



eSun Holdings Limited

豐德麗控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

INTERIM REPORT

For the six months ended 31 January 2022

CORPORATE INFORMATION

Place of Incorporation

Bermuda

Board of Directors

Executive Directors

Lui Siu Tsuen, Richard (*Chief Executive Officer*)
Chew Fook Aun
Lam Hau Yin, Lester
(*also alternate director to U Po Chu*)
Yip Chai Tuck

Non-executive Director

U Po Chu

Independent Non-executive Directors

Low Chee Keong (*Chairman*)
Lo Kwok Kwei, David
Ng Lai Man, Carmen
Alfred Donald Yap

Audit Committee

Ng Lai Man, Carmen (*Chairwoman*)
Low Chee Keong
Alfred Donald Yap

Nomination Committee

Low Chee Keong (*Chairman*)
Chew Fook Aun
Lo Kwok Kwei, David
Lui Siu Tsuen, Richard
Alfred Donald Yap

Remuneration Committee

Low Chee Keong (*Chairman*)
Chew Fook Aun
Lui Siu Tsuen, Richard
Ng Lai Man, Carmen
Alfred Donald Yap

Authorised Representatives

Chew Fook Aun
Lui Siu Tsuen, Richard

Company Secretary

Wong Lai Chun

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

11th Floor, Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

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Fax: (852) 2785 2775

Share Registrar and Transfer Office in Bermuda

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Principal Bankers

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited

Listing Information

Shares

The issued shares of the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited

Stock Code/Board Lot

571/2,000 shares

Website

www.esun.com

Investor Relations

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RESULTS

The board of directors (“**Board**” and “**Directors**”, respectively) of eSun Holdings Limited (“**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (“**Group**”) for the six months ended 31 January 2022 together with the comparative figures of the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2022

	Notes	Six months ended 31 January	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
TURNOVER	4	506,653	284,122
Cost of sales		(286,435)	(185,392)
Gross profit		220,218	98,730
Other revenue		15,759	81,062
Selling and marketing expenses		(7,248)	(10,004)
Administrative expenses		(142,711)	(143,186)
Other operating gains		7,737	69,665
Other operating expenses		(194,462)	(150,598)
LOSS FROM OPERATING ACTIVITIES	5	(100,707)	(54,331)
Finance costs	6	(28,497)	(30,721)
Share of profits and losses of joint ventures		(347)	2,384
LOSS BEFORE TAX		(129,551)	(82,668)
Tax	7	(4,261)	(3,600)
LOSS FOR THE PERIOD		(133,812)	(86,268)
Attributable to:			
Owners of the Company		(128,323)	(75,741)
Non-controlling interests		(5,489)	(10,527)
		(133,812)	(86,268)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic		(HK\$0.086)	(HK\$0.051)
Diluted		(HK\$0.086)	(HK\$0.051)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2022

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(133,812)	(86,268)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
<i>Items that may be subsequently reclassified to the income statement:</i>		
Exchange realignment on translation of foreign operations	981	(8,968)
Release of exchange reserve upon dissolution and deregistration of subsidiaries	(176)	(265)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	805	(9,233)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(133,007)	(95,501)
Attributable to:		
Owners of the Company	(128,010)	(81,862)
Non-controlling interests	(4,997)	(13,639)
	(133,007)	(95,501)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 January 2022

	Notes	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		242,511	266,715
Right-of-use assets		806,609	883,505
Film rights		11,675	15,109
Film and TV program products		56,914	54,838
Music catalogs		974	3,124
Goodwill		10,000	10,000
Other intangible assets		315	–
Investments in joint ventures		18,694	20,461
Financial assets at fair value through profit or loss		33,454	35,308
Deposits, prepayments, other receivables and other assets		126,939	119,037
Deferred tax assets		516	516
Total non-current assets		1,308,601	1,408,613
CURRENT ASSETS			
Films and TV programs under production and film investments		337,442	235,844
Inventories		13,938	5,203
Debtors	10	86,370	106,919
Financial assets at fair value through profit or loss		131,154	145,113
Deposits, prepayments, other receivables and other assets		191,472	174,493
Prepaid tax		199	–
Pledged time deposits		155,000	164,120
Cash and cash equivalents		1,210,005	1,476,796
Total current assets		2,125,580	2,308,488
CURRENT LIABILITIES			
Creditors and accruals	11	407,039	405,960
Deposits received and contract liabilities		124,588	205,067
Interest-bearing bank loans		107,970	107,950
Lease liabilities		204,239	217,110
Tax payable		124,871	121,129
Total current liabilities		968,707	1,057,216
NET CURRENT ASSETS		1,156,873	1,251,272
TOTAL ASSETS LESS CURRENT LIABILITIES		2,465,474	2,659,885

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 January 2022

	Notes	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Creditors and accruals	11	8,019	8,019
Interest-bearing bank loans		44,899	53,831
Lease liabilities		949,745	1,050,823
Other borrowings		224,064	221,217
Deferred tax liabilities		108	2,629
Total non-current liabilities		1,226,835	1,336,519
Net assets		1,238,639	1,323,366
EQUITY			
Equity attributable to owners of the Company			
Issued capital		745,927	745,927
Reserves		419,058	517,453
Non-controlling interests		1,164,985	1,263,380
		73,654	59,986
Total equity		1,238,639	1,323,366

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2022

	Attributable to owners of the Company										
	Issued capital	Share premium		Share option reserve	Exchange reserve	Other reserve	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		account	surplus								
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 August 2021	745,927	4,257,351	891,289	-	(16,924)	151,473	370	(4,766,106)	1,263,380	59,986	1,323,366
Loss for the period	-	-	-	-	-	-	-	(128,323)	(128,323)	(5,489)	(133,812)
Other comprehensive income/(loss) for the period, net of tax:											
Exchange realignment on translation of foreign operations	-	-	-	-	432	-	-	-	432	549	981
Release of exchange reserve upon dissolution of a subsidiary	-	-	-	-	(119)	-	-	-	(119)	(57)	(176)
Total comprehensive income/(loss) for the period	-	-	-	-	313	-	-	(128,323)	(128,010)	(4,997)	(133,007)
Shares issued by a subsidiary to a non-controlling shareholder of a subsidiary [#]	-	-	-	-	-	29,372	-	-	29,372	18,665	48,037
Equity-settled share option arrangements	-	-	-	243	-	-	-	-	243	-	243
At 31 January 2022 (Unaudited)	745,927	4,257,351*	891,289*	243*	(16,611)*	180,845*	370*	(4,894,429)*	1,164,985	73,654	1,238,639

* These reserve accounts comprise the consolidated reserves of HK\$419,058,000 (31 July 2021: HK\$517,453,000) in the condensed consolidated statement of financial position.

