



SANDMARTIN INTERNATIONAL HOLDINGS LIMITED

聖馬丁國際控股有限公司*

INCORPORATED IN BERMUDA WITH LIMITED LIABILITY
於百慕達註冊成立之有限公司

Stock Code 股份代號 : 482

2021 中期報告 INTERIM REPORT

* For identification purpose only
僅供識別

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Hung Tsung Chin
Mr. Chen Wei Chun

NON-EXECUTIVE DIRECTOR

Mr. Kuo Jen Hao (*Chairman*)
(appointed as Chairman on 24 August 2021)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ding Jin-Huei (appointed on 24 August 2021)
Mr. Lu Ming-Shiuan (appointed on 24 August 2021)
Mr. Wu Chia Ming
Mr. Lau Yau Cheung (*Chairman*) (resigned on 18 August 2021)
Mr. Li Chak Hung (resigned on 18 August 2021)

AUDIT COMMITTEE

Mr. Ding Jin-Huei (*Committee Chairman*)
(appointed on 24 August 2021)
Mr. Lu Ming-Shiuan (appointed on 24 August 2021)
Mr. Wu Chia Ming
Mr. Li Chak Hung (*Committee Chairman*)
(resigned on 18 August 2021)
Mr. Lau Yau Cheung (resigned on 18 August 2021)

REMUNERATION COMMITTEE

Mr. Wu Chia Ming (*Committee Chairman*)
Mr. Ding Jin-Huei (appointed on 24 August 2021)
Mr. Lu Ming-Shiuan (appointed on 24 August 2021)
Mr. Lau Yau Cheung (resigned on 18 August 2021)
Mr. Li Chak Hung (resigned on 18 August 2021)

NOMINATION COMMITTEE

Mr. Lu Ming-Shiuan (*Committee Chairman*)
(appointed on 24 August 2021)
Mr. Ding Jin-Huei (appointed on 24 August 2021)
Mr. Wu Chia Ming
Mr. Lau Yau Cheung (*Committee Chairman*)
(resigned on 18 August 2021)
Mr. Li Chak Hung (resigned on 18 August 2021)

執行董事

洪聰進先生
陳偉鈞先生

非執行董事

郭人豪先生(*主席*)
(於二零二一年八月二十四日獲委任為主席)

獨立非執行董事

丁金輝先生(於二零二一年八月二十四日獲委任)
盧明軒先生(於二零二一年八月二十四日獲委任)
吳嘉明先生
劉幼祥先生(*主席*)(於二零二一年八月十八日辭任)
李澤雄先生(於二零二一年八月十八日辭任)

審核委員會

丁金輝先生(*委員會主席*)
(於二零二一年八月二十四日獲委任)
盧明軒先生(於二零二一年八月二十四日獲委任)
吳嘉明先生
李澤雄先生(*委員會主席*)
(於二零二一年八月十八日辭任)
劉幼祥先生(於二零二一年八月十八日辭任)

薪酬委員會

吳嘉明先生(*委員會主席*)
丁金輝先生(於二零二一年八月二十四日獲委任)
盧明軒先生(於二零二一年八月二十四日獲委任)
劉幼祥先生(於二零二一年八月十八日辭任)
李澤雄先生(於二零二一年八月十八日辭任)

提名委員會

盧明軒先生(*委員會主席*)
(於二零二一年八月二十四日獲委任)
丁金輝先生(於二零二一年八月二十四日獲委任)
吳嘉明先生
劉幼祥先生(*委員會主席*)
(於二零二一年八月十八日辭任)
李澤雄先生(於二零二一年八月十八日辭任)

CORPORATE INFORMATION (Continued)

公司資料(續)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 516, 5th Floor, Peninsula Centre, 67 Mody Road
Tsim Sha Tsui East, Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street, Hamilton
HM 11, Bermuda

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

AUTHORISED REPRESENTATIVES

Mr. Hung Tsung Chin
Ms. Tung Wing Yee Winnie

PRINCIPAL BANKERS

Agricultural Bank of China Limited
CTBC Bank Co., Ltd.
Industrial and Commercial Bank of China Limited
Taishin International Bank Co., Ltd.

AUDITOR

BDO Limited
Certified Public Accountants

LEGAL ADVISORS

Woo Kwan Lee & Lo
MinterEllison LLP

總辦事處及主要營業地點

香港
九龍尖沙咀東
麼地道67號半島中心5樓516室

註冊辦事處

Clarendon House, 2 Church Street, Hamilton
HM 11, Bermuda

公司秘書

董穎怡女士

授權代表

洪聰進先生
董穎怡女士

主要往來銀行

中國農業銀行股份有限公司
中國信託商業銀行股份有限公司
中國工商銀行股份有限公司
臺新國際商業銀行股份有限公司

核數師

香港立信德豪會計師事務所有限公司
執業會計師

法律顧問

胡關李羅律師行
銘德有限法律責任合夥律師事務所

CORPORATE INFORMATION *(Continued)*

公司資料(續)

SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F.
148 Electric Road, North Point
Hong Kong

Bermuda

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE WEBSITE

www.sandmartin.com.hk

STOCK CODE

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股份登記及過戶處

香港

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香港
北角電氣道148號
21樓2103B室

百慕達

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公司網站

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股份代號

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CHAIRMAN'S LETTER TO SHAREHOLDERS

主席致股東報告

Dear shareholders of the Company (the “**Shareholders**”),

On behalf of the board (the “**Board**”) of the directors (the “**Directors**”) of Sandmartin International Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”), I hereby present the interim results of the Group for the six months ended 30 June 2021.

The financial performance of the Group was improved for the six months ended 30 June 2021. The COVID-19 pandemic (the “**Pandemic**”) continued to have negative impacts on the business and operations of the Group. The recent outbreak of variants of the coronavirus in Southeast Asia, inevitably affected the productions of the Group's suppliers located in Vietnam and led to the delay in shipment of products to the Group's customers in the North America. With the global shortage of chips and integrated circuits, and the increase in material costs, such as copper, aluminum and plastic materials, the profit margins of the Group's products have declined when compared with the same corresponding period in 2020. The Group has taken some measures to reduce the unfavourable impacts arising from the Pandemic, including but not limited to sourcing from different suppliers and adjusting the logistics structures.

The outbreak of variants of the coronavirus in May 2021 also had adverse impact on the tourism and economic sentiment in Nepal which led to the slight decrease in number of subscribers of Dish Media Network Limited (“**Dish Media**”, the Company's 47.12%-owned associate and the largest satellite pay television operator in Nepal). Nevertheless, the satellite pay television business of Dish Media was able to generate stable subscription revenue in the first half of 2021 and contributed profits to the Group.

The ongoing China-US trade war still has some negative impacts on the operations of the Group and the Group mitigates the impacts by sourcing from suppliers in Southeast Asia, serving the purpose of avoiding the excessive tariffs imposed by the United States of America (the “**US**”) on products from the People's Republic of China (the “**PRC**”).

各位本公司股東(「**股東**」):

本人謹代表聖馬丁國際控股有限公司*(「**本公司**」, 連同其附屬公司統稱為「**本集團**」)董事(「**董事**」)會(「**董事會**」)呈報本集團截至二零二一年六月三十日止六個月的中期業績。

本集團截至二零二一年六月三十日止六個月的財務表現有所改善。新型冠狀病毒疫情(「**疫情**」)持續對本集團的業務及營運造成負面影響。近期在東南亞爆發的變種新型冠狀病毒對本集團位於越南的供應商之生產造成無可避免的影響,並導致延遲向本集團北美客戶出貨。隨著全球芯片及集成電路出現短缺,加上銅、鋁及塑膠物料等材料成本上漲,本集團產品的利潤率較二零二零年同期有所下降。本集團已採取若干措施以減輕疫情造成的不利影響,包括但不限於向不同供應商採購及調整物流架構。

二零二一年五月爆發變種新型冠狀病毒亦對尼泊爾的旅遊業及經濟氣氛造成不利影響,導致Dish Media Network Limited(「**Dish Media**」,本公司擁有47.12%權益的聯營公司,並為尼泊爾最大的收費衛星電視營辦商)的訂閱用戶數量輕微下降。儘管如此,Dish Media的收費衛星電視業務能夠於二零二一年上半年產生穩定的訂閱收入,並為本集團貢獻溢利。

中美貿易戰持續對本集團的營運仍有一定的負面影響,而本集團透過向東南亞供應商採購減輕其影響,以避免美利堅合眾國(「**美國**」)對中華人民共和國(「**中國**」)的產品徵收額外關稅。

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CHAIRMAN'S LETTER TO SHAREHOLDERS *(Continued)*

主席致股東報告(續)

Although the global economy is gradually recovering from the Pandemic, the geo-political and geo-economic tensions are yet to be resolved. Given these volatilities and challenges, the Group will continue to adopt a prudent approach in managing its cash flows position and will make every endeavour to identify business opportunities with promising potential in the manufacturing segments in emerging markets or even other sectors so as to diversify our income source to weather adverse economic cycle.

To strengthen the financial position and improve the liquidity of the Group, on 28 April 2021, the Company proposed inter alia, capital reorganisation and rights issue on the basis of one rights share for every two adjusted shares in issue on the record date. The share consolidation and capital reduction of the Company on the basis that ten issued and unissued shares were consolidated into one adjusted share with par value of HK\$0.1 each in the share capital of the Company became effective on 11 June 2021 and the rights issue of the Company was completed on 21 July 2021.

Going forward, the Board believes that the growth of the Group will depend on business opportunities arising from new 5G peripherals, Internet of Things and related products. In anticipation of such business opportunities, the Group's research and development team is developing new 5G related products with reference to the market trend. New products under development include next generation radio frequency and antenna products. The Group's research and development team is working on these products in the research center in Hsinchu, Taiwan. Hopefully, the Group's new 5G related products will bring about more business opportunities as well as revenue and profits.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our invaluable business partners, Shareholders, and management and employees for their continuous support and contribution to the Group. We look forward to sharing the rewards ahead with you.

Kuo Jen Hao
Chairman

儘管全球經濟正在從疫情中逐漸復甦，惟地緣政治及地緣經濟的緊張局勢仍未得到解決。鑑於該等波動因素及挑戰，本集團將繼續採取審慎態度管理其現金流量狀況，並將竭力於新興市場(甚至其他行業)的製造分部物色具有良好潛力的商機，為求拓展收入來源以應對不利經濟週期。

為加強本集團的財務狀況及提高其流動性，於二零二一年四月二十八日，本公司建議(其中包括)進行股本重組及按於記錄日期每兩股已發行經調整股份獲發一股供股股份之基準進行供股。本公司按十股已發行及未發行股份合併為一股本公司股本中每股面值0.1港元的經調整股份為基準進行的股份合併及股本削減於二零二一年六月十一日生效，而本公司供股已於二零二一年七月二十一日完成。

展望未來，董事會深信，本集團的增長將有賴於最新的5G週邊、物聯網和相關產品帶來的商機。為配合預期中的商機，本集團的研發團隊正因應市場趨勢開發全新的5G相關產品。開發中的新產品包括下一代的無線電頻道和天線產品。本集團的研發團隊目前在位於臺灣新竹的研究中心埋首於這些產品的開發工作，期望本集團全新的5G相關產品能帶來更多商機，繼而帶來收益和溢利。

本人謹代表董事會藉此機會對寶貴的業務夥伴、股東以及管理層及僱員一直以來對本集團的持續支持及貢獻衷心致謝，期望日後能與各位分享成果。

主席
郭人豪

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL HIGHLIGHT AND BUSINESS REVIEW

The Group recorded a decrease in gross profit margin from 13.12% for the six months ended 30 June 2020 to 10.46% for the six months ended 30 June 2021 due to the increase in material costs, global shortage of chips and integrated circuits as a result of the Pandemic.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets such as trading of small home appliances. The revenue of this segment was increased by 6.1% as compared with the six months ended 30 June 2020.

- Segment revenue of media entertainment platform related products was approximately HK\$78.7 million (six months ended 30 June 2020: HK\$74.2 million).
- Segment results from operations were approximately HK\$5.6 million (six months ended 30 June 2020: HK\$5.8 million).
- Segment margin was 7.08%, which was decreased by 0.75 percentage-point as compared with the segment margin of 7.83% for the six months ended 30 June 2020 due to the low profit margin from trading of small home appliances.

Outlook

The Group is exploring new business opportunities for this segment such as trading of small home appliances. The China-US trade war is not expected to have material adverse impact on this segment as this segment does not have customers in the US.

財務摘要及業務概覽

本集團的毛利率由截至二零二零年六月三十日止六個月的13.12%減少至截至二零二一年六月三十日止六個月的10.46%，乃由於疫情導致材料成本上漲、全球芯片及集成電路短缺所致。

媒體娛樂平臺相關產品

為應對充滿挑戰的經濟環境，本集團的媒體娛樂平臺相關產品分部繼續於新興市場發掘新商機，如買賣小型家電。此分部的收益較截至二零二零年六月三十日止六個月增加6.1%。

- 媒體娛樂平臺相關產品的分部收益約為78,700,000港元(截至二零二零年六月三十日止六個月：74,200,000港元)。
- 分部營運業績約為5,600,000港元(截至二零二零年六月三十日止六個月：5,800,000港元)。
- 分部利潤率為7.08%，較截至二零二零年六月三十日止六個月的分部利潤率7.83%下跌0.75個百分點，乃由於買賣小型家電的低利潤率。

前景

本集團正為此分部開拓新商機，例如買賣小型家電。由於此分部並無位於美國的客戶，故預期中美貿易戰不會對此分部造成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

OTHER MULTIMEDIA PRODUCTS

Due to the increases in material costs and freight charges, the profitability of the Group's other multimedia products segment was lower than expected. Major products of this segment included cables, multimedia accessories, wireless mobile phone chargers for vehicles and ultraviolet light smartphone sanitizers. Segment revenue increased by 17.3% due to the gradual recovery of economy from the Pandemic as compared with the six months ended 30 June 2020.

- Segment revenue of other multimedia products was approximately HK\$128.3 million (six months ended 30 June 2020: HK\$109.4 million).
- Segment results from operations were approximately HK\$7.4 million (six months ended 30 June 2020: HK\$10.1 million).
- Segment margin was 5.79%, which decreased by 3.41 percentage-point as compared with the segment margin of 9.20% for the six months ended 30 June 2020.

Outlook

We are enhancing our product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war and increase in freight charges have certain impacts on this segment as some of the customers are located in the US and the impact is partially mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia and adjusting logistics structure.

其他多媒體產品

由於材料成本及貨運費用上漲，本集團其他多媒體產品分部的盈利能力低於預期。此分部的主要產品包括電纜、多媒體配件、車載無線手機充電器及紫外線智能手機消毒器。分部收益隨着經濟從疫情中逐漸復甦而較截至二零二零年六月三十日止六個月增加17.3%。

- 其他多媒體產品的分部收益約為128,300,000港元(截至二零二零年六月三十日止六個月：109,400,000港元)。
- 分部營運業績約為7,400,000港元(截至二零二零年六月三十日止六個月：10,100,000港元)。
- 分部利潤率為5.79%，較截至二零二零年六月三十日止六個月的分部利潤率9.20%下降3.41個百分點。

前景

我們正在豐富產品組合和開拓新業務，以滿足客戶的新需求。由於部分客戶位於美國，故中美貿易戰及貨運費用上漲對此分部造成一定影響，而有關影響因向中國以外地區，例如東南亞的供應商進行採購以及調整物流架構而得以局部緩和。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

The segment margin of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy from the Pandemic in the North America.

- Segment revenue of satellite TV equipment and antenna products was approximately HK\$347.5 million (six months ended 30 June 2020: HK\$293.1 million).
- Segment results from operations were approximately HK\$33.7 million (six months ended 30 June 2020: HK\$33.2 million).
- Segment margin was 9.69%, which decreased by 1.63 percentage-point as compared with the segment margin of 11.32% for the six months ended 30 June 2020.

Outlook

Low noise blocking down converters ("LNBS") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite television signals. Apart from the sales of LNBS to the customers in North America, we are exploring business opportunities in other areas such as cross-selling LNBS to other existing customers of the Group in South Asia. The research and development team of the Group endeavours to develop new products for next generation radio and antenna communications. The China-US trade war has some impacts on this segment as some of the customers are located in the US. Such impacts are minimized by sourcing from suppliers outside the PRC, such as Southeast Asia.

衛星電視設備及天線產品

儘管北美洲經濟從疫情中逐漸復甦，本集團的衛星電視設備及天線產品分部的分部利潤率出現下降。

- 衛星電視設備及天線產品的分部收益約為347,500,000港元(截至二零二零年六月三十日止六個月：293,100,000港元)。
- 分部營運業績約為33,700,000港元(截至二零二零年六月三十日止六個月：33,200,000港元)。
- 分部利潤率為9.69%，較截至二零二零年六月三十日止六個月的分部利潤率11.32%下跌1.63個百分點。

前景

低雜訊降頻器("LNBS")是安裝在衛星天線用以接收來自於衛星天線無線電波的接收設備，有助傳輸衛星電視信號。除向北美洲的客戶銷售LNBS外，我們正於其他地區發掘商機，例如透過與本集團於南亞的其他現有客戶進行LNBS交叉銷售。本集團的研發團隊致力為新一代無線電及天線通訊模式開發新產品。由於部分客戶位於美國，故中美貿易戰已對此分部造成一些影響。有關影響因向中國以外地區(例如東南亞)的供應商進行採購而有所減輕。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

GEOGRAPHICAL SEGMENT RESULTS

Asia

- Segment revenue for Asia for the six months ended 30 June 2021 was approximately HK\$141.4 million, as compared with the six months ended 30 June 2020 of approximately HK\$69.0 million.
- 104.9% increase in segment revenue compared with the six months ended 30 June 2020.
- Asia's portion accounted for approximately 25.5% of the Group's total revenue for the six months ended 30 June 2021 (six months ended 30 June 2020: 14.5%).

