



eSun Holdings Limited

豐德麗控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

INTERIM REPORT

For the six months ended 31 January 2021

CORPORATE INFORMATION

Place of Incorporation

Bermuda

Board of Directors

Executive Directors

Lui Siu Tsuen, Richard (*Chief Executive Officer*)

Chew Fook Aun

Lam Hau Yin, Lester

(*also alternate director to U Po Chu*)

Yip Chai Tuck

Non-executive Director

U Po Chu

Independent Non-executive Directors

Low Chee Keong (*Chairman*)

Lo Kwok Kwei, David

Ng Lai Man, Carmen

Alfred Donald Yap

Audit Committee

Ng Lai Man, Carmen (*Chairwoman*)

Low Chee Keong

Alfred Donald Yap

Remuneration Committee

Low Chee Keong (*Chairman*)

Chew Fook Aun

Lui Siu Tsuen, Richard

Ng Lai Man, Carmen

Alfred Donald Yap

Authorised Representatives

Chew Fook Aun

Lui Siu Tsuen, Richard

Company Secretary

Wong Lai Chun

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Office

11th Floor, Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon, Hong Kong

Tel: (852) 2741 0391

Fax: (852) 2785 2775

Share Registrar and Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited

4th Floor North Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

Independent Auditor

Ernst & Young

Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

Listing Information

Shares

The issued shares of the Company are listed and traded on the

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code/Board Lot

571/2,000 shares

Website

www.esun.com

Investor Relations

Tel: (852) 2853 6116

Fax: (852) 2853 6651

E-mail: ir@esun.com

RESULTS

The board of directors (“Board” and “Directors”, respectively) of eSun Holdings Limited (“Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (“Group”) for the six months ended 31 January 2021 together with the comparative figures of the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2021

	Notes	Six months ended 31 January	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
CONTINUING OPERATIONS			
TURNOVER	4	284,122	511,383
Cost of sales		(185,392)	(272,839)
Gross profit		98,730	238,544
Other revenue	5	81,062	26,530
Selling and marketing expenses		(10,004)	(27,886)
Administrative expenses		(143,186)	(175,634)
Other operating expenses, net		(80,933)	(292,908)
LOSS FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	6	(54,331)	(231,354)
Finance costs	7	(30,721)	(43,418)
Share of profits and losses of joint ventures		2,384	(1,716)
Share of profits and losses of associates		–	(3)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(82,668)	(276,491)
Tax	8	(3,600)	(18,646)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(86,268)	(295,137)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	9	–	(587,362)
LOSS FOR THE PERIOD		(86,268)	(882,499)
Attributable to:			
Owners of the Company		(75,741)	(526,569)
Non-controlling interests		(10,527)	(355,930)
		(86,268)	(882,499)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic	10		
For loss for the period		(HK\$0.051)	(HK\$0.353)
For loss for the period from continuing operations		(HK\$0.051)	(HK\$0.183)
Diluted			
For loss for the period		(HK\$0.051)	(HK\$0.353)
For loss for the period from continuing operations		(HK\$0.051)	(HK\$0.183)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2021

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(86,268)	(882,499)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
<i>Items that may be subsequently reclassified to the income statement:</i>		
Exchange realignment on translation of foreign operations	(8,968)	(431,649)
Share of other comprehensive income of joint ventures	–	452
Share of other comprehensive loss of associates	–	(9)
Release of exchange reserve upon dissolution of subsidiaries	(265)	–
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(9,233)	(431,206)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(95,501)	(1,313,705)
Attributable to:		
Owners of the Company	(81,862)	(758,706)
Non-controlling interests	(13,639)	(554,999)
	(95,501)	(1,313,705)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 January 2021

Notes	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	235,805	257,425
Right-of-use assets	729,327	786,397
Film rights	4,256	7,055
Film and TV program products	65,241	65,121
Music catalogs	4,543	8,584
Goodwill	10,000	10,000
Investments in joint ventures	13,791	15,979
Financial assets at fair value through profit or loss	37,535	37,793
Deposits, prepayments, other receivables and other assets	109,222	98,663
Deferred tax assets	2,121	2,121
Total non-current assets	1,211,841	1,289,138
CURRENT ASSETS		
Films and TV programs under production and film investments	409,584	313,384
Inventories	14,885	14,280
Debtors	99,074	94,682
Financial assets at fair value through profit or loss	153,155	153,083
Deposits, prepayments, other receivables and other assets	226,703	177,922
Prepaid tax	200	77
Pledged and restricted time deposits and bank balances	180,120	205,120
Cash and cash equivalents	1,622,195	1,613,979
	2,705,916	2,572,527
Assets classified as held for sale	–	8,057
Total current assets	2,705,916	2,580,584
CURRENT LIABILITIES		
Creditors and accruals	364,395	351,919
Deposits received and contract liabilities	346,631	261,044
Lease liabilities	195,592	192,576
Tax payable	113,368	112,845
Interest-bearing bank loans	107,930	107,910
Total current liabilities	1,127,916	1,026,294
NET CURRENT ASSETS	1,578,000	1,554,290
TOTAL ASSETS LESS CURRENT LIABILITIES	2,789,841	2,843,428

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 January 2021

Notes	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	2,789,841	2,843,428
NON-CURRENT LIABILITIES		
Lease liabilities	908,715	985,821
Interest-bearing bank loans	62,764	71,696
Other borrowings	218,417	215,577
Deferred tax liabilities	145	101
Total non-current liabilities	1,190,041	1,273,195
Net assets	1,599,800	1,570,233
EQUITY		
Equity attributable to owners of the Company		
Issued capital	745,927	745,927
Reserves	766,532	851,506
	1,512,459	1,597,433
Non-controlling interests	87,341	(27,200)
Total equity	1,599,800	1,570,233

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2021

	Attributable to owners of the Company									
	Issued capital	Share		Exchange reserve	Other reserve	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		HK\$'000	premium account							
At 1 August 2020	745,927	4,257,351	891,289	(10,260)	127,736	370	(4,414,980)	1,597,433	(27,200)	1,570,233
Loss for the period	-	-	-	-	-	-	(75,741)	(75,741)	(10,527)	(86,268)
Other comprehensive income/(loss) for the period, net of tax:										
Exchange realignment on translation of foreign operations	-	-	-	(5,915)	-	-	-	(5,915)	(3,053)	(8,968)
Release of exchange reserve upon dissolution of subsidiaries	-	-	-	(206)	-	-	-	(206)	(59)	(265)
Total comprehensive loss for the period	-	-	-	(6,121)	-	-	(75,741)	(81,862)	(13,639)	(95,501)
Acquisition of additional equity interest in a subsidiary, net [^]	-	-	-	-	(3,112)	-	-	(3,112)	128,972	125,860
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(792)	(792)
At 31 January 2021 (Unaudited)	745,927	4,257,351*	891,289*	(16,381)*	124,624*	370*	(4,490,721)*	1,512,459	87,341	1,599,800

* These reserve accounts comprise the consolidated reserves of HK\$766,532,000 (31 July 2020: HK\$851,506,000) in the condensed consolidated statement of financial position.

