million from approximately HK\$89.31 million for the six months ended 30 June 2019, representing a decrease of approximately HK\$73.09 million. The decrease in revenue was mainly attributable to the temporary suspension (the “**Temporary Suspension**”) of the operation of the Group’s Xiqiao National Arts Film Studio (the “**Studio**”) and National Arts Resort Hotel (the “**Hotel**”), collectively with the Studio, the “**Xiqiao National Arts Film Studio Project**”) since 24 January 2020 and 29 January 2020 respectively as a result of the precautionary policies and measures implemented by the Guangdong provincial government to deter the spread of novel coronavirus (“**COVID-19**”) pandemic in the PRC. The operation of the Studio and the Hotel was resumed from 16 May 2020.

Staff costs for the period under review decreased to approximately HK\$23.51 million from approximately HK\$27.87 million for the six months ended 30 June 2019, representing a decrease of approximately HK\$4.36 million. Such decrease was mainly due to the Temporary Suspension during the period under review.

Finance costs for the period under review decreased to approximately HK\$84.81 million from approximately HK\$144.24 million for the six months ended 30 June 2019. The decrease was mainly attributable to the maturity of bonds. Interest expenses of approximately HK\$76.75 million included in the finance costs were accrued interest on bonds, loan from shareholders and unsecured other borrowings, which were settled by way of issuance of convertible bonds and new shares of the Company on 29 June 2020 pursuant to the Group’s restructuring transactions.

Other operating expenses for the period under review decreased to approximately HK\$34.02 million from approximately HK\$53.00 million for the six months ended 30 June 2019. Such decrease of approximately HK\$18.98 million was mainly due to the Temporary Suspension during the period under review.

財務回顧

回顧期間的收入由截至二零一九年六月三十日止六個月的約89.31百萬港元減至約16.22百萬港元，減少約73.09百萬港元。收入減少乃主要由於因廣東省政府為遏止新型冠狀病毒（「**COVID-19**」）流行病在中國傳播而採取的預防政策及措施，導致本集團西樵山國藝影視城（「**該影視城**」）及國藝度假酒店（「**該酒店**」，連同該影視城統稱為「**西樵山國藝影視城項目**」）分別自二零二零年一月二十四日及二零二零年一月二十九日起臨時暫停營業（「**臨時停業**」）。該影視城及該酒店自二零二零年五月十六日起恢復營運。

回顧期間的員工成本由截至二零一九年六月三十日止六個月的約27.87百萬港元減至約23.51百萬港元，減少約4.36百萬港元。該減少乃主要由於回顧期間臨時停業。

回顧期間的融資成本由截至二零一九年六月三十日止六個月的約144.24百萬港元減少至約84.81百萬港元。該減少主要歸因於債券到期。計入融資成本中的利息開支約76.75百萬港元為債券、股東貸款及其他無抵押借貸的應計利息，本公司已於二零二零年六月二十九日根據本集團的重組交易以發行可換股債券及新股份的方式結清。

回顧期間的其他營運開支由截至二零一九年六月三十日止六個月的約53.00百萬港元減至約34.02百萬港元。減少約18.98百萬港元乃主要由於回顧期間臨時停業。

Impact on financial restructuring of approximately HK\$854.26 million was recorded during the period under review. Such impact arose from the difference between the carrying amount of liabilities settled of approximately HK\$2,082.42 million and the fair value of the convertible bonds and the news shares of the Company issued of approximately 1,228.16 million under the Group's restructuring transaction, details of which are set out in the paragraphs headed "Restructuring Transaction" and "Scheme of Arrangement" below. Nevertheless, the impact was non-cash item and do have any real impacts on the operations and cash flows of the Group during the period under review.

For the six months ended 30 June 2020, the Group recorded a net profit of approximately HK\$689.82 million as compared to a net loss of approximately HK\$175.63 million for the six months ended 30 June 2019. Such increase in the net profit was mainly due to the impact on financial restructuring.

BUSINESS REVIEW

Xiqiao National Arts Studio Project

Located in Foshan City, Guangdong Province, the Xiqiao National Arts Film Studio Project has the view of Mount Xiqiao which is known as one of the national 5-star tourist attractions and has total developed land area of 444,000 square meters. There are unique film shooting areas throughout the Studio along with theme parks, hotel and performing arts complexes. The Studio incorporates sightseeing and recreational facilities which make it the most international vacation resort in Guangdong Province. The Studio has opened a new theme park named "The Snow Queen Theme Park", and successfully organised a number of events, including "潮拜星春匯國藝", "國潮穿越運動會", "The 6th Wing Chun Competition", "International Youth Film and Culture Internship Programme" and "Christmas Carnival". Overall, the total attendances of the Studio in 2019 were approximately 1,200,000. In addition, the Group also established the National Arts Brilliant Emperor Cinematic Action Stunt Training Center (國藝輝煌電影動作特技培訓中心), which combines films, culture and tourism and teaching activities, aiming to nurture the next generation of movie stars. Meanwhile, the Group has participated in several charity groups on education. The Studio cooperated with charitable organisations such as Caritas and Po Leung Kuk to organise study group events for students to participate and to explore different culture and film production in the Studio. The Groups believes that the events held by the Group will effectively improve the brand awareness of the Studio and will push the Xiqiao National Arts Film Studio Project to the peak.

於回顧期間錄得對財務重組的影響約854.26百萬港元。有關影響乃由已結清負債的賬面值約2,082.42百萬港元與本公司根據本集團的重組交易發行的可換股債券及新股份的公允價值約1,228.16百萬港元之間的差額引致，有關詳情載於下文「重組交易」及「安排計劃」段落。然而，該影響為非現金項目，且不會對本集團於回顧期間的營運及現金流造成任何實質影響。

截至二零二零年六月三十日止六個月，本集團錄得純利約689.82百萬港元，而截至二零一九年六月三十日止六個月則錄得虧損淨額約175.63百萬港元。純利增加乃主要由於對財務重組造成的影響。

業務回顧

西樵山國藝影視城項目

西樵山國藝影視城項目位於廣東省佛山市，盡享國家五星級旅遊景區西樵山的美景，已開發土地總面積達444,000平方米，包含各種獨特電影拍攝場景、主題公園、酒店及表演場館等。影視城集旅遊觀光及遊玩設施於一身，令影視城成為廣東省最具國際規模的度假勝地。影視城新增主題園區「冰雪女王主題園區」，及成功籌辦多項活動，包括「潮拜星春匯國藝」、「國潮穿越運動會」、「第六屆詠春大賽」、「國際青年影視文化交流團」及「聖誕嘉年華」。整體而言，二零一九年影視城的總入場人數約為1,200,000人次。此外，本集團亦成立國藝輝煌電影動作特技培訓中心，結合電影、文旅和教學活動，致力培育下一代電影明星。同時，本集團已與數個慈善團體就教育事務合作。例如，影視城與明愛及保良局等慈善組織合辦遊學活動，供學生參與及探索影視城內不同的文化特色及影片製作。本集團相信已舉辦的活動將大力提升影視城的品牌知名度，把西樵山國藝影視城項目推上高峰。

MANAGEMENT DISCUSSION AND ANALYSIS

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Travel

National Arts Travel Limited (“**NA Travel**”) has been established and commenced its business since 2015. It provides one-stop travel services especially for major organizations, associations and tourists with “Diversification, Professionalism, and Internationalism” as their principles, and formulates flexible and comfortable travel plans and personalized products. To enhance the comprehensive customer support and increase the travel agency’s market competitiveness, NA Travel has updated its inquiry and sales system in 2018. In addition to optimizing traditional group tours, travel insurance, international flight and hotel booking, it also organises customized group tours, providing extraordinary experience for travelers, including private tours, business trainings and activities, honeymoon and wedding plans, cruise vacations, professional and featured tours, etc. In 2019, NA Travel initiated the “Charity Tours” (「慈善之旅」) in Zhaoqing and Foshan for large organizations to support corporate social responsibilities, and also arranged “Trip to Resort of National Arts Studio” (「國藝影視旅遊度假區之旅」) for disabled group.

In addition, in order to diversify the current product lines, NA Travel established “Skyyer Travel” in 2018 through the Travel Industry Council of Hong Kong. “Skyyer Travel” presents a fresh brand image with the slogan “What Travel means is.....you decide to go and take action! (旅遊就是.....想閃。就閃)”. It specializes in designing “Tailor-made tours for sport, hobby and industry” and invites various celebrities as guests to create “Star-class Travel” which categorizes into Sport-themed Travel (golfing, marathon, cycling, basketball, table tennis, darts, kung fu, swimming, diving, dragon boat, yoga, dancing), Art-themed Travel (painting, photography, tea ceremony, music), Taste-themed Travel (food and wine tasting), Religion-themed Travel (Christianity, Buddhism, Taoism), etc., providing customers with unique experiences of in-depth tours. In 2019, To make its products more international and specialized, “Skyyer Travel” expanded beyond Asia for the first time and entered regions in Europe and the Middle East, including seeking the famous red wine producing areas in Bordeaux, France, visiting luxury and world-renowned buildings in Dubai and Abu Dhabi. Meanwhile, “Skyyer Travel” organized “Theme Activity Travel”, including international darts tournament, wing chun tournament, hung kuen tournament, concert and beauty contest, etc. In the third quarter of 2019, “Skyyer Travel” also participated in a Sports Expo and held “Skyyer Travel Brand and Outstanding Athlete Award Ceremony” for the first time in order to achieve branding and marketing effects.

旅遊

國藝旅遊有限公司(「**國藝旅遊**」)自二零一五年成立及開展業務，專為各大機構、團體及旅客提供一站式旅遊服務，以「多元化、專業化、國際化」為宗旨，製訂既靈活又貼心的旅遊方案及個性化產品。為改進綜合客戶支援及加強旅行社的市場競爭力，國藝旅遊於二零一八年更新其查詢及銷售系統。除優化傳統旅行團、旅遊保險、全球機票及酒店訂購外，更為客人度身訂造一系列特色旅行團，讓貴賓有著非一般的獨特旅遊體驗，包括獨立包團業務、商務培訓及活動、蜜月及婚禮安排、郵輪假期、專業及特色旅遊等等。於二零一九年，國藝旅遊更開創為大型機構安排於肇慶及佛山的「慈善之旅」以支持企業社會責任，及為傷健團體安排「國藝影視旅遊度假區之旅」。

此外，為多元化發展現有產品線，國藝旅遊於二零一八年經香港旅遊業議會成立「閃令令旅遊」，以全新品牌形象及口號「旅遊就是……想閃。就閃」，專業打造「運動、興趣及行業而設的度身訂造之旅程」，並邀請各界名人擔任嘉賓，打造「星級主題旅遊」，類別包括：運動旅遊(高爾夫球、馬拉松、單車、籃球、乒乓球、飛鏢、功夫、游泳、潛水、龍舟、瑜珈、舞蹈)、藝術旅遊(繪畫、攝影、茶藝、音樂)、品味旅遊(美食、品酒)、宗教旅遊(基督教、佛教、道教)等等，為顧客帶來獨一無二的深度遊。於二零一九年，為使其產品更具國際化及專業化，閃令令旅遊首度跳出亞洲，前往歐洲及中東等地，包括：法國波爾多尋覓著名紅酒產地、杜拜及阿布扎比遊覽奢華及享譽世界之建築物等。同時，閃令令旅遊開拓「主題活動旅遊」，包括國際性的飛鏢大賽、詠春大賽、洪拳大賽、音樂會、選美大賽等。於二零一九年第三季，閃令令旅遊更首次參與運動博覽會及主辦「閃令令旅遊品牌暨傑出星級運動員頒獎典禮」，以達致品牌宣傳效果。

In order to align with the current education blueprint of “Broadening horizon and life-long learning”, NA Travel established “National Arts Cultural Study Tour Expert (國藝文化遊學專家)” through the Travel Industry Council of Hong Kong at the beginning of 2019, which specializes in assisting primary and secondary schools, universities, social groups and institutions to plan and organize different cultural exchange and education activities with foreign counterparts. Under the mission that “Study tours are provided to broaden horizon, acquire knowledge, and have real experience” and the philosophy of “exploring the world, making friends and enriching life”, it provides professional itinerary advice and considerate services, coupled with new elements, including trainings for language, interests, history, arts, science and technology, leadership and team building. Study tours cover Foshan, Shenzhen, Guangzhou, Shanxi in China, Taiwan, Korea, Singapore, etc. The goal is to make sure that every participant will have an unforgettable experience. In order to align with the development of the Greater Bay Area, National Arts Cultural Study Tour Expert organized a corporate inspection delegation themed “Greater Bay Area Youth Entrepreneurship Tour” spanning Shenzhen, Guangzhou, Foshan and Dongguan in late 2019, which broke with traditional tourist routes for scenic spots, instead, it opened a new era for entrepreneurs to study and exchange in famous enterprises. In the coming future, National Arts Cultural Study Tour Expert will set to input more resources to develop the Greater Bay Area, so as to embrace new market trends.

Furthermore, at the end of 2019, NA Travel and National Arts Cultural Study Tour Expert entered into a “Greater Bay Area Strategic Cooperation Agreement” with a media organization, aiming to implement a number of Greater Bay Area cultural and business exchanges and inspection activities, and assist industrial leaders and potential elites to have a deeper understanding on the unique culture and local customs and practices of the “9+2” cities in the Greater Bay Area, so that they can be well prepared to cultural differences before tapping into the Greater Bay Area market.

In order to give our customers a better understanding on the products and policies of the travel agency, the Marketing Department and the Tourism Department jointly launched various travel publications, including: “Special Edition for Guangdong-Hong Kong-Macao Greater Bay Area (five themes: Corporate Exchange, Volunteer Services, Team Building, Experience Activities, Exploring the Ancients and Seeking its Origin)”, “Guidebook for Skyer Theme Travel Collection”, “Study Tour Special Edition for National Arts Cultural Study Tour Expert”, “Recommendation for Special Package Tour of NA Travel”, etc.

為配合現時教學新藍圖「擴闊視野，終身學習」，國藝旅遊於二零一九年初經香港旅遊業議會成立「國藝文化遊學專家」，專責協助各大中小院校、社會團體、機構策劃及舉辦各類中外文化、教育交流活動，以「遊學就是……擴眼界。增知識。真體驗」為宗旨，「放眼世界、廣交朋友、豐盛人生」為理念，提供專業的活動行程建議及貼心服務，並加入了新穎元素，包括：語言、興趣、歷史、藝術、科技、領袖及團隊訓練，遊學地區已涵蓋中國的佛山、深圳、廣州、山西、台灣、韓國、新加坡等，務求令每一位參加者有一個難忘體驗。國藝文化遊學專家於二零一九年底更配合大灣區發展，舉辦「大灣區青年創業行」的企業考察團，跨越四大城市（深圳、廣州、佛山、東莞），打破傳統景點旅遊而進入著名企業學習及交流之新紀元。未來，國藝文化遊學專家將投放更多資源發展大灣區領域以迎合市場新趨勢。

國藝旅遊及國藝文化遊學專家於二零一九年底更與一間傳媒機構簽訂「大灣區戰略合作協議」，目標推行多項大灣區文化及商務交流考察活動，協助各行業領袖精英及未來棟樑更深入認識大灣區「9+2」城市各自的獨特文化及風土人情，在踏進大灣區市場前做好面對文化差異的萬全準備。

為令客戶更清楚了解本旅行社的產品及方針，市場部及旅遊部共同攜手推出不同旅遊刊物，包括：「粵港澳大灣區特輯（五大主題：企業交流、義工服務、團隊培訓、體驗活動、探古尋源）」、「閃令令主題旅遊攻略」、「國藝文化遊學專家遊學特輯」、「國藝旅遊特色包團行程推介」等等。

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Currently, NA Travel has expanded its digital marketing business in all directions. Particularly, NA Travel entered into a “Platform Cooperation Agreement” with a travel platform operated by a large Chinese-funded institution in early 2020. In the future, NA Travel will also focus on tourism technology to tap into their huge market potential.

NA Travel and “Skyyer Travel” are also committed themselves to social responsibilities, including the 1st Hong Kong Youth Festival – Sports Carnival and Record-setting Darts Event (第一屆香港青年節—體育嘉年華暨千人同鏢創紀錄), and Sowers Action – Boundless Teaching Charity Concert (苗圃行動—有教無疆慈善音樂會), etc. In the future, they will continue to actively participate in charitable activities and pay back to society.

Film Shooting Base

The film shooting base is the core project of the Xiqiao National Arts Film Studio Project. It covers 374,000 square meters of land, including a lake of 120,000 square meters and numbers of indoor and outdoor studios which are equipped with excellent and comprehensive ancillary facilities in order to provide the Southern China and foreign shooting crews the most realistic and delicate scenes.

