

**CNC HOLDINGS LIMITED**

**中國新華電視控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號: 8356



**2020/2021**  
**THIRD QUARTERLY REPORT**  
**第三季度報告**

## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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*This report, for which the directors (the “Directors”) of CNC Holdings 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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, 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之定位，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。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳考慮後方作出投資決定。

由於GEM上市的公司普遍為中小型公司，在GEM買賣之證券可能會承受較於聯交所主板買賣之證券為高之市場波動風險，亦無法保證在GEM買賣之證券會有高流通量之市場。

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本報告載有根據聯交所GEM證券上市規則（「GEM上市規則」）而提供有關中國新華電視控股有限公司（「本公司」）之資料，本公司各董事（「董事」）願就本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在所有重大方面均屬準確、完整及並無誤導或欺詐成份，且本文或本報告並無遺漏任何其他事項致使當中任何聲明有所誤導。

## HIGHLIGHTS

- The Group's revenue for the nine months ended 31 December 2020 increased by approximately 7.0% to approximately HK\$172.1 million (2019: approximately HK\$160.9 million).
- Loss of the Group for the nine months ended 31 December 2020 decreased by approximately 9.3% to approximately HK\$65.8 million (2019: approximately HK\$72.5 million).
- Basic loss per share attributable to the owners of the Company for the nine months ended 31 December 2020 was approximately HK1.60 cents (2019: approximately HK1.79 cents).
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2020.

## 摘要

- 本集團截至二零二零年十二月三十一日止九個月的收益增加約7.0%至約172,100,000港元(二零一九年:約160,900,000港元)。
- 截至二零二零年十二月三十一日止九個月的本集團虧損減少約9.3%至約65,800,000港元(二零一九年:約72,500,000港元)。
- 截至二零二零年十二月三十一日止九個月的本公司擁有人應佔每股股份基本虧損為約1.60港仙(二零一九年:約1.79港仙)。
- 董事會不建議就截至二零二零年十二月三十一日止九個月派付任何股息。

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 31 December 2020, together with the unaudited comparative figures for the corresponding periods in 2019, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and nine months ended 31 December 2020

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零二零年十二月三十一日止三個月及九個月之未經審核簡明綜合業績連同二零一九年同期之未經審核比較數字如下:

## 簡明綜合損益及其他全面收益表(未經審核)

截至二零二零年十二月三十一日止三個月及九個月

			Nine months ended 31 December 截至十二月三十一日止 九個月	2019 二零一九年 HK\$'000 千港元	Three months ended 31 December 截至十二月三十一日止 三個月	2019 二零一九年 HK\$'000 千港元
		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收益	4	172,139	160,911	57,027	50,205
Cost of services	服務成本		<u>(199,392)</u>	<u>(179,684)</u>	<u>(69,907)</u>	<u>(58,201)</u>
Gross loss	毛損		(27,253)	(18,773)	(12,880)	(7,996)
Other income	其他收入	5	10,933	634	4,557	450
Other gains and losses	其他收益及虧損	6	99	1,631	(70)	613
Amortisation expenses	攤銷開支		(13,800)	(13,800)	(4,617)	(4,617)
Selling and distribution expenses	銷售及分銷開支		(578)	(578)	(193)	-
Administrative expenses	行政開支		(19,561)	(19,470)	(5,255)	(5,246)
Changes in fair value of financial assets at fair value through profit or loss	透過損益按公平值入賬之金融資產之公平值變動		94	(4,162)	(24)	(2,000)
Loss from operations	營運虧損	8	(50,066)	(54,518)	(18,482)	(18,796)
Finance costs	融資成本		(20,213)	(21,033)	(6,060)	(7,149)
Loss before income tax	除所得稅前虧損		(70,279)	(75,551)	(24,542)	(25,945)
Income tax	所得稅	9	4,518	3,052	1,293	958
Loss for the period	期內虧損		<u>(65,761)</u>	<u>(72,499)</u>	<u>(23,249)</u>	<u>(24,987)</u>
Loss for the period attributable to: Owners of the Company	以下人士應佔期內虧損: 本公司擁有人		(65,037)	(72,499)	(22,986)	(24,987)
Non-controlling interests	非控股權益		(724)	-	(263)	-
Loss for the period	期內虧損		<u>(65,761)</u>	<u>(72,499)</u>	<u>(23,249)</u>	<u>(24,987)</u>
Loss per share attributable to the owners of the Company - Basic and diluted (HK cent/s)	本公司擁有人應佔每股股份虧損 - 基本及攤薄 (港仙)	11	(1.60)	(1.79)	(0.57)	(0.62)
Loss for the period	期內虧損		<u>(65,761)</u>	<u>(72,499)</u>	<u>(23,249)</u>	<u>(24,987)</u>
Other comprehensive income/(loss): Items that may be classified subsequently to profit or loss:	其他全面收益/(虧損): 其後可分類至損益的項目:					
Exchange differences on translating foreign operations	換算境外業務之匯兌差額		339	(606)	119	26
Other comprehensive income/(loss) for the period, net of tax	期內其他全面收益/(虧損), 扣除稅項		339	(606)	119	26
Total comprehensive loss for the period	期內全面虧損總額		<u>(65,422)</u>	<u>(73,105)</u>	<u>(23,130)</u>	<u>(24,961)</u>
Total comprehensive loss for the period attributable to: Owners of the Company	以下人士應佔期內全面虧損總額: 本公司擁有人		(64,698)	(73,105)	(22,867)	(24,961)
Non-controlling interests	非控股權益		(724)	-	(263)	-
Total comprehensive loss for the period	期內全面虧損總額		<u>(65,422)</u>	<u>(73,105)</u>	<u>(23,130)</u>	<u>(24,961)</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

## 簡明綜合權益變動表 (未經審核)

For the nine months ended 31 December 2020 截至二零二零年十二月三十一日止九個月

		Share capital	Share premium	Convertible notes equity reserves	Foreign currency translation reserves	Capital reserves	Investment revaluation reserves	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	可換股票據權益儲備	外幣換算儲備	資本儲備	投資重估儲備	其他儲備	累計虧損	總計	非控股權益	總權益
		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
As at 1 April 2020	於二零二零年四月一日	4,055	1,238,195	14,400	(2,751)	2,758	-	41,214	(1,569,839)	(271,968)	-	(271,968)
Loss for the period	期內虧損	-	-	-	-	-	-	-	(65,037)	(65,037)	(724)	(65,761)
Other comprehensive income for the period:	期內其他全面收入：											
Items that may be classified subsequently to profit or loss:	其後可分類至損益的項目：											
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	339	-	-	-	-	339	-	339
Total comprehensive income/(loss) for the period	期內全面收入/(虧損)總額	-	-	-	339	-	-	-	(65,037)	(64,698)	(724)	(65,422)
Transfer to accumulated losses upon maturity of convertible notes	可換股票據到期後轉撥至累計虧損	-	-	(14,400)	-	-	-	-	14,400	-	-	-
Deemed disposal of subsidiaries arising from capital injection from non-controlling interests	非控股權益注資而視為出售附屬公司	-	-	-	-	-	-	-	(1,222)	(1,222)	2,718	1,496
As at 31 December 2020 (unaudited)	於二零二零年十二月三十一日 (未經審核)	4,055	1,238,195	-	(2,412)	2,758	-	41,214	(1,621,698)	(337,888)	1,994	(335,894)
As at 1 April 2019	於二零一九年四月一日	4,055	1,238,195	14,400	(1,647)	2,758	(1,057)	41,214	(1,464,909)	(166,991)	-	(166,991)
Adoption of HKFRS 16	採納香港財務報告準則第16號	-	-	-	-	-	-	-	(2,530)	(2,530)	-	(2,530)
Adjusted balance at 1 April 2019	於二零一九年四月一日之經調整結餘	4,055	1,238,195	14,400	(1,647)	2,758	(1,057)	41,214	(1,467,439)	(169,521)	-	(169,521)
Loss for the period	期內虧損	-	-	-	-	-	-	-	(72,499)	(72,499)	-	(72,499)
Other comprehensive loss for the period:	期內其他全面虧損：											
Items that may be classified subsequently to profit or loss:	其後可分類至損益的項目：											
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	(606)	-	-	-	-	(606)	-	(606)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	(606)	-	-	-	(72,499)	(73,105)	-	(73,105)
Transfer to accumulated losses upon derecognition of financial assets at fair value through other comprehensive income	取消確認透過其他全面收益按公平值入賬之金融資產後轉撥至累計虧損	-	-	-	-	-	1,057	-	(1,057)	-	-	-
As at 31 December 2019 (unaudited)	於二零一九年十二月三十一日 (未經審核)	4,055	1,238,195	14,400	(2,253)	2,758	-	41,214	(1,540,995)	(242,626)	-	(242,626)

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註

For the nine months ended 31 December 2020 截至二零二零年十二月三十一日止九個月

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and rooms 2708-10, 27/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong respectively.

