

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

INTERIM REPORT
2021/2022
中期報告



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

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 six months ended 30 September 2021 increased by approximately 5.6% to approximately HK\$121.6 million (2020: approximately HK\$115.1 million).
- Loss of the Group for the six months ended 30 September 2021 decreased by approximately 13.1% to approximately HK\$37.0 million (2020: approximately HK\$42.5 million).
- Basic loss per Share attributable to the owners of the Company for the six months ended 30 September 2021 was approximately HK0.90 cent (2020: approximately HK1.04 cents).
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2021.

摘要

- 本集團截至二零二一年九月三十日止六個月的收益增加約5.6%至約121,600,000港元(二零二零年:約115,100,000港元)。
- 截至二零二一年九月三十日止六個月的本集團虧損減少約13.1%至約37,000,000港元(二零二零年:約42,500,000港元)。
- 截至二零二一年九月三十日止六個月的本公司擁有人應佔每股基本虧損為約0.90港仙(二零二零年:約1.04港仙)。
- 董事會不建議就截至二零二一年九月三十日止六個月派付任何股息。

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 six months ended 30 September 2021, together with the unaudited comparative figures for the corresponding periods in 2020, as follows:

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零二一年九月三十日止六個月之未經審核簡明綜合業績連同二零二零年同期之未經審核比較數字如下：

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

簡明綜合損益及其他全面收益表(未經審核)

For the three months and six months ended 30 September 2021

截至二零二一年九月三十日止三個月及六個月

| | | Notes 附註 | Six months ended 30 September 截至九月三十日止 六個月 | | Three months ended 30 September 截至九月三十日止 三個月 | |
|---|---------------------------|-------------|---|----------------------------------|---|----------------------------------|
| | | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Revenue | 收益 | 4 | 121,578 | 115,112 | 68,608 | 57,986 |
| Cost of services | 服務成本 | | (136,553) | (129,485) | (75,588) | (66,099) |
| Gross loss | 毛損 | | (14,975) | (14,373) | (6,980) | (8,113) |
| Other income | 其他收入 | 5 | 839 | 6,376 | 580 | 5,512 |
| Other (losses)/gains, net | 其他(虧損)/收益淨額 | 6 | (1,157) | 169 | (1,287) | (155) |
| Amortisation of intangible assets | 無形資產攤銷 | | - | (9,183) | - | (4,616) |
| Selling and distribution expenses | 銷售及分銷開支 | | (385) | (385) | (192) | (192) |
| Administrative expenses | 行政開支 | | (7,895) | (14,306) | (3,750) | (6,092) |
| 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 | | 3,575 | 118 | - | 212 |
| Loss from operations | 營運虧損 | 8 | (19,998) | (31,584) | (11,629) | (13,444) |
| Finance costs | 融資成本 | 10 | (14,472) | (14,153) | (7,271) | (6,812) |
| Loss before income tax | 除所得稅前虧損 | | (34,470) | (45,737) | (18,900) | (20,256) |
| Income tax | 所得稅 | 11 | (2,491) | 3,225 | (1,904) | 1,833 |
| Loss for the period | 期內虧損 | | (36,961) | (42,512) | (20,804) | (18,423) |

| | | Six months ended 30 September 截至九月三十日止 六個月 | | Three months ended 30 September 截至九月三十日止 三個月 | |
|--|-------------------------------|---|----------------------------------|---|----------------------------------|
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| | | Notes 附註 | | | |
| Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss:</i> | 其他全面收益： 其後可重新分類至損益的 項目： | | | | |
| Exchange differences on translating foreign operations | 換算境外業務之匯兌差額 | | | | |
| | | 9 | 220 | 13 | 180 |
| Other comprehensive income for the period, net of tax | 期內其他全面收益， 扣除稅項 | 9 | 220 | 13 | 180 |
| Total comprehensive loss for the period | 期內全面虧損總額 | (36,952) | (42,292) | (20,791) | (18,243) |
| Loss for the period attributable to: | 以下人士應佔期內虧損： | | | | |
| Owners of the Company | 本公司擁有人 | (36,388) | (42,085) | (20,442) | (18,238) |
| Non-controlling interests of the Company | 本公司非控股權益 | (573) | (427) | (362) | (185) |
| | | (36,961) | (42,512) | (20,804) | (18,423) |
| Total comprehensive loss for the period attributable to: | 以下人士應佔期內全面虧損 總額： | | | | |
| Owners of the Company | 本公司擁有人 | (36,379) | (41,865) | (20,429) | (18,058) |
| Non-controlling interests of the Company | 本公司非控股權益 | (573) | (427) | (362) | (185) |
| | | (36,952) | (42,292) | (20,791) | (18,243) |
| 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虧損 – 基本及攤薄 (港仙) | (0.90) | (1.04) | (0.50) | (0.45) |

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 30 September 2021 於二零二一年九月三十日

| | | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|-------------|-----------------|--|--|
| | Notes 附註 | | | |
| Non-current assets | | 非流動資產 | | |
| Property, plant and equipment | 14 | 物業、廠房及設備 | 22,117 | 23,138 |
| Right-of-use assets | | 使用權資產 | - | 1,106 |
| Intangible assets | 15 | 無形資產 | - | - |
| | | | <u>22,117</u> | <u>24,244</u> |
| Current assets | | 流動資產 | | |
| Trade and other receivables | 16 | 貿易及其他應收款項 | 97,275 | 68,716 |
| Contract assets | | 合約資產 | 15,706 | 10,408 |
| Financial assets at fair value through profit or loss | | 透過損益按公平值入賬之金融資產 | - | 4,800 |
| Cash and cash equivalents | | 現金及現金等價物 | 45,043 | 66,743 |
| | | | <u>158,024</u> | <u>150,667</u> |
| Total assets | | 總資產 | <u>180,141</u> | <u>174,911</u> |
| Current liabilities | | 流動負債 | | |
| Trade and other payables | 17 | 貿易及其他應付款項 | 172,869 | 150,018 |
| Contract liabilities | | 合約負債 | 16,733 | 62,613 |
| Lease liabilities | | 租賃負債 | 638 | 3,371 |
| Promissory note | 18 | 承兌票據 | 44,767 | - |
| Convertible notes | 19 | 可換股票據 | 253,308 | 243,605 |
| Employee benefits | | 僱員福利 | 5,638 | 5,638 |
| Tax payable | | 應付稅項 | 3,020 | 1,060 |
| | | | <u>496,973</u> | <u>466,305</u> |
| Net current liabilities | | 流動負債淨額 | <u>(338,949)</u> | <u>(315,638)</u> |
| Total assets less current liabilities | | 總資產減流動負債 | <u>(316,832)</u> | <u>(291,394)</u> |

| | | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--------------------------------|--------------|--------------------|---|--|
| | | <i>Notes</i> 附註 | | |
| Non-current liabilities | 非流動負債 | | | |
| Contract liabilities | 合約負債 | | 60,676 | – |
| Interest payables | 應付利息 | 17 | – | 4,920 |
| Lease liabilities | 租賃負債 | | – | 189 |
| Promissory note | 承兌票據 | 18 | – | 44,584 |
| Deferred tax liabilities | 遞延稅項負債 | | 2,637 | 2,106 |
| | | | 63,313 | 51,799 |
| Total liabilities | 總負債 | | 560,286 | 518,104 |
| Net liabilities | 負債淨額 | | (380,145) | (343,193) |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 20 | 4,055 | 4,055 |
| Reserves | 儲備 | | (385,538) | (349,159) |
| | | | (381,483) | (345,104) |
| Non-controlling interests | 非控股權益 | | 1,338 | 1,911 |
| Total Equity | 總權益 | | (380,145) | (343,193) |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) 簡明綜合權益變動表 (未經審核)

For the six months ended 30 September 2021 截至二零二一年九月三十日止六個月

| | | Share capital 股本 HK\$'000 千港元 | Share Premium* 股份溢價* HK\$'000 千港元 | Capital reserves* 資本儲備* HK\$'000 千港元 | Convertible notes equity reserves* 可換股票據權益儲備* HK\$'000 千港元 | Foreign currency translation reserves* 外幣換算儲備* HK\$'000 千港元 | Other reserves* 其他儲備* HK\$'000 千港元 | Accumulated losses* 累計虧損* HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Non-controlling interests 非控股權益 HK\$'000 千港元 | Total equity 總權益 HK\$'000 千港元 |
|--|-----------------------------|--|--|---|---|--|---|---|--------------------------------|---|--|
| As at 1 April 2021 | 於二零二一年四月一日 | 4,055 | 1,238,195 | 2,758 | 14,400 | (1,720) | 41,214 | (1,644,006) | (345,104) | 1,911 | (343,193) |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (36,388) | (36,388) | (573) | (36,961) |
| Other comprehensive income for the period: Items that may be reclassified subsequently to profit or loss: | 期內其他全面收益： 其後可重新分類至損益的項目： | | | | | | | | | | |
| Exchange differences on translating foreign operations | 換算境外業務之匯兌差額 | - | - | - | - | 9 | - | - | 9 | - | 9 |
| Total comprehensive income(loss) for the period | 期內全面收益/(虧損)總額 | - | - | - | - | 9 | - | (36,388) | (36,379) | (573) | (36,952) |
| As at 30 September 2021 (unaudited) | 於二零二一年九月三十日 (未經審核) | 4,055 | 1,238,195 | 2,758 | 14,400 | (1,711) | 41,214 | (1,680,394) | (381,483) | 1,338 | (380,145) |
| As at 1 April 2020 | 於二零二零年四月一日 | 4,055 | 1,238,195 | 2,758 | 14,400 | (2,751) | 41,214 | (1,569,839) | (271,968) | - | (271,968) |
| Loss for the period | 期內虧損 | - | - | - | - | - | - | (42,085) | (42,085) | (427) | (42,512) |
| Other comprehensive income for the period: Items that may be reclassified subsequently to profit or loss: | 期內其他全面收益： 其後可重新分類至損益的項目： | | | | | | | | | | |
| Exchange differences on translating foreign operations | 換算境外業務之匯兌差額 | - | - | - | - | 220 | - | - | 220 | - | 220 |
| Total comprehensive income(loss) for the period | 期內全面收益/(虧損)總額 | - | - | - | - | 220 | - | (42,085) | (41,865) | (427) | (42,292) |
| Changes in ownership interest of subsidiaries | 附屬公司所有權權益變動 | - | - | - | - | - | - | (1,222) | (1,222) | 2,718 | 1,496 |
| As at 30 September 2020 (unaudited) | 於二零二零年九月三十日 (未經審核) | 4,055 | 1,238,195 | 2,758 | 14,400 | (2,531) | 41,214 | (1,613,146) | (315,055) | 2,291 | (312,764) |

* The aggregate amount of these balances of approximately HK\$385,538,000 in deficit (31 March 2021: approximately HK\$349,159,000) is included as reserves in the condensed consolidated statement of financial position.