[#] On 3 August 2021, Media Asia Group Holdings Limited ("MAGHL") issued a total of 40,612,197 ordinary shares to a subscriber at HK\$1.2 per share. The equity interest of the Group in MAGHL decreased from 68.64% to 67.70%. The proceeds net of direct transaction costs received by the Group were HK\$48,037,000. The change in the Group's equity interest in MAGHL resulted in an increase in other reserve of HK\$29,372,000 and an increase in non-controlling interests of HK\$18,665,000. Details are set out in a joint announcement of the Company and MAGHL dated 3 August 2021.

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

For the six months ended 31 January 2022

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

[^] The amounts arose from the receipts from the clawback offer and placing of a total of 809,967,036 consolidated shares of MAGHL net of direct transaction costs after the Group agreed to subscribe for 2,687,500,000 consolidated shares of MAGHL at a price of HK\$0.16 per consolidated share in consideration of the cancellation by way of setting off against the outstanding principal amount of HK\$430,000,000 of loan from the Company to MAGHL. Upon the completion of the loan capitalisation, the clawback offer and the placing, the Group took up the remaining 1,877,532,964 ordinary shares of MAGHL and the Group's equity interest in MAGHL increased from 67.56% to 69.69%. The transactions were accounted for as equity transactions. Details were set out in the joint announcements of the Company, Lai Sun Development Company Limited, Lai Sun Garment (International) Limited ("LSG") and MAGHL dated 6 November 2020 and 18 January 2021.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2022

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(190,767)	(77,696)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(5,441)	(11,680)
Deposit paid for acquisition of items of property, plant and equipment	–	(5,600)
Advances to joint ventures	(5,913)	(3,137)
Decrease in pledged and restricted time deposits and bank balances	9,120	25,000
Other investing cash flows	18,227	12,282
NET CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	15,993	16,865
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares of a subsidiary	48,735	–
Transaction costs of issuance of shares of a subsidiary	(698)	–
Net receipts from the clawback offer and placing of shares of a subsidiary	–	125,860
Repayment of bank loans	(9,000)	(9,000)
Interest and bank financing charges paid	(1,082)	(1,929)
Lease payments	(133,070)	(63,679)
NET CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(95,115)	51,252
NET DECREASE IN CASH AND CASH EQUIVALENTS	(269,889)	(9,579)
Cash and cash equivalents at beginning of period	1,476,796	1,613,979
Effect of foreign exchange rate changes, net	3,098	17,795
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,210,005	1,622,195
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	738,824	1,198,893
Non-pledged and non-restricted time deposits	471,181	423,302
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	1,210,005	1,622,195

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 January 2022

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group (“**Financial Statements**”) for the six months ended 31 January 2022 have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of preparation adopted in the preparation of these unaudited Financial Statements for the period under review are the same as those used in the Group’s audited consolidated financial statements for the year ended 31 July 2021.

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

3. OPERATING SEGMENT INFORMATION

Segment revenue/results:

	Six months ended 31 January									
	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Segment revenue:										
Sales to external customers	147,244	163,534	135,362	57,235	223,940	61,074	107	2,279	506,653	284,122
Intersegment sales	-	-	3,282	3,019	1,335	146	757	881	5,374	4,046
Other revenue	1,633	1,556	537	2,527	9,443	64,767	495	7,374	12,108	76,224
Total	148,877	165,090	139,181	62,781	234,718	125,987	1,359	10,534	524,135	364,392
Elimination of intersegment sales									(5,374)	(4,046)
Total revenue									518,761	360,346
Segment results	10,634	21,575	11,839	13,200	(58,121)	(60,005)	(68,710)	(33,939)	(104,358)	(59,169)
Unallocated interest income									3,651	4,838
Loss from operating activities									(100,707)	(54,331)
Finance costs									(28,497)	(30,721)
Share of profits and losses of joint ventures	92	2,805	(437)	(463)	(2)	42	-	-	(347)	2,384
Loss before tax									(129,551)	(82,668)
Tax									(4,261)	(3,600)
Loss for the period									(133,812)	(86,268)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment assets/liabilities:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Segment assets	270,625	356,758	714,602	588,886	1,243,467	1,337,956	1,021,470	1,232,103	3,250,164	3,515,703
Investments in joint ventures	9,796	15,018	620	1,057	2,917	-	5,361	4,386	18,694	20,461
Unallocated assets									165,323	180,937
Total assets									3,434,181	3,717,101
Segment liabilities	94,380	134,911	304,976	367,812	1,246,287	1,340,446	47,987	43,810	1,693,630	1,886,979
Unallocated liabilities									501,912	506,756
Total liabilities									2,195,542	2,393,735

4. TURNOVER

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

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Turnover from contracts with customers		
Entertainment event income	7,898	489
Distribution commission income, licence income from and sales of film and TV program products and film rights	132,877	57,118
Album sales, licence income and distribution commission income from music publishing and licensing	47,861	45,202
Box-office takings, concessionary income and related income from cinemas	223,940	61,074
Artiste management fee income	7,485	6,237
Advertising income	2,485	117
Sale of game products	84,000	111,606
Sale of merchandising products	107	2,279
	506,653	284,122
Timing of recognition of turnover from contracts with customers		
At a point in time	481,784	248,738
Over time	24,869	35,384
	506,653	284,122

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

5. LOSS FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Depreciation of property, plant and equipment [^]	24,978	27,491
Depreciation of right-of-use assets [^]	75,339	65,363
Amortisation of film rights [#]	3,434	3,849
Amortisation of film and TV program products [#]	168	26,208
Amortisation of music catalogs [#]	2,150	4,041
Impairment of debtors [*]	3,526	–
Write-back of impairment of advances and other receivables [@]	(2,458)	(189)
Impairment of amounts due from joint ventures [*]	677	1,006
Write-back of impairment of film rights [@]	–	(1,050)
Gain on disposal of an asset classified as held for sale [@]	–	(22,943)
Fair value losses/(gains) on financial assets at fair value through profit or loss ^{*/@}	8,041	(51)
Fair value change from film investments [@]	(2,363)	–
Foreign exchange gains, net [@]	(1,252)	(44,333)
Rent concessions related to COVID-19 ^{**}	(3,805)	(49,047)
Government grants ^{**}	(1,629)	(19,493)

[^] Depreciation charge of HK\$95,990,000 (six months ended 31 January 2021: HK\$88,242,000) related to cinema operation is included in "Other operating expenses" on the face of the unaudited condensed consolidated income statement.