[^] The amounts arose from the receipts from the clawback offer and placing of a total of 809,967,036 consolidated shares of Media Asia Group Holdings Limited ("MAGHL") net of direct transaction costs after the Group agreed to subscribe for 2,687,500,000 consolidated shares of MAGHL at a price of HK\$0.16 per consolidated share in consideration of the cancellation by way of setting off against the outstanding principal amount of HK\$430,000,000 of loan from the Company to MAGHL. As a result, the Group upon taking up a total of 1,877,532,964 capitalisation shares of MAGHL has increased its equity interest in MAGHL from 67.56% to 69.69%. The transactions were accounted for as equity transactions. Details are set out in a joint announcement of the Company, Lai Sun Development Company Limited ("LSD"), Lai Sun Garment (International) Limited ("LSG") and MAGHL dated 6 November 2020.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

For the six months ended 31 January 2021

	Attributable to owners of the Company									Total equity HK\$'000
	Issued capital HK\$'000	Share	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
		premium account HK\$'000								
At 1 August 2019	745,927	4,257,351	891,289	(822,077)	503,457	71,824	3,450,850	9,098,621	8,326,675	17,425,296
Loss for the period	-	-	-	-	-	-	(526,569)	(526,569)	(355,930)	(882,499)
Other comprehensive income/(loss) for the period, net of tax:										
Exchange realignment on translation of foreign operations	-	-	-	(232,437)	-	-	-	(232,437)	(199,212)	(431,649)
Share of other comprehensive income of joint ventures	-	-	-	305	-	-	-	305	147	452
Share of other comprehensive loss of associates	-	-	-	(5)	-	-	-	(5)	(4)	(9)
Total comprehensive loss for the period	-	-	-	(232,137)	-	-	(526,569)	(758,706)	(554,999)	(1,313,705)
Disposal of partial interests in a subsidiary without losing control [#]	-	-	-	-	277,628	-	-	277,628	247,532	525,160
Release of reserve upon lapse of share options of a subsidiary	-	-	-	-	-	-	115	115	(115)	-
Shares issued by a subsidiary upon exercise of share options	-	-	-	-	(3,298)	-	-	(3,298)	4,027	729
Equity-settled share option arrangements of a subsidiary	-	-	-	-	-	-	-	-	674	674
Transfer to statutory reserve	-	-	-	-	-	8,674	(8,674)	-	-	-
Dividends payable to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	(32,402)	(32,402)
At 31 January 2020 (Unaudited)	745,927	4,257,351	891,289	(1,054,214)	777,787	80,498	2,915,722	8,614,360	7,991,392	16,605,752

The amounts arose from the disposal of a 20% equity interest in Rosy Commerce Holdings Limited to Bravo Heart Limited (a wholly-owned subsidiary of LSD) during the six months ended 31 January 2020. The gross proceeds were HK\$557,250,000 and the transaction costs and related tax were HK\$51,163,000. Tax of HK\$19,073,000 was charged to the condensed consolidated income statement.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2021

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(77,696)	(412,989)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of investment properties	–	(810,258)
Purchases of items of property, plant and equipment	(11,680)	(205,631)
Deposit paid for acquisition of items of property, plant and equipment	(5,600)	–
Advances to joint ventures	(3,137)	(2,480)
Repayment from joint ventures	–	5,980
Decrease/(increase) in pledged and restricted time deposits and bank balances	25,000	(40,311)
Decrease in non-pledged and non-restricted time deposits with original maturity of more than three months when acquired	–	39,309
Other investing cash flows	12,282	20,559
NET CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES	16,865	(992,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares of a subsidiary	–	729
Net receipts from the clawback offer and placing of shares of a subsidiary	125,860	–
New bank loans, net of direct costs	–	1,047,021
Repayment of bank loans	(9,000)	(250,918)
Loans from fellow subsidiaries	–	382,359
Repayment of loans from a fellow subsidiary	–	(700,000)
Proceeds from disposal of partial interests in a subsidiary	–	557,250
Interest and bank financing charges paid	(1,929)	(237,907)
Interest paid to a fellow subsidiary	–	(12,745)
Amount received from a potential non-controlling shareholder	–	110,963
Principal portion of lease payments	(63,679)	(95,623)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	51,252	801,129
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,579)	(604,692)
Cash and cash equivalents at beginning of period	1,613,979	2,558,711
Effect of foreign exchange rate changes, net	17,795	(65,030)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,622,195	1,888,989
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	1,198,893	1,613,616
Non-pledged and non-restricted time deposits	423,302	275,373
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	1,622,195	1,888,989

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 January 2021

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group (“**Financial Statements**”) for the six months ended 31 January 2021 have not been audited by the Company’s independent auditor but have been reviewed by the Company’s Audit Committee.

The unaudited Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of preparation adopted in the preparation of these unaudited Financial Statements for the period under review are the same as those used in the Group’s audited consolidated financial statements for the year ended 31 July 2020.

In addition, the Group has adopted the *Conceptual Framework for Financial Reporting 2018* and a number of revised Hong Kong Financial Reporting Standards (“**HKFRSs**”, which also include HKASs and interpretations) which are applicable to the Group for the first time for the current period’s unaudited Financial Statements. The adoption of these revised HKFRSs has had no material impact on the financial performance or financial position of the Group.

3. OPERATING SEGMENT INFORMATION

For the period ended 31 January 2020, operating segments of property development, property investment and hotel and serviced apartment were classified as discontinued operations because of the Group’s disposal of Lai Fung Holdings Limited (“**Lai Fung**”) and its subsidiaries (together, the “**Lai Fung Group**”) on 14 May 2020. The segment information reported does not include any amounts for the discontinued operations during the period ended 31 January 2020, which are described in more details in note 9.

3. OPERATING SEGMENT INFORMATION (continued)

Segment revenue/results:

	Six months ended 31 January									
	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Continuing operations										
Segment revenue:										
Sales to external customers	163,534	202,827	57,235	111,354	61,074	194,576	2,279	2,626	284,122	511,383
Intersegment sales	-	86	3,019	5,252	146	675	881	1,006	4,046	7,019
Other revenue	1,556	1,491	2,527	1,671	64,767	20,204	7,374	914	76,224	24,280
Total	165,090	204,404	62,781	118,277	125,987	215,455	10,534	4,546	364,392	542,682
Elimination of intersegment sales									(4,046)	(7,019)
Total revenue									360,346	535,663
Segment results	21,575	20,543	13,200	(6,595)	(60,005)	(152,024)	(33,939)	(95,528)	(59,169)	(233,604)
Unallocated interest income									4,838	2,250
Loss from operating activities from continuing operations									(54,331)	(231,354)
Finance costs									(30,721)	(43,418)
Share of profits and losses of joint ventures	2,805	869	(463)	(778)	42	-	-	(1,807)	2,384	(1,716)
Share of profits and losses of associates	-	(30)	-	27	-	-	-	-	-	(3)
Loss before tax from continuing operations									(82,668)	(276,491)
Tax									(3,600)	(18,646)
Loss for the period from continuing operations									(86,268)	(295,137)

Other segment information:

	Six months ended 31 January									
	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Continuing operations										
Impairment of property, plant and equipment	-	-	-	-	-	(97,050)	-	-	-	(97,050)

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets/liabilities:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	31 January 2021	31 July 2020	31 January 2021	31 July 2020	31 January 2021	31 July 2020	31 January 2021	31 July 2020	31 January 2021	31 July 2020
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Segment assets	334,889	337,944	886,678	763,534	1,133,981	1,168,707	1,355,407	1,382,427	3,710,955	3,652,612
Investments in joint ventures	8,855	11,599	1,484	1,947	43	-	3,409	2,433	13,791	15,979
Unallocated assets									193,011	193,074
Assets classified as held for sale									-	8,057
Total assets									3,917,757	3,869,722
Segment liabilities	97,874	119,289	499,201	382,044	1,152,706	1,234,088	65,552	55,939	1,815,333	1,791,360
Unallocated liabilities									502,624	508,129
Total liabilities									2,317,957	2,299,489

