



CMMB
VISION

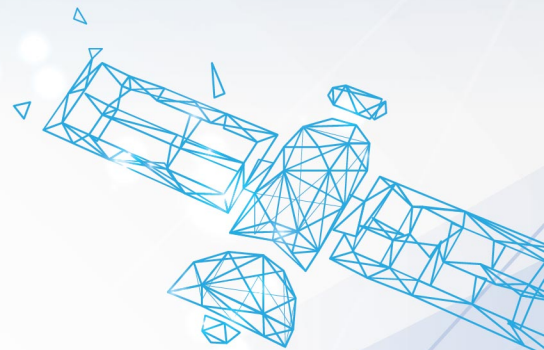
CMMB VISION HOLDINGS LIMITED

中國移動多媒體廣播控股有限公司

(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 : 471)

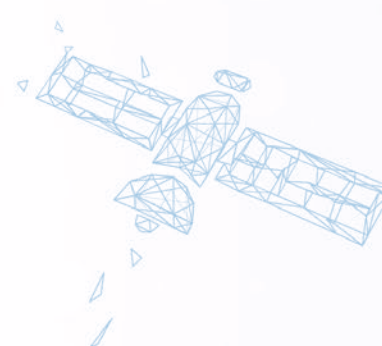


ANNUAL REPORT
年度報告 **2020**

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Chau Chi (*Chairman and Chief Executive*)
Dr. LIU Hui (*Vice-Chairman*)

Non-executive Directors

Mr. CHOU Tsan-Hsiung
Mr. YANG Yi

Independent Non-executive Directors

Dr. LI Shan
Dr. LI Jun
Mr. CHOW Kin Wing

MEMBERS OF AUDIT COMMITTEE

Dr. LI Shan (*Chairman*)
Mr. CHOU Tsan-Hsiung
Dr. LI Jun
Mr. CHOW Kin Wing

MEMBERS OF REMUNERATION COMMITTEE

Dr. LI Jun (*Chairman*)
Mr. CHOU Tsan-Hsiung
Dr. LI Shan
Mr. CHOW Kin Wing

COMPANY SECRETARY

Ms. HO Wing Yan (*ACG, ACS (PE)*)

AUTHORISED REPRESENTATIVES

Mr. WONG Chau Chi
Ms. HO Wing Yan

AUDITOR

Confucius International CPA Limited

董事會

執行董事

黃秋智先生 (*主席兼行政總裁*)
劉輝博士 (*副主席*)

非執行董事

周燦雄先生
楊毅先生

獨立非執行董事

李山博士
李珺博士
周健榮先生

審核委員會成員

李山博士 (*主席*)
周燦雄先生
李珺博士
周健榮先生

薪酬委員會成員

李珺博士 (*主席*)
周燦雄先生
李山博士
周健榮先生

公司秘書

何詠欣女士 (*ACG, ACS (PE)*)

授權代表

黃秋智先生
何詠欣女士

核數師

天健國際會計師事務所有限公司

LEGAL ADVISOR AS TO HONG KONG LAW

Luk & Partners, in Association with
Morgan, Lewis & Bockius

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL OFFICE IN HONG KONG

Unit 1211, Level 12, Core F, Cyberport 3
100 Cyberport Road, Hong Kong
Tel: +852 2159 3300
Fax: +852 2159 3399
Email: co.sec@cmmmb.com.hk
Website: www.cmmmbvision.com

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE**

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND
TRANSFER OFFICE**

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

Stock Code: 471

香港法律顧問

陸繼鏘律師事務所，
摩根路易斯律師事務所聯營

主要往來銀行

香港上海滙豐銀行有限公司

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

香港主要辦事處

香港數碼港道100號
數碼港3期F區12樓1211室
電話：+852 2159 3300
傳真：+852 2159 3399
電郵：co.sec@cmmmb.com.hk
網址：www.cmmmbvision.com

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17M樓

股份代號：471

Five Year Financial Summary

五年財務概要

| | | For the year ended 31 December 截至十二月三十一日止年度 | | | | |
|--|--------------------------|--|-----------------------|-----------------------|-----------------------|-------------------------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 |
| OPERATING RESULTS | 經營業績 | | | | | |
| Revenue | 收入 | <u>6,089</u> | <u>7,034</u> | <u>6,470</u> | <u>7,153</u> | <u>3,876</u> |
| Gross profit | 毛利 | 1,847 | 2,730 | 2,455 | 2,774 | 602 |
| Finance costs | 財務成本 | (2,092) | (1,960) | (4,102) | (5,482) | (5,625) |
| Profit (loss) before tax | 除稅前盈利(虧損) | (16,737) | (6,256) | 22,751 | (31,750) | (133,192) |
| Income tax expense | 所得稅開支 | (59) | (187) | – | (117) | – |
| Profit (loss) for the year | 年度溢利(虧損) | <u>(16,796)</u> | <u>(6,443)</u> | <u>22,751</u> | <u>(31,867)</u> | <u>(133,192)</u> |
| | | (Restated) (重列) | (Restated) (重列) | (Restated) (重列) | | |
| Earnings (loss) per share (in US cents) | 每股收益(虧損) (美仙) | <u>(22.0)</u> | <u>(6.4)</u> | <u>18.75</u> | <u>(17.36)</u> | <u>(52.75)</u> |
| | | | | | | |
| | | As at 31 December 於十二月三十一日 | | | | |
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 |
| ASSETS AND LIABILITIES | 資產和負債 | | | | | |
| Non-current assets | 非流動資產 | 198,473 | 201,286 | 332,690 | 306,760 | 180,090 |
| Current assets | 流動資產 | 19,010 | 19,259 | 13,042 | 9,303 | 5,519 |
| Total assets | 總資產 | 217,483 | 220,545 | 345,732 | 316,063 | 185,609 |
| Convertible notes | 可換股票據 | (20,712) | (16,145) | (51,668) | (47,773) | (53,373) |
| Other liabilities | 其他負債 | (3,863) | (3,756) | (8,231) | (17,723) | (8,611) |
| Total liabilities | 總負債 | (24,575) | (19,901) | (59,899) | (65,496) | (61,984) |
| Net assets | 淨資產 | 192,908 | 200,644 | 285,833 | 250,567 | 123,625 |
| Equity attributable to owners of the Company | 本公司擁有人 應佔權益 | 164,553 | 172,110 | 259,356 | 227,553 | 106,103 |
| Non-controlling interests | 非控股權益 | <u>28,355</u> | <u>28,534</u> | <u>26,477</u> | <u>23,014</u> | <u>17,522</u> |
| Total equity | 總權益 | <u>192,908</u> | <u>200,644</u> | <u>285,833</u> | <u>250,567</u> | <u>123,625</u> |

Note: The annual results for the four years ended 31 December 2019, and the assets and liabilities as at 31 December 2016, 2017 and 2018 and 2019 have been extracted from the Company's respective years' annual reports.

附註：截至二零一九年十二月三十一日止四個年度的業績以及於二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日的資產及負債乃摘錄自本公司各年的年報。

Chairman's Statement

主席報告書

Dear Shareholders:

I present, on behalf of the board (the “Board”) of directors (the “Directors”) of CMMB Vision Holdings Limited (the “Company”), the annual report of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020 (the “Year”).

In 2020, the escalating Coronavirus pandemic has been plaguing most businesses and rendered recession in Hong Kong and many countries. Compounding that was worsening China-US trade relationship which combined to plunge Hong Kong into one of the deepest economic downturn in recent history.

Needless to say, the Company’s activities were severely affected due to a combination of reduced consumer spending and delay in planned new business launch, which especially caused the Company to have large impairment of its assets.

Notwithstanding, the Company’s remains steadfast in its overall development as a technology service provider in digital media provider. Such efforts included:

- Commencement of satellite maritime media service in China via partnership with Sino Satellite Communications Co., Ltd. for maritime ships and boats, which has experienced rapid progress since inception.
- Development of Beidou high-precision navigation system using AsiaStar’s universal data distribution capability for signal strengthening, which will enable the Company to be a key value-added service provider to the Beidou ecosystem of services.
- Approval of the Company’s patented Converged technology by the International Telecommunication Union (“ITU”) as a recommended standard for ITU vehicular multimedia standard for global adoption, which paves the way for the Company to be a key technology supplier to Chinese and global auto-OEMs.

各位親愛的股東：

本人謹代表中國移動多媒體廣播控股有限公司(「本公司」)董事(「董事」)會(「董事會」)提呈本公司及其子公司「統稱(「本集團」)截至二零二零年十二月三十一日止年度(「本年度」)之年報。

於二零二零年，不斷升級的新型冠狀病毒大流行一直困擾著大多數企業，並使香港及眾多國家陷入衰退。加上中美貿易關係惡化，香港陷入近代史上最嚴重的經濟衰退。

毋庸諱言，由於消費支出減少及新業務推出計劃的延遲，本公司的活動受到嚴重影響，特別是導致本公司的資產大幅減值。

儘管如此，作為數字媒體供應商的技術服務提供商，本公司在整體發展中仍然堅定不移。所作努力包括：

- 通過與鑫諾衛星通信有限公司合作開始在中國提供海事船舶的衛星海事媒體服務，自開展以來進展迅速。
- 利用AsiaStar的通用數據分發能力進行信號增強，開發北斗高精度導航系統，這將使本公司成為北斗服務生態系統的主要增值服務提供商。
- 本公司已取得專利權的一體化技術獲國際電信聯盟(“ITU”)批准為全球採用的ITU車載多媒體標準的推薦標準，為本公司成為中國及全球汽車OEM的主要技術提供商鋪平了道路。

Chairman's Statement

主席報告書

Our main task in 2021 is to accelerate development efforts to reach commercial deployment:

- 1) The Company will accelerate effort to procure regulatory approval of Silkwave's commercial deployment in China for satellite-based in-vehicle-infotainment services, hence the Company's commencement of commercial arrangement of technical services to Silkwave and its OEM partners.
- 2) The Company expects to enhance the diversity of its low-power television ("TV") business in the US with enhanced equipment and capability of ATSC 3.0 standard, which will allow the Company's platform to offer more value-added services such as digital TV and Internet data broadcasting in addition to the traditional linear TV broadcasting.
- 3) The Company expects to enter technical service arrangement with certain operators in Africa and Middle East for turnkey solutions supporting the development of satellite infotainment services in the regions, which will also utilize the AsiaStar capacity under the Company's management in commercial capacity.
- 4) While awaiting regulatory approvals for deployment in China, the Company will diversify to Southeast Asia by developing niche satellite applications such as maritime data delivery, remote education, and smart city multimedia solutions for deployment in Southeast Asian countries with and franchising arrangement with different regional operators.

The Company has overcome many challenges over the years. With the new efforts, and the improving outlook of the economy with the pandemic coming under control, it is hopeful it will start turning the corner in 2021.

The Company would like to express its appreciation to our staff for our achievements to date. The board of the Company wishes to extend its gratitude to the continuous support from its shareholders, customers, and business partners. We will continue to chart ahead in 2021 to create greater value for our shareholders and stakeholders.

WONG Chau Chi
Chairman and Executive Director

Hong Kong, 29 March 2021

我們2021年的主要任務是加快開發工作，實現商業部署：

- 1) 本公司將加快力度促使Silkwave在中國進行衛星車載信息娛樂服務的商業部署取得監管批准，從而使得本公司可開始向Silkwave及其OEM合作夥伴提供技術服務的商業安排。
- 2) 本公司預期透過增強ATSC 3.0標準設備及能力，加強其於美國的LPTV業務多元化，使本公司的平台能夠在傳統的線性電視廣播之外，提供更多的數字電視及互聯網數據廣播等增值服務。
- 3) 本公司期望與非洲及中東的若干運營商訂立技術服務安排，以提供交鑰匙解決方案，支援該等地區衛星信息娛樂服務的發展，而該等服務亦將利用本公司管理的AsiaStar能力進行商業運營。
- 4) 在等待批准在中國部署的監管批文時，本公司亦將業務拓展至東南亞，方式為開發利基衛星應用，如海事數據傳輸、遠程教育及智慧城市多媒體解決方案，以便於東南亞國家進行部署並與不同地區運營商進行特許經營安排。

多年來，本公司克服重重挑戰。通過新的措施以及隨著疫情得到控制而不斷改善的經濟前景，2021年有望開始扭轉局面。

本公司謹此就我們取得的成就向全體員工表示由衷感謝。董事會亦謹此對其股東、客戶及業務夥伴的不斷支持致以衷心謝意。我們在二零二一年將再接再厲，為股東及持份者實現更高價值。

主席兼執行董事
黃秋智

香港，二零二一年三月二十九日

Management Discussion and Analysis

管理層討論及分析

REVIEW OF BUSINESS OPERATIONS

The principal activity of the Company is investment holding whilst its subsidiaries are mainly engaged in the provision of Convergent Mobile Multimedia Broadcasting (“CMMB”), satellite infotainment multimedia technology and services (the “Infotainment”) for vehicles and maritime applications, and trading of printed circuit board (“PCB”).

CMMB BUSINESS

The Company currently has a portfolio of 9 UHF spectrum television (“TV”) stations capacity rights in the United States of America (“US”), situated over seven large metropolitan cities, including New York, Los Angeles, Dallas, Houston, Atlanta, Miami and Tampa. The portfolio gives us a significant wireless coverage over the US for delivering free-to-air TV programming such as linear TV broadcasting to a large audience. The Company’s primary business model has been leasing the channel capacity to programmers.

Apart from the current linear TV services, the TV platform also well-positions the Company to offer next-generation digital media services targeting household, mobile and vehicles. The US is introducing the Advanced Television Systems Committee (“ATSC”) 3.0 digital standard (“ATSC 3.0”), which is similar to the Company’s CMMB standard, which has evolved to amalgamate with cellular 4G/5G to become the Converged technology standard that can integrate broadcasting, whether from terrestrial UHF TV or a satellite, with terrestrial 4G/5G cellular Internet services for unified consumption in a user terminal with unprecedented cost efficiency and economies of scale. The Converged technology can easily be adopted for ATSC 3.0 will give the Company the technical advantage in getting into the future ATSC 3.0 services.

業務營運回顧

本公司的主要業務為投資控股，其附屬公司則主要從事提供融合移動電視和多媒體廣播(「CMMB」)、衛星資訊娛樂多媒體技術及服務(「資訊娛樂」)、車輛和海事應用，以及印刷電路板(「電路板」)材料的交易。

CMMB 業務

本公司現擁有橫跨位於美國七大都會城市(包括紐約、洛杉磯、達拉斯、休斯敦、亞特蘭大、邁阿密及坦帕)的九個超高頻頻譜電視(「電視」)台組合。該組合讓我們擁有廣闊的頻譜覆蓋範圍，以更高效的方式向廣大觀眾傳送地面數碼電視廣播服務，拓寬我們的收入來源。該產品組合使我們在美國擁有廣泛的無線覆蓋範圍，可向大量受眾提供免費電視節目，例如線性電視廣播。本公司的主要商業模式一直是向節目製作商出租電視頻道平台。

除了當前的線性電視服務之外，電視平台還使本公司處於有利地位，可以提供面向家庭，移動和車輛的下一代數碼媒體服務。美國正在引入Advanced Television System Committee (「ATSC 3.0」)數碼標準，該標準與本公司的CMMB標準相似，該標準已經演變為與蜂窩4G/5G融合，成為可以集成廣播技術(無論是地面UHF電視還是衛星)的融合技術標準。地面4G/5G蜂窩互聯網服務，用於用戶終端中的統一消費，具有空前的成本效率和規模經濟性。融合技術可以輕鬆地用於ATSC 3.0，這將為本公司提供進入未來ATSC 3.0服務的技術優勢。

Management Discussion and Analysis

管理層討論及分析

INFOTAINMENT

In China, the Company's Converged technology is primarily for supporting connected-car infotainment multimedia services under Silkwave Holdings Limited ("Silkwave"), the Company's associate. The service delivery is abundant in quantity, ubiquitous in geographical coverage, and very low-cost in data-streaming charge, which is ideal for in-vehicle-infotainment anytime anywhere, and can also be adopted for trains, ships, planes and remote applications. The Company is the dedicated Converged technology and service provider to Silkwave and its many ecosystem partners such as auto-OEM and car electronic makers. It has been supporting trial services over 17 provinces and 21 major cities in China, including Beijing, Changchun, Wuhan, Chongqing, Baoding, Chengdu, Taiyuan, Hefei, Harbin, Daqing, Shenzhen, Xiamen, Jiaying, Nanjing, Danyang and Huizhou, trucking in 1 million kilometres in road test as well. The business is awaiting regulatory approval to launch commercial services.

Parallel to the connected-car multimedia service, the Company has also adopted the Converged technology for maritime use tailoring to ships and boats. It has commenced a maritime service in partnership with Sino Satellite Communications Co., Ltd. for China early last year. The launch jump-started the Company's maritime business platform at large and helped the Company prepare for much bigger service launch that will target potentially the millions of fishing boats and commercial vessels in the South China Sea. Trial service is underway with collaboration from potential regional partners.

TRADING BUSINESS

This is a challenging sector to operate due to intense competition with low profit margins. Many PCB manufacturers in response to the rising labour and material costs have been diversifying their facilities to other Asian countries. This diversification leads to an increase in competition among existing trading agents and a shrinking PCB market, putting further strain on an already thin operating margin for the sector and hence the Company's revenue.

信息娛樂

在中國，本公司的融合技術主要用於支持本公司聯營公司Silkwave Holdings Limited (「Silkwave」) 旗下的車載信息娛樂多媒體服務。服務交付量大、地域覆蓋面廣、數據流費用極低，是非常適合隨時隨地的車載信息娛樂，也可用於火車、輪船、飛機和遠程應用。本公司是Silkwave及其許多生態系統合作夥伴(如汽車OEM和汽車電子製造商)的專用聚合技術和服務提供商。它已為北京、長春、武漢、重慶、保定、成都、太原、合肥、哈爾濱、大慶、深圳、廈門、嘉興、南京、丹陽和惠州等地的17個省和21個主要城市的試驗服務提供支持並進行了1百萬公里的路測，該業務正在等待監管部門批准以啟動商業服務。

與聯網汽車多媒體服務並行，該公司還採用了融合技術，制定並可用於船舶和船隻的海事。去年初，它與鑫諾衛星通信有限公司合作，開始了一項海上服務。此次發佈極大地推動了本公司的海上商務平台的發展，並幫助本公司為更大的服務發布做準備，該服務的目標市場預定是南中國海的數百萬艘漁船和商用船。正在與潛在的區域合作夥伴合作進行試用服務。

貿易業務

激烈的競爭壓力及較低利潤率令此貿易業務的經營充滿挑戰。為應對不斷上漲的勞工及材料成本，製造商紛紛將其生產設施轉移至其他亞洲國家以降低及控制成本。該趨勢令搶佔印刷線路板市場份額的其他貿易商帶來的競爭更為激烈，讓該行業已相對微薄的經營利潤雪上加霜。

Management Discussion and Analysis

管理層討論及分析

THE IMPACT OF COVID-19 ON THE GROUP'S OPERATION

For the whole year of 2020, an unexpected outbreak of the novel coronavirus 2019 (the “COVID-19”) has caused drastic fluctuations in economic and financial environment, which also led to extraordinary disruptions to our operations, research activities and business development in the PRC and US markets. Our PRC offices and research centres were instructed to shut down temporarily during different periods of the year.

The pandemic in particular affected the Company in the following ways:

- 1) A delay of the fundraising activities for procuring a new satellite in time by Silkwave to support mass-market satellite connected-car multimedia commercial launch.
- 2) A delay in the regulatory approval process for the commercial launch of our satellite infotainment business in China.
- 3) A delay in our US TV new equipment installation and engineering process and hence service resumption.
- 4) A drop in our revenue stream for PCB trading and US TV channel leasing due to overall poor economy and reduced consumption under the pandemic environment.

Currently a series of precautionary and control measures have been and continued to be implemented in countries where the Group operates, the Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact.

Considering the market uncertainty, the Group has been managing operating expenses and reducing marketing and promotion budgets cautiously.

新型冠狀病毒對集團運作的影響

於二零二零年初，二零一九新型冠狀病毒肺炎(「COVID-19」)的意外爆發導致了全球經濟和金融環境的劇烈波動。在二零二零年三月，世界衛生組織(「WHO」)宣布COVID-19為全球大流行病。這對我們在中國和美國市場的運營，研究活動和業務發展造成了極大的破壞。中國辦公室和研究中心於本年度的不同時段需要暫時關閉。

大流行病特別通過以下方式影響了本公司：

- 1) 延遲了Silkwave採購新衛星以支持大眾市場衛星互聯車載多媒體商業發射的融資活動。
- 2) 推遲我們的衛星信息娛樂業務在中國商業啟動的監管審批流程。
- 3) 延遲美國電視台新設備的安裝和工程流程，以致服務恢復。
- 4) 由於整體經濟不景氣和大流行病環境下的消費減少，我們用於印刷電路板貿易和美國電視頻道租賃的收入流減少了。

我們預計COVID-19將徹底放緩全球經濟活動，但會激發出企業轉型的大量需求。我們專注於後者以實現增長。簡而言之，我們對前景樂觀。

考慮到市場的不確定性，本集團一直在謹慎地管理運營費用並減少營銷和宣傳預算。

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RIGHTS ISSUE

On 3 February 2020, the Group proposed the rights issue on the basis of one rights share of the Company (the “Share”) for every two existing Shares held on the record date at the subscription price of HK\$0.65 per rights Share (“Rights Issue”) which was completed on 10 March 2020. The closing price of the Share was HK\$0.690 per Share on 3 February 2020, being the date of the Rights Issue was announced.

As disclosed in the announcement of the Company dated 10 March 2020, the Company received a total of 18 valid acceptances and applications under the provisional allotment letters in respect of a total of 37,984,428 rights Shares, representing approximately 40.18% of the total number of rights Shares available for subscription under the Rights Issue. Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$24,700,000 (equivalent to approximately US\$3,145,000) before expenses. The net proceeds, after deduction of all relevant expenses incidental to the Rights Issue of approximately HK\$1,200,000, are approximately HK\$23,500,000 (equivalent to US\$3,001,000). On this basis, the net price per rights share is approximately HK\$0.62 per Share.

On 11 March 2020, 37,984,428 Shares were issued pursuant to the Rights Issue.

The Company intended to apply the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project as disclosed in the prospectus of the Company dated 18 February 2020 with the amount allocated to each of them reduced on a pro rata basis, as compared to the amount which would have been allocated to them had the Rights Issue been fully subscribed.

供股

於二零二零年二月三日，本集團建議按每持有兩股現有股份可獲發一股供股股份的基準以每股供股股份認購價0.65港元進行供股（「供股」），此供股已於二零二零年三月十日完成。

誠如日期為二零二零年三月十日之公告所披露，本公司於暫定配額通知書項下接獲合共18份有效接納及申請，涉及合共37,984,428股供股股份，相當於供股項下可供認購之供股股份總數約40.18%。因此，供股籌集之所得款項總額約為24,700,000港元（相當於約3,145,000美元）未計開支。所得款項淨額（經扣除供股附帶之所有相關開支約1,200,000港元）約為23,500,000港元（相當於3,001,000美元）。按此基準，每股供股股份之淨價約為每股0.62港元。

於二零二零年三月十一日，根據供股發行37,984,428股新股份。

誠如日期為二零二零年二月十八日之供股章程所披露，本公司擬將供股之所得款項淨額，根據供股獲悉數認購時應分配給用於一般營運資金與開發海事項目的金額比例，按比例減少分配。

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The intended and actual use of proceeds from the Rights Issue up to 31 December 2020 is set out as follows:

截至二零二零年十二月三十一日止，供股所得款項擬訂和實際用途載列如下：

| Net proceeds | Intended use of proceeds | Intended use of proceeds | Actual use of proceeds up to 31 December 2020 |
|-----------------------------|---|--------------------------|---|
| 所得款項淨額 | 所得款項擬訂用途 | 所得款項擬訂用途 US\$ 美元 | 所得款項實際用途 US\$ 美元 |
| Approximately US\$3,001,000 | General working capital for operations and business development | | |
| 約3,001,000美元 | 本集團營運及業務發展的一般營運資金 | | |
| | - Administrative and operations expenses | 161,000 | 1,275,000 |
| | - 行政及營運開支 | | |
| | - Marketing development and promotion expenses | 800,000 | 1,380,000 |
| | - 市場開發及推廣開支 | | |
| | - General working capital of an associate | 800,000 | 128,000 |
| | - 聯營公司之一般營運資金 | | |
| | - Development of maritime project | 1,240,000 | 218,000 |
| | - 開發海事項目 | | |
| | | <u>3,001,000</u> | <u>3,001,000</u> |

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As at 31 December 2020, all of the proceeds raised from the Rights Issue has been fully utilised.

Most of the net proceeds from the Rights Issue were reallocated to pay off the administrative and operations expense as well as marketing development and promotion expenses because less cash inflow from operations due to (i) temporary closure of certain LPTV stations as a result of the Federal Communications Commission in the US repacking and digitization upgrade requirements; and (ii) drop in revenue stream due to overall poor economy under pandemic environment.

The Directors considered the above changes in the use of net proceeds are necessary as the reallocation would allow the Company to deploy its financial resources more effectively to cope with the changing market conditions.

Please refer to the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020 respectively for the details of the Rights Issue.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 July 2020, the Company entered into the subscription agreements (the “Subscription Agreements”) with subscribers (the “Subscribers”) for the subscription of an aggregate 45,412,879 new Shares for an aggregate consideration of HK\$22,706,439.50 at the subscription price of HK\$0.50 per subscription Share (the “Placing Price”) (the “Placing”). The closing price of the Share was HK\$0.45 per Share on 2 July 2020, being the date of the Subscription Agreements.