By virtue of the extensive choices of scenes, supreme geographical location and multifunctional ancillary services, the film shooting base has been heavily used by the production crews. Since 2017, the Group has taken the role of rental agent by entering into several rental agreements with a number of companies renting film shooting equipment. The partners provide the plentiful props, attires and high-tech shooting equipment including lots of ancient costumes of Ming and Qing dynasties, antique furniture, simulated ordnance and other performing props. It generates substantial revenue to the Group. Besides creating enormous synergistic effect for the Group, it also enhances the Group’s capability of provision of ancillary services in respect of film shooting, and also facilitates centralization of the industry as well as strengthen the Group’s competitiveness among its peers. On 4 January 2018, Foshan Bureau of Culture, Publication, Radio, Film and Television (the “Bureau”) approved a few wholly-owned subsidiaries of the Company to assist the Bureau in the operation and expansion (i) that would facilitate film enterprises from various regions moving into Foshan, policy presentation, solicitation of investment and funding as well as shooting, etc.; (ii) of digital studio and film location construction projects; and (iii) in respect of diversification of props and equipment portfolio, leasing and consolidation of props leasing business.

目前，國藝旅遊已全面開拓網絡營銷業務，當中包括已於二零二零年初與一間大型中資機構的旅遊平台簽訂「平台合作協議」，未來亦會專注於旅遊科技範疇以發展其龐大市場潛力。

國藝旅遊及閃令令旅遊亦致力於社會責任，包括：第一屆香港青年節—體育嘉年華暨千人同鏢創紀錄、苗圃行動—有教無疆慈善音樂會等，未來將繼續積極參與公益活動，回饋社會。

電影拍攝基地

電影拍攝基地是西樵山國藝影視城項目的核心項目，佔地374,000平方米，包括面積為120,000平方米的湖泊水景及多間室內及室外的攝影棚，配備頂尖及全面的配套設施，為華南及海外拍攝團隊提供最真實細緻的場景。

憑著多種場景選擇、有利的地理位置及多功能的配套服務，電影拍攝基地已廣為製作團隊使用。自二零一七年起，本集團已成為租賃代理，與多間租用電影拍攝器材的公司訂立數份租賃協議。合作夥伴提供各式各樣道具、服飾及高科技拍攝器材，包括大量明清時期的古裝、古董家具、仿製軍械及其他表演道具。這為本集團帶來龐大收益。除為本集團創造巨大的協同效應外，其亦提升本集團提供電影拍攝配套服務的能力，也促進行業集中化以及增強本集團於同行之間的競爭力。於二零一八年一月四日，佛山市文化廣電新聞出版局（「新聞局」）授權批准本公司數間全資子公司協助新聞局經營及拓展：(i) 不同地區的影視企業到佛山市落戶、政策宣講、招商引資、協助拍攝等各項服務；(ii) 數碼攝影棚及電影場景建設項目；及(iii) 影視道具器材品種擴張、租賃、集聚道具租賃業務。

With the rapid increase in the demand of film industry in recent years, the Group is actively developing the second phase development of the Studio (the “**Second Phase Project**”). The Second Phase Project includes the building of indoor studio, which could raise the Group’s current position in the film industry and enable the Group to develop into a world-known film shooting base in the foreseeable future.

The Group is the first enterprise designated by the Foshan Government to help building Foshan as the largest hub for props and equipment in Foshan, with focus on film and television industry, which boosted the reputation of the Group in the industry, thereby further consolidating the presence of the Studio in the film and television industry in Southern China.

Wedding Photography

The Group reached an agreement with a renowned domestic wedding photography chain group in the fourth quarter of 2013 to develop its new wedding photography business. Through which, the Group leased the Studio with an area of approximately 20 mu (13,333.33 square meters) for a term of 12 years and the wedding photography company invested RMB10 million for the construction of scenic spots in different styles such as European, Korean and Japanese styles and guarantee there will be at least 28,800 couples taking wedding photos in the scenic spots per year. The annual income of this arrangement will be no less than approximately RMB1.2 million starting from 2016.

In addition, the Group is negotiating with several jeweler, Chinese and western bakery, Chinese style wedding gown and wedding planning company in order to provide one-stop service for wedding couples. The Studio is expected to become a comprehensive wedding hot spot.

Hotel

The 5-star Hotel located next to the Studio provides 350 suites facilitated from deluxe suites to signature rooms. The Hotel offers a wide range of dining choices and high-quality food services, it has 6 specialties restaurants with Chinese and foreign styles, offering high-class food and wine from around the world. The Hotel is also equipped with a variety of recreational facilities such as SPA, gym room and tea house, allowing travelers to enjoy themselves within the Hotel in all respects including dining, drinking and entertainment.

由於近年電影業的需求急速增加，本集團積極開發影視城第二期（「**第二期項目**」）。第二期項目包括建設室內攝影棚，從而擴大本集團在現有電影業的定位，及在可見將來，發展為享譽世界的電影拍攝基地。

本集團是首間受到佛山市政府指名協助打造成佛山最大的專注影視產業道具器材的中心，為本集團提高在行業中的知名度，亦更加鞏固影視城在華南影視產業中的地位。

婚紗攝影

本集團於二零一三年第四季度與國內一個著名的婚紗攝影連鎖集團達成協議，發展其全新的婚紗攝影業務。據此，本集團出租該影視城佔地約20畝（13,333.33平方米）的區域，租期12年，及婚紗攝影公司已投資人民幣10百萬元興建多個不同風格的景區，如歐式、韓式、日式等，確保每年至少有28,800對新人進入景區拍攝婚紗照。此項安排自二零一六年起每年產生的收入將不少於約人民幣1.2百萬元。

此外，本集團正與若干珠寶、中西式禮餅、中式結婚禮服及婚禮籌辦公司磋商，為新人提供一站式婚禮服務。該影視城預期將成為全面的結婚熱門勝地。

酒店

毗鄰該影視城的五星級酒店提供350間客房，包括豪華套房及特色客房。該酒店提供多種餐飲選擇和優質食品服務，設有6個中外特色餐廳，提供世界各地之美酒佳餚，亦配備各種不同類型的康樂設施如水療中心、健身室及茶館等，讓旅客可於酒店盡情地吃、喝、玩、樂。

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Apart from the recreation, the Hotel also provides catering services and commercial services such as business centre, meeting rooms and lecture halls, thereby satisfy essential needs and wants of the customers. To boost high quality service, the Hotel wishes to build strong communication among its staff by organising group activities such as sport day, in order to educate the staff of the importance of team work and to raise spirit in the corporate environment. Besides, the Hotel was awarded “19th Golden Horse Award of China Hotel – Best Theme Hotel Resort of Greater Bay Area” which recognized the corporate management quality and service quality of the Hotel.

With the development of the Hotel and the Studio becoming mature and its popularity having increased, the number of tourists continuously grows. The Group expects to build boutique hotel in the foreseeable future, offering customers with more new experiences.

Film Production

The Group spared no effort in promoting entertainment culture for many years such as production of and investment in movie, microcinema and online TV programme to promote the culture and the spirit of entertainment.

During 2016, the Group invested in the production of a charity film named “Our Days in 6E” (我們的6E班). The theme of “Our Days in 6E” is in line with the current social status, laden with educational significance as part of its social responsibility. In 2019, the Group has invested in the production of a modern romantic film, named “Romantic Marriage?” (婚姻的童話?). The Group expects to invest more in production of films of various themes, thus, stepping forward to the diversified film market.

In addition, the Group held various courses from time to time to cultivate next generation film producers and actors in order to encourage the development of film production and contribute to the betterment of the film industry. With regard to the prospects of film production of the Group, the Group will step forward in respect of Hong Kong-Mainland film production and maintain a position in the film industry in Southern China.

除康樂設施外，該酒店亦提供餐飲服務及商務中心、會議室及演講廳等商業服務，以滿足客戶的基本需求。為推動高質素的服務，該酒店擬藉籌辦運動日等集體活動，加強員工之間的溝通，以教育員工，明白團隊工作的重要性，以及提高在企業環境中的精神。此外，該酒店榮獲「第19屆中國酒店金馬獎—大灣區最佳主題度假酒店」，表揚該酒店的企業管理質素及服務質素。

隨著該酒店及該影視城的發展漸趨成熟及其知名度日增，旅客人數不斷上漲。本集團預期在可見將來建設精品酒店，為旅客提供更多全新體驗。

電影製作

本集團歷年來不遺餘力促進娛樂文化，例如製作及投資於電影、微電影及網上電視節目，以推動娛樂文化及精神。

於二零一六年，本集團投資製作一齣慈善電影「我們的6E班」。「我們的6E班」的主題切合當前社會狀況，滿載教育意義，藉此也履行我們的社會責任。於二零一九年，本集團投資製作一部現代愛情電影「婚姻的童話?」。本集團預期繼續投資製作更多各種主題的電影，奔向百花齊放的電影市場。

此外，本集團不時舉辦各種課程，培育新一代電影製作人及演員，鼓勵電影製作的發展，為電影業的進步作出貢獻。就本集團的電影製作前景而言，本集團將加大對香港與內地電影製作的投資，維持在華南電影業的地位。

Cinema

National Arts Films Production Limited (“NA Films”), an indirectly wholly-owned subsidiary of the Company, collaborated with its joint venture for the development of cinema business in a large shopping mall in a transportation hub area of Zhuhai, Guangdong, the PRC.

NA Films held 60% equity interest in the joint venture. The cinema boasts eight screens and a total of more than 730 seats, and have commenced its operation since May 2014 which supports further comprehensive development of the Group’s entertainment and culture business.

Artiste Management

To enhance the popularity of the Group’s artists such as Rose Chan and Brian Yuen, the Group has arranged a variety of performance opportunities including the participation in the charity movie, “Our Days in 6E” (我們的6E班), the romantic movie, “Romantic Marriage?” (婚姻的童話?), the online TV series “OCTB” (反黑), brand representative, dramas such as “Guardian Angel” (守護神之保險調查) and being the show host of the Lunar New Year Celebration, and the guest performers for the “New Year is A Game” (大玩特玩) and “Cooking Beauties” (美女廚房).

Besides, the Group also explores the PRC market for its artists and makes arrangement for them to participate in live reality show and online drama to enhance their popularity.

With the huge market of domestic movies, the Group will continue to recruit artists with potential in the future to cope with the demands in the vast market and expand the artiste management segment, hoping that it will become one of the major income sources of the Group.

Foreign Currency Exposure

The Group’s reporting currency is expressed in Hong Kong dollars. During the six months ended 30 June 2019, most of the transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. During the period under review, since the Group had both Hong Kong dollars and Renminbi receipts and payments, the net Renminbi exposure was not significant. The Board considers that the Group’s exposure to foreign exchange risk was not significant, therefore, no hedging transaction was made during the period.

電影院

本公司間接全資附屬公司國藝影視製作有限公司(「國藝影視」)與其合營企業在中國廣東珠海市中心的大型商場合作發展電影院業務。

國藝影視持有合營企業60%股本權益。該電影院設有八個銀幕，提供合共逾730個座位，並已自二零一四年五月起投入營運，令本集團的娛樂文化業務得以更全面發展。

藝人管理

為提高陳嘉桓及阮頌揚等本集團藝人的知名度，本集團已安排各式各樣的表演機會，包括參演慈善電影「我們的6E班」、現代愛情電影「婚姻的童話?」、網上電視劇系列「反黑」、品牌代言、電視劇如「守護神之保險調查」及擔當春節慶祝活動的節目主持、「大玩特玩」及「美女廚房」的表演嘉賓等。

除此之外，本集團亦為藝人開拓中國市場，安排藝人參演直播真人秀及網劇以提升知名度。

國內電影市場龐大，本集團未來會繼續羅致有潛質的藝人，以應對龐大的市場需求，並會擴大藝人管理分部，以冀成為本集團的主要收入來源之一。

外匯風險

本集團以港元作為呈報貨幣。於截至二零一九年六月三十日止六個月，本集團大部分交易、資產及負債均以港元及人民幣列值。回顧期間內，因本集團分別以港元及人民幣收款和付款，故人民幣風險淨額並不重大。董事會認為，本集團面臨的匯兌風險並不重大，故於期內並無進行對沖交易。

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Impact of COVID-19 Pandemic to the Group

Due to the outbreak of COVID-19 pandemic, the operation of the Studio and the Hotel has been temporarily suspended since 24 January 2020 and 29 January 2020 respectively. In view of the relief of the epidemic in the PRC, the operation of the Studio and the Hotel has resumed from 16 May 2020.

For the six months ended 30 June 2019, the Studio and the Hotel contributed nearly 80% of the Group's revenue by means of hotel room income, food and beverage income and entrance fee income. With the Temporary Suspension, the Group's revenue for the six months ended 30 June 2020 decreased drastically when compared to that for the six months ended 30 June 2019.

Nevertheless, following the Temporary Suspension, the direct costs of the Group were also reduced and the Group has been operating at minimal costs so as to maintain its necessary operation. As a result, the Group's liquidity was not severely worsened due to the outbreak of COVID-19 pandemic during the six months ended 30 June 2020.

The principal business of the Group is in the entertainment industry, which is an area severely affected by the outbreak of COVID-19 pandemic. Shall the outbreak of COVID-19 pandemic continue, the Group's loss position as well as liquidity may be worsened due to the loss of revenue from the Studio and the Hotel. Despite the above, the financial restructuring transaction and fund raising activity of the Group mentioned in this report below shall be able to ease the funding difficulties of the Group.

The Company will continuously assess and update its shareholders and potential investors of material developments in relation to COVID-19 pandemic.

Future Prospect

As disclosed in the Company's announcement dated 7 February 2020, the operation of the Studio and the Hotel has been temporarily suspended since 24 January 2020 and 29 January 2020 respectively due to the outbreak of the COVID-19 pandemic. In view of the relief of the pandemic in the PRC, the operation of the Studio and the Hotel has resumed from 16 May 2020.

新型冠狀病毒肺炎流行病對本集團的影響

由於新型冠狀病毒肺炎流行病的爆發，影視城及酒店分別自二零二零年一月二十四日及二零二零年一月二十九日起暫停營業。鑒於中國的疫情得到緩解，該影視城及該酒店已自二零二零年五月十六日起恢復營業。

截至二零一九年六月三十日止六個月，該影視城及該酒店透過客房收入、餐飲收入及門券收入為本集團貢獻將近80%收入。因暫停營業，本集團截至二零二零年六月三十日止六個月的收入較截至二零一九年六月三十日止六個月大幅下降。

然而，隨著暫停營業，本集團直接成本亦有所降低，而本集團一直以最低成本運營以維持其必要經營。因此，本集團的流動資金於截至二零二零年六月三十日止六個月並未因新型冠狀病毒肺炎流行病的爆發而嚴重惡化。

本集團的主要業務為娛樂業，該行業為受到新型冠狀病毒肺炎流行病的爆發影響最為嚴重的領域。倘新型冠狀病毒肺炎流行病疫情持續，本集團的虧損狀況及流動資金或將因來自影視城及酒店收入的損失而有所惡化。儘管有以上情況，本報告下文所述的本集團的財務重組交易及籌資活動將能夠減緩本集團的資金困境。

本公司將繼續評估及向其股東及潛在投資者更新有關新型冠狀病毒肺炎流行病的重大發展。

未來前景

誠如本公司在二零二零年二月七日的公告中所披露，由於新型冠狀病毒肺炎流行病的爆發，該影視城與該酒店分別自二零二零年一月二十四日與二零二零年一月二十九日暫停營業。鑒於中國的疫情減緩，該影視城與該酒店已於二零二零年五月十六日恢復營業。

MANAGEMENT DISCUSSION AND ANALYSIS

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Benefiting from the opportunities brought by the construction of the “One Belt One Road Initiatives”, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as the opening of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, the China National Tourism Administration is able to bring more convenience to overseas visitors to pass through the Greater Bay Area, strengthen market supervision, promote marketing and cooperation, and support the industry to develop more “one travel with multi-stops” tourism products. Hong Kong may become a “transit station” to the Greater Bay Area, and travel agencies are expected to design more intra-Bay tourism products, such as Foshan Arts/Martial Arts/Film Tourism in response to the development of the Greater Bay Area.

The gross tourism revenue in Guangdong Province in the PRC increased from RMB8.31 billion to RMB13.61 billion from 2013 to 2018, ranking among the leaders in China.

Overseas travelling by Hong Kong people (including through airports and other departure ports) rose from 84.41 million to 92.21 million between 2013 and 2018, representing an increase of 9.2%.