4. TURNOVER

An analysis of the Group's turnover from continuing operations is as follows:

	Six months ended	
	31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Turnover from contracts with customers		
Entertainment event income	489	66,886
Distribution commission income, licence fee income from and sales of film and TV program products and film rights	57,118	109,944
Album sales, licence income and distribution commission income from music publishing and licensing	45,202	43,847
Box-office takings, concessionary income and related income from cinemas	61,074	194,576
Artiste management fee income	6,237	7,413
Advertising income	117	1,410
Sale of game products	111,606	84,681
Sale of merchandising products	2,279	2,626
	284,122	511,383
Timing of recognition of turnover from contracts with customers		
At a point in time	248,738	487,917
Over time	35,384	23,466
	284,122	511,383

5. OTHER REVENUE

An analysis of the Group's other revenue from continuing operations is as follows:

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Bank interest income	4,177	1,437
Rent concessions related to COVID-19	49,047	–
Government grants*	19,493	277
Others	8,345	24,816
	81,062	26,530

* There are no unfulfilled conditions or contingencies related to these grants.

6. LOSS FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

The Group's loss from operating activities from continuing operations is arrived at after charging/(crediting):

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Depreciation of property, plant and equipment [^]	27,491	34,956
Depreciation of right-of-use assets [^]	65,363	84,948
Amortisation of film rights [#]	3,849	1,826
Amortisation of film and TV program products [#]	26,208	39,631
Amortisation of music catalogs [#]	4,041	3,666
Impairment of property, plant and equipment [*]	–	97,050
Impairment of amounts due from joint ventures [*]	1,006	1,071
Write-back of impairment of film rights [*]	(1,050)	(12,000)
Gain on disposal of an asset classified as held for sale [*]	(22,943)	–
Fair value losses/(gains) on financial assets at fair value through profit or loss [*]	(51)	17,142
Foreign exchange differences, net [*]	(44,333)	8,067

[^] Depreciation charge of HK\$88,242,000 (six months ended 31 January 2020: HK\$109,287,000) related to cinema operation is included in "Other operating expenses, net" on the face of the unaudited condensed consolidated income statement.

[#] These items are included in "Cost of sales" on the face of the unaudited condensed consolidated income statement.

^{*} These items are included in "Other operating expenses, net" on the face of the unaudited condensed consolidated income statement.

7. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Interest on:		
Lease liabilities	25,193	24,921
Bank loans	1,873	2,128
Other borrowings	2,840	2,881
Loans from a fellow subsidiary	–	12,796
Amortisation of transaction fee for bank loans	88	100
Other finance costs	727	592
	30,721	43,418

8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the periods ended 31 January 2021 and 31 January 2020. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Current		
– Hong Kong		
Charge for the period	1,721	829
Overprovision in prior periods	(33)	(96)
	1,688	733
– Mainland China		
Corporate income tax		
Charge for the period	1,888	20,733
Overprovision in prior periods	(20)	(150)
	1,868	20,583
	3,556	21,316
Deferred tax	44	(2,670)
Total tax charge for the period from continuing operations	3,600	18,646
Total tax charge for the period from discontinued operations	–	200,380
	3,600	219,026

9. DISCONTINUED OPERATIONS

On 21 February 2020, Holy Unicorn Limited (“Offeror”, a wholly-owned subsidiary of LSD) made a conditional voluntary general cash offer (“Offer”) to acquire all of the issued shares of Lai Fung (other than those already owned or agreed to be acquired by LSD, the Offeror or the other wholly-owned subsidiaries of LSD), including the Lai Fung shares owned by the Company, and to cancel all the outstanding share options of Lai Fung. The offer price for each Lai Fung share is HK\$8.99 in cash. Details are set out in a joint announcement of the Company, LSD, LSG, Lai Fung and the Offeror dated 21 February 2020.

On 14 May 2020, all conditions to the Offer have been fulfilled or waived by the Offeror and the Offer has been declared unconditional in all respects. The Group disposed of its entire equity interest in Lai Fung Group during the year ended 31 July 2020 and since then, the Lai Fung Group is no longer consolidated into the Group.

The principal activities of the Lai Fung Group consisted of property development for sale, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in Mainland China. With the Lai Fung Group being classified as discontinued operations, the operating segment information of property development, property investment and hotel and serviced apartment business are no longer included in note 3.

The results of the Lai Fung Group after fair value adjustments and intragroup eliminations are presented below:

	Period ended 31 January 2020 (Unaudited) HK\$'000
Turnover	595,992
Cost of sales	(289,411)
Gross profit	306,581
Other revenue	30,505
Selling and marketing expenses	(33,010)
Administrative expenses	(132,788)
Other operating expenses, net	(55,762)
Fair value losses on investment properties	(386,916)
Finance costs	(115,477)
Share of profits and losses of joint ventures	(107)
Share of profits and losses of associates	(8)
Loss before tax	(386,982)
Tax	(200,380)
Loss for the period from the discontinued operations	(587,362)
Attributable to:	
Owners of the Company	(254,158)
Non-controlling interests	(333,204)
	(587,362)

9. DISCONTINUED OPERATIONS *(continued)*

	Period ended 31 January 2020 (Unaudited)
--	--

Loss per share from the discontinued operations:

Basic	(HK\$0.170)
Diluted	(HK\$0.170)

The calculation of basic and diluted loss per share from the discontinued operations is based on:

	Period ended 31 January 2020 (Unaudited) HK\$'000
--	--

Loss attributable to owners of the Company from the discontinued operations:

Basic	(254,158)
Diluted	(254,158)

	Period ended 31 January 2020 (Unaudited)
--	--

Weighted average number of ordinary shares in issue during the period,
used in the basic and diluted loss per share calculation (note 10)

1,491,854,598

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,491,854,598 (six months ended 31 January 2020: 1,491,854,598) in issue during the period.

The Group had no potential dilutive ordinary share in issue during the six months ended 31 January 2021.

No adjustment had been made to the basic loss per share amounts presented for the period ended 31 January 2020 in respect of a dilution as the impact of the share options of Lai Fung had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic and diluted loss per share is based on:

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) (Restated) HK\$'000
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation:		
From continuing operations	(75,741)	(272,411)
From discontinued operations	–	(254,158)
Loss for the purpose of basic and diluted loss per share	(75,741)	(526,569)

11. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2021 (six months ended 31 January 2020: Nil).

12. DEBTORS

The trading terms of the Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's debtors are widely dispersed in different sectors and industries. The Group's debtors are non-interest-bearing.

An ageing analysis of the trade debtors, net of loss allowance, based on payment due date, as at 31 January 2021 and 31 July 2020 is as follows:

	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
Trade debtors:		
Unbilled or neither past due nor impaired	76,535	59,979
1 to 90 days past due	18,999	25,133
Over 90 days past due	3,540	9,570
Total	99,074	94,682

13. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the date of receipt of the goods and services purchased/payment due date, as at 31 January 2021 and 31 July 2020, is as follows:

	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
Trade creditors:		
Less than 30 days	5,727	12,493
31 to 60 days	1,937	434
61 to 90 days	1,830	248
Over 90 days	2,162	1,488
Other creditors and accruals	11,656	14,663
	352,739	337,256
Total	364,395	351,919

14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting periods:

	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
Contracted but not provided for:		
Acquisition of items of property, plant and equipment	52,550	2,150

15. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair values:

	Carrying amounts		Fair values	
	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000	31 January 2021 (Unaudited) HK\$'000	31 July 2020 (Audited) HK\$'000
Financial assets				
Financial assets at fair value through profit or loss	190,690	190,876	190,690	190,876
Film investments	8,165	16,716	8,165	16,716
Financial assets included in deposits, prepayments and other receivables	21,077	22,223	21,077	22,223
	219,932	229,815	219,932	229,815

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of financial assets at fair value through profit or loss are based on quoted prices/values from the fund manager or using a discounted cash flow valuation model.