* 該等結餘款額合共虧絀約385,538,000港元(二零二一年三月三十一日：約349,159,000港元)已計入簡明綜合財務狀況表內作為儲備。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) 簡明綜合現金流量表（未經審核）

For the six months ended 30 September 2021 截至二零二一年九月三十日止六個月

| | | Six months ended 30 September 截至九月三十日止 六個月 | |
|---|-----------------|---|----------------------------------|
| | | 2021 二零二一年 HK\$'000 千港元 | 2020 二零二零年 HK\$'000 千港元 |
| Net cash used in operating activities | 經營活動所用現金淨額 | (23,656) | (16,201) |
| Investing activities | 投資活動 | | |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (4,105) | (3,534) |
| Other cash flows generated from investing activities | 投資活動產生之其他現金流量 | 9,018 | 751 |
| Net cash generated from/(used in) investing activities | 投資活動所得／(所用)現金淨額 | 4,913 | (2,783) |
| Net cash used in financing activities | 融資活動所用現金淨額 | (2,965) | (2,592) |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | (21,708) | (21,576) |
| Cash and cash equivalents at the beginning of the period | 期初現金及現金等價物 | 66,743 | 91,196 |
| Effects of foreign exchange rate changes | 匯率變動之影響 | 8 | (98) |
| Cash and cash equivalents at the end of the period | 期末現金及現金等價物 | 45,043 | 69,522 |
| Analysis of cash and cash equivalents | 現金及現金等價物分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 45,043 | 69,522 |

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

For the six months ended 30 September 2021 截至二零二一年九月三十日止六個月

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 Flat 314, 3/F., Fuk Shing Commercial Building, 28 On Lok Mun Street, Fanling, New Territories 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 activities of the Company are 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 interim financial statements for the six months ended 30 September 2021 (the "Interim Financial Statements") have been prepared in accordance with the Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting", other relevant Hong Kong Accounting Standards, Interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and 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及新界粉嶺安樂門街28號福成商業大廈3樓314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

截至二零二一年九月三十日止六個月之未經審核簡明綜合中期財務報表（「中期財務報表」）乃根據香港會計師公會（「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」、其他相關香港會計準則、詮釋及香港財務報告準則（「香港財務報告準則」）以及GEM上市規則之披露規定編製。

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 Interim Financial Statements are consistent with those used in the annual report for the year ended 31 March 2021, except for those related to new standards and interpretations effective for the first time periods beginning on 1 April 2021 and expected to be reflected in the forthcoming annual financial statements.

The Interim 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 Interim 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\$36,961,000 during the six months ended 30 September 2021 and, as of that date, the Group had unaudited net current liabilities and unaudited net liabilities of approximately HK\$338,949,000 and HK\$380,145,000 respectively; and
- The Group had promissory note in principal amount of approximately HK\$45,040,000 which is due within the next twelve months after 30 September 2021; and

2. 呈列基準及主要會計政策 (續)

(b) 編製基準

編製中期財務報表所用之會計政策及計算方式與截至二零二一年三月三十一日止年度之年度報告所採納者一致，惟有關於二零二一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。

中期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

於編製中期財務報表時，董事已審慎考慮本集團之未來流動性，儘管：

- 截至二零二一年九月三十日止六個月，本集團產生未經審核淨虧損約36,961,000港元，及截至該日，本集團分別錄得未經審核流動負債淨額約338,949,000港元及未經審核負債淨額約380,145,000港元；及
- 本集團之本金額約為45,040,000港元之承兌票據將於二零二一年九月三十日後未來十二個月內到期；及

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

(c) Going Concern (Continued)

- The Group had convertible notes in principal amount of approximately HK\$257,030,000 which is due within the next twelve months after 30 September 2021.

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

(1) Financial support

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 30 September 2021, 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\$62,670,000 as of 30 September 2021; and (3) the liabilities due to China Xinhua NNC of approximately HK\$24,587,000 as of 30 September 2021 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)

- 本集團之本金額約為257,030,000港元之可換股票據於二零二一年九月三十日後未來十二個月內到期。

董事於編製中期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：

(1) 財務支持

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二零二一年九月三十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)截至二零二一年九月三十日之可換股票據之應付利息為約62,670,000港元；及(3)截至二零二一年九月三十日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24,587,000港元。

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

(c) Going Concern (Continued)

- (2) The Group is actively considering raising new capital by carrying out fund raising activities including but not limited to rights issue, open offer and placing of new shares.
- (3) The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operations.

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 Interim Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 Interim Financial Statements.

2. 呈列基準及主要會計政策 (續)

(c) 持續經營 (續)

- (2) 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。
- (3) 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。

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中期財務報表屬合適。

倘本集團未能繼續按持續基準營運，其可能無法於正常業務過程中變現其資產及履行其債務，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列為流動資產及負債。該等調整之影響並未於中期財務報表中反映。

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:

| | |
|---|--|
| Amendments to HKFRS 16 | COVID-19-Related Rent Concessions |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |

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 Interim Financial Statements and/or disclosures set out in Interim Financial Statements.

4. REVENUE

Revenue recognised during the three months and six months ended 30 September 2021 and 30 September 2020 were as follows:

| | |
|------------------------------|---------|
| Construction works | 建築工程 |
| Advertising income | 廣告收入 |
| Revenue recognised over time | 隨時間確認收益 |

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16號（修訂本） | 與COVID-19相關的租金減免 |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號（修訂本） | 利率基準改革－第二階段 |

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中期財務報表所呈報之金額及／或中期財務報表所載之披露並無產生重大影響。

4. 收益

截至二零二一年九月三十日及二零二零年九月三十日止三個月及六個月確認之收益如下：

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|------------------------------|---------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Construction works | 建築工程 | 121,578 | 86,262 | 68,608 | 41,824 |
| Advertising income | 廣告收入 | — | 28,850 | — | 16,162 |
| Revenue recognised over time | 隨時間確認收益 | <u>121,578</u> | <u>115,112</u> | <u>68,608</u> | <u>57,986</u> |

5. OTHER INCOME

Other income recognised during the three months and six months ended 30 September 2021 and 30 September 2020 were as follows:

5. 其他收入

截至二零二一年九月三十日及二零二零年九月三十日止三個月及六個月確認之其他收入如下：

| | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|----------------------|---|---|---|---|
| | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Interest income | 41 | 294 | 23 | 105 |
| Dividend income | – | 305 | – | 305 |
| Government subsidies | – | 4,846 | – | 4,846 |
| Sundry income | 798 | 931 | 557 | 256 |
| | 839 | 6,376 | 580 | 5,512 |

6. OTHER (LOSSES)/GAINS, NET

Other (losses)/gains, net recognised during the three months and six months ended 30 September 2021 and 30 September 2020 were as follows:

6. 其他(虧損)/收益淨額

截至二零二一年九月三十日及二零二零年九月三十日止三個月及六個月確認之其他(虧損)/收益淨額如下:

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|--|---------------------------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Exchange gain/(loss), net | 匯兌收益/(虧損) 淨額 | 1 | (200) | - | (148) |
| Net gains/(losses) on disposal of property, plant and equipment | 出售物業、廠房及設備之收益/(虧損)淨額 | 364 | (24) | 143 | (25) |
| (Allowance for)/reversal of expected credit losses recognised for trade receivables, net | 就貿易應收款項確認之預期信貸虧損(撥備)/撥回淨額 | (1,250) | 336 | (1,221) | (33) |
| (Allowance for)/reversal of expected credit losses recognised for contract assets, net | 就合約資產確認之預期信貸虧損(撥備)/撥回淨額 | (252) | 57 | (159) | 51 |
| Allowance for expected credit losses recognised for other receivables, net | 就其他應收款項確認之預期信貸虧損撥備淨額 | (20) | - | (50) | - |
| | | (1,157) | 169 | (1,287) | (155) |

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 ("CODM") in order to allocate resources to the segments and assess their performance.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

- (i) Provision of civil engineering services – provision of waterworks engineering services, road works and 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

本集團之分部資料乃根據執行董事（即主要營運決策者（「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。

具體而言，本集團根據香港財務報告準則第8號可呈報分部如下：

- (i) 提供土木工程服務—為香港公營部門提供水務工程服務、道路工程及渠務服務，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 results by reportable segment.

For the six months ended 30 September 2021

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。

截至二零二一年九月三十日止六個月

| | | 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 | 121,578 | - | 121,578 |
| Reportable segment results | 可呈報分部業績 | (20,126) | (1,148) | (21,274) |
| Unallocated corporate income | 未分配企業收入 | | | 3,615 |
| Unallocated corporate expenses | 未分配企業開支 | | | (2,339) |
| Finance costs | 融資成本 | | | (14,472) |
| Loss before income tax | 除所得稅前虧損 | | | (34,470) |

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 September 2020

| | | 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 | 86,262 | 28,850 | 115,112 |
| Reportable segment results | 可呈報分部業績 | (20,580) | (7,602) | (28,182) |
| Unallocated corporate income | 未分配企業收入 | | | 716 |
| Unallocated corporate expenses | 未分配企業開支 | | | (4,118) |
| Finance costs | 融資成本 | | | (14,153) |
| Loss before income tax | 除所得稅前虧損 | | | (45,737) |

There were no inter-segment sales for the six months ended 30 September 2021 and 30 September 2020.