With aging population, more senior people choose to travel abroad after retirement. Travel agencies will design more medium to short itineraries, and expand the cruise market to provide a more diverse travel experience to cater the needs of the senior people. As young people pay more attention to tourism and cultural experience, in-depth travelling is increasingly popular among them. Therefore, the travel agencies will design tours with more characteristics, such as boxing dance tourism, tea art tourism, yoga tourism, cycling tourism, and Michelin cuisine tourism, in order to attract young travelers.

The demand for business travel is increasing, and the opening of the two major infrastructures, namely, the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, has greatly enhanced the advantages of connection between Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area. Travel agencies are expected to expand tourism in related fields, cooperate with the Group's resort hotels and studios, and launch corporate training and communication experiences and theme activity tourism to meet the needs of the corporate customers.

受惠於「一帶一路」建設、粵港澳大灣區發展、廣深港高速鐵路香港段及港珠澳大橋開通帶來的機遇，國家旅遊局為海外旅客在大灣區內通行給予更多便利，加強市場監管、宣傳推廣合作，以及支援業界開發更多「一程多站」旅遊產品等。香港可成為到大灣區的「中轉站」，而旅行社將針對大灣區發展，設計更多區內旅遊產品，例如佛山藝術／武術／影視旅遊。

二零一三年至二零一八年間，中國廣東省旅遊總收入增長，由人民幣83.1億元升至人民幣136.1億元，於全國排名中名列前茅。

二零一三年至二零一八年間，港人到境外旅遊（包括經機場或其他離境口岸）由84.41百萬人次升至92.21百萬人次，增幅為9.2%。

隨著人口老齡化加劇，更多長者選擇退休後外遊。旅行社將設計更多中短線行程，拓展郵輪市場，以滿足長者需求而提供更多元化的旅遊體驗。由於年輕一族較以往更注重旅遊文化閱歷，深度遊亦越來越受歡迎；因此，旅行社會設計更多不同特色旅遊，例如拳擊舞蹈旅遊、茶藝旅遊、瑜伽旅遊、單車旅遊、米芝蓮美食遊等吸納年輕旅客群。

商務旅遊需求漸增，廣深港高速鐵路香港段及港珠澳大橋兩大基建的開通，大大強化香港與粵港澳大灣區連繫的優勢。旅行社亦將拓展相關範疇旅遊，與本集團度假酒店及影視城合作，推出企業培訓及交流體驗、主題活動旅遊等，務求滿足公司客戶需要。

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管理層討論及分析

WINDING UP PETITION AND APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS

To facilitate the Company's financial restructuring, on 14 June 2019, a winding up petition together with the application for the appointment of joint provisional liquidators (the "JPLs") of the Company on a light touch approach for restructuring purposes (the "JPL Application") was presented and filed with the Supreme Court of Bermuda (the "Bermuda Court") by the Company's Bermuda Counsel at the request of the Company.

The JPL Application was heard before the Bermuda Court on the same date at 2:30 p.m. Bermuda time. The Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, the JPLs have been appointed with immediate effect.

Pursuant to the order made by the Bermuda Court (the "Bermuda Order"), the JPLs are granted a wide range of powers, including but not limited to the powers to review the financial position of the Company, to monitor, consult with, oversee and otherwise liaise with the existing Board and the creditors and shareholders of the Company in determining the most appropriate manner of effecting a reorganisation and/or refinancing of the Company, to seek assistance of or recognition in any other courts as may be considered appropriate, and to do all things necessary and incidental to the exercise of the foregoing powers, etc.

By an order of the Honourable Mr. Justice Wilson Chan dated 15 August 2019, the appointment of the JPLs pursuant to the order of the Bermuda Court dated 14 June 2019 was recognized by the High Court of Hong Kong with the powers conferred therein.

清盤呈請及委任共同臨時清盤人

為了促進本公司的財務重組，於二零一九年六月十四日，應本公司要求，本公司的百慕達律師向百慕達最高法院（「百慕達法院」）送呈及提交清盤呈請，連同以在「非強制」基礎上委任本公司的共同臨時清盤人（「共同臨時清盤人」）以作重組用途的申請（「共同臨時清盤人申請」）。

共同臨時清盤人申請於同日下午二時三十分（百慕達時間）在百慕達法院進行聆訊。百慕達法院應本公司提出共同臨時清盤人申請頒令（其中包括），委任共同臨時清盤人並即時生效。

根據百慕達法院發出之命令（「百慕達法院之命令」），共同臨時清盤人獲授大範圍的權力，包括但不限於審閱本公司財務狀況的權力；監控、諮詢、監察及以其他方式聯絡現任董事會及本公司之債權人及股東，以斷定本公司落實重組及／或再融資的最佳方式的權力；在認為合適的情況下，向任何其他法院尋求協助及認可的權力；以及採取所有所需及連帶的行動以行使上述權力等。

按尊敬的Justice Wilson Chan先生日期為二零一九年八月十五日的命令，根據百慕達法院日期為二零一九年六月十四日之命令委任共同臨時清盤人獲香港高等法院認可，並認可其中賦予的權力。

RESTRUCTURING TRANSACTION

As disclosed in the Company's announcement dated 30 July 2019, on 10 July 2019, as part of the Company's financial restructuring plans, the Company invited all known creditors of the Company (the "**Creditors**") to make an offer to the Company to subscribe for:

- (1) 1% annual coupon rate convertible bonds to be issued by the Company (the "**Convertible Bonds**") in the principal amount equal to 60% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s) and convertible into fully-paid ordinary shares of the Company listed and traded on GEM at the initial conversion price of HK\$0.55 per conversion share (the "**Conversion Shares**") (the "**CB Subscription**"); and
- (2) new shares of the Company at the issue price of HK\$0.38 per share (the "**New Shares**") the total value of which equals to the remaining 40% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s)) (the "**Share Subscription**")

(the CB Subscription and the Share Subscription together referred to as the "**Restructuring Transaction**"), as full and final settlement of all outstanding debts (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the debt(s)) due and owing by the Company to the Creditors, subject to the execution, and the final terms and conditions, of the subscription agreement, the bond instrument, any scheme of arrangement proposed by the Company and/or other agreements the execution of which is desirable for the implementation and consummation of the Restructuring Transaction, as the case maybe.

The offer by the Creditors to participate in the Restructuring Transaction also includes an agreement that the Creditors will participate in, support and vote in favour of a scheme(s) of arrangement proposed by the Company, where such scheme(s) is/are deemed necessary and appropriate by the Company and the JPLs of the Company appointed pursuant to the Bermuda Order dated 14 June 2019.

重組交易

誠如本公司日期為二零一九年七月三十日的公告所披露，於二零一九年七月十日，作為本公司財務重組計劃之一部分，本公司已邀請所有已知的本公司債權人（「**債權人**」），向本公司提呈要約以認購：

- (1) 由本公司將發行之1%年度票息率可換股債券（「**可換股債券**」），其本金額等於本公司應付及結欠各債權人之債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的尚未償還本金額之60%，及可按初步轉換價每股轉換股份（「**轉換股份**」）0.55港元轉換為本公司於GEM上市及買賣之已繳足普通股（「**可換股債券認購**」）；及
- (2) 本公司按發行價每股0.38港元將發行之新股份（「**新股份**」），其總價值等於本公司應付及結欠各債權人之債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的尚未償還本金額餘下之40%（「**股份認購**」）

（可換股債券認購及股份認購統稱「**重組交易**」），作為本公司應付及結欠債權人之所有尚未償還債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的全數及最終償款的基準，惟須待簽署認購協議、債券文據、任何由本公司建議之安排計劃及／或就實行或達成重組交易所需的其他協議（視乎情況而定）及落實上述各項的最終條款及條件後，方可作實。

債權人提呈要約參與重組交易，亦包括同意債權人將參與、支持及投票贊成本公司所建議的一項或多項安排計劃，而該一項或多項安排計劃被本公司及根據日期為二零一九年六月十四日百慕達法院之命令任命的本公司共同臨時清盤人認為屬必須及適宜。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As disclosed in the Company's announcement dated 12 August 2019, the Company has received substantial support from its creditors regarding the Restructuring Transaction. In this respect, the Company proposed to put forward a scheme of arrangement pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 670 of the Companies Ordinance (Cap. 622) of Hong Kong with substantially similar terms under the Restructuring Transaction as disclosed in the announcement of the Company dated 30 July 2019, further details of which are set out in the paragraph headed "Scheme of Arrangement" below.

SCHEME OF ARRANGEMENT

As announced on 19 August 2019, the Company proposed to implement, subject to the approval by the Bermuda Court and the Hong Kong Court, the scheme of arrangement (the "**Scheme**"). Under the Scheme, the Company will issue the New Shares and the Convertible Bonds to the creditors of the Company (the "**Creditors**") to discharge and release the debt owing by the Company to the Creditors in full (the "**Claims**").

Up to 14 June 2019 (the "**Restructuring Order Date**"), based on the available books and records of the Company, the estimated total amount of Claims against the Company is approximately HK\$2.13 billion. This figure is indicative only and will be subject to final determination by the scheme administrators and (if applicable) adjudication under the Scheme.

On 4 October 2019, the Company obtained the directions of the Bermuda Court and the Hong Kong Court in the hearing before the Hong Kong Court and the Bermuda Court of the applications for leave to convene the meeting of the Creditors for the purpose of considering and approving, if thought fit, the Scheme by the Creditors (the "**Scheme Meeting**") on 8 November 2019. At such Scheme Meeting, the Scheme was approved by the requisite statutory majorities of the Creditors.

On 10 October 2019, the Company convened the special general meeting ("**SGM**") to consider and approve, if thought fit, the resolutions in relation to the Scheme, all of which were duly passed by way of poll, including the specific mandate granted to the Directors to allot and issue the New Issues and Convertible Bonds and the increase the authorised share capital of the Company from HK\$600,000,000 divided into 6,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 new Shares. On 27 November 2019, the Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the New Shares and Conversion Shares.

誠如本公司日期為二零一九年八月十二日的公告所披露，本公司就重組交易已獲其債權人鼎力支持。就此而言，本公司建議根據百慕達（一九八一年）公司法第99條及香港公司條例（第622章）第670條提出與本公司日期為二零一九年七月三十日的公告披露的重組交易條款（更多詳情載於下文「安排計劃」一段）大致類似的安排計劃。

安排計劃

本公司於二零一九年八月十九日宣佈，建議在獲得百慕達法院及香港法院的批准下落實安排計劃（「**該計劃**」）。根據該計劃，本公司將向本公司債權人（「**債權人**」）發行新股份及可換股債券以全額清償及解除本公司結欠債權人的債務（「**索償**」）。

直至二零一九年六月十四日（「**重組命令日期**」），根據本公司可供查閱的賬冊及記錄，針對本公司提出的估計索償總額約為21.3億港元。該數據僅供參考，並將視乎計劃管理人之最終決定及（如適用）該計劃下作出之審裁而定。

於二零一九年十月四日，本公司在香港法院及百慕達法院的申請聆訊中獲得百慕達法院及香港法院的指示，准許於二零一九年十一月八日就審議及酌情批准債權人提出的計劃而召開債權人會議（「**計劃會議**」）。在該計劃會議上，債權人法定人數中的大多數通過該計劃。

於二零一九年十月十日，本公司召開股東特別大會（「**股東特別大會**」），以審議及酌情批准有關該計劃的決議案（所有決議案均以投票方式獲正式通過，包括授予董事配發及發行新股份及可換股債券的特別授權）及透過增設額外14,000,000,000股新股份，將本公司的法定股本由600,000,000港元（分為6,000,000,000股股份）增至2,000,000,000港元（分為20,000,000,000股股份）。於二零一九年十一月二十七日，本公司獲聯交所所有條件地批准新股份及轉換股份上市及買賣。

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With the applications to the Bermuda Court and Hong Kong Court to sanction the Scheme subsequently, the Scheme was sanctioned by the Bermuda Court and Hong Kong Court on 13 December 2019 and 6 January 2020 respectively. The orders sanctioning the Scheme by the Bermuda Court and the Hong Kong Court were respectively registered with the Registrar of Companies in Bermuda on 26 February 2020 and Companies Registry in Hong Kong on 6 March 2020. As all conditions precedent to the Scheme have been fulfilled on 6 March 2020, the Scheme became effective on 6 March 2020.

As announced in the Company's announcement dated 20 March 2020, the Creditors were required to submit their respective notices of Claims together with other documents or other evidence necessary for substantiating their Claims to the scheme administrators on or before 4:00 p.m. on Tuesday, 14 April 2020 (the "**Cut-Off Date**"). The notice to Creditors of the Cut-Off Date was given to all Creditors by letter and by advertisement published in "The Standard" (in English) and "Sing Tao Daily" (in Chinese) circulated in Hong Kong, in "Ta Kung Pao" (in Chinese) circulated in the PRC, and in "The Royal Gazette" (in English) circulated in Bermuda on 20 March 2020.

Based on the final amounts of Claims of each Creditor, on 29 June 2020, 2,155,114,938 New Shares were allotted and issued and Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198 were issued to the Creditors.

Upon the issue of the New Shares and the Convertible Bonds, all the Claims of the Creditors had been discharged and extinguished and the Creditors will not be allowed to make any claim against the Company in respect of their Claims.

Issue of New Shares and Convertible Bonds under Specific Mandate

On 29 June 2020, completion of the Share Subscription and the CB Subscription took place, under which the Company (i) allotted and issued, in aggregate, 2,115,114,938 New Shares at the issue price of HK\$0.38 per New Share for settlement of 40% of the Claims held by the Creditors against the Company as at the Restructuring Order Date which have been admitted by the scheme administrators (the "**Admitted Claims**") of the Creditors; and (ii) issued the Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198.

由於隨後向百慕達法院及香港法院申請批准該計劃，百慕達法院及香港法院分別於二零一九年十二月十三日及二零二零年一月六日批准該計劃。百慕達法院及香港法院批准該計劃的命令分別於二零二零年二月二十六日及二零二零年三月六日，向百慕達公司註冊處處長及香港公司註冊處登記。因為該計劃的所有先決條件均已於二零二零年三月六日達成，故該計劃於二零二零年三月六日生效。

誠如本公司日期為二零二零年三月二十日的公告所宣佈，債權人需於二零二零年四月十四日(星期二)下午四時正或之前(「**截止日期**」)各自向計劃管理人提交其索償通知，連同證明其索償所必需的其他文件或其他證明。截止日期通知於二零二零年三月二十日經信函及於香港發行的「英文虎報」(以英文)及「星島日報」(以中文)、於中國發行的「大公報」(以中文)、於百慕達發行的「The Royal Gazette」(以英文)上刊登廣告的形式告知所有債權人。

根據各債權人索償的最終金額，於二零二零年六月二十九日，本公司向債權人配發及發行2,155,114,938股新股份，以及發行本金總額為1,244,876,198港元的可換股債券。

在發行新股份及可換股債券後，債權人的所有索償已獲解除及清償，且債權人將不得就其索償向本公司作出任何申索。

根據特別授權發行新股份及可換股債券

於二零二零年六月二十九日，股份認購及可換股債券認購完成，據此，本公司(i)按每股新股份0.38港元的發行價配發及發行合共2,115,114,938股新股份，以結清債權人於重組命令日期對本公司提出的已獲計劃管理人接納的索償(「**獲接納索償**」)的40%；及(ii)發行本金總額為1,244,876,198港元的可換股債券。

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Details of the Share Subscription

The New Shares allotted have an aggregate nominal value of HK\$211,511,493.8. The issue price of HK\$0.38 per New Share represents a premium of approximately 84.47% over the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 19 August 2019. The New Shares are subject to a lock-up period of 12 months from the date of completion of the Share Subscription.

Details of the CB Subscription

The value of the Convertible Bonds issued to the Creditors was approximately HK\$1,244,876,198, being the sum of (i) up to approximately HK\$1,228,415,625 for the aggregation of 60% of the Claims of the Creditors and (ii) HK\$16,460,573 for the consent bonus (the “**Consent Bonus**”) (being an extra one (1) per cent of the outstanding principal amount of an eligible Creditor’s debt (where applicable, together with interests accrued thereon and calculated up to the Restructuring Order Date at the respective annual interest rate of the relevant debt(s)) to be awarded to the eligible Creditors in accordance with the terms of the Scheme). Assuming the exercise in full of the conversion rights (the “**Conversion Rights**”) attached to the Convertible Bonds at the initial conversion price of HK\$0.55 per Conversion Share, an aggregate of 2,263,411,269 Shares (with an aggregate nominal value of HK\$226,341,126.9) will be issued. The maturity date of the Convertible Bonds falls on the day being the fifth (5th) anniversary of the issue date of the Convertible Bonds (“**Maturity Date**”). Subject to the terms and conditions of the Convertible Bonds, the conversion price will initially be HK\$0.55 per share, but subject to customary adjustments including but not limited to (i) consolidation or subdivision; (ii) rights issue of shares or rights to acquire shares; (iii) issues of convertible securities; (iv) modification of rights of conversion; (v) other offers to shareholders; and (vi) other events. The initial conversion price of HK\$0.55 per Conversion Shares represents a premium of approximately 166.99% over the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 19 August 2019.

