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## ASIA TELEVISION HOLDINGS LIMITED

### 亞洲電視控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 707)**

## UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Asia Television Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021, together with the comparative figures for the corresponding year in 2020. The Group’s unaudited financial information in this announcement was prepared based on the unaudited consolidated financial statements of the Group for the year ended 31 December 2021.

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

*For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <b>RMB’000</b> <b>(unaudited)</b>	<b>2020</b> <b>RMB’000</b> <b>(audited)</b>
<b>Turnover</b>	<b>3</b>	<b>158,695</b>	154,104
Cost of sales		<b>(162,016)</b>	(175,402)
Gross loss		<b>(3,321)</b>	(21,298)
Other gains, net		<b>3,034</b>	23,770
Net loss on financial assets at fair value through profit or loss	<b>5</b>	<b>(44,065)</b>	(48,732)
Impairment loss on intangible assets		<b>(5,807)</b>	(31,493)
Impairment loss on right-of-use assets		<b>(181,682)</b>	(40,001)
Share of loss of an associate		–	(11,825)
Gain on deemed disposal of partial interests of an associate		–	859
Gain on disposal of an associate		–	74,208
Gain on disposal of a subsidiary		<b>80,639</b>	–
Net impairment loss on trade and other receivables		<b>(4,359)</b>	(616)
Net impairment loss on loan receivables		<b>(9,767)</b>	(4,079)
Gain on the derivative financial instruments		–	54,683
Distribution and selling expenses		<b>(3,698)</b>	(13,802)
Administrative and operating expenses		<b>(79,048)</b>	(110,402)
Finance costs	<b>4</b>	<b>(77,319)</b>	(87,263)

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(unaudited)</b>	2020 <b>RMB'000</b> <b>(audited)</b>
Loss before taxation	5	<b>(325,393)</b>	(215,991)
Income tax credit	6	<b>31,437</b>	8,357
Loss for the year		<b>(293,956)</b>	(207,634)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
– exchange differences arising on translation		<b>4,856</b>	6,202
Total comprehensive expense for the year, net of income tax		<b>(289,100)</b>	(201,432)
Loss for the year attributable to:			
Owners of the Company		<b>(212,400)</b>	(173,121)
Non-controlling interests		<b>(81,556)</b>	(34,513)
		<b>(293,956)</b>	(207,634)
Total comprehensive expense for the year attributable to:			
Owners of the Company		<b>(211,419)</b>	(160,274)
Non-controlling interests		<b>(77,681)</b>	(41,158)
		<b>(289,100)</b>	(201,432)
		<b>2021</b> <b>RMB cents</b>	2020 <b>RMB cents</b>
Loss per share attributable to owners of the Company			
– Basic and diluted	7	<b>(2.14)</b>	(2.05)

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment		23,465	18,977
Investment properties		1,051	1,080
Right-of-use assets		103,897	300,308
Intangible assets		67,207	68,486
Goodwill		18,678	19,188
Other deposits		4,952	5,549
		<u>219,250</u>	<u>413,588</u>
<b>Current assets</b>			
Inventories		43,468	87,271
Trade and other receivables, deposits and prepayments	9	80,165	92,119
Loan receivables		14,939	20,065
Financial assets at fair value through profit or loss	10	33,332	77,740
Bank balances and cash		95,202	118,403
		<u>267,106</u>	<u>395,598</u>
<b>Current liabilities</b>			
Trade and other payables	11	366,761	341,666
Bond payables		59,592	69,118
Taxation payables		3,397	4,553
Government grant		–	252
Lease liabilities		981	707
Bank loans		–	45,700
Loans from other financial institutions		161,870	166,290
Other borrowings		40,167	16,513
		<u>632,768</u>	<u>644,799</u>
<b>Net current liabilities</b>		<u>(365,662)</u>	<u>(249,201)</u>
<b>Total assets less current liabilities</b>		<u>(146,412)</u>	<u>164,387</u>

		<b>2021</b>	2020
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,065</b>	–
Convertible bonds		<b>101,978</b>	92,801
Government grant		–	128
Deferred tax liabilities		<b>17,176</b>	49,609
		<b>120,219</b>	142,538
<b>Net (liabilities)/assets</b>		<b>(266,631)</b>	21,849
<b>Capital and reserve</b>			
Share capital	12	<b>870,809</b>	870,809
Reserves		<b>(955,337)</b>	(744,538)
<b>(Deficit)/Equity attributable to owners of the Company</b>		<b>(84,528)</b>	126,271
Non-controlling interests		<b>(182,103)</b>	(104,422)
<b>Total (deficiency)/equity</b>		<b>(266,631)</b>	21,849

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

## 1. GENERAL INFORMATION

Asia Television Holdings Limited was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands and acts as an investment holding company. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company is Room 903, 9/F., Tower A, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

The consolidated financial statements have been presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. The directors of the Company considered Hong Kong dollars ("**HK\$**") is the functional currency of the Company since the business transactions, in terms of operating, investing and financing activities of the Company itself are mainly denominated in HK\$.

### **Basis of preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The Group's recorded a net loss of approximately RMB293,956,000 for the year ended 31 December 2021 and the Group's current liabilities exceeded the current assets by approximately RMB365,662,000 as at 31 December 2021. The Group also has defaults in repayment of loans and borrowings with principals of approximately RMB178,761,000. These conditions indicate the existence of material uncertainties which may cast doubt about the Group's ability to continue as going concern.