Other than the above financial assets, the carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 January 2021 and 31 July 2020.

15. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair values:

As at 31 January 2021	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
(Level 1)	(Level 2)	(Level 3)		
(Unaudited)	(Unaudited)	(Unaudited)		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	–	184,676	6,014	190,690
Film investments	–	–	8,165	8,165
Financial assets included in deposits, prepayments and other receivables	–	–	21,077	21,077

As at 31 July 2020	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
(Level 1)	(Level 2)	(Level 3)		
(Audited)	(Audited)	(Audited)		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	–	185,337	5,539	190,876
Film investments	–	–	16,716	16,716
Financial assets included in deposits, prepayments and other receivables	–	–	22,223	22,223

During the period ended 31 January 2021 and the year ended 31 July 2020, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

16. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the Financial Statements, the Group had the following material transactions with related parties during the period under review:

(a) Transactions with related parties

	Notes	Six months ended 31 January	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
LSG and its subsidiaries, excluding the Group:			
Lease payments and building management fee paid or payable	(i)	2,671	3,751
Rental income and management fee income received or receivable	(ii)	–	731
Interest expense	(iii)	–	12,796
Sharing of corporate salaries on a cost basis allocated from		13,535	27,617
Sharing of administrative expenses on a cost basis allocated from		1,233	5,501
Sharing of corporate salaries on a cost basis allocated to		3,698	4,894
Sharing of administrative expenses on a cost basis allocated to		1,957	1,219
Joint ventures:			
Production fee	(iv)	400	770
Interest income	(iv)	–	277
Management and other service fees paid or payable to a related company	(v)	–	4,695

Notes:

- (i) The Group leased properties from fellow subsidiaries for office and cinema use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short term lease to the related parties, right-of-use assets of HK\$70,258,000 and lease liabilities of HK\$107,010,000 related to the leases were recognised in unaudited condensed consolidated statement of financial position as at 31 January 2021. During the six months ended 31 January 2021, depreciation of right-of-use assets of HK\$5,528,000 (31 January 2020: HK\$6,353,000) and finance costs on lease liabilities of HK\$2,360,000 (31 January 2020: HK\$1,477,000) were recognised in unaudited condensed consolidated income statement.
- (ii) The terms of the rental income and management fee income were determined based on the agreements entered into between the Group and the related companies.
- (iii) The terms of loans are determined based on agreements entered into between the Group and a fellow subsidiary.
- (iv) The production fee and interest income were charged in accordance with contractual terms with respective parties.
- (v) The management and other service fees were charged based on an agreement entered into between the Group and a subsidiary of CapitaLand Limited, a substantial shareholder of Lai Fung.

16. RELATED PARTY TRANSACTIONS (continued)

In addition to the transactions and balances detailed elsewhere in the Financial Statements, the Group had the following material transactions with related parties during the period under review: (continued)

(b) Compensation of key management personnel of the Group:

	Six months ended 31 January	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Short-term employee benefits	11,570	19,873
Post-employment benefits	31	52
Equity-settled share option expenses	–	674
Total compensation paid to key management personnel	11,601	20,599

17. COMPARATIVE FIGURES

The comparative unaudited condensed consolidated income statement, related notes to the Financial Statements and operating segment information have been restated as if the operations discontinued on 14 May 2020 had been discontinued at the beginning of the comparative period (note 9).

18. EVENT AFTER THE REPORTING PERIOD

On 25 January 2021, the Group and U A Cinema Circuit Limited (“UA”) entered into an asset sale and purchase agreement that the Group has conditionally agreed to purchase the cinema related assets at a consideration of HK\$56,000,000. On the same date, the Group, UA and Hong Kong Island Development Limited entered into a novation and amendment agreement that the Group has conditionally agreed to take all of the estate, rights, title, benefits and interest of the tenancy agreement for L4 and L5 of K11 MUSEA, Tsim Sha Tsui, Kowloon. As at 31 January 2021, initial deposit of HK\$5,600,000 was paid. The completion of the transactions took place in early March 2021. Details are set out in a joint announcement of the Company, LSD and LSG dated 25 January 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

2020 has been one of the toughest years in the history of the entertainment industry marked by the global coronavirus (COVID-19) pandemic. Although vaccination programs have been launched on massive scales by various governments, mass immunisation will take time. Therefore, it is anticipated that the COVID-19 containment measures will continue in the near term.

The disruption of cinema operation of the Group continued during the six months ended 31 January 2021. The Group's cinemas in Hong Kong have been requested to close three times for over 160 days since the outbreak of COVID-19 in early 2020. The latest mandatory closure when the fourth wave of COVID-19 emerged from 2 December 2020 to 17 February 2021 throughout the holiday seasons has inevitably impacted the Group's box office performance for the period under review. Cinemas in Mainland China re-opened in late July 2020 after being closed for over 5 months and the box office has shown a signal of recovery. However, business performance of cinema operation in Hong Kong and Mainland China are still suffering from the delay in releases of blockbuster movies and the social distancing measures such as restrictions on the seating capacity and food and beverages consumption within the cinema houses. Despite the challenging operating environment under the COVID-19 pandemic, the Group remains cautiously optimistic about the fundamental demand for entertainment in long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong. In March 2021, the Group took over the site in K11 MUSEA in Tsim Sha Tsui, Kowloon that was previously operated by U A Cinema Circuit Limited and the cinema named K11 Art House started the business on 6 March 2021. The K11 Art House with 12 houses and a total of 1,708 seats is the first cinema in Hong Kong that uses IMAX laser, equipped with all the latest audiovisual technology, such as IMAX 12-channel IMMERSIVE Sound system and 4K RGB Laser for an extraordinary theatrical effect. The Group also secured the cinema site at The ONE, 100 Nathan Road in Tsim Sha Tsui, Kowloon and the operation is expected to commence in April 2023. The Group is closely monitoring the market conditions in Hong Kong and Mainland China and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

The outbreak of novel COVID-19 also posted unprecedented challenges to the media and entertainment industry, with entertainment spending affected severely by the accompanying economic recession and social distancing measures. In light of the unstable business environment in the near term, Media Asia Group Holdings Limited ("**MAGHL**", a non-wholly-owned subsidiary of the Company, together with its subsidiaries, "**MAGHL Group**"), being the media and entertainment arm of the Group, is focusing on producing high quality projects with proven track record as well as commercial viability and tightening the cost control procedures. As the consumption of online content has substantially increased in areas of streaming platforms and e-commerce as a result of pandemic lockdown measures and social distancing policies, it is believed that there are opportunities in online e-commerce and influencer market which MAGHL Group has been directing its resources towards development of related businesses.

MAGHL Group continues to invest in original production of quality films with Chinese themes. The current production pipeline include "*Septet: the Story of Hong Kong*", an omnibus film produced by seven Hong Kong film masters including Johnnie To, Tsui Hark, Ann Hui, Patrick Tam, Sammo Hung, Yuen Woo-Ping and the memorable Ringo Lam, and "*Tales from the Occult*", a psychological thriller made up of three short stories produced by John Chong and Mathew Tang, and directed by Wesley Hoi, Fung Chih Chiang and Fruit Chan.