The Subscribers (some of the Subscribers are existing shareholders of the Company) are corporates with their principal activities of investment holding, which are third parties independent of the Company and its connected persons (as defined in The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). None of the Subscribers became a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

The net proceeds from the Placing received by the Company upon completion of the Placing amounted to approximately HK\$22,630,000 after deducting professional fees and all related expenses. On this basis, the net issue price per Subscription Share was approximately HK\$0.498 per Share.

於二零二零年十二月三十一日，供股籌集的所得資金已全部使用。

由於(i)美國聯邦通信委員會重新分配頻譜和提升至數碼廣播的升級要求，暫時關閉了某些LPTV電台；(ii)整體狀況不佳而導致收入流下降，營運現金流減少；因此大部分供股所得款項淨額被重新分配，用作支付行政和運營費用以及市場開發和推廣費用。

董事認為，上述對所得款項淨額用途的改變是必要的，因為重新分配將使本公司能夠更有效地部署其財務資源，以應付不斷變化的市場環境。

供股之詳情請參閱本公司分別載於日期為二零二零年二月十八日之供股章程及日期為二零二零年三月十日之公告。

一般授權配售新股份

於二零二零年七月二日，本公司與認購人（「認購人」）訂立有關認購合共45,412,879股新股份（「認購股份」）的認購協議，以每股認購股份0.50港元的認購價計算，總代價為22,706,439.50港元。

認購人（其中若干名為現有股東）為法團，其主要業務為投資控股，其為獨立第三方，與本公司及其關連人士（定義見香港聯合交易所有限公司證券上市規則「上市規則」）概無關連。緊隨認購完成後，概無認購人會成為本公司的主要股東（定義見上市規則）。

本公司於認購完成後收取自認購的所得款項淨額（經扣除專業費用及所有相關開支後）為約22,630,000港元。以上述數字計算，每股認購股份的淨發行價為約每股股份0.498港元。

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On 13 July 2020, 45,412,879 Shares were issued and allotted to the Subscribers under the Placing.

於二零二零年七月十三日，根據配股配發及發行認購新股份45,412,879股。

The Company intended to use the net proceeds raised from the Placing for repayment of advance from shareholders and to strengthen the general working capital.

本公司擬將發行認購股份所籌得的所得款項淨額用作償還股東墊款及強化一般營運資金。

The intended and actual use of proceeds from the Placing up to 31 December 2020 is set out as follows:

截至二零二零年十二月三十一日止年度，配股所得款項擬訂和實際用途載列如下：

| Net proceeds | Intended use of proceeds | Intended use of proceeds | Actual use of proceeds up to 31 December 2020 |
|--|---|--------------------------|---|
| 所得款項淨額 | 所得款項擬訂用途 | 所得款項擬訂用途 US\$ 美元 | 截至二零二零年十二月三十一日止 所得款項實際用途 US\$ 美元 |
| Approximately US\$2,893,000 約2,893,000 美元 | Repayment of advances from shareholders 償還股東墊款 | 2,873,000 | 2,873,000 |
| | General working capital for operations and business development 本集團營運及業務發展的一般營運資金 – Administrative and operations expenses – 行政及運營開支 | 20,000 | 20,000 |
| | | <u>2,893,000</u> | <u>2,893,000</u> |

As at 31 December 2020, all of the proceeds raised from the Placing has been fully utilized.

於二零二零年十二月三十一日，配股籌集之所得資金已全部使用。

Please refer to the announcements of the Company dated 2 July 2020 and 3 July 2020 for details of the Placing.

配股之詳情已載於本公司日期為二零二零年七月二日及二零二零年七月三日之公告內。

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FINANCIAL REVIEW

For the year ended 31 December 2020, the Group recorded loss for the year of approximately US\$133,192,000 (2019: US\$31,867,000). Loss per share was approximately US52.75 cents (2019: US17.36 cents) and net assets per share of the Group was approximately US\$0.44 (2019: US\$1.33).

During the year ended 31 December 2020, the Group is engaged in provision of transmission and broadcasting of television programs and trading of PCB materials with a revenue of approximately US\$3,876,000 (2019: US\$7,153,000). The decrease in revenue of approximately US\$3,277,000 or 45.8% was mainly due to a decrease in TV rental income and trading of PCB materials by approximately US\$2,303,000 and US\$1,206,000 respectively.

Cost of sales mainly includes cost of goods sold, staff costs, operating lease payments. The decrease in cost of sales of approximately US\$1,105,000 or 25.2% was due to a decrease in cost of goods sold in PCB Trading business of approximately US\$1,193,000 and an increase other cost of sales of approximately US\$88,000 for the year ended 31 December 2020.

Gross profit has decreased from US\$2,774,000 in year 2019 to approximately US\$602,000 in year 2020, decreased by approximately 78.3%, primarily attributed to decrease in TV rental income by US\$2,303,000.

Administrative expenses have decreased by approximately 34.5% to US\$1,317,000 for the year ended 31 December 2020 as compared to approximately US\$2,012,000 for the year ended 31 December 2019. It is mainly due to decrease in staff costs and depreciation.

Market development and promotion expenses decreased by approximately 34.6% to approximately US\$1,662,000 (2019: US\$2,540,000) which include consultancy services fees for business development, travelling expenses for attending business conferences and meetings as well as research and development costs. The decrease in market development and promotion expenses was due to the cancellation of most of the marketing development activities held overseas since the COVID-19 outbreak. The corresponding travelling expense for the year has dropped significantly.

財務回顧

截至二零二零年十二月三十一日止年度，本集團錄得年內虧損約133,192,000美元(二零一九年：31,867,000美元)。每股虧損約52.75美仙(二零一九年：17.36美仙)，本集團每股資產淨值約0.44美元(二零一九年：1.33美元)。

截至二零二零年十二月三十一日止年度，本集團從事提供傳輸及播放電視節目及印刷電路板材料貿易業務，收益為3,876,000美元(二零一九年：7,153,000美元)。收益減少3,277,000美元或45.8%，主要歸因於電視租金及印刷電路板貿易收入分別減少約2,303,000美元及1,206,000美元所致。

銷售成本主要包括購貨成本、員工成本及經營租賃款項。銷售成本減少1,105,000美元或25.2%乃由於截至二零二零年十二月三十一日止年度減少印刷電路板貿易購貨成本1,193,000美元及其他銷貨成本增加88,000美元所致。

毛利由二零一九年的2,774,000美元減少至二零二零年的602,000美元，減少了78.3%，這是由於電視租賃收入減少2,303,000美元所致。

截至二零二零年十二月三十一日止年度的行政開支減少約34.5%至1,317,000美元，比較其截至二零一九年十二月三十一日止年度金額為2,012,000美元，主要包括員工成本及折舊費用減少。

市場開發及推廣開支減少約34.6%至1,662,000美元(二零一九年：2,540,000美元)，主要包括諮詢服務費、參加商業會議及會議的差旅開支及研發費。市場開發及推廣開支減少主要是由於自COVID-19爆發以來，大部分在海外舉行的市場開發活動均告取消，該期間的相關差旅費用大幅減少。

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Other expenses for the year ended 31 December 2020 amounted to approximately US\$193,000 (2019: approximately US\$368,000) include listing fees, printing charges and corporate legal and professional fees for corporate transactions. The decrease is mainly attributable to less legal and professional fee this Year.

Finance costs of the Group for the year ended 31 December 2020 amounted to approximately US\$5,625,000 (2019: approximately US\$5,482,000) which mainly represents the effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the Year.

During the Year, there were no redemption of Convertible Notes. The 2021 Convertible Notes and 2025 Convertible Notes with principal amounts of US\$5,921,000 and US\$9,000,000 respectively were redeemed at the redemption amount of US\$5,921,000 and US\$9,000,000 respectively in 2019. Accordingly, a gain on redemption of the convertible bonds of US\$2,089,000 was recorded in 2019.

Management evaluated the fair value of financial assets at fair value through profit or loss (“FVTPL”) by way of objective evidence, including but not limited to business forecasts and project timelines, etc. Changes in the fair value of financial assets at FVTPL has been recorded through the consolidated profit or loss statement as a loss for the Year.

Share of results of an associate

The Company shared a loss of approximately US\$99,450,000 (2019: approximately US\$8,680,000) for its 20% interest in Silkwave which is primarily due to the delay of regulatory approval for Silkwave group to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout due to COVID-19.

截至二零二零年十二月三十一日止年度的其他開支193,000美元(二零一九年: 368,000美元),包括上市費用、印刷及為企業項目而產生的法律及專業服務費用。減少的主要原因是二零二零年產生的法律專業服務費用有所減少。

本集團截至二零二零年十二月三十一日止年度的財務費用為5,625,000美元(二零一九年: 5,482,000美元),主要為可換股票據的實際利息開支。本集團於本年度沒有任何銀行或其他借貸。

年內,概無贖回可換股票據。2021可換股票據及2025可換股票據於二零一九年內以贖回金額5,921,000美元及9,000,000美元,贖回金額分別為5,921,000美元及9,000,000美元。於二零一九年內確認贖回可換股票據的收益為2,089,000美元。

管理層通過客觀證據評估以公平值變動計入當期損益的金融資產的公允價值,包括但不限於業務預測和項目進程等。以公平值變動計入當期損益的金融資產的公允價值變動已經通過綜合損益表記錄為年內的虧損。

應佔聯營公司的虧損

本公司因其持有Silkwave 20%權益而分擔其應佔虧損99,450,000美元(二零一九年: 8,680,000美元),主要包括由於COVID-19的緣故,Silkwave集團推遲了在中國部署商業服務的監管審批,並延遲了建造新衛星的資金籌集活動,以推廣大規模市場商業服務。

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Silkwave has been developing satellite connected-car multimedia business in China which will be supported by its AsiaStar satellite assets such as frequency spectrum and orbital slot. Over the years Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services throughout China. It has been awaiting regulatory approvals from various government agencies to launch its commercial services, which in turn will allow the Company to start generating revenues. Due to numerous government delays, and amidst the prolonged COVID-19 impact, the expected regulatory approvals have not yet arrived, and Silkwave cannot commence commercial services.

On the other hand, the slow capital market activities during the COVID-19 period seriously delayed Silkwave's fund-raising effort for constructing and launching a new high-power satellite, which is needed for commercial service rollout in a mass-market scale. The lack of regulatory approval also hampered the fund-raising process.

Accordingly, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence significant reduction in the valuation of the Silkwave assets is resulted.

The Company remains confident that the regulatory approvals will eventually arrive, and the fund-raising effort will regain momentum, especially when there are new vaccination efforts in coping with the COVID-19 pandemic.

The impairment loss of intangible assets

As a result of the repackaging of the Federal Communications Commission, old LPTV channels were reshuffled and re-allocated to new ones. The process would require old LPTV channels to be shut down and relocated to new sites for re-installation and bring on-air the new channels. In addition, new channel stations are required to be upgraded from the old analogue format to the new digital format, which would require new equipment such as transmitter and antenna as well as highly regulated engineering activities. Such a process would have long lead time taking up to a year.

Silkwave一直在中國發展衛星聯網汽車多媒體業務，這將得到其亞洲之星衛星資產(如頻譜和軌道槽)的支持。多年來，Silkwave已完成其網絡基礎設施，技術和生態系統平台，並已在中國各地提供試用服務。它一直在等待各種政府機構的監管批准，以啟動其商業服務，這將使該公司開始產生收入。由於政府的大量延遲，以及在COVID-19的長期影響中，預期的監管批准尚未到位，Silkwave無法啟動商業服務。

另一方面，COVID-19時期資本市場活動緩慢，嚴重拖延了Silkwave籌集資金用於建造和發射新的高功率衛星的努力，這是大規模市場推廣商業服務所必需的。缺乏監管部門的批准也阻礙了融資過程。

由於監管和大功率衛星採購的延遲，因此，管理層評估並修訂了其商業運營以及與該業務相關的預期現金流量和收入流，導致Silkwave資產的估值大幅度下降。

本公司仍然有信心最終會獲得監管部門的批准，並且籌集資金的努力將重新獲得動力，特別是當有新的疫苗接種工作應對COVID-19大流行時。

無形資產減值損失

由於聯邦通信委員會的重新分配頻譜，現有的LPTV頻譜被改組並重新分配給新的LPTV頻譜。該過程將需要關閉舊的LPTV頻道，並將其重新分配頻譜到新站點進行重新安裝，並使新頻道開播。另外，需要將新的頻道台從舊的模擬格式升級到新的數碼廣播格式，這將需要新的設備，例如傳輸器和天線，以及高度規範的工程活動。這些過程將需要很長的時間，甚至一年。

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Given the disruptions of repacked station re-installation and COVID-19 on LPTV revenues, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business, hence, the impairment loss recognised on intangible assets for the year ended 31 December 2020 was approximately US\$24,275,000 (2019: approximately US\$16,933,000) as management of the Group determined that the recoverable amount is lower than the carrying amount of the cash generating units arising from intangible assets by reference to a value-in-use (“VIU”) calculation, which has been consistently applied for the year ended 31 December 2019 and 2018 respectively.

The Group recognised impairment loss on disposal of intangible assets of approximately US\$574,000 from the Spectrum Disposal, being the difference between (i) the consideration for the Assignment Agreement and (ii) the carrying amount of the lease assets as recorded in the intangible assets of the Group’s accounts and the estimated expenses for the Spectrum Disposal as at 31 December 2020.

鑑於新分配的電視台的安裝和LPTV收入受到COVID-19的干擾，管理層評估並修訂了其商業運營以及與該業務相關的預期現金流量和收入流，因此，本集團管理層經參考自二零一九年及二零一八年十二月三十一日止年度貫切應用之使用價值計算法釐定可收回金額，且其低於無形資產產生的現金產生單位賬面值，因此，確認無形資產減值虧損為24,275,000美元(二零一九年：16,933,000美元)。

本集團在頻譜出售中，確認減值費用約為574,000美元，即(i)轉讓協議的代價與(ii)租賃資產的賬面值之間的差額，該賬面價值記錄在無形資產中截至二零二零年十二月三十一日止年度，集團在完成時的賬目以及頻譜出售的估計費用。

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管理層討論及分析

The basis of the recoverable amounts of the above spectrum usage rights and their underlying assumptions are summarised below:

The recoverable amount of the spectrum usage rights has been determined based on VIU calculation. The calculation uses cash flow projections based on financial budgets approved by the management covering a three-year period at a discount rate of approximately 10.35% (2019: approximately 10.21%). The discount rate is determined based on the weighted average cost of capital appropriate for the spectrum usage rights. The cost of equity of approximately 8.26% (2019: approximately 8.62%) for the year is calculated by: (i) the risk free rate of approximately 0.92% (2019: approximately 1.92%), which is the 10 year average yield of US Government Bond Benchmark Yield Curve; (ii) the equity beta of approximately 1.03 (2019: approximately 0.97), which is the adjusted beta by making reference to publicly listed companies with comparable business nature and operation sourced from Thomson Reuters; and (iii) the market risk premium of approximately 7.15% (2019: approximately 6.91%), which is the difference between market rate of return and risk free rate. This long-term equity risk premium refers to the 10-year average market rate of return for the United States, sourced from Thomson Reuters. The cost of debt of approximately 3.25% (2019: 4.75%) for the year is estimated by referring to the US Prime Lending Rate as sourced from Thomson Reuters. Through the analysis of the industry comparables, the weight of debt and equity is estimated as approximately 49% (2019: approximately 46%) and approximately 51% (2019: approximately 54%) respectively. Specific risk premium applied is 3% (2019: 2%) The corporate tax rate applied remain unchanged at 24%. The spectrum usage rights' cash flow beyond the three-year period are extrapolated using a steady growth rate of approximately 2.17% per annum (2019: approximately 2.32%). This growth rate is based on projected inflation published by the International Monetary Fund.

One of the key assumptions for the VIU calculations is the budgeted revenue, which assumes the current contracted capacity will continue for the next three-years. In the first-year, the unutilised capacity will be filled at approximately 5% (2019: approximately 10%) increments per quarter. In the second-year, the unutilised capacity will be filled at approximately 10% (2019: approximately 10%) increments per quarter until it reaches an approximately 54% (2019: approximately 78%) filled rate in the third-year; a terminal-year fill rate of approximately 65% (2019: approximately 95%) was assumed for both contracted and unutilised capacities.

上述頻譜使用權的可收回金額基準及其相關假設概述如下：

頻譜使用權的可收回金額按使用價值計算法釐定。該計算法使用根據管理層批准的財務預算涵蓋三年期的現金流量預測及貼現率10.35% (二零一九年：10.21%) 計算。折現率是根據適用於頻譜使用權的加權平均資本成本釐定。本年度的股權資本成本為8.26% (二零一九年：8.62%) 的計算方法如下：(i) 無風險利率為0.92% (二零一九年：1.92%)：取自美國政府債券基準收益率的10年平均收益率曲線；(ii) 權益beta係數為1.03 (二零一九年：0.97)，是參照湯姆森路透社提供的具有可比業務性質和運營的上市公司的經調整後之beta係數；(iii) 市場風險溢價為7.15% (二零一九年：6.91%)，即市場回報率與無風險率之差；此長期股權風險溢價是指美國湯姆森路透社的10年平均市場收益率。本年度債務成本為3.25% (二零一九年：4.75%)，是根據湯姆森路透社提供的美國基準貸款利率估算得出的。通過對可比行業公司的分析，債務和股權的權重估計分別為49% (二零一九年：46%) 和51% (二零一九年：54%)。適用的特定風險溢價為3% (二零一九：2%) 適用的公司稅率保持不變，為24%。頻譜使用權超過三年期的現金流量乃使用穩定年增長率2.17% (二零一九年：約2.32%) 推算。此增長率以國際貨幣基金發佈的預期通脹率為基準。

使用價值計算法的其中一個主要假設當中包括預算收入，該預算假設已使用頻譜容量在未來三年將會持續，第一年的閒置頻譜容量將以5% (二零一九年：10%) 的增長率按季度使用；而第二年起的閒置頻譜容量將以10% (二零一九年：10%) 的增長率按季度使用，直至達到第三年的54% (二零一九年：約78%) 使用率；使用和閒置頻譜容量的終端年使用率為65% (二零一九年：95%)。

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Further to the above inputs, we have also considered these factors – (a) the FCC licences for the spectrum usage rights can be renewed upon expiry at nominal cost; (b) the contracting parties for the existing lease contracts are acting in accordance with the agreements’ terms and conditions and other understanding discussed between the parties; (c) the level of key management, competent personnel and technical staff retained to support the ongoing operations have remained consistent over time; etc. Except for the updated business plans and budgets/forecasts based on current available TV spectrum (e.g., due to re-installation effort and COVID-19 situation) with details mentioned above, there was no significant changes in the value of inputs or assumptions from those previously adopted.

Sensitivity analyses have been carried out based on: (i) a reduction in the budgeted sales growth for the unutilised capacity resulting in filled rate increments of 5% per quarter while maintaining a terminal-year fill rate of 65%, which would led to a reduction in the VIU amount for certain spectrums and an increase in the impairment loss recognised on intangible assets of approximately US\$282,000; and (ii) an increase in the budgeted sales growth for the unutilised capacity resulting in filled rate increments of 15% per quarter while maintaining a terminal-year fill rate of 65% (2019: 95%), which would led to an increase in the VIU amount for certain spectrums and a reduction in the impairment loss recognised on intangible assets of approximately US\$274,000. The calculations are based on management’s assessment of possible changes in the sales growth assumption, which is hypothetical and should not be viewed as an indication on the likelihood of its occurrence. The sensitivity analyses should therefore be interpreted with caution.

The Company is proceeding ahead steadily in its re-installation effort and it believes that the COVID-19 situation will eventually be under control and economy recover.

Impairment loss recognised on assets classified as held for sale

Subsequent to the year-end date, the Group entered into an assignment of the lease agreement (“Assignment Agreement”) with the purchaser, pursuant to which the Group agreed to assigns, transfers, novates and conveys absolutely to the purchaser all of the Group’s benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station in San Francisco entered between the Group, New York Broadband LLC (“NYBB”) and New York Spectrum Holdings Company LLC (“NYSHC”), as the lessor of the license and authorizations of KMMC Station (“KMMC Lease”).

除上述輸入外，我們還考慮了以下因素：(a) FCC的頻譜使用權許可證可在到期時以名義的成本續簽；(b)現有租賃合同的締約方根據協議的條款和條件以及其他雙方之間的討論和理解執行；(c)維持主要管理層、有能力的人才和技術人員之水平一直保持一致，以支持正在進行的運營工作等。除了以上陳述關於根據當前可提供的電視頻譜(例如，由於重新安裝工作和COVID-19的局面所致)更新了業務計劃和預算/預測外，輸入或假設的相比數值與先前採用的沒有重大變化。

敏感性分析乃基於：(i)閒置頻譜容量的預算收入增長減慢，導致每季度使用率增長為5%，亦同時保持終端年使用率為65%。該假設將導致減少部分頻譜的使用價值和增加無形資產減值虧損為282,000美元；和(ii)閒置頻譜容量的預算收入增長加快，導致每季度使用率增長為15%，亦同時保持終端年使用率為65% (二零一九年：95%)。該假設將導致增加部分頻譜的使用價值和減少無形資產減值虧損為274,000美元。該計算基於管理層對收入增長假設的變化評估，於假設和不應被視為其發生可能性的指示。因此，應謹慎解釋敏感性分析。

本公司的重新安裝工作正在穩步進行，相信COVID-19的局面最終將得到控制，經濟亦將復蘇。

重分類至待售資產之減值虧損

於年結日後，本集團與買方訂立頻譜租賃協議(「轉讓協議」)，據此，本集團謹此同意將本集團所有的利益、權益、權利及補償措施或因本集團與New York Broadband LLC(「NYBB」)及New York Spectrum Holdings Company LLC(「NYSHC」)作為位於三藩市之KMMC頻道許可證及授權的出租人)就KMMC頻道所訂立的時間經紀協議/輔助頻譜租賃協議及其資產購買期權(「KMMC租約」)產生或與之相關的所有契諾、義務及負債完全出讓、轉讓、更替及讓與買方。

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The Group recognised an impairment loss on the Spectrum Disposal (“Spectrum Disposal”) as the consideration for the Assignment Agreement is less than the carrying amount of the KMMC lease as recorded in the assets classified as held for sale of the Group at Completion and the estimated expenses for the Spectrum Disposal. The Group recognised the impairment loss of approximately US\$574,000 for the year ended 31 December 2020.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2020.

LIQUIDITY AND FINANCIAL RESOURCES

The total equity attributable to the owners of the Company decreased to approximately US\$106,103,000 as at 31 December 2020 as compared with approximately US\$227,553,000 in 2019 which was mainly derived from the operation loss for the year. During the year, net proceeds of approximately US\$3,001,000 was raised by issue of new shares pursuant of the Rights Issue on 11 March 2020 and approximately US\$2,893,000 was raised by the share placement on 13 July 2020.

Current assets amounted to approximately US\$5,519,000 (2019: approximately US\$9,303,000) comprising bank balances and cash of approximately US\$447,000 (2019: approximately US\$342,000), trade and other receivables of approximately US\$970,000 (2019: approximately US\$1,352,000), amount due from a related company of approximately US\$2,212,000 (2019: approximately US\$6,662,000), amount due from an associate of approximately US\$890,000 (2019: approximately US\$947,000) and assets classified as held for sale of approximately US\$1,000,000 (2019: Nil).

Current liabilities amounted to approximately US\$8,578,000 (2019: approximately US\$17,440,000) representing trade and other payables of approximately US\$5,998,000 (2019: approximately US\$3,873,000), amounts due to shareholders of approximately US\$1,932,000 (2019: approximately US\$12,992,000), lease liabilities of approximately US\$309,000 (2019: US\$236,000) and tax payable of approximately US\$339,000 (2019: approximately US\$339,000). As at 31 December 2020, the Group’s current ratio was 0.64 (2019: 0.53).

本集團在頻譜的出售(「頻譜出售」)中確認減值，即轉讓協議的代價少於KMMC租約於本集團在完成交易時分類為待售資產中的賬面價值計及估計出售費用。本集團於截至二零二零年十二月三十一日止年度中確認虧損574,000美元。

末期股息

董事會並不建議宣派截至二零二零年十二月三十一日止年度的末期股息。

流動資金及財務資源

於二零二零年十二月三十一日，本公司擁有人應佔權益減少至約106,103,000美元，而於二零一九年為227,553,000美元，主要由於本公司擁有人應佔期內虧損所致。年內，根據二零二零年三月十一日的供股發行新股籌集的所得款項淨額約為3,001,000美元，而於二零二零年七月十三日的股份配售籌集的所得款項淨額約為2,893,000美元。

流動資產為約5,519,000美元(二零一九年：約9,303,000美元)，包括銀行結餘及現金約447,000美元(二零一九年：約342,000美元)，貿易及其他應收款項約970,000美元(二零一九年：約1,352,000美元)，應收關聯公司款項約2,212,000美元(二零一九年：約6,662,000美元)，應收聯營公司款項約890,000美元(二零一九年：約947,000美元)以及重分類至待售資產約1,000,000美元(二零一九年：無)。

流動負債為約8,578,000美元(二零一九年：約17,440,000美元)，指貿易及其他應付款項約5,998,000美元(二零一九年：約3,873,000美元)，應付股東款項約1,932,000美元(二零一九年：約12,992,000美元)，租賃負債約309,000美元(二零一九年：約236,000美元)以及應付稅項約339,000美元(二零一九年：約339,000美元)。於二零二零年十二月三十一日，本集團的流動比率為約0.64(二零一九年：約0.53)。

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On 11 March 2020, the Company raised approximately HK\$24,700,000 (equivalent to approximately US\$3,145,000) before expenses by way of issuance of 37,984,428 new shares pursuant to the Rights Issue. The Company intends to apply the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project. Details of the Rights Issue are set out in the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020, respectively.