The directors of the Company have taken the following measures to mitigate the liquidity pressure and to improve its financial position:

- (i) Actively negotiating with lenders to renew loans that have fallen due;
- (ii) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;
- (iii) Exploring the possibility of disposing certain non-core assets;
- (iv) Soliciting for further financing arrangements which include placing of new convertible bonds to new potential investors; and
- (v) The directors of the Company anticipates that the Group will generate positive cash flows from its operations in the foreseeable future.

Based on the Group's cash flow projections, taking into account of effectiveness and feasibility of the above measures covering a period of twelve month from the end of the reporting period prepared by the management, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any future liabilities that may arise and to re-classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis for accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair value as explained in the accounting policies set out below.

## **2. APPLICATION OF AMENDMENTS TO HKFRSs**

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, Interest Rate Benchmark Reform – Phase 2  
HKFRS 4 and HKFRS 16

## **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE AND SEGMENT INFORMATION

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under HKFRS 8.

	<b>2021</b> <b>RMB'000</b> <b>(unaudited)</b>	2020 <i>RMB'000</i> (audited)
Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:		
Sales of goods from		
– sales of finished fabrics	<u>25,500</u>	<u>28,630</u>
	<b>25,500</b>	28,630
Subcontracting services income	<b>51,016</b>	68,202
Advertising income	<b>18,838</b>	4,467
Shooting and broadcasting income	<b>28,901</b>	11,754
Other entertainment and media services income	<b>4,465</b>	1,426
Brokerage and related services income	<b>4,391</b>	6,638
Handling services income	<b>591</b>	239
Sponsorship income	<u>14,976</u>	<u>–</u>
	<b>148,678</b>	121,356
Revenue from other sources		
Loan interest income	<b>5,102</b>	6,398
Margin financing interest income	<b>4,915</b>	7,302
Net distribution revenue from movie investment	<u>–</u>	<u>19,048</u>
	<u><b>158,695</b></u>	<u>154,104</u>



## **Segment reporting**

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Processing, printing and sales of finished fabrics and subcontracting services in the PRC;
- Trading of fabrics and clothing;
- Money lending;
- Securities investment;
- Media, cultural and entertainment; and
- Securities brokerage services and margin finance.

## **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets attributable to the activities of the individual segments. Segment liabilities include trade and other payables attributable to the activities of the individual segments and bank loans managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below:

For the year ended 31 December 2021 (unaudited)									
	Processing, printing and sales of finished fabrics – PRC RMB'000	Trading of fabrics and clothing – Hong Kong RMB'000	Money lending – Hong Kong RMB'000	Securities investment – Hong Kong RMB'000	Entertainment and media – Hong Kong RMB'000	Securities brokerage services and margin finance – Hong Kong RMB'000	Unallocated corporate office RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue from external customers	76,516	–	5,102	–	67,180	9,897	–	–	158,695
Revenue from inter-segment	–	–	–	–	13,889	–	4,153	(18,042)	–
	<u>76,516</u>	<u>–</u>	<u>5,102</u>	<u>–</u>	<u>81,069</u>	<u>9,897</u>	<u>4,153</u>	<u>(18,042)</u>	<u>158,695</u>
<b>Reportable segment revenue and timing of revenue recognition</b>									
Products and services transferred at a point in time	25,500	–	–	–	13,889	4,982	4,153	(18,042)	30,482
Services transferred over time	<u>51,016</u>	<u>–</u>	<u>5,102</u>	<u>–</u>	<u>67,180</u>	<u>4,915</u>	<u>–</u>	<u>–</u>	<u>128,213</u>
Reportable segment revenue	<u>76,516</u>	<u>–</u>	<u>5,102</u>	<u>–</u>	<u>81,069</u>	<u>9,897</u>	<u>4,153</u>	<u>(18,042)</u>	<u>158,695</u>
Reportable segment (loss)/profit (adjusted EBITDA)	<u>(498)</u>	<u>(1)</u>	<u>3,856</u>	<u>(8)</u>	<u>(16,101)</u>	<u>1,449</u>	<u>(22,954)</u>	<u>–</u>	<u>(34,257)</u>
Depreciation and amortisation	(140)	–	–	–	(24,460)	(1,044)	(851)	–	(26,495)
Impairment on intangible assets	–	–	–	–	(7,725)	–	–	–	(7,725)
Impairment of right-of-use assets	–	–	–	–	(181,682)	–	–	–	(181,682)
Net impairment loss on trade and other receivables	(671)	–	–	–	(411)	(3,277)	–	–	(4,359)
Net impairment loss on deposits paid to suppliers	(139)	–	–	–	–	–	–	–	(139)
Net impairment loss on loan receivables	–	–	(9,767)	–	–	–	–	–	(9,767)
Net impairment loss on inventories	(20,224)	–	–	–	–	–	–	–	(20,224)
Net loss on financial assets at fair value through profit or loss	–	–	–	395	(2,119)	(534)	(41,807)	–	(44,065)
Finance costs	(1,154)	–	–	–	(3,007)	(1,036)	(72,122)	–	(77,319)
Gain on disposal of a subsidiary									80,639
<b>Loss before taxation</b>									(325,393)
<b>Reportable segment assets</b>	<b>55,890</b>	<b>96</b>	<b>14,957</b>	<b>41</b>	<b>203,939</b>	<b>169,253</b>	<b>42,180</b>	<b>–</b>	<b>486,356</b>
<b>Reportable segment liabilities</b>	<b>36,830</b>	<b>3,668</b>	<b>1,694</b>	<b>–</b>	<b>115,387</b>	<b>93,601</b>	<b>–</b>	<b>501,807</b>	<b>752,987</b>