A 52 episode romance drama series "*New Horizon*" starring Zheng Kai and Chen Chiao-en, is in the post-production stage. Projects under production include "*Modern Dynasty*", a 30 episode modern-day drama series tailor-made for Alibaba's Youku platforms. MAGHL Group is in discussion with various Chinese portals and video web sites for new project development in TV drama production.

Business Review and Outlook *(continued)*

The exclusive distribution licence of MAGHL Group's music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continues to provide it with stable income contribution. During the period under review, MAGHL Group set up a joint venture namely "Cool Style Talent Management Limited" with One Cool Group to expand its artiste management business. Other shareholders of Cool Style Talent Management Limited include model and actress Angelababy Yeung Wing and film director Stephen Fung Tak Lun. MAGHL Group will keep looking for new talent in Greater China and further cooperation with Asian artistes with an aim to build up a strong artiste roster for the Group.

Several concerts of MAGHL Group have been postponed due to the public health concerns. MAGHL Group will continue to work with prominent local and Asian artistes for concert promotion and upcoming events including concerts of Eman Lam.

It is believed that MAGHL Group's integrated media platform comprising movies, TV programs, music, new media, artiste management and live entertainment put it in a strong position to capture the opportunities of China entertainment market with a balanced and synergistic approach. The Group is monitoring market conditions closely and will take a prudent approach to explore strategic alliances as well as investment opportunities to enrich its portfolio and broaden its income stream.

The clawback offer ("**Clawback Offer**") and the placing ("**Placing**") in relation to the loan capitalisation proposal jointly announced by the Company together with MAGHL, Lai Sun Development Company Limited and Lai Sun Garment (International) Limited on 6 November 2020 were completed on 18 January 2021. The net proceeds received by the Company from the Clawback Offer and the Placing are approximately HK\$126.3 million after deducting the direct transaction costs incurred in the Clawback Offer and the Placing, and the Group placed the net proceeds together with the net proceeds of HK\$1,515.9 million from the disposal of all shares of Lai Fung Holdings Limited ("**Lai Fung**", together with its subsidiaries, "**Lai Fung Group**") owned by the Company ("**LF Disposal**") as disclosed in the circular of the Company dated 24 April 2020. Up to 31 January 2021, approximately HK\$473.8 million have been used, including approximately HK\$141.0 million used for the development and enhancement of cinema operation; HK\$250.0 million used for repayment of shareholder's loans; approximately HK\$39.8 million used for film and TV production, distribution and media and entertainment businesses; and the remaining HK\$43.0 million for general corporate usages. In light of the uncertainties around the COVID-19 pandemic on the media and entertainment industry as a whole, the Group will continue to adopt a cautious approach and evaluate its business objectives from time to time and may make modifications against the changing market conditions.

As at 31 January 2021, the Group's consolidated cash and bank deposits amounted to HK\$1,802.3 million (HK\$1,535.5 million excluding MAGHL Group) (31 July 2020: HK\$1,819.1 million (HK\$1,501.4 million excluding MAGHL Group)) and the debt to equity ratio as at 31 January 2021 amounted to 25.7% (31 July 2020: 24.7%). The Group will continue its prudent and flexible approach in managing its financial position.

Overview of Interim Results

Upon completion of the LF Disposal in May 2020, the Group no longer held any interest in Lai Fung Group. Accordingly, financial results of Lai Fung Group ceased to be consolidated into the consolidated financial statements of the Group. The Group's continuing operations include development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation in Hong Kong and Mainland China.

For the six months ended 31 January 2021, the continuing operations of the Group recorded a turnover of HK\$284.1 million, representing a decrease of 44.4% from the restated figure of HK\$511.4 million for the same period of last year. The gross profit dropped by approximately 58.6% to HK\$98.7 million (2020 (restated): HK\$238.5 million).

Overview of Interim Results *(continued)*

The net loss attributable to owners of the Company from the continuing operations of the Group for the six months ended 31 January 2021 was approximately HK\$75.7 million (2020 (restated): net loss of HK\$272.4 million). The decrease in consolidated loss for the period under review is primarily due to the rent concessions granted by certain landlords for cinema operation and the absence of impairment of certain property, plant and equipment during the period under review as compared to the same period of last year. Net loss per share attributable to owners of the Company from the continuing operations of the Group was HK\$0.051 (2020 (restated): net loss of HK\$0.183 per share).

Equity attributable to owners of the Company as at 31 January 2021 amounted to HK\$1,512.5 million (31 July 2020: HK\$1,597.4 million). Net asset value per share attributable to owners of the Company as at 31 January 2021 was HK\$1.014 per share (31 July 2020: HK\$1.071 per share).

Cinema Operation

For the six months ended 31 January 2021, this segment recorded a turnover of HK\$61.1 million (2020: HK\$194.6 million) and segment results of a loss of HK\$60.0 million (2020 (restated): a loss of HK\$152.0 million). The box office performance of the Group has been severely affected by cinema closures and the delay in major blockbuster movies amidst the global COVID-19 pandemic. As at the date of this Interim Report, the Group operates twelve cinemas in Hong Kong and three cinemas in Mainland China and details on the number of screens and seats of each existing cinema are as follows:

Cinema	Attributable interest to the Group (%)	No. of screens <i>(Note)</i>	No. of seats <i>(Note)</i>
Mainland China			
Suzhou Grand Cinema City	100	10	1,440
Guangzhou May Flower Cinema City	100	7	606
Zhongshan May Flower Cinema City	100	5	905
Subtotal		22	2,951
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL Cyberport Cinema	100	4	818
Festival Grand Cinema	95	8	1,196
MCL Metro City Cinema	95	6	690
MCL Telford Cinema (including MX4D theatre)	95	6	789
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL South Horizons Cinema	95	3	555
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
Subtotal		67	9,735
Total		89	12,686

Note: On 100% basis

Overview of Interim Results *(continued)*

Media and Entertainment

For the six months ended 31 January 2021, this segment recorded a turnover of HK\$163.5 million (2020: HK\$202.8 million) and segment results increased slightly to HK\$21.6 million from that of HK\$20.5 million in the same period of last year.

Live Entertainment

During the period under review, the Group organised and invested in 1 (2020: 39) show(s).

Music Production, Distribution and Publishing

For the six months ended 31 January 2021, the Group released 9 (2020: 12) albums, including titles by Sammi Cheng, Andy Leung, Chan Kin On, Jay Fung and Nowhere Boys. The Group is expected to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

The Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing television drama production and film production business.

Film and TV Program Production and Distribution

For the six months ended 31 January 2021, this segment recorded a turnover of HK\$57.2 million (2020: HK\$111.4 million) and segment results of a profit of HK\$13.2 million (2020: a loss of HK\$6.6 million).

During the period under review, a total of 2 films produced/invested by the Group were theatrically released, namely “I’m Livin’ It” and “The Calling of A Bus Driver”. The Group also distributed 10 (2020: 17) films and 107 (2020: 179) videos with high profile titles including “Doraemon: Nobita’s New Dinosaur”, “Onward”, “Greenland” and “Trolls World Tour”.

