

CNC HOLDINGS LIMITED

中國新華電視控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock code 股份代號 : 8356



First Quarterly Report
2022/2023
第一季度報告

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

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This report, for which the directors (the “Directors”) of CNC Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）GEM之特色

GEM之定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳考慮後方作出投資決定。

由於GEM上市的公司普遍為中小型公司，在GEM買賣之證券可能會承受較於聯交所主板買賣之證券為高之市場波動風險，亦無法保證在GEM買賣之證券會有高流通量之市場。

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本報告載有根據聯交所GEM證券上市規則（「GEM上市規則」）而提供有關中國新華電視控股有限公司（「本公司」）之資料，本公司各董事（「董事」）願就本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在所有重大方面均屬準確、完整及並無誤導或欺詐成份，且本文或本報告並無遺漏任何其他事項致使當中任何聲明有所誤導。

HIGHLIGHTS

- The Group's revenue for the three months ended 30 June 2022 increased by approximately 135.8% to approximately HK\$124.9 million (2021: approximately HK\$53.0 million).
- Loss of the Group for the three months ended 30 June 2022 decreased by approximately 74.0% to approximately HK\$4.2 million (2021: approximately HK\$16.2 million).
- Basic loss per Share attributable to the owners of the Company for the three months ended 30 June 2022 was approximately HK0.10 cent (2021: approximately HK0.39 cent).
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2022.

摘要

- 本集團截至二零二二年六月三十日止三個月的收益增加約135.8%至約124,900,000港元(二零二一年：約53,000,000港元)。
- 截至二零二二年六月三十日止三個月的本集團虧損減少約74.0%至約4,200,000港元(二零二一年：約16,200,000港元)。
- 截至二零二二年六月三十日止三個月的本公司擁有人應佔每股股份基本虧損為約0.10港仙(二零二一年：約0.39港仙)。
- 董事會不建議就截至二零二二年六月三十日止三個月派付任何股息。

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 June 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零二二年六月三十日止三個月之未經審核簡明綜合業績連同二零二一年同期之未經審核比較數字如下：

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

For the three months ended 30 June 2022

簡明綜合損益及其他全面收益表(未經審核)

截至二零二二年六月三十日止三個月

		Three months ended 30 June 截至六月三十日止三個月	
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
		Notes 附註	
Revenue	收益	4	52,970
Cost of services	服務成本		(60,965)
			<hr/>
Gross profit/(loss)	毛利/(損)		1,596 (7,995)
Other income	其他收入	5	259
Other gains, net	其他收益淨額	6	130
Selling and distribution expenses	銷售及分銷開支		(193)
Administrative and operating expenses	行政及營運開支		(3,557) (4,145)
Changes in fair value of financial assets at fair value through profit or loss	透過損益按公平值入賬之金融資產之公平值變動		— 3,575
			<hr/>
Loss from operations	營運虧損	8	(420) (8,369)
Finance costs	融資成本		(4,783) (7,201)
			<hr/>
Loss before income tax	除所得稅前虧損		(5,203) (15,570)
Income tax	所得稅	9	1,009 (587)
			<hr/>
Loss for the period	期內虧損		(4,194) (16,157)
			<hr/>

Three months ended 30 June
截至六月三十日止三個月

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
	Notes 附註		
Other comprehensive loss: <i>Items that may be classified subsequently to profit or loss:</i>	其他全面虧損： 其後可分類至損益的項目：		
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	(9)	(4)
Total comprehensive loss for the period	期內全面虧損總額	(4,203)	(16,161)
(Loss)/profit for the period attributable to:	以下人士應佔期內 (虧損)／溢利：		
– Owners of the Company	– 本公司擁有人	(4,236)	(15,946)
– Non-controlling interests	– 非控股權益	42	(211)
		(4,194)	(16,157)
Total comprehensive (loss)/income for the period attributable to:	以下人士應佔期內全面 (虧損)／收入總額：		
– Owners of the Company	– 本公司擁有人	(4,245)	(15,950)
– Non-controlling interests	– 非控股權益	42	(211)
		(4,203)	(16,161)
Loss per Share attributable to the owners of the Company	本公司擁有人應佔每股 股份虧損		
– Basic and diluted (<i>HK cent</i>)	– 基本及攤薄 (<i>港仙</i>)	(0.10)	(0.39)

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

For the three months ended 30 June 2022 截至二零二二年六月三十日止三個月

		Share capital	Share premium	Capital reserves	Convertible notes equity reserves	Foreign currency translation reserves	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	可換股票據 權益儲備 HK\$'000 千港元	外幣換算儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總權益 HK\$'000 千港元
As at 1 April 2022	於二零二二年四月一日	4,055	1,238,195	2,758	14,400	(1,683)	41,214	(1,685,735)	(386,796)	1,488	(385,308)
(Loss)/profit for the period	期內(虧損)/溢利	-	-	-	-	-	-	(4,236)	(4,236)	42	(4,194)
Other comprehensive loss for the period: Items that may be classified subsequently to profit or loss:	期內其他全面虧損: 其後可分類至損益的項目:										
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	-	(9)	-	-	(9)	-	(9)
Total comprehensive (loss)/income for the period	期內全面(虧損)/收入總額	-	-	-	-	(9)	-	(4,236)	(4,245)	42	(4,203)
As at 30 June 2022 (unaudited)	於二零二二年六月三十日 (未經審核)	4,055	1,238,195	2,758	14,400	(1,692)	41,214	(1,689,971)	(391,041)	1,530	(389,511)
As at 1 April 2021	於二零二一年四月一日	4,055	1,238,195	2,758	14,400	(1,720)	41,214	(1,644,006)	(345,104)	1,911	(343,193)
Loss for the period	期內虧損	-	-	-	-	-	-	(15,946)	(15,946)	(211)	(16,157)
Other comprehensive loss for the period: Items that may be classified subsequently to profit or loss:	期內其他全面虧損: 其後可分類至損益的項目:										
Exchange differences on translating foreign operations	換算境外業務之匯兌差額	-	-	-	-	(4)	-	-	(4)	-	(4)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(4)	-	(15,946)	(15,950)	(211)	(16,161)
As at 30 June 2021 (unaudited)	於二零二一年六月三十日 (未經審核)	4,055	1,238,195	2,758	14,400	(1,724)	41,214	(1,659,952)	(361,054)	1,700	(359,354)

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

For the three months ended 30 June 2022 截至二零二二年六月三十日止三個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Flat 314, 3/F., Fuk Shing Commercial Building, 28 On Lok Mun Street, Fanling, New Territories, Hong Kong respectively. Its substantial shareholder is China Xinhua News Network Co., Limited (“China Xinhua NNC”), a private limited company incorporated in Hong Kong and wholly-owned by 中國新華新聞電視網有限公司 (“CNC China”) (a company incorporated in the PRC), which owns 29.31% of the issued share capital of the Company.

The Company’s ordinary shares (the “Share(s)”) were listed on GEM of the Stock Exchange on 30 August 2010 by way of placing.

The principal activity of the Company is investment holding. The subsidiaries are engaged in the provision of civil engineering services for the public sector in Hong Kong.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The unaudited condensed consolidated first quarterly financial statements for the three months ended 30 June 2022 (the “Quarterly Financial Statements”) have been prepared to comply with the disclosure requirements of the GEM Listing Rules.

1. 一般資料

本公司於二零一零年三月十五日根據開曼群島第22章公司法（一九六一年法例3，經綜合及修訂）於開曼群島註冊成立為獲豁免有限責任公司。本公司之註冊辦事處及主要營業地點分別為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands及香港新界粉嶺安樂門街28號福成商業大廈3樓314室。其主要股東為中國新華新聞電視網有限公司（「中國新華新聞電視網」），該公司為一間於香港註冊成立之私人有限公司，由中國新華新聞電視網有限公司（「中國新華新聞電視網（中國）」）（一間於中國註冊成立之公司）全資擁有，而中國新華新聞電視網擁有本公司已發行股本之29.31%。

本公司普通股（「股份」）於二零一零年八月三十日以配售方式在聯交所GEM上市。

本公司的主要業務為投資控股。其附屬公司從事在香港為公營部門提供土木工程服務。

2. 呈列基準

(a) 遵例聲明

截至二零二二年六月三十日止三個月之未經審核簡明綜合第一季度財務報表（「季度財務報表」）已獲編製以遵守GEM上市規則之披露規定。

2. BASIS OF PRESENTATION (Continued)

(b) Basis of preparation

The accounting policies and method of the computation used in the preparation of the Quarterly Financial Statements are consistent with those used in the annual report for the year ended 31 March 2022, except for those related to new standards and interpretations effective for the first time periods beginning on 1 April 2022 and expected to be reflected in the forthcoming annual financial statements.