	For the year ended 31 December 2020 (audited)								
	Processing, printing and sales of finished fabrics – PRC RMB'000	Trading of fabrics and clothing – Hong Kong RMB'000	Money lending – Hong Kong RMB'000	Securities investment – Hong Kong RMB'000	Entertainment and media – Hong Kong RMB'000	Securities brokerage services and margin finance – Hong Kong RMB'000	Unallocated corporate office RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Revenue from external customers	96,832	–	6,398	–	36,695	14,179	–	–	154,104
Revenue from inter-segment	–	–	–	–	3,557	–	11,921	(15,478)	–
	<u>96,832</u>	<u>–</u>	<u>6,398</u>	<u>–</u>	<u>40,252</u>	<u>14,179</u>	<u>11,921</u>	<u>(15,478)</u>	<u>154,104</u>
<b>Reportable segment revenue and timing of revenue recognition</b>									
Products and services transferred at a point in time	28,630	–	–	–	3,557	6,877	11,921	(15,478)	35,507
Services transferred over time	<u>68,202</u>	<u>–</u>	<u>6,398</u>	<u>–</u>	<u>36,695</u>	<u>7,302</u>	<u>–</u>	<u>–</u>	<u>118,597</u>
Reportable segment revenue	<u>96,832</u>	<u>–</u>	<u>6,398</u>	<u>–</u>	<u>40,252</u>	<u>14,179</u>	<u>11,921</u>	<u>(15,478)</u>	<u>154,104</u>
Reportable segment (loss)/profit (adjusted EBITDA)	<u>(7,772)</u>	<u>(2)</u>	<u>4,548</u>	<u>(239)</u>	<u>(77,236)</u>	<u>3,326</u>	<u>(34,365)</u>	<u>–</u>	<u>(111,740)</u>
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation and amortisation	(341)	–	–	–	(13,618)	(1,756)	(1,092)	–	(16,807)
Impairment on intangible assets	–	–	–	–	(31,493)	–	–	–	(31,493)
Impairment of right-of-use assets	–	–	–	–	(40,001)	–	–	–	(40,001)
Net (impairment)/reversals of impairment loss on trade and other receivables	231	–	–	–	(13)	(831)	(3)	–	(616)
Net reversal of impairment loss on deposits paid to suppliers	856	–	–	–	–	–	–	–	856
Net impairment loss on loan receivables	–	–	(4,079)	–	–	–	–	–	(4,079)
Reversal of write down of inventories	<u>5,959</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,959</u>
Net loss on financial assets at fair value through profit or loss	–	–	–	(9,134)	–	(27,670)	(11,928)	–	(48,732)
Gain on derivative financial instruments	–	–	–	–	–	–	54,683	–	54,683
Finance costs	(2,937)	–	–	(282)	(3,209)	(1,464)	(79,371)	–	(87,263)
Gain on disposal of an associate									74,208
Share of loss of an associate									(11,825)
Gain on deemed disposal of an associate									<u>859</u>
<b>Loss before taxation</b>									<b>(215,991)</b>
<b>Reportable segment assets</b>	110,629	99	20,149	3,384	397,458	185,304	92,163	–	809,186
<b>Reportable segment liabilities</b>	132,738	3,768	1,049	–	115,388	101,782	–	432,612	787,337

## Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-financial non-current assets ("specified non-current assets"). The geographical location of revenue from customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset.

Country of domicile	Turnover		Specified non-current assets	
	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
PRC	76,866	96,832	25	2,057
Malaysia	15,758	37	13,074	96
Hong Kong	66,071	57,235	201,199	405,886
	<u>158,695</u>	<u>154,104</u>	<u>214,298</u>	<u>408,039</u>

## 4. FINANCE COSTS

	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
Interest on bank loans	1,154	2,937
Interest on other secured loans	–	164
Interest on other unsecured loans	53,085	59,834
Interest on bond payables	4,634	4,991
Interest on lease liabilities	57	74
Interest on convertible bonds	17,392	17,869
Other finance costs	997	1,394
	<u>77,319</u>	<u>87,263</u>

## 5. LOSS BEFORE TAXATION

	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
Loss before taxation has been arrived at after charging:		
Directors' remuneration	4,474	4,903
Staff cost (excluding directors' remuneration)		
– Staff salaries	38,452	40,769
– Retirement benefits scheme contributions	1,881	900
– Equity-settled share-based payment	290	–
– Staff welfare	871	234
Depreciation of:		
– Property, plant and equipment and right-of-use assets	17,279	16,807
Auditor's remuneration		
– Audit services	1,333	1,250
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Net loss on financial assets at fair value through profit or loss securities investment		
– (Gain)/loss on disposal	(348)	22,933
– Fair value loss	44,413	25,799
	<hr/>	<hr/>
	44,065	48,732
	<hr/>	<hr/>
<u>Included in cost of sales:</u>		
Loss on derecognition of financial asset at fair value through profit or loss	–	60,001
Cost of inventories recognised as expenses (including impairment loss on inventories amounting to RMB20,224,000) (2020: reversal of write down of RMB5,959,000)	56,498	42,930
Short-term lease in respect of		
– rental premises	778	1,453
Impairment loss on intangible assets	1,918	–
Amortisation of intangible assets	9,216	–
	<hr/>	<hr/>