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

7. 分部資料 (續)

分部收益及業績 (續)

截至二零二零年九月三十日止六個月

| | | 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 | 86,262 | 28,850 | 115,112 |
| Reportable segment results | 可呈報分部業績 | (20,580) | (7,602) | (28,182) |
| Unallocated corporate income | 未分配企業收入 | | | 716 |
| Unallocated corporate expenses | 未分配企業開支 | | | (4,118) |
| Finance costs | 融資成本 | | | (14,153) |
| Loss before income tax | 除所得稅前虧損 | | | (45,737) |

截至二零二一年九月三十日及二零二零年九月三十日止六個月概無分部間銷售。

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開支所賺取的溢利／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。

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

As at 30 September 2021 (Unaudited)

| | |
|---------------------------------|-------------|
| Segment assets | 分部資產 |
| Unallocated | 未分配 |
| Consolidated assets | 綜合資產 |
| Segment liabilities | 分部負債 |
| Unallocated | 未分配 |
| Consolidated liabilities | 綜合負債 |

7. 分部資料 (續)

分部資產及負債

本集團按可呈報及營運分部劃分的資產及負債分析如下：

於二零二一年九月三十日 (未經審核)

| Provision of civil engineering services 提供土木 工程服務 HK\$'000 千港元 | Media and advertising business 媒體及 廣告業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--|--------------------------------|
| 133,122 | 1,134 | 134,256 |
| | | <u>45,885</u> |
| | | 180,141 |
| 149,154 | 33,632 | 182,786 |
| | | <u>377,500</u> |
| | | 560,286 |

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

As at 31 March 2021 (Audited)

| | | Provision of civil engineering services 提供土木 工程服務 HK\$'000 千港元 | Media and advertising business 媒體及 廣告業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---------------------------------|-------------|---|--|--------------------------------|
| Segment assets | 分部資產 | 100,752 | 1,651 | 102,403 |
| Unallocated | 未分配 | | | 72,508 |
| Consolidated assets | 綜合資產 | | | 174,911 |
| Segment liabilities | 分部負債 | 122,801 | 33,232 | 156,033 |
| Unallocated | 未分配 | | | 362,071 |
| Consolidated liabilities | 綜合負債 | | | 518,104 |

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

- all assets are allocated to operating segments other than financial assets at fair value through profit or loss, cash and cash equivalents and corporate assets. Intangible assets is allocated to segment of television broadcasting business; and
- all liabilities are allocated to operating segments other than convertible notes, current and deferred tax liabilities, promissory note and corporate liabilities.

7. 分部資料 (續)

分部資產及負債 (續)

於二零二一年三月三十一日 (經審核)

| | | Provision of civil engineering services 提供土木 工程服務 HK\$'000 千港元 | Media and advertising business 媒體及 廣告業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---------------------------------|-------------|---|--|--------------------------------|
| Segment assets | 分部資產 | 100,752 | 1,651 | 102,403 |
| Unallocated | 未分配 | | | 72,508 |
| Consolidated assets | 綜合資產 | | | 174,911 |
| Segment liabilities | 分部負債 | 122,801 | 33,232 | 156,033 |
| Unallocated | 未分配 | | | 362,071 |
| Consolidated liabilities | 綜合負債 | | | 518,104 |

為監察分部表現及於分部間作資源分配：

- 除透過損益按公平值入賬之金融資產、現金及現金等價物及企業資產外，所有資產均分配至營運分部。無形資產分配至電視播放業務分部；及
- 除可換股票據、當期及遞延稅項負債、承兌票據及企業負債外，所有負債均分配至營運分部。

7. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from major customers during the six months ended 30 September 2021 and 30 September 2020 were as follows:

| | |
|--------------------------------|------------------|
| Customer A (note (i)) | 客戶甲 (附註(i)) |
| Customer B (note (i)) | 客戶乙 (附註(i)) |
| Customer C (note (i) and (ii)) | 客戶丙 (附註(i)及(ii)) |
| Customer D (note (i) and (ii)) | 客戶丁 (附註(i)及(ii)) |
| Customer E (note (iii)) | 客戶戊 (附註(iii)) |

Note:

- (i) Revenue from provision of civil engineering services.
- (ii) No information was disclosed as the corresponding revenue did not contribute over 10% of the Group's revenue for the six months ended 30 September 2020.
- (iii) Revenue from media and advertising business.

7. 分部資料 (續)

有關主要客戶之資料

截至二零二一年九月三十日及二零二零年九月三十日止六個月，來自主要客戶之收益如下：

Six months ended 30 September 截至九月三十日止六個月

| 2021 二零二一年 (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 |
|---|---|
| 29,811 | 42,869 |
| 22,727 | 39,550 |
| 38,129 | — |
| 19,218 | — |
| — | 26,983 |
| 109,885 | 109,402 |

附註：

- (i) 提供土木工程服務之收益。
- (ii) 由於相關收益並無佔本集團截至二零二零年九月三十日止六個月之收益10%以上，故並無披露有關資料。
- (iii) 媒體及廣告業務之收益。

8. LOSS FROM OPERATIONS

8. 營運虧損

Loss from operations is arrived at after charging the following:

營運虧損乃經扣除以下各項後計算得出：

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|---|------------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Amortisation of intangible assets | 無形資產攤銷 | - | 9,183 | - | 4,616 |
| Contract costs recognised as expense | 確認為開支之合約成本 | 136,553 | 104,755 | 75,588 | 51,290 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 5,940 | 7,682 | 2,930 | 3,899 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 46 | 2,786 | 6 | 1,307 |
| Staff costs (note 9) | 員工成本 (附註9) | 41,352 | 40,617 | 20,697 | 20,727 |

9. STAFF COSTS

9. 員工成本

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|---|-----------------------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Staff costs (including Directors' remuneration) comprise: | 員工成本 (包括董事 薪酬) 包括： | | | | |
| Wages, salaries and other benefits | 工資、薪金及 其他福利 | 40,437 | 40,070 | 20,122 | 20,120 |
| Contribution to defined contribution retirement plan | 定額供款退休計劃 供款 | 915 | 547 | 575 | 607 |
| | | 41,352 | 40,617 | 20,697 | 20,727 |

10. FINANCE COSTS

10. 融資成本

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|-------------------|----------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Interests on: | 以下各項之利息： | | | | |
| Lease liabilities | 租賃負債 | 43 | 108 | 16 | 49 |
| Promissory note | 承兌票據 | 860 | 719 | 433 | - |
| Convertible notes | 可換股票據 | 13,569 | 13,326 | 6,822 | 6,763 |
| | | 14,472 | 14,153 | 7,271 | 6,812 |

11. INCOME TAX

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

11. 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：

| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
|--|------------------|---|---|---|---|
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| Current tax – Hong Kong profits tax | 當期稅項—香港利得稅 | | | | |
| – Provision for the period | —本期間撥備 | 1,977 | 208 | 1,500 | 109 |
| – (over)/under-provision in respect of prior years | —過往年度(超額撥備)／撥備不足 | (17) | (384) | 9 | 18 |
| | | 1,960 | (176) | 1,509 | 127 |
| Current tax – PRC Enterprise Income tax | 當期稅項—中國企業所得稅 | | | | |
| – Provision for the period | —本期間撥備 | – | – | – | – |
| | | 1,960 | (176) | 1,509 | 127 |
| Deferred tax | 遞延稅項 | | | | |
| – Provision for the period | —本期間撥備 | 531 | (3,049) | 395 | (1,960) |
| Income tax charged/(credit) | 所得稅開支／(抵免) | 2,491 | (3,225) | 1,904 | (1,833) |

11. INCOME TAX (Continued)

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 six months ended 30 September 2021 and 30 September 2020.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “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 had no assessable profits arising in the PRC during each of three months and six months ended 30 September 2021 and 30 September 2020.

12. DIVIDENDS

The Board does not recommend the payment of any dividend for each of the three months and six months ended 30 September 2021 respectively (2020: nil).

11. 所得稅 (續)

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。截至二零二一年九月三十日及二零二零年九月三十日止三個月及六個月，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。

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。

截至二零二一年九月三十日及二零二零年九月三十日止各三個月及六個月，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。

12. 股息

董事會不建議派付分別截至二零二一年九月三十日止各三個月及六個月之任何股息(二零二零年：無)。

13. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months and six months ended 30 September 2021 is based on the unaudited consolidated loss of approximately HK\$20,442,000 and approximately HK\$36,388,000 attributable to the owners of the Company for each of the three months and six months ended 30 September 2021 respectively (three months and six months ended 30 September 2020: approximately HK\$18,238,000 and approximately HK\$42,085,000 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 six months ended 30 September 2021 respectively (weighted average number of Shares in issue for the three months and six months ended 30 September 2020: 4,055,349,947 Shares and 4,055,349,947 Shares respectively) as if they had been in issue throughout the periods.

Diluted loss per share for the three months and six months ended 30 September 2021 and 30 September 2020 are the same as the basic loss per share. The computation of diluted loss per share for the three months and six months ended 30 September 2021 and 30 September 2020 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.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired items of property, plant and equipment with aggregate cost of approximately HK\$4,105,000 (six months ended 30 September 2020: approximately HK\$3,534,000). During the six months ended 30 September 2021, items of property, plant and equipment with carrying value of approximately HK\$247,000 were disposed of (six months ended 30 September 2020: approximately HK\$176,000).

13. 本公司擁有人應佔每股虧損

截至二零二一年九月三十日止三個月及六個月的每股基本虧損乃根據截至二零二一年九月三十日止各三個月及六個月本公司擁有人應佔未經審核綜合虧損分別約20,442,000港元及約36,388,000港元(截至二零二零年九月三十日止三個月及六個月：分別為約18,238,000港元及約42,085,000港元)與截至二零二一年九月三十日止三個月及六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(截至二零二零年九月三十日止三個月及六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。

截至二零二一年九月三十日及二零二零年九月三十日止三個月及六個月，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，因此計算截至二零二一年九月三十日及二零二零年九月三十日止三個月及六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。

14. 物業、廠房及設備

截至二零二一年九月三十日止六個月，本集團以成本合共約4,105,000港元(截至二零二零年九月三十日止六個月：約3,534,000港元)購買物業、廠房及設備項目。截至二零二一年九月三十日止六個月，已出售賬面值為約247,000港元(截至二零二零年九月三十日止六個月：約176,000港元)的物業、廠房及設備項目。

15. INTANGIBLE ASSETS

15. 無形資產

| | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|---|--|--|
| Cost: | 成本： | | |
| At 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021 | 於二零二零年四月一日、 二零二一年三月三十一日、 二零二一年四月一日及 二零二一年九月三十日 | 567,000 | 567,000 |
| Accumulated amortisation and impairment: | 累計攤銷及減值： | | |
| At the beginning of period/year | 於期／年初 | 567,000 | 541,005 |
| Amortisation for the period/year | 期／年內之攤銷 | - | 18,316 |
| Impairment loss for the year | 年內減值虧損 | - | 7,679 |
| At the end of period/year | 於期／年末 | 567,000 | 567,000 |
| Carrying amount at end of period/year | 於期／年末之賬面值 | - | - |

Intangible assets represent television broadcasting right acquired by the Group. The useful life of television broadcasting right was 10 years and was expired on 31 August 2021. Due to the continuous loss making in the television broadcasting business for previous years, the intangible assets had been fully impaired for the year ended 31 March 2021.