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares of the Company for an aggregate consideration of approximately HK\$22,706,440 at the subscription price of HK\$0.50 per subscription share. The subscription was completed on 13 July 2020. The intent of the proceeds was repayment of advance from shareholders and to strengthen the general working capital of the Company.

The Group's cash and cash equivalents as at 31 December 2020 were mainly denominated in United States Dollars, Hong Kong Dollars and Renminbi.

TREASURY POLICIES

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

INDEBTEDNESS

Convertible notes of the Group as at 31 December 2020 amounted to approximately US\$53,373,000 (2019: approximately US\$47,773,000). The gearing ratio (a ratio of total loans to total assets) was approximately 28.8% (2019: approximately 15.1%), reflecting the Group's financial position was at an optimal level. Other than convertible notes, the Group did not have any bank borrowings as at 31 December 2020 (2019: Nil).

As at 31 December 2020, neither the Group nor the Company has any significant contingent liabilities (2019: Nil).

於二零二零年三月十一日，本公司根據供股發行37,984,428股新股份，籌集約24,700,000港元(扣除開支前)(約3,145,000美元)。本公司擬將供股之所得款項淨額，用於一般營運資金與開發海事項目。供股詳情請參閱本公司載於二零二零年二月十八日之供股章程及二零二零年三月十日之公告。

於二零二零年七月二日，本公司與認購人訂立認購協議，認購合共45,412,879股新股份，總代價約為22,706,440港元，認購價為每股認購股份0.50港元。認購事項已於二零二零年七月十三日完成。所得款項用於償還股東墊款及加強本公司一般營運資金。

本集團於二零二零年十二月三十一日的現金及現金等價物主要以美元、港元及人民幣計值。

庫務政策

本集團所採納之庫務政策旨在加強管理庫務運作並降低借貸成本。因此，本集團致力維持充足現金及現金等價物水平，以應付短期資金需要。董事會亦會視乎本集團之需要考慮各種資金來源，確保以最具有成本效益及效率之方式運用財政資源，以應付本集團之財務責任。本集團已經並將繼續根據其庫務政策於多間持牌銀行存置存款。董事會不時檢討並評估本集團之庫務政策，確保有關政策足夠且行之有效。

債項

於二零二零年十二月三十一日，可換股票據約53,373,000美元(二零一九年：約47,773,000美元)。而資產負債比率(貸款總額與資產總值的比率)則為約28.8%(二零一九年：約15.1%)，反映本集團之財務狀況十分穩健。除了可換股票據外，於二零二零年十二月三十一日，本集團並無任何銀行借貸(二零一九年：無)。

於二零二零年十二月三十一日，本集團及本公司概無任何重大或有負債(二零一九年：無)。

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CAPITAL COMMITMENT

As at 31 December 2020, the Group and the Company did not have any significant capital commitments (2019: Nil).

PLEDGE OF/CHARGE ON ASSETS

As at 31 December 2020, neither the Group nor the Company has pledged or charged its assets to secure its borrowings (2019: Nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 31 December 2020, the Group did not enter into any material off-balance sheet transactions (2019: Nil).

FOREIGN CURRENCY EXCHANGE RISK

Most of the assets, liabilities and transactions of the Group are denominated in United States dollars. Management of the Group considers the impact of foreign exchange risk to the Group to be insignificant and therefore, the Group did not make any hedging arrangements in the year ended 31 December 2020.

SEGMENT INFORMATION

Details of segmental information of the Group are set out in note 8 to the consolidated financial statements.

EMPLOYEE BENEFITS

The average number of employees of the Group for the year ended 31 December 2020 was approximately 25 (2019: approximately 30). The Group's staff costs (including Directors' fees and emoluments) for the year ended 31 December 2020 amounted to approximately US\$1,151,000 (2019: approximately US\$1,353,000). The Group offers a competitive remuneration package to retain elite employees, including salaries, medical insurance, discretionary bonuses, other fringe benefits as well as mandatory provident fund scheme for employees in Hong Kong. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

SHARE OPTION SCHEME

The Group adopted a share option scheme on 18 December 2015 (the "Share Option Scheme") for the purposes of providing incentives and rewards to eligible participants to recognise their contribution to the Group and enhancing their sense of ownership.

資本承擔

於二零二零年十二月三十一日，本集團及本公司並無任何重大資本承擔(二零一九年：無)。

資產抵押／質押

於二零二零年十二月三十一日，本集團及本公司並無抵押或質押其資產以確保借貸(二零一九年：無)。

資產負債表以外交易

於二零二零年十二月三十一日，本集團並無訂立任何重大的資產負債表以外交易(二零一九年：無)。

匯兌風險

本集團大部分資產、負債及買賣均以美元計值。由於集團管理層認為外匯風險對集團影響不顯著。本集團於截至二零二零年十二月三十一日止年度未有作出任何其他對沖安排。

分部資料

本集團的分部資料載於本綜合財務報表附註8。

僱員福利

截至二零二零年十二月三十一日止年度，本集團僱員的平均數目約25人(二零一九年：約30人)。截至二零二零年十二月三十一日止年度，本集團的員工成本(包括董事酬金及薪酬)約1,151,000美元(二零一九年：約1,353,000美元)。為挽留傑出人才，本集團根據集團整體及員工的個別表現，向僱員提供具競爭力的薪酬待遇，包括薪金，醫療保險，酌情花紅，其他附帶福利以及強制性公積金計劃供香港員工。本集團的薪酬政策每年進行檢討，並符合現行市場慣例。表現出色及對本集團有貢獻之僱員將分別獲得授購股權。

購股權計劃

本集團於二零一五年十二月十八日採納了一項購股權計劃(「購股權計劃」)，以激勵和獎勵符合條件的參與者，以表彰他們對本集團的貢獻並增強主人翁意識。

Management Discussion and Analysis

管理層討論及分析

The Company granted 54,956,892 share options on 17 May 2019 to certain consultants for the purpose of fund-raising activities, development of CMMB Business and seeking for new investment opportunities in CMMB Business.

As a result of the share consolidation which was effective on 12 November 2019, the exercise price per share and number of outstanding share options granted on 17 May 2019 were adjusted from HK\$0.075 to HK\$1.50 and from 54,956,892 options to 2,747,844 respectively.

As a result of the Rights Issue which was completed on 11 March 2020, the exercise price per share and number of outstanding share options granted on 17 May 2019 were further adjusted from HK\$1.50 to HK\$1.516 and from 2,747,844 options to 2,718,843 options respectively (“Outstanding Share Options”).

On 5 August 2020, the Company cancelled the above Outstanding Share Options as the exercise price of the Outstanding Share Options has been consistently high when compared with the prevailing market price of the Shares, which deters the option holders of the Outstanding Share Options (the “Existing Holders”) from exercising the Outstanding Share Options. As a result, the Outstanding Share Options could no longer serve the purpose to motivate the Existing Holders.

On 4 September 2020, the board of directors has resolved to grant share options (the “Share Options”) under the Share Option Scheme to certain eligible persons (collectively, the “Grantees”) the right to subscribe for a total of 10,896,000 ordinary shares of HK\$0.20 each in the share capital of the Company, which represents approximately 4% of the Company’s issued share capital at the date of grant.

The Group has recognised share-based payments expense in profit or loss of US\$171,000 related to equity-settled share-based payment transactions for the year ended 31 December 2020.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2020.

本公司於二零一九年五月十七日向某些顧問授出54,956,892份購股權，以集資發展CMMB業務並尋求CMMB融資項目及新投資機會。

由於股份合併於二零一九年十一月十二日生效，故每股行使價及二零一九年五月十七日授出的尚未行使購股權數目分別由0.075港元調整為1.50港元及由54,956,892份購股權調整為2,747,844股。

因供股於二零二零年三月十一日完成，故於二零一九年五月十七日授出之尚未行使購股權之每股行使價從1.50港元再調整至1.516港元，數目從2,747,844股再調整至2,718,843股（「未行使購股權」）。

於二零二零年八月五日，本公司註銷了上述尚未行使的購股權，因為與股票的現行市價相比，已行使的購股權的行使價一直處於較高水平，這會阻止購股權優先股的持有人（「現有持有人」）行使優先股。因此，未行使購股權不再能達到激勵現有持有人的目的。

於二零二零年九月四日，董事會決議根據購股權計劃授予購股權（「購股權」）授予某些合資格人士（以下統稱（「被授人」）），以認購本公司股本中總計10,896,000股每股面值0.20港元的普通股（以下簡稱（「股份」））的權利。相當於授人日公司已發行股本的4%。

截至二零二零年十二月三十一日止年度，本集團以權益結算的股份支付交易產生的購股權股份支付支出損益為171,000美元。

附屬公司、聯營公司及合營企業之重大收購或出售

截至二零二零年十二月三十一日止年度，概無持有重大投資，亦無任何重大收購或出售附屬公司、聯營公司及合營企業。

Management Discussion and Analysis

管理層討論及分析

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group is actively exploring other business opportunities and diversify its revenue stream and bring better return to the shareholders of the Company.

On 6 January 2021, the Company entered into a non-legally binding memorandum of understanding (the “MOU”), pursuant to which the Company intends to acquire a controlling stake of Ultra Intelligent Technology Co Ltd (“UIT”) (the “Potential Acquisition”) which is an award-winning technology start-up specialized in the area industrial wireless communication networking and system architecture. The consideration for the Potential Acquisition will be determined based on further due diligence and third-party evaluation on UIT, and negotiations between the management.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the shareholders of UIT is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Save as disclosed herein, the Directors currently do not have any future plans for material investments or capital assets. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group’s best interests.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 20 January 2021, the Company has resolved to grant 11,810,439 new share options to (i) seven Directors to subscribe for 1,665,000 Shares, (ii) employees to subscribe for 1,808,439 Shares and (iii) consultants to subscribe for 8,337,000 Shares, subject to their respective acceptance, under the Share Option Scheme of the Company. For details, please refer to the announcement of Company dated 20 January 2021.

有關重大投資或資本資產之未來計劃

本集團正積極探索其他商機，並多元化其收益來源，並為本公司股東帶來更好的回報。

於二零二一年一月六日，本公司訂立不具法律約束力之諒解備忘錄（「諒解備忘錄」），據此，本公司擬收購奧創智能科技有限公司（「奧創」）的控股權（「潛在收購」），一家屢獲殊榮的技術科創公司，專門從事智慧城市工業用途無線通信網絡服務。潛在收購之代價將根據對奧創作出的進一步盡職調查及第三方評估以及管理層之間的磋商釐定。

據董事經作出一切合理查詢後所深知、盡悉及確信，奧創股東各自為獨立於本公司及其關連人士（定義見上市規則）且與彼等概無關連之第三方。

除上文所披露者外，董事目前並沒有任何重大投資或資本資產之未來計劃。董事將繼續監察行業發展並定期審查其業務擴展計劃，以採取符合本集團最佳利益之必要措施。

報告期末後事項

於二零二一年一月二十日，本公司已決議授出合共11,810,439份新購股權，予(i)七名董事以認購1,665,000股股份，(ii)員工以認購1,808,439股股份，以及(iii)顧問以認購8,337,000股股份，惟須待彼等接納各自按本公司購股權計劃，方可作實。詳情載於本公司日期為二零二一年一月二十日的公告。

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管理層討論及分析

Subsequent to the year-end date, the Group entered into an assignment of the lease agreement (“Agreement”) with the purchaser, pursuant to which the Group agreed to assign, transfer, novate and convey absolutely to the purchaser all of the Group’s benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station in San Francisco entered between the Group and New York Spectrum Holdings Company LLC (“NYSHC”), as the lessor of the license and authorizations of KMMC Station (“KMMC Lease”).

The consideration paid by the purchaser for the spectrum disposal (“Spectrum Disposal”) is US\$1,000,000.

The Group recognised impairment loss on Spectrum Disposal of approximately US\$574,000 from the Spectrum Disposal, being the difference between (i) the consideration for the Assignment Agreement and (ii) the carrying amount of the lease assets as recorded in the intangible assets of the Group’s accounts at Completion and the estimated expenses for the Spectrum Disposal as at 31 December 2020.

Apart from those disclosed herein, there were no significant event after the reporting period and up to the date of this report.

於年結日後，本集團與買方（「買方」）訂立租賃協議（「協議」），據此，本集團同意轉讓，轉讓，更新及絕對向買方轉讓本集團的所有利益，權利，權益，權利和補償措施，以及本集團與New York Spectrum Holdings Company LLC（以下簡稱「NYSHC」）之間訂立的與三藩市KMMC站有關的經紀協議／輔助頻譜租賃協議和資產購買期權產生的所有契約，義務和負債，作為KMMC站的許可證和授權的出租人（「KMMC租賃」）。

就頻譜出售而支付的代價（「頻譜出售」）為1,000,000美元。

本集團頻譜出售中確認頻譜出售的減值費用約為574,000美元，即(i)轉讓協議的代價與(ii)租賃資產的賬面值之間的差額，該賬面價值記錄在無形資產的無形資產中。截至二零二零年十二月三十一日止年度，集團在完成時的賬目以及頻譜出售的估計費用。

除上文所披露者外，本集團於報告期末後至本報告日期概無任何其他重大事件。

Management Discussion and Analysis

管理層討論及分析

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

On 11 March 2020, 37,984,428 Shares were issued pursuant to the Rights Issue. Please refer to the paragraph headed "RIGHTS ISSUE" for details.

On 13 July 2020, 45,412,879 Shares were issued and allotted to the Subscribers under the Placing. Please refer to the paragraph headed "PLACING OF NEW SHARES UNDER GENERAL MANDATE" for details.

On 29 October 2020, 5,448,000 ordinary shares of the Company were issued pursuant to the exercise of share options granted under the share option scheme adopted on 18 December 2015.

Save as disclosed herein, during the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the eligibility of shareholders to attend the Annual General Meeting, which will be held on 24 May 2021, the register of members of the Company will be closed from 18 May 2021 to 24 May 2021, both days inclusive, during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration at no later than 4:30 p.m. on 17 May 2021.

買賣或贖回本公司上市證券

於二零二零年三月十一日，根據供股發行37,984,428股新股份。詳情請參閱本公告內「供股」一節。

於二零二零年七月十三日，合共配發及發行45,412,879股新股份認購股份。詳情請參閱本公告內「一般授權配售新股份」一節。

於二零二零年十月二十九日，根據於二零一五年十二月十八日採納的購股權計劃所授出的購股權獲行使後，發行了本公司5,448,000股普通股。

除本文中所載者外，年內，本公司或其任何附屬公司概無買賣或贖回本公司的任何上市證券。

暫停辦理證券登記手續

為符合出席二零二一年五月二十四日舉行的股東週年大會資格，本公司將由二零二一年五月十八日至二零二一年五月二十四日(包括首尾兩天)暫停辦理股份過戶登記手續。所有股份過戶文件連同有關股票，必須於二零二一年五月十七日下午四時三十分前，送呈本公司於香港之證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

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PROSPECTS

CMMB Business

As a result of the reassignment of frequencies, the Company has started retrofitting its broadcasting equipment to conform with new FCC guidelines and will continue to do so into 2021. The reassignment has forced certain the Company's leased stations to go silent and hence revenue suspension. Nevertheless, it also brings about new opportunities, such as co-channel sharing with more seasoned TV operators for business synergies, such as channel and revenue sharing, joint marketing, and spreading out operational costs.

The introduction of FCC's ATSC 3.0 will enable the Company's leased channels to offer unprecedented digital capabilities to garner diverse services, such as Internet broadcasting, data services, and edge device content caching targeting household and mobile users in addition to the traditional linear TV broadcasting.

The ATSC 3.0 also carries with it a general requirement for full-power stations who choose to upgrade to ATSC 3.0 to maintain its current ATSC-compatible signal for at least 5 years, while low-power stations are exempt from this simulcasting requirement. This would mean that low-power TV can act as partners for full-power TV stations to start converting some of their full power services to cater to their audiences and start the general mass market migration to ATSC 3.0 services. In other words, low-power stations can effectively serve as the transitional platform and hence many new revenue opportunities.

Silkwave, the associate of the Company, will bring together the necessary space and terrestrial technology, licenses, content and other partnerships on single platform with complete ecosystem support for in-vehicle-infotainment services in China. The Company plays the role of being a dedicated technology and service provider to Silkwave and its ecosystem partners. As China is the world's largest automobile market, with nearly 300 million cars on the road and 30 million new cars coming to the market, it will be our primary and flagship market. Silkwave also plans to expand services to other Asia countries via turnkey solution.

前景

CMMB業務

於頻率的重新分配，本公司已開始更新我們的廣播設備，以符合新的FCC準則，並將在2020年繼續這樣做。預計與重新安裝相關的資本開支相對較小。重新分配已迫使某些公司的租用電台停止廣播，從而導致收入暫停。然而，這也帶來了新的機會，例如與經驗豐富的電視運營商進行同頻道共享，以實現業務協同效應，例如頻道和收入共享，聯合營銷以及分散運營成本。

引入FCC已批准頒佈先進電視系統委員會（「ATSC」）標準第3.0版（「ATSC 3.0」），將使本公司的租用頻道能夠提供空前的數碼功能，以獲取提供各種服務的能力，例如互聯網廣播，數據服務和邊緣設備內容緩存除了傳統的線性電視廣播之外，還針對家庭和移動用戶。

對於選擇升級到ATSC 3.0的全功率電台，ATSC 3.0還提出了一般要求，以保持其當前與ATSC兼容的信號至少5年，而低功率電台則免於此聯播要求。這意味著低功率電視可以充當全功率電視台的合作夥伴，以開始將其一些全功率服務轉換為迎合受眾的需求，並開始向大眾市場過渡到ATSC 3.0服務。換句話說，低功率電台可以有效地充當過渡性的「平台」，從而帶來許多新的創收機會。

本公司已完成收購Silkwave之20%股權及獲得Silkwave額外31%認購期權。有關完成將把必要的太空和地面技術落成、牌照、內容以及其他合作夥伴聚集在一個平台上，並為中國的車載信息娛樂服務完整的產業生態鏈系統。本公司扮演著成為Silkwave及其產業生態鏈系統合作夥伴的專門技術和服務提供商的角色。由於中國是世界上最大的汽車市場，有近3億輛汽車在路上，有3000萬輛新車投放市場，因此它將成為我們的主要和旗艦市場。Silkwave還計劃通過交鑰匙解決方案將服務擴展到其他亞洲國家。

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Silkwave has also enlisted a top-tier investment bank to lead its fundraising to procure a new-generation satellite to replace its retiring AsiaStar satellite and to support commercial development. The new satellite is expected to have 100 times the power level to multiply Silkwave's capability to support large-scale mass-market commercial deployment. Currently it is awaiting regulatory approval in China.

Trading Business

There are several factors affecting the business, including life cycle for our clients' electronic products, saturating demand for generic PCB, export limitation, increasing trade tension between China and the US, which combined to contribute to a somewhat negative outlook for the PCB business. As a result, we anticipate our trading business will continue to face challenging times in the year ahead. To tackle that, the Company is ramping up its R&D and up-grading its product capabilities to more niched and higher value-added products, such as the upcoming satellite and connected-car electronics, which the Company has recently tremendous expertise and industry relationship.

Development of Maritime Project

Earlier in the year, the Company has announced that it has commenced satellite multimedia service for ships and boats in China via partnership with Sino Satellite Communications Co., Ltd. The number of ships covered by the service has been steadily increasing as the maritime entertainment industry expands. The Company is also working to expand the business by incorporating its AsiaStar mobile satellite broadcasting capability to provide more expansive services over the South China Sea, potentially servicing the millions of fishing boats, commercial freighters and cruise liners and their many more passengers and operators.

The maritime application leverages on the Company's satellite connected-car multimedia technology ecosystem and is readily adoptable. Trial service is underway. The Company's AsiaStar is a pan-Asia satellite which covers the whole Southeast Asia and the 9 million square miles of the South China Sea in addition to China. While the Company is awaiting regulatory approval for its connected-car business in China, it will explore different business opportunities in the Southeast Asian region by providing turnkey solution and creating franchising arrangement with different regional operators to jump-start its satellite multimedia business.

Silkwave還聘請了一家頂級投資銀行來領導其融資活動，以購買新一代衛星來代替其退役的公司的亞洲之星(「AsiaStar」)衛星並支持商業發展。新衛星的功率水平有望達到100倍，從而使Silkwave的能力得到提升，以支持大規模大眾市場商業部署。目前，它正在等待中國的監管部門批准。

貿易業務

影響業務的因素有很多，包括我們客戶電子產品的生命週期、對通用印刷電路板的需求飽和、出口限制、中美之間的貿易緊張加劇的局勢，加在一起對印刷電路板業務的前景造成負面的影響。因此，我們預計我們的貿易業務將在來年繼續面臨充滿挑戰的時期。為了解決這個問題，該公司正在加大研發力度，並將其產品能力升級到更細分的，更高附加值的產品，例如即將推出的衛星和車載電子產品，該公司最近在該領域擁有豐富的專業知識和行業關係。

開發海事項目

本公司已於今年初宣佈，已與鑫諾衛星有限公司合作，開始在中國為船舶和船隻提供衛星多媒體服務。隨著海上娛樂業的發展，該服務所涵蓋的船舶數量一直在穩步增長。本公司還致力於通過合併其亞洲之星移動衛星廣播功能來擴展業務，以在南中國海提供更多的擴展服務，從而有可能為數百萬的漁船、商業貨輪和郵輪及其更多的乘客和運營商提供服務。

海上應用程式利用了本公司的衛星車載多媒體技術生態系統，並且易於採用。該業務正在試運行中。本公司的AsiaStar是泛亞洲的衛星，它覆蓋了整個東南亞以及除中國外的900萬平方英里的南中國海。在本公司等待其在中國的聯網汽車業務獲得監管批准的同時，它將通過提供統包解決方案並與不同地區的運營商建立特許經營安排，探索東南亞地區各種商機，以迅速啟動其衛星多媒體業務。

Management Discussion and Analysis

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FUNDRAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has conducted the following fundraising activity in the past twelve months immediately preceding the date of this annual report:

本公司於前12個月內進行的集資活動

於緊接本年報日期之前過往十二個月內，本公司曾進行以下集資活動：

| Date of announcement | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds as at the date of this report | Unutilised use of proceeds as at the date of this report |
|----------------------|---|-----------------------------|--|---|---|
| 公佈日期 | 事件 | 所得款項淨額 | 所得款項擬訂用途 | 於本報告日期所得款項實際用途 | 於本報告日期未動用之所得款項 |
| 10 March 2020 | Issuance of 37,984,428 new shares pursuant to the Rights Issue | Approximately US\$3,001,000 | General working capital for operations and business development | <ul style="list-style-type: none"> Administrative and operating expenses of approximately US\$1,275,000 Marketing development and promotion expenses of approximately US\$1,380,000 General working capital of an associate of approximately US\$128,000 Development of maritime project of approximately US\$218,000 | <ul style="list-style-type: none"> Administrative and operating expenses: Nil Marketing development and promotion expenses: Nil General working capital of an associate: Nil Development of maritime project: Nil |
| 二零二零年三月十日 | 根據供股發行37,984,428股新股份 | 約3,001,000美元 | 本集團營運及業務發展的一般營運資金 | <ul style="list-style-type: none"> 行政及營運開支概約1,275,000美元 市場開發及推廣開支1,380,000美元 聯營公司之一般營運資金概約128,000美元 開發海事項目：概約218,000美元 | <ul style="list-style-type: none"> 行政及營運開支：無 市場開發及推廣開支：無 聯營公司之一般營運資金：無 開發海事項目：無 |
| 2 July 2020 | Placing of 45,412,879 new shares under general mandate granted by the Shareholders at the annual general meeting on 2 June 2020 | Approximately US\$2,893,000 | Repayment of advances from shareholders and general working capital for operations | <ul style="list-style-type: none"> Repayment of advances from shareholders of US\$2,873,000 Administrative and other operations expenses of US\$20,000 | <ul style="list-style-type: none"> Repayment of advances from shareholders: Nil Administrative and other operations expenses: Nil |
| 二零二零年七月二日 | 根據股東於二零二零年六月二日之股東週年大會授出的一般授權配售45,412,879股新股份 | 約2,893,000美元 | 償還股東墊款及本集團的一般營運資金 | <ul style="list-style-type: none"> 償還股東墊款2,873,000美元 行政及其他營運開支20,000美元 | <ul style="list-style-type: none"> 償還股東墊款：無 行政及其他營運開支：無 |

Save as abovementioned, the Company had not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this annual report.

除上述者外，本公司於緊接本年報日期前12個月內無進行任何其他集資活動。

Directors and Senior Management

董事及高級管理層

BOARD OF DIRECTORS

As at 31 December 2020, the Board consisted of 7 directors comprising 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors. The information on the Directors is set forth below.

EXECUTIVE DIRECTORS

Mr. WONG Chau Chi (“Mr. Wong”), aged 56, was appointed as an executive Director in May 2007. Mr. Wong is currently the chief executive of the Group and the chairman of the Board. Mr. Wong has extensive experiences in finance, technology and industrial management, working for a variety of companies including Goldman Sachs, Citibank, and BNP Paribas, and McKinsey, and General Electric. Mr. Wong graduated from the Pomona College in the US with a BA in Economics and International Relations, from the Harvard Kennedy School of Government with an MPP, and matriculated by the St. Antony’s College, Oxford reading Political History. Mr. Wong did not hold any position nor directorship in other listed companies in the three preceding years.