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

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

[@] These items are included in "Other operating gains" on the face of the unaudited condensed consolidated income statement.

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

6. FINANCE COSTS

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

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Interest on:		
Lease liabilities	23,712	25,193
Bank loans	1,075	1,873
Other borrowings	2,847	2,840
Amortisation of transaction fee for bank loans	88	88
Other finance costs	775	727
	28,497	30,721

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the periods ended 31 January 2022 and 31 January 2021. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Current		
– Hong Kong		
Charge for the period	2,103	1,721
Overprovision in prior periods	(147)	(33)
	1,956	1,688
– Mainland China		
Charge for the period	4,827	1,888
Overprovision in prior periods	(1)	(20)
	4,826	1,868
Deferred tax	6,782	3,556
	(2,521)	44
	4,261	3,600

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,491,854,598 (six months ended 31 January 2021: 1,491,854,598) in issue during the period.

No adjustment had been made to the basic loss per share amounts presented for the six months ended 31 January 2022 in respect of a dilution as the impact of the share options of the Company had an anti-dilutive effect on the basic loss per share amounts presented.

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

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2022 (six months ended 31 January 2021: Nil).

10. DEBTORS

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

An ageing analysis of the trade debtors, net of loss allowance, based on payment due date, as at 31 January 2022 and 31 July 2021 is as follows:

	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
Trade debtors:		
Unbilled or neither past due nor impaired	67,173	72,671
1 to 90 days past due	10,531	29,019
Over 90 days past due	8,666	5,229
Total	86,370	106,919

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

11. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the date of receipt of the goods and services purchased/payment due date, as at 31 January 2022 and 31 July 2021 is as follows:

	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
Trade creditors:		
Less than 30 days	25,457	16,068
31 to 60 days	6,785	1,159
61 to 90 days	3,623	1,162
Over 90 days	1,731	960
Other creditors and accruals	37,596	19,349
	377,462	394,630
Less: Portion classified as non-current	415,058	413,979
	(8,019)	(8,019)
Current portion	407,039	405,960

12. SHARE OPTION SCHEME

The Company adopted a new share option scheme on 11 December 2015. The table below discloses movement of the Company's share options held by the Group's directors, employees and other eligible participants:

	Number of underlying shares comprised in share options
Outstanding as at 1 August 2021	–
Granted during the period	1,500,000
Outstanding as at 31 January 2022	1,500,000

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

13. COMMITMENTS

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

	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
Contracted but not provided for:		
Acquisition of items of property, plant and equipment	1,200	1,950

14. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value:

	Carrying amounts		Fair values	
	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000	31 January 2022 (Unaudited) HK\$'000	31 July 2021 (Audited) HK\$'000
Financial assets				
Financial assets at fair value through profit or loss	164,608	180,421	164,608	180,421
Film investments	75,174	43,734	75,174	43,734
Financial assets included in deposits, prepayments and other receivables	5,289	5,687	5,289	5,687
	245,071	229,842	245,071	229,842

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

Other than the above financial assets, the carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 January 2022 and 31 July 2021.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

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

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

As at 31 January 2022	Fair value measurement using				
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	
	Financial assets				
	Financial assets at fair value through profit or loss	3,912	156,045	4,651	164,608
Film investments	-	-	75,174	75,174	
Financial assets included in deposits, prepayments and other receivables	-	-	5,289	5,289	

As at 31 July 2021	Fair value measurement using				
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	Total (Audited) HK\$'000	
	Financial assets				
	Financial assets at fair value through profit or loss	-	175,850	4,571	180,421
Film investments	-	-	43,734	43,734	
Financial assets included in deposits, prepayments and other receivables	-	-	5,687	5,687	

During the period ended 31 January 2022 and the year ended 31 July 2021, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

The movements in fair value measurements within Level 3 during the period are as follows:

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
At the beginning of the reporting period	53,992	44,478
Increase in investment amount	29,686	946
Change in fair value	2,478	221
Settlement	(1,789)	(11,212)
Exchange realignment	747	823
At the end of the reporting period	85,114	35,256

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

15. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	Notes	Six months ended 31 January	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
LSG* and its subsidiaries, excluding the Group:			
Lease payments and building management fee paid or payable	(i)	2,570	2,671
Sharing of corporate salaries on a cost basis allocated from		13,397	13,535
Sharing of administrative expenses on a cost basis allocated from		1,106	1,233
Sharing of corporate salaries on a cost basis allocated to		4,255	3,698
Sharing of administrative expenses on a cost basis allocated to		838	1,957
Licence income from TV program product	(ii)	1,219	–
Joint ventures:			
Production fee	(ii)	570	400
Service fee income	(ii)	828	828

* LSG is the ultimate holding company of the Company.

Notes:

- (i) The Group leased properties from fellow subsidiaries for office and cinema use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short term lease to the related parties, right-of-use assets of HK\$50,361,000 and lease liabilities of HK\$93,145,000 related to the leases were recognised in unaudited condensed consolidated statement of financial position as at 31 January 2022. During the six months ended 31 January 2022, depreciation of right-of-use assets of HK\$4,768,000 (31 January 2021: HK\$5,528,000) and finance costs on lease liabilities of HK\$2,058,000 (31 January 2021: HK\$2,360,000) were recognised in unaudited condensed consolidated income statement.
- (ii) The licence income from TV program product and service fee income were recognised and production fee was charged in accordance with contractual terms with respective parties.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2022

15. RELATED PARTY TRANSACTIONS *(continued)*

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

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

	Six months ended 31 January	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Short-term employee benefits	13,632	11,570
Post-employment benefits	27	31
Total compensation paid to key management personnel	13,659	11,601

16. COMPARATIVE FIGURES

Certain comparative amounts of the unaudited condensed consolidated income statement have been reclassified to conform with the current period's presentation. In the opinion of the directors of the Company, this presentation would better reflect the financial performance of the Group.

17. EVENT AFTER THE REPORTING PERIOD

On 23 February 2022, the Group entered into a tenancy agreement with a landlord in respect of the tenancy renewal of a cinema for a term of thirty-six months commencing on 1 February 2024. Details are set out in the announcement of the Company dated 23 February 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The COVID-19 pandemic has had a drastic impact on every facet of the global economy, including the entertainment industry. Although vaccination programs have been launched on a massive scale in Hong Kong and Mainland China, the sector remains at the mercy of the coronavirus, with the recent new waves of Omicron COVID-19 variant infections affecting business confidence and the risks of future outbreaks ever present.