無形資產指本集團所收購之電視播放權。電視播放權之可使用年期為十年，於二零二一年八月三十一日屆滿。由於過往年度電視播放業務持續錄得虧損，無形資產已於截至二零二一年三月三十一日止年度悉數作出減值。

16. TRADE AND OTHER RECEIVABLES

16. 貿易及其他應收款項

| | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|-------------------------|--|--|
| Trade receivables (Note (i)) | 貿易應收款項 (附註(i)) | 62,204 | 31,557 |
| Allowance for expected credit losses ("ECL") | 預期信貸虧損 (「預期信貸虧損」) 撥備 | <u>(13,042)</u> | <u>(11,792)</u> |
| | | 49,162 | 19,765 |
| Other receivables | 其他應收款項 | 5,667 | 5,229 |
| Allowance for expected credit losses ("ECL") | 預期信貸虧損 (「預期信貸虧損」) 撥備 | <u>(117)</u> | <u>(97)</u> |
| | | 5,550 | 5,132 |
| Prepayment (Note (ii)) | 預付款項 (附註(ii)) | 37,383 | 38,731 |
| Deposits | 按金 | <u>5,180</u> | <u>5,088</u> |
| | | 42,563 | 43,819 |
| | | 97,275 | 68,716 |

Notes:

- (i) Trade receivables as at the end of the reporting period mainly derived from provision of construction works on civil engineering contracts. The related customers are mainly government department/organisation and reputable corporations. The Group does not hold any collateral over these balances.

附註：

- (i) 報告期末之貿易應收款項主要來自提供土木工程合約之建築工程。有關客戶主要為政府部門／機構及聲譽良好之企業。本集團並無就該等結餘持有任何抵押品。

16. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(i) (Continued)

An aging analysis of the trade receivables as of the end of the reporting period, based on the invoice date and net of allowance of expected credit losses ("ECL"), is as follows:

Current or less than 1 month 即期或少於1個月

The Group grants an average credit period of 30 days to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis.

16. 貿易及其他應收款項 (續)

附註：(續)

(i) (續)

貿易應收款項(經扣除預期信貸虧損(「預期信貸虧損」)撥備)截至報告期末根據發票日期之賬齡分析如下：

| As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|--|
| 49,162 | 19,765 |

本集團向其合約工程貿易客戶授出平均30日之信貸期。合約工程進度款項申請會定期進行。

16. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(i) (Continued)

Movements in the allowance for ECL of trade receivables

The following table shows movement in lifetime ECL that has been recognised for trade receivables in accordance with simplified approach.

| | | HK\$'000 千港元 |
|-----------------------------------|-----------------|-----------------|
| Balance at 1 April 2020 | 於二零二零年四月一日之結餘 | 11,866 |
| Reversal of allowance of ECL, net | 預期信貸虧損撥備撥回淨額 | (74) |
| Balance at 31 March 2021 | 於二零二一年三月三十一日之結餘 | 11,792 |
| Allowance of ECL | 預期信貸虧損撥備 | 1,250 |
| Balance at 30 September 2021 | 於二零二一年九月三十日之結餘 | 13,042 |

(ii) As at 30 September 2021, prepayments mainly comprised of advance payment to subcontractors of approximately HK\$31,301,000 (31 March 2021: HK\$30,674,000).

16. 貿易及其他應收款項 (續)

附註：(續)

(i) (續)

貿易應收款項之預期信貸虧損撥備變動

下表載列已根據簡化法就貿易應收款項確認的全期預期信貸虧損變動。

| | | HK\$'000 千港元 |
|-----------------------------------|-----------------|-----------------|
| Balance at 1 April 2020 | 於二零二零年四月一日之結餘 | 11,866 |
| Reversal of allowance of ECL, net | 預期信貸虧損撥備撥回淨額 | (74) |
| Balance at 31 March 2021 | 於二零二一年三月三十一日之結餘 | 11,792 |
| Allowance of ECL | 預期信貸虧損撥備 | 1,250 |
| Balance at 30 September 2021 | 於二零二一年九月三十日之結餘 | 13,042 |

(ii) 於二零二一年九月三十日，預付款項主要包括向分包商支付之墊款約31,301,000港元（二零二一年三月三十一日：30,674,000港元）。

17. TRADE AND OTHER PAYABLES

17. 貿易及其他應付款項

| | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|-----------------------|--|--|
| Trade payables | 貿易應付款項 | 20,544 | 9,948 |
| Retention money payables | 應付保留金 | 10,327 | 9,113 |
| Amount due to a shareholder (note (i)) | 應付一名股東款項 (附註(i)) | 24,587 | 23,337 |
| Interest payables | 應付利息 | 68,267 | 63,724 |
| Amount due to a related party (note (ii)) | 應付一名關連人士款項 (附註(ii)) | 2,009 | 2,009 |
| Other payables and accruals (note (iii)) | 其他應付款項及應計款項 (附註(iii)) | 47,135 | 46,807 |
| | | 172,869 | 154,938 |
| Less: payables within twelve months shown under current liabilities | 減：流動負債項下所示須於十二個月內應付款項 | 172,869 | (150,018) |
| Interest payables shown under non-current liabilities | 非流動負債項下所示應付利息 | - | 4,920 |

Notes:

- (i) Amount due to a shareholder represents amount due to a major substantial shareholder, China Xinhua News Network Co., Limited ("China Xinhua NNC"), which is unsecured, interest-free and repayable on demand.
- (ii) Amount due to a related party represents amount due to 新華音像中心. 新華音像中心 and China Xinhua NNC have a common shareholder, Xinhua News Agency (新華社). The amount is unsecured, interest-free and repayable on demand.
- (iii) As at 30 September 2021, the other payables mainly comprised of amount due to other parties of joint operations of approximately HK\$908,000 (31 March 2021: HK\$10,161,000). The amounts are unsecured, interest-free and repayable on demand.

附註：

- (i) 應付一名股東款項指應付一名主要股東中國新華新聞電視網有限公司(「中國新華新聞電視網」)之款項，該款項為無抵押、免息及按要求償還。
- (ii) 應付一名關連人士款項指應付新華音像中心之款項。新華音像中心與中國新華新聞電視網之共同股東為新華社。該款項為無抵押、免息及按要求償還。
- (iii) 於二零二一年九月三十日，其他應付款項主要包括應付合營企業的其他合作夥伴款項約908,000港元(二零二一年三月三十一日：10,161,000港元)。該款項屬無抵押、免息及按要求償還。

17. TRADE AND OTHER PAYABLES (Continued)

The Group normally settles trade payables within 30 days credit term. Based on the invoice date, ageing analysis of trade payables at the end of the reporting period is as follows:

| | |
|--|--------------|
| Current or less than 1 month | 即期或少於1個月 |
| 1 to 3 months | 1至3個月 |
| More than 3 months but less than 12 months | 超過3個月但少於12個月 |
| More than 12 months | 超過12個月 |

17. 貿易及其他應付款項 (續)

本集團一般於30日之信貸期內清償貿易應付款項。根據發票日期，報告期末貿易應付款項之賬齡分析如下：

| As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|---|
| 20,260 | 9,027 |
| 47 | 117 |
| – | 250 |
| 237 | 554 |
| 20,544 | 9,948 |

18. PROMISSORY NOTE

A promissory note with a principal amount of HK\$45,040,000 was issued by Profit Station Limited (“Profit Station”), a direct wholly-owned subsidiary of the Company on 11 August 2011 (the “Issue Date”) upon the completion of the acquisition of 17% of equity interests in China New Media (HK) Company Limited. The promissory note is unsecured, carried interest at the rate of 3% per annum and matured on 11 August 2014. Profit Station might early redeem all or part of the promissory note at any time from the Issue Date. Unless previously redeemed, Profit Station will redeem the promissory note on its maturity date.

On 11 August 2014, Profit Station has entered into the first extension agreement with the noteholder of the promissory note pursuant to which the maturity date of the promissory note was extended from 11 August 2014 to 11 August 2017 and the extended promissory note will be non-interest bearing with effect from 11 August 2014 till 11 August 2017. Furthermore, the noteholder has agreed to waive the interest accrued on the promissory note amounting to approximately HK\$4,054,000 for the period from 11 August 2011 to 11 August 2014. Except the abovementioned, other terms and conditions of the promissory note remained unchanged.

On 15 December 2017, Profit Station has entered into the second extension agreement with the noteholder of the promissory note pursuant to which the maturity date of the promissory note was extended from 11 August 2017 to 31 December 2018 and the extended promissory note will bear interest of 3% per annum with effect from 11 August 2017 till 31 December 2018. Except the abovementioned, other terms and conditions of the promissory note remained unchanged.