## 6. INCOME TAX CREDIT

The PRC Enterprise Income Tax (“**EIT**”) is calculated at the rate of 25% prevailing in the PRC jurisdiction for the year ended 31 December 2021 (2020: 25%). Provision for Hong Kong Profits Tax has been provided at the rate of 8.25% or 16.5% (2020: 8.25% or 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

	<b>2021</b> <b>RMB'000</b> <b>(unaudited)</b>	2020 <b>RMB'000</b> (audited)
Current tax	<b>169</b>	239
Deferred tax	<b>(31,606)</b>	(8,596)
	<b>(31,437)</b>	(8,357)

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

The calculation of basic loss per share for the current year and prior year are based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year are set forth below.

The calculation of diluted loss per share for the year are based on the loss for the year attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

For the years ended 31 December 2020 and 2021, as the Company's outstanding convertible bonds had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the years ended 31 December 2020 and 2021 are equal.

The calculations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	<b>2021</b> <b>RMB'000</b> <b>(unaudited)</b>	2020 <i>RMB'000</i> (audited)
<b>Loss</b>		
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	<b>(212,400)</b>	(173,121)
Add: Interest on convertible bonds*	<u>—</u>	<u>—</u>
Adjusted loss for the year attributable to owners of the Company used in the diluted loss per share calculation	<u><b>(212,400)</b></u>	<u>(173,121)</u>
	<b>2021</b> <b>'000</b> <b>(unaudited)</b>	2020 <i>'000</i> (audited)
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u><b>9,925,668</b></u>	<u>8,433,709</u>

\* No adjustment/effect considered due to anti-dilutive effects.

## 8. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2021 (2020: Nil). The Board resolved not to declare the payment of any final dividend for the year (2020: Nil).

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
Trade receivables from securities brokerage services and margin finance segment	59,252	56,687
Less: Allowances for bad and doubtful debts	<u>(17,263)</u>	<u>(14,350)</u>
	41,989	42,337
Trade receivables from other segments	9,519	16,099
Less: Allowances for bad and doubtful debts	<u>(5,272)</u>	<u>(4,329)</u>
	4,247	11,770
Deposits paid to suppliers	7,953	16,145
Less: Allowances for impairment	<u>(3,389)</u>	<u>(7,705)</u>
	4,564	8,440
Other deposits, receivables and prepayments	<u>29,365</u>	<u>29,572</u>
	<u>80,165</u>	<u>92,119</u>

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong and overseas at fair value	<u>33,332</u>	<u>77,740</u>



## 11. TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i> (unaudited)	2020 <i>RMB'000</i> (audited)
Trade payables from securities brokerage services and margin finance segment	61,647	69,139
Trade payables from other segments	22,407	21,744
Other payables and accruals	172,992	140,136
Other payables on film rights and licence fees	819	125
Other payables on convertible bonds interest	6,141	2,527
Amount due to a director	68,034	24,802
Amounts due to directors of the subsidiaries	149	153
Amount due to a shareholder of the Company	359	369
Amounts due to non-controlling owners of subsidiaries	19,947	20,476
Amounts due to related companies	8,265	29,166
Contract liabilities	6,001	33,029
	<u>366,761</u>	<u>341,666</u>

## 12. SHARE CAPITAL

	Number of share '000	Authorised Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
As at 1 January 2020, 31 December 2020 (audited) and 31 December 2021 (unaudited)	<u>20,000,000</u>	<u>2,000,000</u>

	Number of shares '000	Amount <i>RMB'000</i>	Amount <i>HK\$'000</i>
		Issued and fully paid	
As at 1 January 2020	7,425,668	648,584	742,566
Conversion of convertible bonds	<u>2,500,000</u>	<u>222,225</u>	<u>250,000</u>
At 31 December 2020 (audited) and 31 December 2021 (unaudited)	<u>9,925,668</u>	<u>870,809</u>	<u>992,566</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

During the year ended 31 December 2021, Asia Television Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) had engaged in four business streams including (i) the processing, printing and sales of finished fabrics and subcontracting services and the trading of fabric and clothing business (the “**Fabrics and Trading Business**”); (ii) the money lending business; (iii) securities investment and securities brokerage services business (the “**Investments and Brokerage Services Business**”); and (iv) media, cultural and entertainment business.

### FINANCIAL REVIEW

#### Turnover

The revenue of the Group for the year ended 31 December 2021 was approximately RMB 158.7 million (2020: RMB154.1 million), a slight increase of approximately 2.99% compared to the year before. The increase in the revenue is mainly due to an increase in the turnover of the Entertainment and Cultural Business by approximately RMB30.5 million offset by the decline in turnover of the Fabrics and Trading Business by approximately RMB20.3 million and Investment and Brokerage Services Business by approximately RMB4.3 million respectively.