Due to the relaxation of social distancing measures and the release of a number of blockbuster movies, the cinema operation of the Group recovered gradually in 2021 from the worst of the COVID-19 pandemic. During the period under review, the Group's cinemas in Hong Kong were allowed to operate at 85% capacity for all screens before the surge of the fifth-wave COVID-19 cases in January 2022 and have been requested to close since 7 January 2022 as part of the government's ramped up measures to contain the spread of the Omicron variant. Cinemas in Mainland China re-opened in late July 2020 and the box office has shown a recovery in 2021 driven by the success of patriotic blockbusters. However, business performance of cinema operation in Hong Kong and Mainland China are still suffering from the social distancing measures such as restrictions on the seating capacity and food and beverage consumption within the cinema houses. Despite the challenging operating environment under the COVID-19 pandemic, the Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong.

In February 2022, the Group extended the tenancy agreement of the Festival Grand Cinema in Festival Walk for 3 years commencing on 1 February 2024. Festival Walk is one of the most popular shopping and leisure destinations in Hong Kong with direct connection to the Kowloon Tong MTR Station and the Group has been operating the cinema since June 2016. Given its strategic location, the Group considers that the continued use of the premise after the expiry of the existing tenancy will be beneficial to the cinema operation of the Group and will further enhance its market position as a leading multiplex cinema operator in Hong Kong. The Group also secured the cinema site at Plaza Hollywood in Diamond Hill, Kowloon through a joint venture company with one of major cinema operators in Hong Kong and the new cinema is expected to commence business in the third quarter of 2022. The Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

The outbreak of COVID-19 also posted unprecedented challenges to the media and entertainment industry, with entertainment spending affected severely by the accompanying social distancing measures. The entertainment consumption of the PRC markets started to recover amid the novel coronavirus epidemic. However, the recent surge of Omicron COVID-19 variant infections in Hong Kong posed a challenge to the local entertainment market. Media Asia Group Holdings Limited ("**MAGHL**", a non-wholly-owned subsidiary of the Company, together with its subsidiaries, "**MAGHL Group**"), being the media and entertainment arm of the Group will continue to focus on producing high quality and commercially viable products to rise to the challenge, and has also been directing its resources towards development of online content for streaming platforms and e-commerce to capture the related market opportunities.

MAGHL Group continues to invest in original production of quality films with Chinese themes. The current production pipeline include "*Twilight of the Warriors: Walled In*", an action film directed by Cheng Poi-Shui, featuring Louis Koo, Sammo Hung, Richie Jen and Raymond Lam and "*Tales from the Occult*" series, three psychological thriller each made up of three short stories produced by John Chong and Mathew Tang, and directed by Wesley Hoi, Fung Chih Chiang and Fruit Chan (*Tales from the Occult I*), Frank Hui, Daniel Chan and Doris Wong (*Tales from the Occult II*), and Li Chi Ngai, Peter Lee and Pater Wong (*Tales from the Occult III*).

"*Septet: the Story of Hong Kong*", an omnibus film produced by seven Hong Kong film masters including Johnnie To, Tsui Hark, Ann Hui, Patrick Tam, Sammo Hung, Yuen Woo-Ping and the memorable Ringo Lam, will be scheduled for theatrical release in later stage.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Business Review and Outlook *(continued)*

The drama series “*Modern Dynasty*” started broadcasting in Alibaba’s Youku and TVB since January 2022 and have generated satisfactory viewership for the two platforms. “*Twin Shadows*”, a 24-episode modern-day drama series featuring Bosco Wong and Chrissie Chau, is under production. MAGHL Group is in discussion with various Chinese portals and video websites for new project development in TV drama production.

Congratulations to Joyce Cheng who just won the best female singer award and was voted the favorite female singer in Ultimate Song Chart Awards Presentation 2021. MAGHL Group will keep looking for new talent in Greater China and further cooperation with Asian artistes with an aim to build up a strong artiste roster for the Group.

The distribution licence of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continues to provide stable income contribution to the Group. The Group will continue to work with prominent local and Asian artistes for concert promotion and upcoming events including concerts of Jay Fung, Yoga Lin and Tsai Chin are to be held in later stage in the hope of recovery after the pandemic situation.

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

The clawback offer (“**Clawback Offer**”) and the placing (“**Placing**”) in relation to the loan capitalisation proposal jointly announced by the Company together with MAGHL, Lai Sun Development Company Limited and Lai Sun Garment (International) Limited on 6 November 2020 were completed on 18 January 2021. The net proceeds received by the Company from the Clawback Offer and the Placing are approximately HK\$126.3 million after deducting the direct transaction costs incurred in the Clawback Offer and the Placing, and the Group placed the net proceeds together with the net proceeds of HK\$1,515.9 million from the disposal of all shares of Lai Fung Holdings Limited owned by the Company as disclosed in the circular of the Company dated 24 April 2020. Up to 31 January 2022, approximately HK\$841.6 million have been used, including approximately HK\$366.0 million used for the development and enhancement of cinema operation; HK\$250.0 million used for repayment of shareholder’s loans; approximately HK\$157.0 million used for film and TV production, distribution and media and entertainment businesses; and the remaining HK\$68.6 million for general corporate uses. In light of the uncertainties around recent resurgent waves of COVID-19 cases on the entertainment industry as a whole, the Group will continue to adopt a cautious approach and evaluate its business objectives from time to time and may make modifications against the changing market conditions.

As at 31 January 2022, the Group’s consolidated cash position of HK\$1,365.0 million (HK\$1,228.0 million excluding MAGHL Group) (31 July 2021: HK\$1,640.9 million (HK\$1,345.4 million excluding MAGHL Group)) and the debt to equity ratio as at 31 January 2022 amounted to 32.4% (31 July 2021: 30.3%). The Group will continue its prudent and flexible approach in managing its financial position.

Overview of Interim Results

The Group’s operations include development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation in Hong Kong and Mainland China.