18. 承兌票據

本公司之直接全資附屬公司Profit Station Limited (「Profit Station」) 於二零一一年八月十一日 (「發行日期」) 完成收購中國新媒體(香港)有限公司之17%股本權益後發行本金額為45,040,000港元之承兌票據。承兌票據為無抵押、按年利率3厘計息及於二零一四年八月十一日到期。Profit Station可於發行日期後任何時間提前贖回全部或部分承兌票據。除非之前已被贖回，否則Profit Station將於其到期日贖回承兌票據。

於二零一四年八月十一日，Profit Station與承兌票據之票據持有人已訂立第一份延長協議，據此，承兌票據之到期日自二零一四年八月十一日延長至二零一七年八月十一日，且經延長之承兌票據將自二零一四年八月十一日起至二零一七年八月十一日止免息。此外，票據持有人已同意免除承兌票據自二零一一年八月十一日至二零一四年八月十一日期間產生之利息約4,054,000港元。除上述者外，承兌票據之其他條款及條件維持不變。

於二零一七年十二月十五日，Profit Station與承兌票據之票據持有人已訂立第二份延長協議，據此，承兌票據之到期日自二零一七年八月十一日延長至二零一八年十二月三十一日，且經延長之承兌票據將自二零一七年八月十一日起至二零一八年十二月三十一日止按年利率3厘計息。除上述者外，承兌票據之其他條款及條件維持不變。

18. PROMISSORY NOTE (Continued)

On 15 February 2019 (the “Third Renewal Date”), Profit Station has entered into the third extension agreement with the noteholder of the promissory note pursuant to which the maturity date of the promissory note was extended from 31 December 2018 to 30 June 2020 and the extended promissory note will bear interest of 3% per annum with effect from 11 August 2017 till 30 June 2020. Except the abovementioned, other terms and conditions of the promissory note remained unchanged.

On Third Renewal Date, the fair value of the liability component of the extended promissory note was reassessed and calculated using an equivalent market interest rate for an equivalent instrument at the Third Renewal Date. The fair value of the extended promissory note at the Third Renewal Date amounted to approximately HK\$43,101,000. The fair value is calculated using discounted cash flow method at a rate of 9.707%.

On 9 March 2021 (the “Fourth Renewal Date”), Profit Station has entered into the fourth extension agreement with the noteholder of the promissory note pursuant to which the maturity date of the promissory note was extended from 30 June 2020 to 30 June 2022 and the extended promissory note will bear interest of 3% per annum with effect from 11 August 2017 till 30 June 2022. Except the abovementioned, other terms and conditions of the promissory note remains unchanged.

18. 承兌票據 (續)

於二零一九年二月十五日（「第三次更新日期」），Profit Station與承兌票據之票據持有人已訂立第三份延長協議，據此，承兌票據之到期日自二零一八年十二月三十一日延長至二零二零年六月三十日，且經延長之承兌票據將自二零一七年八月十一日起至二零二零年六月三十日止按年利率3厘計息。除上述者外，承兌票據之其他條款及條件維持不變。

於第三次更新日期，經延長之承兌票據之負債部分之公平值於第三次更新日期乃以等價工具之等值市場利率重估及計算。經延長之承兌票據之公平值於第三次更新日期為約43,101,000港元。公平值乃採用折現現金流量法以9.707%之折現率計算。

於二零二一年三月九日（「第四次更新日期」），Profit Station與承兌票據之票據持有人已訂立第四次延長協議，據此，承兌票據之到期日自二零二零年六月三十日延長至二零二二年六月三十日，且經延長之承兌票據將自二零一七年八月十一日起至二零二二年六月三十日止按年利率3厘計息。除上述者外，承兌票據之其他條款及條件維持不變。

18. PROMISSORY NOTE (Continued)

On Fourth Renewal Date, the fair value of the liability component of the extended promissory note was reassessed and calculated using an equivalent market interest rate for an equivalent instrument at the Fourth Renewal Date. The fair value of the extended promissory note at the Fourth Renewal Date amounted to approximately HK\$45,491,000. The fair value is calculated using discounted cash flow method at a rate of 10.18%.

18. 承兌票據 (續)

於第四次更新日期，經延長之承兌票據之負債部分之公平值於第四次更新日期乃以等價工具之等值市場利率重估及計算。經延長之承兌票據之公平值於第四次更新日期為約45,491,000港元。公平值乃採用折現現金流量法以10.18%之折現率計算。

| | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|---|------------------|---|--|
| Balance at the beginning of the reporting period/year | 於報告期／年初結餘 | 44,584 | 44,658 |
| Loss arising on extension of promissory note | 延長承兌票據產生之虧損 | - | 451 |
| Interest charged at effective interest rate of 9.707% | 按實際利率9.707%收取之利息 | - | 719 |
| Interest charged at effective interest rate of 10.18% | 按實際利率10.18%收取之利息 | 860 | 107 |
| Interest payables | 應付利息 | (677) | (1,351) |
| Balance at the end of the reporting period/year | 於報告期／年末結餘 | 44,767 | 44,584 |

19. CONVERTIBLE NOTES

On 9 December 2011, the Company issued convertible notes with the principal amount of approximately HK\$607,030,000, carried interest at the rate of 5% per annum as part of the consideration for the acquisition of Xinhua TV Asia-Pacific Operating Co., Limited ("Xinhua TV Asia-Pacific"). Each note entitles the holder to convert to ordinary shares at a conversion price of approximately HK\$0.196 per share. Conversion might occur at any time between 9 December 2011 and 8 December 2014. If the notes have not been converted, the Company would redeem on 9 December 2014 at the outstanding principal amount. Interest of 5% per annum would be paid annually until the notes are converted or redeemed.

On 9 December 2014, the Company entered into the first supplemental deed with China Xinhua NNC, the sole holder of the outstanding convertible notes, pursuant to which the Company and China Xinhua NNC agreed to amend certain terms and conditions of the convertible notes, where (i) the maturity date of the convertible notes will be extended for 3 years and the conversion period will accordingly be extended for 3 years to 9 December 2017; and (ii) the interest rate of the convertible notes will be amended from 5% per annum to 3% per annum for the extended period, being from 9 December 2014 to 9 December 2017.

On 13 December 2017, the Company entered into the second supplemental deed with China Xinhua NNC, the sole holder of the outstanding convertible notes, pursuant to which the Company and China Xinhua NNC agreed to amend the term and condition of the convertible notes, where the maturity date of the convertible notes will be extended for 1 year and the conversion period will accordingly be extended for 1 year to 9 December 2018. Except the abovementioned, other terms and conditions of the convertible notes remain unchanged.

19. 可換股票據

於二零一一年十二月九日，本公司發行本金額為約607,030,000港元，按年利率5%計息之可換股票據，作為收購新華電視亞太台運營有限公司（「新華電視亞太台」）之部分代價。每份票據賦予持有人權利按每股股份約0.196港元之兌換價兌換為普通股。可換股票據可於二零一一年十二月九日至二零一四年十二月八日期間內隨時兌換。倘票據尚未兌換，本公司將於二零一四年十二月九日贖回未行使本金額。於票據獲兌換或贖回之前，須按5%之年利率每年支付一次利息。

於二零一四年十二月九日，本公司與未兌換可換股票據唯一持有人中國新華新聞電視網訂立第一份補充契據，據此本公司與中國新華新聞電視網同意修訂可換股票據之若干條款及條件，其中(i)可換股票據之到期日將延長3年，且兌換期相應延長3年至二零一七年十二月九日；及(ii)延長期間（即二零一四年十二月九日至二零一七年十二月九日）之可換股票據之利率將由每年5厘修訂為每年3厘。

於二零一七年十二月十三日，本公司與尚未兌換可換股票據唯一持有人中國新華新聞電視網訂立第二份補充契據，據此本公司與中國新華新聞電視網同意修訂可換股票據之條款及條件，其中可換股票據之到期日將延長1年，且兌換期將相應延長1年至二零一八年十二月九日。除上文所述者外，可換股票據之其他條款及條件維持不變。

19. CONVERTIBLE NOTES (Continued)

On 9 December 2018, the Company entered into the third supplemental deed with China Xinhua NNC, the sole holder of the outstanding convertible notes, pursuant to which the Company and China Xinhua NNC agreed to amend the term and condition of the convertible notes, where the maturity date of the convertible notes will be extended for 2 years and the conversion period will accordingly be extended for 2 years to 9 December 2020. Except the abovementioned, other terms and conditions of the convertible notes remain unchanged.

On 25 January 2021, the Company entered into the fourth supplemental deed with China Xinhua NNC, the sole holder of the outstanding convertible notes, pursuant to which the Company and China Xinhua NNC agreed to amend the term and condition of the convertible notes, where the maturity date of the convertible notes will be extended for 1 year and the conversion period will accordingly be extended for 1 year to 9 December 2021. Except the abovementioned, other terms and conditions of the convertible notes remain unchanged.

The convertible notes contain two components, liability component and equity component. The equity component is presented in equity heading "convertible notes equity reserves". The effective interest rate of the liability component is 10.795% from 9 December 2018 to 9 December 2020 and 11.27% from 9 December 2020 to 9 December 2021 respectively.

19. 可換股票據 (續)

於二零一八年十二月九日，本公司與尚未兌換可換股票據唯一持有人中國新華新聞電視網訂立第三份補充契據，據此本公司與中國新華新聞電視網同意修訂可換股票據之條款及條件，其中可換股票據之到期日將延長2年，且兌換期將相應延長2年至二零二零年十二月九日。除上文所述者外，可換股票據之其他條款及條件維持不變。

於二零二一年一月二十五日，本公司與尚未兌換可換股票據唯一持有人中國新華新聞電視網訂立第四份補充契據，據此本公司與中國新華新聞電視網同意修訂可換股票據之條款及條件，其中可換股票據之到期日將延長1年，且兌換期將相應延長1年至二零二一年十二月九日。除上文所述者外，可換股票據之其他條款及條件維持不變。

可換股票據由兩個部分組成，分別為負債部分及權益部分。權益部分於權益中「可換股票據權益儲備」項下呈列。負債部分之實際利率分別自二零一八年十二月九日起至二零二零年十二月九日止為10.795厘及自二零二零年十二月九日起至二零二一年十二月九日止為11.27厘。

19. CONVERTIBLE NOTES (Continued)

19. 可換股票據 (續)

| | | As at 30 September 2021 於二零二一年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元 | As at 31 March 2021 於二零二一年 三月三十一日 (Audited) (經審核) HK\$'000 千港元 |
|--|---------------------|--|--|
| Equity component | 權益部分 | | |
| Balance at the beginning and end of the reporting period/year | 於報告期／年初及末之結餘 | 14,400 | 14,400 |
| Liability component | 負債部分 | | |
| At the beginning of the reporting period/year | 於報告期／年初 | 243,605 | 242,990 |
| Interest charged calculated at an effective interest rate of 10.795% | 按實際利率10.795厘計算之利息開支 | - | 19,350 |
| Interest charged calculated at an effective interest rate of 11.27% | 按實際利率11.27厘計算之利息開支 | 13,568 | 5,887 |
| Modification on extension of convertible notes | 修訂延長可換股票據 | - | (16,925) |
| Interest payables | 應付利息 | (3,865) | (7,697) |
| Balance at the end of the reporting period/year | 於報告期／年末之結餘 | 253,308 | 243,605 |