#### Gross Loss and Net Loss

The Group recorded a gross loss of approximately RMB3.3 million (2020: gross loss of RMB21.3 million). The Group recorded a net loss of approximately RMB293.9 million, as compared to a net loss of approximately RMB207.6 million for the year ended 31 December 2020. The increase in the unaudited consolidated loss attributable to owners of the Company was mainly attributable to:

- (i) the gain on disposal of a subsidiary, namely 協盛(石獅市)染織實業有限公司 (“**Xie Sheng**”), of approximately RMB80,639,000 due to the holder of the bond of the Company enforced the pledged share capital of Xie Sheng by disposing Xie Sheng’s share capital to a third party by way of sales the during the year of 2021;

- (ii) an increase in the impairment loss on right-of-use assets of approximately RMB141,681,000 as compared to the last year;
- (iii) an absence of the gain on disposal of an associate of approximately RMB74,208,000 as recognised in the last year;
- (iv) an absence of gain on the derivative financial instruments of approximately RMB54,683,000 as recognised in the last year;
- (v) a decrease in the impairment loss on intangible assets of approximately RMB25,686,000 as compared to the last year; and
- (vi) a decrease in the administrative and operating expenses of approximately RMB31,354,000 as compared to the last year due to the adoption of stringent cost control measures.

## **BUSINESS REVIEW**

### **Fabrics and Trading Business**

During the year of 2021, revenue generated from the Fabric and Trading Business decreased from approximately RMB96.8 million for the year ended 31 December 2020 to approximately RMB76.5 million for the year ended 31 December 2021 as the Group disposed of the entire equity interest in a subsidiary, namely 協盛(石獅市)染織實業有限公司 (“**Xie Sheng**”) which was principally engaged in the Fabric and Trading business completed on 31 May 2021. Details of the disposal of Xie Sheng are set out in announcements of the Company dated 31 May and 17 June 2021.

The reportable segment loss decreased from approximately RMB7.8 million for the year ended 31 December 2020 to approximately RMB0.5 million for the year ended 31 December 2021 due to the adoption of the cost control measure to reduce the material wastage in the production. However, together with the logistics shortage for product delivery and the additional raw material costs caused by the outbreak of COVID-19 around the globe, the Group’s Fabric and Trading business was still under much pressure during the year.

Apart from the above disposals, we continue to develop the Fabric and Trading Business.

## **Money Lending Business**

The money lending business is conducted through Rende Finance Limited, a locally licenced money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of the Hong Kong). As at 31 December 2021, the loan balances were approximately RMB14.9 million (2020: RMB20.1 million) with terms of 1 year.

The Group adopted the money lending policy and procedure manual which provide guidelines on the handling and monitoring of money lending procedures according to the Money Lenders Ordinance. For the year ended 31 December 2021, the interest income contributed by the money lending business was approximately RMB5.1 million (2020: RMB6.4 million) with the reportable segment profit result of approximately RMB3.9 million (2020: RMB4.5 million).

During times of economic uncertainty, we implement cautious and prudent measures and tighten our credit policies, and decrease the proportion of our money lending business with high value customers.

## **Investment and Brokerage Services Business**

To enhance the financial performance, the Group held listed securities as investment during the year. During the year, the Group recorded an overall fair value of loss of approximately RMB44.1 million (2020: fair value loss of RMB48.7 million) as the stock market was volatile in 2021.

As at 31 December 2021, the aggregate amount of the Group's listed securities held for trading at fair value is approximately RMB33.3 million (2020: RMB77.7 million). The decrease mainly represents the recognition of the fair value loss of approximately RMB44.4 million during the year. The Group managed a portfolio of securities listed in Hong Kong and overseas.

The Group recorded revenue from brokerage services business for the year of approximately RMB9.9 million (2020: RMB14.2 million), representing a decrease of 30.3% as compared to that for the same period in the last year. The decrease is mainly contributed by volatility and uncertainty of Hong Kong stock market.

## **Media, Cultural and Entertainment Business**

Revenue of the media, cultural and entertainment business increased from RMB36.7 million for the year ended 31 December 2020 to RMB67.2 million for the year ended 31 December 2021 driven by improvement of sponsorship income and shooting and broadcasting income. The reportable segment loss improved from RMB77.2 million for the year ended 31 December 2020 to RMB16.1 million for the year ended 31 December 2021 due to the adoption of stringent cost control measures together with the improvement of sponsorship income and shooting and broadcasting income.

The short-term strategy for our media, cultural and entertainment business is to expand its multiple digital platforms and seek investment opportunities in film rights. Our goal is to establish a high-quality e-commerce platform with strong customer base. In the long run, we aim to expand vertically to provide our customers with a “one-stop” solution from creative production to media delivery. In the medium to long term development, it is expected that our platform will cover other Chinese-Speaking regions. We will focus on developing the media, cultural and entertainment business in different regions.

## **BUSINESS OUTLOOK**

Despite the headwinds and challenges ahead, we will continue to enhance our corporate transparency and strengthen our corporate governance and internal control. We will take every opportunity to optimise our business to enrich the value of the shareholders of the Company. With the concerted efforts of the management and the staff of the Group, we are confident and optimistic about the Group’s future growth and outlook.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF THE GROUP**

### **Conversion of 60,000,000 ICPS of Yong Tai Berhad**

Pursuant to the Company’s announcements dated 9 January 2018, 17 January 2018 and 31 March 2021, the Group had served a conversion notice to Yong Tai to fully exercise its conversion rights attaching to the Sales ICPS, and on 31 March 2021, Yong Tai allotted and issued to the Group 60,000,000 new Yong Tai Shares at nil conversion price per new Yong Tai Share, which representing approximately 4.54% of the enlarged issued and paid-up share capital of Yong Tai upon fully conversion of the Sales ICPS (the “**Conversion**”) as at 31 March 2021. Upon the Conversion, the Group was interested in approximately 10.34% of the entire issued share capital of Yong Tai. The Group’s interest in Yong Tai is accounted for as financial assets at fair value through profit or loss in the financial statements of the Group.