The Quarterly Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period and are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

(c) Going Concern

In preparing the Quarterly Financial Statements, the Directors have given careful consideration to the future liquidity of the Group in view of fact that:

- The Group has incurred an unaudited net loss of approximately HK\$4,194,000 during the three months ended 30 June 2022 and, as of that date, the Group had unaudited net current liabilities and unaudited net liabilities of approximately HK\$408,117,000 and approximately HK\$389,511,000 respectively;
- As at 30 June 2022, the Group had outstanding convertible notes of principal amount of approximately HK\$257,030,000 (the “Convertible Notes”) and interests thereon of approximately HK\$68,438,000 (the “Convertible Notes Interest”) in respect of which the Group was in default in settlement as at the date of this report;

2. 呈列基準 (續)

(b) 編製基準

編製季度財務報表所用之會計政策及計算方式與截至二零二二年三月三十一日止年度之年度報告所採納者一致，惟有關於二零二二年四月一日開始之期間首次生效之新準則及詮釋除外，預計其將反映在下一份年度財務報表上。

除於各報告期末按公平值計量之若干金融工具外，季度財務報表乃根據歷史成本慣例編製，並以亦為本公司功能貨幣之港元（「港元」）呈列。

(c) 持續經營

於編製季度財務報表時，鑑於以下各項，董事已審慎考慮本集團之未來流動性：

- 截至二零二二年六月三十日止三個月，本集團產生未經審核淨虧損約4,194,000港元，及截至該日，本集團分別錄得未經審核流動負債淨額約408,117,000港元及未經審核負債淨額約389,511,000港元；
- 於二零二二年六月三十日，本集團之尚未償還可換股票據本金額約為257,030,000港元（「可換股票據」）及其利息約為68,438,000港元（「可換股票據利息」），於本報告日期本集團尚未償還可換股票據及可換股票據利息；

2. BASIS OF PRESENTATION (Continued)

(c) Going Concern (Continued)

- the Group owed the amount to a substantial shareholder of approximately HK\$24,587,000 (the "On Demand Debt") as at 30 June 2022 which was repayable on demand; and
- the Group's promissory notes of approximately HK\$45,040,000 and interests thereon of approximately HK\$6,608,000 which are due for repayment in the next twelve months after the date of this report (the "Promissory Notes").

The conditions described above indicate the existence of a material uncertainty that cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Group is actively exploring options to restructure the capital and debts of the Group including but not limited to the followings:

1. the Company has entered into a conditional agreement with Mr. Kan Kwok Cheung ("Mr. Kan"), a shareholder of the Company, for the allotment and issuance of a total of 1,666,666,667 subscription shares at the share subscription price of HK\$0.012 per subscription share for a total consideration of approximately HK\$20,000,000;
2. the Company has entered into a conditional agreement with the holder of the Convertible Notes, which is also a substantial shareholder of the Company, for the amendments of certain terms of the Convertible Notes in relation to, among others, the amendment of interest rate from 3% to 0.8% per annum and the extension of the maturity date of the Convertible Notes to 9 December 2025;

2. 呈列基準 (續)

(c) 持續經營 (續)

- 於二零二二年六月三十日，本集團結欠一名主要股東款項約24,587,000港元（「按要求償還債務」）為須按要求償還；及
- 本集團之承兌票據約為45,040,000港元及其利息約為6,608,000港元，其將於本報告日期後未來十二個月內到期償還（「承兌票據」）。

上述情況表明存在重大不確定性，導致對本集團繼續持續經營之能力產生重大疑慮。因此，本集團可能無法於正常業務過程中變現其資產及履行其債務。

本集團正積極探索重組本集團資本及債務的方案，包括但不限於以下方案：

1. 本公司已與本公司股東簡國祥先生（「簡先生」）訂立有條件協議，按股份認購價每股認購股份0.012港元配發及發行合共1,666,666,667股認購股份，總代價約為20,000,000港元；
2. 本公司已與可換股票據持有人（亦為本公司主要股東）訂立有條件協議，以修訂可換股票據的若干條款，涉及（其中包括）將年利率由3%修訂為0.8%及將可換股票據到期日延長至二零二五年十二月九日；

2. BASIS OF PRESENTATION (Continued)

(c) Going Concern (Continued)

3. the Company has entered into a conditional agreement to issue new convertible notes in the principal amount of approximately HK\$64,128,000 to set off the Convertible Notes Interest;
4. the Company has entered into a conditional agreement to issue new convertible bonds in the principal amount of HK\$16,240,000 to set off part of the outstanding balance of the On Demand Debt;
5. the Company is negotiating with its promissory notes holder to extend the repayment dates of principal and the interest amounts accrued on the Promissory Notes; and
6. Mr. Kan has confirmed to provide financial support to the Group in a reasonable manner under relevant laws and regulatory requirement and also granted a loan facility up to HK\$60,000,000 to the Group to maintain the going concern of the Company.

In addition, the management of the Company is endeavoring to improve the Group's operating results and cash flows through cost control measures and will focus on the existing business of the Group.

The directors of the Company are of the opinion that it is appropriate to prepare the Quarterly Financial Statements on going concern basis. The validity of the preparation of the Quarterly Financial Statements on going concern basis depends on the successful eventual outcome of the above-mentioned plans and measures, which are inherently uncertain, including whether the Group will be able to successfully negotiate and agree with the holders of Convertible Notes and Promissory Notes to amend, renew or extend the existing debts or complete shares subscription to provide funds for the Group to meet its liabilities as they fall due.

2. 呈列基準 (續)

(c) 持續經營 (續)

3. 本公司已訂立有條件協議，發行本金額為約64,128,000港元的新可換股票據，以抵銷可換股票據利息；
4. 本公司已訂立有條件協議，發行本金額為16,240,000港元的新可換股債券，以抵銷部分按要求償還債務的尚未償還結餘；
5. 本公司正與其承兌票據持有人磋商延長承兌票據本金及應計利息的償還日期；及
6. 簡先生已確認將根據相關法律及監管要求，以合理方式向本集團提供財務支持，並向本集團授出貸款融資高達60,000,000港元，以維持本公司的持續經營。

此外，本公司管理層正努力透過成本控制措施改善本集團之經營業績及現金流，並將專注於本集團之現有業務。

本公司董事認為，按持續經營基準編製季度財務報表乃屬適當。按持續經營基準編製季度財務報表之有效性取決於上述計劃及措施之最終結果是否圓滿，其中包括本集團是否將能夠成功與可換股票據及承兌票據持有人磋商並達成協議以修訂、重續或延長現有債務或完成股份認購，為本集團提供資金以履行到期債務。

2. BASIS OF PRESENTATION *(Continued)*

(c) Going Concern *(Continued)*

As at the date of approval for issuance of the Quarterly Financial Statements, the above-mentioned plans have been initially formulated but the eventual outcome cannot be determined with reasonable certainty and are still subject to multiple uncertainties. Accordingly, the material uncertainty that cast significant doubt on the Group's ability to continue as a going concern remains in existence as at the date of approval for issuance of the Quarterly Financial Statements. Should the Group fail to achieve successful outcomes from the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the Quarterly Financial Statements.