董事會

於二零二零年十二月三十日，董事會由七名董事組成，其中包括二名執行董事、二名非執行董事及三名獨立非執行董事。董事資料載於下文。

執行董事

黃秋智先生（「黃先生」），56歲，於二零零七年五月獲委任為執行董事。黃先生現時為本集團的首席執行官及董事會主席。黃先生於財務、技術及行業管理方面累積廣泛經驗。曾於高盛集團、花旗銀行，法國巴黎銀行，麥肯錫，通用電氣等跨國企業工作。黃先生畢業於美國波莫納學院(Pomona College)取得經濟及國際關係專業的文學學士學位，畢業於哈佛大學肯尼迪政治管理學院(Harvard Kennedy School of Government)取得公共政策碩士學位，亦於牛津大學聖安東尼學院(St. Antony’s, Oxford)深造政治歷史。黃先生於過往三年並無於其他上市公司擔任任何職位或董事職務。

Directors and Senior Management

董事及高級管理層

Dr. LIU Hui (“Dr. Liu”), aged 52, was appointed as a non-executive director in November 2009 and re-designated to an executive director in May 2011. Dr. Liu is currently the chief technology officer of the Group and the vice-chairman of the Board. Dr. Liu is one of the world’s leading telecommunications engineers and inventors. He was the primary inventor of over 70 granted or pending telecommunications patents, including more than twenty patents in the core OFDMA technology that underlies LTE, Mobile WIMAX and CMMB. He architected CMMB, which had its inaugural launch at the 2008 Beijing Olympics and is now being used in 330 cities in the PRC. As an international renowned telecom expert, he is also one of the original designers of TD-SCDMA (one of the ITU 3G standards) and a pioneer of OFDMA mobile networks. Dr. Liu holds a Bachelor of Science degree in electrical engineering from the Fudan University and a PhD degree from the University of Texas in Austin. He was a full professor/vice-chair at the Department of Electrical Engineering of the University of Washington, and then the associate dean at the School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University. His research interests include broadband mobile networks, satellite communications, vehicular and IoT networks, and machine learning. He has received a number of awards, including a Fellow of IEEE (Communications Society), the 1997 National Science Foundation CAREER Award, the ONR Young Investigator Award, and the Gold Prize Patent award for his contributions on the TD-SCDMA technology. Dr. Liu is representing the Company as a key member in the ITU-T Focus Group on vehicular multimedia, which was established for vehicular multimedia services and infotainment applications based on space and terrestrial networks integration. He is a director of Silkwave Holdings Limited. Dr. Liu did not hold any position nor directorship in other listed companies in the three preceding years.

劉輝博士（「劉博士」），52歲，於二零零九年十一月獲委任為非執行董事，並於二零一一年五月調任為執行董事。劉博士現擔任本集團的首席技術官及董事會副主席。劉博士乃世界頂尖通訊專家及發明人之一。彼為超過70項已授出或有待授出通訊專利的主要發明人，其中包括超過20項LTE、Mobile WIMAX及CMMB相關核心OFDM技術。彼開發的CMMB於二零零八年北京奧運會上首次亮相，現已廣泛用於中國330個城市。彼為國際知名電信專家、ITU 3G移動通訊系統TD-SCDMA的原設計師之一及OFDMA移動網絡的創始人之一。劉博士持有復旦大學電氣工程理學學士學位及德克薩斯大學奧斯汀分校博士學位。劉博士於過往曾經擔任上海交通大學電信學院副院長及華盛頓大學電子工程系終身教授。劉博士的研究方向包括寬帶無線網絡、衛星通信、車聯網及物聯網以及機器學習人工智能。彼榮獲多項獎勵，包括IEEE Communications Society的資深會士資格、於一九九七年獲National Science Foundation (NSF) CAREER Award、ONR Young Investigator Award及就其對TD-SCDMA的貢獻獲頒發專利獎金獎。劉博士代表本公司成為ITU-T工作組的主要成員。該工作組為下一代基於廣播及電信的車載多媒體及信息娛樂系統提供綜合技術平台。劉博士亦為Silkwave Holdings Limited的董事。劉博士於過往三年並無於其他上市公司擔任任何職位或董事職務。

Directors and Senior Management

董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. CHOU Tsan-Hsiung (“Mr. Chou”), aged 78, was appointed as an independent non-executive Director in June 2005 and was subsequently re-appointed as a non-executive director in September 2005. Mr. Chou graduated with a Bachelor of Law degree from the National Chengchi University and is a member of the Taipei Bar Association. Mr. Chou is currently a practicing lawyer with the Best Truth Law Firm in Taiwan. Mr. Chou previously worked in the Legal Affairs Office of the Central Trust of China. Mr. Chou did not hold any position nor directorship in other listed companies in the three preceding years.

Mr. YANG Yi (“Mr. Yang”), aged 57, was appointed as a non-executive director in February 2007. Mr. Yang first graduated from the Beijing University with a Bachelor of Arts degree in International Politics in 1987 and was awarded a scholarship of Japanese Education Ministry, to attend Tokyo University in the same year. In 1991, Mr. Yang was awarded a Master of Arts degree in Law & Diplomacy by the Fletcher School of Law and Diplomacy, which was jointly administrated by the Tufts University and Harvard University. Mr. Yang has over 28 years of experience in finance and management. The major appointments and positions previously assumed by Mr. Yang include being a financial analyst at the fixed income division of J.P. Morgan Securities (Tokyo), a vice-president of Fixed Income Sales at Goldman Sachs LLP (New York), a managing director of A.T. Kearney Management Consultancy (Hong Kong). At present, Mr. Yang is the director and founder of G Bridge Limited, a Hong Kong based financial advisory firm. Mr. Yang did not hold any position nor directorship in other listed companies in the three preceding years.

非執行董事

周燦雄先生（「周先生」），78歲，於二零零五年六月獲委任為獨立非執行董事，其後於二零零五年九月調任為非執行董事。周先生畢業於台灣國立政治大學，取得法律學士學位，並為台北律師公會會員。周先生現任台灣至理法律事務所的執業律師。周先生過往的工作經驗包括任職於中國中央信託局法律事務室。周先生於過往三年並無於其他上市公司擔任任何職位或董事職務。

楊毅先生（「楊先生」），57歲，於二零零七年二月獲委任為非執行董事。楊先生最先於一九八七年在北大學畢業，取得國際政治文學學士學位，並於同年獲日本文部省獎學金赴東京大學研修。於一九九一年，楊先生於塔夫茨大學及哈佛大學聯辦的弗萊徹法律及外交學院取得法律及外交文學碩士學位。楊先生於金融及管理諮詢行業擁有約二十八年經驗。楊先生曾擔任的重大委任及職務包括J.P. Morgan Securities (Tokyo) 固定收入部門財經分析員、Goldman Sachs LLP (New York) 副總裁、A.T. Kearney Management Consultancy (Hong Kong) 董事總經理。目前，楊先生為濟橋有限公司的董事及創立人，一間以香港為基地的投資諮詢顧問公司。楊先生於過往三年並無於其他上市公司擔任任何職位或董事職務。

Directors and Senior Management

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LI Shan (“Dr. Li Shan”), aged 57, was appointed as a non-executive Director in October 2009 and re-appointed as an independent non-executive director in March 2010. Dr. Li Shan graduated from the School of Economics and Management at the Tsinghua University with a Bachelor of Science degree in Management Information Systems in 1986, from the University of California Davis with a Master of Arts degree in Economics in 1988, and from the Massachusetts Institute of Technology with a PhD degree in Economics in 1993. After graduation, Dr. Li Shan worked as an international economist for Goldman Sachs & Co. In 1995, he became an executive director of the investment research department at Goldman Sachs (Asia), and in 1997, he became an executive director of investment banking at Goldman Sachs International in London. From 1999 to 2001, Dr. Li Shan was the managing director and the head of China investment banking at Lehman Brothers. During 2001 to 2005, Dr. Li Shan was the chief executive officer for the Bank of China International Holdings (“BOCI”) in Hong Kong. Dr. Li Shan has over 27 years of experience in investment banking and related financial management. At present, Dr. Li Shan is a founding partner for San Shan (HK) Limited, an investment advisory company based in Hong Kong, the CEO of Silk Road Finance Corporation Limited, the vice-chairman of the Institute for Governance Studies at Tsinghua University. Dr. Li Shan was also a director of Credit Suisse Group. Save as aforesaid, Dr. Li Shan did not hold any position nor directorship in other listed companies in the three preceding years.

獨立非執行董事

李山博士（「李山博士」），57歲，於二零零九年十月獲委任為非執行董事，其後於二零一零年三月調任為獨立非執行董事。一九八六年畢業於清華大學經管學院並取得管理信息系統學士學位、一九八八年於加州大學戴維斯分校取得經濟學碩士學位，並於一九九三年取得麻省理工學院經濟學博士學位。李山博士畢業後加入Goldman Sachs & Co.擔任國際經濟師。一九九五年，彼成為Goldman Sachs (Asia)投資研究部執行董事，接著於一九九七年在倫敦出任Goldman Sachs International投資銀行部執行董事。一九九九年至二零零一年間，李山博士為雷曼兄弟董事總經理及中國投資銀行部主管。二零零一年至二零零五年間，李山博士為香港中銀國際控股有限公司（「中銀國際」）行政總裁。李山博士於投資銀行及相關的財務管理擁有逾二十七年經驗。目前，李山博士為香港投資顧問公司三山（香港）有限公司之創辦合夥人、絲路金融有限公司之首席執行官、清華大學國家治理研究院副理事長。李山博士亦曾擔任瑞士信貸集團的董事。除上文所述者外，李山博士過去三年內並無於任何其他上市公司出任任何職位或董事職務。

Directors and Senior Management

董事及高級管理層

Dr. LI Jun (“Dr. Li Jun”), aged 59, was appointed as a non-executive Director in June 2007 and re-designated to an independent non-executive director in May 2011. Dr. Li Jun obtained a doctorate degree for philosophy in political economy from the Oxford University in the United Kingdom. He was a senior manager and a director for a number of securities and investment companies in Hong Kong and had extensive experience in international financial markets. Dr. Li Jun is an independent non-executive director in Hengxin Technology Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited. Save as aforesaid, Dr. Li Jun did not hold any position nor directorship in other listed companies in the three preceding years.

Mr. Chow Kin Wing (“Mr. Chow”), aged 39, he holds a Bachelor degree in Accounting and Finance from the Queensland University of Technology, Australia. He is an associate member of Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has more than 13 years of experience in financial management, auditing and accounting in an international accounting firm and a listed company in Hong Kong. Mr. Chow was the chief financial officer and company secretary of China Fortune Investments (Holding) Limited, (stock code: 8116), a company listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. Chow was also an independent non-executive director of Hong Kong Finance Investment Holding Group Limited. (stock code: 7) listed on the main board of the Stock Exchange during the period from May 2020 to October 2020. Save as aforesaid, Mr. Chow did not hold any directorship in other listed companies in the three preceding years.

SENIOR MANAGEMENT

Ms. LI Qun (“Ms. Li”) is a managing director of our China business operation. Ms. Li has over 20 years of experience in CMMB/DTH chipset design and CMMB network system integration. She was the co-founder of Telepath Technologies Co., Ltd. and the chief operating officer for TiMi Technologies Co., Ltd., a company formed by the Chinese Academy of Broadcasting Science at National Radio and Television Administration (“NRTA”). She holds a bachelor’s degree in Science from the Shanghai Jiao Tong University and a master degree in Science from the Tsinghua University.

李珺博士 (「李珺博士」), 59歲, 於二零零七年六月獲委任為非執行董事及於二零一一年五月調任為獨立非執行董事。李珺博士獲授英國牛津大學政治經濟學博士學位。彼曾任職香港多間知名證券及投資公司的高級經理及董事, 並在國際金融市場擁有相當豐富經驗。李珺博士為亨鑫科技有限公司(一間於香港聯合交易所有限公司主板上市之公司)之獨立非執行董事。除上文所述者外, 李珺博士過去三年內並無於任何其他上市公司出任任何職位或董事職務。

周建榮先生 (「周先生」), 39歲, 彼持有澳洲昆士蘭科技大學之會計及金融學士學位。彼為香港會計師公會會員、香港特許秘書公會會員及英國特許秘書及行政人員公會會員。彼於一間國際會計師行及一間香港上市公司擁有逾十三年財務管理、核數及會計經驗。周先生曾於為中國幸福投資(控股)有限公司(股份代號: 8116, 一間於香港聯合交易所有限公司(「聯交所」)GEM上市之公司)之首席財務官及公司秘書。周先生亦曾於二零二零年五月至二零二零年十月期間擔任聯交所主板上市公司(股份代號: 7)的獨立非執行董事。除上文所述者外, 周先生於過往三年並無於其他上市公司擔任董事職務。

高級管理層

李群女士 (「李女士」), 為負責中國業務運營的董事總經理。李女士擁有超過20年的CMMB/DTH芯片組設計和CMMB網絡系統集成經驗。彼曾經為北京泰合志恆科技有限公司的聯合創始人及國家廣播電影電視總局廣播科學研究院北京泰美世紀科技有限公司的首席運營官。李女士持有上海交通大學工學學士學位和清華大學工學碩士學位。

Corporate Governance Report

企業管治報告書

The directors recognise the importance of incorporating good corporate governance in the management structures and internal control procedures of the Group to promote effective accountability and deliver maximum benefits to the shareholders.

CODE OF CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Listing Rules. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

The Board considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the CG Code throughout the year ended 31 December 2020 except:

(i) The Company has been deviated from the code provision A.2.1 of the CG Code, as the roles of chairman and chief executive of the Company were not separate. With effect on 19 May 2008, Mr. Wong was re-designated as the chairman while also serving as the chief executive of the Company. According to the code provision A.2.1 of the CG Code, the roles of a chairman and a chief executive should be separate and should not be performed by the same individual. Given Mr. Wong has had extensive experience in the business of the Group and has performed satisfactorily since his joining of the Company in 2007, particularly in soliciting new possible business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would be beneficial for the Group if Mr. Wong is also in charge of overseeing the Company’s operations as the chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

董事深信本集團的管理架構及內部監控程序必須具備優良的企業管治元素，方可促成有效問責，使得股東利益最大化。

企業管治守則

本公司已採納上市規則附錄十四所載企業管治常規守則（「企業管治守則」）之守則條文。董事會將繼續檢討及改善本公司之企業管治常規及準則，確保業務活動與決策過程獲得恰當而審慎之監管。

董事會認為本公司之良好企業管治是保障股東權益及提升本集團表現的關鍵。董事會致力於維持及確保高水平的企業管治。本公司已於截至二零二零年十二月三十一日止年度內引用原則及遵守企業管治守則的所有適用守則條文，惟

(i) 由於公司主席及首席執行官的角色並無區分，故本公司已偏離企業管治守則的守則條文A.2.1。由二零零八年五月十九日起，黃先生調任本公司主席，並同時任本公司首席執行官。根據企業管治守則的守則條文A.2.1，主席及首席執行官應予以區分，不應由同一人擔任。鑑於黃先生於本集團業務擁有豐富經驗，且自二零零七年加入本公司以來表現甚佳，特別是在為本公司日後發展尋求潛在新商機及制訂整體策略規劃方面，董事會認為黃先生擔任本公司主席負責監督本公司經營將令本集團受惠。董事會認為，該架構不會損害董事會與本集團管理層之權責平衡。董事會將定期檢討此項安排的成效。

Corporate Governance Report

企業管治報告書

(ii) Sections A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Board has considered the merits of establishing a nomination committee but has concluded that it is in the best interests of the Company and potential new appointees that the Board collectively reviews and approves the appointment of any new Director as this allows a more informed and balanced decision to be made by the Board as to suitability for the role.

(ii) 《企業管治守則》第A.5.1至A.5.4條有關成立提名委員會、其職權範圍及資源的條文。董事局已審視成立提名委員會的好處，但最後認為由董事局集體審核及批准新董事的委任，乃合乎公司及獲推薦新董事的最大利益，因為在這情況下，董事局可就其能否勝任董事職務，作出更平衡和有根據的決定。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a revised code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards under the revised Model Code for Securities Transactions by Directors of Listed Issues (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the year ended 31 December 2020 and all the directors confirmed that they have fully complied with the required standard set out in the Model Code and the code of conduct throughout the year ended 31 December 2020.

董事進行證券交易的標準守則

本公司已採納就董事進行證券交易之採納條款(已修訂)不遜於與上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」已修訂)所規定的標準。本公司已向所有董事作出具體查詢，查詢其於截至二零二零年十二月三十一日止年度內有否違反標準守則，所有董事確認於截至二零二零年十二月三十一日止年度內一直遵守標準守則及行為準則所載的規定準則。

BOARD OF DIRECTORS

Board Composition

The Board should have a balance of skills and experience appropriate for the business of the issuer to ensure that changes to its composition can be managed without undue disruption. The Company is committed to the view that the Board should maintain a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that the Board has a strong independence element which steers its judgments to be made independently and objectively. The Directors during the year and up to the date of this report are:

董事會

董事會組成

董事會須兼備發行人業務所需的技能及經驗，以確保董事會成員的更替不會造成不必要的業務中斷。本公司深信，董事會的執行與非執行董事(包括獨立非執行董事)人數應平衡，確保董事會高度獨立，有助作出獨立客觀判斷。本年度及截至本報告日期，董事為：

| | | | |
|-------------------------------------|--|---------|--|
| Executive Directors | Mr. WONG Chau Chi (<i>Chairman</i>) Dr. LIU Hui (<i>Vice-Chairman</i>) | 執行董事 | 黃秋智先生(<i>主席</i>) 劉輝博士(<i>副主席</i>) |
| Non-executive Directors | Mr. CHOU Tsan-Hsiung Mr. YANG Yi | 非執行董事 | 周燦雄先生 楊毅先生 |
| Independent Non-executive Directors | Dr. WANG Wei-Lin (<i>Note 1</i>) Dr. LI Shan Dr. LI Jun Mr. CHOW Kin Wing (<i>Note 2</i>) | 獨立非執行董事 | 王偉霖博士 李山博士 李珺博士 周健榮先生 |

Corporate Governance Report

企業管治報告書

Notes:

1. Dr. WANG Wei-Lin resigned as an independent non-executive Director with effect from 31 May 2020 due to devotion to his personal business development.
2. Mr. CHOW Kin Wing was appointed as an independent non-executive Director on 12 October 2020.

As at 31 December 2020, the Board was comprised of two executive Directors (who were also the chairman and vice-chairman of the Company) and five non-executive Directors. Of the five non-executive Directors, three of them are independent non-executive Directors which represent more than one-third of the Board.

The principal focus of the Board is on the overall strategic development of the Group. The Board also monitors the financial performance and the internal controls of the Group's business operations. The non-executive Directors bring a wide range of expertise and a balance of skills to allow independent assessments be made on issues of strategic direction, development, performance and risk management through their contribution at the Board and committee meetings.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive Director as independent in character and judgment, and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules regarding the guidelines for the assessment of independence of Directors respectively. The Company believes that all independent non-executive Directors have been complied with the relevant guidelines as stipulated in such rule and are still considered as independent. The independent non-executive Directors are explicitly identified in all corporate communications.

附註：

1. 於二零二零年五月三十一日，王偉霖博士將致力發展其個人業務，辭任本公司獨立非執行董事。
2. 於二零二零年十月十二日，周建榮先生獲委任為本公司獨立非執行董事。

於二零二零年十二月三十一日，董事會由兩名執行董事(同為本公司主席及副主席)及五名非執行董事組成。在五名非執行董事中，三名為獨立非執行董事，佔董事會超過三分之一。

董事會的工作重點為本集團的整體策略發展。董事會亦負責監察財務表現及對本集團的業務營運進行內部監控。憑藉廣泛的專業知識及技能，非執行董事透過參與董事會會議及委員會工作，就策略方向、發展、表現及風險管理等事宜作出獨立判斷。

獨立非執行董事亦擔當確保及監察有效企業管治架構基礎的重要職能。董事會認為，每名獨立非執行董事在角色及判斷方面均屬獨立，且彼等均符合上市規則的規定的特定獨立標準。本公司已接獲每名獨立非執行董事，分別向本公司提交其年度獨立性確認書，確認其已符合上市規則第3.13條有關評核董事獨立性指引的相關規定。本公司相信，全體獨立非執行董事均一直遵守該規則所載的相關指引，且仍然被視為保持獨立身份。

Corporate Governance Report

企業管治報告書

Following the resignation of Dr. WANG Wei-Lin on 31 May 2020, the number of independent non-executive Directors has reduced from three to two, falling below the requirements under Rules 3.10(1) and 3.10A of the Listing Rules. The Company had been considering potential candidates for appointment as an independent non-executive Director during such period. However, given that it has taken longer than expected to identify a suitable candidate who would offer the range of skills and experience to best complement the Board and the Company and in view of the additional time required for the appointment of a new independent non-executive Directors the Company has applied for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with Rules 3.10(1) and 3.10A of the Listing Rules in respect of the number of independent non-executive Directors until 11 October 2020. Following the appointment of Mr. CHOW Kin Wing on 12 October 2020, the Company has fully complied with the requirement under Rules 3.10(1) and 3.10A of the Listing Rules requiring a sufficient number of independent non-executive Directors to be appointed and that at least one of the independent non-executive Directors has the appropriate professional qualifications or accounting or related financial management expertise.

Appointment, Re-election and Removal

The Company has implemented a set of formal, prudent and transparent procedures for the appointment of new Directors to the Board. The Company has also put in-place plans for the orderly succession of the Board. All Directors are subject to retirement by rotation and are eligible for re-election at the annual general meeting in accordance with the Articles of Association provided that every Director shall be retired at least once every three years. The Board must explain the reasons for the resignation, re-election or removal of any Director.

There is no relationship (including financial, business, family or other material or relevant relationships) among the members of the Board.

Responsibilities of Directors

Every Director is aware that he should devote sufficient time and attention to the affairs of the Company.

The Directors are kept informed from time to time on the latest development of any changes to the regulatory requirements and the progress of compliance with applicable rules and regulations by the Company. The Directors of the Company are also updated from time-to-time on the latest business developments and operational plans of the Company.

隨著王偉霖博士於二零二零年五月三十一日辭任後，獨立非執行董事的人數由三名減至二名，少於上市規則第3.10(1)及3.10A條所規定。本公司於過去期間一直物色能擔任獨立非執行董事的潛在人選。然而，鑑於物色具備適合能力及豐富經驗，且最能輔助董事會和本公司的恰當人選所需時間較預期為長，而本公司認為需要額外時間以完成委任新獨立非執行董事，故本公司已申請，而聯交所已向本公司授予豁免嚴格遵守上市規則第3.10(1)條及第3.10A條有關獨立非執行董事的人數，並將豁免期延長至二零二零年十月十一日。在於二零二零年十月十二日委任周建榮先生後，本公司已全面遵守上市規則第3.10(1)條及第3.10A條的規定，委任足夠數量的獨立非執行董事，且至少有一名獨立非執行董事具備適當的專業資格，或具備適當的會計或相關的財務管理專長。

委任、重選及罷免

本公司已實施一套正式、審慎且具透明度的程序委任董事會新董事，亦已訂立到位計劃，確保董事會的承接有序。全體董事須根據章程細則於股東週年大會上輪席告退及有資格膺選連任，惟每名董事須最少三年告退一次。董事會須解釋任何董事的辭任、重選或罷免的原因。

董事會成員之間不存在任何關係(包括財務、業務、家庭或其他重要或相關關係)。

董事的責任

各董事知悉，彼等應對本公司事務投放足夠的時間和精力。

董事將不時獲提供有關監管規定任何變動的最近發展及本公司遵守適用規則及規例的進展情況。本公司董事亦會不時獲提供本公司最新的業務發展及營運計劃。

Corporate Governance Report

企業管治報告書

In compliance with code provision A.6.5 of Corporate Governance Code, the Company will arrange for, and provide funds for, all the Directors to participate in continuous professional development organised in the form of in-house training, seminars or other appropriate courses to keep them abreast of their knowledge, skills and understanding of the Group and its business and the latest development or changes in the relevant statutes, including the Listing Rules, the Corporate Governance Code and corporate governance practices. A newly appointed Director would receive an induction training covering the statutory and regulatory obligations of a Director of a listed company. Circulars or guidance notes are issued to Directors and senior management by the Company, where appropriate, to ensure awareness of the Corporate Governance Code and corporate governance practices.

Regarding the Listing Rules' requirement for directors to obtain a general understanding of an issuer's business and to follow up on matters brought to their attention, it is considered that the current arrangements for keeping the Board informed of the Company's business performance through regular presentations and/or reports by management at Board meetings, providing directors with complete, sufficient and adequate information, and providing the Board with timely reports on urgent key events at ad hoc Board meetings are effective and satisfy the requirements. To improve on existing practices, a management report covering key business issues and the financial performance of the Company has been made available to the Directors on a regular basis throughout the year. A Director can contact management of the Company individually and independently.

Directors' Training and Continuous Professional Development

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills to contribute to the Company throughout the year. During the year, they have attended various external seminars and briefings relating to the roles, functions and duties of a listed company director and the latest developments in regulatory requirements.

The Company plans to establish a set of continuous professional development guidelines with details on directors' training for the coming years, including a timeline explaining the suggested timetable and the relevant suggested materials for Directors on an annual basis. The Company will confirm with all the Directors on their participation in the relevant training for updating their technical expertise so that they can contribute and provide valuable inputs to the Company's development.