20. SHARE CAPITAL

20. 股本

Ordinary shares of HK\$0.001 each

每股面值0.001港元之普通股

| | | Number of Shares 股份數目 | Nominal value 面值 HK\$'000 千港元 |
|---|-------------------------------------|-----------------------------|---|
| Authorised: | 法定： | | |
| As at 1 April 2021 and 30 September 2021 (unaudited) | 於二零二一年四月一日及 二零二一年九月三十日 (未經審核) | 500,000,000,000 | 500,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| As at 1 April 2021 and 30 September 2021 (Unaudited) | 於二零二一年四月一日及 二零二一年九月三十日 (未經審核) | 4,055,349,947 | 4,055 |

21. MATERIAL RELATED PARTY TRANSACTIONS

During the reporting period, the Group entered into the following related party transactions:

| Related party relationship 關連方關係 | Type of transaction 交易類型 | Transaction amount 交易額 | | | |
|-------------------------------------|--|---|---|---|---|
| | | Six months ended 30 September 截至九月三十日止六個月 | | Three months ended 30 September 截至九月三十日止三個月 | |
| | | 2021 二零二一年 (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 | 2021 二零二一年 (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 |
| China Xinhua NNC 中國新華新聞電視網 | Annual fee for television broadcasting right (note (i)) 電視播放權年費 (附註(i)) | 1,250 | 1,500 | 500 | 750 |
| | Accrued interests on convertible notes (note (ii)) 可換股票據之應計利息 (附註(ii)) | 3,865 | 3,855 | 1,943 | 1,933 |

Notes:

- (i) Pursuant to the agreement signed between the Group and China Xinhua NNC on 5 September 2011, China Xinhua NNC granted the television broadcasting right to Xinhua TV Asia-Pacific for the period from 1 September 2011 to 31 August 2021 on an exclusive basis with an annual fee of approximately HK\$1,000,000 payable by Xinhua TV Asia-Pacific to China Xinhua NNC prior to 31 December 2016, and approximately HK\$3,000,000 payable by Xinhua TV Asia-Pacific to China Xinhua NNC with effect from 1 January 2017. The agreement had expired on 31 August 2021.
- (ii) During the six months ended 30 September 2021, the convertible notes interest payable to China Xinhua NNC was amounted to approximately HK\$3,865,000 (six months ended 30 September 2020: approximately HK\$3,855,000).

The Directors considered that the above related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

21. 重大關連方交易

於報告期間，本集團訂立以下關連方交易：

附註：

- (i) 根據本集團與中國新華新聞電視網於二零一一年九月五日簽訂之協議，中國新華新聞電視網向新華電視亞太台授予獨家電視播放權，獨家電視播放權期限自二零一一年九月一日起至二零二一年八月三十一日止。於二零一六年十二月三十一日前，新華電視亞太台應付中國新華新聞電視網之年費為約1,000,000港元，而自二零一七年一月一日起，新華電視亞太台應付中國新華新聞電視網之年費則為約3,000,000港元。該協議已於二零二一年八月三十一日屆滿。
- (ii) 截至二零二一年九月三十日止六個月，應付中國新華新聞電視網之可換股票據利息為約3,865,000港元 (截至二零二零年九月三十日止六個月：約3,855,000港元)。

董事認為，上述關連方交易乃按正常商業條款於本集團一般日常業務過程中進行。

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market bid prices and ask prices respectively.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the Interim Financial Statements approximate to their fair values.

22. 金融工具之公平值

金融資產及金融負債之公平值乃按以下準則釐定：

- 具有標準條款及條件並於活躍市場買賣之金融資產及金融負債，乃分別參考所報市場買盤價及賣盤價釐定公平值。
- 衍生工具之公平值按報價計算。倘未能獲得有關價格，則以非期權衍生工具之工具期限的適用孳息曲線，以及期權衍生工具的期權定價模式進行貼現現金流量分析。
- 其他金融資產及金融負債（不包括上述者）之公平值乃根據使用貼現現金流量分析之普遍採納定價模式釐定。

董事認為，於中期財務報表中確認之金融資產及金融負債之賬面值與其公平值相若。

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. 金融工具之公平值 (續)

於簡明綜合財務狀況表中確認之公平值計量

下表載列於初步確認後按公平值計量之金融工具分析，並根據其公平值可觀察程度分為第一至第三級別：

- 第一級別公平值計量乃活躍市場內相同資產或負債之報價（未經調整）；
- 第二級別公平值計量乃計入第一級別之報價以外可直接（即其價格）或間接（即源自價格）就資產或負債觀察的輸入資料；及
- 第三級別公平值計量源自包括並非以可觀察市場數據為基礎之資產或負債輸入資料（不可觀察的輸入資料）的估值方法。

Financial assets at fair value through profit or loss 透過損益按公平值入賬之金融資產

| As at 30 September 2021 (Unaudited) | | | |
|-------------------------------------|----------|----------|----------|
| 於二零二一年九月三十日 (未經審核) | | | |
| Level 1 | Level 2 | Level 3 | Total |
| 第一級別 | 第二級別 | 第三級別 | 總計 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 |
| - | - | - | - |

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

Fair value measurements recognised in the condensed consolidated statement of financial position (Continued)

22. 金融工具之公平值 (續)

於簡明綜合財務狀況表中確認之公平值計量 (續)

As at 31 March 2021(Audited)

於二零二一年三月三十一日 (經審核)

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------|----------|----------|----------|
| | 第一級別 | 第二級別 | 第三級別 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| Financial assets at fair value through profit or loss | 4,800 | - | - | 4,800 |
| 透過損益按公平值入賬之金融資產 | 4,800 | - | - | 4,800 |

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 six months ended 30 September 2021 (the "Period"), the Group continued to focus on rendering civil engineering services for the public sector in Hong Kong, conducted its television broadcasting business and explored digital marketing business opportunities on overseas market in return for advertising and related income.

Provision of civil engineering services

During the Period, the Group has been undertaking ten contracts. Among the ten contracts, one of these are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation. 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以及媒體及廣告業務，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。截至二零二一年九月三十日止六個月（「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，開展其電視播放業務，以及探索於海外市場的數碼營銷商機，以取得廣告及相關收入。

提供土木工程服務

於本期間內，本集團已承接十項合約。該十項合約中，有一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：

| | Contract number 合約編號 | Particulars of contract 合約詳情 |
|-----------------------|--------------------------------|---|
| Main contracts 主合約 | 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 |
| | 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 |

| | Contract number 合約編號 | Particulars of contract 合約詳情 |
|--------------------------|--------------------------------|--|
| Subcontracts 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 |
| | 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 & Substructure 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 Pak in Kwu Tung South (Phase 1) 在古洞南設立農業園 (第一期) |
| | 1002EM19A | Design-Build-Operate for the Additional District Cooling System (DCS) at the Kai Tak Development (KTD) 啟德發展計劃額外區域供冷系統的設計、建造及營運 |
| | EP/SP/10/91 | South East-New Territories (SENT) Landfill Extension 於新界東南之垃圾填埋場擴建工程 |
| Joint Operations 合營業務 | ND/2018/02 | The Establishment of an Agricultural Pak 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 ten contracts, a contract (contract numbered EP/SP/10/91) were newly awarded during the Period. During the Period, the two contracts with contract numbered CV/2016/10 and 4/WSD/19 were the main contributors to the Group's revenue, which generated approximately HK\$44.8 million and HK\$38.1 million, constituting approximately 36.8% and 31.4% of the Group's revenue respectively.

上述該十項合約中，一項合約（合約編號為EP/SP/10/91）乃於本期間內新簽訂。於本期間內，合約編號為CV/2016/10及4/WSD/19之兩項合約為本集團收益之主要來源，分別產生約44,800,000港元及38,100,000港元，佔本集團收益的約36.8%及31.4%。

Media and advertising business

The global business environment remains challenging for the first half of 2021 as affected by the prolonged adverse impact of the novel corona virus (“COVID-19”) pandemic. The Group’s media and advertising business continues experiencing a challenging operating environment including but not limited to overall contraction of the advertising market, keener competition in a crowded marketplace with different operators and changing user habits as a result of the fast development of new media. To cope with the weak advertising customer demands and keep in pace with the industry trends, the Group attempts to make business transformation through seeking for opportunities to cooperate with different partners in the sectors and transforming its media and advertising business from conventional television platforms to various internet and digital platforms. The Group will explore new business opportunities that may create synergetic value with existing media and advertising business to expand its revenue streams.

Going forward, the Group will continue to improve the operational efficiency of each business division and actively optimise its existing resources so as to enhance the profitability and the core competitiveness of the Group to cope with the current challenges and bring favourable returns to the shareholders of the Company.

媒體及廣告業務

二零二一年上半年，由於受到新型冠狀病毒（「COVID-19」）疫情的長期不利影響，全球營商環境仍然充滿挑戰。本集團的媒體及廣告業務繼續面臨具有挑戰性的經營環境，包括（但不限於）由於新媒體的快速發展，導致廣告市場整體收縮、在對手眾多的市場上與不同營運商展開激烈競爭及用戶習慣不斷變化。為應對疲弱的廣告客戶需求，緊跟行業趨勢，本集團試圖通過尋求機會與不同領域的合作夥伴合作、將媒體及廣告業務從傳統的電視平台向各種互聯網及數字平台轉型，來實現業務的轉型。本集團將探索可與現有媒體及廣告業務創造協同價值的新商機，以擴大其收入來源。

展望未來，本集團將繼續提高各業務分部的經營效率及積極優化其現存資源以提高本集團的盈利能力及強化其核心競爭力，藉以應對現時的挑戰及為本公司股東帶來可觀回報。

FINANCIAL REVIEW

Revenue

During the Period, the Group reported a revenue of approximately HK\$121.6 million (2020: approximately HK\$115.1 million), representing an increase of approximately 5.6% as compared with that for the same period of the previous year. All of the Group's revenue were derived from provision of civil engineering services during the Period. The Group derived aggregate advertising revenue of approximately HK\$nil (2020: approximately HK\$28.9 million) from media and advertising business for the Period. The increase in revenue was mainly due to increase in work from newly awarded civil engineering projects 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 joint venture. The revenue generated from undertaking in capacity of a subcontractor and a jointly controlled operator amounted to approximately HK\$121.6 million (2020: approximately HK\$77.7 million), representing approximately 100.0% of the total revenue for the Period (2020: approximately 67.5%). On the other hand, the revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor amounted to approximately HK\$nil (2020: approximately HK\$8.5 million), representing approximately nil% (2020: approximately 7.4%) of the total revenue for the Period.