For the six months ended 31 January 2022, the Group recorded turnover of HK\$506.7 million, representing an increase of 78.3% from HK\$284.1 million for the same period of last year. During the period under review, the Group had three more cinemas in Hong Kong in operation, namely K11 Art House, MCL Citygate Cinema and MCL Amoy Cinema and the box office of its cinemas in Hong Kong recorded significant growth compared to the same period last year, especially during the holiday season before the surge of fifth-wave COVID-19 cases in January 2022. The drama series “*Modern Dynasty*” produced by MAGHL Group started broadcasting in Alibaba’s Youku and TVB since January 2022 and have generated satisfactory viewership. The gross profit increased by approximately 123.1% to HK\$220.2 million (2021: HK\$98.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

The net loss attributable to owners of the Company for the six months ended 31 January 2022 was approximately HK\$128.3 million (2021: net loss of HK\$75.7 million). The increase in consolidated loss for the period under review is primarily due to (i) a significant reduction in government grants and rent concessions related to COVID-19; and (ii) the non-recurrence of a gain on disposal of asset classified as held for sale, during the period under review. Net loss per share attributable to owners of the Company was HK\$0.086 (2021: net loss of HK\$0.051 per share).

Equity attributable to owners of the Company as at 31 January 2022 amounted to HK\$1,165.0 million (31 July 2021: HK\$1,263.4 million). Net asset value per share attributable to owners of the Company as at 31 January 2022 was HK\$0.781 per share (31 July 2021: HK\$0.847 per share).

Cinema Operation

For the six months ended 31 January 2022, this segment recorded a turnover of HK\$223.9 million (2021: HK\$61.1 million) and segment results of a loss of HK\$58.1 million (2021: a loss of HK\$60.0 million). As at the date of this Interim Report, the Group operates fourteen cinemas in Hong Kong and three cinemas in Mainland China and details on the number of screens and seats of each existing cinema are as follows:

Cinema	Attributable interest to the Group (%)	No. of screens <i>(Note)</i>	No. of seats <i>(Note)</i>
Mainland China			
Suzhou Grand Cinema City	100	10	1,440
Guangzhou May Flower Cinema City	100	7	606
Zhongshan May Flower Cinema City	100	5	905
Subtotal		22	2,951
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Metro City Cinema	95	6	690
MCL Telford Cinema (including MX4D theatre)	95	6	789
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL South Horizons Cinema	95	3	555
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
Subtotal		74	11,011
Total		96	13,962

Note: On 100% basis

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

Media and Entertainment

For the six months ended 31 January 2022, this segment recorded a turnover of HK\$147.2 million (2021: HK\$163.5 million) and segment results of a profit decreased to HK\$10.6 million from that of HK\$21.6 million in the same period of last year.

Events Management

During the period under review, the Group organised and invested in 8 (2021: 1) show(s) by popular local renowned artistes, including Sammi Cheng, C AllStar, Joyce Cheng, Jay Fung and Eman Lam.

Music Production, Distribution and Publishing

For the six months ended 31 January 2022, the Group released 6 (2021: 9) albums, including titles by Sammi Cheng, Ivana Wong, C AllStar, Joyce Cheng and Jay Fung. The Group is expected to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

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

Film and TV Program Production and Distribution

For the six months ended 31 January 2022, this segment recorded a turnover of HK\$135.4 million (2021: HK\$57.2 million) and segment results of a profit of HK\$11.8 million (2021: HK\$13.2 million).

During the period under review, a total of 2 (2021: 2) films produced/invested by the Group were theatrically released, namely “*American Girl*” and “*Fireflies in the Sun*”. The Group also distributed 10 (2021: 10) films and 133 (2021: 107) videos with high profile titles including “*American Girl*”, “*Fast & Furious 9*”, “*No Time to Die*” and “*Till We Meet Again*”.

Liquidity, Financial Resources, Charge on Assets and Gearing

Cash and Bank Balances

As at 31 January 2022, cash and bank balances held by the Group amounted to HK\$1,365.0 million (31 July 2021: HK\$1,640.9 million) of which around 83.6% was denominated in Hong Kong dollars (“**HKD**”) and United States dollars (“**USD**”), and around 15.3% was denominated in Renminbi (“**RMB**”). Cash and bank balances held by the Group excluding cash and bank balances held by MAGHL Group as at 31 January 2022 was HK\$1,228.0 million (31 July 2021 (excluding MAGHL Group): HK\$1,345.4 million). As HKD is pegged to USD, the Group considers that the corresponding exposure to USD exchange rate fluctuation is nominal. The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Mainland China are subject to the relevant rules and regulations of foreign exchange control promulgated by the government authorities concerned. The Group does not have any derivative financial instruments or hedging instruments outstanding.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

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

Borrowings

As at 31 January 2022, the Group had outstanding consolidated total borrowings (after intra-group elimination) in the amount of HK\$376.9 million. The borrowings of the Group (other than MAGHL) and MAGHL, are as follows:

Group (other than MAGHL)

As at 31 January 2022, the Group had secured general banking facilities granted by a bank. As at 31 January 2022, the Group had outstanding bank loans of HK\$152.9 million and utilised letter of credit and letter of guarantee facilities of HK\$1.6 million. The maturity profile of the Group's bank loans is spread with HK\$108.0 million repayable within one year and HK\$44.9 million repayable in the second year. All bank loans are on floating rate basis and are denominated in HKD. The Group has undrawn facilities of HK\$23.4 million as at 31 January 2022.

In addition, there existed unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK\$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group's recorded interest accruals were HK\$111.0 million for the said unsecured other borrowings as at 31 January 2022. At the request of the Group, the joint executrixes of the estate of the late Mr. Lim Por Yen confirmed that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 January 2022.

MAGHL

As at 31 January 2022, MAGHL had an unsecured and interest-bearing loan from the Company of HK\$77.0 million. The loan is repayable in the third year. The loan is on floating rate basis and is denominated in HKD. The undrawn facility of MAGHL from the Company was HK\$123.0 million as at 31 January 2022.

Charge on Assets and Gearing

As at 31 January 2022, time deposits of HK\$155.0 million of the Group have been pledged to secure banking facilities of the Group.

As at 31 January 2022, the consolidated net assets attributable to the owners of the Company amounted to HK\$1,165.0 million (31 July 2021: HK\$1,263.4 million). As at 31 January 2022, the gearing ratio of the Group, being the total borrowings to net assets attributable to the owners of the Company was 32.4%.

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

Contingent Liabilities

There has been no material change in contingent liabilities of the Group since 31 July 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has complied with all applicable code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) in the six months’ period ended 31 January 2022 save for the following deviation:

Under code provision F.2.2, the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, nomination, remuneration and any other committees (as appropriate) to attend.