為遵守企業管治守則條文第A.6.5條，本公司將就全體董事參加以內部培訓、研討會或其他適當的課程形式的持續專業發展作出安排並提供資金，使彼等更新其知識、技能及對本集團及其業務的理解，或使彼等在有關法規、上市規則及企業管治守則及常規的最新發展或變動方面更新技能及知識。新委任的董事將接受內容包括上市公司董事法定監管義務的入門培訓。本公司會在適當情況下向董事及高級管理層發出通函或指引，確保彼等知悉最佳企業管治守則及常規。

通過定期舉行的董事會會議中作出演示及／或報告，管理層及時通知董事會公司的業務表現，提供完整、充足及適當的資料予董事，並通過特別董事會會議及時向董事會報告緊急的重要事件。關於上市規則中，董事須對發行人業務有所了解並跟進所有突發事件的要求為有效的，且已滿足了其要求。為改善現行的做法，本公司於全年已定期向董事提供管理報告，涵蓋本公司的關鍵業務問題及財務狀況。全體董事均可個別及獨立接觸本公司管理層人員。

董事培訓和持續專業發展

全體董事均了解持續發展並更新其知識和技能對於全年為本公司作出貢獻十分重要。於年內，他們已出席了若干培訓，包括與董事職責相關主題的研討會／課程。

本公司計劃制定一套持續專業發展指引，詳細列出未來數年的董事培訓，包括時間表，每年解釋建議的時間表及董事的相關建議資料。本公司確保所有董事均參與相關培訓，以更新其技術專長，以便他們可為本公司的發展作出貢獻及提供寶貴意見。

Corporate Governance Report

企業管治報告書

The table below summarises the participation of the Directors in training during the Year and up to the date of this report:

年內及直至本報告刊發日期，公司董事培訓之參與載如下表：

Attending training organised by professional organisations and/or reading materials updating on new rules and regulations
出席由專業機構籌辦的培訓及閱覽有關新規例及規則的材料

Name of Director

董事姓名

Executive Directors:

執行董事：

Mr. WONG Chan Chi (*Chairman and Chief Executive*)
Dr. LIU Hui (*Vice Chairman*)

黃秋智先生(主席兼行政總裁)
劉輝博士(副主席)

✓
✓

Non-executive Directors:

非執行董事：

Mr. CHOU Tsan-Hsiung
Mr. YANG Yi

周燦雄先生
楊毅先生

✓
✓

Independent Non-executive Directors:

獨立非執行董事：

Dr. WANG Wei-Lin*
Dr. LI Shan
Dr. LI Jun
Mr. CHOW Kin Wing**

王偉霖博士
李山博士
李珺博士
周建榮先生

✓
✓
✓
✓

* Dr. WANG Wei-Lin resigned as an independent non-executive Director on 31 May 2020 due to devotion to his personal business development.

* 於二零二零年五月三十一日，王偉霖博士將致力發展其個人業務，辭任本公司獨立非執行董事。

** Mr. CHOW Kin Wing was appointed as an independent non-executive Director on 12 October 2020.

** 於二零二零年十月十二日，周建榮先生獲委任為本公司獨立非執行董事。

Chairman and Chief Executive

During the year, Mr. Wong served as the chairman and the chief executive of the Company. The chairman is responsible for the overall business development and operation strategy of the Group. The primary responsibilities of the chief executive of the Company are to provide leadership for the management of the Company, take a lead to implement the Company's business strategies and oversee the performance of management in achieving corporate goals.

Terms of Appointment of Non-executive Directors and Independent Non-executive Directors

Each of the non-executive Directors and the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of one year. The term of each of the non-executive Directors and the independent non-executive Directors shall be automatically renewable for another successive term of one year commencing from the next day after the expiry of their then current term of appointment, subject to retirement by rotation and re-election at the annual general meeting pursuant to the Company's Articles of Association ("Articles"), unless terminated by a not-less-than three months' notice in writing served by either the respective non-executive Director or independent non-executive Director expiring at the end of the initial term or at any time thereafter.

Board Meetings and Procedures

The Board meets regularly throughout the year, including up to the date of this annual report, to review the overall business, financial and technical strategies and to monitor the financial performance of the Group under senior management who is delegated with supervising the day-to-day management and operation of the Group and the execution of plans for the Group as approved by the Board. The chairman is primarily responsible for drawing up and approving the agenda for each Board meeting in consultation with all the Directors. Notices of at least 14 days should be provided to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda if necessary. The agenda and accompanying Board papers in respect of these regular Board meetings are sent out to all Directors with a reasonable lead time before the Board meetings. Draft minutes of all Board meetings are circulated to all Directors for comment within a reasonable time prior to endorsement.

Minutes of Board meetings and meetings of Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to the Board papers and related materials. They provided adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

主席及首席執行官

於年度內，黃秋智先生擔任本公司的主席及首席執行官。主席負責本集團的整體業務發展營運策略。本公司首席執行官的主要職責為領導本公司的管理層，帶領其落實本公司的業務策略及監督管理層達成企業目標的表現。

非執行董事及獨立非執行董事的委任條款

每名非執行董事及獨立非執行董事已與本公司訂立委任書，初步為期一年。每名非執行董事及獨立非執行董事的任期可接連自動續期一年，由其任期屆滿後下一日起計，須根據組織章程細則（「細則」）於本公司股東週年大會輪席告退及重選，惟有關非執行董事或獨立非執行董事可於最初任期屆滿或其後任何時間給予不少於三個月的書面通知終止合約。

董事會會議及程序

董事會於整個年度包括定期召開會議至本年報日期止，檢討本集團的業務、財政及技術的整體策略並監察其財務表現，而高級管理層獲授權監督本集團的日常管理及營運，並執行本集團經董事會批准的計劃。主席主要負責起草及批准每次董事會會議的議程，並向全體董事作出諮詢。於所有定期董事會會議召開前已給予所有董事最少14天的通知，如有需要，董事可將討論的事項列入議程。定期董事會會議的議程及附帶的董事會文件會於董事會會議召開前的合理時間內完整地分送各董事。所有董事會會議的會議記錄草稿會於確定會議記錄前的合理時間內分發予董事供提出意見。

董事會會議的會議記錄及委員會會議的會議記錄會由各會議的經正式委任的秘書負責保存，而所有董事均可查閱董事會文件及有關資料，並獲及時提供足夠資料，讓董事會可在知情情況下就會上提出的事項作出決定。

Corporate Governance Report

企業管治報告書

During the year, twenty two Board meetings were held, and the individual attendance of each director is set out below:

年內，共召開二十二次董事會會議，每名董事的個人出席記錄載列如下：

| Name of Director | 董事姓名 | Number of Board meetings attended/held 出席／舉行 董事會會議次數 |
|---|----------------|--|
| Mr. WONG Chau Chi (<i>Chairman and Chief Executive</i>) | 黃秋智先生(主席兼行政總裁) | 22/22 |
| Dr. LIU Hui (<i>Vice-Chairman</i>) | 劉輝博士(副主席) | 22/22 |
| Mr. CHOU Tsan-Hsiung | 周燦雄先生 | 21/22 |
| Mr. YANG Yi | 楊毅先生 | 22/22 |
| Dr. WANG Wei-Lin (<i>Note 1</i>) | 王偉霖博士 | 1/8 |
| Dr. LI Shan | 李山博士 | 18/22 |
| Dr. LI Jun | 李瑛博士 | 19/22 |
| Mr. CHOW Kin Wing (<i>Note 2</i>) | 周建榮先生 | 4/4 |

Notes:

1. Dr. WANG Wei-Lin resigned as an independent non-executive Director with effect from 31 May 2020 due to devotion to his personal business development.
2. Mr. CHOW Kin Wing was appointed as an independent non-executive Director on 12 October 2020.

附註：

1. 於二零二零年五月三十一日，王偉霖博士將致力發展其個人業務，辭任本公司獨立非執行董事。
2. 於二零二零年十月十二日，周建榮先生獲委任為本公司獨立非執行董事。

BOARD DIVERSITY POLICY

The Company recognises that board diversity is an important element in creating a fair and effective Board and that having a Board with a balance of skills, backgrounds, expertise and diversity of perspectives can be beneficial to the Company's business.

Policy Statement

The Company believes that board diversity enhances decision-making capability and a diverse board is more effective in dealing with organisational changes and less likely to suffer from groupthink. With a view of achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

董事會多元化政策

本公司認識到董事會多元化是創建公平有效董事會的重要因素，董事會在技能，背景，專業知識和多元化視角方面的平衡可能有利於本公司的業務。

政策聲明

本公司相信董事會成員多元化能提高決策能力，而一個多元化的董事會能更有效地處理組織的變化，並可較少受到群體思維的壓力。為達致可持續及均衡的發展，本公司視提升董事會層面的多元化為支持其達到戰略目標及其可持續發展的關鍵元素。

In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, business perspectives, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. A high emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenges that enable the Board to discharge its duties and responsibilities effectively, make good decisions to promote the core business and strategy of the Group, and support succession planning and development of the Board.

Measurable Objectives

The selection of candidates will be based on the Company's Nomination Policy and will take into account the Board Diversity Policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and the needs of the Board without focusing on a single diversity aspect.

The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's core markets, preferably with different ethnic backgrounds, to support the Group's strategy.

BOARD COMMITTEES

The Board has established and delegated authorities and responsibilities to two specific committees with written terms of reference to assist it in performing its functions effectively, namely the Audit Committee and Remuneration Committee. The terms of reference for Board committees have been published on the Group's website and the Stock Exchange's website for shareholders to review.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference adopted by reference to the code provisions of the CG Code and its members as at 31 December 2020 include:

Dr. LI Shan (*Chairman of the Audit Committee*)
Mr. CHOU Tsan-Hsiung
Dr. LI Jun
Mr. CHOW Kin Wing

Note: Mr. CHOW Kin Wing was appointed as a member of the Audit Committee on 12 October 2020.

在設定董事會成員組合時，會從不同層面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、營商視野、技能、知識及服務任期，以及董事會不時認為相關及適用的任何其他因素，並著重於確保董事會成員的技能及經驗組合均衡分佈，以提供不同觀點、見解和提問，讓董事會可以有效地履行其職務及職責、就本集團的核心業務及策略制定良策，以及配合董事會的繼任計劃及推動主要業務發展。

可計量目標

甄別董事人選將會根據本公司的提名政策進行，並同時會考慮本政策。最終決定將根據相關人選的長處及其可為董事會作出的貢獻，當中會考慮對董事會成員多元化的裨益以及董事會的需要，不會只側重單一的多元化層面。

董事會將因應持份者的期望及參考國際和本地的建議最佳慣例確保董事會達致性別多元化的適當平衡。董事會亦力求董事組合中有適當比例的成員具備本集團核心市場的直接經驗、最好是不同種族背景，以支持本集團的策略。

董事委員會

董事會已成立二個指定委員會，制定彼等須輔助董事會有效履行職能的權力及責任的書面職權範圍。董事委員會包括審核委員會以及薪酬委員會。董事委員會的職權範圍已刊登在本集團網站及聯交所網站，以供股東查閱。

審核委員會

本公司已成立審核委員會並參照企業管治守則條文採納書面職權範圍，於二零二零年十二月三十一日其成員包括：

李山博士 (*審核委員會主席*)
周燦雄先生
李珺博士
周建榮先生

附註：於二零二零年十月十二日，周建榮先生獲委任為本公司審核委員會之成員。

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The majority of the Audit Committee members are independent non-executive Directors. Given each Audit Committee member has broad commercial experience, the Board considers that there is a suitable mix of expertise in business, accounting and financial management in the Audit Committee. The composition of members in the Audit Committee comply with the requirements under the Rule 3.21 of the Listing Rules as at 31 December 2020. The Audit Committee is responsible for assisting the Board in safeguarding the Group's assets by providing an independent review of the effectiveness of the financial reporting process and compliance procedures and the internal controls and risk management systems of the Group. The Audit Committee also oversees the audit process and performs other duties as assigned by the Board.

The Audit Committee meets regularly to review the reporting of financial and other information to the Shareholders, as well as the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditor on matters within the scope of its terms of reference and reviews the independence and objectivity of the auditor.

The Audit Committee has reviewed the audited annual results and the consolidated financial statements of the Group for the year ended 31 December 2020 together with the auditors and have discussed with management the accounting policies adopted by the Group and its internal controls and financial reporting matters.

During the year ended 31 December 2020, three Audit Committee meetings were held, and the individual attendance of each member is set out below:

審核委員會大部分成員均為獨立非執行董事。鑑於每名審核委員會成員均具備廣泛的商業經驗，董事會認為審核委員會在商業、會計及財務管理方面均具備適當的專業知識。於二零二零年十二月三十一日，審核委員會的組成及成員均符合上市規則第3.21條的規定。審核委員會負責協助董事會維護本集團的資產，方法是對本集團的財務申報程序及合規程序與內部監控及風險管理系統的有效性進行獨立的審核。審核委員會亦負責監督審核程序及執行董事會指派的其他職責。

審核委員會定期召開會議，以審閱向本公司股東作出的財務及其他資料報告、內部監控系統、風險管理及審核程序的有效性及客觀性。審核委員會亦就其職權範圍內的事宜擔當董事會與本公司核數師之間的橋樑，並持續審核核數師的獨立性及客觀性。

審核委員會連同其核數師審閱本集團截至二零二零年十二月三十一日止年度的經審核年度業績及綜合財務報表，及已與管理層討論本集團採納的會計原則及政策、內部監控措施、風險管理及財務申報事宜。

於截至二零二零年十二月三十一日止年度，審核委員會共召開三次會議，而每名成員的個人出席記錄載列如下：

| Name of Director | 董事姓名 | Number of committee meetings attended/held 出席／舉行 委員會會議次數 |
|--------------------------|-------|--|
| Dr. LI Shan | 李山博士 | 3/3 |
| Mr. CHOU Tsan-Hsiung | 周燦雄先生 | 3/3 |
| Dr. LI Jun | 李珺博士 | 3/3 |
| Mr. CHOW Kin Wing (Note) | 周建榮先生 | 1/1 |

Note: Mr. CHOW Kin Wing was appointed as a member of the Audit Committee on 12 October 2020.

附註：於二零二零年十月十二日，周建榮先生獲委任為本公司審核委員會之成員。

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The Company has adopted the revised written terms of reference of the Audit Committee to correspond with the changes made to the code provisions of the CG Code. The Company has complied with the provisions in Rule 3.21 of the Listing Rules which requires the Company's audit committee be comprised of a minimum of three members, at least one of whom is an independent non-executive director with the appropriate professional qualifications, including accounting or related financial management expertise, as specified under Rule 3.10(2) of the Listing Rules.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with written terms of reference and its members as at 31 December 2020 include:

Dr. LI Jun (*Chairman of the Remuneration Committee*)
Mr. CHOU Tsan-Hsiung
Dr. LI Shan
Mr. CHOW Kin Wing

A majority of the Remuneration Committee members are independent non-executive Directors. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of the Directors and senior management of the Group. The Remuneration Committee ensures that no Director or any of his associates is involved in deciding his own remuneration.

In determining the emolument payable to the Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions of the Group and the desirability of performance-based remuneration.

本公司已參照企業管治守則條文相應變動採納審核委員會經修訂書面職權範圍。本公司已遵守上市規則第3.21條條文，即本公司的審核委員會最少要有三名成員，其中最少有一名是上市規則第3.10(2)條所規定具備適當專業資格，或具備適當的會計或相關的財務管理專長的獨立非執行董事。

薪酬委員會

本公司已成立薪酬委員會，並製定書面職權範圍，其成員包括：

李珺博士 (*薪酬委員會主席*)
周燦雄先生
李山博士
周建榮先生

薪酬委員會大部分成員均為獨立非執行董事。薪酬委員會就本集團董事及高級管理人員薪酬的整體政策及結構向董事會提供意見。薪酬委員會確保並無董事或其任何聯繫人參與釐定其本身的薪酬。

在釐定應支付予董事的薪酬時，薪酬委員會考慮多項因素，例如同類公司支付的薪金、董事投入的時間及職責、本集團的聘用條件及是否預期薪酬與表現掛鉤。

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The Remuneration Committee meets annually to determine the policy for the remuneration of the Directors and assesses the performance of the executive Directors and certain senior management of the Group. During the year ended 31 December 2020, two Remuneration Committee meetings were held, and the individual attendance of each member is set out below:

薪酬委員會每年定期召開會議，以釐定董事的薪酬政策及評估執行董事及本集團若干高級管理人員的表現。於截至二零二零年十二月三十一日止年度，薪酬委員會共召開兩次會議，而每名成員的個人出席記錄載列如下：

| Name of Director | 董事姓名 | Number of committee meeting attended/held 出席／舉行 委員會會議次數 |
|---------------------------------------|------------------------|---|
| Dr. LI Jun ^(Note 1) | 李珺博士 ^(附註1) | 2/2 |
| Mr. CHOU Tsan-Hsiung | 周燦雄先生 | 2/2 |
| Dr. LI Shan | 李山博士 | 2/2 |
| Mr. CHOW Kin Wing ^(Note 2) | 周建榮先生 ^(附註2) | 1/1 |
| Dr. WANG Wei-Lin ^(Note 3) | 王偉霖博士 ^(附註3) | 0/1 |

Notes:

1. Dr. LI Jun was appointed as the chairman of the remuneration committee on 1 June 2020.
2. Mr. CHOW Kin Wing was appointed as a member of the Remuneration Committee on 12 October 2020.
3. Dr. WANG Wei-Lin resigned as the chairman and member of the Remuneration Committee with effect from 31 May 2020.

附註：

1. 於二零二零六月一日，李珺博士獲委任為本公司薪酬委員會之主席。
2. 於二零二零年十月十二日，周建榮先生獲委任為本公司薪酬委員會之成員。
3. 於二零二零五月三十一日，王偉霖博士辭任為本公司薪酬委員會之主席及成員。

For the year ended 31 December 2020, the annual salary of the senior management (exclude Directors) of the Company falls within the following bands.

截至二零二零年十二月三十一日止年度，本公司高級管理人員(董事除外)的年薪介乎以下範圍。

| | | No. of Senior Management 高級管理層數目 |
|--|---|-------------------------------------|
| Nil to HK\$500,000 (equivalent to Nil to US\$64,051) | 零至500,000港元(相當於零至64,051美元) | 1 |
| HK\$1,000,001 to HK\$1,500,000 (equivalent to US\$129,001 to US\$193,000) | 1,000,001港元至1,500,000港元 (相當於129,001美元至193,000美元) | 2 |

NOMINATION OF DIRECTORS

The Board is responsible for considering the suitability of an individual to act as a director and approving and terminating the appointment of a director. Since the Company has not established a nomination committee, the Board is responsible for formulating the nomination policies and preparing board succession planning considerations.

During the year ended 31 December 2020, one Board meeting was held in relation to the nomination of director. The Company currently does not have any plans to set up a nomination committee.

Nomination Policy

The Board has adopted the following policy for the nomination of Directors (the "Nomination Policy").

Selection Criteria

In determining the suitability of a candidate, the Board shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity. The Board shall consider the following selection criteria, which are not meant to be exhaustive:

- the candidate's personal ethics, reputation, character and integrity;
- the candidate's qualifications, skills, knowledge, business judgment and experience that are relevant to the operations of the Group;
- the diversity perspectives set out in the Board Diversity Policy of the Company (as amended from time to time);
- the candidate's availability including time commitment to discharge his or her responsibility as a director, including being able to devote sufficient time to attend Board meetings, participate in induction, trainings and other Board and Company activities; in the case of a candidate nominated as an independent non-executive Director and will hold seven or more listed company directorships, the Board shall consider the reasons given by the candidate for being able to devote sufficient time to discharge his or her responsibility as an independent non-executive Director;
- the candidate for the position of an independent non-executive Director must comply with the independence criteria as prescribed under the Listing Rules (as amended from time to time);

董事提名

董事會負責考慮個人是否適合擔任董事，以及批准和終止董事的任命。由於本公司尚未成立提名委員會，董事會負責制定提名政策，準備董事會繼任計劃考慮因素。

截至二零二零年十二月三十一日止年度，共就提名董事舉行一次董事會會議。本公司目前並沒有設立提名委員會的計劃。

提名政策

董事會已採納以下有關提名董事的政策（「提名政策」）。

甄選標準

在決定候選人是否適合時，董事會須考慮候選人在資歷、才能、經驗、獨立性及性別多元化方面可為董事會帶來的潛在貢獻。董事會須考慮下述並非詳盡無遺地列出的甄選準則：

- 候選人的個人道德、聲譽、品格和誠信；
- 候選人與本集團營運相關的專業資格、技能、知識、業務判斷力和經驗；
- 本公司（不時修訂的）多元化政策中所訂明的多元化觀點；
- 候選人就履行其董事職責能投入的時間，包括能投入足夠時間出席董事會會議，入職引介、培訓及其他與董事會及本公司之活動；如果將被提名為獨立非執行董事的候選人將持有他／她第七家或更多上市公司董事職務，董事會應考慮候選人提供的理由以顯示他／她能夠投放足夠時間履行其作為獨立非執行董事的董事職責；
- 獨立非執行董事的候選人必須符合（不時修訂的）上市規則所載之獨立性標準

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- the current size and composition of the Board, the needs of the Board and the respective committees of the Company;
- the succession planning of members of the Board to ensure leadership continuity and smooth functioning of the Group; and
- any other factors that the Board may consider appropriate.

The Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

Nomination Procedures

The recruitment, identification, evaluation, recommendation, nomination, selection and new appointment or re-appointment of each proposed Director shall be assessed and considered by the Board against the selection criteria as set out in this Policy.

In the context of appointing of any proposed candidate to the Board:

- the Board may take such measures that it considers appropriate in connection with its identification and evaluation of candidates, including, amongst others, consider referrals from Directors, Shareholders, management and advisors of the Company;
- the Board shall identify and ascertain the character, qualification, knowledge and experience of the candidate and undertake adequate due diligence in respect of such candidate; and
- senior management shall make recommendations on the candidate's personal profile to the Board for its consideration.

In the context of re-appointment of any existing member of the Board, the remaining Board members shall make recommendations to the Board for its consideration and recommendation for the candidate to stand for re-election at a general meeting.

For each proposed new appointment or re-appointment of a Director, the Board shall obtain all applicable declarations and undertaking as required under the laws of the Cayman Islands and the Listing Rules.

In the case of a nomination for the position of an independent non-executive Director, the Board shall ensure that the concerned candidate meets the independence criteria as prescribed under the Listing Rules.

- 董事會現時的規模和組成、董事會及本公司各委員會的需要；
- 確保本集團領導連續性及平穩運作的董事會成員繼任規劃；及
- 董事會認為適合的任何其他因素。

董事會應確保董事會的組成符合開曼群島法例、上市規則和所有其他適用法律法規。

提名程序

每擬委任董事的招聘、物色、評估、推薦、提名、甄選及新委任或重新委任均應由董事會根據本政策中載列的甄選標準進行評估及考慮。

就委任任何董事會候選人而言：

- 董事會可採取其認為合適的措施以物色及評估候選人，包括，但不限於，考慮董事、本公司股東、管理層及顧問的推薦；
- 董事會辨識並確定候選人的品格、資格、知識和經驗，並就該候選人進行充分的盡職審查；及
- 管理層須就有關推薦將候選人的個人簡介交予董事會考慮。

就重新委任任何現有董事會成員而言，董事會其他成員須提交建議供董事會考慮及推薦候選人在股東大會上參與重選。

就每擬委任董事的新委任或重新委任而言，董事會應根據開曼群島法例及上市規則包括其不時作出的任何修訂，取得所有適用的聲明和承諾。

在提名獨立非執行董事的情況下，董事會須確保該相關候選人符合上市規則所載之獨立性標準。

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The Board shall have the final decision on all matters relating to the recommendation of candidates to stand for election (and re-election) at a general meeting.

對推薦候選人於股東大會上參選(及重選)的所有事宜，董事會擁有最終決定權。

The ultimate responsibility for the selection and appointment of Directors rests with the entire Board.

甄選及委任董事的最終責任由董事會全體負責。

Review and Monitoring

The Board will from time to time review the Nomination Policy and monitor its implementation to ensure compliance with the regulatory requirements at the relevant time and good corporate governance practice.

檢討及監察

董事會將不時檢討及監察本政策之實施，以確保本政策行之有效並遵照監管規定及良好企業管治實務。

Management shall, when necessary, recommend revisions to the Nomination Policy to the Board for its consideration and approval.

董事會將在有需要時向董事會建議本政策的修訂，供董事會審批。

EXTERNAL AUDITORS REMUNERATION

An analysis of the remuneration of the Company's auditors, HLM CPA Limited ("HLM") and Confucius International CPA Limited ("Confucius"), for the Year is set out as follows:

外聘核數師

本年度本公司核數師恒健會計師行有限公司(「恒健」)與天健國際會計師事務所有限公司(「天健」)之酬金分析載列如下：

| Services rendered | 已提供之服務 | Fee paid/payable US\$'000 |
|--|----------------------------|------------------------------|
| Audit services (HLM) | 審核服務(恒健) | — |
| Audit services (Confucius) | 審核服務(天健) | 142 |
| Non-audit services (HLM) ^(Note 1) | 非審核服務(恒健) ^(附註1) | 18 |
| Non-audit services (Confucius) ^(Note 2) | 非審核服務(天健) | — |

Notes 1: Non-audit service include special review on rights issue.

附註1：非審核服務包括有關供股之特別審閱。

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FINANCIAL REPORTING

The directors are responsible for keeping proper accounting records and preparing the financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries in accordance with Hong Kong Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. In preparing the financial statements for the year ended 31 December 2020, the directors have made judgments and estimates that are prudent and reasonable and prepared the financial statements on a going concern basis.

Management has provided such explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information before the Board's approval.