Liquidity, Financial Resources, Charge on Assets and Gearing

Cash and Bank Balances

As at 31 January 2021, cash and bank balances held by the Group amounted to HK\$1,802.3 million (31 July 2020: HK\$1,819.1 million) of which around 80.8% was denominated in Hong Kong dollar (“**HKD**”) and United States dollar (“**USD**”) currencies, and around 18.5% was denominated in Renminbi (“**RMB**”). Cash and bank balances held by the Group excluding cash and bank balances held by MAGHL Group as at 31 January 2021 was HK\$1,535.5 million (31 July 2020: HK\$1,501.4 million). As HKD is pegged to USD, the Group considers that the corresponding exposure to USD exchange rate fluctuation is nominal. The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Mainland China are subject to the relevant rules and regulations of foreign exchanges control promulgated by the government authorities concerned. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Liquidity, Financial Resources, Charge on Assets and Gearing *(continued)*

Borrowings

As at 31 January 2021, the Group had outstanding consolidated total borrowings (after intra-group elimination) in the amount of HK\$389.1 million. The borrowings of the Group (other than MAGHL) and MAGHL, are as follows:

Group (other than MAGHL)

As at 31 January 2021, the Group had secured general banking facilities granted by a bank. As at 31 January 2021, the Group had outstanding bank loans of HK\$170.7 million and utilised letter of credit and letter of guarantee facilities of HK\$1.7 million. The maturity profile of the Group's bank loans is spread with HK\$107.9 million repayable within 1 year, HK\$17.8 million repayable in the second year and HK\$45.0 million repayable in the third year. All bank loans are on floating rate basis and are denominated in HKD. The Group has undrawn facilities of HK\$23.3 million as at 31 January 2021.

In addition, there existed unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK\$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group's recorded interest accruals were HK\$105.4 million for the said unsecured other borrowings as at 31 January 2021. At the request of the Group, the executor of Mr. Lim Por Yen's estate confirmed that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 January 2021.

MAGHL

MAGHL had no outstanding loans as at 31 January 2021.

Charge on Assets and Gearing

As at 31 January 2021, time deposits and bank balances of approximately HK\$180.1 million of the Group have been pledged to secure banking facilities of the Group.

As at 31 January 2021, the consolidated net assets attributable to the owners of the Company amounted to HK\$1,512.5 million (31 July 2020: HK\$1,597.4 million). As at 31 January 2021, the gearing ratio of the Group, being the total borrowings to net assets attributable to the owners of the Company, was approximately 25.7%.

Taking into account the amount of cash being held as at the end of the reporting period, the available banking facilities and the recurring cash flows from the Group's operating activities, the Group believes that it would have sufficient liquidity for its present requirements to finance its existing operations and projects underway.

Contingent Liabilities

There has been no material change in contingent liabilities of the Group since 31 July 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has complied with all applicable code provisions set out from time to time in the Corporate Governance Code (“**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) throughout the six months ended 31 January 2021 save for the deviations from code provisions A.4.1, A.5.1 and E.1.2 as follows:

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing non-executive directors of the Company (“**NEDs**”, including the independent non-executive directors of the Company (“**INEDs**”)) is appointed for a specific term. However, all directors of the Company (“**Directors**”) are subject to the retirement provisions of the Bye-laws of the Company (“**Bye-laws**”), which require that the Directors for the time being shall retire from office by rotation once every three years since their last election by shareholders of the Company (“**Shareholders**”) and the retiring Directors are eligible for re-election. In addition, any person appointed by the board of Directors (“**Board**”) as a Director (including a NED) will hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (“**AGM**”) (in the case of an addition to the Board) and will then be eligible for re-election at that meeting. Further, in line with the relevant code provision of the CG Code, each of the Directors appointed to fill a casual vacancy has been/will be subject to election by the Shareholders at the first general meeting after his/her appointment. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and therefore, does not intend to take any remedial steps in this regard.

Under code provision A.5.1, a nomination committee comprising a majority of independent non-executive directors should be established and chaired by the chairman of the board or an independent non-executive director.

The Company has not established a nomination committee whose functions are assumed by the full Board. Potential new Directors will be recruited based on their knowledge, skills, experience and expertise and the requirements of the Company at the relevant time and candidates for the INEDs must meet the independence criterion set out in Rule 3.13 of the Listing Rules. The process of identifying and selecting appropriate candidates for consideration and approval by the Board has been, and will continue to be, carried out by the executive Directors (“**Executive Directors**”). Pursuant to the Mandatory Disclosure Requirement L.(d)(ii) of the CG Code, the Company has approved to adopt its nomination policy at its Board meeting held on 22 January 2019 (“**Nomination Policy**”) for improving transparency around the nomination process. As the Nomination Policy has already been in place and the other duties of the nomination committee as set out in the CG Code have long been performed by the full Board effectively, the Board does not consider it necessary to establish a nomination committee at the current stage.

Under code provision E.1.2, the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

Due to travel restriction between Hong Kong and Singapore as a result of the COVID-19 pandemic, Mr. Low Chee Keong (“**Mr. Low**”), the chairman of the Board, was not present at the AGM held on 18 December 2020. However, Mr. Lui Siu Tsuen, Richard (“**Mr. Richard Lui**”), an Executive Director and the Chief Executive Officer of the Company present at that meeting, took the chair pursuant to Bye-law 63 of the Bye-laws to ensure an effective communication with the Shareholders thereat.

Corporate Governance *(continued)*

Board

The Board oversees the overall management of the Company's businesses and affairs. The Board's primary duty is to ensure the viability of the Company and to ascertain that it is managed in the best interests of the Shareholders as a whole while taking into account the interests of other stakeholders.

The Board has established specific committees with written terms of reference to assist it in the efficient implementation of its functions, namely the Executive Committee, the Audit Committee and the Remuneration Committee. Specific responsibilities have been delegated to the above Committees.

The Board has delegated the day-to-day management of the Company's businesses to the management and the Executive Committee, and focuses its attention on matters affecting the Company's long-term objectives and plans for achieving these objectives, the overall business and commercial strategy of the Company and its subsidiaries ("**Group**") as well as overall policies and guidelines. Since a new reporting requirement under the Listing Rules for the Board to have a clear mechanism to oversee the environmental, social and governance ("**ESG**") management became effective for the financial year 2020-2021, the Board has delegated the ESG management to the Executive Committee during the reporting period in order to focusing on matters affecting the overall business strategy, and to review and monitor the Group's ESG management progress.

The Board currently comprises nine members, of whom four are Executive Directors, one is NED and the remaining four are INEDs. The current composition of the Board, two out of its nine members being women, is characterised by diversity, whether considered in terms of gender, nationality, professional background and skills. The current Directors have extensive experience and skills in, including but not limited to, media and entertainment businesses, corporate advisory, business development and investment banking, laws, accounting and auditing services and corporate finance, etc.

The Board meets at least four times a year with meeting dates scheduled prior to the beginning of the year. Additional board meetings will be held when warranted. Directors also participate in the consideration and approval of matters of the Company by way of written resolutions circulated to Directors together with supporting explanatory materials as and when required.

All Directors have been provided, on a monthly basis, with the Group's management information updates, giving a balanced and understandable assessment of the Group's performance, position, recent developments and prospects in sufficient detail to keep them abreast of the Group's affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

Chairman and Chief Executive

During the six months ended 31 January 2020 and up to the date of this Interim Report, Mr. Low (an INED) is the Chairman of the Board and Mr. Richard Lui (an Executive Director) is the Chief Executive Officer of the Company. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and the Chief Executive Officer's responsibilities to manage the Company's businesses. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established and set out in writing.

Securities Transactions by Directors and Designated Employees

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees ("**Securities Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the six months ended 31 January 2021.