Due to the quarantine requirements travelling from Singapore to Hong Kong in light of the epidemic situation of the novel coronavirus (COVID-19), Mr. Low Chee Keong (“**Mr. Low**”), the chairman of the Board, had not attended the annual general meeting of the Company held on 17 December 2021. However, Mr. Lui Siu Tsuen, Richard (“**Mr. Richard Lui**”), an Executive Director (“**ED**”) and the Chief Executive Officer of the Company present at that meeting, took the chair pursuant to Bye-law 63 of the Bye-laws of the Company to ensure an effective communication with shareholders of the Company (“**Shareholders**”) thereat.

Board

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

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

The Board has delegated the day-to-day management of the Company’s businesses to the management and the Executive Committee, and focuses its attention on matters affecting the Company’s long-term objectives and plans for achieving these objectives, the overall business and commercial strategy of the Group as well as overall policies and guidelines.

Decisions relating to the aforesaid matters and any acquisition or disposal of businesses, investments, or transactions or commitments of any kind where the actual or potential liability or value exceeds the threshold for discloseable transactions for the Company (as defined in the Listing Rules from time to time) are reserved for the Board; whereas decisions regarding matters set out in the terms of reference of the Executive Committee and those not specifically reserved for the Board are delegated to the Executive Committee and the management of the Company. The Board has also delegated the environmental, social and governance (“**ESG**”) management to the Executive Committee in order to focusing on matters affecting the overall business strategy, and to review and monitor the Group’s ESG management progress.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Corporate Governance *(continued)*

Board (continued)

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

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

Chairman and Chief Executive

During the six months ended 31 January 2022 and up to the date of this Interim Report, Mr. Low (an INED) is the Chairman of the Board and Mr. Richard Lui (an ED) is the Chief Executive Officer of the Company. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and the Chief Executive Officer's responsibilities to manage the Company's businesses. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established and set out in writing.

Securities Transactions by Directors and Designated Employees

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees ("**Securities Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the six months ended 31 January 2022.

Share Option Schemes

(1) The Company

On 11 December 2015, the Company adopted a new share option scheme ("**2015 Scheme**") and terminated the share option scheme previously adopted on 23 December 2005 ("**2005 Scheme**"). The 2015 Scheme which became effective on 23 December 2015 remains in force for a period of 10 years commencing on its adoption date. The details of the 2015 Scheme are set out in the circular of the Company dated 12 November 2015. The maximum number of the Company's ordinary shares of HK\$0.50 each ("**Shares**") issuable pursuant to the 2015 Scheme is 124,321,216, being 10% of the total issued Shares on the date of the approval of the 2015 Scheme.

Upon the closing of the Company's offers on 22 August 2018, all outstanding share options granted under the 2005 Scheme had lapsed or had been cancelled.

On 21 January 2022, the Company granted share options under the 2015 Scheme to the eligible participants to subscribe for a total of 1,500,000 underlying Shares (equivalent to approximately 0.1% of the total issued Shares as at that date (i.e. 1,491,854,598)) at the exercise price of HK\$0.50 per Share with the exercise period from 21 January 2022 to 20 January 2032.

As at 31 January 2022 and the date of this Interim Report, share options comprising a total of 1,500,000 underlying Shares granted under the 2015 Scheme were outstanding.

Share Option Schemes *(continued)*

(1) *The Company (continued)*

The movement of share options granted under the 2015 Scheme during the six months ended 31 January 2022 is set out below:

Category/ Name of participants	Date of grant (dd/mm/yyyy) <i>(Note 1)</i>	Number of underlying Shares comprised in share options			Exercise period (dd/mm/yyyy)	Exercise price per Share (HK\$) <i>(Note 2)</i>
		As at 1 August 2021	Grant during the period	As at 31 January 2022		
Employees and other eligible participants						
Employees (in aggregate)	21/01/2022	-	1,500,000 <i>(Note 3)</i>	1,500,000	21/01/2022 – 20/01/2032	0.50
Total		-	1,500,000	1,500,000		

Notes:

1. *The above share options were vested on the date of grant.*
2. *The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other specific changes in the Company's share capital.*
3. *The closing price of each Share immediately before the date on which the share options were granted (i.e. 21 January 2022) was HK\$0.37.*

Save as disclosed above, no share options were granted, exercised, cancelled, or lapsed in accordance with the terms of the 2015 Scheme during the period under review.

(2) *Media Asia Group Holdings Limited ("MAGHL")*

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

In compliance with Chapter 23 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**"), MAGHL's shareholders passed a resolution at its annual general meeting held on 11 December 2015 to refresh scheme limit under the MAGHL Scheme, allowing MAGHL to grant options to subscribe for up to a total of 213,605,682 MAGHL's shares (before the share consolidation becoming effective on 22 December 2020 ("**Share Consolidation**")) ("**Refreshment**"), representing 10% of its total issued shares as at the date of passing the relevant resolution. The Refreshment was also approved by the Shareholders at the Company's annual general meeting held on 11 December 2015 pursuant to the requirements of Rule 17.01(4) of the Listing Rules and Rule 23.01(4) of the GEM Listing Rules.

Share Option Schemes *(continued)*

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

No share options have been granted under the MAGHL Scheme since its adoption. As a result of (a) the Share Consolidation; (b) the completion of its loan capitalisation on 18 January 2021; (c) the issue of its fee shares to Anglo Chinese Corporate Finance, Limited on 17 March 2021; and (d) the issue of its subscription shares to THL G Limited on 28 June and 3 August 2021 respectively, the total issued MAGHL’s shares increased to 2,986,314,015. As at the date of this Interim Report, MAGHL may grant options under the MAGHL Scheme to subscribe for a maximum of 21,360,568 MAGHL’s shares (after the adjustment for the Share Consolidation), representing approximately 0.72% of its total issued shares as at 31 January 2022 (i.e. 2,986,314,015 MAGHL’s shares).