2. 呈列基準 (續)

(c) 持續經營 (續)

於批准發佈季度財務報表日期，上述計劃已獲初步制定，惟最終結果無法以合理確定因素予以確定，並受多項不確定因素規限。因此，於批准發佈季度財務報表日期，對本集團持續經營能力產生重大疑慮的重大不確定性仍然存在。倘本集團未能因上述計劃及措施獲得圓滿結果，其可能無法繼續按持續基準營運，則須作出調整以將本集團資產之賬面值撇減至其可收回淨額，就可能產生之任何未來負債計提撥備以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並未於季度財務報表中反映。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following new and amendments to Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	Property, Plant and Equipment – Proceeds before Intended Use	香港財務報告準則第16號 (修訂本)	物業、廠房及設備—作擬定用途前之所得款項
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	香港會計準則第37號 (修訂本)	虧損性合約—履行合約之成本
Amendments to HKFRS 3	Reference to the Conceptual Framework	香港財務報告準則第3號 (修訂本)	概念框架的引用
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020	香港財務報告準則 (修訂本)	香港財務報告準則二零一八年至二零二零年之年度改進
Amendments to Accounting Guideline 5	Merger Accounting to Common Control Combinations	會計指引第5號 (修訂本)	共同控制合併的合併會計處理

The application of the other new and amendments to HKASs and HKFRSs in the current period has had no material effect on the amounts reported in Quarterly Financial Statements and/or disclosures set out in Quarterly Financial Statements.

3. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈與編製本集團未經審核簡明綜合財務報表有關之新訂及經修訂香港會計準則（「香港會計準則」）及香港財務報告準則（「香港財務報告準則」）：

香港財務報告準則第16號 (修訂本)	物業、廠房及設備—作擬定用途前之所得款項
香港會計準則第37號 (修訂本)	虧損性合約—履行合約之成本
香港財務報告準則第3號 (修訂本)	概念框架的引用
香港財務報告準則 (修訂本)	香港財務報告準則二零一八年至二零二零年之年度改進
會計指引第5號 (修訂本)	共同控制合併的合併會計處理

於本期間應用其他新訂及經修訂香港會計準則及香港財務報告準則對季度財務報表所呈報之金額及／或季度財務報表所載之披露並無產生重大影響。

4. REVENUE

Revenue recognised during the three months ended 30 June 2022 and 30 June 2021 were as follows:

Construction works	建築工程
Revenue recognised over time	隨時間確認收益

4. 收益

截至二零二二年六月三十日及二零二一年六月三十日止三個月確認的收益如下：

Three months ended 30 June 截至六月三十日止三個月

2022 二零二二年 (Unaudited) (未經審核) HK\$'000 千港元	2021 二零二一年 (Unaudited) (未經審核) HK\$'000 千港元
124,889	52,970
124,889	52,970

5. OTHER INCOME

Other income recognised during the three months ended 30 June 2022 and 30 June 2021 were as follows:

Interest income	利息收入
Government subsidies (Note)	政府補助 (附註)
Sundry income	雜項收入

5. 其他收入

截至二零二二年六月三十日及二零二一年六月三十日止三個月確認之其他收入如下：

Three months ended 30 June 截至六月三十日止三個月

2022 二零二二年 (Unaudited) (未經審核) HK\$'000 千港元	2021 二零二一年 (Unaudited) (未經審核) HK\$'000 千港元
1	18
845	–
–	241
846	259

5. OTHER INCOME (Continued)

Note: During the three months ended 30 June 2022, the Group recognised Government grant of approximately HK\$845,000 (30 June 2021: HK\$Nil) in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by Hong Kong Government.

6. OTHER GAINS, NET

Other gains, net recognised during the three months ended 30 June 2022 and 30 June 2021 were as follows:

5. 其他收入 (續)

附註：於截至二零二二年六月三十日止三個月，本集團就與香港政府保就業計劃有關之COVID-19相關補助確認政府補助約845,000港元(二零二一年六月三十日：零港元)。

6. 其他收益淨額

截至二零二二年六月三十日及二零二一年六月三十日止三個月確認之其他收益淨額如下：

		Three months ended 30 June 截至六月三十日止三個月	
		2022 二零二二年 (Unaudited) (未經審核) HK\$'000 千港元	2021 二零二一年 (Unaudited) (未經審核) HK\$'000 千港元
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(3)	1
Net gains on disposals of property, plant and equipment	出售物業、廠房及設備之 收益淨額	153	221
Reversal of/(allowance for) expected credit losses recognised for trade receivables, net	就貿易應收款項確認之 預期信貸虧損 撥回/(撥備)，淨額	452	(29)
Reversal of/(allowance for) expected credit losses recognised for contract assets, net	就合約資產確認之預期信貸 虧損撥回/(撥備)，淨額	93	(93)
Reversal of allowance for expected credit losses recognised for other receivables and deposit, net	就其他應收款項及 按金確認之預期信貸 虧損撥備撥回，淨額	—	30
		695	130

7. SEGMENT INFORMATION

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the executive Directors, being the chief operating decision maker ("CODM") in order to allocate resources to the segments and assess their performance.

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

- (i) Provision of civil engineering services – provision of waterworks engineering services, road works and drainage services and site formation works for public sector in Hong Kong; and
- (ii) Media and advertising business – (a) the business of broadcasting television programmes on television channels operated by television broadcasting companies in the Asia-Pacific region (excluding the PRC) and (b) business of promoting digital marketing activities on overseas video platform in return for advertising and related revenue.

Each of these operating segments is managed separately as each of the products and service lines requires different resources as well as marketing approaches.

7. 分部資料

本集團之分部資料乃根據執行董事（即主要營運決策者（「主要營運決策者」））為分配資源至各分部及評估各分部表現而定期檢討之內部報告予以呈報。

具體而言，本集團根據香港財務報告準則第8號之可呈報分部如下：

- (i) 提供土木工程服務—為香港公營部門提供水務工程服務、道路工程及渠務服務，亦從事地盤平整工程；及
- (ii) 媒體及廣告業務—(a)在位於亞太區（不包括中國）之電視播放公司所經營之電視頻道進行電視節目播放的業務及(b)於海外視頻平台推廣數碼營銷活動，以取得廣告及相關收益之業務。

由於各個產品和服務類別需要不同的資源以及涉及不同的營銷手法，故上述各營運分部被分開管理。

7. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the three months ended 30 June 2022

Revenue from external customers	來自外部客戶之收益
Reportable segment results	可呈報分部業績
Unallocated corporate income	未分配企業收入
Unallocated corporate expenses	未分配企業開支
Finance costs	融資成本
Loss before income tax	除所得稅前虧損

7. 分部資料 (續)

分部收益及業績

本集團按可呈報及營運分部劃分的收益及業績分析如下。

截至二零二二年六月三十日止三個月

Provision of civil engineering services 提供土木 工程服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
124,889	–	124,889
374	(142)	232
		–
		(652)
		(4,783)
		(5,203)

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the three months ended 30 June 2021

		Provision of civil engineering services 提供土木 工程 服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	52,970	-	52,970
Reportable segment results	可呈報分部業績	(10,081)	(737)	(10,818)
Unallocated corporate income	未分配企業收入			3,601
Unallocated corporate expenses	未分配企業開支			(1,152)
Finance costs	融資成本			(7,201)
Loss before income tax	除所得稅前虧損			(15,570)

7. 分部資料 (續)

分部收益及業績 (續)

截至二零二一年六月三十日止三個月

		Provision of civil engineering services 提供土木 工程 服務 (Unaudited) (未經審核) HK\$'000 千港元	Media and advertising business 媒體及 廣告業務 (Unaudited) (未經審核) HK\$'000 千港元	Total 總計 (Unaudited) (未經審核) HK\$'000 千港元
Revenue from external customers	來自外部客戶之收益	52,970	-	52,970
Reportable segment results	可呈報分部業績	(10,081)	(737)	(10,818)
Unallocated corporate income	未分配企業收入			3,601
Unallocated corporate expenses	未分配企業開支			(1,152)
Finance costs	融資成本			(7,201)
Loss before income tax	除所得稅前虧損			(15,570)

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

There were no inter-segment sales for the three months ended 30 June 2022 and 30 June 2021.