Share Option Schemes

(1) *The Company*

On 11 December 2015, the Company adopted a new share option scheme (“**2015 Scheme**”) and terminated its share option scheme previously adopted on 23 December 2005 (“**2005 Scheme**”). The 2015 Scheme which became effective on 23 December 2015 remains in force for a period of 10 years commencing on its adoption date. The details of the 2015 Scheme are set out in the circular of the Company dated 12 November 2015. The maximum number of the Company’s ordinary shares (“**Shares**”) issuable pursuant to the 2015 Scheme is 124,321,216, being 10% of the total issued Shares on the date of the approval of the 2015 Scheme.

Upon the closing of the Company’s offers on 22 August 2018, all outstanding share options under the 2005 Scheme and the 2015 Scheme had lapsed or had been cancelled. Since then and as at 31 January 2021, no share options have been granted under the 2015 Scheme.

(2) *Media Asia Group Holdings Limited (“MAGHL”)*

On 18 December 2012, MAGHL, a company listed on GEM of the Stock Exchange and a non-wholly-owned subsidiary of the Company since 9 June 2011, adopted a share option scheme (“**MAGHL Scheme**”) which was also approved by the Shareholders at a special general meeting of the Company held on 18 December 2012. The MAGHL Scheme will remain in force for a period of 10 years commencing on its adoption date.

In compliance with Chapter 23 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”), MAGHL’s shareholders passed a resolution at its annual general meeting held on 11 December 2015 to refresh scheme limit under the MAGHL Scheme, allowing MAGHL to grant options to subscribe for up to a total of 213,605,682 MAGHL’s shares (“**Refreshment**”), representing 10% of its total issued shares as at the date of passing the relevant resolution. The Refreshment was also approved by the Shareholders at the AGM held on 11 December 2015 pursuant to the requirements of Rule 17.01(4) of the Listing Rules and Rule 23.01(4) of the GEM Listing Rules.

No share options have been granted under the MAGHL Scheme since its adoption on 18 December 2012. As a result of the share consolidation of MAGHL (“**Share Consolidation**”) becoming effective on 22 December 2020 and the completion of its loan capitalisation on 18 January 2021, its total issued shares became 2,901,105,682 MAGHL’s shares. As at the date of this Interim Report, MAGHL may grant options under the MAGHL Scheme to subscribe for a maximum of 21,360,568 MAGHL’s shares (after adjustment for the Share Consolidation), representing approximately 0.74% of its total issued shares as at 31 January 2021 (i.e. 2,901,105,682 MAGHL’s shares).

Directors’ and Chief Executive’s Interests

The following Directors and chief executive of the Company who held office on 31 January 2021 and their respective close associates (as defined in the Listing Rules) were interested, or were deemed to be interested, in the following long or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of Laws of Hong Kong (“**SFO**”)), on that date (a) as required to be notified to the Stock Exchange and the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO (“**Register of Directors and Chief Executive**”); or (c) as notified to the Stock Exchange and the Company pursuant to the Securities Code; or (d) as otherwise known by the Directors:

Directors' and Chief Executive's Interests (continued)

(I) Interests in the Company

Name of Director	Capacity	Long positions in the Shares and underlying Shares				Total	Approximate percentage of total issued Shares <small>(Note)</small>
		Number of Shares		Number of underlying Share	Personal interests		
		Personal interests	Corporate interests				
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	2,794,443	0.19%	

Note: The total number of issued Shares as at 31 January 2021 (1,491,854,598 Shares) has been used in the calculation of the approximate percentage.

(II) Interests in the Associated Corporations

(a) Lai Sun Garment (International) Limited ("LSG")

Name of Directors	Capacity	Long positions in ordinary shares of LSG ("LSG Shares") and underlying LSG Shares				Total	Approximate percentage of total issued LSG Shares <small>(Note 2)</small>
		Number of LSG Shares		Number of underlying LSG Shares	Personal interests		
		Personal interests	Corporate interests				
Chew Fook Aun	Beneficial owner	Nil	Nil	3,819,204	3,819,204	0.97%	
Lam Hau Yin, Lester	Beneficial owner	12,459,208	Nil	3,819,204	16,278,412	4.15%	
Lui Siu Tsuen, Richard	Beneficial owner	185,600	Nil	Nil	185,600	0.05%	
U Po Chu	Beneficial owner	825,525	Nil	Nil	825,525	0.21%	

Notes:

- These interests in underlying LSG Shares represent the interests in share options granted to the Directors under a share option scheme of LSG, particulars of which are as follows:

Name of Directors	Date of grant (dd/mm/yyyy)	Number of underlying LSG Shares comprised in share options	Option period (dd/mm/yyyy)	Exercise price per LSG Share (HK\$)
Chew Fook Aun	19/06/2017	3,819,204	19/06/2017 – 18/06/2027	15.00
Lam Hau Yin, Lester	19/06/2017	3,819,204	19/06/2017 – 18/06/2027	15.00

- The total number of issued LSG Shares as at 31 January 2021 (392,610,623 LSG Shares) has been used in the calculation of the approximate percentage.

Directors' and Chief Executive's Interests (continued)

(II) Interests in the Associated Corporations (continued)

(b) Lai Sun Development Company Limited ("LSD")

Long positions in ordinary shares of LSD ("LSD Shares") and underlying LSD Shares						
Name of Directors	Capacity	Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares
		Personal interests	Corporate interests	Personal interests		
				(Note 1)		(Note 2)
Chew Fook Aun	Beneficial owner and owner of controlled corporation	Nil	1,221,000 (Note 3)	1,952,081	3,173,081	0.52%
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	4,173,081	4,173,081	0.68%
Lui Siu Tsuen, Richard	Beneficial owner	Nil	Nil	104,000	104,000	0.02%
U Po Chu	Beneficial owner	26,919	Nil	Nil	26,919	0.004%

Notes:

- These interests in underlying LSD Shares represent the interests in share options granted to the Directors under the share option schemes of LSD, particulars of which are as follows:

Name of Directors	Date of grant (dd/mm/yyyy)	Number of underlying LSD Shares comprised in share options	Option period (dd/mm/yyyy)	Exercise price per LSD Share (HK\$)
Chew Fook Aun	05/06/2012	1,952,081	05/06/2012 – 04/06/2022	5.35
Lam Hau Yin, Lester	18/01/2013	4,173,081	18/01/2013 – 17/01/2023	16.10
Lui Siu Tsuen, Richard	18/01/2013	104,000	18/01/2013 – 17/01/2023	16.10

- The total number of issued LSD Shares as at 31 January 2021 (612,089,025 LSD Shares) has been used in the calculation of the approximate percentage.
- Mr. Chew Fook Aun ("Mr. FA Chew") was deemed to be interested in the same 1,221,000 LSD Shares owned by The Orchid Growers Association Limited ("Orchid") by virtue of his 100% shareholding interest in the said company, after its disposal of a total of 582,300 LSD Shares in August 2020 and the allotment and issue of 915,000 LSD Shares to Orchid upon his exercise of share option to subscribe for 915,000 LSD Shares on 7 August 2020.

Directors' and Chief Executive's Interests (continued)

(II) Interests in the Associated Corporations (continued)

(c) Lai Fung Holdings Limited ("Lai Fung")

		Long positions in ordinary shares of Lai Fung ("Lai Fung Shares") and underlying Lai Fung Shares				
Name of Director	Capacity	Number of Lai Fung Shares		Number of underlying Lai Fung Shares		Approximate percentage of total issued Lai Fung Shares
		Personal interests	Corporate interests	Personal interests	Total	
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	3,219,182	3,219,182	0.97%

Notes:

- These interests in underlying Lai Fung Shares represent the interests in a share option granted to the Director under a share option scheme of Lai Fung, particulars of which are as follows:

Name of Director	Date of grant (dd/mm/yyyy)	Number of underlying Lai Fung Shares comprised in share options	Option period (dd/mm/yyyy)	Exercise price per Lai Fung Share (HK\$)
Lam Hau Yin, Lester	18/01/2013	3,219,182	18/01/2013 – 17/01/2023	11.04

- The total number of issued Lai Fung Shares as at 31 January 2021 (331,033,443 Lai Fung Shares) has been used in the calculation of the approximate percentage.