財務回顧

收益

於本期間內，本集團錄得收益約121,600,000港元（二零二零年：約115,100,000港元），較去年同期增加約5.6%。本集團所有收益來自於本期間內提供的土木工程服務。於本期間，本集團來自媒體及廣告業務的廣告收益總額約為零港元（二零二零年：約28,900,000港元）。收益增加乃主要由於本期間來自新獲授土木工程項目的工程量增加。

於本期間內，本集團收益主要來自以分包商及合營公司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121,600,000港元（二零二零年：約77,700,000港元），佔本期間總收益約100.0%（二零二零年：約67.5%）。另一方面，以主承建商身份承接之土木工程合約產生之收益為約零港元（二零二零年：約8,500,000港元），佔本期間總收益約零%（二零二零年：約7.4%）。

Cost of services

The Group's cost of services increased by approximately 5.5% to approximately HK\$136.6 million for the Period (2020: approximately HK\$129.5 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.

Gross loss

The gross loss of the Group for the Period increased by approximately 4.2% to approximately HK\$15.0 million (2020: approximately HK\$14.4 million) as compared with that for the same period of the previous year. The gross loss margin of the Group was amounted to approximately 12.3% for the Period (2020: approximately 12.5%). The slightly 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; and (b) unexpected complexity arising from construction works for certain construction projects of the Group during the Period and towards the completion stage; and (iv) decrease in advertising income and its gross profit arose during the Period.

服務成本

本集團於本期間之服務成本較去年同期增加約5.5%至約136,600,000港元(二零二零年:約129,500,000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。

毛損

本集團於本期間之毛損較去年同期增加約4.2%至約15,000,000港元(二零二零年:約14,400,000港元)。本集團於本期間之毛損率約為12.3%(二零二零年:約12.5%)。毛損輕微增加主要由於(i)本期間內毛利率較高之項目進展放緩;(ii)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;及(b)本集團於本期間內及接近竣工階段之若干建築項目之建築工程較預期複雜導致直接成本增加;及(iv)本期間內廣告收入及其產生之毛利減少。

Other income

The Group's other income for the Period decreased by approximately 86.8% to approximately HK\$0.8 million (2020: approximately HK\$6.4 million) as compared with that for the same period of the previous year. The other income mainly consisted of interest income and other sundry income for the Period.

Other (losses)/gains, net

The Group's other losses, net for the Period was approximately HK\$1.2 million (2020: other gains, net of approximately HK\$0.2 million). Other losses, net mainly consisted of allowance of expected credit losses recognised for trade receivables and contract assets and net gains on disposal of property, plant and equipment for the Period.

Amortisation of intangible assets

The Group's amortisation of intangible assets for the Period was amounted to approximately HK\$nil (2020: approximately HK\$9.2 million) as the intangible assets had been fully impaired for the year ended 31 March 2021. The amortisation of intangible assets mainly consisted of amortisation of television broadcasting right and film rights for the television broadcasting business included in media and advertising business.

Selling and distribution expenses

The Group's selling and distribution expenses for the Period were amounted to approximately HK\$0.4 million (2020: approximately HK\$0.4 million). The selling and distribution expenses were mainly consisted of marketing expenses for the media and advertising business for the Period.

其他收入

本集團於本期間之其他收入較去年同期減少約86.8%至約800,000港元(二零二零年：約6,400,000港元)。其他收入主要包括本期間內的利息收入及其他雜項收入。

其他(虧損)/收益淨額

本集團於本期間之其他虧損淨額約為1,200,000港元(二零二零年：其他收益淨額約200,000港元)。其他虧損淨額主要包括本期間就貿易應收款項及合約資產確認之預期信貸虧損撥備及出售物業、廠房及設備之收益淨額。

無形資產攤銷

由於無形資產已於截至二零二一年三月三十一日止年度悉數減值，本集團於本期間之無形資產攤銷約為零港元(二零二零年：約9,200,000港元)。無形資產攤銷主要包括納入媒體及廣告業務之電視廣播業務之電視播放權及電影播放權之攤銷。

銷售及分銷開支

本集團於本期間之銷售及分銷開支約為400,000港元(二零二零年：約400,000港元)。銷售及分銷開支主要包括本期間媒體及廣告業務之營銷開支。

Administrative expenses

The Group's administrative expenses for the Period decreased by approximately 44.8% to approximately HK\$7.9 million (2020: approximately HK\$14.3 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 increased by approximately 2.3% to approximately HK\$14.5 million (2020: approximately HK\$14.2 million) as compared with that for the same period of the previous year. The finance costs mainly consisted of interest expenses for the promissory note and convertible notes.

Net Loss

The net loss of the Group for the Period decreased by approximately 13.1% to approximately HK\$37.0 million (2020: approximately HK\$42.5 million) as compared with that for the same period of the previous year. The decrease in net loss was mainly due to decrease in amortisation of intangible assets and administrative expenses during the Period.

Loss per Share

The basic loss per Share attributable to the owners of the Company was approximately HK0.9 cent (2020: approximately HK1.04 cents).

行政開支

本集團於本期間之行政開支較去年同期減少約44.8%至約7,900,000港元(二零二零年:約14,300,000港元)。行政開支主要包括法律和專業費用、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增加約2.3%至約14,500,000港元(二零二零年:約14,200,000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

本集團於本期間之淨虧損較去年同期減少約13.1%至約37,000,000港元(二零二零年:約42,500,000港元)。淨虧損減少主要由於本期間無形資產攤銷及行政開支減少所致。

每股虧損

本公司擁有人應佔每股基本虧損為約0.9港仙(二零二零年:約1.04港仙)。

PROSPECTS

Amid the complex business environment in Hong Kong affected by the novel corona virus (“COVID-19”) outbreak, it is anticipated that the coming year is a tough and challenging year to the Group. The provision of civil engineering service business will continue to provide a stable revenue source and remain the major contributor to revenue while the Group will continue to develop its media and advertising business. The Group is endeavoured to diversify the business spectrum and broadened the revenue base of the Group.

Provision of civil engineering services

The general outlook of the construction industry and the business environment remain difficult and challenging. The persistent outbreak of COVID-19 epidemic has affected the overall progress of civil engineering projects of the construction industry. Couple with the intense market competition in recent years, it has led to lower value of contracts awarded to the Group and the keen competition in the market may affect the tendering activities of the construction industry such as more aggressive and competitive project pricing strategy adopted for new tenders. Together with the increasing costs of operation, including cost of direct labour, subcontracting charges and cost of raw material, it may post negative impact on the Group’s gross profit margin and affect the financial performance of the Group.

To enable a healthy inflow of business against current difficulties in the construction industry, the Group continues to implement a prudent approach in projects selection in the upcoming year by tendering to well-established contractors and remarkable business partners in both private and public sector in order to overcome the difficulties. The Group will closely monitor the tendering projects available in the market and pay close attention to any new infrastructure projects implemented by the government to seek for suitable tendering opportunities. The Group will keep focusing on its existing business and further enhance its competitive edge in the industry. At the same time, the Group will look for appropriate projects that are in line with the overall development strategy of the Group and will continue to exercise due care in the pursuance of this core business so as to balance the risks and opportunities in this industry and adjust its business strategies from time to time if required so as to adapt to the ever changing business environment.

前景

受新型冠狀病毒（「COVID-19」）爆發影響，香港營商環境複雜，預計未來一年對本集團而言是艱難且充滿挑戰的一年。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。本集團致力於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

建築業的整體前景及業務環境仍然充滿困難及挑戰。持續的COVID-19疫情影響建築業土木工程項目的整體進展，加之近年來激烈的市場競爭，致使本集團獲批的合約價值減少，而市場競爭激烈會影響建築業的競標活動，如對新的招標採用更激進及更具競爭力的項目定價策略。此外，經營成本（包括直接勞工成本、分包費用及原材料成本）持續攀升，可能會對本集團的毛利率構成不利影響，從而影響本集團的財務表現。

為使業務保持穩健之資金流入以應付建築業當前困境，來年本集團繼續透過在招標中選擇私營及公營界別具良好資歷之承建商及優秀業務夥伴，在項目選擇方面貫徹審慎的態度，以期克服困難。本集團將密切關注市場上的招標項目，並密切留意任何由政府實施的基建新項目以尋求合適的招標機遇。本集團將繼續專注於現有業務並進一步增強自身於行內的競爭優勢。同時，本集團將尋求符合本集團整體發展策略之合適項目，並將繼續在追求該核心業務時謹慎行事，以平衡該行業的風險及機遇，並於有需要時不時調整其業務策略以適應不斷變化的業務環境。

Media and advertising business

The media and advertising industry is experiencing complex and challenging business environment given the impact of COVID-19 pandemic, the fast-development of new media platforms and the changing customers' habit. To effectively respond to the fast-changing media environment globally, the Group has adjusted its development strategy to switch its focus from traditional television platform to internet and multimedia platforms and attempts to expand its media and advertising business scopes to generate synergies between various platforms. In the future, the Group will continue to integrate multiple resources to seek for business opportunities that can help maintain the future development of the Group and enhance the Group's profitability and improve the financial position of the Group.

Looking ahead, amid these challenging times, the Group remains optimistic about the prospects of the core businesses of the Group in the long term. The Group will continue to explore any new healthy and stable industry and diversity of its business profile to bring better returns to the shareholders of the Company.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 30 August 2010. The capital of the Group comprises only ordinary shares.

Total equity attributable to the owners of the Company amounted to approximately HK\$381.5 million in deficit as at 30 September 2021 (31 March 2021: approximately HK\$345.1 million). The decrease in equity was mainly resulted from net loss for the Period.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group generally financed its operations through internally generated cash flows.