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

8. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging the following:

Depreciation of property, plant and equipment	物業、廠房及設備折舊
Depreciation of right-of-use assets	使用權資產折舊

7. 分部資料 (續)

分部收益及業績 (續)

截至二零二二年六月三十日及二零二一年六月三十日止三個月概無分部間銷售。

分部溢利／(虧損)指各分部在未分配中央行政成本、利息收入、融資成本、透過損益按公平值入賬之金融資產公平值變動及所得稅開支前所賺取的溢利／產生的虧損。此乃向主要營運決策者呈報以供其分配資源及評估分部表現之計量方式。

8. 營運虧損

營運虧損乃經扣除以下各項後計算得出：

Three months ended 30 June 截至六月三十日止三個月

2022 二零二二年 (Unaudited) (未經審核) HK\$'000 千港元	2021 二零二一年 (Unaudited) (未經審核) HK\$'000 千港元
2,017	3,010
372	40

9. INCOME TAX

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

9. 所得稅

未經審核簡明綜合損益及其他全面收益表之所得稅金額如下：

		Three months ended 30 June 截至六月三十日止三個月	
		2022 二零二二年 (Unaudited) (未經審核) HK\$'000 千港元	2021 二零二一年 (Unaudited) (未經審核) HK\$'000 千港元
Current tax – Hong Kong profits tax	當期稅項—香港利得稅		
– current period	—本期間	70	477
– over-provision in respect of prior years	—過往年度超額撥備	(1,093)	(26)
		<hr/>	<hr/>
		(1,023)	451
Deferred tax	遞延稅項		
– current period	—本期間	14	136
		<hr/>	<hr/>
Income tax (credit)/expense	所得稅 (抵免) / 開支	(1,009)	587

9. INCOME TAX (Continued)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Company and its subsidiaries incorporated in the BVI are not subject to any income tax in the Cayman Islands and the BVI respectively.

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC has no assessable profits arising in the PRC during the three months ended 30 June 2022 and 30 June 2021.

10. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2022 and 30 June 2021.

9. 所得稅 (續)

根據香港利得稅的利得稅兩級制，合資格集團實體的首筆2,000,000港元溢利將以8.25%的稅率徵稅，而超過2,000,000港元之溢利將以16.5%的稅率徵稅。不符合利得稅兩級制資格的集團實體的溢利將繼續按16.5%的統一稅率徵稅。因此，合資格集團實體的香港利得稅按估計應課稅溢利首2,000,000港元8.25%計算，而超過2,000,000港元的估計應課稅溢利按16.5%計算。

根據開曼群島及英屬處女群島（「英屬處女群島」）規則及法規，本公司及其於英屬處女群島註冊成立之附屬公司毋須繳納開曼群島及英屬處女群島各自之任何所得稅。

截至二零二二年六月三十日及二零二一年六月三十日止三個月，於中國註冊成立之附屬公司並無於中國產生應課稅溢利，故並無就中國企業所得稅計提撥備。

10. 股息

董事會不建議派付截至二零二二年六月三十日及二零二一年六月三十日止三個月之任何股息。

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculations of basic loss per Share for the three months ended 30 June 2022 is based on the unaudited consolidated loss of approximately HK\$4,236,000 attributable to the owners of the Company for the three months ended 30 June 2022 (three months ended 30 June 2021: approximately HK\$15,946,000) and the weighted average number of 4,055,349,947 Shares in issue for the three months ended 30 June 2022 (three months ended 30 June 2021: 4,055,349,947 Shares) as if they had been in issue throughout the periods.

Diluted loss per Share for the three months ended 30 June 2022 and 30 June 2021 are the same as the basic loss per Share. The computation of diluted loss per Share for the three months ended 30 June 2022 and 30 June 2021 does not assume the Company's outstanding convertible notes since the assumed conversion of convertible notes would result in a decrease in loss per share.

11. 本公司擁有人應佔每股股份虧損

截至二零二二年六月三十日止三個月的每股股份基本虧損乃根據截至二零二二年六月三十日止三個月本公司擁有人應佔未經審核綜合虧損約4,236,000港元(截至二零二一年六月三十日止三個月：約15,946,000港元)與截至二零二二年六月三十日止三個月已發行股份加權平均數為4,055,349,947股股份(截至二零二一年六月三十日止三個月：4,055,349,947股股份)計算，猶如該等股份於整個有關期間均已發行。

截至二零二二年六月三十日及二零二一年六月三十日止三個月，每股股份攤薄虧損與每股股份基本虧損相同。由於假設兌換可換股票據將導致每股股份虧損減少，因此計算截至二零二二年六月三十日及二零二一年六月三十日止三個月之每股股份攤薄虧損並無假設本公司尚未兌換之可換股票據。

12. SHARE CAPITAL

12. 股本

		Number of Shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：		
As at 1 April 2022 and 30 June 2022 (Unaudited)	於二零二二年四月一日及 二零二二年六月三十日 (未經審核)	500,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
As at 1 April 2022 and 30 June 2022 (Unaudited)	於二零二二年四月一日及 二零二二年六月三十日 (未經審核)	4,055,349,947	4,055

13. EVENT AFTER REPORTING PERIOD

13. 報告期後事項

- (a) On 30 June 2022, a promissory note with a principal amount of HK\$45,040,000 issued by the Group was expired and on 31 August 2022, the Company entered into a supplemental deed with the noteholder of promissory note, pursuant to which the Group and the noteholder of promissory note agreed to amend certain terms and conditions of the promissory note, where (i) the maturity date of the outstanding promissory note of principal amount of HK\$45,040,000 will be extended to 30 June 2024 and (ii) the interest rate of the promissory note was amended from 3% per annum to 0.5% per annum for the extended period, being 1 July 2022 to 30 June 2024.
- (a) 於二零二二年六月三十日，本集團發行本金額為45,040,000港元之承兌票據已經到期，且於二零二二年八月三十一日，本公司與承兌票據之票據持有人訂立一份補充契據，據此，本集團與承兌票據之票據持有人同意修訂承兌票據若干條款及條件，其中：(i)本金額為45,040,000港元之未償還承兌票據之到期日將延長至二零二四年六月三十日，以及(ii)於延長期間（即二零二二年七月一日至二零二四年六月三十日），承兌票據之利率由年利率3%修訂為年利率0.5%。

13. EVENT AFTER REPORTING PERIOD (Continued)

- (b) On 5 September, 2023, Mr. Kan, China Xinhua NNC, the substantial shareholder of the Company and holder of the Convertible Notes and the Company entered into a conditional agreement, among other things:
1. the proposed allotment and issuance of a total of 1,666,666,667 subscription shares at the share subscription price of HK\$0.012 per subscription share to Mr. Kan, shareholder of the Company for a total consideration of approximately HK\$20,000,000;
 2. the proposed amendments of certain terms of the Convertible Notes with China Xinhua NNC, the substantial shareholder of the Company and holder of the Convertible Notes and proposed issuance of new convertible notes with the principal amount of approximately HK\$64,128,000 to China Xinhua NNC, the substantial shareholder of the Company and holder of the Convertible Notes to set off the Convertible Notes Interest; and
 3. the proposed issuance of new convertible bonds in the principal amount of HK\$16,240,000 to China Xinhua NNC, the substantial shareholder of the Company and holder of the Convertible Notes to set off part of the outstanding balance of the On Demand Debt.

13. 報告期後事項 (續)

- (b) 於二零二三年九月五日，簡先生、本公司主要股東及可換股票據持有人中國新華新聞電視網與本公司訂立有條件協議，其中包括：
1. 建議按股份認購價每股認購股份0.012港元配發及發行合共1,666,666,667股認購股份予本公司股東簡先生，總代價約為20,000,000港元；
 2. 建議修訂與本公司主要股東及可換股票據持有人中國新華新聞電視網之可換股票據的若干條款及建議發行本金額為約64,128,000港元的新可換股票據予本公司主要股東及可換股票據持有人中國新華新聞電視網，以抵銷可換股票據利息；及
 3. 建議發行本金額為16,240,000港元的新可換股債券予本公司主要股東及可換股票據持有人中國新華新聞電視網，以抵銷部分按要求償還債務的尚未償還結餘。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong. During the three months ended 30 June 2022 (the "Period"), the Group continued to focus on rendering civil engineering services for the public sector in Hong Kong, develop its television broadcasting business and explore media and advertising business, including digital marketing business opportunities on overseas market in return for advertising and related income.