The statement by the auditor of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report.

The Board's responsibility to present a balanced, clear and understandable assessment extends to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as information required to be disclosed pursuant to statutory requirements.

The Group recognises that high quality corporate reporting is important in reinforcing the trust of the Shareholders and aims at presenting a balanced, clear and comprehensive assessment of the Company's performance, position and prospects in all corporate communications. The annual and interim results of the Group are announced in a timely manner within four and three months respectively after the end of the relevant periods in compliance with the requirements of the Listing Rules.

財務報告

董事負責保存正式會計記錄，並根據香港財務報告準則及香港公司條例的披露規定編製可真實及公平反映本公司及其附屬公司狀況的財務報表。編製截至二零二零年十二月三十一日止年度的財務報表時，董事作出審慎合理的判斷和估計，並按持續經營基準編製財務報表。

管理層已向董事會提供解釋及資料，使董事會在審批時可對財務及其他資料作出知情評核。

本公司核數師有關財務報表的責任陳述已載於本年報獨立核數師報告。

董事會呈列公正、清晰及易明的評估之責任適用於年報及中期報告、其他股價敏感資料之公告及其他根據上市規則的規定須作出的財務披露、向規管者提交的報告以及根據法定規則須予披露的資料。

本集團認為，高質量的企業報告對加強股東的信任至關重要，旨在對本公司在所有企業通訊中的表現，地位及前景作出均衡，清晰及全面的評估。本集團的年度及中期業績於有關期間結束後分別於四個月及三個月內及時公佈，並符合上市規則的規定。

INTERNAL CONTROL

The Board is responsible for the Group's systems of internal controls and risk management and for reviewing its effectiveness. The Board, the Group's internal audit division and management reviewed the effectiveness of the internal control system of the Company and its subsidiaries. The Audit Committee reviews the findings and opinions of the Group's internal audit division and management on the effectiveness of the Company's system of internal controls, and reports to the Board on such reviews. In 2020, the Board, through its Audit Committee, conducted a review of the Group's risk management and internal controls system, including financial, operational and compliance control, and risk management functions. To formalise the annual review of the Company's risk management and internal control system, the Audit Committee made reference to the requirements of the relevant regulatory bodies. In respect of the year ended 31 December 2020, the Board considered the internal controls system is effective and adequate. No significant areas of concern which might affect the Shareholders were identified.

The internal audit division of the Group should ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investments and the Company's assets. The main functions of the internal audit division are to audit the operating efficiencies of each of the operating units, to carry out audits upon resignation of any key management personnel, to assist the Board in reviewing the effectiveness of the internal controls system of the Group and to review internal controls on business processes and project-based auditing. Evaluation of the Group's internal controls covering financial, operational compliance controls and risk management functions will be done at least once a year. As confirmed by the management, the Board is satisfied that the Group has sufficient internal controls.

The Company had continued to follow the Terms of Reference of the Audit Committee which had been adopted since 2016 and relied on it as a check and balance for its internal controls and risk management systems.

內部監控

董事會負責監察本集團的內部監控系統及風險管理系統和檢討其成效，董事會、本集團內部審計部和管理層則審核本公司以及附屬公司內部監控系統的成效。審核委員會審議本集團內部審計部和管理層對本公司內部監控系統成效的調查結果和意見，並向董事會匯報審議結果。於二零二零年，董事會通過其審計委員會對本集團的風險管理和內部控制系統進行了審查，包括財務、運營和合規控制以及風險管理職能。為正式對本公司的風險管理和內部控制系統進行年度審核，審計委員會參考了相關監管機構的要求。董事會認為截至二零二零年十二月三十一日止年度的內部監控制度足夠且有成效，且無出現可能影響股東的重要事項。

本集團的內部審計部門確保本公司的內部監控健全有效，可維護股東的投資及本公司的資產。該內部審計部門的主要職能是對公司各營運單位的經營效益、管理層主要人員的辭任進行審核、協助董事會審核本集團內部監控系統有效與否，審閱業務流程內部監控及按個別項目作出的審核。本集團會至少每年進行內部監控評估，其中包括財務、營運合規監控與風險管理職能。經管理層確認，董事會信納本集團已有足夠的內部控制。

本公司繼續遵守自二零一六年起已採納的審核委員會職權範圍，並依據其作為內部監控及風險管理系統的製衡。

Corporate Governance Report

企業管治報告書

ENTERPRISE RISK MANAGEMENT

The Board is responsible for overseeing the Group's overall risk management framework and the Board is also responsible for approving the Group's risk policies and assessing the effectiveness of the Group's risk controls/mitigation tools. Systems and procedures have been established to identify, measure, manage and control various risks including business, compliance, operation, finance and information that may have an impact on the Group and each major department.

The Company has embarked on the journey of building an enterprise risk management (the "ERM") system with the view of enhancing the risk management and corporate governance practices and improving the effectiveness and efficiency of internal controls system across the whole Group.

The Board believes that a heightened focus on risk and compliance is beneficial for the ongoing development and growth of the Company as well as its staff. In establishing the ERM system, all key functions of the Company were carried out by internal audit division to undertake the following exercises:

1. Enterprise risk assessment – to identify and prioritise the Company's key business risks; and
2. Process level control assessment – to assess the related internal controls and risk mitigating measures.

CORPORATE SOCIAL RESPONSIBILITIES

The Group concurs that an enterprise's existence should not purely be for the maximisation of its own benefits. As part of the society, it is essential for an enterprise to facilitate wealth accumulation of the whole society, advance social civilisation and promote the sustainable development of the environment. Management of the Group pays attention to corporate social responsibilities by monitoring the development, implementation and results of initiatives carried out by the different departments of the Group, in which the environmental, social and governance standards have been integrated into their operations and activities. Details are set out in the section headed environment, society and governance on pages 58 to 72 of this report.

企業風險管理

董事會負責監察本集團的整體風險管理框架及批准本集團風險政策並評估本集團風險控制／緩衝工具的有效性。本集團已建立制度及程序以辨別、度量、管理及控制各種風險，包括可能影響本集團及各主要部門的業務、合規、營運、財務及資訊等方面的風險。

為增強本公司整體的風險管理及企業管治常規，並提高內部控制系統的有效性、及效率，本公司已著手建立企業風險管理系統。

董事會認為，高度專注於風險及合規情況有利於本公司及其員工的持續發展及成長。於建立風險管理系統時，本公司所有關鍵職能由內部審計部門執行，並推行以下舉措：

1. 企業風險評估－識別本公司主要業務風險並區分優先次序；
2. 程序層面監控評估－評估相關內部監控及減輕風險的措施。

企業社會責任

本集團深知企業不僅僅是謀取自身利益最大化的經濟體，同時，作為社會的細胞體，企業也是社會整體財富積累、社會文明進步、環境可持續發展的重要推動者。本集團的管理層高度重視企業社會責任，嚴格監控各個業務部門的發展、實施及結果，並把環境、社會和管治的標準融入日常的經營活動，具體內容載於本報告第58頁至第72頁的環境、社會和管治一節中。

CONTINUOUS DISCLOSURE OBLIGATIONS REGARDING PRICE SENSITIVE AND/OR INSIDE INFORMATION

The Company has developed a system with established policies, processes and procedures across all relevant segments and departments for complying with the disclosure obligations regarding price sensitive and/or inside information. The system continues to be effective. The Company will continue to further enhance its effect on the business operation, development of the Company and new regulations and laws with great effort.

COMPANY SECRETARY

The Company has engaged under a service contract with an external service provider, Ms. HO Wing Yan (“Ms. HO”), who is appointed as the company secretary of the Company (the “Company Secretary”). Mr. WONG Chau Chi, the executive Director, chairman of the Board and chief executive of the Company, is the primary corporate contact person of the Company with Ms. HO.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of its results and cash flows of the Group in accordance with the Hong Kong Financial Reporting Standards, disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. In preparing the consolidated financial statements for the year ended 31 December 2020, the Directors have selected suitable accounting policies and applied them consistently; made adjustments and estimates that are prudent, fair and reasonable; and prepared the consolidated financial statements on a going concern basis. The Directors are also responsible for keeping proper accounting records which can at any time disclose with reasonable accuracy the financial position of the Group to enable the preparation of the consolidated financial statements in accordance with the Hong Kong Companies Ordinance.

AUDITOR’S STATEMENT

The auditor of the Company acknowledges its responsibilities in the independent auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2020.

有關股價敏感資料及／或內幕消息的持續披露義務

本公司已建立一套系統，包括所有相關分部和部門之間的既定政策、流程和程序，以符合有關股價敏感資料及／或內幕消息的披露義務。該系統仍然有效，本公司亦會繼續努力進一步提高其於業務操作、公司發展及新的法規和法律的作用。

公司秘書

本公司已根據服務合約委聘外聘服務供應商何詠欣女士（「何女士」）獲委任為公司秘書。執行董事兼行政總裁黃秋智先生為本公司與何女士之間之主要公司聯絡人。

董事責任聲明

董事知悉彼等負責編製每個財政年度的綜合財務報表，根據香港財務報告準則、香港公司條例及上市規則的披露規定，就本集團的事務狀況及本集團的業績與現金流量提出真確及客觀的意見。於編製截至二零二零年十二月三十一日止年度的綜合財務報表時，董事已選擇適當的會計政策並貫徹採用該等政策；作出審慎、公平及合理的調整及估計；及按持續經營基準編製綜合財務報表。董事亦負責保存適當的會計記錄，於任何時間合理準確地披露本集團的財務狀況，以致綜合財務報表的編製符合香港公司條例。

核數師報告書

本公司核數師於本集團截至二零二零年十二月三十一日止年度的綜合財務報表內的獨立核數師報告內，申明彼等的責任。

Corporate Governance Report

企業管治報告書

INVESTOR RELATIONSHIP AND COMMUNICATIONS WITH SHAREHOLDERS

The Group is committed in creating transparent lines of communication between senior management and investors, maintaining a close relationship with all its Shareholders through a variety of channels, and promoting understandings between stakeholders and us. The Company has adopted a shareholders' communication policy to formalise and facilitate effective and clear interactions among the Company, Shareholders and other stakeholders, subject to the relevant regulatory requirements. Shareholders are encouraged to participate in the shareholders meeting and annual general meeting ("AGM") or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend. The main communication channels with the Shareholders include investors' meetings, annual general meeting, annual reports, interim reports, announcements and circulars and constitutional documents filed with the HKEX news of The Stock Exchange of Hong Kong ("HKEX") (www.hkexnews.hk) and the Group's websites ([www. irasia.com/listco/hk/cmbvision](http://www.irasia.com/listco/hk/cmbvision) and www.cmbvision.com).

The Group has a dedicated team to maintain contact with investors and handle shareholders' inquiries. Should investors have any inquiries, please contact the Group (telephone: +852 2159 3300; e-mail: co.sec@cmb.com.hk).

Investors' Meetings

Group meetings are held by the Group with institutional investors and analysts with respect to its annual results and interim results. In addition, the Group's senior executives and staff from investor relations department hold regular meetings with institutional investors and analysts. Investors are provided with the latest information on the development of the Group, in compliance with the applicable laws and regulations.

General Meeting

The AGM is an important platform for Shareholders to participate in discussions, thereby facilitating communications between management of the Group and the Shareholders. The AGM is held once a year, being publicly accessible to all Shareholders. The Group's senior management answers any questions that Shareholders may have at the meeting and the external auditor attends the AGM as well.

During the year, one general meeting was held (i.e. the AGM held on 2 June 2020).

與股東及投資者溝通

本集團致力為高級管理層與投資者建立雙向溝通渠道，並透過多個不同渠道與全體股東保持緊密聯繫，促進與投資者之間的瞭解及交流。本公司採納股東溝通機制，以規範及促進股東及其他持份者與本公司之間有效及良好的溝通。鼓勵股東實際參與股東大會和年度股東大會，或者如果他們無法出席，則委託代表出席並代表他們參加此類會議。與股東溝通的主要渠道包括投資者會議、股東週年大會、年度報告、中期報告、公告及通函、以及向香港聯合交易所（「香港聯交所」）提交的章程文件(www.hkexnews.hk)及本集團網站([www. irasia.com/listco/hk/cmbvision](http://www.irasia.com/listco/hk/cmbvision)及www.cmbvision.com)。

本集團設有專門的團隊與投資者保持聯繫及處理股東查詢。如投資者有任何查詢，歡迎聯絡本集團（電話：+852 2159 3300；電郵：co.sec@cmb.com.hk）。

投資者會議

本集團會就其年度及中期業績與機構投資者及分析員舉行小組會議。此外，本集團之高級行政人員及投資者關係部門員工亦會定期與機構投資者及分析員會面，在遵守適用法律及法規的情況下，向投資者提供與本集團發展有關之最新訊息。

股東大會

股東週年大會是一個讓股東參與的重要討論平台，讓股東可以與本集團管理層進行交流。股東週年大會每年舉行一次，會議公開讓所有股東參與。本集團的高級管理層會在大會上回答股東之提問，外聘核數師亦會列席。

本年度內共舉行一次股東大會（股東週年大會於二零二零年六月二日舉行）。

Corporate Governance Report

企業管治報告書

The attendance of each director at the AGM held in 2020 was as follows:

各董事出席於二零二零年舉行的股東週年大會的記錄如下：

| Name of director | 董事姓名 | Number of 2020 AGM attended/held 出席／舉行二零二零年股東週年大會次數 |
|---|----------------|--|
| Mr. WONG Chau Chi (<i>Chairman and Chief Executive</i>) | 黃秋智先生(主席兼行政總裁) | 1/1 |
| Dr. LIU Hui (<i>Vice-Chairman</i>) | 劉輝博士(副主席) | 1/1 |
| Mr. CHOU Tsan-Hsiung | 周燦雄先生 | 1/1 |
| Mr. YANG Yi | 楊毅先生 | 1/1 |
| Dr. LI Shan | 李山博士 | 1/1 |
| Dr. LI Jun | 李珺博士 | 1/1 |
| Mr. CHOW Kin Wing (Note 1) | 周建榮先生(附註1) | N/A |
| Dr. WANG Wei-Lin (Note 2) | 王偉霖博士(附註2) | N/A |

Notes:

附註：

1. Mr. CHOW Kin Wing was appointed as an independent non-executive Director on 12 October 2020.
2. Dr. WANG Wei-Lin resigned as an independent non-executive Director with effect from 31 May 2020 due to devotion to his personal business development.

1. 於二零二零年十月十二日，周建榮先生獲委任為本公司獨立非執行董事。
2. 於二零二零年五月三十一日，王偉霖博士致力發展其個人業務，辭任本公司獨立非執行董事。

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene an EGM following the procedures set out in the preceding paragraph.

開曼群島公司法或章程細則並無條文允許股東於股東大會上動議新決議案。有意動議決議案的股東可要求本公司根據上一段所述程序召開股東特別大會。

All matters proposed to shareholders for approval shall be submitted in separate resolutions and resolved by way of poll at the general meeting. The procedures of conducting a poll are explained in details to shareholders by the Group prior to voting to ensure shareholders are familiar with such arrangement. Minutes of the meetings together with the voting results will be published on the websites of the Group.

於股東大會上，每項事宜均以獨立決議案形式提呈股東批准，並以投票方式進行表決。本集團在投票表決前將向股東解釋進行投票表決的詳細程序，以確保各股東明白有關安排。會議記錄連同投票結果會載於本集團網站。

Corporate Governance Report

企業管治報告書

Annual Reports, Interim Reports, Announcements and Circulars

The Group issues its annual reports and interim reports after publishing the annual results and the interim results in March and August every year respectively to periodically review the development of the Group as well as to update its Shareholders with its latest business information and market trends. In addition, the Group explains to the Shareholders through announcements regarding any major event or price-sensitive information. For any matter requiring the approval of the Shareholders, the Group holds an EGM in accordance with the requirements of the Hong Kong Stock Exchange and issues a circular prior to the specific date of the meeting, allowing shareholders to have sufficient time to learn more about the matters for making voting decisions. All annual reports, interim reports, announcements and circulars are uploaded to the websites of HKEX (www.hkexnews.hk) and the Group (www.irasia.com/listco/hk/cmmvision and www.cmmvision.com).

CHANGES OF ARTICLES OF THE ASSOCIATION

During the year ended 31 December 2020, there were no changes in the Company's Articles of Association. The latest version of the Company's Articles of Association is available on the websites of the HKEX and the Group. Shareholders can also obtain the details of their rights with reference to the Company's Articles of Association.

SHAREHOLDERS' RIGHTS

Procedures to convene a general meeting and put forward proposals at general meetings

Shareholder(s) representing not less than one tenth of the paid-up capital of the Company having the right to vote at general meetings may request the directors to call a general meeting of the Company pursuant to the Articles of Association. The request must state the general nature of the business to be dealt with and may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting. The request may be sent to the Company at the registered office of the Company in hard copy form or in electronic form to the attention of the Directors or the Company Secretary and must be authenticated by the person(s) making it.

Shareholders can refer to the detailed requirements and procedures as set forth in the relevant sections of the Articles of Association when making any requisitions or proposals for transaction at the general meetings of the Company.

年度報告、中期報告、公告及通函

本集團會分別於每年三月份及八月份的全年業績及中期業績發佈之後發表年度報告及中期報告，以定期回顧本集團的發展，同時向股東更新業務情況及市場趨勢。此外，如有任何重大事件或股價敏感資料，本集團都會通過公告向股東說明。如有關事宜需要得到股東的批准，本集團也會根據香港聯交所的要求，舉行股東特別大會，並於大會的指定日期前發表通函，讓股東有足夠的時間了解有關事宜，以作出投票的決策。所有年度報告、中期報告、公告及通函都會上載至香港聯交所披露易之網站(www.hkexnews.hk)及本集團網站(www.irasia.com/listco/hk/cmmvision及www.cmmvision.com)。

章程細則文件變動

截至二零二零年十二月三十一日止年度內，本公司並無對其章程細則作出任何變動。本公司章程細則的最新版本可在本集團網站及香港聯交所網站查閱。股東亦可參考本公司章程細則以取得有關其權利的詳情。

股東權利

召開股東大會及於股東大會上提出動議的程序

佔全體有權在股東大會上表決的股東的總表決權不少於百分之十的本公司股東，可根據組織章程細則請求董事召開本公司股東大會。有關請求須列明有待於有關股東大會上處理的事務的一般性質，並可包含可在該股東大會上恰當地動議及擬在該股東大會上動議的決議案文本。有關請求可以印本形式或電子形式送交本公司註冊辦事處，註明收件人為董事或公司秘書，而有關請求須經提出該要求的人士認證。

若股東擬於本公司股東大會上提出任何要求或建議，可參閱組織章程細則相關章節所載的詳細規定及程序。

Corporate Governance Report

企業管治報告書

Procedures by which enquiries may be put to the Board

Shareholders may send enquiries to the Board in writing c/o the Corporate Secretariat with the following contact details:

Attention Company Secretary
Address: Unit 1211, Level 12, Core F,
Cyberport 3, 100 Cyberport Road, Hong Kong
Telephone: (852) 2159 3300
Facsimile: (852) 2159 3399
Email: co.sec@cmm.com.hk

向董事會提出查詢的程序

股東可經公司秘書處向董事會提出書面查詢，聯絡詳情如下：

聯繫人： 公司秘書
地址： 香港數碼港道100號
 數碼港3期F區12樓1211室
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Environmental, Social and Governance Report

環境、社會及管治報告書

As a sustainable enterprise, the environmental, social and governance (“ESG”) issues are an integral part of the Group’s overall business strategy and goals. We seek to operate in an economically and socially ethical environment while balancing the interests of our internal and external stakeholders, and supporting the communities we work in. ESG subjects are used to enhance the corporation strategic approach formulation and maintain a constructive long-term relationship with our key stakeholders. These matters would cover both internal employees and external customers, suppliers and the community where we serve.

It is our policy to comply with all laws, rules, regulations and sanctions which are applicable to our Company and our business, whether through directly related companies or third parties. We also expect our employees, agents, consultants, contractors, intermediaries, representatives, suppliers and business partners to demonstrate ethical principles and observe the highest standards of integrity and honesty in all professional and personal dealings. In addition to complying with relevant laws and regulations, the Company endeavours to integrate environmental protection measures and community engagement into our business operation.

A. ENVIRONMENTAL

The Company is a leading satellite to mobile operator headquartered in Hong Kong with our own satellite control facilities. The Company is conscious of the need to minimise the environmental, health and safety impacts of our daily operations and to comply with the relevant environmental laws. The Group has adopted a “reduce, reuse, repair and recycle” policy to help support our environment aims, namely, to preserve and maintain a clean and sustainable environment for future generations. The Group uses resources in a responsible, efficient and effective manner in order to contribute to a sustainable society and comply with international standards and regulations.

Eco-friendly measures, such as reducing emissions, greenhouse gases, energy and water consumption, more recycling, and careful disposal of wastes have been incorporated into our operations to alleviate the business’s impact on the environment. Enhancing energy efficiency continues to be our biggest challenge as travelling, paper and package usage, air-conditioning and lighting, consume a lot of energy, including a heavy reliance on the general use of electricity for production and broadcasting.

作為一個可持續發展的企業，環境、社會及管治事宜與本集團的整體業務決策和目標息息相關。我們致力以合乎經濟、社會及環境道德的方式經營，同時權衡內外持份者的利益，並支援、聯繫我們服務的社區。我們對環境，社會以至企業管治因素需加以關注從而鞏固企業策略方案組成及與主要持份者維持有建設性的長期關係。這些因素將會關注內部人才以及客戶供應商以至所身處之社區。

我們的政策是遵守適用於本公司及我們業務之所有法例、規則、規例及制裁措施，無論是透過直接關連公司或第三方。我們亦期望公司員工、代理、顧問、承建商、中介人、代表、供應商及業務夥伴在所有專業及個人行為上遵守道德守則，保持最高水準的正直和誠信。除遵守相關法律法規外，本公司致力於將環境保護措施和社區參與融入我們的業務運營中。

A. 環境

本公司是一家總部位於香港的領先的衛星移動運營商，擁有自己控制的衛星設施。本公司意識到有必要盡量減少我們日常運營對環境、健康和安全的影響，並遵守相關的環境法律。本集團已採取「減少、重用、修復及循環再用」政策，以協助支持我們的環境目標，即為我們下一代保存及維持一個清潔及可持續發展的環境。本集團負責任地和高效率地使用資源，為可持續發展的社會做出貢獻，並遵守國際標準和法規。

我們的營運中加入了環保措施，例如減少排放和溫室氣體、節省能源消耗和用水、增加循環再用，以及更謹慎處置廢物廢料，以緩減我們的業務對環境造成的影響。因為員工的海外公幹、紙張和包裝使用、空調、照明等消耗大量電力（尤其是生產及廣播高度倚賴電力使用），提升能源效益仍然是我們的最大挑戰。

Environmental, Social and Governance Report

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We are committed to protecting the environment and we integrate sustainability into our business operations through internal policies and guidelines. As a global citizen, our environmentally friendly vision was established to safeguard our natural environment and its ecosystems over time by adopting appropriate policies and practices in our operations and procedures.

A1. Emissions

As travelling is a necessary part of our business operations, the overall emissions and greenhouse gases produced by senior management's air travels is calculated based on the distance logged during the year. As activities such as client servicing, sales and marketing, staffing, training, management support and general business needs all require travel, it is the Company's policy to keep these to the minimum required in order to maintain the lowest possible output of emissions and greenhouse gases. Initiatives and procedures such as carpooling and carsharing are used and encouraged amongst the employees when travelling. During the year ended 31 December 2020, the total CO₂ emission generated from air travel by management and staff was 6.04 tonnes (2019: 97.6 tonnes), which is a decrease of 93.8%. The local and overseas travel is greatly decreased due to travel restrictions, travel bans and lockdowns associated with the COVID-19 pandemic. The total CO₂ emissions generated from the usage of the transportation fuel by the Company was 18,328 kg (2019: 18,572 kg), which is a decrease of 1.31% due to a reduction in private car usage. Going forward, the Company plans to keep the overall air transportation as well as auto usage low in order to keep the total output of emissions to a minimum. Our overall goal is to continue to reduce overall CO₂ emissions on an annual basis consistently.

我們致力於保護環境，透過內部政策及指引，我們在業務營運中注入環保可持續發展理念。本集團作為地球公民之一，我們致力於制定適當的政策及守則以能達至對自然環境及生態系統具「環保」貢獻並透過不同之營運及步驟反映出來。

A1. 排放

由於海外公幹是我們業務運作的一部分，在這段時間內高級管理人員在海外公幹時間所產生的總排放量和溫室氣體是根據年內的飛行距離計算的。由於客戶服務、銷售和市場營銷、員工需求、培訓、管理層的支持和一般業務需求都需要員工海外公幹，因此本公司會採用政策，避免不必要的出差以保持最低的排放量和溫室氣體的產生。員工在海外公幹時會使用和鼓勵拼車和汽車共享等舉措和程序。截至二零二零年十二月三十一日止年度，本公司的高級管理人員和員工在海外公幹所產生的二氧化碳總排放量為6.04噸（二零一九年：97.6噸），減少93.8%乃由於二零一九冠狀肺炎疫情導至旅遊警示、閉關、飛機航運或交通運輸減班或停飛，所以本地與外地出差都減少。本公司使用運輸工具所產生的二氧化碳總排放量為18,328千克（二零一九年：18,572千克），下降1.31%是由於減少使用私家車。展望未來，本公司計劃將整體航空運輸和汽車使用率保持在較低水平，以將總排放量保持在最低水平。我們的整體目標是持續減少每年的整體二氧化碳排放量。

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Hazardous waste

Although our Company produces limited hazardous waste, we dispose of items such as florescent tubes, batteries, waste electrical and electronic equipment and general office equipment responsibly. As necessary, we hire specialist contractors and waste collectors to handle the recycling and manage the removal of such wastes.