股份認購詳情

已配發的新股份的總面值為211,511,493.8港元。每股新股份0.38港元的發行價較二零一九年八月十九日聯交所報每股股份0.206港元的收市價溢價約84.47%。新股份自股份認購完成日期起有12個月的禁售期。

可換股債券認購詳情

向債權人發行的可換股債券的價值約為1,244,876,198港元，為(i)債權人索償的合共60%，最多約1,228,415,625港元及(ii)同意花紅（「**同意花紅**」）16,460,573港元（即根據該計劃條款將獎勵予合資格債權人的合資格債權人債務的尚未償還本金額的額外百分之一（1）（倘適用，連同就有關債務累計及截至重組命令日期的利息，按相關債務的相關年利率計算）之和。假設可換股債券所附的換股權（「**換股權**」）按初步轉換價每股轉換股份0.55港元獲悉數行使，合共2,263,411,269股股份（總面值為226,341,126.9港元）將予發行。可換股債券屆滿日期為可換股債券發行日期第五（5）個週年之日（「**屆滿日期**」）。根據可換股債券的條款及條件，轉換價初步為每股0.55港元，惟可作常規調整，包括但不限於(i)合併或分拆；(ii)供股或購買股份的權利；(iii)發行可轉換證券；(iv)修改轉換權；(v)向股東提呈的其他要約；及(vi)其他事項。每股轉換股份0.55港元的初步轉換價較二零一九年八月十九日聯交所報每股股份0.206港元的收市價溢價約166.99%。

The Convertible Bonds bear interest at 1% annual coupon rate payable annually from the issue date of the Convertible Bonds. The conversion period of the Convertible Bonds is from 29 June 2023 to 28 June 2025 during which period the holders of the Convertible Bonds can convert the Convertible Bonds into shares of the Company, provided that no holder of the Convertible Bonds shall exercise any conversion rights attached to the Convertible Bonds to the extent that immediately after such conversion (i) the holder of the Convertible Bonds together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or otherwise being obliged to make a general offer for Shares in accordance with the requirement of the Hong Kong Code on Takeovers and Mergers or (ii) there will not be sufficient public float of the Shares as required under the GEM Listing Rules.

Unless previously redeemed, converted, purchased or cancelled, the Company will redeem all of the Convertible Bonds on the Maturity Date at such amount equivalent to the principal amount of the outstanding Convertible Bonds (inclusive of interests received up to the Maturity Date).

Dilutive impact of the conversion of the Convertible Bonds

Assuming that there is no change in share capital of the Company since the date of this report and the Conversion Rights are exercised in full at the initial conversion price of HK\$0.55, the number of issued shares of the Company will be increased by 2,263,411,269, representing 30.78% of the issued share capital of the Company as at the date of this report (i.e. 7,353,285,390 Shares) and approximately 23.54% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. Such allotment and issue of the Conversion Shares will result in the respective shareholdings of the shareholders being diluted by approximately 23.54%.

可換股債券自可換股債券發行日期起按1%的年票息率計息，須每年支付一次利息。可換股債券的兌換期間由二零二三年六月二十九日起至二零二五年六月二十八日止，在此期間，可換股債券的持有人可將可換股債券兌換為本公司股份，前提是並無可換股債券持有人緊隨行使可換股債券所附的任何換股權後(i)可換股債券持有人連同其一致行動人士將直接或間接控制或持有本公司投票權30%或以上之權益(或香港收購及併購守則不時定明觸發強制性全面收購之有關百分比)或根據香港收購及併購守則規定之其他方式須進行強制性全面收購或(ii)股份之公眾流通量將低於GEM上市規則之要求。

除非已於先前贖回、轉換、購買或註銷，本公司將於屆滿日期按相當於尚未償付可換股債券本金額之金額贖回所有可換股債券，包括截至屆滿日期所收取之利息。

轉換可換股債券的攤薄影響

假設本公司股本自本報告日期起並無任何變動，且換股權按初步轉換價0.55港元獲悉數行使，則本公司已發行股份數目將增加2,263,411,269股，佔本公司於本報告日期已發行股本的30.78%（即7,353,285,390股股份）及本公司經配發及發行轉換股份擴大後已發行股本的約23.54%。配發及發行轉換股份將導致股東各自的股權攤薄約23.54%。

MANAGEMENT DISCUSSION AND ANALYSIS

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Assuming that save for the exercise of the Conversion Rights in full in relation to the respective Convertible Bonds issued to the substantial shareholders (within the meaning of the Listing Rules) of the Company, there is no other change in the shareholding of the substantial shareholders of the Company since 30 June 2020, the shareholding of the substantial shareholders of the Company as at 30 June 2020 immediately before and after the exercise of the Conversion Rights is set out below for illustration purposes:

假設除發行予本公司主要股東(定義見上市規則)的相關可換股債券的換股權獲悉數行使外,本公司主要股東的股權自二零二零年六月三十日起並無其他變動,為便於說明,本公司主要股東於二零二零年六月三十日緊接換股權獲行使前及緊隨換股權獲行使後的股權載列如下:

Name of Shareholder 股東姓名	Shareholding immediately before the exercise of the Conversion Rights 緊接換股權獲行使前的股權		Shareholding immediately after the exercise of the Conversion Rights 緊隨換股權獲行使後的股權	
	Number of Shares held 持有股份數目	Approximate percentage of shareholding 佔股權概約百分比	Number of Shares held 持有股份數目	Approximate percentage of shareholding 佔股權概約百分比
Mr. Sin Kwok Lam ("Mr. Sin") (Note)	1,584,147,296	22.30%	2,334,562,575	24.92%
Ms. Law Po Yee ("Ms. Law") (Note)	1,584,147,296	22.30%	2,334,562,575	24.92%

Note: Mr. Sin and Ms. Law beneficially owned 1,529,983,985 Shares and 54,163,311 Shares respectively. Mr. Sin and Ms. Law are spouses and thus Mr. Sin and Ms. Law were deemed to be interested in all the Shares in which their spouse was interested by virtue of the Securities and Futures Ordinance.

附註: 洗先生及羅女士分別實益擁有1,529,983,985股股份及54,163,311股股份。洗先生及羅女士為配偶,因此根據證券及期貨條例,洗先生及羅女士被視為於彼等配偶擁有權益的所有股份中擁有權益。

Diluted loss per share for the loss attributable to the owners of the Company for the six months ended 30 June 2020 was the same as basic loss per share as the impact of the exercise of the Convertible Bonds is anti-dilutive.

由於行使可換股債券會產生反攤薄影響,故本公司擁有人於截至二零二零年六月三十日止六個月應佔虧損的每股攤薄虧損與每股基本虧損相同。

As at 30 June 2020, the Group had total net assets of approximately HK\$652,426,000. Based on the financial and liquidity positions of the Group and to the best knowledge and belief of the Company, the Company expects that it will be able to meet its redemption obligations under the Convertible Bonds.

於二零二零年六月三十日,本集團淨資產總額約652,426,000港元。按本集團之財務及流動資金狀況,以及就本公司深知及確信,本公司預期將有能力履行可換股債券項下之贖回責任。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

An analysis of the Company's share price at which it would be equally financially advantageous for the holders of the Convertible Bonds to convert or redeem the Convertible Bonds based on their implied internal rate of return (and therefore the holders of the Convertible Bonds would be indifferent as to whether the Convertible Bonds are converted or redeemed) at a range of dates in the future is set out below:

根據日後若干日期之可換股債券的隱含內部回報率（及因此對可換股債券持有人而言，轉換或贖回可換股債券並無差異），可換股債券之持有人轉換或贖回可換股債券將獲得同等有利之經濟回報之本公司股價分析載列如下：

		Share price 股價 HK\$ 港元
31 December 2020	二零二零年十二月三十一日	0.58 per Share 每股股份 0.58
29 June 2025 (i.e. the maturity date of the Convertible Bonds)	二零二五年六月二十九日 (即可換股債券的到期日)	0.55 per Share 每股股份 0.55

The New Shares were and the Conversion Shares will be allotted and issued under the specific mandate sought from the Shareholders (other than Mr. Sin, Ms. Law, Mr. Chow Kai Weng (“**Mr. Chow**”), Mr. Tse Young Lai (“**Mr. Tse**”) and Mr. Yiu Kin Kong and any Shareholder with a material interest in the Scheme) at the SGM held on 10 October 2019.

新股份已及轉換股份將根據股東（冼先生、羅女士、周啟榮先生（「**周先生**」）、謝欣禮先生（「**謝先生**」）及姚建剛先生以及任何於該計劃中擁有重大權益的股東除外）於本公司於二零一九年十月十日舉行的股東特別大會授出的特別授權配發及發行。

The Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the New Shares and the Conversion Shares.

本公司獲聯交所所有條件地批准新股份及轉換股份上市及買賣。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Connected Transactions in relation to the Issue of New Shares and Convertible Bonds

Among all Creditors, Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse have loaned to the Company.

Mr. Sin is an executive Director, the chairman of the Board, a member of the nomination committee of the Board and a substantial shareholder of the Company. Ms. Law, being the spouse of Mr. Sin, is an associate of Mr. Sin. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Sin, together with his associate, Ms. Law, was interested in 871,932,623 Shares, representing approximately 17.62% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

Mr. Chow is an executive Director, the associate chairman of the Board and chief executive officer of the Company. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Chow was interested in 1,000,000 Shares, representing approximately 0.02% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

Mr. Tse is a substantial shareholder of the Company. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Tse was interested in 563,547,600 Shares, representing approximately 11.39% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

Up to the Restructuring Order Date, the total amounts respectively due to Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse (including the interests accrued thereon and calculated up to the Restructuring Order Date at the respective interest rate of the relevant Claim(s)) are illustrated as follows:

有關發行新股份及可換股債券的關連交易

在所有債權人中，冼先生、羅女士、周先生及謝先生均向本公司借出貸款。

冼先生為執行董事、董事會主席、董事會提名委員會成員及本公司主要股東。冼先生配偶羅女士為冼先生聯繫人。緊接發行新股份及可換股債券前，冼先生連同其聯繫人羅女士於871,932,623股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約17.62%。

周先生為執行董事、董事會聯席主席及本公司行政總裁。緊接發行新股份及可換股債券前，周先生於1,000,000股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約0.02%。

謝先生為本公司主要股東。緊接發行新股份及可換股債券前，謝先生於563,547,600股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約11.39%。

截至重組命令日期，分別應付冼先生、羅女士、周先生及謝先生的總額（連同就有關金額累計及截至重組命令日期的利息，按相關索償的相關利率計算）闡述如下：

		HK\$ 港元
Mr. Sin	冼先生	647,333,195
Ms. Law	羅女士	29,270,746
Mr. Chow	周先生	36,341,433
Mr. Tse	謝先生	1,892,584
		<u>714,837,958</u>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Under the Scheme, Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse shall have the same entitlement as the other Creditors. Pursuant to the terms of Scheme and based on the available books and records of the Company, the entitlement of Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse under the Scheme respectively are as follows:

根據該計劃，冼先生、羅女士、周先生及謝先生與其他債權人享有相同權利。根據該計劃條款及基於本公司可供查閱的賬目及記錄，冼先生、羅女士、周先生及謝先生各自於該計劃項下的權利分別如下：

	Mr. Sin 冼先生	Ms. Law 羅女士	Mr. Chow 周先生	Mr. Tse 謝先生
Share Subscription				
股份認購				
Value of New Shares issued 已發行的新股份價值	HK\$258,933,278 258,933,278 港元	HK\$11,708,299 11,708,299 港元	HK\$14,536,573 14,536,573 港元	HK\$757,033 757,033 港元
Issue price 發行價	HK\$0.38 0.38 港元	HK\$0.38 0.38 港元	HK\$0.38 0.38 港元	HK\$0.38 0.38 港元
Number of New Shares issued 已發行的新股份數目	681,403,362 New Shares 681,403,362 股新股份	30,811,311 New Shares 30,811,311 股新股份	38,254,139 New Shares 38,254,139 股新股份	1,992,193 New Shares 1,992,193 股新股份
CB Subscription				
可換股債券認購				
Principal amount (including Consent Bonus) 本金額(包括同意花紅)	HK\$394,873,249 394,873,249 港元	HK\$17,855,155 17,855,155 港元	HK\$22,168,274 22,168,274 港元	HK\$1,154,476 1,154,476 港元
Maximum Conversion Shares upon full conversion 悉數轉換的最高轉換股份	717,951,361	32,463,918	40,305,952	2,099,047

All of Claims of Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse have been discharged pursuant to the Scheme and the treatment to be received by them under the Scheme is the same as those to other Creditors.

冼先生、羅女士、周先生及謝先生的所有索償已根據該計劃獲清償，且彼等根據該計劃將獲得的待遇與其他債權人相同。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Issue of Shares under Specific Mandate in relation to Advisory Service of Financial Adviser

As disclosed in the Company's announcement dated 26 August 2019 and the circular of the Company dated 20 September 2019, the Company has appointed Oriental Patron Asia Limited ("**OPAL**"), a licensed corporation to carry out type 1 (dealing in securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, as the financial adviser to the Company (the "**Appointment of Financial Adviser**") to advise on and assist in formulating and overseeing a potential financial restructuring as to improving the Company's financial position. Regarding the payment of advisory fee (the "**Advisory Fee**"), after arm's length negotiations, OPAL agreed to receive the newly issued shares of the Company to settle the Advisory Fee. On 26 August 2019, the supplemental mandate letter (as to supplement the original mandate letter signed in May 2019) has been entered into between the Company and OPAL, pursuant to which the Advisory Fee was agreed to be paid by the Company to OPAL in the form of issuing and allotting 250,000,000 newly issued and fully paid-up Shares (the "**OPAL Fee Shares**") which is subject to subject to a lock-up period of 12 months from the date of the issuance and such OPAL Fee Shares were issued and allotted to OPAL simultaneously with the New Shares issued to the Creditors under the Scheme on 29 June 2020. The 250,000,000 OPAL Fee Shares were allotted and issued to OPAL on 3 August 2020.

The Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the OPAL Fee Shares. The Directors obtained the specific mandate granted to allot and issue the OPAL Fee Shares at the SGM held on 10 October 2019.

Further details of the Scheme are set out in the Company's announcements dated 19 August 2019, 8 October 2019, 14 October 2019, 8 November 2019, 19 November 2019, 27 November 2019, 15 December 2019, 7 January 2020, 25 February 2020, 6 March 2020, 20 March 2020, the circular of the Company dated 20 September 2019 and the next day disclosure return of the Company dated 30 June 2020 and 3 August 2020.