As at 31 December 2021, the Group held approximately 10.15% of the entire issue share capital of Yong Tai.

### **Enforcement of a pledge over the shares in a subsidiary**

Pursuant to the Company's announcements dated 20 October 2020, 6 November 2020, 28 January 2021, 31 May 2021 and 17 June 2021, the holder (the **"Bond Holder"**) of the bond (the **"Bond"**) of the Company enforced the security accompanying the Bond by way of disposal of the pledged shares of a wholly owned subsidiary of the Company, namely 協盛(石獅市)染織實業有限公司 to a third party by way of sale at the consideration of HK\$15,000,000 on 31 May 2021. The sale proceeds were applied towards settlement of all outstanding interest of the Bond up to 31 May 2021 and partial settlement of the principal of the Bond. Details are set out in announcements of the Company dated 31 May and 17 June 2021.

### **Proposed Disposal of Brokerage Services Business**

On 26 May 2020, Co-Prosperity Investment (International) Limited, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the **"Agreement"**) to dispose 60% of the entire issued share capital of Million Federal International Limited (**"Million Federal"**) and its subsidiaries at the consideration of approximately HK\$62 million (subject to adjustment). Sincere Securities Limited, a wholly-owned subsidiary of Million Federal, is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. Pursuant to the Company's announcement dated 26 May 2021, as certain conditions precedent set out in the Agreement had not been satisfied on or before 26 May 2021, the Agreement was terminated on 26 May 2021 and the transaction will not proceed.

### **THE REMEDIAL ACTIONS TO BE UNDERTAKEN RELATED TO MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

The management has drawn attention to note 1 to the unaudited consolidated financial statements with respect to the Group's ability to continue as going concerns. During the financial year ended 31 December 2021, the Group incurred a net loss of approximately RMB293,956,000. As at 31 December 2021, the Group's current liabilities exceeded the current assets by approximately RMB365,662,000 as at 31 December 2021. The Group also has defaults in repayment of loans and borrowings with principals of approximately RMB178,761,000. These events and conditions indicate a material uncertainty exists that may cast significant doubt about the Group's ability to continue as going concern.

The directors of the Company have taken the following measures to mitigate the liquidity pressure and to improve its financial position:

- (i) Actively negotiating with lenders to renew loans that have fallen due;
- (ii) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;
- (iii) Exploring the possibility of disposing certain non-core assets;
- (iv) Soliciting for further financing arrangements which include placing of new convertible bonds to new potential investors; and
- (v) The directors of the Company anticipates that the Group will generate positive cash flows from its operations in the foreseeable future.

The management has commenced to look into related development opportunities such as diversified source of income and is processing the following actions to improve the financial performance of the Group:

- (i) negotiating with third parties to jointly organise music events and produce film rights;
- (ii) negotiating with third parties to invest in film rights;
- (iii) revitalizing and developing the mobile application and OTT platform for different regions; and
- (iv) implementing policies to monitor cash flows through cutting costs and capital expenditure.

Based on the Group's cash flow projections, taking into account of effectiveness and feasibility of the above measures covering a period of twelve month from the end of the reporting period prepared by the management, the directors of the Company consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2021, the Group had total assets of approximately RMB486.4 million (2020: RMB809.2 million) which were financed by current liabilities of approximately RMB632.8 million (2020: RMB644.8 million), and non-current liabilities of approximately RMB120.2 million (2020: RMB142.5 million).

As at 31 December 2021, excluded clients' monies in segregated account, the Group's cash and bank balances were approximately RMB36.5 million (2020: RMB47.0 million). As at 31 December 2021, the secured bonds were fixed-rate and were denominated in Hong Kong dollars ("HK\$") whereas loans from other financial institution and other borrowing were fixed-rate loan and denominated in HK\$. The Group's borrowings were secured by property, plant and equipment, Investment properties, financial assets at fair value through profit or loss, rights-of-use assets, inventories, trade and other receivables, deposits and prepayments, pledged bank deposits and bank balances and cash of the Group.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 0.4 (2020: 0.6). The gearing ratio, being a ratio of borrowings (comprising leases liabilities, bond payables, convertible bonds, bank loans, loans from other financial institutions and other borrowings as at 31 December 2021) to total assets, was 75.2% (2020: 48.3%).



## FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Listed securities held for trading, at fair value

As at 31 December 2021, the Group held listed securities held for trading at fair value through profit or loss of approximately RMB33,332,000, particulars of which are set out below:

Stock code	Name of Securities	No of shares held by the Group as at 31 December 2021	% of share capital owned by the Group	Market value at 31 December 2021 <i>(Note 1)</i> RMB'000	Unrealised loss on change in fair value for the year ended 31 December 2021 <i>(Note 1)</i> RMB'000	% of the Group's total assets
Bursa Malaysia Securities Berhad, stock code: 7066	Yong Tai Berhad	136,821,000 ordinary shares	10.15%	27,146	(41,807)	5.58%
	Other listed securities held for trading, at fair value			6,186		1.27%
			Total	<u>33,332</u>		<u>6.85%</u>

#### Notes:

- The carrying amount, market value as at 31 December 2021, unrealized loss on change in fair value and the percentage of the Group's total assets in the the above table have been subject to rounding adjustments. Accordingly figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## LITIGATIONS

### I. Litigation in Relation to Statutory Demands

Reference are made to the announcements of Company dated 21 October 2019, 24 October 2019 and 28 October 2019 (the “**Statutory Demands Related Announcements**”) in relation to, inter alia, the commencement of litigations in relation to two alleged outstanding debts.