The Company's ordinary shares (the "Share(s)") were listed on GEM of the Stock Exchange on 30 August 2010 by way of placing.

The principal activity of the Company is investment holding. The subsidiaries are engaged in the provision of civil engineering services for the public sector in Hong Kong and media and advertising business comprising television broadcasting business in the Asia-Pacific region (excluding the People's Republic of China (the "PRC")) and digital marketing business on overseas market in return for advertising and related revenue.

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

### (a) Statement of compliance

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 31 December 2020 (the "Quarterly Financial Statements") have been prepared to comply with the disclosure requirements of the GEM Listing Rules.

## 1. 一般資料

本公司於二零一零年三月十五日根據開曼群島第22章公司法（一九六一年法例3，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司。本公司之註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands及香港灣仔告士打道108號光大中心27樓2708-10室。

本公司普通股（「股份」）於二零一零年八月三十日以配售方式在聯交所GEM上市。

本公司的主要業務為投資控股。其附屬公司從事在香港為公營部門提供土木工程服務以及媒體及廣告業務，包括於亞太區（不包括中華人民共和國（「中國」））的電視播放業務及於海外市場的數碼營銷業務以取得廣告及相關收益。

## 2. 呈列基準及主要會計政策

### (a) 遵例聲明

截至二零二零年十二月三十一日止九個月之未經審核簡明綜合第三季度財務報表（「季度財務報表」）已獲編製以遵守GEM上市規則之披露規定。

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

### (b) Basis of preparation

The accounting policies and method of the computation used in the preparation of the Quarterly Financial Statements are consistent with those used in the annual report for the year ended 31 March 2020, except for those related to new standards and interpretations effective for the first time periods beginning on 1 April 2020 and expected to be reflected in the forthcoming annual financial statements as disclosed below.

The Quarterly Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

### (c) Going concern

In preparing the Quarterly Financial Statements, the Directors have given careful consideration to the future liquidity of the Group notwithstanding that:

- The Group has incurred an unaudited net loss of approximately HK\$65,761,000 during the nine months ended 31 December 2020 and, as of that date, the Group had an unaudited net current liabilities and an unaudited net liabilities of approximately HK\$331,045,000 and HK\$335,894,000 respectively;
- As at 31 December 2020, the promissory note issued by the Group in principal amount of approximately HK\$45,040,000 which was overdue on the reporting date but the Group has not able to obtain extension of repayment of such balance prior to the date of approval of the Quarterly Financial Statements; and

## 2. 呈列基準及主要會計政策 (續)

### (b) 編製基準

編製季度財務報表所用之會計政策及計算方式與截至二零二零年三月三十一日止年度之年度報告所採納者一致，惟下文所披露有關於二零二零年四月一日開始之期間首次生效之新準則及詮釋除外，預計其將反映在下一份年度財務報表上。

季度財務報表乃根據歷史成本慣例編製，惟若干金融工具按各報告期末之公平值計量，並以亦為本公司功能貨幣之港元（「港元」）呈列。

### (c) 持續經營

於編製季度財務報表時，董事已審慎考慮本集團之未來流動性，儘管：

- 截至二零二零年十二月三十一日止九個月，本集團產生未經審核淨虧損約65,761,000港元，及於該日，本集團分別錄得未經審核流動負債淨額約331,045,000港元及未經審核負債淨額約335,894,000港元；
- 於二零二零年十二月三十一日，本集團發行之本金額約為45,040,000港元之承兌票據已於報告日期逾期，惟本集團未能於季度財務報表批准日期前取得有關結餘之還款延期；及

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

### (c) Going concern (Continued)

- As at 31 December 2020, the convertible notes issued by the Company in principal amount of approximately HK\$257,030,000 was overdue on the reporting date.

The Directors adopted the going concern basis in the preparation of Quarterly Financial Statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- China Xinhua News Network Co., Limited (“China Xinhua NNC”), one of the major shareholders of the Company and a convertible notes holder, has confirmed to provide financial support to the Group in a reasonable manner under relevant laws and regulatory requirements, to maintain the going concern of the Company. The financial support only refers to allow the Company to extend the repayment for the liabilities due to China Xinhua NNC to not earlier than 12 months commencing from 31 December 2020, including (1) the convertible notes in the principal amount of approximately HK\$257,030,000; (2) the interests payable on the convertible notes amounted to approximately HK\$56,417,000 as of 31 December 2020; and (3) the liabilities due to China Xinhua NNC of approximately HK\$22,587,000 as of 31 December 2020 in respect of annual fee for television broadcasting right, carriage fee payment and satellite transmission fee, if the repayment would cause the Company to be unable to settle its liabilities due to other parties when they fall due.

## 2. 呈列基準及主要會計政策 (續)

### (c) 持續經營 (續)

- 於二零二零年十二月三十一日，本公司發行之本金額約為257,030,000港元之可換股票據已於報告日期逾期。

董事於編製季度財務報表時已採納持續經營基準並已實施下列措施以改善本集團之營運資金及流動性以及現金流量狀況：

- 中國新華新聞電視網有限公司（「中國新華新聞電視網」）（本公司之主要股東之一及可換股票據持有人）已確認以合理且符合有關法律和監管要求的方式向本集團提供財務支持，以維持本公司的持續經營。這些財務支持僅指在可能導致本公司無法償還其他債權人到期債務的情況下允許本公司延期至二零二零年十二月三十一日起十二個月後償還應付中國新華新聞電視網的債務，包括(1)可換股票據本金額為約257,030,000港元；(2)截至二零二零年十二月三十一日止之可換股票據之應付利息為約56,417,000港元；及(3)截至二零二零年十二月三十一日止之關於電視播放權年費、代付傳輸費及衛星轉播費之應付中國新華新聞電視網的債務為約22,587,000港元。

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

### (c) Going concern (Continued)

- (2) The Company had entered into an extension agreement with China Xinhua NNC on 25 January 2021 pursuant to which the maturity date of the convertible notes was extended to 9 December 2021 and the extended convertible notes would bear interest rate of 3% per annum. The amendment of terms and conditions will be subject to the approval by the shareholders of the Company and the Stock Exchange.
- (3) The Group is in the process of negotiating with the promissory noteholder of any possible proposal regarding the potential renewal or extension of the promissory note and other feasible solutions. As at the date of approval of the Quarterly Financial Statements, the Board has approved to authorized a Director to further negotiate, sign the extension agreement and execute on behalf of the Company all acts necessary for or in connection with the potential renewal and extension of the promissory note on agreeable basis.
- (4) The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer and placing of new shares.
- (5) The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operation.

## 2. 呈列基準及主要會計政策 (續)

### (c) 持續經營 (續)

- (2) 於二零二一年一月二十五日，本公司已與中國新華新聞電視網訂立延長協議，據此，可換股票據之到期日已延長至二零二一年十二月九日，且經延長可換股票據按年利率3%計息。條款及條件之修訂將須待本公司股東及聯交所批准後，方可作實。
- (3) 本集團正與承兌票據之持有人就潛在重續延長承兌票據之任何可能建議方案及其他可行解決方案進行磋商。於季度財務報表獲批准日期，董事會已批准授權一名董事代表本公司在合適的基礎上進行就可能重續及延期承兌票據而言屬必須或與此有關之進一步磋商、簽署延期協議及執行一切行動。
- (4) 本集團正積極考慮通過開展集資活動以籌集新資本，包括但不限於供股、公開發售及配售新股份。
- (5) 本集團將實施營運計劃以控制成本及從本集團之營運中產生足夠現金流量。

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

In the opinion of the Directors, in light of the various measures/arrangements implemented after the end of the reporting period, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the Quarterly Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the Quarterly Financial Statements.