Europe

- Segment revenue for Europe for the six months ended 30 June 2021 was approximately HK\$65.9 million, as compared with the six months ended 30 June 2020 of approximately HK\$57.3 million.
- 15.0% increase in segment revenue compared with the six months ended 30 June 2020.
- Europe's portion accounted for approximately 11.9% of the Group's total revenue for the six months ended 30 June 2021 (six months ended 30 June 2020: 12.0%).

Middle East

- Segment revenue for Middle East for the six months ended 30 June 2021 was approximately HK\$8.2 million, as compared with the six months ended 30 June 2020 of approximately HK\$47.6 million.
- 82.8% decrease in segment revenue compared with the six months ended 30 June 2020.
- Middle East's portion accounted for approximately 1.5% of the Group's total revenue for the six months ended 30 June 2021 (six months ended 30 June 2020: 10.0%).

地域分部業績

亞洲

- 於截至二零二一年六月三十日止六個月，亞洲分部收益約為141,400,000港元，而於截至二零二零年六月三十日止六個月約為69,000,000港元。
- 分部收益與截至二零二零年六月三十日止六個月相比增加104.9%。
- 於截至二零二一年六月三十日止六個月，亞洲部分佔本集團的總收益約25.5%（截至二零二零年六月三十日止六個月：14.5%）。

歐洲

- 於截至二零二一年六月三十日止六個月，歐洲分部收益約為65,900,000港元，而於截至二零二零年六月三十日止六個月約為57,300,000港元。
- 分部收益與截至二零二零年六月三十日止六個月相比增加15.0%。
- 於截至二零二一年六月三十日止六個月，歐洲部分佔本集團的總收益約11.9%（截至二零二零年六月三十日止六個月：12.0%）。

中東

- 於截至二零二一年六月三十日止六個月，中東分部收益約為8,200,000港元，而於截至二零二零年六月三十日止六個月約為47,600,000港元。
- 分部收益與截至二零二零年六月三十日止六個月相比減少82.8%。
- 於截至二零二一年六月三十日止六個月，中東部分佔本集團的總收益約1.5%（截至二零二零年六月三十日止六個月：10.0%）。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

North America

- Segment revenue for North America for the six months ended 30 June 2021 was approximately HK\$322.6 million, as compared with the six months ended 30 June 2020 of approximately HK\$276.4 million.
- 16.7% increase in segment revenue compared with the six months ended 30 June 2020.
- North America's portion accounted for approximately 58.2% of the Group's total revenue for the six months ended 30 June 2021 (six months ended 30 June 2020: 58.0%).

South America

- Segment revenue for South America for the six months ended 30 June 2021 was approximately HK\$15.3 million, as compared with the six months ended 30 June 2020 of approximately HK\$24.4 million.
- 37.3% drop in segment revenue compared with the six months ended 30 June 2020.
- South America's portion accounted for approximately 2.8% of the Group's total revenue for the six months ended 30 June 2021 (six months ended 30 June 2020: 5.1%).

Outlook

As our businesses in Asia, Europe and North America accounted for the majority of the Group's revenue, we shall focus on these regions in the future.

北美洲

- 於截至二零二一年六月三十日止六個月，北美洲分部收益約為322,600,000港元，而於截至二零二零年六月三十日止六個月約為276,400,000港元。
- 分部收益與截至二零二零年六月三十日止六個月相比增加16.7%。
- 於截至二零二一年六月三十日止六個月，北美洲部分佔本集團的總收益約58.2%(截至二零二零年六月三十日止六個月：58.0%)。

南美洲

- 於截至二零二一年六月三十日止六個月，南美洲分部收益約為15,300,000港元，而於截至二零二零年六月三十日止六個月約為24,400,000港元。
- 分部收益與截至二零二零年六月三十日止六個月相比減少37.3%。
- 於截至二零二一年六月三十日止六個月，南美洲部分佔本集團的總收益約2.8%(截至二零二零年六月三十日止六個月：5.1%)。

前景

由於我們在亞洲、歐洲及北美洲的業務分佔本集團大部分的收益，因此，我們日後將專注於此等地區。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

CAPITAL REORGANISATION AND RIGHTS ISSUE

Reference is made to the announcements of the Company dated 28 April 2021 and 9 June 2021, and the circular of the Company dated 17 May 2021 in relation to, among other things, the capital reorganisation of the Company (the **"Capital Reorganisation Announcements and Circular"**) and the prospectus of the Company dated 24 June 2021 and the announcements of the Company dated 12 July 2021, 20 July 2021 and 27 July 2021 in relation to the rights issue of the Company (the **"Rights Issue Announcements and Prospectus"**). Unless otherwise specified herein, capitalised terms used herein shall have the same meanings as those defined in the Capital Reorganisation Announcements and Circular and the Rights Issue Announcements and Prospectus.

The Capital Reorganisation comprised the Share Consolidation, the Capital Reduction and the Share Premium Reduction on the basis that every ten issued and unissued Existing Shares of a par value of HK\$0.10 each shall be consolidated into one Consolidated Share of a par value of HK\$1.00 each in the share capital of the Company. Immediately after the Share Consolidation, the issued share capital of the Company was reduced by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid-up capital of the Company to the extent of HK\$0.90 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$1.00 to HK\$0.10. The credit arising from the Capital Reduction was credited to the contributed surplus account of the Company within the meaning of the Companies Act and then was applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The Capital Reorganisation was approved by the Shareholders at the SGM held on 9 June 2021 and became effective on 11 June 2021.

The amount of HK\$506,750,000 standing to the credit of the share premium account of the Company be reduced to nil and that the credit arising therefrom be transferred to the contributed surplus account.

Upon the Capital Reorganisation became effective, the Company conducted a Rights Issue to raise approximately HK\$68.9 million before expenses by issuing 164,053,830 Rights Shares, on the basis of one Rights Share for every two Adjusted Shares in issue on the Record Date then held at the Subscription Price of HK\$0.42 per Rights Share, representing a discount of approximately 16.00% to the theoretical closing price of HK\$0.50 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.05 per Share as quoted on the Stock Exchange on 27 April 2021, being the last full trading day before the release of the announcement dated 28 April 2021 in relation to the Rights Issue.

股本重組及供股

茲提述有關(其中包括)本公司股本重組之本公司日期為二零二一年四月二十八日及二零二一年六月九日的公告及本公司日期為二零二一年五月十七日的通函(「股本重組公告及通函」)、有關本公司供股之本公司日期為二零二一年六月二十四日的供股章程以及本公司日期為二零二一年七月十二日、二零二一年七月二十日及二零二一年七月二十七日的公告(「供股公告及供股章程」)。除本報告另有指明外，本報告所用詞彙與股本重組公告及通函以及供股公告及供股章程所界定者具有相同涵義。

股本重組包括按本公司股本中每十股每股面值0.10港元之已發行及未發行現有股份合併為一股本公司股本中每股面值1.00港元之合併股份之基準進行的股份合併、股本削減及削減股份溢價。緊隨股份合併生效後，本公司之已發行股本已透過以下方式進行削減：(i)註銷本公司已發行股本中任何零碎合併股份，將本公司已發行股本中之合併股份數目向下湊整至最接近整數；及(ii)按每股當時已發行合併股份0.90港元註銷本公司繳足股本，致使每股已發行合併股份之面值由1.00港元削減至0.10港元。因股本削減而產生之進賬額計入本公司之實繳盈餘賬(定義見公司法)，其後用於抵銷本公司於股本削減生效日期之累計虧損，從而減少本公司之累計虧損。股本重組經股東於二零二一年六月九日舉行的股東特別大會上批准，自二零二一年六月十一日起生效。

本公司股份溢價賬之進賬金額506,750,000港元被削減至零，而由此產生的進賬額被轉撥至實繳盈餘賬。

於股本重組生效後，本公司以於記錄日期當時持有每兩股已發行經調整股份獲發一股供股股份的基準按認購價每股供股股份0.42港元(較於二零二一年四月二十七日(即於日期為二零二一年四月二十八日有關供股的公告刊發前最後一個完整交易日)在聯交所所報收市價每股0.05港元計算之理論收市價每股經調整股份0.50港元(經計及股本重組之影響)折讓約16.00%)發行164,053,830股供股股份進行供股，以籌集約68,900,000港元(扣除開支前)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析(續)

The Rights Issue was completed on 21 July 2021, and an aggregate of 164,053,830 Rights Shares were allotted and issued to the Qualifying Shareholders accordingly, which carried the aggregate nominal value of HK\$16,405,383. The gross proceeds raised from the Rights Issue (including the Compensatory Arrangement) were approximately HK\$68.9 million and the net proceeds from the Rights Issue after deducting the expenses were approximately HK\$66.3 million. The net price per Rights Share was approximately HK\$0.40.

The Company considered that the Rights Issue would allow (i) the Group to improve the financial position (i.e. reducing its indebtedness and finance costs) without incurring debt financing cost and (ii) the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company, and was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company intended to apply the net proceeds from the Rights Issue for partial repayment of the outstanding loans of the Company as previously disclosed in the Capital Reorganisation Announcements and Circular and the Rights Issue Announcements and Prospectus. As at the date of this report, the Company had fully utilized the net proceeds in accordance with the said intention.

Effect of Rights Issue on the shareholding structure of the Company:

供股已於二零二一年七月二十一日完成，並相應向合資格股東配發及發行合共164,053,830股供股股份，總面值為16,405,383港元。供股（包括補償安排）籌得之所得款項總額約為68,900,000港元，扣除開支後供股所得款項淨額約為66,300,000港元。每股供股股份的淨價約為0.40港元。

本公司認為，供股能夠令(i)本集團改善財務狀況（即減少其債務及融資成本）而不會產生債務融資成本及(ii)合資格股東維持彼等各自按比例持有的本公司股權，且屬公平合理並符合本公司及股東的整體利益。

誠如先前於股本重組公告及通函以及供股公告及供股章程所披露，本公司擬將供股所得款項淨額用作償還部分本公司未償還貸款。於本報告日期，本公司已按上述計劃全部用畢所得款項淨額。

供股對本公司股權架構之影響：

		Immediately before completion of the Rights Issue 緊接供股完成前		Immediately after completion of the Rights Issue 緊隨供股完成後	
		Number of issued Adjusted Shares 已發行經調整 股份數目	Approximate % 概約%	Number of issued Adjusted Shares 已發行經調整 股份數目	Approximate % 概約%
Substantial Shareholders	主要股東				
First Steamship Company Limited	益航股份有限公司	95,085,935	29.0%	142,628,902	29.0%
Metroasset Investments Limited	Metroasset Investments Limited	50,718,859	15.5%	70,718,859	14.4%
IXL CAPITAL	IXL CAPITAL	27,376,200	8.3%	51,376,200	10.4%
Public Shareholders	公眾股東				
Placees	承配人	—	—	48,781,322	9.9%
Other Shareholders	其他股東	154,926,666	47.2%	178,656,207	36.3%
Total	總計	328,107,660	100.0%	492,161,490	100.0%

FINANCIAL REVIEW

財務回顧

REVENUE

Revenue for the six months ended 30 June 2021 was approximately HK\$554.5 million, representing an increase of 16.3% compared with approximately HK\$476.7 million for the six months ended 30 June 2020. The increase in revenue was mainly due to the gradual recovery of economy from the Pandemic.

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company was approximately HK\$0.1 million for the six months ended 30 June 2021, compared with loss of approximately HK\$1.2 million for the six months ended 30 June 2020. The profit mainly arose from the increase in revenue.

EARNINGS/(LOSS) PER SHARE

Calculation of basic earnings per share for the six months ended 30 June 2021 was based on the profit attributable to owners of the Company and the weighted average number of 328,107,660 (30 June 2020: 326,347,362 shares as restated) ordinary shares (the “Shares”) in issue. Basic earnings per share was HK0.03 cents for the six months ended 30 June 2021, as compared with loss per share of HK0.38 cents for the six months ended 30 June 2020 as restated.

FINANCE COSTS

The Group’s finance costs for the six months ended 30 June 2021 was approximately HK\$14.3 million, compared to approximately HK\$16.8 million for the six months ended 30 June 2020. Finance costs were decreased due to the decrease of bank and other borrowings when compared with the six months ended 30 June 2020.

INCOME TAX EXPENSE

Income tax expense for the six months ended 30 June 2021 was approximately HK\$8.0 million (30 June 2020: HK\$2.3 million).

收益

截至二零二一年六月三十日止六個月的收益約為554,500,000港元，較截至二零二零年六月三十日止六個月約476,700,000港元增加16.3%。收益增加主要由於經濟從疫情中逐漸復甦。

本公司擁有人應佔溢利／（虧損）

截至二零二一年六月三十日止六個月，本公司擁有人應佔溢利約為100,000港元，而截至二零二零年六月三十日止六個月的虧損則為約1,200,000港元。溢利主要由於收益增加所致。

每股盈利／（虧損）

截至二零二一年六月三十日止六個月的每股基本盈利乃根據本公司擁有人應佔溢利及已發行普通股（「股份」）加權平均數328,107,660股（二零二零年六月三十日：326,347,362股（經重列））計算。截至二零二一年六月三十日止六個月的每股基本盈利為0.03港仙，而截至二零二零年六月三十日止六個月為每股虧損0.38港仙（經重列）。

財務成本

截至二零二一年六月三十日止六個月，本集團的財務成本約為14,300,000港元，而截至二零二零年六月三十日止六個月約為16,800,000港元。財務成本減少乃由於銀行及其他借貸與二零二零年六月三十日止六個月相比減少所致。

所得稅支出

截至二零二一年六月三十日止六個月的所得稅支出約為8,000,000港元（二零二零年六月三十日：2,300,000港元）。

FINANCIAL REVIEW (Continued)

財務回顧(續)

TRADE RECEIVABLES

應收貿易賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	122,505	207,495
Balance at 30 June	於六月三十日的結餘	238,890	187,605
Average balance	平均結餘	180,698	197,550
Revenue for the period ended 30 June*	截至六月三十日止期間的收益*	554,520	476,694
Average turnover days	平均週轉天數	59	76

* Excluded sales to an associate

* 不包括向一間聯營公司銷售。

As at 30 June 2021, the trade receivables of the Group, net of allowance of doubtful debts was approximately HK\$238.9 million (31 December 2020: HK\$122.5 million). The trade receivables turnover days was within the average credit period of 60 days to 120 days to the customers of the Group.

於二零二一年六月三十日，本集團的應收貿易賬款扣除呆賬撥備後約為238,900,000港元(二零二零年十二月三十一日：122,500,000港元)。應收貿易賬款的週轉天數屬於給予本集團客戶的平均信貸期60天至120天以內。

TRADE PAYABLES

應付貿易賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	208,095	302,048
Balance at 30 June	於六月三十日的結餘	304,657	243,635
Average balance	平均結餘	256,376	272,842
Costs of sale for the period ended 30 June	截至六月三十日止期間的銷售成本	496,494	414,172
Average turnover days	平均週轉天數	94	120

As at 30 June 2021, the trade payables of the Group was approximately HK\$304.7 million (31 December 2020: HK\$208.1 million). The decrease in trade payables turnover days was due to the improvement of Group's liquidity and ability to settle payables to suppliers.

於二零二一年六月三十日，本集團的應付貿易賬款約為304,700,000港元(二零二零年十二月三十一日：208,100,000港元)。應付貿易賬款的週轉天數減少，乃由於本集團改善向供應商結算應付款項的流動性及能力。

FINANCIAL REVIEW (Continued)

財務回顧(續)

NET ASSET VALUE PER SHARE

Calculation of net asset value per share was based on the net asset value of the Group of HK\$46.8 million (31 December 2020: HK\$53.5 million) and 328,107,660 Shares issued at 30 June 2021 (31 December 2020: 328,107,660 Shares as restated). Net asset value per share at 30 June 2021 was HK\$0.14 (31 December 2020: HK\$0.16).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the overall cash and cash equivalent of the Group was HK\$99.7 million (31 December 2020: HK\$88.9 million). The Group managed its capital structure and liquidity to finance its operations by using bank and other borrowings and funds generated from operations.

The Group's current ratio (ratio of current assets to current liabilities) was 0.69 as at 30 June 2021 (31 December 2020: 0.66).

As at 30 June 2021, the Group's total borrowings were approximately HK\$457.8 million (31 December 2020: HK\$421.2 million), out of which HK\$416.7 million (31 December 2020: HK\$387.0 million) were due within one year and the rest of HK\$41.1 million (31 December 2020: HK\$34.2 million) were due over one year. Approximately 81.5% of the Group's bank and other borrowings were denominated in US dollars ("US\$") and the rest of them were denominated in Renminbi ("RMB"), Euro and New Taiwan dollars. The effective interest rates on the Group's variable interest rate bank and other borrowings ranged from 1% to 10%. The gearing ratio (total borrowings over total assets of the Group) decreased from 47.0% as at 31 December 2020 to 44.5% as at 30 June 2021.