Non-hazardous waste

Our non-hazardous waste consists of general office waste produced at the Company. To ensure our waste disposal methods are in-line with local regulations, we utilise professional cleaning service providers and contractors to handle this waste. When possible, our general office waste is recycled, reused and repurposed to paper, plastic, glass, metal and waste products. The recycling of aluminium cans and plastic bottles saved a total 17.44 kg (2019: 15.93kg) of CO₂ emissions for the year. Our aim is to recycle as much as possible and reduce CO₂ emissions in both hazardous and non-hazardous wastes annually.

有害廢棄物

儘管本公司產生的有害廢棄物相當少，我們仍需要以負責任的方式處置光管、電池、廢電器及電子產品及一般辦公室設備等物品。於必要時，我們會聘用專業承辦商及廢物收集商，負責回收和處理這類廢棄物。

無害廢棄物

我們的無害廢棄物包括本公司所產生的一般辦公室廢物。為了確保我們的廢棄物處理方式符合本地法規，我們聘請專業的清潔服務供應商及承辦商處理這類廢物。於可行情況下，一般辦公室廢棄物相應地被回收，再利用並相應地用於紙張、塑料、玻璃、金屬和廢棄物。該循環再用鋁罐及塑膠瓶於本年度成功減少共17.44千克（二零一九年：15.93千克）的二氧化碳排放量。我們的目標是每年通過循環再用措施減少有害及無害廢棄物的二氧化碳排放量。

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A2. Use of Resources

We measure our environmental impact in terms of resource consumption against these major categories: (1) electricity, (2) paper usage, (3) packaging and waste, and (4) water usages. The resources used by the Group consist primarily of the electricity, paper, waste packaging and water consumed at the office.

In terms of the overall electricity usage, the Company takes energy saving measures with LED lighting and light zoning. During the year ended 31 December 2020, the total CO₂ emission generated from electricity consumption by the Company was 42,237 kg (2019: 41,148 kg) a slightly increase of 2.6%.

The Group continues to practice paper saving techniques, such as double-sided printing, 2 pages per side printing, black and white outputs, and print-job tracking to encourage minimizing printing.

The Group has also implemented the collection of waste paper for effective recycling. The total CO₂ emissions generated from the paper consumption by the Company was 517 kg (2019: 476 kg). With our overall paper saving incentive, such as all departments of the Group are also advised to handle documents electronically (except formal documents which are required to be prepared in hard copies), our printers are set to default duplex and employees are encouraged to use both sides of the paper, we have been able to save a total of 347 kg (2019: 306 kg) of CO₂ emissions.

The Group orders reusable 5-gallon containers for our water consumption to minimize waste from individual plastic, metal and glass containers.

A2. 資源的使用

我們用以下主要類別的資源消耗來衡量我們對環境的影響：(1)電力、(2)紙張使用、(3)包裝和廢棄物，以及(4)用水。本集團使用的資源主要包括辦公室消耗的電力、紙張、廢物包裝以及水。

在整體用電方面，公司採用節電措施，配備LED照明和分區功能。截至二零二零年十二月三十一日止年度，本公司用電量所產生的二氧化碳總排放量為42,237千克(二零一九年：41,148千克)，輕微增加了2.6%。

本集團繼續採取多項節省用紙措施，例如雙面打印、單面雙頁打印、黑白列印輸出及設置打印跟蹤記錄以鼓勵盡量減少打印。

本集團亦進行廢紙回收作循環再用。本公司耗紙量所產生的二氧化碳總排放量為517千克(二零一九年：476千克)。憑藉本集團各種節約紙張的激勵措施，例如所有部門以電子方式處理文件(但須以硬拷貝編製的正式文件除外)，辦公室之印刷機已被設定為雙面印刷，並鼓勵員工使用多頁列印，我們已經能夠節省總共347千克(二零一九年：306千克)的二氧化碳。

本集團訂購5加侖桶裝水，以盡量減少個別塑料、金屬及玻璃容器廢棄物。

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Electricity

- 1) Efficient lighting LED and energy efficient lighting installed over the office area
- 2) Electricity zoning Air conditioning and light zoning arrangements in office to reduce unnecessary energy waste
- 3) Light and electricity usage Turn off all equipment and lighting in the office when not in use and utilise low-power state and energy saving options when equipment is idle

Paper

- 1) Duplex printing Office printing defaults set to duplex to reduce paper wastage
- 2) Black and white printing Default black and white printed output to reduce dependency on colour toner cartridges
- 3) Multiple-page printing Print from 2 to 4 pages per side to reduce paper and ink usage

電力

- 1) 有效能源照明系統 辦公室範圍裝設LED及有效能源照明系統
- 2) 系統分區 為減少沒必要之能源浪費，辦公室之照明及冷氣系統會分區安裝
- 3) 光和電的使用 在不使用時會關閉辦公室的所有設備和照明設備，並在設備閒置時使用低電量和節能模式

紙張

- 1) 印刷 所有辦公室之印刷機均已被設定為雙面印刷，以減少紙張浪費
- 2) 列印輸出 印刷機均已被設定為黑白列印輸出，以減少對彩色碳粉盒的依賴
- 3) 雙面列印／多頁列印 印刷機均已被設定為雙面／多頁印刷，用於跟蹤以減少紙張和墨水的用量

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| | | |
|------------------------------|--|---|
| 4) Print tracking | Printing is tracked by user to encourage minimising excessive usage | 4) 識別列印 每個用戶設置識別列印，以防止過度使用 |
| 5) Printing quotas | Monthly printing quotas are reviewed in order to keep printing within or below these thresholds | 5) 列印配額 每月設置印刷配額，為保持在或低於這些設定值 |
| 6) Recycled papers | Recycled papers are collected to be reused for printing | 6) 環保紙使用 所有環保紙會被收集及再用於印刷 |
| 7) Recycled envelopes | Recycled envelopes are reused for non-private and non-confidential information mailings | 7) 環保信封 環保信封會在一些非私隱及保密之文件郵遞 |
| 8) Electronic communications | Communications through electronic channels instead of hard copies or printed correspondences | 8) 電子通訊 電子渠道取代日常工作上之紙本通訊版本 |
| 9) Facsimiles | All facsimile communications are completed electronic, without the need for any paper consumption and are delivered directly to users' mailboxes | 9) 傳真 所有傳真通信都以電郵方式完成，沒有任何紙張消耗，並直接通過電子渠道傳送 |

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Packing and waste

- 1) Packing materials Reuse packing materials for electronic equipment to reduce the need to purchase new packaging
- 2) Reuse and recycle products Reuse and recycle plastic, glass and paper products and bags for office procurement to prevent extra waste
- 3) Recycle bottles and cans Recycle and reuse plastic bottles and aluminium cans in office to reduce waste
- 4) Plastic take-away boxes Reuse plastic take-away boxes for food storage in the office
- 5) Garbage collection Garbage is collected in bulk in order to eliminate additional plastic bag wastes

Water

- 1) Reduce water related wastage Minimise water usage and purchase bulk sized drinking water instead of individual bottles to prevent excess wastage

減少包裝和廢物

- 1) 包裝材料 重用已用過之包裝物料作公司日常電子器材包裝及物流以取代購買新物料
- 2) 環保袋 本集團之日常辦公室之採購均鼓勵使用環保袋以減少額外膠袋使用
- 3) 回收瓶和罐 在辦公室回收和再利用塑料瓶和鋁罐以減少浪費
- 4) 塑料外賣盒 重用塑膠外賣盒以作辦公室食物及物料保存
- 5) 垃圾收集 散裝垃圾集中收集在大型垃圾桶，以減少額外塑料袋使用

用水

- 1) 減少用水量 日常辦公室均採用大型桶裝飲用水而不是散裝瓶子，以避免浪費

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A3. The Environment and Natural Resources

Due to the nature of the business, apart from the above-mentioned emissions and resources usage, the Group does not have any significant direct or indirect impact on the environment or on natural resources in the course of its operations. In the future, we aim to continue to stride for environmentally friendly measures and reduce wastes which storing internal and non-private/non-confidential documents in e-format or on the cloud instead of printing these and storing them, improving on the recycle and reuse policies for paper, plastic, glass, metal, water, and waste products, and using LED and energy efficient lighting installation and electricity usages.

A3. 環境與自然資源

基於業務性質，除了上述排放物及資源使用外，本集團於經營過程中對環境及天然資源並未構成重大的直接及間接影響。未來，我們的目標是繼續致力實行環境友善及減少浪費之措施，內部文件及非隱私或保密性文件以電子或雲端方式儲存以取代大用量之紙張印刷、加強紙張、塑料、玻璃、金屬、用水及所產生廢棄物的循環再用政策，以及裝設LED及有效能源照明及用電系統。

B. SOCIAL

B1. Employment

The Group's success depends heavily on its ability of attract, retain and motivate talent in the competitive labour markets. Their development is a critical part of the Group's human capital. Attracting and strengthening the engagement of talent contribute to the sustainability of the Group. The Company's greatest asset is our employees who are essential to the continued success of the business. We strive to attract and retain talent by providing training and encouraging them to develop their full potential. Their personal development, mental health and work-life balance is carefully considered.

At the end of the reporting period, the Group's workforce totals 25 staff (2019: 30 staff) globally, of which males were 64% (2019: 61%) and females were 36% (2019: 39%). Full-time staff were 56% (2019: 61%) and consultants or part time staff were 44% (2019: 39%). The number of Hong Kong based staff was 48% (2019: 54%) and elsewhere was 52% (2019: 46%). The number of staff who were 50 years of age and over were 48% (2019: 43%) and staff who were under 50 years old were 52% (2019: 57%).

B. 社會

B1. 僱用

本集團之成功高度倚賴於高競爭力的勞動力市場吸引，保留及激勵人才。人才之發展成為本集團人力資本的重要部分。吸引人才及強化他們的參與性會有助於本集團的可持續發展。本公司最大的資產是我們的員工，這對企業的持續成功至關重要。我們努力通過提供培訓並鼓勵他們發揮其全部潛力來吸引和保留人才。而人才之個人成長，精神健康及生活與工作的平衡亦為本集團所重視。

於本報告期末日，本集團在全球共有25名員工(二零一九年：30名員工)，其中男性佔64%(二零一九年：61%)，女性佔36%(二零一九年：39%)。全職員工佔56%(二零一九年：61%)，顧問或兼職員工佔44%(二零一九年：39%)。在香港的工作人員佔48%(二零一九年：54%)，在香港以外的佔52%(二零一九年：46%)。50歲以上員工佔48%(二零一九年：43%)，50歲以下員工佔52%(二零一九年：57%)。

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B2. Health and Safety

To safeguard employees' occupational health and safety, the Group provides a safe, healthy and comfortable working environment and has complied with relevant rules and regulations. The Group offers its employees a comprehensive healthcare insurance coverage. This includes the appropriate vaccinations and precautions when travelling globally for business and meetings. We provide a healthy, relaxing and enjoyable workplace for our people to motivate their work engagements and commitments. The Company takes occupational safety as a major management responsibility and works hard to provide a safe and healthy work environment. During the year 2020, the Group did not experience any accident or work injury.

We have designated several recreational and nearby areas for simple exercises during the work hours. Moreover, a fully equipped pantry and kitchen area with different kinds of healthy foods and drinks are provided to our employees to revitalise them from their work tasks. We believe short relaxation breaks can boost the performance of daily work routines. Employees have a spacious work station in a modern office setting, looking out to a sea horizon with mountains, which provides a serene workplace environment to help reduce work fatigue and stimulate higher work performance from our employees.

Work-life balance is an important goal for the Group and the Company caters to this accordingly. Keeping in touch with external news and updates allow employees to keep abreast of happenings in the community and globally. Specifically, as a broadcasting company, multiple live-television and audio broadcasts are provided to our employees through the XingYun app, which connects employees with the outside environment. This connection stimulates creativity including new and dynamic ideas on sustainable development.

B2. 健康和安

為保障員工的職業健康與安全，本集團竭力提供安全、健康及舒適的工作環境，並符合相關的規則及規例。本集團為員工提供全面的醫療保險。為激勵我們的員工及增強他們之歸屬感，這包括在全球商務和會議旅行時的適當疫苗接種和預防措施。我們提供一個健康、輕鬆及有趣的工作間。本公司以職業安全為主要管理責任，努力為員工提供安全、健康的工作環境。二零二零年，本集團沒有發生任何重大意外或工傷事件。

我們在辦公室劃分一定休閒及康樂區域配備簡單的健身設施。再者，一個設備完善之茶水間以及供應完善之飲料及小食會為員工在繁忙的工作中回復過來。我們深信一個短暫但放鬆的小休時間會為員工帶來有效的表現。本公司亦位於擁有180度海景開放式辦公室給予員工充足的辦公及放鬆活動空間從而提升工作效率。

員工之生活與工作的平衡為本集團首要目標。工作以外的社會時事及資訊更新是可以讓員工在工作時不會與其他生活關切之議題斷切。有見及此，本集團推出的「星雲視聽」應用軟件直播會在工作其間播放一系列之電視直播頻道給予員工作為放鬆及連繫外界資訊及周邊環境之橋樑。與外界保持溝通可以引發不同之創意亦是本集團所期望新的構思及可以用於多變的可持續發展上。

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Apart from the office, an agreeable collegiate environment has been established based on the interaction and socialisation amongst the staff. Routine gatherings and activities are held for enhancing communications between departments to form a productive and harmonious ecosystem. For example, teambuilding luncheons and dinners plus work-related gathering events, such as club events, are sponsored regularly throughout the year. Both formal and informal training sessions help to reinforce our corporate culture and boost employee morale.

B3. Development and Training

We sponsor and encourage training, research and development and skill upgrading activities for our staff which benefits the Group by adding new ideas for future expansion. The Group provides a budget for external trainings for staff annually. In Hong Kong, the average number of hours per employee was 12 hours of training (2019: 27.5 hours) which is a decrease of 56%, due to the COVID-19 pandemic, many trainings are cancelled, postponed or changed to online training of which 42% were female (2019: 50%) and 58% were male (2019: 50%) and 50% (2019: 50%) were senior and middle management and 50% were staff (2019: 50%). Moreover, we sponsored and supported our staff to attend different kinds of conferences, exhibitions and meetings which related to our business. For example, professional industrial organisations and governing bodies held seminars for the employees to update their professional accreditations such as corporate governance, technical and technology exhibitions.

除了硬件配套，員工之間的互動及交流可以建立一個有趣的工作環境。本公司亦會定期舉辦員工聚會及活動以增進各個部門以至同事之間的交流從而建立一個和諧及富趣味之工作環境。例如，全年定期舉辦與各個部門之間的午餐聚會以及與工作相關的活動。這些正式和非正式的培訓有助於加強我們的企業文化並提升員工士氣。

B3. 發展和培訓

我們鼓勵員工參與專業訓練及技術提升活動。這些活動可以為集團帶來新的構思及從而惠及公司未來之業務擴展。本集團每年為員工提供持續進修資助津貼。在香港，每位員工的發展和培訓平均時數為12小時(二零一九年：27.5小時)，減少了56%，這是由於二零一九新冠狀肺炎疫情影響，很多培訓被取消、延期或改為網上進行。其中42%為女性(二零一九年：50%)，58%為男性(二零一九年：50%)，50%為中高級管理人員(二零一九年：50%)，50%為員工(二零一九年：50%)。此外，我們贊助和支持員工參加與我們業務方面相關的各種會議、展覽和會議。例如，專業行業組織和理事機構舉辦研討會，為員工更新其專業知識水平，如公司治理，技術和技術展覽。

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In the future, the Company will arrange functions and retreats for our staff to enhance their teamwork, and communication and interpersonal skills during the activities. For example, organising outdoor activities such as boat trips and similar activities for our staff to enrich their connections with each other in a casual environment outside of the workplace. Overall, we aim to correlate employees' skillsets to the right trainings, meetings, conferences and exhibitions for acquiring new skills and opportunities for the staff and the Group.

B4. Labour Standards

The Group fully understands that employing child labour and forced labour is a violation of basic human rights and international labour conventions and strictly prohibits the use of child labour and forced labour in our business operations. The Group has also complied with all relevant labour laws and regulations during the year and strives to create an environment of respect, integrity and fairness for our employees.

B5. Supply Chain Management

Our commitment to maintaining the highest ethical and professional standards not only applies to our own business operations but also those of our suppliers and business partners. We aim to build trusting supply chain relationships as we work together to deliver quality services and products. We partner with respected and reputable companies which have a long-standing history with the business community. Any acts of bribery and corruption are strictly prohibited. We actively encourage our suppliers to adopt environmentally and socially responsible behaviour by enforcing our ESG commitments. Our purchasing and procurement decisions are integrated with social responsibility considerations in our supplier selection process.

未來，本公司將安排員工退修活動以提高團隊精神，溝通及人際技巧。例如安排工餘活動如遊船派對，行山及體育活動讓員工有一個離開辦公室親近大自然的機會。我們還致力於為員工配對合適之培訓，參加會議及展覽會為員工及集團爭取可持續發展的機會。

B4. 勞工標準

本集團充份明白到童工及強制勞工違反基本人權和國際勞工公約，因此嚴禁在業務經營中僱用童工及強制勞工。本集團於年內亦遵守所有相關勞工法例和規例，致力為員工締造尊重、誠信和公平的工作環境。

B5. 供應鏈管理

我們致力維持最高道德及專業標準，這個承諾不僅應用於公司業務營運上，亦適用於我們的供應商及業務夥伴。我們致力與供應商建立信任，攜手合作，提供優質的服務及產品。我們與擁有悠久歷史具備尊敬和信譽良好的公司合作。我們嚴禁任何賄賂及貪污行為。我們讓供應商明白我們的企業社會責任承諾，以積極鼓勵及強化他們對環境及社會負責。我們的採購決策受規管，將社會責任列入選擇供應商過程的考慮因素。

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B6. Product Responsibility

The Group is committed to offering excellent and reliable services to our customers. As one of Asia's leading satellite operators, we aim to provide with consistency high-quality services that meet their current and future requirements. The products and services in which the Company provides are also scrutinised by our research and development and technical teams in order to comply with and satisfy all applicable laws and regulations regionally and globally. The Group is also committed to protecting the privacy of our customers and have taken certain steps to ensure our customer's personal data are protected against unauthorised use or disclosure. Personal data collected by the Group will be used or disclosed only in accordance with our Personal Data (Privacy) Policy and the Hong Kong Personal Data (Privacy) Ordinance.

B7. Anti-Corruption

The Group values and upholds integrity, fairness, transparency and accountability. There was no corruption and fraud identified. Anti-bribery and anti-corruption standards are important parts of the Group's policies and operating practices which are reinforced by our employees and communicated to key stakeholders who had dealings with the Group. The Group's whistle-blowing policies apply to all stakeholders including employees, shareholders, customers and suppliers. The whistle-blowing mechanisms allow stakeholders to report suspected misconduct, malpractices or fraudulent activities with confidence. Cases reported are followed up independently and all cases are reported by the Group's internal audit function to the Audit Committee and executive management. We expect to maintain the highest standard of values and integrity in the anti-corruption policies and update it with the latest news of any anti-corruption regulations and laws to our employees. During the year, the Group was not aware of any breach of laws and regulations that have a significant impact on the Group relating to anti-corruption.

B6. 產品責任

本集團承諾為客戶提供卓越及可靠的服務。作為亞洲具領導地位的衛星營運商之一，我們致力向客戶提供持續高水準的服務，滿足他們現時及未來的要求。本公司提供的產品和服務由有豐富經驗的研究和開發團隊進行審查，以遵守所有必要的法律和既定的區域和全球法規。本集團亦致力保護客戶的私隱，並且採取若干措施，保障客戶的個人資料不受未經授權的使用或披露。本集團所收集的個人資料只會在符合公司的私隱政策聲明及香港個人資料(私隱)條例的規定下使用或披露。

B7. 反貪污

本集團重視及持守誠實、公平、透明及承擔責任，絕不容忍貪污和欺詐。反賄賂及反貪污標準均乃本集團政策及營運常規之重要部分，僱員必須嚴格遵守，並向與本集團交易的利益相關人士清楚表明。本集團之舉報政策適用於所有利益相關人士，包括員工、股東、客戶及供應商，相關人士可在保密情況下舉報懷疑不當、舞弊或欺詐行為。個案均獲獨立跟進，並由本集團之內部審計部門向審計委員會及行政管理層匯報。我們會繼續保持反貪污的警覺性及執行相關措施並隨時向員工發放及更新防止賄賂的法例及法律資訊。年內，本集團並不知悉任何違反對本集團有關反貪的重大影響的法律及法規。

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B8. Community Investment

Caring for the society and taking suitable action by acting as a corporate citizen build up meaningful and supportive relationships within the communities which we serve. Our corporation values education as it is the foundation to building up innovative and meaningful communities which fosters the education cycle again in society. We sponsored different higher education institutions and research and development partnerships for improving their education quality to foster talent for the technology industry and even for the whole community. Specifically, we established the CMMB Vision-University of Washington Joint Research Centre on Satellite Multimedia and Connected Vehicles with the University of Electronic Science & Technology of Electrical Engineering in Seattle, and also the Joint-Laboratory with the University of Electronic Science & Technology and the Telematics Industry Applications Alliance in China which is dedicated to satellite-LTE integrated multimedia services.

B8. 社區投資

關心社區及採取相應之行動是作為企業公民用以與所在之社區建立有意義及正面性的關係。我們重視年輕人的教育及明白教育是建立創新性及有意義的社區和社會，所以我們資助不同的高等教育學府及研發夥伴關係以改善教育質素以至培育相關的行業人才乃至整個社會。如本集團與西雅圖的華盛頓大學電機工程學院建立了中播一華大共同研發中心，共同從事衛星多媒體和車聯網領域的尖端技術研發。亦與中國電子科技大學及車載資訊服務產業應用聯盟簽署協議，在中國成都共同成立衛星移動車聯網多媒體技術「聯合實驗室」，進一步推動衛星廣播和移動互聯網的融合。

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FIGHT AGAINST COVID-19

During the COVID-19 outbreak in 2020, the Company formed an emergency management team for pandemic prevention and control and established an internal prevention and control system. We have undertaken a series of measures including adopting scientific measures, strengthening prevention and control education and carrying out massive prevention and control activities, with a view to comprehensively ensuring the health and safety of employees.

Anti-pandemic Actions

Protection of employee health

Arranging employees to work from home; distributing masks and other antipandemic supplies to employees on a regular basis.

Prevention and control measures for workplace

Formulating prevention and control policies on entering and leaving the office during the outbreak; conscientiously implementing specific prevention and control measures including personnel management, detection of body temperature and on-site disinfection.

High-quality Working Environment

The Company is committed to creating better office and service facilities for employees and improving their happiness.

- An air purification system was installed to improve office air quality
- The green space was increased in office areas

抗戰二零一九新型冠狀病毒肺炎

二零二零年新冠疫情期間，公司組成了疫情防控應急管理小組，並在內部建立防控體系，並通過採用科學舉措、強化防控宣教、開展群防群控等系列工作，全方位保障員工健康與安全。

抗疫行動

人員健康保障

安排員工進行居家辦公；為員工定期發放口罩等抗疫物資

工作場所防控

制定了疫情防控期間人員進出辦公室規定；切實做好人員管控、體溫檢測、場地消毒等疫情防控具體事項。

優質工作環境

公司致力於為員工創造更好的辦公與生活服務設施，提高員工的幸福感。

- 安裝空氣淨化系統，改善辦公室空氣質量
- 在辦公室區域增加綠化

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FUTURE DEVELOPMENTS

Meeting and exceeding our ESG sustainability achievements are supported by directors, management and employees within the Group as we continue to achieve our goals and meet stakeholders' expectations. Continuous motivation for our talents to reach for higher achievements, build up harmonious relationships amongst our stakeholders and serve our community with meaningful and constructive relationships are key attributes we strive for. In the coming 12 months, the Group will focus on several aspects to achieve higher sustainability including environment preservation, talent development, society and community involvement. The sustainability of the Group's ESG policies will be carefully considered when pursuing our future business endeavours. The Group has and will continue to cultivate a culture of caring for our environment, people and community.

未來發展

為繼續達成我們集團於自身，人才及其他重要持分者之可持續發展的目標，我們會繼續激勵我們的人才，與持分者及所服務之社區建立和諧及有意義的關係。於未來十二個月，本集團會聚焦於環境，人才發展，社會及社區支援方面以達至更高的可持續性。本集團會繼續培育可持續發展文化，肩負起對環境，員工及社區的責任，集團及整體重要持份者的可持續性是可預見的。

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year, an analysis of the Group's performance during the year using financial key performance indicators, a discussion on the Group's future business development and a description of possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis on pages 5 to 6 and pages 7 to 29 of the annual report respectively. The financial risk management objectives and policies of the Group can be found in notes 6 and 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income.

DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2020.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the Group's five largest customers accounted for approximately 98.7% of the Group's revenue and approximately 49.2% of the Group's revenue was attributable to the largest customer.

For the Year, the Group had only one major supplier due to the nature of the principal activities of the Group, which accounted for approximately 56.3% of the Group's cost of sales.

Our major customers include LPTV programmers, electronic manufacturer and satellite communication company. The years of business relationship with the Group over 7 years and details of the trade and retention receivables of the Group as at 31 December 2020 are set out in notes 22 to the consolidated financial statements.