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following new and amendments to Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

HKFRS 3	Definition of a Business (amendments)
HKAS 1 and HKAS 8	Definition of Material (amendments)
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
HKAS 39, HKFRS 7 and HKFRS 9	Hedge accounting (amendments)

## 2. 呈列基準及主要會計政策 (續)

董事認為，鑒於報告期末後實施之多項措施／安排，本集團將擁有充足營運資金以滿足其現時之要求並可合理預期本集團可繼續以符合商業利益之基準經營。因此，董事信納按持續經營基準編製季度財務報表屬合適。

倘本集團未能繼續按持續基準營運，則需要作出調整藉以將資產價值撇減至其可收回金額，就可能出現之任何未來負債計提撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。該等調整之影響並未於季度財務報表中反映。

## 3. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈與編製本集團未經審核簡明綜合財務報表有關之新訂及經修訂香港會計準則（「香港會計準則」）及香港財務報告準則（「香港財務報告準則」）：

香港財務報告準則第3號	業務之定義（修訂本）
香港會計準則第1號及香港會計準則第8號	重大之定義（修訂本）
二零一八年財務報告概念框架	經修訂財務報告概念框架
香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號	對沖會計（修訂本）

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The application of the other new and amendments to HKASs and HKFRSs in the current period has had no material effect on the amounts reported in Quarterly Financial Statements and/or disclosures set out in Quarterly Financial Statements.

### 4. REVENUE

Revenue recognised during the three months and nine months ended 31 December 2020 and 31 December 2019 were as follows:

#### Over time of revenue recognition

Construction works 建築工程  
Advertising income 廣告收入

### 3. 採納新訂及經修訂香港財務報告準則 (續)

於本期間應用其他新訂及經修訂香港會計準則及香港財務報告準則對季度財務報表所呈報之金額及／或季度財務報表所載之披露並無產生重大影響。

### 4. 收益

截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月確認之收益如下：

#### 隨時間確認收益

		Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Construction works	建築工程	137,850	156,110	51,588	49,271
Advertising income	廣告收入	34,289	4,801	5,439	934
		<b>172,139</b>	<b>160,911</b>	<b>57,027</b>	<b>50,205</b>

## 5. OTHER INCOME

Other income recognised during the three months and nine months ended 31 December 2020 and 31 December 2019 were as follows:

## 5. 其他收入

截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月確認之其他收入如下：

		Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Interest income arising from bank deposits	銀行存款產生之利息收入	328	125	44	38
Interest income arising from rental deposits	租賃按金產生之利息收入	14	28	4	10
Dividend income	股息收入	387	48	82	11
Sundry income	雜項收入	938	433	9	391
Government subsidy	政府補貼	9,266	-	4,418	-
		<b>10,933</b>	<b>634</b>	<b>4,557</b>	<b>450</b>

## 6. OTHER GAINS AND LOSSES

Other gains and losses recognised during the three months and nine months ended 31 December 2020 and 31 December 2019 were as follows:

## 6. 其他收益及虧損

截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月確認之其他收益及虧損如下：

	Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Exchange (loss)/gain, net	(352)	391	(152)	(11)
Net gains on disposal of property, plant and equipment	17	928	41	592
Reversal for allowance for expected credit losses recognised for trade receivables	380	296	44	35
Reversal/(provision) for allowance for expected credit losses recognised for contract assets	54	16	(3)	(3)
	<b>99</b>	<b>1,631</b>	<b>(70)</b>	<b>613</b>

## 7. SEGMENT INFORMATION

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the executive Directors, being the chief operating decision maker in order to allocate resources to the segments and assess their performance. For each of the Group's reportable segments, the executive Directors reviews internal management reports on a regular basis.

## 7. 分部資料

本集團之分部資料乃根據執行董事（即主要營運決策者）為分配資源至各分部及評估各分部表現而定期檢討之內部報告予以呈報。就本集團各可呈報分部而言，執行董事定期審閱內部管理報告。

## 7. SEGMENT INFORMATION (Continued)

Under the segment structure implemented during the nine months ended 31 December 2020, information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided are:

- (i) Provision of civil engineering services – Provision of waterworks engineering services, road works, drainage services and site formation works for public sector in Hong Kong; and
- (ii) Media and advertising business – (a) the business of broadcasting television programmes on television channels operated by television broadcasting companies in the Asia-Pacific region (excluding the PRC) and (b) business of promoting digital marketing activities on overseas video platform in return for advertising and related revenue.

Each of these operating segments is managed separately as each of the products and service lines requires different resources as well as marketing approaches.

## 7. 分部資料 (續)

根據於截至二零二零年十二月三十一日止九個月實施之分部架構，向執行董事（即主要營運決策者）所呈報以供其分配資源及評估分部表現之資料集中於所交付商品或提供服務之種類為：

- (i) 提供土木工程服務 — 為香港公營部門提供水務工程服務、道路工程、渠務服務，亦從事地盤平整工程；及
- (ii) 媒體及廣告業務 — (a)在位於亞太區（不包括中國）之電視播放公司所經營之電視頻道進行電視節目播放業務及(b)於海外視頻平台推廣數碼營銷活動，以取得廣告及相關收益之業務。

由於各個產品和服務類別需要不同的資源以及涉及不同的營銷手法，故上述各營運分部被分開管理。

## 7. SEGMENT INFORMATION (Continued)

### Segment revenue and results

The following is an analysis of the Group's revenue and result by reportable segment.

For the nine months ended 31 December 2020

Revenue from external customers	來自外部客戶之收益
Other income and gains	其他收入及收益
<b>Reportable segment revenue</b>	<b>可呈報分部收益</b>
<b>Reportable segment results</b>	<b>可呈報分部業績</b>
Unallocated corporate income	未分配企業收入
Unallocated corporate expenses	未分配企業開支
Finance costs	融資成本
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>

## 7. 分部資料 (續)

### 分部收益及業績

本集團按可呈報分部劃分的收益及業績分析如下。

截至二零二零年十二月三十一日止九個月

Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
137,850	34,289	172,139
10,662	3	10,665
<b>148,512</b>	<b>34,292</b>	<b>182,804</b>
<b>(30,813)</b>	<b>(13,966)</b>	<b>(44,779)</b>
		819
		(6,106)
		(20,213)
		<b>(70,279)</b>

## 7. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

For the nine months ended 31 December 2019

		Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	156,110	4,801	160,911
Other income and gains	其他收入及收益	1,700	24	1,724
Reportable segment revenue	可呈報分部收益	157,810	4,825	162,635
Reportable segment results	可呈報分部業績	(26,231)	(18,145)	(44,376)
Unallocated corporate income	未分配企業收入			184
Unallocated corporate expenses	未分配企業開支			(10,326)
Finance costs	融資成本			(21,033)
Loss before income tax	除所得稅前虧損			(75,551)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the nine months ended 31 December 2020 and 31 December 2019.

## 7. 分部資料 (續)

### 分部收益及業績 (續)

截至二零一九年十二月三十一日止九個月

		Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	156,110	4,801	160,911
Other income and gains	其他收入及收益	1,700	24	1,724
Reportable segment revenue	可呈報分部收益	157,810	4,825	162,635
Reportable segment results	可呈報分部業績	(26,231)	(18,145)	(44,376)
Unallocated corporate income	未分配企業收入			184
Unallocated corporate expenses	未分配企業開支			(10,326)
Finance costs	融資成本			(21,033)
Loss before income tax	除所得稅前虧損			(75,551)

上文所呈報的分部收益指來自外部客戶之收益。截至二零二零年十二月三十一日及二零一九年十二月三十一日止九個月概無分部間銷售。

## 7. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of central administration costs, interest income, dividend income, finance costs, changes in fair value of financial assets at fair value through profit or loss and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

## 8. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging the following:

## 7. 分部資料 (續)

### 分部收益及業績 (續)

分部溢利／(虧損)指各分部在未分配中央行政成本、利息收入、股息收入、融資成本、透過損益按公平值入賬之金融資產公平值變動及所得稅前所賺取的溢利／產生的虧損。此乃向主要營運決策者呈報以供其分配資源及評估分部表現之計量方式。

## 8. 營運虧損

營運虧損乃經扣除以下各項後計算得出：

	Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Amortisation of intangible assets (included in amortisation expenses)	13,800	13,800	4,617	4,617
Depreciation of property, plant and equipment	11,468	14,738	3,786	4,476
Depreciation of right-of-use assets	4,098	6,189	1,312	2,098

## 9. INCOME TAX

The amount of income tax in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

## 9. 所得稅

未經審核簡明綜合損益及其他全面收益表之所得稅金額如下：

		Nine months ended 31 December 截至十二月三十一日止九個月		Three months ended 31 December 截至十二月三十一日止三個月	
		2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元	2020 二零二零年 (Unaudited) (未經審核) HK\$'000 千港元	2019 二零一九年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax – Hong Kong profits tax	當期稅項 – 香港利得稅				
– current period	– 本期間	313	678	105	167
– over-provision in prior year	– 過往年度超額撥備	(399)	–	(15)	–
		(86)	678	90	167
Current tax – PRC Enterprise Income tax	當期稅項 – 中國企業所得稅				
– current period	– 本期間	–	–	–	–
		(86)	678	90	167
Deferred tax	遞延稅項				
– current period	– 本期間	(4,432)	(3,730)	(1,383)	(1,125)
Income tax	所得稅	(4,518)	(3,052)	(1,293)	(958)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment.) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25% and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% for the three months and nine months ended 31 December 2020 and 31 December 2019.