As disclosed in the Statutory Demands Related Announcements, on 9 October 2019, a statutory demand under section 178(1)(A) of the Ordinance (“**Statutory Demand I**”) was served on the Company by a creditor (the “**Creditor I**”) to demand the Company to repay the alleged outstanding debt in the amount of HK\$222,707,496 (the “**Debt**”) within 3 weeks after service of the Statutory Demand I. After the expiry of the 3-week period after the services of Statutory Demand I, the Creditor I may present a winding-up petition against the Company.

Creditor I has agreed that they would not present the winding-up petition immediately if the Company could repay part of the outstanding debt, and expected the Company to repay the remaining outstanding debts after the completion of the connected transaction in relation to subscription of convertible bonds under specific mandate with the estimated gross proceeds of approximately HK\$400 million as stated in the announcement dated 24 September 2019.

As at the date of this announcement, the Company is still proactively engaging in negotiations with Creditor I for better terms on the repayment schedule and for the avoidance of the potential winding-up petition. The Company is also negotiating with various other lenders for new credit lines in order to improve the cashflow position of the Company.

Reference are made to the announcements of Company dated 7 April 2020 and 12 May 2020 (the “**2020 Statutory Demand Announcements**”) in relation to, inter alia, the commencement of litigation in relation to the alleged outstanding debts.

As disclosed in the 2020 Statutory Demand Announcements, on 23 March 2020, a statutory demand under section 178(1)(A) of the Ordinance (“**Statutory Demand II**”) was served on the Company by a creditor (the “**Creditor II**”) to demand the Company to repay the alleged outstanding debt in the amount of HK\$45,978,301.36 (the “**Debt II**”) within 3 weeks after the service of the Statutory Demand II. After the expiry of the 3-week period after the services of Statutory Demand II, Creditor II may present a winding-up petition against the Company. On 12 May 2020, the Company has reached a settlement agreement (the “**Settlement Agreement**”) with the Creditor II. Pursuant to the terms and conditions of the Settlement Agreement, the Company shall pay and discharge the outstanding debts to the Creditor II in accordance with the repayment schedule in the Settlement Agreement. As a result, the Statutory Demand II was withdrawn by the Creditor II with immediate effect. However, on 11 August 2020, the Statutory Demand II under the Ordinance was served on the Company by the Creditor II again to demand the Company to repay the outstanding debt and accrued interests of the Debt II.

## **II. Litigation in Relation to writ of Summons**

On 22 May 2020, Asia Television Limited, an indirect non-wholly owned subsidiary of the Company, received a writ of summons under action number HCA 774/2020 (the “**Writ of Summons**”) together with statement of claim issued in the Court of First Instance of High Court of Hong Kong by HONG KONG SCIENCE TECHNOLOGY PARKS CORPORATION (the “**Plaintiff**”) against Asia Television Limited, as defendant (the “**Defendant**”). According to the Writ of Summons, the Defendant purchased the property located at 25-37 Dai Shing Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong (the “**Property**”) in September 2005 and signed the deed of variation (the “**Deed of Variation**”) with the Plaintiff. According to the Deed of Variation and the lease documents, the Defendant must abide by certain terms when using the Property, including only for television programme and film production, broadcasting programme, distribution, publications, multi-media entertainment and other related business. Otherwise, an additional premium of HK\$3,721.00 needs to be paid daily (the “**Additional Premium**”), and the Plaintiff also has the right to re-enter the Property. The Plaintiff believed that the Defendant violated the terms of the lease documents and the Deed of Variation, so it requested the Defendant to return the Property and recover the additional premium from 1 August 2017. The Plaintiff claims against the Defendant, among others (i) vacant possession of the Property; (ii) additional premium at HK\$3,721.00 per day from 1 August 2017 to 22 May 2020; (iii) mesne profits from 23 May 2020 to the date of the Defendant delivers vacant possession of the Property to the Plaintiff; (iv) costs on an indemnity basis; and (v) further or other relief as the Court may order.

The Defendant is seeking legal advice in respect of the above proceeding in HCA 774/2020 and would defend its position. The Company will make further announcement(s) to update the shareholders of the Company and the potential investors on any significant development regarding the above claim as and when appropriate. There was no other development for this litigation during the reporting period.

## **CAPITAL EXPENDITURES**

As at 31 December 2021, the Group has no significant capital commitments (2020: Nil) in respect of purchases of property, plant and equipment.

## **CONTINGENT LIABILITIES AND EXCHANGE RISK EXPOSURE**

As at 31 December 2021, the Group has no significant contingent liabilities.