每股資產淨值

每股資產淨值乃根據本集團於二零二一年六月三十日的資產淨值46,800,000港元(二零二零年十二月三十一日: 53,500,000港元)及328,107,660股已發行股份(二零二零年十二月三十一日: 328,107,660股股份(經重列))計算。於二零二一年六月三十日的每股資產淨值為0.14港元(二零二零年十二月三十一日: 0.16港元)。

流動資金及財務資源

於二零二一年六月三十日,本集團的整體現金及現金等價物為99,700,000港元(二零二零年十二月三十一日: 88,900,000港元)。本集團利用銀行及其他借貸及來自經營產生的資金,以管理其資本結構及流動資金作資助其營運。

於二零二一年六月三十日,本集團的流動比率(流動資產與流動負債的比率)為0.69(二零二零年十二月三十一日: 0.66)。

於二零二一年六月三十日,本集團的借貸總額約為457,800,000港元(二零二零年十二月三十一日: 421,200,000港元),其中416,700,000港元(二零二零年十二月三十一日: 387,000,000港元)於一年內到期,其餘41,100,000港元(二零二零年十二月三十一日: 34,200,000港元)超過一年到期。本集團約81.5%的銀行及其他借貸以美元(「美元」)計值,其餘以人民幣(「人民幣」)、歐元及新臺幣計值。本集團浮息銀行及其他借貸的實際利率介乎1%至10%。資本負債比率(本集團借貸總額除以資產總值)由二零二零年十二月三十一日的47.0%下降至二零二一年六月三十日的44.5%。

FINANCIAL REVIEW (Continued)

財務回顧(續)

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2021, the Group's general banking facilities (including bank loans and other borrowings) were secured by the following assets of the Group: (i) bank deposits of HK\$4.3 million (31 December 2020: HK\$4.0 million), (ii) property, plant and equipment with a carrying value of HK\$24.7 million (31 December 2020: HK\$22.4 million), (iii) investment properties of HK\$230.6 million (31 December 2020: HK\$205.4 million), (iv) trade receivables of HK\$197.7 million (31 December 2020: HK\$45.8 million), (v) inventories of HK\$145.3 million (31 December 2020: HK\$31.4 million), and (vi) pledge of the Company's interest in Pro Brand Technology, Inc.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held as at 30 June 2021.

The Group did not have any future plans for materials investments nor capital assets as at 30 June 2021.

本集團的資產押記

於二零二一年六月三十日，本集團的一般銀行信貸(包括銀行貸款及其他借貸)以下列本集團資產作抵押：(i) 銀行存款4,300,000港元(二零二零年十二月三十一日：4,000,000港元)；(ii) 賬面值為24,700,000港元的物業、廠房及設備(二零二零年十二月三十一日：22,400,000港元)；(iii) 投資物業230,600,000港元(二零二零年十二月三十一日：205,400,000港元)；(iv) 應收貿易賬款197,700,000港元(二零二零年十二月三十一日：45,800,000港元)；(v) 存貨145,300,000港元(二零二零年十二月三十一日：31,400,000港元)；及(vi) 質押本公司於博百科技有限公司* (Pro Brand Technology, Inc.) 的權益。

持有的重大投資以及重大投資或資本資產的未來計劃

於二零二一年六月三十日，本公司並無持有重大投資。

本集團於二零二一年六月三十日並無任何重大投資或資本資產的未來計劃。

* For identification purpose only

* 僅供識別

FINANCIAL REVIEW (Continued)

財務回顧(續)

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

(i) Cooperation Agreement in Relation to Proposed Redevelopment

Reference is made to the voluntary announcement of the Company dated 17 August 2021 in relation to the cooperation agreement (the **"Cooperation Agreement"**) that was entered into between the Group and Guangdong Huasuan International Industrial Park Investment Development Co., Ltd.* (廣東省華算國際產業園投資發展有限公司) (**"Huasuan"**) in July 2021. Pursuant to the Cooperation Agreement, Huasuan and Sandmartin (Zhong Shan) Electronic Co., Ltd.* (**"ZSS"**, an indirect wholly owned subsidiary of the Company) will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on an industrial land and to redevelop some vacant and undeveloped parts of that land (collectively, the **"Land"**) subject to prior consents and planning approvals from the relevant PRC government authorities. The Land is situated in Zhongshan, Guangdong Province, the PRC and is owned by ZSS. The intention of the Cooperation Agreement is to set out the framework to redevelop the Land into an intelligent manufacturing centre for research and development for future leasing or disposal purposes (the **"Redevelopment"**). Huasuan will fund the entire costs of the Redevelopment and the Group will provide part of the Land that will be used for the Redevelopment. The Group and Huasuan will be entitled to 20% and 80% respectively of the new buildings constructed on the Land by apportioning the rental income attributable to, or the proceeds from the disposal of, the newly constructed buildings (the **"Revenue Apportionment"**).

The Redevelopment will be developed under the name of ZSS. To ensure the continued commitment in the Redevelopment, Huasuan will pay to the Group a cooperation fund amounting to RMB60 million as security deposit (the **"Cooperation Fund"**). As securities for such Cooperation Fund, the Group will pledge to Huasuan (i) 100% of the shareholding interests in ZSS which holds the Land (the **"Equity Pledge"**); and (ii) one of the three pieces of land parcels within the Land (the **"Land Pledge"**). Huasuan shall release both the Equity Pledge and the Land Pledge upon full repayment of the Cooperation Fund by the Group and completion of the Redevelopment and Revenue Apportionment. If the Redevelopment is unable to proceed, the Cooperation Fund shall be refunded to Huasuan without interest within 10 business days failing which there is a default interest of 8% per annum payable by the Group within three months.

報告期後事項

(i) 有關建議重建的合作協議

茲提述本公司日期為二零二一年八月十七日的自願公告，內容有關本集團與廣東省華算國際產業園投資發展有限公司(「華算」)於二零二一年七月訂立合作協議(「合作協議」)。根據合作協議，華算及中山聖馬丁電子元件有限公司(「中山聖馬丁」，本公司之間接全資附屬公司)將合作升級建於工業用地之上若干廠房及宿舍，並重建該土地(統稱「該土地」)的部分空置及未發展部分，惟須事先獲得中國相關政府部門的同意及規劃批准。該土地位於中國廣東省中山市並由中山聖馬丁擁有。合作協議旨在制定重建該土地的框架，成為研發智能製造中心，作未來租賃或出售用途(「重建」)。華算將提供重建全部成本的資金，而本集團將提供部分該土地用於重建。本集團及華算將透過分配由新建樓宇產生的租金收入或出售新建樓宇的所得款項而分別有權獲得該土地上新建樓宇的20%及80%(「收益分配」)。

重建將以中山聖馬丁名義開發。為確保繼續承擔重建，華算將向本集團支付合作金人民幣60,000,000元作為保證金(「合作金」)。作為保障該合作金，本集團將向華算抵押(i)中山聖馬丁(持有該土地)的100%股權(「股權質押」)；及(ii)該土地內三幅地塊的其中一幅(「土地抵押」)。華算將於本集團悉數償還合作金及完成重建及收益分配後解除股權質押及土地抵押。倘重建無法進行，則合作金將於十個營業日內退還予華算(不計利息)，否則本集團須於三個月內支付年利率8%的違約利息。

* For identification purpose only

* 僅供識別

FINANCIAL REVIEW (Continued)

財務回顧(續)

As at the date of the Voluntary Announcement, the Redevelopment is in the planning stage. The concrete plan in relation to the Revenue Apportionment cannot be determined and will have to be further negotiated between the parties. Similarly, the design and scale of the Redevelopment, the exact size and location of the Land that will be provided by the Group for the Redevelopment cannot be determined until prior consents and planning approvals from the relevant PRC government authorities are obtained. The Redevelopment may not proceed if the Group cannot obtain the relevant consents and planning approvals. Other than prior consents and planning approvals from the relevant PRC government authorities, other conditions precedent that the parties have to fulfil before the Redevelopment can commence are that:

- (i) Huasuan shall pay to the Group the Cooperation Fund; and
- (ii) the Group shall provide the Equity Pledge and Land Pledge to Huasuan for securing repayment of the Cooperation Fund.

For the Equity Pledge, this is under the Group's control and should be fulfilled after documentations for the Equity Pledge are completed. As for the Land Pledge, the Group needs to seek consent from the banks in the PRC to release one of the plots of land that is charged to the banks for it to be pledged to Huasuan. Whether the banks will agree to this is not under the Group's control.

Pursuant to the Cooperation Agreement, the Group may not proceed with the Redevelopment even if the conditions precedent above are fulfilled if the outstanding matters such as the location and size of the Land to be provided by the Group, the scale of Redevelopment to be undertaken by Huasuan and whether the newly developed Land will be leased or to be disposed of cannot be resolved or agreed. Therefore, at this stage, there is no transaction in connection with the Cooperation Agreement that would trigger Chapter 14 of the Listing Rules.

於自願公告日期，重建正處於規劃階段。有關收益分配的具體計劃無法釐定，並須由雙方進一步磋商。同樣，重建的設計及規模、本集團將就重建提供該土地的實際面積及位置在獲得中國相關政府部門的事先同意及規劃批准前無法釐定。倘本集團未能取得相關同意及規劃批准，則重建可能不會進行。除須向相關中國政府部門取得事先同意及規劃批准外，雙方於可開展重建前須達成的其他先決條件如下：

- (i) 華算須向本集團支付合作金；及
- (ii) 本集團須向華算提供股權質押及土地抵押以保障償還合作金。

就股權質押而言，其受本集團控制，並須於完成編製股權質押的文件後達成。就土地抵押而言，本集團須向中國的銀行取得同意，以解除其中一幅向銀行抵押的地塊以質押予華算。銀行是否會同意並非本集團控制範圍之內。

根據合作協議，倘本集團將提供該土地的位置及面積、華算將承擔的重建規模以及新開發的該土地是否會出租或出售等未決事項未能解決或達成一致，即使上述先決條件獲達成，本集團亦可能不會進行重建。因此，現階段並無與合作協議有關的交易將觸發上市規則第十四章。

FINANCIAL REVIEW (Continued)

財務回顧(續)

If those outstanding matters are resolved and agreed (including the prior consents and planning approvals from the relevant PRC government authorities), the Group will proceed with the Redevelopment with Huasuan by entering into further agreements. If the transactions under the further agreements constitute major transactions (as defined under the Listing Rules), the Group will comply with the requirements under Chapter 14 of the Listing Rules.

Pending development of such subsequent non-adjusting event, the Group's financial and operating performance may be affected, the extent to which cannot be estimated as at the date of the Voluntary Announcement. For details, please refer to the Voluntary Announcement.

(ii) Rights Issue

Upon the Capital Reorganisation became effective, the Company conducted a Rights Issue on the basis of one Rights Share for every two Adjusted Shares in issue on the Record Date. The Right Issue was completed on 21 July 2021 and the gross proceeds raised by the Rights Issue was approximately HK\$68.9 million and an aggregate of 164,053,830 Rights Shares were issued at the Subscription Price of HK\$0.42 per Rights Share by either accepted or placed under the Rights Issue or Compensatory Arrangement and all the conditions with respect of the Rights Issue set out in the prospectus of the Company dated 24 June 2021 have been fulfilled. For further details of the Rights Issue, please refer to the section headed "Capital Reorganisation and Rights Issue" in this report.

Save as disclosed above and in the sections headed "Capital Reorganisation and Rights Issue" and "Corporate Governance and Other Information — Corporate Governance" in this report, there were no other important events affecting the Group which have occurred since the end of the reporting period.

倘該等未決事項獲解決及達成一致(包括向相關中國政府部門取得事先同意及規劃批准),本集團將與華算訂立進一步協議以進行重建。倘進一步協議項下的交易構成主要交易(定義見上市規則),本集團將遵守上市規則第十四章項下的規定。

視乎有關後續非調整事項的發展,本集團的財務及營運表現可能會受影響,於自願公告日期未能估計其影響程度。有關詳情請參閱自願公告。

(ii) 供股

於股本重組生效後,本公司按於記錄日期每兩股已發行經調整股份獲發一股供股股份之基準進行供股。供股已於二零二一年七月二十一日完成,而供股籌得之所得款項總額為約68,900,000港元,並透過根據供股或補償安排接納或配售之方式按每股供股股份0.42港元之認購價發行合共164,053,830股供股股份,而本公司日期為二零二一年六月二十四日的供股章程所載有關供股之所有條件均已達成。有關供股的進一步詳情,請見本報告「股本重組及供股」一節。

除上文以及本報告「股本重組及供股」和「企業管治及其他資料 — 企業管治」章節所披露者外,自報告期末以來並無發生影響本集團的其他重要事項。

FINANCIAL REVIEW (Continued) 財務回顧(續)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's sales and purchases were mainly denominated in US\$ and RMB. The Group was exposed to certain foreign currency exchange risk but it does not expect future currency fluctuations to cause material operation difficulties because the recent pressure from appreciation of RMB was manageable and the Group purchased raw materials from diversified sources. Also, the Group currently does not have a foreign currency hedging policy. During the period, the Group has not entered into any foreign exchange hedging arrangement. However, the management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2021 (31 December 2020: Nil).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

DISPOSAL OF ALL INTERESTS IN MYHD AND CONTINUATION OF LOANS AND GUARANTEE

Reference is made to the announcement of the Company dated 31 December 2018 (the "Announcement") and the circular of the Company dated 25 May 2019 (the "Circular"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and in the Circular. On 31 December 2018, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company, at the nominal consideration of US\$1 with effect from the Transaction Date. The Target Company was a wholly-owned subsidiary of the Company and indirectly held 51% interests in MyHD. All the conditions set out in the Agreement had been satisfied and the Disposal was completed on 25 June 2019.

匯率波動及相關對沖風險

本集團的銷售額及購貨額主要以美元及人民幣列值。本集團面對若干外幣匯兌風險，惟由於近期人民幣升值的壓力可予管理，且本集團已從不同來源採購原材料，故預期未來貨幣波動不會造成重大經營困難。此外，本集團現時並無外幣對沖政策。於期內，本集團並無訂立任何外匯對沖安排。然而，管理層持續評估外匯風險，旨在將外匯波動對業務營運的影響減至最低。

或然負債

於二零二一年六月三十日，本集團並無任何重大或然負債(二零二零年十二月三十一日：無)。

中期股息

董事會已議決不宣派截至二零二一年六月三十日止六個月的中期股息(截至二零二零年六月三十日止六個月：無)。

出售於MYHD的全部權益及延續貸款 及擔保

茲提述本公司日期為二零一八年十二月三十一日的公告(「該公告」)及本公司日期為二零一九年五月二十五日的通函(「該通函」)。除另有說明外，本報告所用詞彙與該公告及該通函所界定者具有相同涵義。於二零一八年十二月三十一日，賣方與買方訂立該協議，據此，賣方有條件同意出售，而買方有條件同意以象徵式代價1美元購買目標公司之全部已發行股本，自交易日期起生效。目標公司為本公司的全資附屬公司，間接持有MyHD的51%權益。該協議所載所有條件已獲達成，且出售事項已於二零一九年六月二十五完成。

FINANCIAL REVIEW (Continued)

財務回顧(續)

The Vendor had agreed with the Purchaser under the Agreement to procure that the Existing Loans shall continue to be advanced by the Company or SMT (as the case may be) to the Target Company and/or MyHD (as the case may be) notwithstanding Completion taking place. Such arrangement confers the right to the Company or SMT (as the case may be) to receive the payments for the Existing Loans from the Target Company and/or MyHD (as the case may be) when the financial positions of the Target Company and/or MyHD (as the case may be) improve and have sufficient cash to settle the Existing Loans. As at 30 June 2021, there were Existing Loans in the aggregate amount of US\$94,485,000 comprising aggregate principal amount of US\$71,298,000 and aggregate accrued interest (calculated based on the terms of the Existing Loans) of US\$23,187,000 owing by the Target Company and/or MyHD to the Company and/or SMT (as the case may be), the particulars of which are as follows:

儘管完成已落實，賣方已根據該協議與買方協定促使本公司或宏揚科技(視乎情況而定)繼續向目標公司及／或MyHD(視乎情況而定)墊付現有貸款。有關安排賦予本公司或宏揚科技(視乎情況而定)權利當目標公司及／或MyHD(視乎情況而定)之財務狀況改善並擁有足夠現金償付現有貸款時自目標公司及／或MyHD(視乎情況而定)收取現有貸款之付款。於二零二一年六月三十日，現有貸款合共為94,485,000美元，包括目標公司及／或MyHD結欠本公司及／或宏揚科技(視乎情況而定)的本金總額71,298,000美元及應計利息(根據現有貸款的條款計算)總額23,187,000美元，詳情如下：

Lenders	Debtors	Prevailing interest rate	Maturity date	Principal amount outstanding as at 30 June 2021 於二零二一年六月三十日尚未償還本金額	Accrued interest as at 30 June 2021 於二零二一年六月三十日應計利息
貸款人	債務人	現行利率	到期日		
SMT	Target Company	3 months LIBOR + 100 basis points (Note 1)	31 December 2020	US\$9,554,000 (approximately HK\$74,190,000)	US\$1,461,000 (approximately HK\$11,345,000)
宏揚科技	目標公司	三個月倫敦銀行同業拆息加100個基點(附註1)	二零二零年十二月三十一日	9,554,000美元 (約74,190,000港元)	1,461,000美元 (約11,345,000港元)
SMT	MyHD	3 months LIBOR + 100 basis points (Note 1)	31 December 2020	US\$10,500,000 (approximately HK\$81,537,000)	US\$1,345,000 (approximately HK\$10,444,000)
宏揚科技	MyHD	三個月倫敦銀行同業拆息加100個基點(附註1)	二零二零年十二月三十一日	10,500,000美元 (約81,537,000港元)	1,345,000美元 (約10,444,000港元)
SMT	MyHD	10% per annum	31 December 2020	US\$42,653,000 (approximately HK\$331,218,000)	US\$16,967,000 (approximately HK\$131,756,000)
宏揚科技	MyHD	年利率10厘	二零二零年十二月三十一日	42,653,000美元 (約331,218,000港元)	16,967,000美元 (約131,756,000港元)
the Company	MyHD	10% per annum	31 December 2020	US\$8,591,000 (approximately HK\$66,712,000)	US\$3,414,000 (approximately HK\$26,511,000)
本公司	MyHD	年利率10厘	二零二零年十二月三十一日	8,591,000美元 (約66,712,000港元)	3,414,000美元 (約26,511,000港元)
Total				US\$71,298,000 (approximately HK\$553,657,000)	US\$23,187,000 (approximately HK\$180,056,000)
總計				71,298,000美元 (約553,657,000港元)	23,187,000美元 (約180,056,000港元)

FINANCIAL REVIEW (Continued)

財務回顧(續)

Note:

1. As a reference, 3 months London inter-bank offered rates ("LIBOR") as applicable to these two loans during the period between 1 May 2012 to 30 June 2021 ranged between 0.13138% and 2.80763%.