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務（修訂）（第7號）條例草案》（「草案」），草案引進利得稅兩級制。草案於二零一八年三月二十八日簽署立法，並於翌日刊憲。根據利得稅兩級制，合資格公司首2,000,000港元應課稅溢利將按8.25%徵稅，2,000,000港元以上應課稅溢利則按16.5%徵稅。截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月，利得稅兩級制下不合資格公司之應課稅溢利將繼續按劃一稅率16.5%徵稅。

## 9. INCOME TAX (Continued)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Company and its subsidiaries incorporated in the BVI are not subject to any income tax in the Cayman Islands and the BVI respectively.

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC has no assessable profits arising in the PRC during each of three months and nine months ended 31 December 2020 and 31 December 2019.

## 10. DIVIDENDS

The Board does not recommend the payment of any dividend for each of the three months and nine months ended 31 December 2020 respectively (2019: Nil).

## 11. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months and nine months ended 31 December 2020 are based on the unaudited consolidated loss of approximately HK\$22,986,000 and approximately HK\$65,037,000 attributable to the owners of the Company for each of the three months and nine months ended 31 December 2020 respectively (unaudited consolidated loss of three months and nine months ended 31 December 2019: approximately HK\$24,987,000 and approximately HK\$72,499,000 respectively) and the weighted average number of 4,055,349,947 Shares and 4,055,349,947 Shares in issue for the three months and nine months ended 31 December 2020 (weighted average number of Shares in issue for the three months and nine months ended 31 December 2019: 4,055,349,947 and 4,055,349,947 respectively) as if they had been in issue throughout the periods.

## 9. 所得稅 (續)

根據開曼群島及英屬處女群島(「英屬處女群島」)規則及法規，本公司及其於英屬處女群島註冊成立之附屬公司毋須繳納開曼群島及英屬處女群島各自之任何所得稅。

截至二零二零年十二月三十一日及二零一九年十二月三十一日止各三個月及九個月，於中國註冊成立之附屬公司並無於中國產生應課稅溢利，故並無就中國企業所得稅計提撥備。

## 10. 股息

董事會不建議派付分別截至二零二零年十二月三十一日止各三個月及九個月之任何股息(二零一九年：無)。

## 11. 本公司擁有人應佔每股股份虧損

截至二零二零年十二月三十一日止三個月及九個月的每股股份基本虧損乃根據截至二零二零年十二月三十一日止各三個月及九個月本公司擁有人應佔未經審核綜合虧損分別約22,986,000港元及約65,037,000港元(截至二零一九年十二月三十一日止三個月及九個月的未經審核綜合虧損：分別為約24,987,000港元及約72,499,000港元)與截至二零二零年十二月三十一日止三個月及九個月已發行股份加權平均數為4,055,349,947股及4,055,349,947股(截至二零一九年十二月三十一日止三個月及九個月已發行股份加權平均數：分別為4,055,349,947股及4,055,349,947股)計算，猶如該等股份於整個有關期間均已發行。

## 11. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (Continued)

The diluted loss per Share for the three months and nine months ended 31 December 2020 and 31 December 2019 are the same as the basis loss per share. The computation of diluted loss per share for the three months and nine months ended 31 December 2020 and 31 December 2019 does not assume the Company's outstanding convertible notes since the assumed conversion of convertible notes would result in a decrease in loss per share.

## 12. SHARE CAPITAL

## 11. 本公司擁有人應佔每股股份虧損 (續)

截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月，每股攤薄虧損與每股基本虧損相同。由於假設兌換可換股票據將導致每股虧損減少，因此計算截至二零二零年十二月三十一日及二零一九年十二月三十一日止三個月及九個月之每股攤薄虧損並無假設本公司尚未兌換之可換股票據。

## 12. 股本

		Number of Shares 股份數目	Nominal value 面值 HK\$'000 千港元
<b>Authorised:</b>	<b>法定：</b>		
As at 1 April 2020 and 31 December 2020 (Unaudited)	於二零二零年四月一日及二零二零年十二月三十一日 (未經審核)	500,000,000,000	500,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
As at 1 April 2020 and 31 December 2020 (Unaudited)	於二零二零年四月一日及二零二零年十二月三十一日 (未經審核)	4,055,349,947	4,055

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### BUSINESS REVIEW

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong and media and advertising business comprising television broadcasting business in the Asia-Pacific region (excluding the PRC) and digital marketing business on overseas market in return for advertising and related revenue. During the nine months ended 31 December 2020 (the "Period"), the Group continued to focus on rendering civil engineering services for the public sector in Hong Kong, develop its television broadcasting business and commence digital marketing business on overseas market in return for advertising and related income.

#### Provision of civil engineering services

During the Period, the Group has been undertaking eleven contracts. Among these contracts, two are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation services. Details of the contracts undertaken are set out below:

### 業務回顧

本集團主要從事為香港公營部門提供土木工程服務及媒體及廣告業務，包括於亞太區（不包括中國）進行電視播放業務及於海外市場的數碼營銷業務，以取得廣告及相關收益。截至二零二零年十二月三十一日止九個月（「本期間」），本集團繼續專注於在香港為公營部門提供土木工程服務，發展其電視播放業務，以及開展於海外市場的數碼營銷業務，以取得廣告及相關收入。

#### 提供土木工程服務

於本期間內，本集團已承接十一項合約。該等合約中，有兩項與提供水務工程服務有關，而其餘合約則與提供渠務服務及土地平整服務有關。所承接合約之詳情載列如下：

	<b>Contract number</b> 合約編號	<b>Particulars of contract</b> 合約詳情
Main contracts	DC/2013/09	Advance Works for Shek Wu Hui Sewage Treatment Works – Further Expansion Phase 1A and Sewerage Works at Ping Che Road
主合約		石湖墟污水處理廠前期工程 – 進一步擴建第1A期及坪輦路的污水渠工程
	Q067133	Elevated Road along Lohas Park Road and the pedestrian footbridge FB1
		沿康城路邊之高架橋路及行人天橋FB1

	<b>Contract number</b> 合約編號	<b>Particulars of contract</b> 合約詳情
	ND/2019/08	Site Formation works at remaining part of Tai Po area 39 大埔區39號餘下部分的地盤平整工程
Subcontracts	5/WSD/13	Replacement and rehabilitation of water mains, stage 4 phase 1 and stage 4 phase 2 – mains in northern and eastern New Territories 更換及修復水管工程第4階段第1期及第4階段第2期 – 新界北及新界東水管工程
分包合約	CV/2015/03	Site Formation and Infrastructural Works near Tong Hang Road and Tsz Tin Road in Area 54, Tuen Mun 屯門54區鄰近塘亨路及紫田路的土地平整及基建工程
	810B	West Kowloon Terminus Station South, Contract 810B 西九龍總站(南), 合約810B
	CV/2016/10	Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery 於沙嶺公墓興建骨灰龕的土地平整及相關基建工程
	PYC-03084BAH-001	Site Formation, Foundation & Sub-structure Works for the Student Residence Development at The Hong Kong University of Science and Technology 於香港科技大學供學生住宿發展的土地平整、地基及下部結構工程
	ND/2018/02	The Establishment of an Agricultural Park in Kwu Tung South (Phase 1) 在古洞南設立農業園(第一期)

	<b>Contract number</b> 合約編號	<b>Particulars of contract</b> 合約詳情
Joint operations 合營業務	5/WSD/13	Replacement and rehabilitation of water mains, stage 4 phase 1 and stage 4 phase 2 – mains in northern and eastern New Territories 更換及修復水管工程第4階段第1期及第4階段第2期 — 新界北及新界東水管工程
	CV/2015/03	Site Formation and Infrastructural Works near Tong Hang Road and Tsz Tin Road in Area 54, Tuen Mun 屯門第54區鄰近塘亨路及紫田路的土地平整及基建工程
	CV/2016/10	Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery 於沙嶺公墓興建骨灰龕的土地平整及相關基建工程
	ND/2018/02	The Establishment of an Agricultural Park in Kwu Tung South (Phase 1) 在古洞南設立農業園 (第一期)
	4/WSD/19	Development of Anderson Road Quarry site – construction of grey water treatment plant 安達臣道石礦場發展 — 中水處理廠建造工程
	CV/2019/04	Site Formation and Infrastructure Works Near Tsz Tin Road and Hing Fu Street in Area 54, Tuen Mun 屯門第54區鄰近紫田路及興富街的土地平整及基建工程

Among the above eleven contracts, four contracts (contract numbered ND/2018/02, 4/WSD/19, CV/2019/04 and PYC-03084BAH-001) were newly awarded during the Period.