有關涉及財務顧問的顧問服務之根據特別授權發行股份

誠如本公司日期為二零一九年八月二十六日的公告及本公司日期為二零一九年九月二十日的通函所披露，本公司已委任東英亞洲有限公司（「**東英亞洲**」）（根據證券及期貨條例可從事第1類（證券交易）、第6類（就機構融資提供意見）及第9類（資產管理）受規管活動之持牌法團）為本公司財務顧問（「**委任財務顧問**」），就制定及監督為改善本公司財務狀況而可能進行的財務重組，向本公司提供意見及協助。就支付顧問費用（「**顧問費用**」）方面，經雙方磋商後，東英亞洲願意接受本公司以發行新股份方式支付顧問費用。於二零一九年八月二十六日，本公司與東英亞洲訂立補充委聘函（以補充於二零一九年五月所簽署的原委聘函），據此，本公司同意將以發行及配發予東英亞洲250,000,000股受發行日期起12個月的禁售期所限之新發行及全額繳足股份（「**東英亞洲費用股份**」）的形式支付顧問費用，而該等東英亞洲費用股份於根據該計劃於二零二零年六月二十九日向債權人發行新股份時同時發行及配發予東英亞洲。該等250,000,000股東英亞洲費用股份於二零二零年八月三日配發及發行予東英亞洲。

本公司獲聯交所所有條件地批准東英亞洲費用股份上市及買賣。董事於二零一九年十月十日舉行的股東特別大會獲授配發及發行東英亞洲費用股份的特別授權。

該計劃的更多詳情載於本公司日期為二零一九年八月十九日、二零一九年十月八日、二零一九年十月十四日、二零一九年十一月八日、二零一九年十一月十九日、二零一九年十一月二十七日、二零一九年十二月十五日、二零二零年一月七日、二零二零年二月二十五日、二零二零年三月六日及二零二零年三月二十日的公告、本公司日期為二零一九年九月二十日的通函及本公司日期為二零二零年六月三十日及二零二零年八月三日的翌日披露報表。

PROPOSED GRANT OF SHARE SUBSCRIPTION FACILITY TO THE COMPANY AND PROPOSED ISSUE OF NEW SHARES AND WARRANTS UNDER SPECIFIC MANDATE

On 13 March 2020, the Company entered into an agreement (the “**SSF Agreement**”) with, among others, GEM Global Yield LLC SCS (the “**Investor**”) (as amended and supplemented by the supplemental agreement dated 27 July 2020), pursuant to which

- (1) The Investor has agreed to grant the Company, the share subscription facility (the “**Share Subscription Facility**”) and an option (the “**Option**”) to require the Investor to subscribe for Shares (the “**Option Shares**”) of up to HK\$2,350,000,000 (the “**Total Commitment**”) in value at the Subscription Price (as defined below) during the period commencing on the date of the SSF Agreement and expiring on the earlier of: (a) the third anniversary of the date of the SSF Agreement (the “**Commitment Period**”); and (b) the date on which the Investor has subscribed for shares in the Company with an aggregate subscription price of HK\$2,350,000,000 (excluding shares to be issued upon exercise of the Warrants (as defined below) pursuant to the SSF Agreement; and
- (2) the Company has agreed to issue to the Investor the warrants (the “**Warrants**”) to subscribe for Shares (the “**Warrant Shares**”) by the Investor Agreement which entitle the Investor to purchase up to 383,000,000 Shares at Warrant Exercise Price (as defined below) during the Warrant Exercise Period (as defined below).

It is also provided in the SSF Agreement (as supplemented and amended) that:

- (1) the maximum shareholding of the Investor (or its associates (as defined in the GEM Listing Rules)) in the Company shall in any event be less than 10% of the issued share capital of the Company such that the Investor will not become a substantial shareholder (as defined in the GEM Listing Rules) and a connected person (as defined in the GEM Listing Rules);

建議向本公司授出股權掛鈎信貸及建議根據特別授權發行新股份及認股權證

於二零二零年三月十三日，本公司與（其中包括）GEM Global Yield LLC SCS（「投資者」），訂立協議（「SSF協議」，經日期為二零二零年七月二十七日的補充協議修訂及補充），據此：

- (1) 投資者同意向本公司授出股權掛鈎信貸（「股權掛鈎信貸」）及購股權（「購股權」），以要求投資者於SSF協議日期開始至以下時間中較早者失效期間：(a) SSF協議日期的第三個週年當日（「承擔期」）；及(b)投資者根據SSF協議以總認購價為2,350,000,000港元認購本公司股份（不包括認股權證（定義見下文）獲行使將發行的股份）的日期，以認購價（定義見下文）認購價值最多為2,350,000,000港元（「承擔總額」）的股份（「購股權股份」）；及
- (2) 本公司同意向投資者發行認股權證（「認股權證」）以按投資者協議認購股份（「認股權證股份」），投資者協議賦予投資者權利可於認股權證行使期（定義見下文）按認股權證行使價（定義見下文）購入最多383,000,000股股份。

SSF協議（經補充及修訂）亦規定：

- (1) 投資者（或其聯繫人（定義見GEM上市規則））於本公司的最高持股比例無論如何應低於本公司已發行股本的10%，故投資者將不會成為主要股東（定義見GEM上市規則）及關連人士（定義見GEM上市規則）；

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- (2) in the event that the Determined Price (as defined below) is higher than the Floor Price (as defined below) and the Minimum Threshold Price (as defined below), the Investor shall be obliged to subscribe for a number of Shares which is not less than 50% and not more than 200% of the Pricing Period Obligation (as defined in the SSF Agreement) at the Determined Price; and
- (3) in the event that the Determined Price is lower than the Floor Price or the Minimum Threshold Price, no Option Shares will be issued to the Investor by the Company.

Warrant Exercise Period shall mean the period commencing from the date on which the conditions precedent to the SSF Agreement are fulfilled (the “**Warrant Delivery Date**”) to the third (3rd) anniversary of the Warrant Delivery Date or, if such day is not a business Day, the immediately following business day.

Warrant Exercise Price shall mean the subscription price of each Warrant Share, initially being HK\$0.23 per Warrant Share (subject to adjustment) or if on the first anniversary of the Warrant Delivery Date, the market price of a Share is less than a sum equal to 90 per cent. of the Warrant Exercise Price on such date, the relevant Warrant Exercise Price shall be a sum equal to 105 per cent. of such market price.

Subscription Price shall mean the higher of (i) the Determined Price; (ii) the Floor Price; and (iii) the Minimum Threshold Price.

Determined Price shall mean 90% of the average of the closing bid prices during the pricing period, ignoring for the purposes of such calculation any Knockout Day.

Floor Price shall mean the price fixed at a discount of 20% to the benchmarked price (as referred and defined in Rule 17.42B of the GEM Listing Rules) of the Share.

Minimum Threshold Price shall mean HK\$0.19 per Share (subject to adjustment in case of subdivision or combination of Shares).

Knockout Day shall mean any trading day during a pricing period: (a) on which the Shares are not traded on GEM or trading of the Shares thereon is suspended for more than one hour; or (b) in respect of which the Investor has made an election to treat such trading day as a Knockout Day.

- (2) 倘釐定價格(定義見下文)高於下限價格(定義見下文)及最低門檻價格(定義見下文)，則投資者有責任按釐定價格認購一定數目的股份，有關股份數目不得低於定價期責任(定義見SSF協議)的50%且不得超過200%；及
- (3) 倘釐定價格低於下限價格或最低門檻價格，則本公司將不會向投資者發行購股權股份。

認股權證行使期指自SSF協議的先決條件獲達成之日(「**認股權證交付日期**」)起至認股權證交付日期第三(3)個週年，或倘有關日期並非營業日，則為緊隨其後的營業日止期間。

認股權證行使價指每股認股權證股份的認購價，初步為每股認股權證股份0.23港元(可予調整)或倘於認股權證交付日期第一個週年當日，一股股份的市價低於該日認股權證行使價的90%，則相關認股權證行使價應為有關市價的105%。

認購價應指(i)釐定價格；(ii)下限價格；及(iii)最低門檻價格(以較高者為準)。

釐定價格應指定價期內平均收市買入價之90%，該計算方法並無計及任何取消日。

下限價格應指按股份基準價(如GEM上市規則第17.42B條所提述及界定)折讓20%釐定之價格。

最低門檻價格應指每股股份0.19港元(在股份分拆或合併時可予調整)。

取消日應指定價期內任何交易日：(a)股份於該日不於GEM買賣或其後股份買賣暫停超過一個小時；或(b)該日投資者選擇將有關交易日視作取消日。

Option Shares and Warrant Shares

Assuming that the Option Shares will be issued at the closing price of the share as at the date of the SSF Agreement of HK\$0.185 per Option Share and based on the total commitment of HK\$2,350 million, a total of 10,217,391,304 Option Shares will be allotted and issued upon the full exercise of the Option, representing approximately 206.49% of the existing issued Shares of 4,948,170,452 as at the date of the SSF Agreement or 67.37% of the issued share capital of the Company as enlarged by the allotment and issue of such 10,217,391,304 Option Shares.

The 383,000,000 Warrant Shares represent approximately 7.74% of the existing issued Shares as at the date of the SSF Agreement or approximately 7.18% of the issued share capital of the Company as enlarged by the allotment and issue of such 383,000,000 Warrant Shares.

The Warrant Shares would be issued under specific mandate to be sought at special general meeting of the Company to be convened for the Shareholders to consider and approve the SSF Agreement and the transactions contemplated thereunder and the issue of the Warrant Shares.

The Company proposes to utilise the general mandate granted pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 29 June 2019 (or any other general mandates to allot and issue Shares approved by the Shareholders on a later date, collectively, the “**General Mandate**”) to the Directors to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution to allot and issue the Option Shares which may be issued under the SSF Agreement.

If the existing General Mandate is fully utilised or is about to fully utilised or the General Mandate is insufficient for the allotment and issuance of the Option Shares which may be issued in the next tranche(s) of subscription of the Option Shares, the Company will convene a special general meeting of the Company to obtain the Shareholders’ approval to refresh the General Mandate for the subsequent issuance of the remaining Option Shares. If the refreshment of the existing General Mandate is made pursuant to Rule 17.42A(1) of the GEM Listing Rules, a circular will be issued and the Company will seek approval of the refreshment of the General Mandate by the independent shareholders by way of an ordinary resolution at the special general meeting. The refreshment of general mandate of the Company is expected to continue until the Share Subscription Facility of HK\$2,350 million is fully utilised.

購股權股份及認股權證股份

假設購股權股份將按SSF協議日期股份收市價每股購股權股份0.185港元發行及基於承擔總額2,350百萬港元，將於購股權全部獲行使後配發及發行合共10,217,391,304股購股權股份，佔SSF協議日期4,948,170,452股現有已發行股份的約206.49%或本公司經配發及發行該10,217,391,304股購股權股份而擴大的已發行股本的67.37%。

383,000,000股認股權證股份佔於SSF協議日期現有已發行股份的約7.74%或本公司經配發及發行該383,000,000股認股權證股份而擴大的已發行股本的約7.18%。

認股權證股份將根據本公司為股東召開以考慮及批准SSF協議及其項下擬進行的交易以及發行認股權證股份的股東特別大會尋求的特別授權發行。

本公司建議動用根據股東於二零一九年六月二十九日舉行的本公司股東週年大會上通過的決議案向董事授出的一般授權（或股東在較後日期批准配發及發行股份的任何其他一般授權，統稱「**一般授權**」），以配發、發行及以其他方式處置不超過本公司於通過配發及發行購股權股份的有關決議案之日已發行股本總面額20%的新股份，而購股權股份可根據該協議發行。

倘現有一般授權獲悉數動用或將獲悉數動用或一般授權不足以配發及發行下一批認購購股權股份而發行的購股權股份，則本公司將召開本公司股東特別大會，以就隨後發行剩餘購股權股份而更新一般授權取得股東批准。倘根據GEM上市規則第17.42A(1)條更新現有一般授權，則本公司將會刊發通函且本公司將尋求獨立股東於股東特別大會上通過普通決議案批准更新一般授權。本公司預期將繼續更新一般授權，直至為數2,350百萬港元的股權掛鈎信貸獲悉數動用為止。

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Reason for entering into the SSF Agreement

The Board is of the view that issue of the Option Shares and the Warrant Shares offers a good opportunity to raise additional capital for the Company and to strengthen the financial position of the Company. Given that the Company shall have the right but not an obligation to deliver notice to the Investor to subscribe for the Option Shares during the Commitment Period and exercise the Option at its discretion, the Directors consider that the Group will have flexibility in raising funds by exercising the Option during the Commitment Period. The arrangement under the SSF Agreement effectively gives the Group access to a readily available source of financing and the right to raise funds by the delivery of at any time during the Commitment Period when the Board considers such delivery is favourable to the Company. By comparison, the Board considers that with current sluggish market sentiment and recent interest rate hike, the Company would be difficult to secure any debt financing of comparable size from banks or financial institutions. The Board is further of the view that the high gearing ratio of the Group would result in the Group having less favourable financing terms offered by banks and other financial institutions.

The Company has been exploring opportunities to diversify into new businesses to mitigate the risks of being in the lines of business in film and hotel industries and to deliver long-term and stable cash flow and creating favourable investment returns for the Shareholders.

Accordingly, the Directors consider that the SSF Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the SSF Agreement, among others, the mechanism to fix the Minimum Threshold Price and the Warrant Exercise Price, are fair and reasonable.

For each tranche of the subscription of the Option Shares, the Company will issue an announcement setting out the Subscription Price, the number of Option Shares to be subscribed by the Investor, the intended use of proceeds, the aggregate issued Shares and the balance of the General Mandate (as defined below) to keep the Shareholders and the potential investors informed.

訂立SSF協議之理由

董事會認為發行購股權股份及認股權證股份乃本公司籌集額外資金的良機，可鞏固本公司的財務狀況。由於本公司有權但無責任須於承擔期內向投資者寄發認購購股權股份的通知及酌情行使購股權，董事認為本集團可通過於承擔期內行使購股權靈活集資。SSF協議下的安排讓本集團可於董事會認為發出認購通知對本公司有利的情況下於承擔期內隨時發出認購通知，為本集團有效提供隨時可動用的融資來源及集資權。相較而言，董事會認為，鑒於當下市場氛圍暗淡及近期利率上升，本公司難以向銀行或金融機構取得相若規模的債務融資。董事會進一步認為，本集團的高資產負債率會導致銀行及其他金融機構向本集團提供較為不利的融資條款。

本公司一直在探索多元拓展新業務的機會，以降低從事電影及酒店行業的風險，並創造長期及穩定現金流及為股東帶來可觀的投資回報。

因此，董事認為，SSF協議及據此擬進行的交易符合本公司及股東的整體利益，及SSF協議的條款（包括釐定最低門檻價格及認股權證行使價的機制）誠屬公平合理。

就每批認購的購股權股份而言，本公司將刊發公告，當中載列認購價、投資者將認購的購股權股份數目、所得款項的擬定用途、已發行股份總數及一般授權（定義見下文）的結餘，以將最新進展告知股東及潛在投資者。

Proposed use of net proceeds of the Option Shares and the Warrant Shares

Assuming the Total Commitment is received in full from issuance of the Option Shares, the gross proceeds (before expenses) and the estimated net proceeds will be HK\$2,350 million and HK\$2,278.5 million respectively.

The Company intends to apply the net proceeds from the issuance of Option Shares as follows:

- (a) up to HK\$250 million for repayment of the liabilities of the Group, including borrowings of HK\$64 million, trade payables of HK\$36 million and other payables of HK\$150 million;
- (b) up to HK\$200 million for general working capital of the Group, including restructuring cost of HK\$60 million, salaries of HK\$50 million, repair and maintenance of HK\$35 million, purchase of hotel materials of HK\$20 million, rental of HK\$10 million and other expenses of HK\$25 million;
- (c) up to HK\$328.5 million for expansion and upgrading of the Studio and the Hotel; and
- (d) up to HK\$1,500 million for investment in potential projects, including but not limited to virtual banking business, online e-commerce business and consumer finance business.

Assuming full issuance of the Warrant Shares, the estimated net proceeds will be approximately HK\$88.09 million, which is intended to be applied for utilised for general working capital of the Group and expansion and upgrading of the Studio and the Hotel.

Details of the SSF Agreement, the issue of the Option Shares and the Warrants are set out in the Company's announcements dated 13 March 2020 and 27 July 2020.

購股權股份及認股權證股份所得款項淨額的建議用途

假設自發行購股權股份收取全數承擔總額，則所得款項總額（扣除開支前）及估計所得款項淨額將分別為2,350百萬港元及2,278.5百萬港元。

本公司擬將發行購股權股份的所得款項淨額用於下列用途：

- (a) 最多250百萬港元用於償還本集團負債，包括借款64百萬港元、貿易應付款項36百萬港元及其他應付款項150百萬港元；
- (b) 最多200百萬港元用作本集團一般營運資金，包括重組成本60百萬港元、薪金50百萬港元、維修及保養費35百萬港元、酒店材料購置費20百萬港元、租金10百萬港元及其他開支25百萬港元；
- (c) 最多328.5百萬港元用於擴大及改進該影視城及該酒店；及
- (d) 最多1,500百萬港元用於投資潛在項目，包括但不限於虛擬銀行業務、網上電商業務及消費融資業務。

假設悉數發行認股權證股份，估計所得款項淨額將為約88.09百萬港元，擬用於本集團一般營運資金及擴大及改進該影視城及該酒店。

有關SSF協議、發行購股權股份及認股權證詳情載於本公司日期為二零二零年三月十三日及二零二零年七月二十七日的公告。

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PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “National Arts Entertainment and Culture Group Limited” to “National Arts Group Holdings Limited” and adopt the Chinese name “國藝集團控股有限公司” as its official Chinese name (“**Change of Company Name**”). The Board will propose special resolution at the forthcoming SGM for considering, and if thought fit, approving the Change of Company. The reason for changing the Company’s name is precisely to reflect the direction of the diversification of business in order to reduce the risk of single business segments. The Board believes that the proposed new English and Chinese names of the Company will provide the Company with better identification of the principal business of the Group. As such, the Board is of the view that the proposed Change of Company Name is in the interests of the Company and the Shareholders as a whole. The proposed Change of Company Name is subject to the following conditions: (i) the passing of the special resolution by the Shareholders at the SGM approving the Change of Company Name; and (ii) the Registrar of Companies in Bermuda approving the Change of Company Name and entering the proposed new English and Chinese name of the Company into the register of companies.