The Vendor had also agreed that the Guarantee given by the Company to MyHD shall continue for the time being after the Completion. The maximum amount payable by the Company under the Guarantee would not exceed US\$3,500,000 (equivalent to HK\$27,332,000). Notwithstanding that MyHD ceased its operation in late 2019, the Company has not received any demand for payment from MyHD under the Guarantee. As at 30 June 2020 and 2021, the Group had recognised the provision for financial guarantee in the amount of US\$3,500,000 (equivalent to HK\$27,332,000) in relation to the Guarantee.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the period under review.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2021, the Group employed a total of 667 (31 December 2020: 646) full-time employees. Employees are remunerated according to their performance and responsibilities. Employees of the Group receive training depending on their scope of works, especially those training relating to workplace health and safety.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The emoluments of the Directors are decided by the Board based on the recommendation of the remuneration committee, having regard to market competitiveness, individual performance and achievement. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

附註：

1. 作為參考，於二零一二年五月一日至二零二一年六月三十日期間適用於該等兩項貸款的三個月倫敦銀行同業拆息（「倫敦銀行同業拆息」）介乎0.13138%至2.80763%。

賣方亦同意，本公司給予MyHD的擔保須於完成後暫時持續。本公司根據擔保所須支付的最高金額將不超過3,500,000美元（相當於27,332,000港元）。儘管MyHD已於二零一九年年底停止營運，但本公司未收到MyHD根據擔保提出的任何付款要求。於二零二零年及二零二一年六月三十日，本集團已就該擔保確認財務擔保撥備3,500,000美元（相當於27,332,000港元）。

重大收購及出售附屬公司、聯營公司及合營企業

於回顧期間，本集團並無任何重大收購及出售附屬公司、聯營公司及合營企業。

人力資源及酬金政策

於二零二一年六月三十日，本集團合共聘用667名（二零二零年十二月三十一日：646名）全職僱員。僱員薪酬乃根據僱員表現及職責釐定。本集團僱員會視乎工作範圍接受培訓，尤其是與工作場所健康與安全相關的培訓。

董事及本公司高級管理層以薪金、實物利益及／或與本集團表現有關的酌情花紅形式收取報酬。董事的酬金由董事會基於薪酬委員會經考慮市場競爭力、個人表現及成就後作出的推薦釐定。本公司定期檢討及釐定董事及高級管理層的酬金及薪酬待遇。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with all Directors, with the maximum term of three years. No service contract was entered into or is to be entered into between the Directors and the members of the Group that cannot be terminated by the Group within one year without paying any compensation (other than the statutory compensation).

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

As at 30 June 2021, the interests and short positions of each of the Directors and chief executive of the Company and their associates had in any 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 the Laws of Hong Kong) (the **"SFO"**)) which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"**) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or (b) which are required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**) were as follows:

董事的服務合約

本公司已與全體董事訂立為期最長三年的服務合約。董事與本集團成員公司之間概無訂有亦不會訂立本集團不可在一年內免付賠償(法定賠償除外)而終止的服務合約。

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零二一年六月三十日，本公司各董事及最高行政人員以及彼等的聯繫人於本公司或其任何相聯法團(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)任何股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「**聯交所**」)的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)，或(b)根據證券及期貨條例第352條須記入該條例所述由本公司存置的登記冊內的權益及淡倉，或(c)根據載於聯交所證券上市規則(「**上市規則**」)附錄十的《上市發行人董事進行證券交易的標準守則》(「**標準守則**」)須知會本公司及聯交所的權益及淡倉如下：

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

(a) Long positions in the Shares, underlying shares and debentures of the Company

(a) 於本公司股份、相關股份及債權證中的好倉

Name of Director	Capacity	Number of Shares held 所持股份 數目	Percentage of the issued share capital 佔已發行 股本百分比
董事姓名	身份		
Mr. Hung Tsung Chin 洪聰進先生	Interest of controlled corporation 受控制法團的權益	50,718,859 ¹	15.46%

Note:

1. These Shares represent Shares held by Metroasset Investments Limited in which Mr. Hung Tsung Chin beneficially owns 45.09% of the issued share capital.

附註：

1. 該等股份代表Metroasset Investments Limited持有的股份，洪聰進先生實益擁有該公司的45.09%已發行股本。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

(b) Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of associated corporation:

Pro Brand Technology, Inc.

(b) 於本公司相聯法團股份、相關股份及債權證中的好倉

相聯法團名稱：

博百科技有限公司*(Pro Brand Technology, Inc.)

Name of Directors	Capacity	Number of shares held	Percentage of the issued share capital
董事姓名	身份	所持股份數目	佔已發行股本百分比
Mr. Chen Wei Chun 陳偉鈞先生	Interest of controlled corporation 受控制法團的權益 Beneficial owner 實益擁有人	350,000 ¹ 300,000 ²	
	Total 總計	650,000	0.82%
Mr. Hung Tsung Chin 洪聰進先生	Beneficial owner 實益擁有人	450,000 ³	0.57%

Notes:

- These shares represent 350,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, held by Jun Zhong Investment Limited* (鈞仲投資有限公司) in which Mr. Chen Wei Chun beneficially owns the entire issued share capital.
- These shares represent 300,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Chen Wei Chun.
- These shares represent 450,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Hung Tsung Chin.

附註：

- 該等股份代表鈞仲投資有限公司持有的本公司非全資附屬公司博百科技有限公司*(Pro Brand Technology, Inc.)的350,000股股份，陳偉鈞先生實益擁有鈞仲投資有限公司的全部已發行股本。
- 該等股份代表由陳偉鈞先生擁有的本公司非全資附屬公司博百科技有限公司*(Pro Brand Technology, Inc.)的300,000股股份。
- 該等股份代表由洪聰進先生擁有的本公司非全資附屬公司博百科技有限公司*(Pro Brand Technology, Inc.)的450,000股股份。

* For identification purpose only

* 僅供識別

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Save as disclosed above, as at 30 June 2021, none of the Directors or the chief executive of the Company and their associates had any interests 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 SFO) (a) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二一年六月三十日，概無本公司董事或最高行政人員以及彼等的聯繫人於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)，或(b)已記入本公司根據證券及期貨條例第352條須存置的登記冊內的任何權益或淡倉，或(c)根據標準守則須知會本公司及聯交所的任何權益或淡倉。

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

So far as the Directors or chief executive of the Company are aware, as at 30 June 2021, the Shareholders (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東於本公司股份及相關股份中的權益及淡倉

就本公司董事或最高行政人員所知，於二零二一年六月三十日，股東(本公司董事或最高行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司及聯交所披露的權益或淡倉，或已記入本公司根據證券及期貨條例第336條須存置之登記冊內的權益或淡倉如下：

Name of Shareholders	Capacity	Number of Shares held	Percentage of the issued share capital 佔已發行股本百分比
股東名稱	身份	所持股份數目	股本百分比
Metroasset Investments Limited	Beneficial owner 實益擁有人	50,718,859 ¹	15.46%
Ms. Chen Mei Huei 陳美惠女士	Interest of controlled corporation 受控制法團的權益	50,718,859 ²	15.46%
First Steamship Company Limited 益航股份有限公司	Interest of controlled corporation 受控制法團的權益	95,085,935 ³	28.98%

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Name of Shareholders	Capacity	Number of Shares held	Percentage of the issued share capital
股東名稱	身份	所持股份數目	股本百分比
Mr. Tai Kwok Kei 戴國基先生	Beneficial owner 實益擁有人	20,000,000 ⁴	6.10%
IXL CAPITAL	Beneficial owner 實益擁有人	22,476,200 ⁵	6.85%
Mr. Seah Jonathan Weiyan 余偉彥先生	Interest of controlled corporation 受控制法團的權益	22,476,200 ⁶	6.85%

Notes:

附註：

- | | |
|--|--|
| <p>1. These Shares are held by Metroasset Investments Limited, 45.09% of the issued share capital of which is beneficially owned by Mr. Hung Tsung Chin.</p> <p>2. The Shares are the same batch of Shares (as referred to in note 1) held by Metroasset Investments Limited, 44.38% of the issued share capital of which is beneficially owned by Ms. Chen Mei Huei, the spouse of Mr. Hung Tsung Chin.</p> <p>3. First Steamship Company Limited is interested in 95,085,935 shares through First Mariner Holding Limited, its wholly-owned subsidiary, which holds 83,300,000 Shares and Grand Citi Limited, its non-wholly owned subsidiary, which holds 11,785,935 Shares.</p> <p>4. Disclosure of the number of Shares held by Mr. Tai Kwok Kei is made as per the disclosure of interests notice which was filed on 15 June 2021.</p> <p>5. Disclosure of the number of Shares held by IXL CAPITAL is made as per the disclosure of interests notice which was filed on 2 July 2021 in relation a relevant event occurred on 30 June 2021.</p> <p>6. Pursuant to the disclosure of interests notice filed on 2 July 2021 in relation a relevant event occurred on 30 June 2021, IXL CAPITAL is wholly owned by Azure Pacific Ventures Limited, which in turn wholly owned by Mr. Seah Jonathan Weiyan. Therefore Mr. Seah Jonathan Weiyan is deemed to be interested in the Shares held by IXL CAPITAL under the SFO.</p> | <p>1. 該等股份由洪聰進先生實益擁有其45.09%已發行股本之Metroasset Investments Limited持有。</p> <p>2. 該等股份為附註1所述由Metroasset Investments Limited持有的同一批股份，而Metroasset Investments Limited的44.38%已發行股本由陳美惠女士(洪聰進先生之配偶)實益擁有。</p> <p>3. 益航股份有限公司透過其全資附屬公司First Mariner Holding Limited及其非全資附屬公司Grand Citi Limited於95,085,935股股份中擁有權益，其中First Mariner Holding Limited持有83,300,000股股份，而Grand Citi Limited持有11,785,935股股份。</p> <p>4. 有關戴國基先生所持股份數目的披露是根據於二零二一年六月十五日存檔之披露權益通知而作出。</p> <p>5. 有關IXL CAPITAL所持股份數目的披露是根據關於二零二一年六月三十日發生之相關事項於二零二一年七月二日存檔之披露權益通知而作出。</p> <p>6. 根據關於二零二一年六月三十日發生之相關事項於二零二一年七月二日存檔之披露權益通知，IXL CAPITAL由Azure Pacific Ventures Limited全資擁有，而Azure Pacific Ventures Limited由余偉彥先生全資擁有。因此，根據證券及期貨條例，余偉彥先生被視為於IXL CAPITAL持有的股份中擁有權益。</p> |
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CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Save as disclosed above and so far as the Directors and the chief executive of the Company are aware, as at 30 June 2021, no person or entity had any interest or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance which are consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

During the six months ended 30 June 2021, the Company has applied the principles and has complied with code provisions of the Corporate Governance Code (the "Code Provision(s)") as contained in Appendix 14 to the Listing Rules, except for the deviations with following reason.

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings.

Mr. Kuo Jen Hao, a non-executive Director was unable to attend the annual general meeting of the Company held on 3 June 2021 due to his other personal engagements.

除上文所披露者外，並就本公司董事及最高行政人員所知，於二零二一年六月三十日，概無個人或實體於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司及聯交所披露的任何權益或淡倉，或根據證券及期貨條例第336條須記入該條例所述登記冊內的任何權益或淡倉。

購買、出售或贖回本公司的上市證券

於截至二零二一年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

本集團不斷改善其企業管治常規，注重構建及維持一個優良的董事會、穩健的風險管理及內部控制，並對股東高度透明，對彼等負責。董事會及管理層致力恪守符合審慎管理及提高股東價值的良好企業管治原則。董事會相信，良好的企業管治將為股東及本集團帶來長遠利益。

於截至二零二一年六月三十日止六個月，本公司已應用上市規則附錄十四所載《企業管治守則》的原則及遵守《企業管治守則》的守則條文（「守則條文」），惟因以下原因而出現的偏離情況除外。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會。

非執行董事郭人豪先生因處理其個人其他事務而未能出席本公司於二零二一年六月三日舉行的股東週年大會。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

As set out in the Company's announcement dated 18 August 2021, following the resignation of Mr. Lau Yau Cheung and Mr. Li Chak Hung as the independent non-executive Directors (the "INED(s)"), the Company only had one INED on the Board, hence it failed to meet the following requirements of:

- (i) including at least three independent non-executive directors on the Board, under Rule 3.10(1) of the Listing Rules;
- (ii) appointing independent non-executive directors representing at least one-third of the Board, under Rule 3.10A of the Listing Rules;
- (iii) establishing an audit committee comprising non-executive directors only, and with a minimum of three members and chaired by an independent non-executive director, under Rule 3.21 of the Listing Rules;
- (iv) establishing an audit committee where at least one of the members is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, under Rule 3.10(2) of the Listing Rules;
- (v) establishing a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors, under Rule 3.25 of the Listing Rules; and
- (vi) establishing a nomination committee comprising a majority of independent non-executive directors, under Code Provision A.5.1.

Following the appointment of Mr. Ding Jin-Huei and Mr. Lu Ming-Shiuan as INEDs with effect from 24 August 2021, the Company has again fully complied with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21 and 3.25 of the Listing Rules and Code Provision A.5.1. For details, please refer to the Company's announcement dated 24 August 2021.

誠如本公司日期為二零二一年八月十八日的公告所載，於劉幼祥先生及李澤雄先生辭任獨立非執行董事（「獨立非執行董事」）後，本公司董事會只有一名獨立非執行董事，因此未能符合以下規定：

- (i) 根據上市規則第3.10(1)條，董事會須包括至少三名獨立非執行董事；
- (ii) 根據上市規則第3.10A條，委任的獨立非執行董事須佔董事會至少三分之一席位；
- (iii) 根據上市規則第3.21條，審核委員會僅由非執行董事組成，並至少須有三名成員，主席須由獨立非執行董事擔任；
- (iv) 根據上市規則第3.10(2)條，審核委員會至少有一名成員須為具備適當專業資格或會計或相關財務管理專業知識的獨立非執行董事；
- (v) 根據上市規則第3.25條，薪酬委員會主席須由獨立非執行董事擔任，成員須由大多數獨立非執行董事組成；及
- (vi) 根據守則條文第A.5.1條，提名委員會成員須由大多數獨立非執行董事組成。

自二零二一年八月二十四日起委任丁金輝先生及盧明軒先生為獨立非執行董事後，本公司再次全面遵守上市規則第3.10(1)、3.10(2)、3.10A、3.21及3.25條以及守則條文第A.5.1條的規定。有關詳情請參閱本公司日期為二零二一年八月二十四日的公告。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standards regarding securities transactions by Directors as set out in the Model Code throughout the six months ended 30 June 2021. No incident of non-compliance was noted by the Company for the six months ended 30 June 2021.

CHANGE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

In accordance with rule 13.51B(1) of the Listing Rules, the change to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) subsequent to the date of the annual report of the Company for the year ended 31 December 2020 and up to the date of this interim report is set out below:

Mr. Kuo Jen Hao was appointed as the chairman of the board of directors of Da Yu Financial Holdings Limited (stock code: 1073, a company listed on the Main Board of the Stock Exchange,) with effect from 1 July 2021.

Mr. Kuo Jen Hao was appointed as the chairman of the Board with effect from 24 August 2021.