於以上十一項合約中，本期間內新獲授予四項合約（合約編號為ND/2018/02、4/WSD/19、CV/2019/04及PYC-03084BAH-001）。

During the Period, a contract with contract numbered CV/2016/10 was the main contributors to the Group's revenue, which generated approximately HK\$82.2 million, constituting approximately 47.8% of the Group's total revenue.

於本期間內，合約編號為CV/2016/10之一項合約為本集團收益之主要來源，產生約82,200,000港元，佔本集團總收益約47.8%。

### Media and advertising business

In 2020, the rapid spread of the COVID-19 pandemic caused city lockdowns and suspension of work, production and transportation throughout the world. The Group promotes digital marketing activities on overseas video platform during the Period to broaden its revenue base. The attempts to promote digital media business further expand the Group's development to a new chapter. The Group will continue to co-operate with different partners and diversify to various media platforms.

### 媒體及廣告業務

於二零二零年，新型冠狀病毒疫情大流行快速蔓延，導致世界各地封城、停工、停產及交通停運。於本期間內，本集團於海外視頻平台推廣數碼營銷活動以擴闊其收益基礎。推廣數碼媒體業務的努力將本集團之發展進一步拓展至新的篇章。本集團將繼續與不同的合作夥伴合作，並多元化發展至多個媒體平台。

Looking ahead, the Group will seize the opportunities in the booming advertising sector to step up investments in the advertising market, seeking to tap on new customers, businesses and revenue streams for delivering better returns to its shareholders of the Company.

## FINANCIAL REVIEW

### Revenue

For the Period, the Group reported revenue of approximately HK\$172.1 million (2019: approximately HK\$160.9 million), representing an increase of approximately 7.0% as compared with that for the same period of the previous year. The revenue derived from provision of civil engineering services and media and advertising business constituted approximately 80.1% and 19.9% of the Group's total revenue respectively. The slightly increase in revenue was mainly due to the net impact of (i) increase in advertising income from commencement of digital marketing business and (ii) slightly decrease in revenue in construction works due to decrease in work from certain civil engineering projects reaching the maintenance stage or nearly completion stage as well as keen competition faced by the Group in obtaining new tenders for the Period.

During the Period, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor and a jointly controlled operator. The revenue generated from undertaking in a capacity of a subcontractor and a jointly controlled operator amounted to approximately HK\$126.4 million (2019: approximately HK\$137.7 million), representing approximately 73.4% (2019: approximately 85.6%) of the total revenue for the Period. On the other hand, the aggregate revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor amounted to approximately HK\$11.5 million (2019: approximately HK\$18.4 million), representing approximately 6.7% (2019: approximately 11.4%) of the total revenue for the Period.

展望未來，本集團將於蓬勃發展的廣告行業中把握機遇，加強對廣告市場的投資，尋求開拓新客戶、業務及收入來源，為本公司股東帶來更佳回報。

### 財務回顧

### 收益

於本期間內，本集團錄得收益約172,100,000港元（二零一九年：約160,900,000港元），較去年同期增加約7.0%。來自提供土木工程服務以及媒體及廣告業務之收益，分別佔本集團總收益約80.1%及19.9%。於本期間內，收益輕微增加乃主要由於以下各項之淨影響所致：(i)開展數碼營銷業務產生之廣告收入增加及(ii)若干土木工程項目減少及達致保養階段或接近竣工階段，以及本集團於取得新標書時面對激烈競爭而輕微減少建築工程收入所致。

於本期間內，本集團收益主要來自以分包商及共同控制營運商之身份承接之土木工程合約。以分包商及共同控制營運商身份承接所產生之收益為約126,400,000港元（二零一九年：約137,700,000港元），佔本期間總收益約73.4%（二零一九年：約85.6%）。另一方面，以主承建商身份承接之土木工程合約產生總收益為約11,500,000港元（二零一九年：約18,400,000港元），佔本期間總收益約6.7%（二零一九年：約11.4%）。

With the commencement of digital marketing business of the Group during the Period, the advertising revenue derived from media and advertising business increased by approximately 6.1 times to approximately HK\$34.3 million (2019: approximately HK\$4.8 million) as compared with that for the same period of the previous year. Majority of the advertising income was derived from the digital marketing business for the Period.

### Cost of services

The Group's cost of services for the Period increased by approximately 11.0% to approximately HK\$199.4 million (2019: approximately HK\$179.7 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services, costs of media and advertising business and other direct operating costs. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Costs of media and advertising business mainly comprise of costs of television broadcasting business and costs of digital marketing business. Costs of television broadcasting business mainly comprise transmission costs, broadcasting fee and other direct costs attributable to television broadcasting business. Transmission costs comprise satellite transmission fee and carriage fee payable to satellite operators while broadcasting fee comprises annual fee payable to media broadcasting providers and China Xinhua News Network Co., Limited ("China Xinhua NNC"). Costs of digital marketing business mainly comprise of costs of usage of information contents to content providers and other direct costs. Other direct operating costs mainly comprise depreciation charges of LED display screens. The increase in cost of services was mainly due to the overall increase in staff costs, materials and subcontracting costs in respect of provision of civil engineering services business and incurrence in costs of digital marketing business as it commenced for the Period.

隨著本集團於本期間開展數碼營銷業務，來自媒體及廣告業務之廣告收益較去年同期增加約6.1倍至約34,300,000港元（二零一九年：約4,800,000港元）。於本期間內，大部分廣告收益產生自數碼營銷業務。

### 服務成本

本集團於本期間之服務成本較去年同期增加約11.0%至約199,400,000港元（二零一九年：約179,700,000港元）。本集團的服務成本主要包括建築服務成本、媒體及廣告業務成本及其他直接經營成本。建築服務成本主要包括原材料、直接勞工及分包商提供服務的分包費用。媒體及廣告業務成本主要包括電視播放業務成本及數碼營銷業務成本。電視播放業務成本主要包括傳送成本、播放費用及電視播放業務應佔其他直接成本。傳送成本包括衛星傳送費用及應付衛星營運商之傳輸費用，而播放費用則包括應付予媒體播放供應商及中國新華新聞電視網有限公司（「中國新華新聞電視網」）之年費。數碼營銷業務成本主要包括就使用資訊內容向內容供應商支付之成本及其他直接成本。其他直接經營成本主要包括LED顯示屏之折舊費用。服務成本增加主要由於本期間之有關提供土木工程服務業務之員工成本、物料及分包成本整體增加以及開展數碼營銷業務產生之成本。

## Gross loss

The gross loss of the Group for the Period increased by approximately 45.2% to approximately HK\$27.3 million (2019: approximately HK\$18.8 million) as compared with that for the same period of the previous year. The gross loss margin of the Group was amounted to approximately 15.8% for the Period (2019: approximately 11.7%). The increase in gross loss was mainly due to (i) the progress of projects with higher gross profit margin had slowed down during the Period; (ii) the decrease in gross profit margin of certain projects awarded to the Group in the recent years as a result of keen competition in the construction industry in Hong Kong; (iii) an increase in direct costs incurred from (a) general increasing construction costs; (b) unexpected complexity arising from construction works for certain construction projects of the Group during the Period and towards the completion stage and (c) delays in certain projects as a result of the outbreak of the novel coronavirus (COVID-19) epidemic.

## Other income

The Group's other income for the Period increased by approximately 16.2 times to approximately HK\$10.9 million (2019: approximately HK\$0.6 million) as compared with that for the same period of the previous year. The other income mainly consisted of interest income and government grants received regarding to novel coronavirus (COVID-19) epidemic during the Period.

## Other gains and losses

The Group's other gains and losses for the Period decreased by approximately 93.9% to approximately HK\$99,000 (2019: approximately HK\$1.6 million) as compared with that for the same period of the previous year. Other gains and losses mainly consisted of net exchange loss and reversal of allowance for expected credit losses recognised for trade receivables and contract assets for the Period.