During the year of 2020, the Group had provided corporate guarantees in favour of a financial institution in respect of certain credit facilities granted to an independent third party, Shasing-Shapheng (Quanzhou) Textile Industrial Co., Ltd. (“**Shasing-Shapheng Quanzhou**”) and a related company, Fujian Xiesheng Xiefeng Printing and Dyeing Industry Co., Ltd (“**Fujian Xiesheng Xiefeng**”). The total amounts to be guaranteed by the Group to Shasing-Shapheng Quanzhou and Fujian Xiesheng Xiefeng should not exceed RMB50,000,000 and RMB180,000,000 respectively. As at 31 December 2020, the guaranteed loans drawn down amounted to RMB20,000,000 and RMB45,600,000 respectively.

The effective period of the guarantees was from 16 July 2018 to 15 July 2023 and from 17 October 2019 to 16 October 2024 respectively.

During the year of 2020, no provision for the Group’s obligation under the guarantee contract had been made as the directors of the Company considered the possibility that Shasing-Shapheng Quanzhou and Fujian Xiesheng Xiefeng would not meet their obligations to the financial institution are remote, and it was not probable that a claim will be made against the Group under the guarantee contracts.

Except for the corporate guarantees disclosed above, the Group and the Company did not have any other contingent liabilities as at 31 December 2020.

Most of the Group’s assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate action to reduce the exchange risk.

## **EMPLOYMENT**

As at 31 December 2021, the Group had about 227 employees (2020: 409 employees) in Hong Kong and in the PRC.

Remuneration packages for the employees were maintained at a competitive level of the jurisdiction within which the employees were employed to attract, retain and motivate the employees and were reviewed periodically.

In addition, during the year, the Group maintained a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group. The share option scheme was adopted at the annual general meeting of the company on 15 June 2016.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

During the reporting period ended 31 December 2021, neither the Company, nor any of its subsidiaries, had repurchased, sold or redeemed any of its listed shares.

## **DIVIDEND**

The Board does not recommend any payment of final dividend (2020: Nil) for the year.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in the interest of its shareholders. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company (the “**Shareholders**”).

The Directors are in the opinion that the Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the “**CG Code**”) during the year ended 31 December 2021 except the following deviations:

In respect of code provisions A.6.7 and E.1.2 of the Corporate Governance Code, Dato' Sri Lai Chai Suang 拿督斯里賴彩雲博士 \*, being a non-executive Director and Chairman of the Company, was unable to attend the annual general meeting held on 30 June 2021 due to COVID-19 travel restrictions. Dato' Sri Lai Chai Suang 拿督斯里賴彩雲博士 \*, Ms. Sun Tingting, being an executive Director, Ms. Han Xingxing, being an independent non-executive Director were unable to attend the extraordinary general meeting held on 21 July 2021 due to COVID-19 travel restrictions. The Company shall continue to communicate with the Directors and make best effort to ensure their availabilities to attend general meetings and avoid time conflict.

## **AUDIT COMMITTEE**

The audit committee of the Company (“**Audit Committee**”) comprised four independent non-executive directors, Ms. Wong Chi Yan, Ms. Han Xingxing, Mr. Li Yu and Mr. Lee Cheung Yuet Horace. Ms. Wong Chi Yan is the chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Group's unaudited consolidated financial statements for the year ended 31 December 2021 have been reviewed by the Audit Committee.

## **REVIEW OF UNAUDITED ANNUAL RESULTS**

Due to the novel coronavirus outbreak, the auditing processes of the consolidated financial results of the Group for the year ended 31 December 2021 have not completed as the progress of the relevant audit field works in the PRC and Malaysia has been affected in light of the suspension of work and travel restrictions imposed due to the epidemic.

In respect of our film rights, movie investments, the major assets and liabilities of the Group are required to be assessed by valuer at the end of each accounting period. In view of the traffic restrictions due to the epidemic and quarantine measures occasioned by the Covid-19 pandemic, the difficulty of implementing the valuation process and the time required to obtain the basis for the valuation will increase significantly. Based on the above, the valuer cannot complete all valuations before 31 March 2022.

Due to the reasons above, the Company's auditors have not fully completed the auditing process for the annual results for the year ended 31 December 2021. In order to keep the Shareholders and potential investors informed of the business operation and financial position of the Group, after discussion with the auditor, the Board decides to publish the unaudited annual results announcement of the Company for the year ended 31 December 2021 together with the audited comparative figures for the corresponding period in 2020 on the planned date of announcement first. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by HKICPA.

The Group's unaudited consolidated financial statements for the year ended 31 December 2021 have been reviewed by the Audit Committee.

## **FURTHER ANNOUNCEMENT(S)**

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process. The Company expects the auditing process will be completed on or before end of April 2022.

## **PUBLICATION OF UNAUDITED ANNUAL RESULTS**

This unaudited annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>) and the Company (<http://www.atvgroup.com.hk>).

**The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Asia Television Holdings Limited**  
**Chan Wai Kit**  
*Executive Director*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises Mr. Leong Wei Ping 梁瑋珩先生\*, Mr. Chan Wai Kit, Mr. Sze Siu Bun, Ms. Sun Tingting and Ms. Tong Po Yi as executive Directors, , Dato' Sri Lai Chai Suang 拿督斯里賴彩雲博士\* and Mr. Andy Yong Kim Seng 楊錦成先生\* as non-executive Directors, Ms. Han Xingxing, Mr. Li Yu, Ms. Wong Chi Yan and Mr. Lee Cheung Yuet Horace as independent non-executive Directors.*

\* For identification purpose only