Directors’ and Chief Executive’s Interests

The following Directors and chief executive of the Company who held office on 31 January 2022 and their respective close associates (as defined in the Listing Rules) were interested, or were deemed to be interested, in the following long or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (“SFO”)) on that date (a) as required to be notified to the Stock Exchange and the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO (“**Register of Directors and Chief Executive**”); or (c) as notified to the Stock Exchange and the Company pursuant to the Securities Code; or (d) as otherwise known by the Directors:

(1) *Interests in the Company*

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

Note: The total number of issued Shares as at 31 January 2022 (that is, 1,491,854,598 Shares) has been used for the calculation of the approximate percentage.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations

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

Name of Directors	Capacity	Long positions in ordinary shares of LSG ("LSG Shares") and underlying LSG Shares					Approximate percentage of total issued LSG Shares <i>(Note 2)</i>
		Number of LSG Shares		Number of underlying LSG Shares		Total	
		Personal interests	Corporate interests	Personal interests <i>(Note 1)</i>			
Chew Fook Aun	Beneficial owner	Nil	Nil	4,869,867		4,869,867	0.83%
Lam Hau Yin, Lester	Beneficial owner	18,688,812 <i>(Note 3)</i>	Nil	6,182,167 <i>(Note 5)</i>		24,870,979	4.22%
Lui Siu Tsuen, Richard	Beneficial owner	93,400 <i>(Note 3)</i>	Nil	Nil		93,400	0.02%
U Po Chu	Beneficial owner	1,238,287 <i>(Note 3)</i>	Nil	Nil		1,238,287	0.21%

Notes:

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

Name of Directors	Date of grant (dd/mm/yyyy)	Number of underlying LSG Shares comprised in share options	Exercise period (dd/mm/yyyy)	Exercise price per LSG Share (HK\$)
Chew Fook Aun	19/06/2017	4,869,867 <i>(Note 4)</i>	19/06/2017 – 18/06/2027	11.763 <i>(Note 4)</i>
Lam Hau Yin, Lester	19/06/2017	4,869,867 <i>(Note 4)</i>	19/06/2017 – 18/06/2027	11.763 <i>(Note 4)</i>
	25/01/2022	1,312,300 <i>(Note 5)</i>	25/01/2022 – 24/01/2032	3.874 <i>(Note 5)</i>

- The total number of issued LSG Shares as at 31 January 2022 (that is, 588,915,934 LSG Shares) has been used for the calculation of the approximate percentage. The total number of issued LSG Shares increased to 588,915,934 due to the allotment and issue of 196,305,311 rights shares by LSG ("LSG Rights Shares") following the completion of the rights issue of LSG on the basis of one LSG Rights Share for every two existing LSG Shares on 2 August 2021 ("LSG Rights Issue").

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations *(continued)*

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

Notes: *(continued)*

3. On 2 August 2021, (i) the personal interests of Mr. Lam Hau Yin, Lester ("**Mr. Lester Lam**", an ED) in LSG increased from 12,459,208 LSG Shares to 18,688,812 LSG Shares due to the allotment and issue of 6,229,604 LSG Rights Shares; (ii) the personal interests of Mr. Richard Lui in LSG increased from 600 LSG shares to 93,400 LSG Shares due to the allotment and issue of 92,800 LSG Rights Shares; and (iii) the personal interests of Madam U Po Chu ("**Madam U**", a NED) in LSG increased from 825,525 LSG Shares to 1,238,287 LSG Shares due to the allotment and issue of 412,762 LSG Rights Shares.
4. Upon the completion of the LSG Rights Issue, the share option comprising 3,819,204 underlying LSG Shares at the exercise price of HK\$15.00 per LSG Share granted to each of Mr. Chew Fook Aun ("**Mr. FA Chew**", an ED) and Mr. Lester Lam has been adjusted to 4,869,867 underlying LSG Shares at the exercise price of HK\$11.763 per LSG Share respectively.
5. On 25 January 2022, Mr. Lester Lam was granted a share option by LSG to subscribe for 1,312,300 underlying LSG Shares at the exercise price of HK\$3.874 per LSG Share with the exercise period from 25 January 2022 to 24 January 2032.

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

Long positions in ordinary shares of LSD ("LSD Shares") and underlying LSD Shares

Name of Directors	Capacity	Number of LSD Shares		Number of underlying LSD Shares		Approximate percentage of total issued LSD Shares
		Personal interests	Corporate interests	Personal interests	Total	
Chew Fook Aun	Beneficial owner and owner of controlled corporation	Nil	1,831,500 <i>(Note 3)</i>	2,275,301 <i>(Note 5)</i>	4,106,801	0.42%
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	4,864,519 <i>(Note 5)</i>	4,864,519	0.50%
Lui Siu Tsuen, Richard	Beneficial owner	Nil	Nil	121,232 <i>(Note 5)</i>	121,232	0.01%
U Po Chu	Beneficial owner	40,378 <i>(Note 4)</i>	Nil	Nil	40,378	0.004%

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations *(continued)*

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

Notes:

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

Name of Directors	Date of grant (dd/mm/yyyy)	Number of underlying LSD Shares comprised in share options	Exercise period (dd/mm/yyyy)	Exercise price per LSD Share (HK\$)
Chew Fook Aun	05/06/2012	2,275,301 <i>(Note 5)</i>	05/06/2012 – 04/06/2022	4.59 <i>(Note 5)</i>
Lam Hau Yin, Lester	18/01/2013	4,864,519 <i>(Note 5)</i>	18/01/2013 – 17/01/2023	13.811 <i>(Note 5)</i>
Lui Siu Tsuen, Richard	18/01/2013	121,232 <i>(Note 5)</i>	18/01/2013 – 17/01/2023	13.811 <i>(Note 5)</i>

- The total number of issued LSD Shares as at 31 January 2022 (that is, 968,885,887 LSD Shares) has been used for the calculation of the approximate percentage. The total number of issued LSD Shares increased to 968,885,887 due to (i) the completion of the subscription of 33,834,900 LSD Shares by Jinlong Road Limited on 30 August 2021; and (ii) the allotment and issue of 322,961,962 rights shares by LSD ("**LSD Rights Shares**") following the completion of the rights issue of LSD on the basis of one LSD Rights Share for every two existing LSD Shares on 6 October 2021 ("**LSD Rights Issue**").
- Mr. FA Chew was deemed to be interested in the same 1,831,500 LSD Shares owned by The Orchid Growers Association Limited by virtue of his 100% shareholding interest in the said company.