A circular containing details of the proposed Change of Company Name and a notice of SGM among other information as required under the GEM Listing Rules will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

Further details of the proposed Change of Company Name are set out in the Company’s announcement dated 23 March 2020.

POSSIBLE OFFER FOR CONVOY GLOBAL HOLDINGS LIMITED

As disclosed in the Company’s announcement dated 26 March 2020, the Board is discussing with certain shareholders of Convoy Global Holdings Limited (stock code: 1019) (“**Convoy**”) in relation to a possible acquisition of the issued shares of Convoy (the “**Convoy Shares**”) by the Company in the consideration of the Company’s new shares (the “**Possible Share Exchange Transaction**”). The Possible Share Exchange Transaction did not proceed further.

建議更改公司名稱

董事會建議將本公司名稱由「National Arts Entertainment and Culture Group Limited」更改為「National Arts Group Holdings Limited」，並採納中文名稱「國藝集團控股有限公司」為其正式中文名稱（「**更改公司名稱**」）。董事會將於即將召開之股東特別大會上提呈特別決議案以考慮及酌情批准更改公司名稱。更改公司名稱的原因為精確地反映公司業務多元化以達致減低單一業務之風險的方針。董事會認為建議之本公司新中英文名稱將為本公司對本集團之主營業務提供更佳之識別。故此，董事會認為，建議更改公司名稱符合本公司及股東之整體利益。建議更改公司名稱須待以下條件達成後，方可作實：(i) 股東於股東特別大會通過特別決議案批准更改公司名稱；及(ii) 百慕達公司註冊處處長批准更改公司名稱及在公司登記冊輸入建議之本公司新中英文名稱。

載有建議更改公司名稱詳情以及GEM上市規則所規定的其他資料之通函，連同股東特別大會通告，將根據GEM上市規則之規定在切實可行情況下盡快寄發予股東。

有關建議更改公司名稱的進一步詳情載於本公司日期為二零二零年三月二十三日的公告。

有關康宏環球控股有限公司的潛在要約

誠如本公司日期為二零二零年三月二十六日的公告所披露，董事會正在與康宏環球控股有限公司（股份代號：1019）（「**康宏**」）之部分股東洽商就本公司可能以本公司新股份為代價收購康宏已發行股份（「**康宏股份**」）（「**可能換股交易**」）。可能換股交易並無進一步進行。

Possible Offer

On 22 June 2020, the Board approached the board of directors of Convoy (the “**Convoy Board**”) about a conditional voluntary share exchange offer by the Company to acquire all of the issued shares in the share capital of Convoy, subject to fulfilment of certain conditions (the “**Possible Offer**”).

Following the approach, the Board is now discussing with the Convoy Board further details of the Possible Offer, including how and when the Possible Offer can be made, bearing in mind the financial and other information which would be required to be included in documentation to be sent to shareholders of the Company and Convoy in relation to the Possible Offer.

Based on the latest published audited accounts of Convoy for the financial year ended 31 December 2016, the Board expects that the Possible Offer, if it were to proceed, would constitute either a major transaction or a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. This would involve consent from shareholders of the Company and require publication of extensive financial information about Convoy and its subsidiaries which is not currently available.

Based on the information currently available, the Stock Exchange has formed the preliminary view that the Possible Offer, if proceeds, may constitute a reverse takeover of the Company under GEM Listing Rule 19.06B. The Board does not hold the same view as the Stock Exchange and is currently addressing the concern of the Stock Exchange.

The Company and Convoy will publish further announcement(s) regarding the Possible Offer and the transactions contemplated thereunder in compliance with the GEM Listing Rules, the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) as and when appropriate.

For the purposes of the Takeovers Code, the offer period has commenced on 29 July 2020.

潛在要約

於二零二零年六月二十二日，董事會就本公司作出的有條件自願換股要約與康宏董事會（「**康宏董事會**」）取得聯繫，以收購康宏股本中的全部已發行股份，惟須達成若干條件後方可作實（「**潛在要約**」）。

取得聯繫後，董事會現正就潛在要約的進一步細節與康宏董事會進行磋商，包括作出潛在要約的方式及時間，同時考慮將就潛在要約寄發予本公司及康宏股東之文件中須載入的財務及其他資料。

根據康宏截至二零一六年十二月三十一日止財政年度的最近期刊發的經審核賬目，倘潛在要約得以進行，董事會預期潛在要約將構成GEM上市規則第19章項下的本公司的一項主要交易或一項非常重大收購。這需要獲得本公司股東的同意及要求康宏及其附屬公司刊發大量財務資料，而有關資料目前無法獲得。

基於目前可得資料，聯交所初步認為，潛在要約（倘進行）或會構成GEM上市規則第19.06B條項下對本公司的反向收購。董事會與聯交所持不同觀點，且目前正解決聯交所的顧慮。

本公司及康宏將根據GEM上市規則、聯交所主板證券上市規則及香港公司收購及合併守則（「**收購守則**」）適時就潛在要約及其項下擬進行之交易另行刊發公告。

為遵守收購守則，要約期已於二零二零年七月二十九日開始。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Shares of the Company to be issued to its financial adviser

The Company has appointed Yu Ming Investment Management Limited (“**Yu Ming**”), a licensed corporation to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571), as financial adviser to advise the Company on the Possible Offer and transactions contemplated thereunder. Yu Ming is wholly-owned by Da Yu Financial Holdings Limited (Stock Code: 1073). Based on the best knowledge and belief of Yu Ming and the Company, Yu Ming’s ultimate substantial shareholders are third parties independent of the Company and its connected persons. As at the date of this report, Yu Ming is not interested in any of the Company’s shares or Convoy Shares. To preserve cash resources of the Company, the Company proposed to pay Yu Ming its financial advisory fees for the Possible Offer by way of issuing new shares of the Company (the “**Yu Ming Fee Shares**”) at the issue price of HK\$0.185, equivalent to the closing price of the Company’s shares on the last trading date prior to suspension of trading on 23 June 2020. A total of 54,054,054 Yu Ming Fee Shares will be issued to Yu Ming, which amount to HK\$10,000,000.

The number of Yu Ming Fee Shares to be issued to Yu Ming is fixed and is not subject to any further changes. Yu Ming’s advisory fee is non-refundable and not contingent upon the status or development of the Possible Offer and transactions contemplated thereunder. The Yu Ming Fee Shares will rank pari passu in all respects with the Company’s shares in issue as at the date of issuance. The Yu Ming Fee Shares are intended to be allotted and issued under the general mandate granted to Board on 28 June 2019. An application has been made to the Stock Exchange for the listing of, and permission to deal in, the Yu Ming Fee Shares.

Details of the Possible Offer are set out in the Company’s announcements dated 29 July 2020 and 30 July 2020.

將向本公司財務顧問發行的本公司股份

本公司已委任禹銘投資管理有限公司（「**禹銘**」，根據證券及期貨條例（第571章）可從事第1類（證券買賣）、第4類（就證券提供意見）、第6類（就機構融資提供意見）及第9類（資產管理）受規管活動之持牌法團）為財務顧問，以就潛在要約及其項下擬進行的交易向本公司提供意見。禹銘由大禹金融控股有限公司（股份代號：1073）全資擁有。據禹銘及本公司所知及所信，禹銘的最終主要股東為獨立於本公司及其關連人士的第三方。於本報告日期，禹銘並無於任何本公司股份或康宏股份中擁有權益。為保存本公司的現金資源，本公司提議按發行價0.185港元（相等於本公司股份於二零二零年六月二十三日暫停買賣前最後交易日的收市價）發行本公司新股份（「**禹銘費用股份**」）的方式向禹銘支付潛在要約的財務顧問費用。本公司將向禹銘合共發行為數10,000,000港元的54,054,054股禹銘費用股份。

將向禹銘發行的禹銘費用股份數目為固定，毋須作出任何其他變動。禹銘的顧問費用不可退還且並不取決於潛在要約及其項下擬進行交易的狀況或進展。禹銘費用股份與於發行日期的本公司已發行股份於所有方面享有同等地位。禹銘費用股份擬根據於二零一九年六月二十八日授予董事會的一般授權予以配發及發行。本公司已向聯交所申請批准禹銘費用股份上市及買賣。

有關潛在要約的詳情載於本公司日期為二零二零年七月二十九日及二零二零年七月三十日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

流動資金及財務資源

		At 30 June 2020 於二零二零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current assets	流動資產	172,098	130,713
Current liabilities	流動負債	381,810	1,946,600
Current ratio	流動比率	45.1%	6.7%

Current ratio as at 30 June 2020 was approximately 45.1% (31 December 2019: approximately 6.7%). As at 30 June 2019, the Group's total positive cash and cash equivalents amounted to approximately HK\$1.51 million (31 December 2019: negative cash and cash equivalents of approximately HK\$2.11 million).

於二零二零年六月三十日的流動比率約為45.1%（二零一九年十二月三十一日：約6.7%）。於二零二零年六月三十日，本集團錄得正數總現金及現金等值項目約1.51百萬港元（二零一九年十二月三十一日：負數現金及現金等值項目約2.11百萬港元）。

Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: Nil).

股息

董事不建議派付截至二零二零年六月三十日止六個月的中期股息（二零一九年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Structure and Gearing Ratio

The shares of the Company were listed on GEM on 17 October 2002. The capital of the Company comprises only ordinary shares. As at 30 June 2020, 7,103,285,390 ordinary shares were issued and fully paid.

資本架構及負債比率

本公司股份於二零二零年十月十七日在GEM上市。本公司股本僅包含普通股。於二零二零年六月三十日，共有7,103,285,390股已發行及繳足股款普通股。

		At 30 June 2020 於二零二零年六月三十日		At 31 December 2019 於二零一九年十二月三十一日	
		Amount 金額 (Unaudited) (未經審核) HK\$'000 千港元	Relative % 相對%	Amount 金額 (Audited) (經審核) HK\$'000 千港元	Relative % 相對%
Loans from shareholders	來自股東的貸款	1,753	0.1%	589,457	34.9%
Bank overdraft	銀行透支	-	0%	5,778	0.3%
Borrowings	借貸	147,589	8.7%	227,040	13.4%
Bonds	債券	-	0%	1,153,283	68.3%
Promissory notes	承兌票據	47,000	2.8%	115,197	6.8%
Convertible bonds	可換股債券	826,027	48.3%	-	0%
Finance lease obligation	財務租賃承擔	30,592	1.8%	29,763	1.8%
Total borrowings	借貸總額	1,052,961	61.7%	2,120,518	125.5%
Equity	權益	652,426	38.3%	(431,283)	(25.5%)
Total capital employed	所運用的資本總額	1,705,387	100%	1,689,235	100%

The Group's gearing ratio (note) was approximately 61.7% as at 30 June 2020 (31 December 2019: approximately 125.5%). If the bonds, promissory notes, convertible bonds and finance lease obligation as stated above were to be excluded, the underlying gearing ratio would be 8.8% (31 December 2019: 48.6%). The increase in the gearing ratio in the current period was due to increased loans from third parties and bonds during the period.

於二零二零年六月三十日，本集團的負債比率(附註)約為61.7%(二零一九年十二月三十一日：約為125.5%)。若撇除上述的債券、承兌票據、可換股債券及財務租賃承擔，相關負債比率將為8.8%(二零一九年十二月三十一日：48.6%)。本期間負債比率上升乃由於期間新增第三方貸款及債券。

Note: Gearing ratio is calculated by total borrowings over total capital employed.

附註：負債比率由借貸總額與所運用的資本總額之比計算。

Foreign Currency Exposure

The Group's reporting currency is expressed in Hong Kong dollars. During the six months ended 30 June 2020, most of the transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. During the period under review, since the Group had both Hong Kong dollars and Renminbi receipts and payments, the net Renminbi exposure was not significant. The Board considers that the Group's exposure to foreign exchange risk was not significant; therefore, no hedging transaction was made during the period under review.

外幣風險

本集團以港元作為呈報貨幣。於截至二零二零年六月三十日止六個月，本集團大部分交易、資產及負債均以港元及人民幣計值。於回顧期間，因本集團分別以港元及人民幣收款和付款，故人民幣風險淨額並不重大。董事會認為，本集團面臨的外匯風險並不重大，故於回顧期間並無進行對沖交易。

Commitments

Details of the Group's commitments are set out in note 20 of the notes to the consolidated financial statements.

Future Plans for Substantial Investments or Capital Assets

With reference to the announcement of the Company dated 13 December 2017, Foshan Guohao Theme Park Management Company Limited (佛山市國昊景區管理有限公司) (“**Guohao Theme Park**”), a wholly-owned subsidiary of the Company, has entered into a subscription agreement with Guangdong Hongtu Guangdian Investment Co., Ltd. (廣東弘圖廣電投資有限公司) (“**GD Hongtu**”), pursuant to which GD Hongtu will make a capital injection of RMB20 million into the Guohao Theme Park, in respect of joint cooperation of the Second Phase Project. The Second Phase Project involves building a total of 6 indoor studios and 2 boutique hotels next to the first phase of the Studio and the Hotel.

Save as disclosed above, the Group did not have any plan for substantial investments or capital assets.

Contingent Liabilities

Other than the disclosure under “Capital Commitments” in note 20 of the notes to the consolidated financial statements, the Group did not have any other material contingent liabilities as at 30 June 2020.

COMPETING INTERESTS

None of the Directors of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest, whether directly or indirectly, in a business which competes or may compete with the business of the Group or had any conflict of interest with the Group during the six months ended 30 June 2020.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with sound and reasonable corporate governance practices and procedures with an aim of maximizing the shareholders' interests as well as to enhancing the stakeholders' transparency and accountability. In this respect, to the best knowledge of the Board, the Company has complied with all of the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules then in force during the six months ended 30 June 2020.