COMPETING AND CONFLICT OF INTEREST

None of the Directors or the controlling Shareholders or their respective associates had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group nor any conflict of interest which any of them had or may have with the Group for the six months ended 30 June 2021.

董事進行證券交易的標準守則

本公司已採納標準守則作為董事買賣本公司證券的行為準則。經特定查詢後，全體董事確認彼等於截至二零二一年六月三十日止六個月一直遵守標準守則所載有關董事進行證券交易的必要準則。本公司並不知悉於截至二零二一年六月三十日止六個月有任何不合規事件。

根據上市規則第13.51B(1)條披露董事資料變動

根據上市規則第13.51B(1)條，於本公司截至二零二零年十二月三十一日止年度之年報日期後以及直至本中期報告日期止，根據第13.51(2)條第(a)至(e)段及第(g)段須由董事予以披露的資料變動如下：

郭人豪先生獲委任為大禹金融控股有限公司（一間於聯交所主板上市的公司（股份代號：1073））之董事會主席，自二零二一年七月一日起生效。

郭人豪先生獲委任為董事會主席，自二零二一年八月二十四日起生效。

競爭性權益及利益衝突

截至二零二一年六月三十日止六個月，概無董事或控股股東或彼等各自的聯繫人於直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益，或與本集團存在或可能存在任何利益衝突。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of the interim report, the Company has maintained the prescribed public float under the Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the “**Audit Committee**”) reviewing and providing supervision over the Group’s financial reporting process and internal controls. As at the date of this report, the Audit Committee comprises three members, Messrs. Ding Jin-Huei (chairman of the Audit Committee), Lu Ming-Shiuan and Wu Chia Ming, all of whom are INEDs. The interim financial information for the six months ended 30 June 2021 have not been audited by the independent auditor of the Company. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2021 and held discussion with the management. Based on the review and the discussion with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended 30 June 2021.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all of the Shareholders for their support to the Company.

Kuo Jen Hao
Chairman

Hong Kong, 27 August 2021

公眾持股量之充足程度

根據本公司可公開獲得的資料及就董事於中期報告日期所知，本公司一直維持上市規則規定的公眾持股量。

審核委員會

本公司已成立董事會審核委員會(「**審核委員會**」)，旨在審閱及監督本集團的財務申報程序及內部監控。於本報告日期，審核委員會包括三名成員，分別為丁金輝先生(審核委員會主席)、盧明軒先生及吳嘉明先生，全部均為獨立非執行董事。截至二零二一年六月三十日止六個月的中期財務資料未經本公司獨立核數師審核。審核委員會已審閱本集團截至二零二一年六月三十日止六個月的未經審核簡明綜合財務報表及中期報告，並與管理層進行討論。根據此審閱及與管理層的討論，審核委員會信納未經審核簡明綜合財務報表乃按照適用會計準則編製，並公平呈列本集團於截至二零二一年六月三十日止六個月的財務狀況及業績。

致謝

本人謹藉此機會代表董事會衷心感謝全體股東支持本公司。

主席
郭人豪

香港，二零二一年八月二十七日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
	Notes 附註	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核) (restated) (經重列)
Revenue	收益	554,520	476,697
Cost of sales	銷售成本	(496,494)	(414,172)
Gross profit	毛利	58,026	62,525
Other income, gains and losses	其他收入、收益及虧損	21,688	15,717
Increase in fair value of investment properties	投資物業的公平值增加	22,757	3,135
Distribution and selling costs	經銷及銷售成本	(11,347)	(13,485)
Administrative and other expenses	行政及其他開支	(66,337)	(52,000)
Research and development costs	研發成本	(14,317)	(16,092)
(Provision for)/reversal of expected credit losses on financial assets	金融資產的預期信貸虧損(撥備)/撥回	(393)	9,098
Finance costs	財務成本	(14,261)	(16,830)
Share of profit of an associate	應佔一間聯營公司之溢利	9,746	6,852
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	5,562	(1,080)
Income tax expense	所得稅支出	(7,952)	(2,342)
Loss for the period	本期間虧損	(2,390)	(3,422)
Other comprehensive income, net of tax	其他全面收益(扣除稅項)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>		
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額	(4,296)	(8,028)
Other comprehensive income for the period	本期間其他全面收益	(4,296)	(8,028)
Total comprehensive income for the period	本期間全面收益總額	(6,686)	(11,450)
Profit/(loss) for the period attributable to:	下列各項應佔本期間溢利/(虧損)：		
— Owners of the Company	— 本公司擁有人	108	(1,241)
— Non-controlling interests	— 非控股權益	(2,498)	(2,181)
		(2,390)	(3,422)

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

簡明綜合損益及其他全面收益表(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
	Note 附註	2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核) (restated) (經重列)
Total comprehensive income attributable to:	下列各項應佔全面收益總額：		
— Owners of the Company	— 本公司擁有人	(3,880)	(9,072)
— Non-controlling interests	— 非控股權益	(2,806)	(2,378)
		(6,686)	(11,450)
		HK cents 港仙	HK cents 港仙 (restated) (經重列)
Earnings/(loss) per share	每股盈利／(虧損)		
Basic	基本	0.03	(0.38)
Diluted	攤薄	0.03	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

AT 30 JUNE 2021

於二零二一年六月三十日

			30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	11	物業、廠房及設備	61,352	66,704
Prepaid lease payments		預付租賃款項	28	58
Investment properties	11	投資物業	230,621	205,442
Goodwill		商譽	9,836	10,140
Intangible assets		無形資產	1,270	3,836
Interest in an associate		於一間聯營公司之權益	97,129	90,393
Loan to an associate	14	給予一間聯營公司的貸款	22,130	22,155
Deferred tax assets		遞延稅項資產	4,241	4,212
Total non-current assets		非流動資產總值	426,607	402,940
Current assets		流動資產		
Inventories		存貨	162,978	156,633
Loan receivables	12	應收貸款	–	–
Trade, bills and other receivables	13	應收貿易賬款、應收票據及 其他應收款項	297,836	207,704
Prepaid lease payments		預付租賃款項	29	28
Amount due from an associate	14	應收一間聯營公司的款項	37,038	36,356
Pledged bank deposits		已抵押銀行存款	4,286	3,957
Bank balances and cash		銀行結存及現金	99,672	88,871
Total current assets		流動資產總值	601,839	493,549
Current liabilities		流動負債		
Trade, bills and other payables	15	應付貿易賬款、應付票據及 其他應付款項	407,938	289,524
Contract liabilities		合約負債	8,494	30,407
Tax liabilities		稅項負債	12,039	12,083
Bank and other borrowings	17	銀行及其他借貸	412,842	383,144
Provision for financial guarantee	16	財務擔保撥備	27,332	27,332
Lease liabilities		租賃負債	3,859	3,855
Total current liabilities		流動負債總額	872,504	746,345
Net current liabilities		流動負債淨額	(270,665)	(252,796)
Total assets less current liabilities		資產總值減流動負債	155,942	150,144

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表(續)

AT 30 JUNE 2021

於二零二一年六月三十日

		Notes 附註	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸	17	38,572	29,840
Deferred tax liabilities	遞延稅項負債		68,004	62,357
Defined benefit obligation	界定福利責任		32	32
Lease liabilities	租賃負債		2,504	4,399
Total non-current liabilities	非流動負債總額		109,112	96,628
NET ASSETS	資產淨值		46,830	53,516
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	18	32,811	328,108
Reserves	儲備		(22,259)	(313,676)
Equity attributable to owners of the Company	本公司擁有人應佔權益		10,552	14,432
Non-controlling interests	非控股權益		36,278	39,084
TOTAL EQUITY	權益總額		46,830	53,516

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

		(unaudited) (未經審核)												
		Attributable to owners of the Company 本公司擁有人應佔											Non-controlling interests 非控股權益	
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元 (Note a) (附註a)	Defined benefit plan reserve 界定福利計劃儲備 HK\$'000 千港元	Special Reserve 特別儲備 HK\$'000 千港元 (Note b) (附註b)	Property revaluation reserve 物業重估儲備 HK\$'000 千港元 (Note c) (附註c)	Currency translation reserve 貨幣換算儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2020 (audited)	於二零二零年一月一日之結餘(經審核)	327,882	506,750	7,960	-	-	32,486	124	89,175	76,864	(9,474)	(1,027,195)	4,572	57,723
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	-	(1,241)	(1,241)	(2,181)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	(1,241)	(1,241)	(2,181)
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	-	-	-	-	(7,831)	-	(7,831)	(1,197)
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	-	-	-	-	(7,831)	(1,241)	(9,072)	(2,378)
Repurchase of Taiwan Depository Receipts (note 21)	回購臺灣存託憑證(附註21)	(18,524)	-	-	5,401	-	-	-	-	-	-	-	(13,123)	-
Balance at 30 June 2020	於二零二零年六月三十日之結餘	309,358	506,750	7,960	5,401	-	32,486	124	89,175	76,864	(17,305)	(1,028,436)	(17,623)	55,345
Balance at 1 January 2021 (audited)	於二零二一年一月一日之結餘(經審核)	328,108	506,750	7,960	1,713	-	32,486	124	89,175	102,437	(14,532)	(1,039,789)	14,432	39,084
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	-	108	108	(2,498)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	-	-	-	-	108	108	(2,498)
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	-	-	-	-	(3,988)	-	(3,988)	(308)
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	-	-	-	-	(3,988)	108	(3,880)	(2,806)
Transfer	轉撥	-	-	-	-	-	(3)	-	-	-	-	3	-	-
Capital reorganisation (note 18)	股本重組(附註18)	(295,297)	(506,750)	-	-	506,750	-	-	-	-	-	295,297	-	-
		(295,297)	(506,750)	-	-	506,750	(3)	-	-	-	-	295,300	-	-
Balance at 30 June 2021	於二零二一年六月三十日之結餘	32,811	-	7,960	1,713	506,750	32,483	124	89,175	102,437	(18,520)	(744,381)	10,552	36,278

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

Notes:

- (a) The statutory reserve is required by the relevant law of The People's Republic of China (the "PRC") applicable to the subsidiaries in the PRC. The statutory reserve can be applied in conversion into PRC subsidiaries' capital by means of a capitalisation issue.
- (b) The special reserve represents:
- (i) the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of a group reorganisation prior to the listing of the Company's shares and the surplus arising pursuant to a capitalisation of advances from shareholders as part of the group reorganisation;
 - (ii) the difference between the consideration for acquisition of a subsidiary satisfied by way of partial interest of a subsidiary without the overall gain or loss of control in the partial disposed subsidiary and the fair value of net assets acquired; and
 - (iii) the acquisition of additional interest in a subsidiary without the overall gain or loss of control in that subsidiary.
- (c) The property revaluation reserve is frozen upon the transfer of properties from property, plant and equipment to investment properties and will be transferred to accumulated losses when the relevant properties are disposed of.

附註：

- (a) 法定儲備乃按適用於位於中華人民共和國(「中國」)之附屬公司之中國相關法律設立。法定儲備可透過資本化發行轉換為中國附屬公司的資本。
- (b) 特別儲備指：
- (i) 所收購附屬公司股份之面值與於本公司股份上市前進行集團重組之時為收購而發行之本公司股份面值及根據將股東墊款撥作資本(作為集團重組之一部分)所產生盈餘兩者之差額；
 - (ii) 以一間附屬公司之部分權益(並無整體獲得或失去該部分出售附屬公司之控制權)方式償付之收購一間附屬公司代價與所收購淨資產公平值兩者之差額；及
 - (iii) 收購一間附屬公司額外權益(並無整體獲得或失去該附屬公司之控制權)。
- (c) 物業重估儲備於自物業、廠房及設備轉撥物業至投資物業時被凍結，將於相關物業出售時轉撥至累計虧損。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash (used in)/from operating activities	經營活動(所用)/所得現金淨額	(19,037)	69,739
Investing activities	投資活動		
Release of pledged bank deposits	撥回已抵押銀行存款	-	13
Increase in pledged bank deposits	已抵押銀行存款增加	(329)	-
Purchases of property, plant and equipment	購買物業、廠房及設備	(5,510)	(8,107)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	1,163	147
Net cash used in investing activities	投資活動所用現金淨額	(4,676)	(7,947)
Financing activities	融資活動		
Repayment of bank and other borrowings	償還銀行及其他貸款	(103,432)	(263,080)
Payment of interest element of lease liabilities	支付租賃負債利息部份	(90)	(110)
Payment of principal element of lease liabilities	支付租賃負債本金部份	(1,728)	(2,184)
New bank and other loans raised	新造銀行及其他貸款	140,394	266,134
Net cash from financing activities	融資活動所得現金淨額	35,144	760
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	11,431	62,552
Cash and cash equivalents at beginning of period	期初現金及現金等價物	88,871	66,840
Effect of foreign exchange rate changes	外幣匯率變動影響	(630)	(536)
Cash and cash equivalents at end of period, represented by bank balances and cash	期末現金及現金等價物，即銀行結存及現金	99,672	128,856

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporation information section to the interim report. The Group principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

The condensed consolidated 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 (the “**Listing Rules**”) and compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

These condensed consolidated financial statements should be read in conjunction with the 2020 annual financial statements. Except as described below, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2020.

1. 一般資料

本公司為於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「**聯交所**」）主板上市。本公司註冊辦事處及主要營業地點的地址已於本中期報告公司資料一節內披露。本集團主要從事製造及買賣衛星電視設備產品及其他電子產品。

2. 編製基準

簡明綜合財務報表乃按照聯交所證券上市規則（「**上市規則**」）附錄十六之適用披露規定及遵照香港會計師公會（「**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*」編製。

該等簡明綜合財務報表應與二零二零年之年度財務報表一併閱讀。除下述者外，編製本截至二零二一年六月三十日止六個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零二零年十二月三十一日止年度之綜合財務報表時所依循者相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

Basis of measurement and going concern assumption

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

At the end of reporting period, the Group had net current liabilities of approximately HK\$270,665,000. The Group is dependent upon the financial support from the banks and financial institutions to meet its financial obligations. There is no certainty that bank loans and other loans of the Group will be renewed in the future. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the Directors have considered the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In particular, the Directors have considered the following: (1) the Group maintains good relationship with major banks and financial institutions providing finance or facilities to the Group and the Group had successfully renewed its banking facilities based on past experience; and (2) as of the date of approval of the financial statements, the Group has unutilised bank loan facilities totalling HK\$270,418,000 available to finance its future operations and financial obligations.

In the opinion of the Directors, after considering the financial performance, operation, capital expenditure and the above financing arrangements of the Group, the Group is expected to have sufficient liquidity to finance its operations for the next twelve months subsequent to the end of the reporting period.

Therefore, the condensed consolidated financial statements of the Group have been prepared on a going concern basis.

2. 編製基準(續)

計量基準及持續經營假設

除投資物業按公平值計量外，簡明綜合財務報表乃按歷史成本基準編製。歷史成本一般是建基於就換取貨品及服務支付之代價之公平值。

於報告期末，本集團之流動負債淨額約為270,665,000港元。本集團倚賴銀行及金融機構提供財務支援，以履行其財務責任。概不保證本集團日後將可重續其銀行貸款及其他貸款。該等狀況顯示存在重大不明朗因素，可能對本集團之持續經營能力構成重大疑問，因此，本集團或許不能在正常業務過程中變現其資產及履行其責任。

鑑於此等情況，董事已考慮本集團的未來流動性及業績以及其可用的資金來源，評估本集團是否有足夠的財務資源持續經營。特別是董事已考慮以下各項：(1)本集團與向其提供融資或信貸之主要銀行及金融機構維持良好關係，且據過往經驗均成功重續其銀行融資；及(2)於財務報表批准日期，本集團有未動用銀行貸款額度合共270,418,000港元，可供用作為其未來營運及財務責任提供資金。

經考慮本集團的財務表現、營運、資本支出及上述融資安排，董事認為，預期本集團於報告期結束後未來十二個月將有足夠流動性，可供用作為其營運提供資金。

因此，本集團之簡明綜合財務報表已按持續經營基準編製。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
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2. BASIS OF PREPARATION (Continued)

Change in presentation of condensed consolidated statement of profit or loss and other comprehensive income

In order to provide a more relevant analysis, the management has decided to present increase/decrease in fair value of investment properties under a separate line (previously it was included under other income, gains and losses). The comparative amounts for prior period have been restated to conform with the revised presentation.

3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

In the current period, the Group has applied for the first time the following new or revised HKFRSs that are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2021.