## 毛損

本集團於本期間之毛損較去年同期增加約45.2%至約27,300,000港元(二零一九年:約18,800,000港元)。本集團於本期間之毛損率約15.8%(二零一九年:約11.7%)。毛損增加主要由於(i)毛利率較高之項目進展已於本期間放緩;(ii)由於香港建築行業競爭激烈導致於近年授予本集團之若干項目的毛利率減少;(iii)(a)整體建築成本增加;(b)本集團於本期間及接近竣工階段之若干建築項目之建築工程較預期複雜;及(c)因新型冠狀病毒(COVID-19)疫情爆發而導致若干項目延遲所產生之直接成本增加。

## 其他收入

本集團於本期間之其他收入較去年同期增加約16.2倍至約10,900,000港元(二零一九年:約600,000港元)。其他收入主要包括於本期間內利息收入及由於新型冠狀病毒(COVID-19)疫情而獲得之政府補助。

## 其他收益及虧損

本集團於本期間之其他收益及虧損較去年同期減少約93.9%至約為99,000港元(二零一九年:約1,600,000港元)。其他收益及虧損主要包括本期間內匯兌虧損淨額及就貿易應收款項及合約資產確認之預期信貸虧損撥備撥回。

## Amortisation expenses

The Group's amortisation expenses for the Period was amounted to approximately HK\$13.8 million (2019: approximately HK\$13.8 million). The amortisation expenses mainly consisted of amortisation of television broadcasting right for the television broadcasting business included in media and advertising business.

## Administrative expenses

The Group's administrative expenses for the Period increased by approximately 0.5% to approximately HK\$19.6 million (2019: approximately HK\$19.5 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses.

## Finance costs

The Group's finance costs for the Period decreased by approximately 3.9% to approximately HK\$20.2 million (2019: approximately HK\$21.0 million) as compared with that for the same period of the previous year. The finance costs mainly consist of interest expenses for the promissory note and convertible notes.

## Net Loss

The net loss of the Group for the Period decreased by approximately 9.3% to approximately HK\$65.8 million (2019: approximately HK\$72.5 million) as compared with that for the same period of the previous year. The decrease in net loss was mainly due to increase in advertising income from commencement of digital marketing business and the government grant received regarding to novel coronavirus (COVID-19) epidemic during the Period.

## Loss per Share

The basic loss per Share attributable to the owners of the Company for the Period was approximately HK1.60 cents (2019: approximately HK1.79 cents).

## 攤銷開支

本集團於本期間之攤銷開支約為13,800,000港元(二零一九年：約13,800,000港元)。攤銷開支主要包括納入媒體及廣告業務內之電視廣播業務之電視播放權之攤銷。

## 行政開支

本集團於本期間之行政開支較去年同期增加約0.5%至約19,600,000港元(二零一九年：約19,500,000港元)。行政開支主要包括法律及專業費用、員工成本(包括董事薪酬)、折舊開支以及租金開支。

## 融資成本

本集團於本期間之融資成本較去年同期減少約3.9%至約20,200,000港元(二零一九年：約21,000,000港元)。融資成本主要包括承兌票據及可換股票據之利息開支。

## 淨虧損

本期間本集團淨虧損較去年同期減少約9.3%至約65,800,000港元(二零一九年：約72,500,000港元)。淨虧損減少乃主要由於本期間開展數碼營銷業務之廣告收入增加，以及獲得針對新型冠狀病毒(COVID-19)疫情之政府補助所致。

## 每股股份虧損

本公司擁有人應佔本期間每股股份基本虧損為約1.60港仙(二零一九年：約1.79港仙)。

## PROSPECTS

The Period had been filled with much uncertainty; the unforeseen novel coronavirus (“COVID-19”) outbreak had severely disrupted the local and international economies in unprecedented ways, and its impacts on the economy in the near future are not to be undermined. It is anticipated that the coming year is a tough and challenging year to the Group, specifically the business environment in Hong Kong was adversely affected by the recent political tension in Hong Kong and the impact due to COVID-19 the outbreak. The provision of civil engineering service business will continue to provide a stable source of revenue and remains the major contributor to revenue while the Group will continue to develop the media and advertising business. With the commencement of new business of promoting digital marketing activities on overseas video platform, the Group has diversified the business spectrum and broadened the revenue base of the Group.

### Provision of civil engineering services

The COVID-19 has posed a threat to the global economy as well as to the Hong Kong construction industry. In order to prevent the spread of the COVID-19 epidemic, the Hong Kong Government has implemented various measures including social distancing policies, compulsory quarantine and border control measures. These measures have caused delays in certain civil engineering projects and have slowed down the construction progress. As anticipated, sizable tenders of civil engineering projects are scarce. The intense market competition has led to fewer number of successful tenders and quotations and lower value of contracts awarded to the Group. The Group’s gross profit margin is also under pressure from the competitive project pricing on tenders and quotations, which in turn affect the financial performance of the Group. Also, the Group has been facing increasing costs of operation, including cost of direct labour and subcontracting charges. Therefore, the construction business in Hong Kong is expected to continue to be very challenging in the coming years.

## 前景

於本期間內，不確定因素充斥；不可預見的新型冠狀病毒（「COVID-19」）疫情爆發，重挫本地及國際經濟的情況屬前所未見，其對經濟的衝擊於短期內仍然存在。預期來年對本集團而言是艱難且充滿挑戰的一年，尤其是香港的營商環境受到近期香港政治緊張局勢，以及因新型冠狀病毒(COVID-19)疫情爆發所造成的不利影響。提供土木工程服務業務將繼續提供穩定的收入來源並仍會是主要收入貢獻者，同時本集團將繼續發展媒體及廣告業務。隨著於海外視頻平台推廣數碼營銷活動的新業務開展，本集團已多元化業務範圍及擴闊本集團的收入基礎。

### 提供土木工程服務

COVID-19疫情對全球經濟以至香港建造業均構成威脅。為防止COVID-19疫情擴散，香港政府已實施多項措施，包括社交距離政策、強制檢疫及邊境管制措施。該等措施已導致若干土木工程項目延誤，並減慢施工進度。正如預期，土木工程項目的大型招標十分稀缺。市場競爭激烈致使成功競投及報價的數量減少，以及本集團獲授予的合約價值較低。本集團的毛利率亦因競投項目的定價及報價競爭而受壓，從而影響本集團的財務表現。此外，本集團一直面對經營成本（包括直接勞工成本及分包費用）不斷上升。因此，預計未來數年在香港的建築業務將繼續面臨重大挑戰。

Going forward, the Group expects the local construction market in 2020 to remain competitive and demanding. To cope with this, the Group will try its best to implement tight cost control measures on existing projects and improve the efficiency and effectiveness of project management. Up to now, the Group still intends to keep the current team structure and resources in place strategically so as to capture every opportunity for bidding for major projects when those tenders roll out. In the meantime, the Group has slightly adjusted its strategy and obtained certain projects in the Period to keep up the momentum. The Group will also proactively seek for potential business opportunities that can broaden the sources of income of the Group and enhance value to the shareholders of the Company.

### **Media and advertising business**

The COVID-19 epidemic has brought about unprecedented challenges and turmoil in the global economy. Under the current circumstances, the Group expects the media and advertising industry's prospects to remain challenging for the coming year. To tackle with the overall harsh operating environment in media industry, the Group commenced switching its focus for business related to internet and multimedia over traditional television platform. Looking ahead, the Group aims to promote brand awareness further and strengthen the variety and contents of the programmes of the Group in the future. Also, the Group will continue to integrate various resources to actively seek business opportunities that can help maintain the future development of the Group and bring better returns to the shareholders of the Company.

While it remains uncertain as to when the COVID-19 epidemic will end and the Hong Kong economy can fully recover, the Board will continue to monitor and assess the situation with respect to COVID-19, and remain committed to mitigate any adverse risk or impact COVID-19 may have on the operating and financial performance of the Group.

展望未來，本集團預期本地建築市場於二零二零年仍將競爭激烈及要求極高。為應對此情況，本集團將盡力對現有項目實施嚴格之成本控制措施，並改善項目管理之效率及成效。迄今，本集團仍擬從策略上維持現有團隊架構及既有資源，從而於招標項目推出時把握重大項目的每個投標機會。同時，本集團已於本期間輕微調整其策略，並取得若干項目以保持增長勢頭。本集團亦將積極尋求可擴闊本集團收入來源並提升本公司股東價值的潛在商機。

### **媒體及廣告業務**

COVID-19疫情為全球經濟帶來前所未有的挑戰及動盪。在目前情況下，本集團預期媒體及廣告行業之前景於來年仍將充滿挑戰。為克服媒體行業之整體困難經營環境，本集團開始將其重心由傳統電視平台轉移至互聯網及多媒體相關業務。展望未來，本集團旨在於日後進一步提升品牌知名度及加強本集團節目的種類及內容。此外，本集團將繼續整合各種資源，積極尋求有助維持本集團未來發展並為本公司股東帶來更佳回報的商機。

儘管COVID-19疫情何時結束、香港經濟能否全面復甦，當中尚有不確定因素，董事會將繼續監察及評估COVID-19的情況，並繼續致力減輕COVID-19可能對本集團營運及財務表現造成的任何不利風險或影響。

## DIVIDENDS

The Board does not recommend the payment of any dividend for the Period.