On 6 October 2021, the corporate interests of Mr. FA Chew in LSD increased from 1,221,000 LSD Shares to 1,831,500 LSD Shares due to the allotment and issue of 610,500 LSD Rights Shares.
- On 6 October 2021, the personal interests of Madam U in LSD increased from 26,919 LSD Shares to 40,378 LSD Shares due to the allotment and issue of 13,459 LSD Rights Shares.
- Upon the completion of the LSD Rights Issue, the share option comprising (i) 1,952,081 underlying LSD Shares at the exercise price of HK\$5.35 per LSD Share granted to Mr. FA Chew has been adjusted to 2,275,301 underlying LSD Shares at the exercise price of HK\$4.59 per LSD Share; (ii) 4,173,081 underlying LSD Shares at the exercise price of HK\$16.10 per LSD Share granted to Mr. Lester Lam has been adjusted to 4,864,519 underlying LSD Shares at the exercise price of HK\$13.811 per LSD Share; and (iii) 104,000 underlying LSD Shares at the exercise price of HK\$16.10 per LSD Share granted to Mr. Richard Lui has been adjusted to 121,232 underlying LSD Shares at the exercise price of HK\$13.811 per LSD Share.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations *(continued)*

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

Long positions in ordinary shares of Lai Fung ("Lai Fung Shares") and underlying Lai Fung Shares						
Name of Director	Capacity	Number of Lai Fung Shares		Number of underlying Lai Fung Shares	Total	Approximate percentage of total issued Lai Fung Shares
		Personal interests	Corporate interests	Personal interests <small>(Note 1)</small>		
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	3,219,182	3,219,182	0.97% <small>(Note 2)</small>

Notes:

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

Name of Director	Date of grant (dd/mm/yyyy)	Number of underlying Lai Fung Shares comprised in share options	Exercise period (dd/mm/yyyy)	Exercise price per Lai Fung Share (HK\$)
Lam Hau Yin, Lester	18/01/2013	3,219,182	18/01/2013 – 17/01/2023	11.40

- The total number of issued Lai Fung Shares as at 31 January 2022 (that is, 331,033,443 Lai Fung Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 31 January 2022, none of the Directors and the chief executive of the Company and their respective close associates had, or was deemed to have, any interest in the long or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which was required to be notified to the Stock Exchange and the Company pursuant to the SFO, or recorded in the Register of Directors and Chief Executive, or notified to the Stock Exchange and the Company under the Securities Code or otherwise known by the Directors.

Substantial Shareholders' and Other Persons' Interests

As at 31 January 2022, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO (“**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (“**Voting Entitlements**”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

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

Notes:

- The total number of issued Shares as at 31 January 2022 (that is, 1,491,854,598 Shares) has been used for the calculation of the approximate percentage.
- As at 31 January 2022, Mr. FA Chew and Mr. Lester Lam were also executive directors of LSD. Madam U was also a non-executive director of LSD.
- As at 31 January 2022, Mr. FA Chew, Mr. Lester Lam and Madam U were also executive directors of LSG. Mr. Yip Chai Tuck (“**Mr. CT Yip**”, an ED) was also the chief executive officer of LSG.
- These interests in the Company represented all the Shares beneficially owned by Transtrend Holdings Limited, an indirect wholly-owned subsidiary of LSD. As at 31 January 2022, LSG and Dr. Lam Kin Ngok, Peter (“**Dr. Peter Lam**”) were deemed to be interested in the same 1,113,260,072 Shares (approximately 74.62% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed interests of approximately 41.93% (excluding share option) of the total issued LSG Shares; LSD was approximately 53.19% directly and indirectly owned by LSG; and LSG was approximately 12.70% (excluding share option) owned by Dr. Peter Lam and approximately 29.23% owned by Wisdom Limited, which was in turn 100% beneficially owned by Dr. Peter Lam.

As at 31 January 2022, Dr. Peter Lam also holds 2,794,443 Shares as beneficial owner.
- Based on the disclosure of interests notices received by the Company, as at 31 January 2022, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 148,982,000 Shares (approximately 9.99% of the total issued Shares), which were held jointly by them.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) which/who, as at 31 January 2022, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

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

During the six months ended 31 January 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report for the year ended 31 July 2021 are set out as follows:

- Mr. Low, Mr. Lo Kwok Kwei, David, Mr. Alfred Donald Yap ("**Mr. Yap**") (all INEDs) as well as Mr. FA Chew and Mr. Richard Lui (both EDs) were appointed the members of Nomination Committee with effect from 21 January 2022.
- Mr. Low was appointed the chairman of the Nomination Committee and his annual director's fee has been adjusted upward for this chairmanship with effect from 21 January 2022.
- Mr. FA Chew was appointed a member of the Council of the Hong Kong Polytechnic University for a term of three years with effect from 1 April 2022.
- The Group usually makes annual adjustment to basic salaries and pays discretionary bonuses in January. The basic salaries of Messrs. Richard Lui, FA Chew and CT Yip have been adjusted upward within the range from 2.0% to 2.5% with effect from 1 January 2022. Directors' remuneration for the six months ended 31 January 2022 and 2021 are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2022				
<i>Executive Directors:</i>				
Lui Siu Tsuen, Richard	90	1,794	–	1,884*
Chew Fook Aun	–	2,428	9	2,437
Lam Hau Yin, Lester	–	–	–	–
Yip Chai Tuck	90	1,420	18	1,528 [^]
	180	5,642	27	5,849
<i>Non-executive Director:</i>				
U Po Chu	–	–	–	–
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	363	20	–	383
Lo Kwok Kwei, David	145	20	–	165
Ng Lai Man, Carmen	195	25	–	220
Alfred Donald Yap	145	25	–	170
	848	90	–	938
Total	1,028	5,732	27	6,787

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

[^] The amounts included fees, salaries and pension scheme contributions of HK\$809,000 paid by MAGHL.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Update on Directors' Information *(continued)*

(d) *(continued)*

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

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

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

Employees and Remuneration Policies

As at 31 January 2022, the Group employed a total of around 550 (2021: 530) employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programs are offered to eligible employees.

Investor Relations

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

Despite the pandemic, the Group maintains proactive interactions with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the period under review, the Company has been communicating with a number of research analysts and investors via online meetings and conference calls as follows:

Month	Event (Virtual)	Organiser	Investor Base
October 2021	Post results non-deal roadshow	DBS	Hong Kong
October 2021	Post results non-deal roadshow	DBS	United States
October 2021	Post results non-deal roadshow	HSBC	Hong Kong/Singapore/Mainland China
November 2021	Post results non-deal roadshow	DBS	United States

The Company is keen on promoting investor relations and enhancing communication with the Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6116, by fax at (852) 2853 6651 or by e-mail at ir@esun.com.

Review of Interim Report

The audit committee of the Company ("**Audit Committee**") currently comprises three INEDs, namely Dr. Ng Lai Man, Carmen (Chairwoman), Mr. Low and Mr. Yap. The Audit Committee has reviewed this Interim Report (including the unaudited condensed consolidated interim financial statements) of the Company for the six months ended 31 January 2022, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

By order of the Board
Low Chee Keong
Chairman

Hong Kong, 22 March 2022