承擔

本集團的承擔詳情載於綜合財務報表附註之附註20。

未來重大投資或資本性資產計劃

茲提述本公司日期為二零一七年十二月十三日的公告，本公司全資附屬公司佛山市國昊景區管理有限公司(「**國昊景區**」)已與廣東弘圖廣電投資有限公司(「**廣東弘圖**」)簽訂了增資入股協議，廣東弘圖將向國昊景區注資人民幣20,000,000元，內容有關共同合作開發二期項目。二期項目包括共6個室內攝影棚及2間精品酒店，建設在該影視城一期和該酒店的旁邊。

除上文已披露者外，本集團並無任何重大投資或資本性資產計劃。

或然負債

除綜合財務報表附註20之「資本承擔」所披露者外，本集團於二零二零年六月三十日概無任何其他重大或然負債。

競爭權益

本公司董事或彼等各自之緊密聯繫人(定義見GEM上市規則)於截至二零二零年六月三十日止六個月概無於與本集團業務構成競爭或可能構成競爭之業務中擁有任何直接或間接權益，亦無與本集團存在任何利益衝突。

企業管治

本公司致力通過完善及合理的企業管治常規及程序保持高水準的企業管治，旨在為股東帶來最大利益，同時提高對權益關涉者之透明度及問責性。有關此方面，就董事會所知，於截至二零二零年六月三十日止六個月，本公司已遵守GEM上市規則附錄15所載企業管治守則當時有效的所有守則條文。

ADDITIONAL INFORMATION 附加資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

1. Long Positions in the ordinary shares of HK\$0.1 each of the Company ("Shares")

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares held 所持股份數量	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 1) (附註1)
Mr. Sin 冼先生	Beneficial owner 實益擁有人	1,529,983,985	21.54%
	Interest of spouse (Note 2) 配偶權益(附註2)	54,163,311	0.76%
Mr. Chow 周先生	Beneficial Owner 實益擁有人	39,254,139	0.55%
Mr. Chui Chi Yun Robert 崔志仁先生	Beneficial Owner 實益擁有人	3,000,000	0.04%
Mr. Li Kit Chee 李傑之先生	Beneficial Owner 實益擁有人	4,480,000	0.06%

Notes:

- This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 shares).
- Ms. Law was beneficially interested in 54,103,311 Shares. By virtue of SFO, Mr. Sin, the spouse of Ms. Law, was deemed to be interested in all the Shares in which Ms. Law was interested.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零二零年六月三十日，董事、本公司主要行政人員及彼等各自之聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券擁有之根據證券及期貨條例第XV部第7及第8分部之規定須知會本公司及聯交所之權益及淡倉(包括上述人士根據該等證券及期貨條例條文被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條之規定須登記於所述之登記冊內之權益及淡倉，或根據GEM上市規則第5.46條至5.67條之規定須知會本公司及聯交所之權益及淡倉如下：

1. 於本公司每股面值0.1港元之普通股(「股份」)之好倉

附註：

- 此乃基於二零二零年六月三十日全部已發行股份(即7,103,285,390股)。
- 羅女士實益擁有54,103,311股股份。就證券及期貨條例而言，羅女士之配偶冼先生被視為於羅女士擁有權益的全部股份中擁有權益。

2. Long positions in the underlying Shares

2. 於相關股份之好倉

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 1) (附註1)
董事姓名	身份／權益性質	所持股份數量	
Mr. Sin 冼先生	Beneficial owner 實益擁有人	717,951,361 (Note 3) (附註3)	10.11%
	Interest of spouse (Note 2) 配偶權益 (附註2)	32,463,918	0.46%
Mr. Chow 周先生	Beneficial Owner 實益擁有人	40,389,647 (Note 4) (附註4)	0.57%
Mr. Chui Chi Yun Robert 崔志仁先生	Beneficial Owner 實益擁有人	33,604 (Note 5) (附註5)	0.0005%

Notes:

附註：

- This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 Shares).
- Ms. Law was beneficially interested in 32,463,918 underlying Shares. By virtue of the SFO, Mr. Sin, the spouse of Ms. Law, was deemed to be interested in all the underlying Shares in which Ms. Law was interested.
- These underlying Shares represent 717,951,361 Shares to be issued upon exercise of the convertible bonds issued to Mr. Sin on 29 June 2020 under which Mr. Sin may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

- 此乃基於二零二零年六月三十日的已發行股份總數(即7,103,285,390股股份)。
- 羅女士實益擁有32,463,918股相關股份。根據證券及期貨條例，冼先生(羅女士之配偶)被視為於羅女士擁有權益的全部相關股份中擁有權益。
- 該等相關股份指於行使於二零二零年六月二十九日向冼先生發行的可換股債券(據此，冼先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)後將予發行的717,951,361股股份。

ADDITIONAL INFORMATION

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4. These underlying Shares represent (i) 24,888 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chow on 29 September 2010 pursuant to the share option scheme adopted on 22 July 2002 and terminated on 29 September 2010 (“**Post-IPO Share Option Scheme**”) under which Mr. Chow may exercise the said options from 29 September 2010 to 2 September 2020 at an exercise price of HK\$2.89 per Share; (ii) 58,807 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chow on 28 March 2011 pursuant to the share option scheme adopted on 29 September 2010 (“**New Share Option Scheme**”) under which Mr. Chow may exercise the said options from 28 March 2012 to 27 March 2021 at an exercise price of HK\$7.62 per Share; and (iii) 40,305,952 Shares to be issued upon exercise of the convertible bonds issued to Mr. Chow on 29 June 2020 under which Mr. Chow may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
5. These underlying Shares represent 33,604 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chui on 28 March 2011 pursuant to the New Share Option Scheme under which Mr. Chui may exercise the said options from 28 March 2012 to 27 March 2021 at an exercise price of HK\$7.62 per Share.
4. 該等相關股份指(i)於根據於二零零二年七月二十二日採納，並於二零一零年九月二十九日終止的購股權計劃(「**首次公開發售後購股權計劃**」)，於二零一零年九月二十九日授予周先生的實物結算購股權獲行使後將予發行之24,888股股份，據此，周先生可於二零一零年九月二十九日至二零二零年九月二日期間行使前述購股權，行使價為每股2.89港元；(ii)於根據二零一零年九月二十九日採納的購股權計劃(「**新購股權計劃**」)於二零一一年三月二十八日授予周先生的實物結算購股權獲行使後將予發行之58,807股股份，據此，周先生可於二零一二年三月二十八日至二零一一年三月二十七日期間行使前述購股權，行使價為每股7.62港元；及(iii)於行使於二零二零年六月二十九日向周先生發行的可換股債券(據此，周先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)後將予發行的40,305,952股股份。
5. 該等相關股份指根據新購股權計劃於二零一一年三月二十八日授予崔先生的實物結算購股權獲行使後將予發行之33,604股股份，據此，崔先生可於二零一二年三月二十八日至二零一一年三月二十七日期間行使前述購股權，行使價為每股7.62港元。

3. Long position in the debentures of the Company

3. 於本公司債務中的好倉

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Currency of debentures 債務貨幣	Denomination or unit size of the debentures 債務面額或單位規模	Amount of debentures 債務金額 HK\$ 港元
Mr. Sin 冼先生	Beneficial owner 實益擁有人	HKD 港元	500,000	394,873,249 (Note 1) (附註1)
	Interest of spouse (Note 2) 配偶權益(附註2)	HKD 港元	500,000	17,855,155 (Note 3) (附註3)
Mr. Chow 周先生	Beneficial owner 實益擁有人	HKD 港元	500,000	22,168,274 (Note 4) (附註4)

Notes:

附註：

- These debentures are convertible bonds issued to Mr. Sin on 29 June 2020 under which Mr. Sin may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
- Ms. Law was beneficially interested in 17,855,155 debentures of the Company. By virtue of the SFO, Mr. Sin, the spouse of Ms. Law, was deemed to be interested in all the debentures in which Ms. Law was interested.
- These debentures are convertible bonds issued to Ms. Law on 29 June 2020 under which Ms. Law may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
- These debentures are convertible bonds issued to Mr. Chow on 29 June 2020 under which Mr. Chow may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

- 該等債務為於二零二零年六月二十九日向冼先生發行的可換股債券(據此,冼先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)。
- 羅女士實益擁有17,855,155本公司債務。根據證券及期貨條例,冼先生(羅女士之配偶)被視為於羅女士擁有權益的全部債務中擁有權益。
- 該等債務為於二零二零年六月二十九日向羅女士發行的可換股債券(據此,羅女士自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)。
- 該等債務為於二零二零年六月二十九日向周先生發行的可換股債券(據此,周先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)。

Save as disclosed above, none of the Directors, chief executive of the Company or their associates had, as at 30 June 2020, any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

除上文所披露外,於二零二零年六月三十日,各董事、本公司主要行政人員及彼等各自之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有任何根據證券及期貨條例第XV部第7及第8分部之規定須知會本公司及聯交所之權益或淡倉(包括上述人士根據該等證券及期貨條例條文被當作或視為擁有之權益或淡倉),或根據證券及期貨條例第352條規定須登記於所述登記冊內之權益或淡倉,或根據GEM上市規則第5.46條至第5.67條之規定須知會本公司及聯交所之權益或淡倉。

ADDITIONAL INFORMATION

附加資料

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2020, the persons or corporations, other than a director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO or had otherwise been notified to the Company were as follows:

A. Substantial Shareholders' Interests

1. *Substantial shareholders' long position in the Shares*

Name of shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比 (Note 1) (附註1)
股東姓名	身份／權益性質	持有股份數目	
Ms. Law 羅女士	Beneficial owner 實益擁有人	54,163,311	0.76%
	Interest of spouse (Note 2) 配偶權益(附註2)	1,529,983,985	21.54%

Notes:

- This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 Shares).
- Mr. Sin was beneficially interested in 1,529,983,985 Shares. By virtue of the SFO, Ms. Law, the spouse of Mr. Sin, was deemed to be interested in all the Shares in which Mr. Sin was interested.

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零二零年六月三十日，根據本公司按照證券及期貨條例第XV部第336條規定存置之登記冊所記錄，或本公司已獲知會，下列人士或法團（除本公司董事或行政總裁外）於本公司之股份及相關股份中擁有權益或淡倉：

A. 主要股東權益

1. *主要股東於股份之好倉*

附註：

- 此乃基於二零二零年六月三十日的全部已發行股份（即7,103,285,390股股份）。
- 冼先生實益擁有1,529,983,985股股份。根據證券及期貨條例，羅女士（冼先生之配偶）被視為於冼先生擁有權益的全部股份中擁有權益。

ADDITIONAL INFORMATION

附加資料

2. *Substantial shareholders' long position in the underlying Shares*

2. 主要股東於相關股份之好倉

Name of shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比 (Note 1) (附註1)
股東姓名	身份／權益性質	持有股份數目	
Ms. Law 羅女士	Beneficial owner 實益擁有人	32,463,918 (Note 3) (附註3)	0.46%
	Interest of spouse (Note 2) 配偶權益(附註2)	717,951,361	10.11%

Notes:

附註：

- This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 Shares).
- Mr. Sin was beneficially interested in 717,951,361 underlying Shares. By virtue of the SFO, Ms. Law, the spouse of Mr. Sin, was deemed to be interested in all the underlying Shares in which Mr. Sin was interested.
- These underlying Shares represent 32,463,918 Shares to be issued upon exercise of the convertible bonds issued to Ms. Law on 29 June 2020 under which Ms. Law may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

- 此乃基於二零二零年六月三十日的全部已發行股份(即7,103,285,390股股份)。
- 冼先生實益擁有717,951,361股相關股份。根據證券及期貨條例，羅女士(冼先生之配偶)被視為於冼先生擁有權益的全部股份中擁有權益。
- 該等相關股份指於行使於二零二零年六月二十九日向冼先生發行的可換股債券(據此，冼先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)後將予發行的32,463,918股股份。

ADDITIONAL INFORMATION

附加資料

B. Other Persons' Interests

1. Other persons long position in the Shares

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 1) (附註 1)
股東姓名	身份／權益性質	持有股份數目	
Mr. Tse 謝先生	Beneficial Owner 實益擁有人	565,539,793	7.96%

Note:

1. This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 Shares).

B. 其他人士之權益

1. 其他人士於股份之好倉

附註：

1. 此乃基於二零二零年六月三十日的全部已發行股份（即7,103,285,390股股份）。

ADDITIONAL INFORMATION 附加資料

2. Other persons' long position in the underlying Shares

2. 其他人士於相關股份之好倉

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 1) (附註1)
股東姓名	身份／權益性質	持有股份數目	
Mr. Tse 謝先生	Beneficial owner 實益擁有人	2,099,047 (Note 2) (附註2)	0.03%

Notes:

附註：

- This is based on the total issued Shares as at 30 June 2020 (i.e. 7,103,285,390 Shares).
- These underlying Shares represent 2,099,047 Shares to be issued upon exercise of the convertible bonds issued to Mr. Tse on 29 June 2020 under which Mr. Tse may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

- 此乃基於二零二零年六月三十日的全公司已發行股份(即7,103,285,390股股份)。
- 該等相關股份指於行使於二零二零年六月二十九日向謝先生發行的可換股債券(據此,謝先生自二零二三年六月二十九日至二零二五年六月二十八日可按行使價每股股份0.55港元行使換股權)後將予發行的2,099,047股股份。

Save as disclosed above, as at 30 June 2020, the Company has not been notified of any persons, other than a director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO.

除上文所述者外,於二零二零年六月三十日,本公司並不知悉任何人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第336條所規定存置登記冊內記錄的須向本公司披露的權益或淡倉。

ADDITIONAL INFORMATION

附加資料

SHARE OPTION SCHEMES

Pursuant to a written resolution of the sole Shareholder dated 22 July 2002, the Company conditionally adopted and approved Post-IPO Share Option Scheme. The principal terms of which are set out in Appendix IV to the prospectus of the Company dated 9 October 2002.

Pursuant to a resolution passed at the extraordinary general meeting of the Company dated 29 September 2010, the New Share Option Scheme was adopted and the Post-IPO Share Option Scheme was terminated. The principal terms of New Share Option Scheme are set out in the circular of the Company dated 6 September 2010.

Post-IPO Share Option Scheme

As at 30 June 2020, the share options to subscribe for an aggregate of 24,888 Shares granted pursuant to the Post-IPO Share Option Scheme were outstanding. The details of the Post-IPO Share Option Scheme during the six months ended 30 June 2020 are set out as follows:

Category of participants	Exercise price per Share	Date of grant	Exercise period	Number of share options 購股權數目					
				As at 1 January 2020	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at 30 June 2020
參與人類別	每股 行使價 HK\$ 港元	授出日期	行使期	於二零二零年 一月一日	期內授出	期內行使	期內失效	期內註銷	於二零二零年 六月三十日 尚未行使
Directors 董事	3.66	13 May 2010 二零一零年五月十三日	13 May 2010-12 May 2020 二零一零年五月十三日- 二零二零年五月十二日	33,292	-	-	(33,292)	-	-
Directors 董事	2.89	3 September 2010 二零一零年九月三日	29 September 2010-2 September 2020 二零一零年九月二十九日- 二零二零年九月二日	24,888	-	-	-	-	24,888
Total 總數				58,180	-	-	(33,292)	-	24,888

Note: All share options granted under the Post-IPO Share Option Scheme are vested immediately.

購股權計劃

根據唯一股東於二零零二年七月二十二日之書面決議案，本公司有條件地採納及批准首次公開招股後購股權計劃。有關的主要條款載於日期為二零零二年十月九日之本公司招股章程附錄四內。

根據本公司於二零一零年九月二十九日舉行之股東特別大會上通過之決議案，新購股權計劃獲採納，而首次公開招股後購股權計劃被終止。新購股權計劃之主要條款載於本公司於二零一零年九月六日發出之通函內。

首次公開招股後購股權計劃

於二零二零年六月三十日，根據首次公開招股後購股權計劃授出而可認購合共24,888股股份之購股權尚未獲行使。於截至二零二零年六月三十日止六個月之首次公開招股後購股權計劃詳情如下：

附註：根據首次公開招股後購股權計劃授出的購股權全部已即時歸屬。

New Share Option Scheme

In accordance with the resolution passed at the annual general meeting (the “**AGM**”) held on 29 June 2017, the scheme limit on the grant of options under the New Share Option Scheme and any other share option schemes of the Company has been refreshed to up to 449,848,122 Shares, being 10% of the Shares in issue as at the AGM date based on 4,498,481,222 Shares in issue as at the AGM date (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the New Share Option Scheme) (the “**Refreshed Scheme Limit**”); and the Directors are authorised, at their absolute discretion, to grant share options to subscribe for Shares within the Refreshed Scheme Limit in accordance with the rules of the New Share Option Scheme; to allot, issue and deal with the Shares pursuant to the exercise of share options granted under the New Share Option Scheme within the Refreshed Scheme Limit; and to do such acts and execute such documents for or incidental to implement the New Share Option Scheme within the Refreshed Scheme Limit.

新購股權計劃

根據於二零一七年六月二十九日舉行之股東週年大會（「**股東週年大會**」）上通過之決議案，根據新購股權計劃及本公司任何其他購股權計劃授出購股權之計劃限額已更新至最多449,848,122股股份，即以於股東週年大會日期4,498,481,222股已發行股份為基準，為於股東週年大會當日已發行股份之10%（根據新購股權計劃之前授出、尚未行使、註銷、失效或行使之購股權除外）（「**更新計劃限額**」）；及授權董事全權酌情根據新購股權計劃之規則授出可認購股份之購股權，數額以更新計劃限額為限；於根據新購股權計劃所授出之購股權獲行使時，配發、發行及處理股份，數額以更新計劃限額為限；及因應於更新計劃限額範圍內執行新購股權計劃作出有關行動及簽立有關文件。

ADDITIONAL INFORMATION

附加資料

As at 30 June 2020, the share options to subscribe for an aggregate of 92,411 Shares granted pursuant to the New Share Option Scheme were outstanding. The details of the share options granted under the New Share Option Scheme during the six months ended 30 June 2020 are set out as follows:

於二零二零年六月三十日，根據新購股權計劃授出可認購合共92,411股股份之購股權尚未獲行使。於截至二零二零年六月三十日止六個月，根據新購股權計劃授出的購股權詳情如下：

Category of participants	Exercise price per Share	Date of grant	Vesting period	Exercise period	Number of share options 購股權數目					Outstanding as at 30 June 2020 於二零二零年六月三十日尚未行使
					As at 1 January 2020 於二零二零年一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷	
Participants 參與人類別	每股行使價 HK\$ 港元	授出日期	歸屬期	行使期						
Directors (Note) 董事(附註)	7.62	28 March 2011 二零一一年三月二十八日	28 March 2011– 27 March 2012 二零一一年三月二十八日至 二零一二年三月二十七日	28 March 2012– 27 March 2021 二零一二年三月二十八日至 二零一三年三月二十七日	92,411	-	-	-	-	92,411
Directors (Note) 董事(附註)	0.2456	16 May 2017 二零一七年五月十六日	Vested immediately 即時歸屬	16 May 2017–15 May 2020 二零一七年五月十六日至 二零二零年五月十五日	46,460,000	-	-	(46,460,000)	-	-
Other participants 其他參與人士	0.2456	16 May 2017 二零一七年五月十六日	Vested immediately 即時歸屬	16 May 2017–15 May 2020 二零一七年五月十六日至 二零二零年五月十五日	207,920,000	-	-	(207,920,000)	-	-
Total 總數					254,472,411	-	-	(254,380,000)	-	92,411

Note: The Directors include former directors of the Company.