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

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

2. 編製基準(續)

簡明綜合損益及其他全面收益表的呈列方式變更

為提供更相關的分析，管理層決定將投資物業的公平值增加／減少呈列為單獨項目（過往為列入其他收入、收益及虧損）。過往期間的比較金額已經重列，以與經修訂呈列保持一致。

3. 香港財務報告準則(「香港財務報告準則」)之變動

香港會計師公會已頒佈若干於本集團當前會計期間首次生效之新訂或經修訂香港財務報告準則：

於本期間，本集團首次應用下列新訂或經修訂香港財務報告準則，有關準則與二零二一年一月一日開始之年度期間的本集團綜合財務報表相關並對其生效。

香港財務報告準則第16號之修訂	與2019冠狀病毒病有關之租金寬減
香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號之修訂	利率基準改革 — 第二階段

該等新訂或經修訂香港財務報告準則對本集團於本期間或過往期間之業績及財務狀況概無重大影響。本集團於本會計期間並無提早應用任何尚未生效之新訂或經修訂香港財務報告準則。

以下新訂／經修訂香港財務報告準則可能與本集團財務報表有關，乃已頒佈但未生效，及未獲本集團提早採納。本集團現時的意向為於該等變動生效時應用相關變動。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ³
Annual Improvements to HKFRSs 2018–2020	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standard, Amendment to HKFRS 9 Financial Instruments, Amendment to illustrative examples accompanying HKFRS 16 Leases and Amendment to HKAS 41 Agriculture ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁵
HK Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁵
HKFRS 17	Insurance Contracts ⁵
Amendment to HKAS 8	Definition of Accounting Estimates ⁵
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁵
Amendment to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵

3. 香港財務報告準則(「香港財務報告準則」)之變動(續)

香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或注資 ¹
香港財務報告準則第16號之修訂	二零二一年六月三十日後與2019冠狀病毒病有關之租金寬減 ²
香港會計準則第16號之修訂	物業、廠房及設備：於作擬定用途前之所得款項 ³
香港會計準則第37號之修訂	有償合約一履行合約之成本 ³
香港財務報告準則二零一八年至二零二零年之年度改進	香港財務報告準則第1號之修訂首次採納香港財務報告準則、香港財務報告準則第9號之修訂金融工具、香港財務報告準則第16號租賃隨附之示例之修訂及香港會計準則第41號之修訂農業 ³
香港財務報告準則第3號之修訂	概念框架之提述 ⁴
香港會計準則第1號之修訂	將負債分類為流動或非流動 ⁵
香港詮釋第5號(二零二零年)	財務報表的呈列 — 借款人對含有按要償還條款的定期貸款的分類 ⁵
香港財務報告準則第17號	保險合約 ⁵
香港會計準則第8號之修訂	會計估計之定義 ⁵
香港會計準則第1號及香港財務報告準則實務公告第2號之修訂	會計政策之披露 ⁵
香港會計準則第12號之修訂	單一交易產生之資產及負債相關之遞延稅項 ⁵

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

- ¹ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted
- ² Effective for annual periods beginning on or after 1 April 2021
- ³ Effective for annual periods beginning on or after 1 January 2022
- ⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022
- ⁵ Effective for annual periods beginning on or after 1 January 2023

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 annual financial statements.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the executive Directors, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

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

- (i) **Media entertainment platform related products**
Trading and manufacturing of media entertainment platform related products, which are mainly used for satellite products equipment.
- (ii) **Other multimedia products**
Trading and manufacturing of components of audio and video electronic products such as cable lines.
- (iii) **Satellite TV equipment and antenna products**
Trading and manufacturing of satellite TV equipment and antenna products.

3. 香港財務報告準則(「香港財務報告準則」)之變動(續)

- ¹ 該等修訂原訂於二零一六年一月一日或之後開始之期間生效。有關生效日期現已押後／刪除。繼續允許提前應用有關修訂
- ² 於二零二一年四月一日或之後開始之年度期間生效
- ³ 於二零二二年一月一日或之後開始之年度期間生效
- ⁴ 對收購日期為於二零二二年一月一日或之後開始之首個年度期間開始當日或之後的業務合併生效
- ⁵ 於二零二三年一月一日或之後開始之年度期間生效

4. 採用判斷及估計

於編製該等簡明綜合中期財務報表之過程中，管理層於應用本集團會計政策時作出之重大判斷及估計不明朗因素之主要來源與二零二零年年度財務報表所應用者相同。

5. 分部資料

對外呈報之分部資料按本集團營運部門交付貨品及提供服務之基準分析，其與由執行董事（主要營運決策者）就資源分配及表現評估定期審閱之內部資料一致。此亦為本集團之組織基準，據此，管理層選擇按不同產品及服務組織本集團。

具體而言，本集團根據香港財務報告準則第8號之經營分部如下：

- (i) **媒體娛樂平臺相關產品**
買賣及製造媒體娛樂平臺相關產品，主要用於衛星產品設備。
- (ii) **其他多媒體產品**
買賣及製造影音電子產品零件，例如線纜。
- (iii) **衛星電視設備及天線產品**
買賣及製造衛星電視設備及天線產品。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
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5. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2021

5. 分部資料(續)

分部收益及業績

按可呈報及經營分部分析本集團於回顧期間之收益及業績如下：

截至二零二一年六月三十日止六個月

		Media entertainment platform related products 媒體娛樂 平臺相關產品 HK\$'000 千港元 (unaudited) (未經審核)	Other multimedia products 其他 多媒體產品 HK\$'000 千港元 (unaudited) (未經審核)	Satellite TV equipment and antenna products 衛星電視設備 及天線產品 HK\$'000 千港元 (unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
REVENUE	收益				
External sales	對外銷售	78,711	128,314	347,495	554,520
Timing of revenue recognition	收益確認時間				
At a point in time	按時間點	78,711	128,314	347,495	554,520
RESULTS	業績				
Segment results	分部業績	5,571	7,423	33,685	46,679
Other income, gains and losses	其他收入、收益及虧損				21,688
Increase in fair value of investment properties	投資物業的公平值增加				22,757
Administrative and other expenses	行政及其他開支				(66,337)
Research and development costs	研發成本				(14,317)
Provision for expected credit losses on trade receivables	應收貿易賬款的預期信貸虧損撥備				(375)
Provision for expected credit losses on loan to an associate	給予一間聯營公司的貸款的預期信貸虧損撥備				(25)
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司款項的預期信貸虧損撥回				7
Finance costs	財務成本				(14,261)
Share of profit of an associate	應佔一間聯營公司之溢利				9,746
Profit before income tax expense	除所得稅支出前溢利				5,562

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2020

5. 分部資料(續)

截至二零二零年六月三十日止六個月

	Media entertainment platform related products 媒體娛樂 平臺相關產品 HK\$'000 千港元 (unaudited) (未經審核)	Other multimedia products 其他 多媒體產品 HK\$'000 千港元 (unaudited) (未經審核)	Satellite TV equipment and antenna products 衛星電視設備 及天線產品 HK\$'000 千港元 (unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
REVENUE	收益			
External sales	對外銷售	74,159	109,412	293,126
Timing of revenue recognition	收益確認時間			
At a point in time	按時間點	74,159	109,412	293,126
RESULTS	業績			
Segment results	分部業績	5,806	10,064	33,170
Other income, gains and losses	其他收入、收益及虧損			15,717
Increase in fair value of investment properties	投資物業的公平值增加			3,135
Administrative and other expenses	行政及其他開支			(52,000)
Research and development costs	研發成本			(16,092)
Reversal of expected credit losses on trade receivables	應收貿易賬款的預期信貸虧損撥回			6,952
Reversal of expected credit losses on loan to an associate	給予一間聯營公司的貸款的預期信貸虧損撥回			9
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司款項的預期信貸虧損撥回			2,137
Finance costs	財務成本			(16,830)
Share of profit of an associate	應佔一間聯營公司之溢利			6,852
Loss before income tax expense	除所得稅支出前虧損			(1,080)

Segment results represent profit earned/loss suffered by each segment without allocation of other income, gains and losses, increase in fair value of investment properties, administrative and other expenses, research and development costs, provision for/reversal of expected credit losses, finance costs and share of profit of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分部業績指各分部所賺取之溢利／蒙受之損失，當中並未分配其他收入、收益及虧損、投資物業的公平值增加、行政及其他開支、研發成本、預期信貸虧損撥備／撥回、財務成本及應佔一間聯營公司之溢利。此乃就資源分配及表現評估向主要營運決策者報告之計量方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

6. OTHER INCOME, GAINS AND LOSSES

6. 其他收入、收益及虧損

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Ancillary service income from tenants	來自租戶的配套服務收入	7,690	5,064
Interest income	利息收入	679	1,810
Interest income from an associate	來自一間聯營公司的利息收入	497	501
Rental income	租金收入	10,022	6,361
Net foreign exchange loss	匯兌虧損淨額	(5,292)	(1,702)
Others	其他	8,092	3,683
		21,688	15,717

7. INCOME TAX EXPENSE

7. 所得稅支出

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
The tax charge comprises:	稅項開支包括：		
Current tax:	本期稅項：		
the PRC	中國	395	521
Jurisdictions other than the PRC and Hong Kong	中國及香港以外之司法權區	1,880	2,318
		2,275	2,839
(Over)/under-provision in prior years:	過往年度(超額撥備)/撥備不足：		
the PRC	中國	(12)	55
Deferred taxation:	遞延稅項：		
Current period	本期間	5,689	(552)
		7,952	2,342

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

7. INCOME TAX EXPENSE (Continued)

(i) the PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No tax is payable on the profit arising in Hong Kong as the entity operating in Hong Kong incurred tax losses for both periods.

(iii) United States

The Group's subsidiaries in United States of America are subjected to United States Federal Income Tax at 21% and States Income Tax at 6%.

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 25% to 30%.

(v) Macau

The Group's Macau subsidiary is subject to Macau Complementary Income Tax at the progressive rate on the estimated assessable profits. The maximum tax rate is 12%.

(vi) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax rates in the relevant jurisdictions.

7. 所得稅支出(續)

(i) 中國

根據中國有關所得稅法律及法規，中國附屬公司之適用中國企業所得稅稅率為25%。

(ii) 香港

香港利得稅按估計應課稅溢利之16.5%計算。

由於在香港經營之實體於兩個期間均產生稅項虧損，因此毋須就於香港產生之溢利繳納稅項。

(iii) 美國

本集團之美國附屬公司須分別按21%及6%之稅率繳納美國聯邦所得稅及州所得稅。

(iv) 歐洲

本集團之歐洲附屬公司須按介乎25%至30%之稅率繳納利得稅。

(v) 澳門

本集團的澳門附屬公司須按估計應課稅溢利的累進稅率繳納澳門所得補充稅。最高稅率為12%。

(vi) 其他

於其他司法權區經營之其他附屬公司須按有關司法權區之適用稅率繳稅。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

8. LOSS FOR THE PERIOD

8. 本期間虧損

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Loss for the period has been arrived at after charging/(crediting):	達致本期間虧損時已扣除／(計入)：		
Directors' emoluments	董事酬金	1,689	1,484
Other staff costs	其他員工成本	44,693	39,229
Contributions to defined contribution plans, excluding Directors	定額供款計劃供款(董事除外)	489	338
Total employee benefit expenses	僱員福利開支總額	46,871	41,051
Provision for/(reversal of) expected credit losses on trade receivables	應收貿易賬款的預期信貸虧損撥備／(撥回)	375	(6,952)
Provision for/(reversal of) expected credit losses on loan to an associate	給予一間聯營公司貸款的預期信貸虧損撥備／(撥回)	25	(9)
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司款項的預期信貸虧損撥回	(7)	(2,137)
Provision for/(reversal of) expected credit losses on financial assets	金融資產的預期信貸虧損撥備／(撥回)	393	(9,098)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9,233	9,072
Depreciation of right-of-use assets	使用權資產折舊	1,522	1,682
Amortisation of intangible assets (note (i))	無形資產攤銷(附註(i))	1,165	2,094
Release of prepaid lease payments	撥回預付租賃款項	30	31
Loss/(gain) on disposal of property, plant and equipment (note (ii))	出售物業、廠房及設備之虧損／(收益)(附註(ii))	9	(147)

Notes:

(i) Included in cost of sales

(ii) Included in other income, gains and losses

附註：

(i) 包括於銷售成本內

(ii) 包括於其他收入、收益及虧損內

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

9. DIVIDENDS

No dividend was paid or declared during the interim period. The Board has resolved not to declare an interim dividend for the period.

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

9. 股息

於本中期期間並無派付或宣派股息。董事會已決議不就本期間宣派中期股息。

10. 每股盈利／(虧損)

本公司擁有人應佔每股基本及攤薄盈利／(虧損)乃按下列數據計算：

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Profit/(loss) for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings/(loss) per share	用於計算每股基本及攤薄盈利／(虧損)之本公司擁有人應佔本期間溢利／(虧損)	108	(1,241)
Number of shares	股份數目		(Restated) (經重列)
Weighted average number of ordinary shares at 30 June	於六月三十日之普通股加權平均數	328,107,660	326,347,362

The weighted average number of ordinary shares in issue in the respective periods are adjusted for the Share Consolidation which took place on 11 June 2021.

For the period ended 30 June 2020, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares.

For the period ended 30 June 2021, the diluted earnings per share and basic earnings per share are the same as there were no dilutive potential ordinary shares during the period.

各期間的已發行普通股加權平均數已按於二零二一年六月十一日進行的股份合併作出調整。

截至二零二零年六月三十日止期間，由於本公司尚未行使購股權之行使價高於股份之平均市價，故計算每股攤薄虧損時並無假設行使該等尚未行使購股權。

截至二零二一年六月三十日止期間，由於期內並無攤薄潛在普通股，故每股攤薄盈利及每股基本盈利相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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截至二零二一年六月三十日止六個月

11. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

During the period ended 30 June 2021, the Group recognised increase in fair value of investment properties of approximately HK\$22,757,000 (six months ended 30 June 2020: approximately HK\$3,135,000).

As at 30 June 2021, investment properties is pledged to a bank to secure a mortgage loan and general banking facilities granted to the Group of approximately HK\$230,621,000 (31 December 2020: approximately HK\$205,442,000).

(b) Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of approximately HK\$5,510,000 (six months ended 30 June 2020: approximately HK\$8,107,000). During the period, the Group disposed of certain property, plant and equipment with carrying amount of HK\$1,172,000 (six months ended 30 June 2020: nil) resulting in a loss of approximately HK\$9,000 (six months ended 30 June 2020: gain of approximately HK\$147,000) recognised in profit or loss.

11. 投資物業以及物業、廠房及設備之變動

(a) 投資物業

截至二零二一年六月三十日止期間，本集團確認投資物業公平值增加約22,757,000港元(截至二零二零年六月三十日止六個月：約3,135,000港元)。

於二零二一年六月三十日，投資物業已抵押予銀行，作為授予本集團約230,621,000港元(二零二零年十二月三十一日：約205,442,000港元)的抵押貸款及一般銀行信貸的抵押。

(b) 物業、廠房及設備

於本期間，本集團購置物業、廠房及設備約5,510,000港元(截至二零二零年六月三十日止六個月：約8,107,000港元)。於期內，本集團出售若干物業、廠房及設備之賬面值為1,172,000港元(截至二零二零年六月三十日止六個月：無)，因而於損益確認虧損約9,000港元(截至二零二零年六月三十日止六個月：收益約147,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

12. LOAN RECEIVABLES

12. 應收貸款

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Loans receivables (note (i))	應收貸款(附註(i))	12,989	12,989
Loans receivables due from former subsidiaries (note (ii))	應收前附屬公司貸款(附註(ii))	645,108	643,626
		658,097	656,615
Less: allowance for doubtful debts (note (iii))	減：呆賬撥備(附註(iii))	(658,097)	(656,615)
		-	-

Notes:

- (i) As at 30 June 2021 and 31 December 2020, the Group had loan receivable amounting to HK\$12,989,000 granted to a third party. The amount was unsecured and bore interest at 1.2% (31 December 2020: 1.2%) per annum. This loan receivable was fully impaired as at 30 June 2021 and 31 December 2020.
- (ii) During the year ended 31 December 2019, the Group disposed of the entire equity interest in Speed Connection Group Limited (the "Disposal"), and since then, the loan receivables from Speed Connection Group Limited and its subsidiary, MyHD Media FZ LLC ("MyHD") were classified as loan receivables due from former subsidiaries.

The loan receivables due from former subsidiaries were arising from the disposal of all interests in MyHD and the extension of the existing loans to MyHD. For details, please refer to the announcement of the Company dated 31 December 2018 and the circular of the Company dated 25 May 2019. The amounts were unsecured, interest-bearing at rates ranged from 3 months LIBOR plus 100 basis point per annum to 10% per annum and were matured on 31 December 2020.

附註：

- (i) 於二零二一年六月三十日及二零二零年十二月三十一日，本集團擁有授予一名第三方的應收貸款12,989,000港元。該款項為無抵押，按年利率1.2厘(二零二零年十二月三十一日：1.2厘)計息。該應收貸款已於二零二一年六月三十日及二零二零年十二月三十一日完全減值。
- (ii) 截至二零一九年十二月三十一日止年度，本集團出售於捷聯集團有限公司之全部股本權益(「出售事項」)，自此以後，來自捷聯集團有限公司及其附屬公司MyHD Media FZ LLC(「MyHD」)之應收貸款已分類為應收前附屬公司貸款。

應收前附屬公司貸款乃產生自出售於MyHD之全部權益，以及將授予MyHD的現有貸款延長。詳情請參閱本公司日期為二零一八年十二月三十一日之公告及本公司日期為二零一九年五月二十五日之通函。該等金額為無抵押、按三個月倫敦銀行同業拆息加100個基點至10厘的年利率計息，並已於二零二零年十二月三十一日到期。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
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12. LOAN RECEIVABLES (Continued)

Notes: (Continued)

(ii) (Continued)

The principal amounts of these loan receivables at the date of the Disposal were US\$71,298,000 (equivalent to approximately HK\$553,657,000), in which amount of US\$9,554,000 (equivalent to approximately HK\$74,190,000) due from Speed Connection Group Limited, bore interest rate at 3 months LIBOR plus 100 basis points per annum; and amount of US\$51,244,000 (equivalent to approximately HK\$397,930,000) and amount of US\$10,500,000 (equivalent to approximately HK\$81,537,000) due from MyHD (the non-wholly owned subsidiary of Speed Connection Group Limited), bore interest rate at 10% per annum and at 3 months LIBOR plus 100 basis points per annum respectively, and the corresponding interest receivables were US\$11,728,000 (equivalent to approximately HK\$91,073,000). These loan receivables and the interest receivables, net of the provision of expected credit loss ("ECL") of HK\$219,103,000 as at the date of the Disposal, amounted to HK\$429,410,000 were recognised as loan receivables upon the Disposal.