Provision of civil engineering services

During the Period, the Group has been undertaking nine contracts. Among the nine contracts, one of these are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services and site formation. Details of the contracts undertaken are set out below:

業務回顧

本集團主要從事為香港公營部門提供土木工程服務。截至二零二二年六月三十日止三個月（「本期間」），本集團繼續專注於為香港公營部門提供土木工程服務，發展其電視播放業務，以及探索媒體及廣告業務，包括於海外市場的數碼營銷業務機遇，以取得廣告及相關收入。

提供土木工程服務

於本期間內，本集團已承接九份合約。該九份合約中，其中一份與提供水務工程服務有關，而其餘合約則與提供渠務服務及土地平整有關。所承接合約之詳情載列如下：

	Contract number 合約編號	Particulars of contract 合約詳情
Main contracts 主合約	ND/2019/08	Site formation works at remaining part of Tai Po area 39 大埔區39號餘下部分的地盤平整工程
Subcontracts 分包合約	CV/2015/03	Site Formation and Infrastructural Works near Tong Hang Road and Tsz Tin Road in Area 54, Tuen Mun 屯門54區鄰近塘亨路及紫田路的土地平整及基建工程
	CV/2016/10	Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery 於沙嶺公墓興建骨灰龕的土地平整及相關基建工程

	Contract number 合約編號	Particulars of contract 合約詳情
	PYC-03084BAH-001	Site Formation, Foundation & Substructure Works for the Student Residence Development at The Hong Kong University of Science and Technology 於香港科技大學供學生住宿發展的土地平整、地基及下部結構工程
	ND/2018/02	The Establishment of an Agricultural Pak in Kwu Tung South (Phase 1) 在古洞南設立農業園(第一期)
	1002EM19A	Design-Build-Operate for the Additional District Cooling System (DCS) at the Kai Tak Development (KTD) 啟德發展計劃額外區域供冷系統的設計、建造及營運
	EP/SP/10/91	South East-New Territories (SENT) Landfill Extension 新界東南堆填區擴建工程
Joint Operations 合營業務	CV/2015/03	Site Formation and Infrastructural Works near Tong Hang Road and Tsz Tin Road in Area 54, Tuen Mun 鄰近屯門54區塘亨路及紫田路的地盤平整及基建工程
	CV/2016/10	Site Formation and Association Infrastructural Works For Development of Columbarium at Sandy Ridge Cemetery 於沙嶺公墓興建骨灰龕的土地平整及相關基建工程
	ND/2018/02	The Establishment of an Agricultural Pak in Kwu Tung South (Phase 1) 在古洞南設立農業園(第一期)
	4/WSD/19	Development of Anderson Road Quarry site – construction of grey water treatment plant 安達臣道石礦場發展—中水處理廠建造工程
	CV/2019/04	Site Formation and Infrastructure Works Near Tsz Tin Road and Hing Fu Street in Area 54, Tuen Mun 屯門54區鄰近紫田路及興富街的土地平整及基建工程

During the Period, the two contracts with contract numbered 1002EM19A and 4WSD19 were the main contributors to the Group's revenue, which generated approximately HK\$34.2 million and HK\$28.6 million, constituting approximately 27.4% and 22.9% of the Group's revenue respectively.

Media and advertising business

The Group's media and advertising business continues experiencing a challenging operating environment, in particular, the overall contraction of the advertising market, intensive competition in a crowded marketplace with different operators and the changing user habits and preferences caused by rapid development and ever-changing new media technology. The customers from the advertising services squeezed their advertising budget under the outbreak of COVID-19 pandemic. This segment remains stagnant upon the expiry of television broadcasting right granted to the Group. The Group intends to explore the opportunities to cooperate with reputable partners in the industry to transform its media and advertising business from conventional television platforms to various internet and digital media platforms. The Group will seize the opportunities in the development of the advertising sector to step up investments in the advertising market, seeking to tap on new customers, businesses and revenue streams for delivering better returns to its shareholders of the Company.

Looking ahead, it would be a difficult year ahead as both the global and local economy has suffered a serious hit by the COVID-19 pandemic and the economic recovery is on the blurry side. The Group will remain cautious and closely monitor the economic and market conditions and make necessary adjustments to its business operations to overcome the challenges ahead.

於本期間內，合約編號為1002EM19A及4WSD19之兩份合約為本集團收益之主要來源，分別產生約34,200,000港元及28,600,000港元，佔本集團收益的約27.4%及22.9%。

媒體及廣告業務

本集團的媒體及廣告業務繼續面臨具有挑戰性的經營環境，尤其是，廣告市場整體收縮，於對手眾多的市場上與各運營商的競爭激烈，以及新媒體技術快速發展及千變萬化導致用戶習慣及偏好不斷改變。於COVID-19疫情爆發情況下，廣告服務客戶壓縮其廣告預算。由於本集團獲授之電視播放權屆滿，該部門仍處於停滯狀態。本集團有意探索機會與業內信譽良好的合作夥伴合作，將其媒體及廣告業務從傳統的電視平台向各種互聯網及數字媒體平台轉型。本集團將抓住廣告部門發展的機遇，加大對廣告市場的投資力度，尋求開發新客戶、業務及收入來源，為本公司股東帶來更有利回報。

展望未來，由於全球及本土經濟遭受COVID-19疫情重創，來年將是艱難的一年，經濟復甦前景不明朗。本集團將保持謹慎，密切監察經濟及市場狀況，並對其業務運營進行必要的調整，以克服未來的挑戰。

FINANCIAL REVIEW

Revenue

For the Period, the Group reported a revenue of approximately HK\$124.9 million (2021: approximately HK\$53.0 million), representing an increase of approximately 135.8% as compared with that for the same period of the previous year. All of the Group's revenue were derived from provision of civil engineering services during the Period. The overall increase in revenue was mainly due to increase in work orders from certain civil engineering projects.

During the Period, the revenue of the Group was primarily generated from the undertaking of civil engineering contracts in the capacity of a subcontractor. The subcontracting revenue generated from undertaking in capacity of a subcontractor amounted to approximately HK\$86.2 million (2021: in a capacity of a subcontractor and a jointly controlled operator of approximately HK\$53.0 million), representing approximately 69.0% of the total revenue for the Period (2021: in a capacity of a subcontractor and a jointly controlled operator of approximately 100.0%). On the other hand, the revenue generated from the undertaking of civil engineering contracts in the capacity of a main contractor and a jointly controlled operator amounted to approximately HK\$38.7 million (2021: in a capacity of main contractor of HK\$Nil), representing approximately 31.0% (2021: in a capacity of main contractor of Nil%) of the total revenue for the Period.

財務回顧

收益

於本期間內，本集團錄得收益約124,900,000港元（二零二一年：約53,000,000港元），較去年同期增加約135.8%。本集團所有收益來自於本期間內提供的土木工程服務。整體收益增加乃主要由於若干土木工程項目的工程訂單增加。

於本期間內，本集團收益主要來自以分包商身份承接之土木工程合約。以分包商身份承接所產生之分包收益為約86,200,000港元（二零二一年：以分包商及共同控制營運商身份承接所產生之分包收益為約53,000,000港元），佔本期間總收益約69.0%（二零二一年：以分包商及共同控制營運商身份承接所產生之分包收益佔期間總收益約100.0%）。另一方面，以主承建商及共同控制營運商身份承接之土木工程合約產生收益為約38,700,000港元（二零二一年：以主承建商身份承接之土木工程合約產生收益零港元），佔本期間總收益約31.0%（二零二一年：以主承建商身份承接之土木工程合約產生收益佔期間總收益零%）。

Cost of services

The Group's cost of services increased by approximately 102.2% to approximately HK\$123.3 million for the Period (2021: approximately HK\$61.0 million) as compared with that for the same period of the previous year. The Group's cost of services mainly includes costs of construction services, costs of media and advertising business and other direct operating costs. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Since the media and advertising business remained stagnant, no significant costs of media and advertising business and other direct operating costs were incurred during the Period. The increase in cost of services was mainly due to the overall increase in staff costs, materials and subcontracting costs in respect of increase of works from civil engineering projects from provision of civil engineering services business for the Period.

Gross profit/(loss)

The gross profit for the Group for the Period amounted to approximately HK\$1.6 million (2021: gross loss of approximately HK\$8.0 million). The gross profit margin of the Group amounted to approximately 1.3% (2021: gross loss margin of approximately 15.1%) for the Period. The turnaround from gross loss to gross profit was mainly due to the increase in work from certain civil engineering projects which were in early working stage with higher gross profit margin and the implementation of operation plans by the Group to control construction costs.