Save as disclosed above, as at 31 January 2021, none of the Directors and the chief executive of the Company and their respective close associates had, or was deemed to have, any interest in the long or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which was required to be notified to the Stock Exchange and the Company pursuant to the SFO, or recorded in the Register of Directors and Chief Executive, or notified to the Stock Exchange and the Company under the Securities Code or otherwise known by the Directors.

Substantial Shareholders' and Other Persons' Interests

As at 31 January 2021, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO (“**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (“**Voting Entitlements**”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

Name	Capacity	Long positions in the Shares and underlying Shares	
		Number of Shares and underlying Shares held	Approximate percentage of total issued Shares
<i>(Note 1)</i>			
Substantial Shareholders			
Lai Sun Development Company Limited <i>(Note 2)</i>	Owner of controlled corporation	1,113,260,072	74.62% <i>(Note 4)</i>
Lai Sun Garment (International) Limited <i>(Note 3)</i>	Owner of controlled corporations	1,113,260,072	74.62% <i>(Note 4)</i>
Dr. Lam Kin Ngok, Peter	Beneficial owner and owner of controlled corporations	1,116,054,515	74.81% <i>(Note 4)</i>
Other Persons			
Mr. Yu Cheuk Yi	Beneficial owner	148,982,000	9.99% <i>(Note 5)</i>
Ms. Yu Siu Yuk	Beneficial owner	148,982,000	9.99% <i>(Note 5)</i>

Substantial Shareholders' and Other Persons' Interests *(continued)*

Notes:

1. The total number of issued Shares as at 31 January 2021 (1,491,854,598 Shares) has been used in the calculation of the approximate percentage.
2. As at 31 January 2021, Mr. FA Chew and Mr. Lam Hau Yin, Lester ("**Mr. Lester Lam**"), both Executive Directors, were also executive directors of LSD. Madam U Po Chu ("**Madam U**"), a NED, was also a non-executive director of LSD.
3. As at 31 January 2021, Mr. FA Chew, Mr. Lester Lam and Madam U were also executive directors of LSG. Mr. Yip Chai Tuck, an Executive Director, was also the chief executive officer of LSG.
4. These interests in the Company represented all the Shares beneficially owned by Transtrend Holdings Limited, an indirect wholly-owned subsidiary of LSD. As at 31 January 2021, LSG and Dr. Lam Kin Ngok, Peter ("**Dr. Peter Lam**") were deemed to be interested in the same 1,113,260,072 Shares (approximately 74.62% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed interests of approximately 41.66% (excluding share option) of the total issued LSG Shares; LSD was approximately 56.13% directly and indirectly owned by LSG; and LSG was approximately 12.43% (excluding share option) owned by Dr. Peter Lam and approximately 29.23% owned by Wisdom Limited, which in turn 100% beneficially owned by Dr. Peter Lam.

As at 31 January 2021, Dr. Peter Lam also holds 2,794,443 Shares as beneficial owner.
5. Based on the disclosure of interests notices received by the Company, as at 31 January 2021, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 148,982,000 Shares (approximately 9.99% of the total issued Shares), which were held jointly by them.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) which/who, as at 31 January 2021, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 31 January 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report for the year ended 31 July 2020 are set out as follows:

- (a) Mr. Richard Lui ceased to be the convenor of Multi-media and Culture Committee of The Chinese Manufacturers' Association of Hong Kong with effect from 1 January 2021.
- (b) Mr. FA Chew ceased to be a member of Operations Review Committee of Independent Commission Against Corruption with effect from 1 January 2021 and has been appointed as a vice-chairman of the board of directors of Hong Kong Sports Institute Limited for a term of two years with effect from 1 April 2021.
- (c) Directors' remuneration for the six months ended 31 January 2021 and 2020 are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2021				
<i>Executive Directors:</i>				
Lui Siu Tsuen, Richard	90	1,575	4	1,669*
Chew Fook Aun	-	2,002	9	2,011
Lam Hau Yin, Lester	-	-	-	-
Yip Chai Tuck	90	1,171	18	1,279^
	180	4,748	31	4,959
<i>Non-executive Director:</i>				
U Po Chu	-	-	-	-
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	363	25	-	388
Lo Kwok Kwei, David	145	30	-	175
Ng Lai Man, Carmen	195	30	-	225
Alfred Donald Yap	145	25	-	170
	848	110	-	958
Total	1,028	4,858	31	5,917

* The amounts included fees of HK\$90,000 paid by MAGHL.

^ The amounts included fees, salaries and pension scheme contributions of HK\$684,000 paid by MAGHL.

Update on Directors' Information *(continued)*

(c) Directors' remuneration for the six months ended 31 January 2021 and 2020 are as follows: *(continued)*

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2020				
<i>Executive Directors:</i>				
Lui Siu Tsuen, Richard	90	2,073	7	2,170*
Chew Fook Aun	–	4,673	18	4,691**
Lam Hau Yin, Lester	–	862	9	871^
Yip Chai Tuck	90	1,327	18	1,435^^
	180	8,935	52	9,167
<i>Non-executive Director:</i>				
U Po Chu	–	2,125	–	2,125^
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	363	30	–	393
Lo Kwok Kwei, David	145	30	–	175
Ng Lai Man, Carmen	195	30	–	225
Alfred Donald Yap	145	30	–	175
	848	120	–	968
Total	1,028	11,180	52	12,260

* The amounts included salaries and pension scheme contributions of HK\$347,000 paid by Lai Fung and fees of HK\$90,000 paid by MAGHL.

** The amounts included fees, salaries and pension scheme contributions of HK\$2,345,000 paid by Lai Fung.

^ The amounts were paid by Lai Fung.

^^ The amounts included fees, salaries and pension scheme contributions of HK\$762,000 paid by MAGHL.

Employees and Remuneration Policies

As at 31 January 2021, the Group employed a total of around 530 (excluding Lai Fung Group) (2020: 2,770 (including Lai Fung Group)) employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programs are offered to eligible employees.

Investor Relations

To ensure our investors have a better understanding of the Company, our management engages in a pro-active investor relations program. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors on an on-going basis and meet with research analysts and the press after our results announcements, attend major investors' conferences and participate in international non-deal roadshows to communicate the Company's financial performance and global business strategy.

During the period under review, certain investor relations activities have been postponed or cancelled due to the global COVID-19 pandemic. The Group maintains proactive interactions with the investment community via conference calls and virtual events and provides them with updates on the Group's operations, financial performance and outlook. The Company is keen on promoting investor relations and enhancing communication with the Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6116, by fax at (852) 2853 6651 or by e-mail at ir@esun.com.

Review of Interim Report

The audit committee of the Company ("**Audit Committee**") currently comprises three INEDs, namely Dr. Ng Lai Man, Carmen (Chairwoman), Mr. Low and Mr. Alfred Donald Yap. The Audit Committee has reviewed this Interim Report (including the unaudited condensed consolidated interim financial statements) of the Company for the six months ended 31 January 2021, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

By order of the Board

Low Chee Keong

Chairman

Hong Kong, 23 March 2021