As at 30 September 2021, the Group had net current liabilities of approximately HK\$338.9 million (31 March 2021: approximately HK\$315.6 million), including cash balance of approximately HK\$45.0 million (31 March 2021: approximately HK\$66.7 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 0.32 as at 30 September 2021 (31 March 2021: approximately 0.32).

媒體及廣告業務

由於COVID-19疫情的影響、新媒體平台的快速發展及客戶習慣不斷變化，媒體及廣告行業正面臨複雜且具有挑戰性的業務環境。為有效應對全球快速變化的媒體環境，本集團調整其發展戰略，將戰略重點由傳統電視平台轉向互聯網及多媒體平台，從而試圖擴展其媒體及廣告業務範圍，營造多個平台之間的協同效應。未來，本集團將持續整合各類資源，尋求有助於維持本集團未來發展且可提高本集團的盈利能力並改善本集團的財務狀況的業務機會。

展望未來，於這一充滿挑戰的時期，本集團對其核心業務的長遠前景仍然抱持樂觀態度。本集團將繼續探索健康、穩定的新行業，多元化其業務，以為本公司股東帶來更佳回報。

資本架構

股份於二零一零年八月三十日在聯交所GEM上市。本集團股本僅包括普通股。

於二零二一年九月三十日，本公司擁有人應佔權益總額虧絀約381,500,000港元（二零二一年三月三十一日：約345,100,000港元）。權益減少乃主要由於本期間淨虧損所致。

流動資金及財務資源

於本期間內，本集團一般透過內部產生之現金流量為其經營提供資金。

於二零二一年九月三十日，本集團之流動負債淨額為約338,900,000港元（二零二一年三月三十一日：約315,600,000港元），包括現金結餘約45,000,000港元（二零二一年三月三十一日：約66,700,000港元）。於二零二一年九月三十日，流動比率（即流動資產與流動負債之比率）為約0.32（二零二一年三月三十一日：約0.32）。

GEARING RATIO

The gearing ratio, which is based on the total amount of promissory note and convertible notes, lease liabilities and advance received from customers divided by total assets, was approximately 207.9% as at 30 September 2021 (31 March 2021: approximately 202.6%).

FOREIGN EXCHANGE EXPOSURE

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. During the Period, the Group was mainly exposed to foreign currency exchange risk of Renminbi and the management mainly monitored the foreign currency exchange risk with advices from the Group's major banks.

CAPITAL COMMITMENT

As at 30 September 2021, the Group did not have any significant capital commitment (as at 31 March 2021: nil).

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2021, the Group did not have any assets charged under finance lease. As at 31 March 2021, the Group's motor vehicles with net book values of approximately HK\$1.1 million was held under finance lease.

CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any material contingent liabilities (31 March 2021: Nil).

DIVIDENDS

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

資產負債比率

資產負債比率乃以承兌票據、可換股票據、租賃負債及已收取客戶墊款之總額除以總資產計算，於二零二一年九月三十日為約207.9%（二零二一年三月三十一日：約202.6%）。

外匯風險

各集團實體收取之大部份收益及所產生之大部份開支以其各自之功能貨幣計值。董事認為，本集團面臨之外匯風險甚微，乃由於本集團之大部份交易以各單獨集團實體之功能貨幣計值。於本期間內，本集團主要面臨人民幣外匯風險，而管理層主要根據本集團主要往來銀行之建議監管外匯風險。

資本承擔

於二零二一年九月三十日，本集團並無任何重大資本承擔（於二零二一年三月三十一日：無）。

本集團資產質押

於二零二一年九月三十日，本集團並無任何融資租賃項下之資產抵押。於二零二一年三月三十一日，本集團根據融資租賃持有賬面淨值約1,100,000港元之車輛。

或然負債

於二零二一年九月三十日，本集團並無任何重大或然負債（二零二一年三月三十一日：無）。

股息

董事會不建議就本期間派發任何股息。

INFORMATION ON EMPLOYEES

As at 30 September 2021, the Group had 237 full-time employees in Hong Kong and over 90% of them are direct labour. Total staff costs (including Directors' remuneration) for the Period amounted to approximately HK\$41.4 million (2021: approximately HK\$40.6 million), representing an increase of approximately 1.8% over that for the previous year.

Remuneration is determined with reference to the nature of job, performance, qualifications and experience of individual employees, as well as the result of the Group and the market trend. The Group carries out staff performance appraisal once a year and the assessment result is used for salary reviews and promotion decisions. The Group recognises the importance of staff training and thus regularly provides internal and external training for its staff to enhance their skills and knowledge.

SIGNIFICANT INVESTMENT HELD

Except for investment in subsidiaries, during the Period and as at the end of the reporting period, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2021, the Group did not have other plans for material investments and capital assets (31 March 2021: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

僱員資料

於二零二一年九月三十日，本集團在香港有237名全職員工，其中逾90%為直接勞工。本期間之總員工成本（包括董事薪酬）為約41,400,000港元（二零二一年：約40,600,000港元），較去年增加約1.8%。

薪酬乃參考個別僱員的工作性質、表現、資歷及經驗以及本集團業績及市場趨勢釐定。本集團每年進行一次員工表現評估，評估結果用作薪金檢討及晉升決定。本集團認可員工培訓的重要性，因而定期為員工提供內部及外部培訓，以提升彼等的技能及知識。

所持重大投資

除於附屬公司之投資外，於本期間內及於報告期末，本集團並無於任何公司之股本權益中持有任何重大投資。

重大投資及資本資產之未來計劃

於二零二一年九月三十日，本集團並無重大投資及資本資產之其他計劃（二零二一年三月三十一日：無）。

重大收購及出售附屬公司及聯屬公司

於本期間內，本集團並無任何重大收購及出售附屬公司及聯屬公司。

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.

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 30 September 2021, 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 Future 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, 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 (BVI) Limited.

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

於二零二一年九月三十日，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 (BVI) Limited所持全部股份的權益。

Saved as disclosed above, as at 30 September 2021, 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.

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 30 September 2021, 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:

除上文所披露者外，於二零二一年九月三十日，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。

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，於二零二一年九月三十日，下列人士／實體（董事或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：

Long position in the Shares:

於股份之好倉：

| Name | Number of Shares held | | Number of underlying Shares under convertible notes (Note a) 可換股票據項下之相關股份數目 (附註a) | | Total interests | Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本之百分比 |
|--|------------------------------------|------------------------------------|--|------------------------------------|-----------------|--|
| | 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 | |
| China Xinhua NNC 中國新華新聞電視網 | 1,188,621,377 (Note b) (附註b) | - | 1,311,378,622 (Note b) (附註b) | - | 2,499,999,999 | 61.65% |
| 中國新華新聞電視網有限公司 ("CNC China") 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 (Note b) (附註b) | - | 1,311,378,622 (Note b) (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, 16 January 2019 and 18 May 2021.
- (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.

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、二零一九年一月十六日及二零二一年五月十八日的通函內。
- (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 30 September 2021, 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.

除上文所披露者外，於二零二一年九月三十日，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關法團的股份、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。

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 the continuing connected transaction:

Television Broadcasting Right Agreement

On 5 September 2011, 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. The Television Broadcasting Right Agreement had expired on 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.

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：

電視播放權協議

於二零一一年九月五日，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。電視播放權協議已於二零二一年八月三十一日屆滿。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。

The Board wishes to inform the shareholders and potential investors of the Company that upon expiry of the Television Broadcasting Right Agreement on 31 August 2021, Xinhua TV Asia-Pacific and China Xinhua NNC has yet to conclude on the renewal of a new agreement due to the delay in the commencement of negotiations. Notwithstanding the expiration of the Television Broadcasting Right Agreement, Xinhua TV Asia-Pacific and China Xinhua NNC are in discussion for a renewal up to the date of this report. However, there is no assurance that Xinhua TV Asia-Pacific and China Xinhua NNC will be able to conclude on the renewal of a new agreement at any time.

The Board considers that the termination of the Television Broadcasting Right Agreement may lead to the decrease in revenue of the Group. Further announcement(s) will be made by the Company to keep the shareholders and potential investors of the Company informed of the progress of the renewal of a new agreement or termination of services as and when appropriate.

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.

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.

董事會謹此知會本公司股東及潛在投資者，電視播放權協議於二零二一年八月三十一日屆滿後，由於磋商開始時間延遲，新華電視亞太台與中國新華新聞電視網尚未就重續新協議達成協議。儘管電視播放權協議已屆滿，但直至本報告日期，新華電視亞太台與中國新華新聞電視網仍在就重續事宜進行討論。然而，概不保證新華電視亞太台與中國新華新聞電視網將能夠於任何時間就重續新協議達成協議。

董事會認為，終止電視播放權協議或會導致本集團收益減少。本公司將適時作出進一步公佈以知會本公司股東及潛在投資者有關重續新協議或終止服務之進展。

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。

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。

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.

Following the retirement of Mr. Fan Chun Wah, Andrew, JP (“Mr. Fan”) as an independent non-executive Director, Mr. Fan retired as an independent non-executive Director and 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 is 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 the 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.

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。

於范駿華先生，太平紳士（「范先生」）退任獨立非執行董事後，范先生退任獨立非執行董事並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15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。

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 extraordinary general meeting of the Company held on 11 June 2021 due to overseas commitment and pre-arranged business engagements. Other Board members and the chairmen of the relevant Board committees also attended the extraordinary general meeting to inter-face with, and answer questions from the Shareholders.

A non-executive Director, namely Ms. Tang Li, did not attend the annual general meeting of the Company held on 11 August 2021 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.

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.

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二零二一年六月十一日舉行之股東特別大會。其他董事會成員及相關董事委員會主席亦有出席股東特別大會以正面回答股東提問。

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二零二一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。

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。

As at 30 September 2021, 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, 12 November 2021

*As at the date of this report, the Directors are Dr. Jiang Yan¹ (Chairman), Dr. Li Yong Sheng¹ (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong¹, Mr. Kan Kwok Cheung¹, Ms. Tang Li², Mr. Law Cheuk Hung², Mr. Wu Guo Ming³, Mr. Wan Chi Keung, Aaron, *BBS, JP*³ and Mr. Wong Chung Yip, Kenneth³.*

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

於二零二一年九月三十日，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，二零二一年十一月十二日

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

¹ 執行董事

² 非執行董事

³ 獨立非執行董事



CNC HOLDINGS LIMITED

中國新華電視控股有限公司