服務成本

本集團於本期間之服務成本較去年同期增加約102.2%至約123,300,000港元(二零二一年：約61,000,000港元)。本集團的服務成本主要包括建築服務成本、媒體及廣告業務成本及其他直接經營成本。建築服務成本主要包括原材料、直接勞工及分包商提供服務的分包費用。由於媒體及廣告業務持續停滯不前，故於本期間並無產生媒體及廣告業務的重大成本及其他直接經營成本。服務成本的增加主要由於本期間提供土木工程服務業務的土木工程項目的工程量增加，員工成本、材料及分包成本整體增加。

毛利／(損)

本集團於本期間之毛利約為1,600,000港元(二零二一年：毛損約8,000,000港元)。本集團於本期間之毛利率約為1.3%(二零二一年：毛損率約15.1%)。由毛損轉為毛利主要由於來自若干土木工程項目(其處於早期工程階段且毛利率較高)的工程量增加，以及本集團實施營運計劃控制建築成本。

Other income

The Group's other income for the Period increased by approximately 2.3 times to approximately HK\$0.8 million (2021: approximately HK\$0.3 million) as compared with that for the same period of the previous year. The other income mainly consisted of interest income and receipt of subsidies of the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government during the Period.

Other gains, net

The Group's other gains, net for the Period increased by approximately 4.3 times to approximately HK\$0.7 million (2021: approximately HK\$0.1 million) as compared with that for the same period of the previous year. Other gains, net mainly consisted of reversal of allowance for expected credit losses recognised for trade receivables and contract assets for the Period.

Selling and distribution expenses

The Group's selling and distribution expenses amounted to approximately HK\$0.2 million for three months ended 30 June 2021. The selling and distribution expenses were mainly consisted of marketing expenses for the media and advertising business.

Administrative and operating expenses

The Group's administrative and operating expenses for the Period decreased by approximately 14.2% to approximately HK\$3.6 million (2021: approximately HK\$4.1 million) as compared with that for the same period of the previous year. The administrative expenses mainly consisted of legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses.

其他收入

本集團於本期間之其他收入較去年同期增加約2.3倍至約800,000港元(二零二一年：約300,000港元)。其他收入主要包括利息收入及本期間收取香港政府成立的抗疫基金的保就業計劃項下的補貼。

其他收益淨額

本集團於本期間之其他收益淨額較去年同期增加約4.3倍至約700,000港元(二零二一年：約100,000港元)。其他收益淨額主要包括本期間就貿易應收款項及合約資產確認之預期信貸虧損撥備撥回。

銷售及分銷開支

本集團截至二零二一年六月三十一日止三個月之銷售及分銷開支為約200,000港元。銷售及分銷開支主要包括媒體及廣告業務之營銷開支。

行政及營運開支

本集團於本期間之行政及營運開支較去年同期減少約14.2%至約3,600,000港元(二零二一年：約4,100,000港元)。行政開支主要包括法律和專業費用、員工成本(包括董事薪酬)、折舊開支以及租金開支。

Finance costs

The Group's finance costs for the Period decreased by approximately 33.6% to approximately HK\$4.8 million (2021: approximately HK\$7.2 million) as compared with that for the same period of the previous year. The finance costs mainly consisted of interest expenses for the promissory note and default interests on convertible notes. The decrease in finance costs was mainly due to the reduction of effective interest expenses on convertible notes due to its maturity in December 2021.

Net Loss

The net loss of the Group for the Period decreased by approximately 74.0% to approximately HK\$4.2 million (2021: approximately HK\$16.2 million) as compared with that for the same period of previous year. The decrease in net loss was mainly due to the turnaround from gross loss to gross profit and decrease in finance costs for the Period.

Loss per Share

The basic loss per Share attributable to the owners of the Company was approximately HK0.10 cent (2021: approximately HK0.39 cent).

融資成本

本集團於本期間之融資成本較去年同期減少約33.6%至約4,800,000港元(二零二一年：約7,200,000港元)。融資成本主要包括承兌票據之利息開支及可換股票據之逾期利息。融資成本減少主要是由於可換股票據於二零二一年十二月到期，故其實際利息開支減少。

淨虧損

本集團於本期間之淨虧損較去年同期減少約74.0%至約4,200,000港元(二零二一年：約16,200,000港元)。淨虧損減少主要由於本期間由毛損轉為毛利及融資成本減少所致。

每股股份虧損

本公司擁有人應佔每股股份基本虧損為約0.10港仙(二零二一年：約0.39港仙)。

PROSPECTS

It is anticipated that it is still a tough and challenging year for 2022 to the Group. The business environment in Hong Kong was adversely affected by the persistent impact of the outbreak of the novel corona virus (“COVID-19”). The provision of civil engineering service business will continue to provide a stable source of revenue and remains the major contributor to revenue while the Group will continue to develop its media and advertising business. The Group is endeavored to diversify the business spectrum and broadened the revenue base of the Group.

Provision of civil engineering services

It is generally expected that there would be a gradual recovery of the economic growth in Hong Kong following the easing of the COVID-19 restrictions, and expects a steady increase in tender opportunities for construction works from both public and private sectors. However, the construction industry and the business environment remain difficult and challenging. The keen competition together with the increasing costs of operation, including cost of direct labour and subcontracting charges have posted negative impact on the Group’s gross profit margin and affected the financial performance of the Group. Looking forwards, the Group will take a cautious approach in its business planning to weather the current unstable environment. In addition to considering reasonable profit margins in bidding new contracts, the Group will also closely monitor the projects’ progress and communicate with suppliers and subcontractors, maintain close communication with customers on the latest project works schedules and arrangements, proactively follow up with potential customers on the tenders and quotations submitted, and actively respond to any business enquiries, tender and quotation invitations to maintain market competitiveness.

前景

預期二零二二年對本集團而言仍是艱難且充滿挑戰的一年。由於新型冠狀病毒（「COVID-19」）爆發的持續影響，香港的營商環境受到不利影響。提供土木工程服務業務將繼續提供穩定的收益來源並仍會是主要收益貢獻者，同時本集團將繼續發展媒體及廣告業務。本集團致力於多元化業務範圍及擴闊本集團的收益基礎。

提供土木工程服務

普遍預期在放寬COVID-19限制後，香港經濟增長將逐步恢復，並預計公私營界別的建設工程投標機會將穩步增加。然而，建築業及營商環境仍然充滿困難及挑戰。激烈競爭以及持續攀升的經營成本（包括直接勞工成本及分包費用）已對本集團的毛利率造成負面影響，並影響本集團的財務表現。展望未來，本集團於業務規劃上將採取謹慎態度，以渡過目前不穩定的環境。除在投標新合約時考慮合理的利潤率外，本集團亦將密切監察項目進度並與供應商及分包商進行溝通，與其客戶密切溝通最新項目工程計劃及安排，積極跟進向潛在客戶提交的投標及報價，並積極回應任何業務諮詢、招標及報價邀請，以維持我們的市場競爭力。

Media and advertising business

The difficult business environment is anticipated to continue in the year 2022 and the Group expects the media and advertising industry's prospects to remain challenging. Considering the tough operating environment in media industry, the Group aims to adjust its development strategy shifting focus from traditional television advertising platform to internet and multimedia advertising platforms in an attempt to pursue cooperation with reputable business partners in the media industry to generate synergies between various platforms. The Group will develop new advertising businesses to open up market space, provide new advertising value to and explore new profit growth points. In the future, the Group will continue to pay close attention to the industry trends and where advertisers are allocating their advertising spending in order to maintain profitability of the Group.

The Group will continue to cautiously monitor the business opportunities and continue to strengthen its competitiveness in the market to enhance the profitability of the Group and interests of the shareholders of the Company.

DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2022.

媒體及廣告業務

預計二零二二年困難的營商環境將持續存在，本集團預期媒體及廣告行業的前景將繼續面臨挑戰。經考慮媒體行業艱難的經營環境，本集團旨在調整其發展戰略，將其重心由傳統電視廣告平台轉向互聯網及多媒體廣告平台，試圖與媒體業內知名的商業夥伴合作，營造多個平台之間的協同效應。本集團將發展新廣告業務，開拓市場空間，提供新廣告價值及探索新利潤增長點。本集團於未來將繼續密切關注行業趨勢及廣告主分配廣告開支的領域以維持本集團的盈利能力。

本集團將持續審慎監察商機及繼續鞏固其市場競爭力，以提升本集團盈利能力及本公司股東利益。

股息

董事會不建議就截至二零二二年六月三十日止三個月派付任何股息。

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the shareholders of the Company on 11 August 2010. The share option scheme expired on 10 August 2020. No share options have been granted pursuant to the share option scheme during the Period.