附註：董事包括本公司前任董事。

(i) New Share Option Scheme's purpose

The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to selected person and to promote the success of the business of the Group.

(ii) Qualifying participants

The participants of the New Share Option Scheme include any employee of the Company or any subsidiary of the Company, a director, a shareholder, a supplier, a customer or any subsidiary of the Company; an agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to Company or any of its subsidiary; and a holder of any securities issued.

(iii) Maximum number of shares

In accordance with the resolution passed at the AGM on 29 June 2017, the scheme limit on the grant of options under the New Share Option Scheme and any other share option schemes of the Company was refreshed to up to the Refreshed Scheme Limit, i.e. 449,848,122 Shares, being 10% of the Shares in issue as at the date of the AGM (i.e. 4,498,481,222 Shares in issue) (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the New Share Option Scheme) and representing approximately 6.12% of the issued Shares as at the date of this report (i.e. 7,353,285,390 Shares); and the Directors are authorized, at their absolute discretion, to grant share options to subscribe for Shares within the Refreshed Scheme Limit in accordance with the rules of the New Share Option Scheme; to allot, issue and deal with the Shares pursuant to the exercise of share options granted under the New Share Option Scheme within the Refreshed Scheme Limit; and to do such acts and execute such documents for or incidental to implement the New Share Option Scheme within the Refreshed Scheme Limit.

(i) 新購股權計劃目的

新購股權計劃旨在吸引及挽留最優秀的人才、向經甄選人士提供額外獎勵，以及推動本集團業務成功。

(ii) 合資格參與者

新購股權計劃的參與者包括本公司或其任何附屬公司的任何僱員、董事、股東、供應商、客戶或本公司任何附屬公司；向本公司或其任何附屬公司提供研發或其他技術支援或任何有價值服務的代理、顧問、專業顧問、策略師、承辦商、分承辦商、專家或實體；及任何已發行證券的持有人。

(iii) 最高股份數目

根據於二零一七年六月二十九日的股東週年大會上通過之決議案，根據新購股權計劃及本公司任何其他購股權計劃授出購股權之計劃限額已更新至更新計劃限額，即449,848,122股股份，佔股東週年大會當日已發行股份（即4,498,481,222股已發行股份）之10%（根據新購股權計劃之前授出、尚未行使、註銷、失效或行使之購股權除外）及佔於本報告日期已發行股份（即7,353,285,390股股份）約6.12%；及授權董事全權酌情根據新購股權計劃之規則授出可認購股份之購股權，數額以更新計劃限額為限；於根據新購股權計劃所授出之購股權獲行使時，配發、發行及處理股份，數額以更新計劃限額為限；及因應於更新計劃限額範圍內執行新購股權計劃作出有關行動及簽立有關文件。

ADDITIONAL INFORMATION

附加資料

(iv) Maximum entitlement of each qualifying participant

No qualifying participant shall be granted any options which, if exercised in full, would result in such person's maximum entitlement exceeding 1% of the aggregate number of Shares for the time being issued and issuable under the New Share Option Scheme in the 12-month period up to and including the proposed grant date unless such grant is approved in advance by the Shareholders in general meeting. No qualifying participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates shall be granted any options, which, if exercised in full, would result in the shares issued and issuable to such person under the New Share Option Scheme in the 12-month period up to and including the proposed grant date for such options, unless such grant of options is approved in advance by the Shareholders of the Company in general meeting: (a) representing in aggregate over 0.1% of the number of Shares then in issue; and (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to such person under the relevant scheme, in excess of HK\$5 million.

(v) Option period

The share options may be exercised in whole or in part by the participant at any time during the exercise period, i.e. not exceed 10 years from the date of grant of the relevant new share options pursuant to the New Share Option Scheme, by delivering to the Company a notice duly signed in a form approved by the Board (together with payment of the exercise price in full in respect of each new share to be subscribed for) and delivery of the new share option certificate for amendment or cancellation.

(vi) Minimum period for which an option must be held before it can be exercised

No offer of a new share option which is capable of or open for acceptance shall be made after the expiry of the exercise period pursuant to the New Share Option Scheme.

(iv) 每名合資格參與者可獲授權益上限

倘若授予合資格參與者之購股權於截至建議授出日期(包括當日)止12個月期間獲全面行使,將導致該人士可獲授權益上限超逾當時根據新購股權計劃已發行股份及可發行股份總數之1%,則該合資格參與者不獲授予購股權,惟獲股東於股東大會上預先批准者除外。如合資格參與者為主要股東或獨立非執行董事或任何彼等各自之聯繫人士及符合以下情況,均不得獲授購股權(惟購股權授予已經本公司股東在股東大會上預先批准者除外):根據新購股權計劃,已經及將會授予該等人士之購股權獲全面行使後將導致已經及將予發行股份之數目於截至及包括建議授出日期止前12個月期間(包括當日):(a)合計超逾當時已發行股份數目0.1%;及(b)根據相關購股權計劃,每次授出購股權予該人士之有關日期於聯交所之每日報價表所列之股份收市價計算,總值超逾五百萬港元。

(v) 購股權年期

參與者可於行使期(即根據新購股權計劃授出相關新購股權的日期起計不超過10年)內,隨時透過向本公司送交已按董事會批准的形式妥為簽署的通知(連同就將予認購的每股新股份支付的全數行使價款項),並送交新購股權證書以供修訂或註銷,以行使全部或部分購股權。

(vi) 行使前須持有購股權之最短期限

根據新購股權計劃,不得於行使期屆滿後提呈可獲接納或可供接納的新購股權。

(vii) Payment on acceptance of the option

HK\$1 is payable by the grantee to the Company on acceptance of the share option offer. The share option offer will be offered for acceptance for a period of 14 days from the date on which the offer is granted.

(viii) Basis of determining the exercise price

The exercise price for the share under the New Scheme will be determined by the Board in its absolute discretion at the time of making the offer of grant of a new share option but in any case the subscription price must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business day immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

(ix) Remaining life of the New Share Option Scheme

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes unconditional. The Board may amend any of the provisions of the New Share Option Scheme or withdraw or otherwise terminate the New Share Option Scheme at any time but no alterations shall be made to the advantage of any participant unless approved by the Shareholders in general meeting. All new share options granted prior to such termination and not then exercise shall continue to be valid and exercisable subject to and in accordance with the terms of the New Share Option Scheme.

(vii) 就接納購股權之付款

承授人於接納購股權要約時須向本公司支付1港元。購股權要約將可於授出要約日期起計14天內予以接納。

(viii) 釐定行使價之基準

新計劃下的股份行使價將由董事會於提呈授出新購股權時全權酌情釐定，惟認購價無論如何最少須為下列三者中的較高者：(i) 股份於提呈授出日期(必須為營業日)在聯交所每日報價表所報的收市價；(ii) 股份於緊接提呈授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii) 股份面值。

(ix) 新購股權計劃之餘下年期

新購股權計劃於新購股權計劃成為無條件之日起計10年內有效。董事會可隨時修訂新購股權計劃的任何條文，或撤回或以其他方式終止新購股權計劃，惟除非經股東於股東大會上批准，否則不得作出任何有利於任何參與者的修訂。所有有關終止前已授出但當時尚未行使的新購股權將繼續有效，並受限於新購股權計劃的條款及可根據該等條款行使。

ADDITIONAL INFORMATION

附加資料

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2020, the Group had a total of 419 (2019: 477) staff based in the PRC and Hong Kong. The remuneration paid or payable to the staff during the six months ended 30 June 2020 was approximately HK\$20,192,000 (2019: HK\$25,463,000).

The Directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group gives remuneration and discretionary bonus to its employees based on their performances, experience and prevailing industry practices. In addition to basic salaries and mandatory provident fund, staff benefits including medical coverage scheme and share options are offered.

The Group's remuneration policy was reviewed periodically by the remuneration committee of the Board and the Board's remuneration is determined by reference to market terms, company performance, and individual qualifications and performance. The Group aimed to recruit, retain and develop competent individuals who were committed to the Group's long-term success and growth. Remunerations and other benefits of employees were reviewed annually in response to both market conditions and trends, and were based on qualifications, experience, responsibilities and performance.

The current remuneration of the Directors and the key management is determined by the individual performance and market trends.

During the period under review, the Group has not experienced any significant problems with its employees or disruption to its operation due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff. The Directors believe that the Group has a good working relationship with its employees.

The Group encourages and supports the employees in personal and professional training and also encourages a culture of experience-sharing. The Group organises various forms of training covering management, customers service, financial, etc to the PRC office with support from the Hong Kong head office. Other than the internal training programme, the Group has also established a continuous education scheme (the "**Education Scheme**"). According to the Education Scheme, the employee who passed the probation will be entitled to the subsidy for the specified course approved by the management with the maximum amount to HK\$50,000.

僱員及薪酬政策

於二零二零年六月三十日，本集團於中國及香港聘有合共419名（二零一九年：477名）員工。於截至二零二零年六月三十日止六個月已支付或應付員工薪酬為約20,192,000港元（二零一九年：25,463,000港元）。

董事相信，僱員素質為本集團持續增長及改善其盈利能力的最重要因素。本集團的僱員薪酬及酌情獎金乃按工作表現、經驗及當前行業慣例釐定。除基本薪金及強制性公積金外，本集團亦提供醫療保障計劃及購股權等員工福利。

董事會薪酬委員會定期檢討本集團之薪酬政策，而董事會之薪酬乃參考市場條款、公司表現及個人資歷及表現後釐定。本集團旨在招聘、挽留及發展能幹且對本集團長遠成功及增長有承擔的人士。僱員的薪酬及其他福利均每年檢討，以回應市況及趨勢，亦以資歷、經驗、責任及表現為基準。

董事及主要管理層的現時薪酬乃按個別人士的表現及市場趨勢釐定。

於回顧期間，本集團與其僱員之間並無發生任何重大問題，亦無因勞資糾紛而引致營運受到干擾，且在招聘及挽留有經驗員工方面亦無遭遇任何困難。董事相信，本集團與其僱員維持良好工作關係。

本集團鼓勵並支持僱員的個人及專業培訓，亦鼓勵分享經驗的文化。本集團在香港總辦事處的協助下，為中國辦事處舉辦不同形式的培訓，包括管理、客戶服務、財務等。除內部培訓計劃外，本集團亦設立一項持續進修計劃（「**進修計劃**」）。根據進修計劃，通過試用期的僱員將有權就特定課程享有管理層批准的津貼，上限金額為50,000港元。

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

REQUIRED STANDARD OF DEALINGS FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2020.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Lam Kwok Hing Wilfred was appointed as the company secretary of Chinese Strategic Holdings Limited, a company whose shares are listed on GEM of the Stock Exchange (Stock Code: 8089), on 1 July 2020.

Save as disclosed above, since the date of the annual report of the Company for the year ended 31 December 2019, up to the date of this report, there are no changes in the information required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

買賣或贖回本公司上市證券

本公司及其任何附屬公司於截至二零二零年六月三十日止六個月概無買賣或贖回本公司任何上市證券。

董事進行證券交易的必守標準

本公司已採納一套有關董事進行證券交易之行為守則，其條款不遜於GEM上市規則第5.48條至5.67條所載之規定交易標準。本公司已向全體董事作出特定查詢，而全體董事已確認，彼等於截至二零二零年六月三十日止六個月一直遵守有關規定交易標準及本公司所採納有關董事進行證券交易之行為守則。

董事資料變動

林國興先生於二零二零年七月一日獲委任為華人策略控股有限公司的公司秘書，華人策略控股有限公司為一間股份於聯交所GEM上市（股份代號：8089）的公司。

除上文所披露者外，自本公司截至二零一九年十二月三十一日止年度之年度報告日期起直至本報告日期，須根據GEM上市規則第17.50A(1)條予以披露的資料概無變動。

ADDITIONAL INFORMATION

附加資料

AUDIT COMMITTEE

The Company has established the audit committee (“**Audit Committee**”) in 2002 with written terms of reference, which deal clearly with its authorities and duties. The primary duties of the Audit Committee are to review the Company’s annual reports and financial statements, interim reports and quarterly reports and discuss with the management over issues relating to auditing, internal control and financial reporting.

During the six months ended 30 June 2020 and as at the date of this report, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Chui Chi Yun Robert (Chairman), Mr. Li Kit Chee and Mr. Lam Kwok Hing Wilfred. The Group’s unaudited results for the six months ended 30 June 2020 and this report have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and this report have complied with applicable accounting standards and requirements and that adequate disclosures have been made.

By order of the Board

National Arts Entertainment and Culture Group Limited

(Provisional Liquidators Appointed)

(For Restructuring Purposes)

Chow Kai Weng

*Associate Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, 10 August 2020

審核委員會

本公司已於二零零二年成立審核委員會（「**審核委員會**」），並訂有書面職權範圍，清楚列明其權力與職責。審核委員會之主要職責為審閱本公司之年報及財務報表、中期報告及季度報告，並與管理層就有關審計、內部監控及財務報告等議題進行磋商。

截至二零二零年六月三十日止六個月及於本報告日期，審核委員會由三名獨立非執行董事（即崔志仁先生（主席）、李傑之先生及林國興先生）組成。審核委員會已審閱本集團截至二零二零年六月三十日止六個月之未經審核業績及本報告，認為有關業績及本報告已遵照適用會計準則及規定編製，並已作出充分披露。

承董事會命

國藝娛樂文化集團有限公司

(已委任臨時清盤人)

(作重組用途)

聯席主席、執行董事兼行政總裁

周啟榮

香港，二零二零年八月十日

BOARD OF DIRECTORS

Chairman and Executive Director
Mr. Sin Kwok Lam

Associate Chairman, Executive Director and Chief Executive Officer
Mr. Chow Kai Weng

Executive Directors
Mr. Cheng Wang Chun
Mr. Ho Leung Ting

Non-Executive Director
Dr. Lam Lee G.

Independent Non-Executive Directors
Mr. Chui Chi Yun
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred

COMPANY SECRETARY

Mr. Pang Yick Him

COMPLIANCE OFFICER

Mr. Chow Kai Weng

HEAD OFFICER AND PRINCIPAL PLACE OF BUSINESS

Room 1514-15
15/F, Seapower Tower
Concordia Plaza No.1 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICES

Principal share registrar and transfer office
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

董事會

主席兼執行董事
冼國林先生

聯席主席、執行董事兼行政總裁
周啟榮先生

執行董事
鄭弘駿先生
何亮霆先生

非執行董事
林家禮博士

獨立非執行董事
崔志仁先生
李傑之先生
林國興先生

公司秘書

彭翊謙先生

監察主任

周啟榮先生

總辦事處及主要營業地點

香港
九龍尖沙咀
科學館道1號康宏廣場
航天科技大廈15樓
1514-1515室

股份過戶及登記處

主要股份過戶及登記處
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶及登記分處
卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Mr. Chow Kai Weng
Mr. Cheng Wang Chun

COMMITTEES

Audit Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred

Remuneration Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred

Nomination Committee

Mr. Sin Kwok Lam (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred

LEGAL ADVISORS

Conyers Dill & Pearman (Bermuda laws)
LCH Lawyers LLP (Hong Kong laws)

AUDITORS

Elite Partners CPA Limited
Certified Public Accountants
10/F., 8 Observatory Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

GROUP'S WEBSITE

<http://www.nationalarts.hk>

STOCK CODE

8228

授權代表

周啟榮先生
鄭弘駿先生

轄下委員會

審核委員會
崔志仁先生 (*主席*)
李傑之先生
林國興先生

薪酬委員會
崔志仁先生 (*主席*)
李傑之先生
林國興先生

提名委員會
冼國林先生 (*主席*)
李傑之先生
林國興先生

法律顧問

Conyers Dill & Pearman (百慕達法律)
呂鄭洪律師行有限法律責任合夥 (香港法律)

核數師

開元信德會計師事務所有限公司
執業會計師
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股份代號

8228



National Arts Entertainment and Culture Group Limited
國藝娛樂文化集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續之有限公司)

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