## SHARE OPTION SCHEME

A share option scheme was adopted and approved by the shareholders of the Company on 11 August 2010. The share option scheme expired on 10 August 2020. No share options have been granted pursuant to the share option scheme during the Period.

The Board has resolved to propose the adoption of a new share option scheme for the approval by the shareholders of the Company. The purpose of the new share option scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

The new share option scheme will constitute a share option scheme under Chapter 23 of the GEM Listing Rules. The Board will propose the new share option scheme for shareholders' approval at a general meeting of the Company to be convened in due course for the purposes of, among other things, seeking the approval from the shareholders of the Company for the adoption of the share option scheme and authorising the Board to grant the share options pursuant to the share option scheme and to allot and issue the shares of the Company pursuant to the exercise of the share options. At the date of this report, the new share option scheme remains subject to the obtaining of (i) the approval from the shareholders of the Company at a general meeting of the Company to be convened in due course; and (ii) the approval from the Stock Exchange for the listing and trading of any Shares to be issued under the share options that may be granted under the new share option scheme.

## 股息

董事會不建議就本期間派發任何股息。

## 購股權計劃

本公司股東已於二零一零年八月十一日採納及批准購股權計劃。購股權計劃於二零二零年八月十日屆滿。於本期間內，並無根據購股權計劃授出購股權。

董事會已決議提呈採納新購股權計劃以供本公司股東批准。新購股權計劃之目的為鼓勵或獎賞合資格人士對本集團所作出之貢獻及／或使本集團可聘請及挽留優秀僱員及吸引對本集團或任何本集團持有其任何股本權益的實體具價值之人力資源。

新購股權計劃將構成GEM上市規則第23章項下之購股權計劃。董事會將於本公司股東大會上提呈新購股權計劃以待股東批准，大會將於適當時候召開，藉以（其中包括）尋求本公司股東批准採納購股權計劃及授權董事會根據購股權計劃授出購股權及根據購股權之行使配發及發行本公司股份。於本報告日期，新購股權計劃仍須待取得(i)本公司股東於將在適當時候召開之本公司股東大會上之批准；及(ii)聯交所批准根據新購股權計劃可能授出之購股權項下將予發行之任何股份之上市及買賣。

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which 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 and short positions in which they are 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 to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

### Long position in the Shares:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note) 簡國祥先生 (「簡先生」) (附註)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

Note: Mr. Kan is the sole beneficial owner of Shunleetat (BVI) Limited ("Shunleetat"), which was interested in 69,000,000 Shares. Under the SFO, Mr. Kan is deemed to be interested in all the Shares held by Shunleetat.

Saved as disclosed above, as at 31 December 2020, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of 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 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 to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

## 董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉

於二零二零年十二月三十一日，董事及本公司主要行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

### 於股份之好倉：

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note) 簡國祥先生 (「簡先生」) (附註)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

附註：簡先生為Shunleetat (BVI) Limited（「Shunleetat」）的唯一實益擁有人，而後者擁有69,000,000股股份的權益。根據證券及期貨條例，簡先生被視為擁有Shunleetat所持全部股份的權益。

除上文所披露者外，於二零二零年十二月三十一日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

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

So far as was known to the Directors, as at 31 December 2020, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

### Long position in the Shares and underlying Shares:

Name	Number of Shares held		Number of underlying Shares under convertible notes (Note a)		Total interests	Percentage of aggregate interests to total issued share capital
	Beneficial owner	Interest in controlled corporation	Beneficial owner	Interest in controlled corporation		
名稱	實益擁有人	於受控制法團之權益	實益擁有人	於受控制法團之權益	總權益	總權益佔全部已發行股本之百分比
China Xinhua NNC	1,188,621,377 (Note b)	-	1,311,378,622 (Note b)	-	2,499,999,999	61.65%
中國新華新聞電視網	1,188,621,377 (附註b)	-	1,311,378,622 (附註b)	-	2,499,999,999	61.65%
中國新華新聞電視網有限公司 ("CNC China")	-	1,188,621,377 (Note b)	-	1,311,378,622 (Note b)	2,499,999,999	61.65%
中國新華新聞電視網有限公司 (「中國新華新聞電視網(中國)」)	-	1,188,621,377 (附註b)	-	1,311,378,622 (附註b)	2,499,999,999	61.65%

Notes:

- (a) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011, 6 January 2015, 17 January 2018 and 16 January 2019.
- (b) China Xinhua NNC is wholly and beneficially owned by CNC China. Accordingly, CNC China is deemed to be interested in the 1,188,621,377 Shares and 1,311,378,622 underlying Shares held by China Xinhua NNC under the SFO.

## 主要股東及其他人士於本公司股份及相關股份的權益及淡倉

就董事所知，於二零二零年十二月三十一日，下列人士／實體（董事及本公司主要行政人員除外）擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊的權益或淡倉，詳情如下：

### 於股份及相關股份之好倉：

Name	Number of Shares held		Number of underlying Shares under convertible notes (Note a)		Total interests	Percentage of aggregate interests to total issued share capital
	Beneficial owner	Interest in controlled corporation	Beneficial owner	Interest in controlled corporation		
名稱	實益擁有人	於受控制法團之權益	實益擁有人	於受控制法團之權益	總權益	總權益佔全部已發行股本之百分比
China Xinhua NNC	1,188,621,377 (Note b)	-	1,311,378,622 (Note b)	-	2,499,999,999	61.65%
中國新華新聞電視網	1,188,621,377 (附註b)	-	1,311,378,622 (附註b)	-	2,499,999,999	61.65%
中國新華新聞電視網有限公司 ("CNC China")	-	1,188,621,377 (Note b)	-	1,311,378,622 (Note b)	2,499,999,999	61.65%
中國新華新聞電視網有限公司 (「中國新華新聞電視網(中國)」)	-	1,188,621,377 (附註b)	-	1,311,378,622 (附註b)	2,499,999,999	61.65%

附註：

- (a) 可換股票據的詳情載於本公司日期為二零一一年十一月十九日、二零一五年一月六日、二零一八年一月十七日及二零一九年一月十六日的通函內。
- (b) 中國新華新聞電視網由中國新華新聞電視網(中國)全資及實益擁有。因此，根據證券及期貨條例，中國新華新聞電視網(中國)被視為擁有中國新華新聞電視網所持有的1,188,621,377股股份及1,311,378,622股相關股份的權益。

Saved as disclosed above, as at 31 December 2020, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this report, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire Shares or debentures of the Company or any other body corporate, or had exercised any such right during the Period.

## **PURCHASE, SALE OR REDEMPTION OF THE SHARES**

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares.

## **CONNECTED TRANSACTIONS**

During the Period, the Group entered into following continuing connected transactions:

除上文所披露者外，於二零二零年十二月三十一日，就董事所知，概無任何其他人士／實體（並非上文「董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉」一段所披露之董事或主要行政人員）擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊的權益或淡倉。

## **董事購買股份或債權證的權利**

除本報告所披露者外，於本期間內，概無董事及彼等各自的聯繫人（包括配偶及未滿18歲的子女）獲本公司或其附屬公司授出任何權利以購買本公司或任何其他法人團體的股份或債權證，亦無行使任何有關權利。

## **購買、出售或贖回股份**

於本期間內，本公司及其任何附屬公司概無購買、出售或贖回任何股份。

## **關連交易**

於本期間內，本集團訂立以下持續關連交易：

## Television Broadcasting Right Agreement

On 5 September 2011, Xinhua TV Asia-Pacific operating Co., Limited (“Xinhua TV Asia-Pacific”) entered into a television broadcasting right agreement (the “Television Broadcasting Right Agreement”) with China Xinhua NNC, pursuant to which China Xinhua NNC granted the television broadcasting right in respect of broadcasting information contents from Xinhua News Agency under the CNC Channels on television channels in the Asia-Pacific region (excluding the PRC) to the Group for an annual fee of approximately HK\$1.0 million prior to 31 December 2016 and approximately HK\$3.0 million with effective from 1 January 2017. The Television Broadcasting Right Agreement has a term of 120 months from 1 September 2011 to 31 August 2021. Since China Xinhua NNC is a substantial shareholder of the Company, and therefore a connected person of the Company within the meaning of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement constitute continuing connected transactions for the Company pursuant to Chapter 20 of the GEM Listing Rules.