The Board has resolved to propose the adoption of a new share option scheme for the approval by the shareholders of the Company. The purpose of the new share option scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.

The new share option scheme will constitute a share option scheme under Chapter 23 of the GEM Listing Rules. The Board will propose the new share option scheme for shareholders' approval at a general meeting of the Company to be convened in due course for the purposes of, among other things, seeking the approval from the shareholders of the Company for the adoption of the share option scheme and authorising the Board to grant the share options pursuant to the share option scheme and to allot and issue the shares of the Company pursuant to the exercise of the share options. At the date of this report, the new share option scheme remains subject to the obtaining of (i) the approval from the shareholders of the Company at a general meeting of the Company to be convened in due course; and (ii) the approval from the Stock Exchange for the listing and trading of any Shares to be issued under the share options that may be granted under the new share option scheme.

購股權計劃

本公司股東已於二零一零年八月十一日採納及批准購股權計劃。購股權計劃於二零二零年八月十日屆滿。於本期間內，並無根據購股權計劃授出購股權。

董事會已決議提呈採納新購股權計劃以供本公司股東批准。新購股權計劃之目的為鼓勵或獎賞合資格人士對本集團所作出之貢獻及／或使本集團可聘請及挽留優秀僱員及吸引對本集團或任何本集團持有其任何股本權益的實體具價值之人力資源。

新購股權計劃將構成GEM上市規則第23章項下之購股權計劃。董事會將於本公司股東大會上提呈新購股權計劃以待股東批准，大會將於適當時候召開，藉以（其中包括）尋求本公司股東批准採納購股權計劃及授權董事會根據購股權計劃授出購股權及根據購股權之行使配發及發行本公司股份。於本報告日期，新購股權計劃仍須待取得(i)本公司股東於將在適當時候召開之本公司股東大會上之批准；及(ii)聯交所批准根據新購股權計劃可能授出之購股權項下將予發行之任何股份之上市及買賣。

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

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in the Shares:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note a) 簡國祥先生 (「簡先生」) (附註a)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

Note:

- (a) Mr. Kan is the sole beneficial owner of Shunleetat (BVI) Limited, which was interested in 69,000,000 Shares. Under the SFO, Mr. Kan is deemed to be interested in all the Shares held by Shunleetat (BVI) Limited.

董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉

於二零二二年六月三十日，董事及本公司主要行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益及淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

於股份之好倉：

Name	Capacity/Nature of interest	Number of Shares held	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本的百分比
姓名	身份／權益性質	所持股份數目	
Mr. Kan Kwok Cheung ("Mr. Kan") (Note a) 簡國祥先生 (「簡先生」) (附註a)	Interest in controlled corporation 於受控制法團權益	69,000,000	1.70%

附註：

- (a) 簡先生為Shunleetat (BVI) Limited的唯一實益擁有人，而後者擁有69,000,000股股份的權益。根據證券及期貨條例，簡先生被視為擁有Shunleetat (BVI) Limited所持全部股份的權益。

Saved as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

So far as was known to the Directors, as at 30 June 2022, the following persons/entities (other than the Directors or chief executive of the Company) had, or are deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO with details as follows:

除上文所披露者外，於二零二二年六月三十日，概無董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的任何其他權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉；或根據GEM上市規則第5.46條所述董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

就董事所知，於二零二二年六月三十日，下列人士／實體（董事及本公司主要行政人員除外）擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊的權益或淡倉，詳情如下：

Long position in the Shares:

於股份之好倉：

Name	Number of Shares held		Number of underlying Shares under convertible notes (Note a)		Total interests	Percentage of aggregate interests to total issued share capital 總權益佔全部已發行股本之百分比
	Beneficial owner	Interest in controlled corporation	Beneficial owner	Interest in controlled corporation		
名稱	實益擁有人	於受控制法團之權益	實益擁有人	於受控制法團之權益	總權益	
China Xinhua NNC 中國新華新聞電視網	1,188,621,377 (Note b) (附註b)	-	1,311,378,622 (Note b) (附註b)	-	2,499,999,999	61.65%
中國新華新聞電視網有限公司("CNC China") 中國新華新聞電視網有限公司 (「中國新華新聞電視網(中國)」)	-	1,188,621,377 (Note b) (附註b)	-	1,311,378,622 (Note b) (附註b)	2,499,999,999	61.65%

Notes:

- (a) Details of the convertible notes were set out in the circulars of the Company dated 19 November 2011, 6 January 2015, 17 January 2018, 16 January 2019 and 18 May 2021.
- (b) China Xinhua NNC is wholly and beneficially owned by CNC China. Accordingly, CNC China is deemed to be interested in the 1,188,621,377 Shares and 1,311,378,622 underlying Shares held by China Xinhua NNC under the SFO.

附註：

- (a) 可換股票據的詳情載於本公司日期為二零一一年十一月十九日、二零一五年一月六日、二零一八年一月十七日、二零一九年一月十六日及二零二一年五月十八日的通函內。
- (b) 中國新華新聞電視網由中國新華新聞電視網(中國)全資及實益擁有。因此，根據證券及期貨條例，中國新華新聞電視網(中國)被視為擁有中國新華新聞電視網所持有的1,188,621,377股股份及1,311,378,622股相關股份的權益。

Saved as disclosed above, as at 30 June 2022, the Directors were not aware of any other person/entity (other than the Directors or chief executive as disclosed in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations" above) who/which had, or is deemed to have, interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who/which were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於二零二二年六月三十日，就董事所知，概無任何其他人士／實體（並非上文「董事及主要行政人員於本公司及其相聯法團的股份、相關股份或債權證的權益及淡倉」一段所披露之董事或主要行政人員）擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的本公司股份、相關股份或債權證的權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益或淡倉，或被記錄於本公司根據證券及期貨條例第336條存置之登記冊的權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire Shares or debentures of the Company or any other body corporate, or had exercised any such right during the Period.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares.

CONNECTED TRANSACTIONS

Television Broadcasting Right Agreement

On 5 September 2011, Xinhua TV Asia-Pacific Operating Co., Limited ("Xinhua TV Asia-Pacific") entered into a television broadcasting right agreement (the "Television Broadcasting Right Agreement") with China Xinhua NNC, pursuant to which China Xinhua NNC granted the television broadcasting right in respect of broadcasting information contents from Xinhua News Agency under the CNC Channels on television channels in the Asia-Pacific region (excluding the PRC) to the Group for an annual fee of approximately HK\$1.0 million prior to 31 December 2016 and approximately HK\$3.0 million with effective from 1 January 2017. The Television Broadcasting Right Agreement has a term of 120 months from 1 September 2011 to 31 August 2021. Since China Xinhua NNC is a substantial shareholder of the Company, and therefore a connected person of the Company within the meaning of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement constitute continuing connected transactions for the Company pursuant to Chapter 20 of the GEM Listing Rules.

董事購買股份或債權證的權利

除本報告所披露者外，於本期間內，概無董事及彼等各自的聯繫人（包括配偶及未滿18歲的子女）獲本公司或其附屬公司授出任何權利以購買本公司或任何其他法人團體的股份或債權證，亦無行使任何有關權利。

購買、出售或贖回股份

於本期間內，本公司及其任何附屬公司概無購買、出售或贖回任何股份。

關連交易

電視播放權協議

於二零一一年九月五日，新華電視亞太台運營有限公司（「新華電視亞太台」）與中國新華新聞電視網訂立一份電視播放權協議（「電視播放權協議」），據此，中國新華新聞電視網向本集團授出於亞太地區（不包括中國）之電視頻道播放新華社之CNC頻道下之資訊內容之電視播放權，於二零一六年十二月三十一日前之年費約為1,000,000港元及自二零一七年一月一日起之年費約為3,000,000港元。電視播放權協議為期120個月，自二零一一年九月一日起至二零二一年八月三十一日止。由於中國新華新聞電視網為本公司之主要股東，故為本公司之關連人士（定義見GEM上市規則）。因此，根據GEM上市規則第20章，電視播放權協議項下擬進行之交易構成本公司之持續關連交易。

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

Further announcement(s) will be made by the Company to keep the shareholders and potential investors of the Company informed of the progress of the renewal of a new agreement or termination of services as and when appropriate.