In December 2019, management was given to understand that Speed Connection Group Limited and MyHD were in serious financial problem and ceased to operate in late 2019. As such, management considered these loan receivables were credit-impaired and recognised life time ECLs of the total net carrying amount of these loan receivables of HK\$429,410,000 at 31 December 2019.

The provision of expected credit loss was determined by the management of the Group based on the creditworthiness and the past collection history of the borrowers.

(iii) Allowances for doubtful debts

12. 應收貸款(續)

附註：(續)

(ii) (續)

於出售日期，該等應收貸款之本金額為71,298,000美元(相當於約553,657,000港元)，其中應收捷聯集團有限公司之9,554,000美元(相當於約74,190,000港元)按三個月倫敦銀行同業拆息加100個基點的年利率計息，而應收MyHD(捷聯集團有限公司之非全資附屬公司)之51,244,000美元(相當於約397,930,000港元)及10,500,000美元(相當於約81,537,000港元)則分別按年利率10厘及三個月倫敦銀行同業拆息加100個基點計息，相應的應收利息為11,728,000美元(相當於約91,073,000港元)。於出售日期扣除預期信貸虧損(「預期信貸虧損」)撥備219,103,000港元後，該等應收貸款及應收利息為429,410,000港元，已於出售事項後確認為應收貸款。

於二零一九年十二月，管理層知悉捷聯集團有限公司及MyHD面臨嚴重財務問題，並於二零一九年底終止營運。因此，管理層認為該等應收貸款已信貸減值，並就該等應收貸款於二零一九年十二月三十一日之賬面淨值總額429,410,000港元確認全期預期信貸虧損。

預期信貸虧損撥備由本集團管理層基於借款人之信譽及過往收賬紀錄而釐定。

(iii) 呆賬撥備

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
At the beginning of period/year	於期／年初	656,615	659,355
Exchange realignment	匯兌調整	1,482	(2,740)
At the end of period/year	於期／年末	658,097	656,615

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簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
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13. TRADE, BILLS AND OTHER RECEIVABLES

13. 應收貿易賬款、應收票據及其他應收款項

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade and bills receivables	應收貿易賬款及應收票據	238,890	122,505
Other receivables	其他應收款項	58,946	85,199
Total trade, bills and other receivables	應收貿易賬款、應收票據及其他應收款項總額	297,836	207,704

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an ageing analysis of trade and bills receivables, net of allowance for doubtful debts, presented based on the invoice date, which approximated the respective revenue recognition date, at the end of the reporting periods:

本集團給予其貿易客戶之信貸期平均為60至120天。應收貿易賬款及應收票據(扣除呆賬撥備後)於報告期末按發票日期(與有關收益確認日期相若)呈列之賬齡分析如下：

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0–30 days	0至30天	105,821	80,637
31–90 days	31至90天	63,210	15,727
91–180 days	91至180天	60,819	14,140
More than 180 days	超過180天	148,269	151,762
		378,119	262,266
Less: Loss allowance	減：虧損撥備	(139,229)	(139,761)
		238,890	122,505

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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13. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

Based on the Group's assessment, the Group recognised provision for expected credit losses on trade receivables of HK\$375,000 (six months ended 30 June 2020: reversal of HK\$6,952,000).

13. 應收貿易賬款、應收票據及其他應收款項(續)

根據本集團的評估，本集團已確認應收貿易賬款的預期信貸虧損撥備375,000港元(截至二零二零年六月三十日止六個月：撥回6,952,000港元)。

14. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE

14. 應收一間聯營公司之款項／給予一間聯營公司之貸款

		Notes 附註	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Loan receivables	應收貸款	(i)	22,130	22,155
Current assets	流動資產			
Trade receivables	應收貿易賬款	(ii)	36,325	36,116
Interest receivable on loan receivables	應收貸款的應收利息		713	240
Amount due from an associate	應收一間聯營公司的款項		37,038	36,356

Notes:

- (i) The amount is unsecured and bears interest at a fixed rate of 4.75% (31 December 2020: 4.75%) per annum. The loan receivables mature on 31 December 2022.
- (ii) Amount being unsecured and interest-free. The Group allows a credit period of 360 days.

附註：

- (i) 該款項乃無抵押及按固定年利率4.75厘(二零二零年十二月三十一日：4.75厘)計息。應收貸款於二零二二年十二月三十一日期到期。
- (ii) 該款項乃無抵押及不計息。本集團給予的信貸期為360日。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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14. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE (Continued)

The following is an ageing analysis of trade receivables from an associate, which is trade in nature, presented based on the invoice date at the end of the reporting periods:

	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
More than 360 days 超過 360 天	36,325	36,116

15. TRADE, BILLS AND OTHER PAYABLES

15. 應付貿易賬款、應付票據及其他應付款項

	30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade payables 應付貿易賬款	303,473	207,593
Bills payables 應付票據	1,184	502
Other payables and accruals (note) 其他應付款項及應計項目(附註)	103,281	81,429
Total trade, bills and other payables 應付貿易賬款、應付票據及 其他應付款項總額	407,938	289,524

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簡明綜合財務報表附註(續)

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15. TRADE, BILLS AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade and bills payables, presented based on the invoice date at the end of the reporting periods:

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0–30 days	0至30天	171,997	132,225
31–90 days	31至90天	76,139	50,735
91–360 days	91至360天	47,985	16,772
More than 360 days	超過360天	8,536	8,363
		304,657	208,095

The average credit period for purchases of goods is 90 days.

Note: An amount due to a Director of HK\$6,757,000 (31 December 2020: HK\$6,859,000) which was included in other payables which term is unsecured, interest free and repayable on demand.

16. PROVISION FOR FINANCIAL GUARANTEE

The Company had pursuant to the guarantee (the “Guarantee”) given in favour of MyHD irrevocably guaranteed to pay all financial obligations of MyHD in relation to the third amendment agreement to the content supply agreement (the “Content Supply Agreement”) dated 3 October 2016 which was entered into between MyHD and MBC FZ LLC. The Guarantee does not expire and the maximum amount payable by the Company under the Guarantee should not exceed US\$3,500,000 (equivalent to approximately HK\$27,332,000).

The Guarantee does not contain any conditions which need to be fulfilled or any circumstances which must arise before MyHD can enforce the same and demand payment from the Company. Notwithstanding that MyHD failed to observe all its payment obligations under the third amendment agreement to the Content Supply Agreement, since the date of the Guarantee up to the reporting date, the Company has not received any demand for payment from MyHD under the Guarantee.

15. 應付貿易賬款、應付票據及其他應付款項(續)

應付貿易賬款及應付票據於報告期末按發票日期呈列之賬齡分析如下：

購買貨品的平均信貸期為90日。

附註：其他應付款項包括一筆應付董事款項6,757,000港元（二零二零年十二月三十一日：6,859,000港元），此款項的條款為無抵押、免息且須按要求償還。

16. 財務擔保撥備

本公司已根據就MyHD之利益作出之擔保（「擔保」），不可撤回地保證支付MyHD有關MyHD與MBC FZ LLC所訂立日期為二零一六年十月三日之內容供應協議（「內容供應協議」）第三份修訂協議之所有財務責任。該擔保並無到期日，而本公司根據擔保應付之最高金額不得超過3,500,000美元（相當於約27,332,000港元）。

擔保並不包含任何須予達成之條件或必須發生之任何情況，以規限MyHD執行擔保及要求本公司付款。儘管MyHD未能遵從於內容供應協議第三份修訂協議下之所有付款責任，惟自擔保日期起直至報告日期止，本公司並無接獲任何由MyHD根據擔保提出之付款要求。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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16. PROVISION FOR FINANCIAL GUARANTEE (Continued)

At 30 June 2021 and 31 December 2020, the Group had recognised the provision for financial guarantee amounting to US\$3,500,000 (equivalent to approximately HK\$27,332,000) in relation to the Guarantee.

16. 財務擔保撥備(續)

於二零二一年六月三十日及二零二零年十二月三十一日，本集團已就擔保確認為數3,500,000美元(相當於約27,332,000港元)之財務擔保撥備。

17. BANK AND OTHER BORROWINGS

17. 銀行及其他借貸

		30 June 2021 二零二一年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank loans	銀行貸款	208,535	171,379
Other loans	其他貸款	242,879	241,605
		451,414	412,984
Analysed as:	分析為：		
Secured	有抵押	422,066	155,370
Unsecured	無抵押	29,348	257,614
		451,414	412,984
Analysed as:	分析為：		
Current	流動	412,842	383,144
Non-current	非流動	38,572	29,840
		451,414	412,984

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17. BANK AND OTHER BORROWINGS (Continued)

During the period, the Group raised bank and other loans in the amount of approximately HK\$140,394,000 (six months ended 30 June 2020: approximately HK\$266,134,000) and repaid bank and other loans of approximately HK\$103,432,000 (six months ended 30 June 2020: approximately HK\$263,080,000).

The variable rates of bank borrowings carry interests at LIBOR plus a spread. The effective interest rates on borrowings are at range of 1.0% to 10.00% per annum as at 30 June 2021 (30 June 2020: 2.4% to 10.00% per annum).

17. 銀行及其他借貸(續)

於期內，本集團新造銀行及其他貸款約140,394,000港元(截至二零二零年六月三十日止六個月：約266,134,000港元)，並償還銀行及其他貸款約103,432,000港元(截至二零二零年六月三十日止六個月：約263,080,000港元)。

銀行借貸之浮動利率根據倫敦銀行同業拆息加若干息差而定。於二零二一年六月三十日，借貸之實際年利率介乎1.0厘至10.00厘(二零二零年六月三十日：年利率介乎2.4厘至10.00厘)。

18. SHARE CAPITAL

18. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股		
Issued and fully paid:	已發行及繳足：		
At 31 December 2020	於二零二零年十二月三十一日	3,281,076,710	328,108
Capital reorganisation (note (a))	股本重組(附註(a))	(2,952,969,050)	(295,297)
At 30 June 2021	於二零二一年六月三十日	328,107,660	32,811

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簡明綜合財務報表附註(續)

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18. SHARE CAPITAL (Continued)

Note:

- (a) The Capital Reorganisation comprised the Share Consolidation, the Capital Reduction and the Share Premium Reduction on the basis that every ten issued and unissued Existing Shares of a par value of HK\$0.10 each into one Consolidated Share of a par value of HK\$1.00 each in the share capital of the Company. Immediately after the Share Consolidation, the issued share capital of the Company was reduced by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid-up capital of the Company to the extent of HK\$0.90 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$1.00 to HK\$0.10. The credit arising from the Capital Reduction was credited to the contributed surplus account of the Company within the meaning of the Companies Act and then was applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The Capital Reorganisation was approved by the Shareholders at the SGM held on 9 June 2021 and became effective on 11 June 2021.

The amount of HK\$506,750,000 standing to the credit of the share premium account of the Company be reduced to nil and that the credit arising therefrom be transferred to the contributed surplus account.

Details of the Capital Reorganisation are set out in the announcements of the Company dated 28 April 2021, 9 June 2021 and the circular of the Company dated 17 May 2021.

19. RELATED PARTY DISCLOSURES

(i) Transactions

The Group had the following related party transaction:

18. 股本(續)

附註：

- (a) 股本重組包括按本公司股本中每十股每股面值0.10港元之已發行及未發行現有股份合併為一股本公司股本中每股面值1.00港元之合併股份之基準進行的股份合併、股本削減及削減股份溢價。緊隨股份合併生效後，本公司之已發行股本已透過以下方式進行削減：(i) 註銷本公司已發行股本中任何零碎合併股份，將本公司已發行股本中之合併股份數目向下湊整至最接近整數；及(ii) 按每股當時已發行合併股份0.90港元註銷本公司繳足股本，致使每股已發行合併股份之面值由1.00港元削減至0.10港元。因股本削減而產生之進賬額計入本公司之實繳盈餘賬(定義見公司法)，其後用於抵銷本公司於股本削減生效日期之累計虧損，從而減少本公司之累計虧損。股本重組經股東於二零二一年六月九日舉行的股東特別大會上批准，自二零二一年六月十一日起生效。

本公司股份溢價賬之進賬金額506,750,000港元被削減至零，而由此產生的進賬額被轉撥至實繳盈餘賬。

有關股本重組的詳情載於本公司日期為二零二一年四月二十八日及二零二一年六月九日的公告以及本公司日期為二零二一年五月十七日的通函。

19. 關聯人士披露

(i) 交易

本集團曾進行以下關聯人士交易：

Relationship 關係	Nature of transaction 交易性質	For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Associate 聯營公司	Sales of goods 銷售貨品	—	3
	Interest income 利息收入	497	501

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19. RELATED PARTY DISCLOSURES (Continued)

(ii) Balances

Details of the Group's balances with related party are set out in the condensed consolidated statement of financial position and in note 14.

(iii) Compensation of the key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

19. 關聯人士披露(續)

(ii) 結餘

本集團與關聯人士之結餘詳情載於簡明綜合財務狀況表及附註14。

(iii) 主要管理人員之補償

期內董事及主要管理層其他成員之薪酬如下：

		For six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 HK\$'000 千港元 (unaudited) (未經審核)	2020 二零二零年 HK\$'000 千港元 (unaudited) (未經審核)
Short-term benefits	短期福利	6,169	4,692
Post-employment benefits	離職後福利	122	85
		6,291	4,777

In the opinion of the Directors, the remuneration of the Directors and key executives is determined having regard to the performance of individuals and market trends.

董事認為，董事及主要行政人員的薪酬乃經考慮個人表現及市場趨勢後釐定。

20. ARBITRATION

On 29 September 2011, the Group entered into a conditional agreement (the "Agreement") with an independent individual third party (the "Original Shareholder") and Technosat Technology JLT FZE ("Technosat", a company incorporated in Dubai, which was wholly owned by the Original Shareholder), to subscribe for 375 new shares in Technosat at a cash consideration of US\$7,500,000 (equivalent to HK\$58,170,000), amounting to 15% of Technosat's enlarged capital. Technosat is set up to be engaged in operation of digital TV and radio platform, pay TV channel, and sales and supply of TV set top boxes.

20. 仲裁

於二零一一年九月二十九日，本集團與一名獨立個別第三方(「原股東」)及Technosat Technology JLT FZE(「Technosat」，一間於杜拜註冊成立之公司，由原股東全資擁有)訂立一份有條件協議(「該協議」)，以現金代價7,500,000美元(相當於58,170,000港元)認購Technosat 375股新股，即Technosat經擴大股本之15%。Technosat之成立目的為從事營運數碼電視及廣播平臺、付費電視頻道以及銷售及供應機頂盒。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

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20. ARBITRATION (Continued)

As at 30 June 2012, the Group had paid a deposit of US\$2,500,000 (equivalent to HK\$19,467,000) to Technosat to acquire new shares in Technosat which was fully provided for impairment in the prior year. Pursuant to the terms of the Agreement, the Group is required to pay a further sum of US\$5,000,000 in relation to the subscription of this 15% equity interest in Technosat. The subscription has not yet completed up to the date of approval of this report as the conditions precedent of the subscription of new shares in Technosat including the consent and approval by government authority in Dubai have not been fulfilled.

Despite the Group's repeated requests for information, there has been no satisfactory response from the Original Shareholder or Technosat regarding the current status and the procurement of obtaining government approval from the government authority in Dubai. The Group has engaged legal counsel to act for the Group and started dispute resolution proceedings against the Original Shareholder and Technosat.

On 21 January 2013, the legal counsel of the Original Shareholder and Technosat served a notice on the Group's legal counsel for a claim on the further payment of US\$5,000,000 in relation to the subscription of 15% equity interest in Technosat.

The Group's legal counsel replied on behalf of the Group on 11 February 2013 in response to the claim of the Original Shareholder and Technosat defending the claim as the Directors of the Company considered such claim invalid, as the conditions precedent of the subscription of new shares in Technosat had not been fulfilled and constituted a breach of the Agreement.

The Group's legal counsel had repeatedly requested the Original Shareholder and Technosat to commence the next step of the mediation process, but there has been no satisfactory response from the legal counsel of the Original Shareholder and Technosat up to the deadline set by August 2014.