### GEM Listing Rules Implications

Pursuant to Rule 20.41 of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement are subject to the applicable reporting, annual review and disclosure requirements under Chapter 20 of the GEM Listing Rules. The Company will comply with the applicable reporting, disclosure and independent shareholders’ approval requirements, as the case may be, under Chapter 20 of the GEM Listing Rules upon any variation or renewal of the Television Broadcasting Right Agreement.

Save as disclosed above, none of the Directors, controlling shareholders and their respective associates has any other conflict of interests with the Group during the Period.

## 電視播放權協議

於二零一一年九月五日，新華電視亞太台運營有限公司（「新華電視亞太台」）與中國新華新聞電視網訂立一份電視播放權協議（「電視播放權協議」），據此，中國新華新聞電視網向本集團授出於亞太地區（不包括中國）之電視頻道播放新華社之CNC頻道下之資訊內容之電視播放權，於二零一六年十二月三十一日前之年費約為1,000,000港元及自二零一七年一月一日起之年費約為3,000,000港元。電視播放權協議為期120個月，自二零一一年九月一日起至二零二一年八月三十一日止。由於中國新華新聞電視網為本公司之主要股東，故為本公司之關連人士（定義見GEM上市規則）。因此，根據GEM上市規則第20章，電視播放權協議項下擬進行之交易構成本公司之持續關連交易。

### GEM上市規則的涵義

根據GEM上市規則第20.41條，電視播放權協議項下擬進行之交易須受到GEM上市規則第20章項下適用的申報、年度審閱及披露規定規管。於電視播放權協議作出任何修改或更新後，本公司將遵守GEM上市規則第20章項下適用的申報、披露及獨立股東批准之規定（視乎情況而定）。

除上文所披露者外，於本期間內，董事、控股股東及彼等各自的聯繫人概無與本集團有任何其他利益衝突。

## CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review. The Company was not aware of any non-compliance in this respect during the Period.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period, except paragraphs A.1.8, A.5.1 and A.6.7 of the Code. This report further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the Period.

## 董事進行證券交易之行為守則

本公司按與GEM上市規則第5.48至5.67條所載交易必守標準相同的條款採納董事進行證券交易之行為守則。本公司定期向董事發出通知，提醒彼等於刊發財務業績公佈前之禁制期內買賣本公司上市證券之一般禁制規定。經向董事作出特定查詢後，本公司確認，全體董事於整個回顧期間一直遵守交易必守標準。據本公司所知，於本期間內並無任何違規事宜。

## 企業管治常規守則

本公司一直致力維持高水平之企業管治，務求保障股東利益及提高本集團之表現。本公司已應用GEM上市規則附錄15所載之企業管治常規守則（「守則」）之原則及守則條文。董事會認為，除守則第A.1.8、A.5.1及A.6.7段之規定外，本公司於本期間內一直遵守守則。本報告進一步詳細說明守則如何獲應用，包括於整個期間內任何偏離情況之理由。

Following the retirement of Mr. Fan Chun Wah, Andrew, JP (“Mr. Fan”) as an independent non-executive Director, Mr. Fan ceased to be the chairman and a member of the risk management committee of the Company (the “Risk Management Committee”), a member of the nomination committee of the Company (the “Nomination Committee”) and a member of the remuneration committee of the Company, all with effect from the conclusion of the annual general meeting held on 11 August 2020. Accordingly, (i) there will be a vacancy for chairman of the Risk Management Committee as required under the terms of reference of the Risk Management Committee; and (ii) the Nomination Committee comprises three executive Directors and three independent non-executive Directors and accordingly, the Company no longer fulfils the requirement of establishing a nomination committee comprising a majority of independent non-executive directors under paragraph A.5.1 of the Code as set out in Appendix 15 to the GEM Listing Rules. As such, the Company will actively look for a suitable candidate to fill the vacancy as soon as practicable, and will make further announcement(s) as and when appropriate.

Pursuant to code provision A.1.8 of the Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Such directors’ liability insurance will be reviewed and renewed annually. Upon the expiry of existing insurance cover on 30 August 2020, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors as it took time for the Company to solicit a suitable insurer at reasonable commercial terms and conditions.

Paragraph A.6.7 of the Code requires that independent non-executive directors and non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive Director, namely Ms. Tang Li, did not attend the annual general meeting of the Company held on 11 August 2020 due to overseas commitment and pre-arranged business engagements. Other Board members, the chairmen of the relevant Board committees and the external auditor of the Company also attended the annual general meeting to inter-face with, and answer questions from the Shareholders.

於范駿華先生，太平紳士（「范先生」）退任獨立非執行董事後，范先生不再擔任本公司風險管理委員會（「風險管理委員會」）主席兼成員、本公司提名委員會（「提名委員會」）成員及本公司薪酬委員會成員，均於二零二零年八月十一日舉行之股東週年大會結束時生效。因此，(i)風險管理委員會之職權範圍所規定之風險管理委員會主席將出現空缺；及(ii)提名委員會由三名執行董事及三名獨立非執行董事所組成，因此，本公司已不再符合GEM上市規則附錄十五所載之守則第A.5.1段項下之提名委員會由大多數獨立非執行董事組成之要求。因此，本公司將積極尋求合適人選以於實際可行情況下盡快填補空缺，並將於適當時候作進一步公佈。

根據守則的守則條文第A.1.8條，本公司應就其董事可能會面對的法律行動作適當的投保安排。有關董事責任保險將每年檢討及續保。於現有保險保障於二零二零年八月三十日屆滿後，由於本公司需要時間按合理商業條款及條件招攬合適的保險公司，故本公司並無就針對其董事的法律行動安排適當保險保障。

守則第A.6.7段規定，獨立非執行董事及非執行董事應出席股東大會，對股東之意見有公正之了解。一位非執行董事（即唐麗女士）因海外事務及預先事務安排未有出席本公司於二零二零年八月十一日舉行之股東週年大會。其他董事會成員、相關董事委員會主席及本公司外部核數師亦有出席股東週年大會以正面回答股東提問。

## AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 11 August 2010 with terms of reference in compliance with paragraph C.3.3 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the quarterly, interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

As at 31 December 2020, the members of the Audit Committee were Mr. Wong Chung Yip, Kenneth, Ms. Tang Li, Mr. Law Cheuk Hung, Mr. Wu Guo Ming and Mr. Wan Chi Keung, Aaron, *BBS, JP*. Mr. Wong Chung Yip, Kenneth was the chairman of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board  
**CNC Holdings Limited**  
**Li Yong Sheng**  
*Vice Chairman & CEO*

Hong Kong, 8 February 2021

*As at the date of this report, the Directors are Dr. Jiang Yan<sup>1</sup> (Chairman), Dr. Li Yong Sheng<sup>1</sup> (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong<sup>1</sup>, Mr. Kan Kwok Cheung<sup>1</sup>, Ms. Tang Li<sup>2</sup>, Mr. Law Cheuk Hung<sup>2</sup>, Mr. Wu Guo Ming<sup>3</sup>, Mr. Wan Chi Keung, Aaron, *BBS, JP*<sup>3</sup> and Mr. Wong Chung Yip, Kenneth<sup>3</sup>.*

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent non-executive Director

## 審核委員會

本公司於二零一零年八月十一日成立審核委員會（「審核委員會」），其職權範圍符合守則第C.3.3段所載規定。審核委員會的主要職責為（其中包括）審閱及監督本集團的財務申報程序、內部監控制度及整體風險管理，審閱本集團的財務報表及季度報告、中期報告及年報，以及審閱外部核數師的聘用條款及審核工作範圍。

於二零二零年十二月三十一日，審核委員會的成員包括王忠業先生、唐麗女士、羅焯雄先生、吳國銘先生及尹志強先生，*銅紫荊星章，太平紳士*。王忠業先生為審核委員會主席。審核委員會已審閱本集團於本期間之未經審核簡明綜合業績，並認為該等業績的編製符合適用會計準則並已作出充分披露。

承董事會命  
**中國新華電視控股有限公司**  
*副主席兼行政總裁*  
**李永升**

香港，二零二一年二月八日

於本報告日期，董事為姜岩博士<sup>1</sup>（主席）、李永升博士<sup>1</sup>（副主席兼行政總裁）、劉大勇先生<sup>1</sup>、簡國祥先生<sup>1</sup>、唐麗女士<sup>2</sup>、羅焯雄先生<sup>2</sup>、吳國銘先生<sup>3</sup>、尹志強先生，*銅紫荊星章，太平紳士*<sup>3</sup>及王忠業先生<sup>3</sup>。

<sup>1</sup> 執行董事

<sup>2</sup> 非執行董事

<sup>3</sup> 獨立非執行董事



**CNC HOLDINGS LIMITED**

中國新華電視控股有限公司