GEM Listing Rules Implications

Pursuant to Rule 20.41 of the GEM Listing Rules, the transactions contemplated under the Television Broadcasting Right Agreement are subject to the applicable reporting, annual review and disclosure requirements under Chapter 20 of the GEM Listing Rules. The Company will comply with the applicable reporting, disclosure and independent shareholders' approval requirements, as the case may be, under Chapter 20 of the GEM Listing Rules upon any variation or renewal of the Television Broadcasting Right Agreement.

Save as disclosed above, none of the Directors, controlling shareholders of the Company and their respective associates has any other connected transaction with the Group during the Period.

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

本公司將適時作出進一步公佈以知會本公司股東及潛在投資者有關重續新協議或終止服務之進展。

GEM上市規則的涵義

根據GEM上市規則第20.41條，電視播放權協議項下擬進行之交易須受到GEM上市規則第20章項下適用的申報、年度審閱及披露規定規管。於電視播放權協議作出任何修改或重續後，本公司將遵守GEM上市規則第20章項下適用的申報、披露及獨立股東批准之規定（視乎情況而定）。

除上文所披露者外，於本期間內，董事、本公司控股股東及彼等各自的聯繫人概無與本集團有任何其他關連交易。

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the Period. The Company was not aware of any non-compliance in this respect during the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and enhance the performance of the Group. The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period, except paragraph C.1.8 of the Code. This report further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the Period.

Non-compliance with Rules 5.05(1), 5.05(2), 5.36A and 5.28 of the GEM Listing Rules

Throughout the six months ended 30 June 2022, the Company has complied with the requirements under Rules 5.05(1) and (2), 5.05A, 5.36A and 5.28 of the GEM Listing Rules and has appointed three independent non-executive directors, representing one-third of the number of Directors at the Board, with at least one independent non-executive director possessing the appropriate professional qualifications, or accounting or related financial management expertise.

董事進行證券交易之行為守則

本公司按與GEM上市規則第5.48至5.67條所載交易必守標準相同的條款採納董事進行證券交易之行為守則。本公司定期向董事發出通知，提醒彼等於刊發財務業績公佈前之禁制期內買賣本公司上市證券之一般禁制規定。經向董事作出特定查詢後，本公司確認，全體董事於整個本期間一直遵守交易必守標準。據本公司所知，於本期間內並無任何這方面的違規事宜。

企業管治常規守則

本公司一直致力維持高水平之企業管治，務求保障股東利益及提高本集團之表現。本公司已應用GEM上市規則附錄十五所載之企業管治常規守則（「守則」）之原則及守則條文。董事會認為，除守則第C.1.8段之規定外，本公司於本期間內一直遵守守則。本報告進一步詳細說明守則如何獲應用，包括於整個本期間內任何偏離情況之理由。

未符合GEM上市規則第5.05(1)條、第5.05(2)條、第5.36A條及第5.28條

於截至二零二二年六月三十日止六個月，本公司已遵守GEM上市規則第5.05(1)及(2)條、第5.05A條、第5.36A條及第5.28條之規定委任三名獨立非執行董事，佔董事會上董事人數之三分之一，且至少有一名獨立非執行董事具備適當的專業資格，或會計或相關財務管理專業知識。

Reference is made to the announcements of the Company dated 11 August 2020 and 14 October 2022 in relation to its non-compliance with Rules 5.05(1), 5.05(2), 5.05A, 5.36A and 5.28 of the GEM Listing Rules. Following the retirement and resignation of certain former Directors on 11 August 2020 and 14 October 2022, the Company has failed to meet the following requirements:

1. there will be two independent non-executive directors on the Board which falls below the minimum number as required under Rule 5.05(1) of the GEM Listing Rules;
2. there will be no independent non-executive directors have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) and Rule 5.28 of the GEM Listing Rules and terms of reference of the Audit Committee;
3. there will be two independent non-executive directors representing less than one-third of the Board as required under Rule 5.05A of the GEM Listing Rules; and
4. there will be two independent non-executive directors on the Nomination Committee which does not fulfil the requirement of establishing a nomination committee comprising a majority of independent non-executive directors as required under Rule 5.36A of the GEM Listing Rules.

The Company is in the process of identifying suitable candidate to fill the vacancy. The Company will continue to use its best endeavours to ensure that suitable candidate is appointed as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in this regard.

Pursuant to code provision C.1.8 of the Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Such directors' liability insurance will be reviewed and renewed annually. Upon the expiry of insurance cover on 30 August 2020, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors as it took time for the Company to solicit a suitable insurer at reasonable commercial terms and conditions.

茲提述本公司日期為二零二零年八月十一日及二零二二年十月十四日內容有關本公司未能符合GEM上市規則第5.05(1)、5.05(2)、5.05A、5.36A及5.28條之公佈。若干前任董事於二零二零年八月十一日及二零二二年十月十四日退任及辭任後，本公司未能符合下列要求：

1. 董事會將包括兩名獨立非執行董事，少於GEM上市規則第5.05(1)條所規定之最低人數要求；
2. 本公司將無獨立非執行董事具備適當專業資格或具備適當的會計或相關的財務管理專長，未能符合GEM上市規則第5.05(2)條及第5.28條以及審核委員會之職權範圍的規定；
3. 董事會包括兩名獨立非執行董事，少於GEM上市規則第5.05A條所規定之獨立非執行董事人數佔董事會人數至少三分之一的要求；及
4. 提名委員會將包括兩名獨立非執行董事，未能符合GEM上市規則第5.36A條有關提名委員會由大多數獨立非執行董事組成之要求。

本公司正在物色合適之候選人以填補空缺。本公司將繼續盡力確保在切實可行之情況下盡快任命合適候選人。本公司將適時就此另行刊發公佈。

根據守則的守則條文第C.1.8條，本公司應就針對其董事的法律行動作適當的投保安排。有關董事責任保險將每年檢討及續保。保險保障於二零二零年八月三十日屆滿後，由於本公司需要時間按合理商業條款及條件招攬合適的保險公司，故本公司並無就針對其董事的法律行動安排適當保險保障。

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 11 August 2010 with terms of reference in compliance with paragraph D.3.3 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the quarterly, interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

As at the date of this report, the members of the Audit Committee were Ms. Tang Li, Mr. Law Cheuk Hung, Mr. Wu Guo Ming and Mr. Wan Chi Keung, Aaron, *BBS, JP*. Following the resignation of certain former Director on 14 October 2022, the Company has failed to meet the requirement that (1) there will be no independent non-executive directors have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) and Rule 5.28 of the GEM Listing Rules and terms of reference of the Audit Committee and (2) there will be a vacancy for chairman of the Audit Committee as required under the terms of reference of the Audit Committee. The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
CNC Holdings Limited
Li Yong Sheng
Vice Chairman & CEO

Hong Kong, 16 November 2023

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

¹ Executive Director

² Non-executive Director

³ Independent non-executive Director

審核委員會

本公司於二零一零年八月十一日成立審核委員會（「審核委員會」），其職權範圍符合守則第D.3.3段。審核委員會的主要職責包括（其中包括）檢討及監督本集團的財務申報程序及內部監控制度以及整體風險管理、審閱本集團的財務報表及季度報告、中期報告及年報，以及審閱外部核數師的聘用條款及審核工作範圍。

於本報告日期，審核委員會的成員包括唐麗女士、羅焯雄先生、吳國銘先生及尹志強先生，*銅紫荊星章，太平紳士*。自若干前任董事於二零二二年十月十四日辭任後，本公司未能符合下列要求：(1)本公司將無獨立非執行董事具備適當專業資格或具備適當的會計或相關的財務管理專長，未能符合GEM上市規則第5.05(2)條及第5.28條以及審核委員會之職權範圍的規定，以及(2)審核委員會主席一職將出現空缺，未能符合審核委員會之職權範圍的規定。審核委員會已審閱本集團於本期間之未經審核簡明綜合業績，並認為該等業績的編製符合適用會計準則並已作出充分披露。

承董事會命
中國新華電視控股有限公司
副主席兼行政總裁
李永升

香港，二零二三年十一月十六日

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

¹ 執行董事

² 非執行董事

³ 獨立非執行董事



CNC HOLDINGS LIMITED

中國新華電視控股有限公司