20. 仲裁(續)

於二零一二年六月三十日，本集團已向Technosat支付訂金2,500,000美元(相當於19,467,000港元)，以收購Technosat的新股，該等訂金已於去年悉數計提減值撥備。根據該協議之條款，本集團須就認購Technosat該15%股本權益進一步支付5,000,000美元。由於認購Technosat新股之先決條件(包括取得杜拜政府部門的同意及批准)尚未達成，故認購事項於截至本報告獲批准當日尚未完成。

儘管本集團一再要求原股東或Technosat提供關於徵求杜拜政府部門批准之現況及促使取得有關批准之資料，但仍未有令人滿意之回應。本集團已委聘法律顧問代本集團行事，並針對原股東及Technosat展開糾紛調解程序。

於二零一三年一月二十一日，原股東及Technosat之法律顧問向本集團之法律顧問送達一份通知，申索有關認購Technosat 15%股本權益之進一步款項5,000,000美元。

本集團之法律顧問於二零一三年二月十一日代表本集團回應原股東及Technosat之申索，就申索提出抗辯，原因為本公司董事認為由於認購Technosat新股之先決條件尚未達成，即構成違反該協議，故該項申索屬無效。

本集團之法律顧問已多次覆述向原股東及Technosat提出開展下一步調解程序之要求，惟截至二零一四年八月之限期，仍未獲得原股東及Technosat之法律顧問令人滿意之回覆。

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簡明綜合財務報表附註(續)

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21. DELISTING AND REPURCHASE OF TAIWAN DEPOSITARY RECEIPTS

Reference is made to the announcements of the Company dated 9 April 2020, 15 April 2020, 29 April 2020, 5 May 2020, 4 August 2020 and 10 August 2020 in relation to, among other things, the delisting of the Taiwan Depositary Receipts ("TDRs") of the Company as requested by the Taiwan Stock Exchange. The TDR delisting was effective from 15 June 2020 pursuant to the relevant rules of the Taiwan Stock Exchange. Within 50 days from and including the date of TDR delisting, a TDR holder may request the Company to repurchase their TDRs pursuant to the Taiwan Stock Exchange Corporation Procedures for Applications by Taiwan Stock Exchange Listed Companies for the Delisting of Securities at the repurchase price of NT\$0.271 (equivalent to approximately HK\$0.071). There are 185,244,632 units of TDRs outstanding at 15 June 2020 (the "Puttable TDRs"). The Puttable TDRs should be accounted for as financial liability and measured at fair value at initial recognition. Accordingly, the Puttable TDRs of NT\$50,201,000 (equivalent to approximately HK\$13,123,000), which is calculated by multiplying the total number of Puttable TDRs with the repurchase price, was recognised as current liabilities. The difference between the Puttable TDRs of HK\$13,123,000 and the carry amount of the relevant share capital of HK\$18,524,000 was recognised in the capital redemption reserve.

As at 22 October 2020, the Company completed the delisting and repurchase of TDRs. Details of the completion are set out in the announcement of the Company dated 22 October 2020.

21. 臺灣存託憑證終止上市及回購

茲提述本公司日期為二零二零年四月九日、二零二零年四月十五日、二零二零年四月二十九日、二零二零年五月五日、二零二零年八月四日及二零二零年八月十日之公告，內容有關(其中包括)本公司臺灣存託憑證(「臺灣存託憑證」)應臺灣證券交易所要求終止上市。根據臺灣證券交易所之相關規則，臺灣存託憑證自二零二零年六月十五日起終止上市。自臺灣存託憑證終止上市日期(包括該日)起計50日內，臺灣存託憑證持有人可根據臺灣證券交易所股份有限公司上市公司申請有價證券終止上市處理程序要求本公司按回購價新臺幣0.271元(相當於約0.071港元)回購其臺灣存託憑證。於二零二零年六月十五日，共有185,244,632份未經兌換臺灣存託憑證(「可認沽臺灣存託憑證」)。可認沽臺灣存託憑證應作為金融負債入賬，並於初步確認時按公平值計量。因此，可認沽臺灣存託憑證新臺幣50,201,000元(相當於約13,123,000港元)(按可認沽臺灣存託憑證總數乘以回購價計算)已確認為流動負債。可認沽臺灣存託憑證13,123,000港元與相關股本之賬面值18,524,000港元之間的差額於資本贖回儲備中確認。

於二零二零年十月二十二日，本公司完成臺灣存託憑證的終止上市及回購。有關完成的詳情載於本公司日期為二零二零年十月二十二日的公告。

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22. LITIGATION

Lawsuit in India

In October 2020, Aggressive Digital Systems Private Ltd. (“AD”, an indirect non-wholly owned subsidiary of the Company) received a summons to the National Company Law Tribunal (“NCLT”) at Chandigarh in India that was filed by Aggressive Electronics Manufacturing Services Private Limited (“AEMS”, a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the “Petitioners”) against Top Dragon Development Limited (a wholly owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the “Respondents”) alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. The hearing scheduled on 17 May 2021 has adjourned until 1 October 2021 at NCLT.

After consulting the Company’s legal counsel in India and taking into account the possible factors including, but not limited to, the possible amount involved in the case, the Board considered that it is not probable that the Group will incur any material losses resulting from this litigation. Accordingly, after discussion with the Company’s auditors, no provision was made in the consolidated financial statements of the Group as at 30 June 2021 (31 December 2020: Nil).

In respect of the progress of the above litigation, the Company will make further announcements in due course in accordance with the requirements of the Listing Rules as and when required.

22. 訴訟

於印度的訴訟

於二零二零年十月，Aggressive Digital Systems Private Ltd. (「AD」，本公司的間接非全資附屬公司) 接獲由 Aggressive Electronics Manufacturing Services Private Limited (「AEMS」，AD 的少數股東) 及 Neeraj Bharara 先生 (統稱「呈請人」) 針對 Top Dragon Development Limited (本公司的全資附屬公司及 AD 的股東)、AD 及 AD 的若干董事 (統稱「答辯人」) 向印度昌迪加爾國家公司法法庭 (「國家公司法法庭」) 發出的傳票，該傳票指稱答辯人作出了壓迫或管理不善的不當行為，並就該等不當行為對呈請人所造成的損失提出申索。原定於二零二一年五月十七日的聆訊已延期至二零二一年十月一日在國家公司法法庭舉行。

經諮詢本公司的印度法律顧問，並考慮到案件可能涉及的金額等因素，董事會認為，本集團因該訴訟而產生任何重大損失的可能性不大。因此，與本公司核數師討論後，本集團並無於二零二一年六月三十日的綜合財務報表計提任何撥備 (二零二零年十二月三十一日：無)。

就上述訴訟的進度而言，本公司將於必要時根據上市規則的規定適時另作公告。

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23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

(i) Cooperation Agreement in Relation to Proposed Redevelopment

Reference is made to the voluntary announcement of the Company dated 17 August 2021 in relation to the cooperation agreement (the “**Cooperation Agreement**”) that was entered into between the Group and Guangdong Huasuan International Industrial Park Investment Development Co., Ltd.* (廣東省華算國際產業園投資發展有限公司) (“**Huasuan**”) in July 2021 (the “**Voluntary Announcement**”). Pursuant to the Cooperation Agreement, Huasuan and Sandmartin (Zhong Shan) Electronic Co., Ltd.* (“**ZSS**”, an indirect wholly owned subsidiary of the Company) will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on an industrial land and to redevelop some vacant and undeveloped parts of that land (collectively, the “**Land**”) subject to prior consents and planning approvals from the relevant PRC government authorities. The Land is situated in Zhongshan, Guangdong Province, the People’s Republic of China (“**PRC**”) and is owned by ZSS. The intention of the Cooperation Agreement is to set out the framework to redevelop the Land into an intelligent manufacturing centre for research and development for future leasing or disposal purposes (the “**Redevelopment**”). Huasuan will fund the entire costs of the Redevelopment and the Group will provide part of the Land that will be used for the Redevelopment. The Group and Huasuan will be entitled to 20% and 80% respectively of the new buildings constructed on the Land by apportioning the rental income attributable to, or the proceeds from the disposal of, the newly constructed buildings (the “**Revenue Apportionment**”).

23. 報告期後事項

(i) 有關建議重建的合作協議

茲提述本公司日期為二零二一年八月十七日的自願公告，內容有關本集團與廣東省華算國際產業園投資發展有限公司(「華算」)於二零二一年七月訂立合作協議(「合作協議」)(「自願公告」)。根據合作協議，華算及中山聖馬丁電子元件有限公司(「中山聖馬丁」，本公司之間接全資附屬公司)將合作升級建於工業用地之上之若干廠房及宿舍，並重建該土地(統稱「該土地」)的部分空置及未發展部分，惟須事先獲得中國相關政府部門的同意及規劃批准。該土地位於中華人民共和國(「中國」)廣東省中山市並由中山聖馬丁擁有。合作協議旨在制定重建該土地的框架，成為研發智能製造中心，作未來租賃或出售用途(「重建」)。華算將提供重建全部成本的資金，而本集團將提供部分該土地用於重建。本集團及華算將透過分配由新建樓宇產生的租金收入或出售新建樓宇的所得款項而分別有權獲得該土地上新建樓宇的20%及80%(「收益分配」)。

* For identification purpose only

* 僅供識別

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD (Continued)

(i) Cooperation Agreement in Relation to Proposed Redevelopment (Continued)

The Redevelopment will be developed under the name of ZSS. To ensure the continued commitment in the Redevelopment, Huasuan will pay to the Group a cooperation fund amounting to RMB60 million as security deposit (the “**Cooperation Fund**”). As securities for such Cooperation Fund, the Group will pledge to Huasuan (i) 100% of the shareholding interests in ZSS which holds the Land (the “**Equity Pledge**”); and (ii) one of the three pieces of land parcels within the Land (the “**Land Pledge**”). Huasuan shall release both the Equity Pledge and the Land Pledge upon full repayment of the Cooperation Fund by the Group and completion of the Redevelopment and Revenue Apportionment. If the Redevelopment is unable to proceed, the Cooperation Fund shall be refunded to Huasuan without interest within 10 business days failing which there is a default interest of 8% per annum payable by the Group within three months.

As at the date of the Voluntary Announcement, the Redevelopment is in the planning stage. The concrete plan in relation to the Revenue Apportionment cannot be determined and will have to be further negotiated between the parties. Similarly, the design and scale of the Redevelopment, the exact size and location of the Land that will be provided by the Group for the Redevelopment cannot be determined until prior consents and planning approvals from the relevant PRC government authorities are obtained. The Redevelopment may not proceed if the Group cannot obtain the relevant consents and planning approvals. Other than prior consents and planning approvals from the relevant PRC government authorities, other conditions precedent that the parties have to fulfil before the Redevelopment can commence are that:

- (i) Huasuan shall pay to the Group the Cooperation Fund; and
- (ii) the Group shall provide the Equity Pledge and Land Pledge to Huasuan for securing repayment of the Cooperation Fund.

23. 報告期後事項(續)

(i) 有關建議重建的合作協議(續)

重建將以中山聖馬丁名義開發。為確保繼續承擔重建，華算將向本集團支付合作金人民幣60,000,000元作為保證金(「**合作金**」)。作為保障該合作金，本集團將向華算抵押(i)中山聖馬丁(持有該土地)的100%股權(「**股權質押**」)；及(ii)該土地內三幅地塊的其中一幅(「**土地抵押**」)。華算將於本集團悉數償還合作金以及完成重建及收益分配後解除股權質押及土地抵押。倘重建無法進行，則合作金將於十個營業日內退還予華算(不計利息)，否則本集團須於三個月內支付年利率8%的違約利息。

於自願公告日期，重建正處於規劃階段。有關收益分配的具體計劃無法釐定，並須由雙方進一步磋商。同樣，重建的設計及規模、本集團將就重建提供該土地的實際面積及位置在獲得中國相關政府部門的事先同意及規劃批准前無法釐定。倘本集團未能取得相關同意及規劃批准，則重建可能不會進行。除須向中國相關政府部門取得事先同意及規劃批准外，雙方於可開展重建前須達成的其他先決條件如下：

- (i) 華算須向本集團支付合作金；及
- (ii) 本集團須向華算提供股權質押及土地抵押以保障償還合作金。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD (Continued)

(i) Cooperation Agreement in Relation to Proposed Redevelopment (Continued)

For the Equity Pledge, this is under the Group's control and should be fulfilled after documentations for the Equity Pledge are completed. As for the Land Pledge, the Group needs to seek consent from the banks in the PRC to release one of the plots of land that is charged to the banks for it to be pledged to Huasuan. Whether the banks will agree to this is not under the Group's control.

Pursuant to the Cooperation Agreement, the Group may not proceed with the Redevelopment even if the conditions precedent above are fulfilled if the outstanding matters such as the location and size of the Land to be provided by the Group, the scale of Redevelopment to be undertaken by Huasuan and whether the newly developed Land will be leased or to be disposed of cannot be resolved or agreed. Therefore, at this stage, there is no transaction in connection with the Cooperation Agreement that would trigger Chapter 14 of the Listing Rules.

If those outstanding matters are resolved and agreed (including the prior consents and planning approvals from the relevant PRC government authorities), the Group will proceed with the Redevelopment with Huasuan by entering into further agreements. If the transactions under the further agreements constitute major transactions (as defined under the Listing Rules), the Group will comply with the requirements under Chapter 14 of the Listing Rules.

Pending development of such subsequent non-adjusting event, the Group's financial and operating performance may be affected, the extent to which cannot be estimated as at the date of the Voluntary Announcement. For details, please refer to the Voluntary Announcement.

23. 報告期後事項(續)

(i) 有關建議重建的合作協議(續)

就股權質押而言，其受本集團控制，並須於完成編製股權質押的文件後達成。就土地抵押而言，本集團須向中國的銀行取得同意，以解除其中一幅向銀行抵押的地塊以質押予華算。銀行是否會同意並非本集團控制範圍之內。

根據合作協議，倘本集團將提供該土地的位置及面積、華算將承擔的重建規模以及新開發的該土地是否會出租或出售等未決事項未能解決或達成一致，即使上述先決條件獲達成，本集團亦可能不會進行重建。因此，現階段並無與合作協議有關的交易將觸發上市規則第十四章。

倘該等未決事項獲解決及達成一致(包括向中國相關政府部門取得事先同意及規劃批准)，本集團將與華算訂立進一步協議以進行重建。倘進一步協議項下的交易構成主要交易(定義見上市規則)，本集團將遵守上市規則第十四章項下的規定。

視乎有關後續非調整事項的發展，本集團的財務及營運表現可能會受影響，於自願公告日期未能估計其影響程度。有關詳情請參閱自願公告。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一年六月三十日止六個月

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD (Continued)

(ii) Rights Issue

Reference is made to the announcements of the Company dated 28 April 2021 and 9 June 2021, and the circular of the Company dated 17 May 2021 in relation to, among other things, the capital reorganisation of the Company (the “**Capital Reorganisation Announcements and Circular**”) and the prospectus of the Company dated 24 June 2021 and the announcements of the Company dated 12 July 2021, 20 July 2021 and 27 July 2021 in relation to the rights issue of the Company (the “**Rights Issue Announcements and Prospectus**”). Unless otherwise specified herein, capitalised terms used in this report shall have the same meanings as those defined in the Capital Reorganisation Announcements and Circular and the Rights Issue Announcements and Prospectus.

Upon the Capital Reorganisation became effective, the Company conducted a Rights Issue on the basis of one Rights Share for every two Adjusted Shares in issue on the Record Date. The Right Issue was completed on 21 July 2021 and the gross proceeds raised by the Rights Issue was approximately HK\$68.9 million and an aggregate of 164,053,830 Rights Shares were issued at the Subscription Price of HK\$0.42 per Rights Share by either accepted or placed under the Rights Issue or Compensatory Arrangement and all the conditions with respect of the Rights Issue set out in the prospectus of the Company dated 24 June 2021 (the “**Prospectus**”) have been fulfilled.

The Company intended to apply the net proceeds from the Rights Issue for partial repayment of the outstanding loans of the Company as previously disclosed in the Capital Reorganisation Announcements and Circular and the Rights Issue Announcements and Prospectus. As at the date of this report, the Company had fully utilized the net proceeds in accordance with the said intention.

Details of the Rights Issue are set out in the Rights Issue Announcements and Prospectus.

23. 報告期後事項(續)

(ii) 供股

茲提述有關(其中包括)本公司股本重組之本公司日期為二零二一年四月二十八日及二零二一年六月九日的公告及本公司日期為二零二一年五月十七日的通函(「**股本重組公告及通函**」)、有關本公司供股之本公司日期為二零二一年六月二十四日的供股章程以及本公司日期為二零二一年七月十二日、二零二一年七月二十日及二零二一年七月二十七日的公告(「**供股公告及供股章程**」)。除本報告另有指明外,本報告所用詞彙與股本重組公告及通函以及供股公告及供股章程所界定者具有相同涵義。

於股本重組生效後,本公司按於記錄日期每兩股已發行經調整股份獲發一股供股股份之基準進行供股。供股已於二零二一年七月二十一日完成,而供股籌得之所得款項總額為約68,900,000港元,並透過根據供股或補償安排接納或配售之方式按每股供股股份0.42港元之認購價發行合共164,053,830股供股股份,而本公司日期為二零二一年六月二十四日的供股章程(「**供股章程**」)所載有關供股之所有條件均已達成。

誠如先前於股本重組公告及通函以及供股公告及供股章程所披露,本公司擬將供股所得款項淨額用作償還部分本公司未償還貸款。於本報告日期,本公司已按上述計劃全部用畢所得款項淨額。

有關供股的詳情載於供股公告及供股章程。



**SANDMARTIN INTERNATIONAL
HOLDINGS LIMITED**

聖馬丁國際控股有限公司*