董事會呈報其年報及本集團截至二零二零年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司為一家投資控股公司，其附屬公司的業務載於綜合財務報表附註37。

業務審視

有關本集團年內業務的審視、以財務關鍵表現指標分析本集團年內表現的集團財務摘要、對集團未來業務發展的論述及有關本集團可能面對的風險及不明朗因素的描述均載於本年報第5至6頁的主席報告及第7至29頁的管理層討論及分析。本集團財務風險管理的目標及政策刊載於綜合財務報表附註第6項和第7項。

業績及分配

本集團截至二零二零年十二月三十一日止年度的業績載於綜合損益及其他全面收益表內。

股息

董事並不建議就截至二零二零年十二月三十一日止年度宣派任何股息。

主要客戶和供應商

本年度，本集團之五大客戶佔本集團收入約98.7%，而最大客戶則佔本集團收入約49.2%。

本年度，基於本集團主要業務之性質，本集團只有一主要供應商。該最大供應商佔本集團銷售成本約56.3%。

我們的主要客戶包括LPTV節目營運商、電子產品生產商和衛星通信公司的公司，彼等與本集團的業務關係超過7年。有關本集團於二零二零年十二月三十一日的貿易及應收保留金詳情載於綜合財務報表附註22。

Directors' Report

董事會報告書

To reduce related risks, the Group generally continuously monitors the level of exposure to individual customers to ensure that follow-up actions and/or corrective actions are taken promptly or to recover overdue balances and if the receivables have not been paid or other breaches of contract occur, the Group may deduct part of the credit amount. In addition, the Group will evaluate potential customer's credit quality before determining the credit limit of the new contract.

During the Year, the Group had not experienced any major disruption of business due to material delay or default of payment by our customers due to their financial difficulties. We did not have any material dispute with our customers.

None of the Directors or their respective close associates or any of the Shareholders (who owns more than 5% of the Company's number of the issued shares) had any interest in any of the Group's five largest customers during the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 4 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of the movements during the year in the property, plant and equipment and intangible assets of the Group are set out in notes 17 and 18 to the consolidated financial statements respectively.

為了最大限度地降低信用風險，本集團一般會持續監控個別客戶的風險水平，以確保及時採取後續行動和／或糾正措施，或收回逾期餘額；而倘應收項尚未償付或出現其他違反合約情況，本集團可能會扣起部分信用額。此外，在釐定新合約之信貸限額前，本集團會評估該潛在客戶之信貸質素。

於本年度內，我們的客戶概無因彼等的財務困難而重大延遲或拖欠付款，而導致本集團承受任何主要業務損失。我們並無與客戶發生任何重大糾紛。

於本年度內，概無董事或彼等各自之緊密聯繫人或任何(擁有本公司已發行股份數目5%以上之)股東於本集團任何五大客戶中擁有任何權益。

五年財務概要

本集團過去五個財政年度業績及資產負債概要載於年報第4頁。

物業、廠房及設備及無形資產

有關本集團物業、廠房及設備以及無形資產的年內變動詳情分別載於綜合財務報表附註17和18。

SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2020 are set out in note 37 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Details of equity-linked agreements entered during the Year or subsisting at the end of the Year are set out below:

Convertible notes

On 29 May 2018, the Company issued US dollar denominated convertible notes with a principal amount of US\$96,000,000 ("2025 Convertible Notes") to Chi Capital Holdings Ltd. ("Chi Capital") as part of the consideration for the acquisition of 20% equity interest in Silkwave Holdings Limited. The maturity date of the 2025 Convertible Notes is 28 May 2025 ("2025 CN Maturity Date") which is 7 years from the date of issue of the 2025 Convertible Notes. The 2025 Convertible Notes are non-interest bearing and mature on 2025 CN maturity date at the principal amount. The 2025 Convertible Notes are convertible into shares at any time after the issuance and up to, but excluding, 5 business days prior to the 2025 CN Maturity Date at the conversion price of HK\$0.4 each share, subject to anti-dilutive adjustments.

The initial number of ordinary shares of the Company issuable upon conversion is 1,862,400,000 shares, which represents 41.5% of the total number of ordinary shares of the Company issued and outstanding as of the issue date of the 2025 Convertible Notes on a fully diluted basis.

附屬公司

於二零二零年十二月三十一日本公司附屬公司的詳情載於綜合財務報表附註37。

股權掛鈎協議

於報告期內訂立或於報告期完結時仍然生效的股權掛鈎協議的詳情載列如下：

可換股票據

於二零一八年五月二十九日，本公司向 Chi Capital Holdings Ltd. (「Chi Capital」) 發行本金額為96,000,000美元(「2025可換股票據」)之美元計價可換股票據，作為收購 Silkwave Holdings Limited 20%股權之代價之一。2025可換股票據的到期日為二零二五年五月二十八日(「2025年到期日」)，自2025可換股票據發行日期起計7年。2025可換股票據於二零二五年到期日按本金額無利息及到期。2025可換股票據可於發行後任何時間轉換為股份，直至(但不包括)2025可換股票據到期日前5個營業日，每股轉換價為0.4港元，惟須進行反攤薄調整。

轉換後可發行的本公司普通股初始數量為1,862,400,000股，相當於截至2025可換股票據發行日期按全面攤薄基準已發行及發行在外的本公司普通股總數的41.5%。

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The issue of the 2025 Convertible Notes was split between a liability component and an equity component in its initial recognition as follows: (i) Liability component was initially measured at fair value amounted to approximately US\$44,137,000 which represents the present value of the contractually determined stream of future cash flows discounted at the market interest rate applicable to comparable non-convertible bonds. It is subsequently measured at amortised cost by applying an effective interest rate of 11.41% per annum; and (ii) Equity component, which was equal to the difference between the principal and the fair value of the liability component, amounted to approximately US\$51,863,000 was presented in equity as convertible notes reserve. Pursuant to terms and conditions of the 2025 Convertible Notes, the conversion price and the number of conversion shares to be issued upon the exercise of conversion rights attached to the outstanding 2025 Convertible Notes were adjusted to HK\$8 and 84,390,000 shares respectively upon the completion of the share consolidation on 12 November 2019. Pursuant to the terms and conditions of the 2025 Convertible Notes, the conversion price of and the number of conversion Shares to be issued upon exercise of the conversion rights attached to the outstanding 2025 Convertible Notes were adjusted to HK\$8.088 and 83,471,810 Shares respectively with retrospective effect from 18 February 2020, being the next day following the record date of the Rights Issue. During the year 2020, the 2025 Convertible Notes with principal amount of Nil (2019: US\$9,000,000) were redeemed at redemption amount of Nil (2019: US\$9,000,000).

The Hong Kong dollar equivalent of the principal amount of 2025 Convertible Notes being converted shall be calculated by using the fixed exchange rate of HK\$7.76 per US\$1.00.

As at 31 December 2020, the principal amount of the outstanding 2025 Convertible Notes amounted to US\$87,000,000 (31 December 2019: US\$87,000,000). Assuming that there is no change in share capital of the Company since 31 December 2020 and the conversion rights attached to the 2025 Convertible Notes are exercised in full, the number of issued shares of the Company will be increased by 83,471,810 (the "Conversion Shares"), representing approximately 30.03% of the issued shares of the Company as at 31 December 2020 (i.e. 277,925,277 Shares) and approximately 23.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (i.e. 361,397,087 Shares).

2025可換股票據的發行在其初始確認中分為負債部分及權益部分，如下：(i)負債部分初步按公平值計量，約為44,137,000美元，代表合約的現值是以確定的未來現金流量按適用於可比較非可轉換債券的市場利率貼現。其後按實際年利率11.41%按攤銷成本計量；(ii)權益部分(相等於負債部分本金與公允價值之間的差額)約為51,863,000美元，在權益中列為可轉換票據權益儲備。於二零一九年十一月十二日，股份合併生效，根據2025可換股票據之條款及條件，已發行2025可換股票據隨附之換股權獲行使時將予發行之換股股份之換股價及數目經調整後分別為8港元及84,390,000股股份。未行使2025可換股票據於供股結果後之調整根據2025可換股票據的條款及條件，所附帶的換股權獲行使後而將予發行的可換股股份的換股價及數目將分別調整為8.088港元及83,471,810股股份，追溯至二零二零年二月十八日(即隋供股記錄日期後一天)起生效：於二零二零年，2025可換股票據中之本金額為零(二零一九年：9,000,000美元)已贖回，贖回價金額為零(二零一九年：9,000,000美元)。

予以轉換的2021可換股票據及2025可換股票據的本金額的港元等值應按每1.00美元兌7.76港元的固定匯率計算。

於二零二零十二月三十一日，未行使2025可換股票據本金額為87,000,000美元(二零一九十二月三十一日：87,000,000美元)。假設本公司股本自二零二零年十二月三十一日起並無任何變動，且2025可換股票據隨附之換股權獲悉數行使，則本公司已發行股份數目將增加83,471,810股(「換股股份」)，佔本公司於二零二零年十二月三十一日已發行股本約30.03%(即277,925,277股股份)及本公司經配發及發行換股股份擴大後已發行股本的約23.10%(即361,397,087股股份)。

DILUTION EFFECT OF THE CONVERSION OF CONVERTIBLE NOTES

Set out below is the dilution effect on equity interest of the substantial Shareholders upon the fully conversion of the outstanding 2025 Convertible Notes by Chi Capital.

兌換可換股票據之攤薄影響

下表載列Chi Capital尚未行使之2025可換股票據獲悉數兌換後，主要股東之股權受到之攤薄影響。

| Substantial Shareholders 主要股東 | As at 31 December 2020 於二零一九年十二月三十一日 | | Upon full conversion of Convertible Notes as at 31 December 2020 於二零一九年十二月三十一日 可換股票據獲悉數兌換後 | |
|----------------------------------|---|---|--|---|
| | Number of Shares 股份數目 | Approximately % of issued Shares 佔已發行股份 之概約百分比 | Number of Shares 股份數目 | Approximately % of issued Shares 佔已發行股份 之概約百分比 |
| Chi Capital | 61,353,268 | 22.08 | 144,825,078 | 52.11 |
| Chi Capital | | | | |

DILUTION IMPACT ON EARNINGS PER SHARE

As calculated based on loss attributable to owners of the Company of approximately US\$127.77 million for the year ended 31 December 2020, both basic and diluted earnings per share of the Company amounted to US\$52.75 cents.

對每股盈利之攤薄影響

按截至二零二零年十二月三十一日止年度本公司擁有人應佔虧損約127.77百萬港元計算，本公司每股基本及攤薄盈利均為52.75港仙。

Based on the implied internal rate of returns of the Convertible Notes, the Company's share prices at the future dates at which it would be equally financially advantageous for the securities holders to convert were as follows:

根據可換股票據之隱含內部回報率，可使證券持有人於未來日期轉換亦會獲得同等有利的經濟回報的本公司股價如下：

| Date 日期 | 31 December 2020 二零二零年 十二月三十一日 (HK\$ per share) (每股港元) | 31 December 2019 二零一九年 十二月三十一日 (HK\$ per share) (每股港元) |
|--------------------|--|--|
| Share prices 股價 | 0.244 | 1.100 |

Details of the convertible notes of the Company are set out in note 28 to the consolidated financial statements.

有關本公司可換股票據的詳情載於綜合財務報表附註28。

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SHARE OPTION SCHEME

The directors adopted a new share option scheme ("Share Option Scheme") which was duly passed at the extraordinary general meeting of the Company held on 18 December 2015. Details of the Share Option Scheme are set out in the circular of the Company dated 2 December 2015.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, executives, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted. The remaining life of the Share Option Scheme is 4 years.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the shares of the Company in issue on 18 December 2015 (the "General Scheme Limit"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the shares in the Company in issue as at the date of the shareholders' approval.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the shares in issue from time to time.

購股權計劃

董事採納新購股權計劃(「購股權計劃」)，於二零一五年十二月十八日舉行的本公司股東特別大會上獲正式通過。購股權計劃詳情載於本公司日期為二零一五年十二月二日的通函。

購股權計劃旨在讓本集團向經挑選的參與者授出購股權，作為彼等為本集團作出的貢獻的獎勵或回報。所有董事、行政人員、貨物及服務供應商、客戶、向本集團提供研發或其他技術支援的人士或實體、本集團任何成員公司的股東、本集團的顧問或諮詢人及以合資經營、業務聯盟或其他業務安排方式而已經或可能為本集團業務增長帶來貢獻的任何其他組別及類別參與者，均符合資格參加購股權計劃。

購股權計劃於採納購股權計劃當日起計十年內有效。購股權計劃的剩餘年期為4年。

因行使根據購股權計劃及本集團已採納的任何其他購股權計劃將授出的所有購股權而可能配發及發行的股份總數，合共不得超過本公司於二零一五年十二月十八日已發行股份的10%(「一般計劃限額」)。本公司於獲取股東批准後可更新一般計劃限額，惟每次更新的限額不得超過本公司於獲授股東批准當日已發行股份的10%。

於行使根據購股權計劃授出及尚未行使的所有尚未行使購股權及本集團採納的任何其他購股權計劃時可能發行的股份最高數目不得超過已發行股份的30%。

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being.

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence on a day after the date upon which the grant of options is made but shall not end later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the shares under the Share Option Scheme will be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

The Company granted 10,896,000 share options on 4 September 2020 to certain consultants for the purpose of fund raising activities; development of CMMB Business and seeking for new investment opportunities in CMMB Business. The fair value of the options at the date of grant was HK\$1,323,000 (equivalent to approximately US\$171,000). The options were valued by Peak Vision Appraisals Limited, an independent valuer not related to the Group. The fair value was determined based on Binomial Pricing Model.

除非獲本公司股東批准，否則根據購股權計劃授出的購股權及本集團任何其他購股權計劃(包括已行使或尚未行使的購股權)向每名參與者發行及將予發行的股份總數任何十二個月期間不得超過本公司暫時已發行股本的1%。

參與者可以在授予期權的要約之日起二十一天內接受購股權。在接納授出購股權時，須支付1港元的名義代價。購股權可根據購股權計劃之條款於董事釐定及通知各承授人的期間內隨時行使，而該期限可於授出購股權之日後一日開始，但須在授予購股權之日起十年後終止，並須遵守提前終止的規定。除非董事另行決定並在向承授人授出購股權的要約中作出規定，否則購股權計劃並無規定在行使購股權前持有購股權的最短期限。

購股權計劃下股份的認購價將為董事釐定的價格，但不得低於以下三項中最高者(i)於授出當日(必須是營業日)聯交所每日報價表所載的股份收市價；(ii)聯交所於緊接授出日期前五個交易日的每日報價所述股份的平均收市價；及(iii)股份面值。

本公司於二零二零年九月四日向若干顧問授出10,896,000股購股權，作為融資項活動、發展CMMB業務及尋求CMMB業務的新投資機會為目的。於授出日期，購股權的公允價值為1,323,000港元(相等於約171,000美元)。購股權由滙鋒評估有限公司(一家與本集團無關的獨立估值師)估值。公允價值以二項式定價模型確定。

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The following significant assumptions were used to derive the fair value using the Binomial Pricing Model:

- Exercise price HK\$0.37;
- Expected volatility 68.00%;
- Expected life is 3 years;
- Expected dividend yield of 0.00%; and
- Risk free rate of 0.255%.

The Binomial Pricing Model has been used to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

The Group has recognized share-based payments expense in profit or loss of US\$171,000 related to equity-settled share-based payment transactions for the year ended 31 December 2020.

下列為利用二項式定價模型以計算公允價值之重要假設：

- 行使價0.37港元；
- 預期波幅68.00%；
- 預計年期為三年；
- 預計股息率0.00%；及
- 無風險利率0.255%。

二項式定價模型已用於估計購股權的公允價值。期權的價值隨某些主觀假設的不同變量而變化。如此採納的變數的任何變動可能會對期權的公允價值的估計產生重大影響。

截至二零二零年十二月三十一日止年度，本集團已確認以股權結算以股份為基礎的付款開支171,000美元於損益中。

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Details of the share options movements under the Share Option Scheme during the year were as follows:

年內根據購股權計劃授出及尚未行使的購股權詳情如下：

| | | Date of grant | Exercise price | Exercise period | Number of share options | | | | | |
|------------------------------------|-------------|-------------------------------|---------------------------------|--|-------------------------------|-------------------------|---------------------|-------------------------------------|---------------------------|-----------------------------------|
| | | | | | Outstanding at 1 January 2020 | Granted during the year | Adjustment (Note i) | Exercised during the year (Note ii) | Cancelled during the year | Outstanding at 31 December 2020 |
| | | 授予日期 | 經調整行使價 HK\$ 港元 | 行使期 | 於 二零二零年 一月一日 尚未行使 | 年內已授出 | 調整 (附註i) | 年內已行使 (附註ii) | 年內已失效 | 於 二零二零年 十二月 三十一日 尚未行使 |
| Consultants | 顧問 | 17 May 2019 二零一九年 五月十七日 | 1.516 (Note i) 1.516 (附註i) | 17 May 2019 to 16 May 2022 二零一九年 五月十七日至 二零二二年 五月十六日 | 2,747,844 | - | (29,001) | - | (2,718,843) | - |
| Consultants | 顧問 | 4 September 2020 二零二零年九月四日 | 0.37 (Note iii) 0.37 (附註iii) | 4 September 2020 to 3 September 2023 二零二零年九月四日至 二零二三年九月三日 | - | 10,896,000 | - | 5,448,000 | - | 5,448,000 |
| Total | 總額 | | | | <u>2,747,844</u> | <u>10,896,000</u> | <u>(29,001)</u> | <u>5,448,000</u> | <u>(2,718,843)</u> | <u>5,448,000</u> |
| Exercisable at the end of the year | 於年末可予 行使 | | | | | | | | | <u>5,448,000</u> |

(i) As a result of the Rights Issue which was completed on 11 March 2020, the exercise price per share and number of outstanding share options granted on 17 May 2019 were further adjusted from HK\$1.50 to HK\$1.516 and from 2,747,844 options to 2,718,843 options respectively.

(i) 因供股於二零二零年三月十一日完成，故於二零一九年五月十七日授出之尚未行使購股權之每股行使價從1.50港元再調整至1.516港元，數目從2,747,844股再調整至2,718,843股。

(ii) The weighted average closing price of the Shares immediately before the dates on which the share options were exercised is approximately HK\$0.29.

(ii) 購股權獲行使當日前股份之加權平均收市價為0.29港元。

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(iii) The closing price of the Shares immediately before the date on which the share options were granted was HK\$0.31.

The total number of Shares available for issue under the Share Option Scheme is 3,473,439, representing 1.19% of the issued Shares as at the date of the annual report.

SHARE CAPITAL

Details of the share capital of the Company for the year ended 31 December 2020 are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company did not have in aggregate reserves available for distribution to the shareholders as at 31 December 2020. Under the Companies Law Chapter 22 of the Cayman Islands, the share premium of the Company amounted to approximately US\$43,730,000 as at 31 December 2020 is available for distributions to the Shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. WONG Chau Chi (*Chairman*)

Dr. LIU Hui (*Vice-Chairman*)

Non-executive Directors

Mr. CHOU Tsan-Hsiung

Mr. YANG Yi

Independent Non-executive Directors

Dr. WANG Wei-Lin ^(Note 1)

Dr. LI Shan

Dr. LI Jun

Mr. CHOW Kin Wing ^(Note 2)

(iii) 購股權獲行使當日前股份平均收市價為0.31港元。

根據購股權計劃可發行的股份總數為3,473,439，於年報日期，佔已發行股份的1.19%。

股本

本公司截至二零二零年十二月三十一日止年度的股本詳情載於綜合財務表附註29。

本公司可供分派儲備

於二零二零年十二月三十一日，本公司並無可供分派予股東的儲備。根據開曼群島公司法第22章，本公司於二零二零年十二月三十一日之股份溢價約43,730,000美元，可向股東作出分派，惟緊隨建議支付分派或股息當日後，本公司必須於日常業務過程中如期清償其債務。

董事

年內及直至本報告刊發日期，公司董事為：

執行董事

黃秋智先生 (*主席*)

劉輝博士 (*副主席*)

非執行董事

周燦雄先生

楊毅先生

獨立非執行董事

王偉霖博士 ^(附註1)

李山博士

李珺博士

周建榮先生 ^(附註2)

Notes:

1. Dr. WANG Wei-Lin resigned as an independent non-executive Director with effect from 31 May 2020 due to devotion to his personal business development.
2. Mr. CHOW Kin Wing was appointed as an independent non-executive Director on 12 October 2020.

In accordance with Article 108(A) of the Articles, at each annual general meeting (“AGM”) one third of the directors for the time being shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. WONG Chau Chi and Mr. YANG Yi will retire from the office and, being eligible, offer themselves for re-election at the forthcoming AGM of the Company.

According to article 112 of the Articles, any Director appointed by the Board to fill a causal vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting. Therefore, Mr. CHOW Kin Wing will hold office only until the forthcoming AGM and, being eligible, offers himself for reelection.

A circular containing an explanatory statement on the Company repurchasing its shares, the biographical details of the director candidates and the notice of AGM will be sent to shareholders of the Company.

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

附註：

1. 於二零二零年五月三十一日，王偉霖博士將致力發展其個人業務，辭任本公司獨立非執行董事。
2. 於二零二零年十月十二日，周建榮先生獲委任為本公司獨立非執行董事。

根據細則第108(A)條，三分之一董事須於每屆股東週年大會上（「股東週年大會」）輪席告退，各董事每三年須最少輪席退任一次。因此，黃秋智先生及楊毅先生將退任，符合資格並願意於應屆股東週年大會上膺選連任。

根據細則第112條，獲董事會委任以填補臨時空缺之任何董事，任期將至其獲委任後首屆股東大會日期為止，並可於該大會上重選，因此，周建榮先生之任期將直至本公司應屆股東週年大會為止，並符合資格及願意膺選連任。

載有關於本公司購回股份的說明函件、董事候選人履歷及股東週年大會通告的通函將寄發予本公司股東。

董事服務合約

概無董事與本公司或其任何附屬公司訂立本集團在不支付賠償（法定賠償除外）的情況下不可於一年內終止的服務合約。

Directors' Report

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 December 2020, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Ordinary Shares

| Name of director 董事姓名 | Name of corporation 法團名稱 | Capacity/nature of interest 身份／權益性質 | Total number of ordinary shares 普通股總數 | Approximate percentage of shareholding (Note 2) 持股概約百分比 (附註2) |
|----------------------------|-----------------------------|--|---|--|
| Mr. WONG Chau Chi 黃秋智先生 | The Company 本公司 | Interest of controlled corporation (Note 1) 受控制公司權益(附註1) | 61,353,268 | 22.08% |

Notes: 1. These shares are registered under the name of Chi Capital, a company wholly owned by Mr. WONG Chau Chi, who was the sole shareholder and director of Chi Capital. Under the SFO, Mr. WONG Chau Chi was deemed to be interested in all the shares held by Chi Capital.

2. These percentages have been compiled based on the total number of issued Shares as at 31 December 2020 (i.e. 277,925,277 Shares).

董事和主要行政人員擁有的股份及購股權權益

於二零二零年十二月三十一日，本公司董事及主要行政人員擁有記錄於本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置的登記冊或根據標準守則知會本公司及聯交所的本公司或其任何相聯法團(定義見證券及期貨條例第XV部)股份、相關股份及債券的權益及淡倉如下：

普通股

| Total number of ordinary shares 普通股總數 | Approximate percentage of shareholding (Note 2) 持股概約百分比 (附註2) |
|---|--|
| 61,353,268 | 22.08% |

附註： 1. 該等股份以Chi Capital的名義登記。Chi Capital為黃秋智先生全資擁有的公司，而彼為Chi Capital的唯一股東兼董事。根據證券及期貨條例，黃秋智先生被視為擁有Chi Capital持有的所有股份中擁有權益。

2. 有關百分比乃按於二零二零年十二月三十一日的已發行股份總數(277,925,277股股份)計算得出。

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

上述披露的所有權益均為於本公司的股份及相關股份的好倉。

Other than as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions, whether beneficial or non-beneficial, in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2020 as required to be recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二零年十二月三十一日，概無本公司董事、主要行政人員或彼等的聯繫人於任何本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有任何實益或非實益權益或淡倉而須記錄於本公司根據證券及期貨條例第352條存置的登記冊或根據標準守則知會本公司及聯交所。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Except as disclosed in note 33 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2020, the register of the Company's substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors or chief executives of the Company, the following shareholders had notified the Company of their relevant interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation.

購買股份或債券的安排

在年內任何時間，本公司或其任何附屬公司從未作為促使董事以收購本公司或任何其他法人團體的股份或債券的方式收購利益的任何安排的其中一方。

董事於交易、安排或合約的權益

除綜合財務報表附註33披露外，概無重大合約為本公司或其任何附屬公司作為訂約方，而同時董事直接或間接擁有重大權益，且於年度終結或年內任何時間存續。

主要股東

於二零二零年十二月三十一日，本公司根據證券及期貨條例第336條存置的主要股東登記冊顯示，除上述就本公司若干董事或主要行政人員披露的權益外，以下股東已知會本公司擁有本公司或其任何相聯法團的股份、相關股份及債券的相關權益及淡倉。

| Name of shareholder | Capacity/nature of interest | Number of ordinary shares | Percentage of the issued share capital |
|---------------------|-----------------------------|---------------------------|--|
| 股東名稱 | 身份／權益性質 | 普通股數目 | 已發行股本百分比 |
| | | (Note 1) (附註1) | (Note 3) (附註3) |
| Chi Capital | Beneficial owner (Note 2) | 61,353,268 (L) | 22.08% |
| Chi Capital | 實益擁有人(附註2) | 61,353,268 (L) | 22.08% |

Notes:

- The letter "L" denotes the persons' long positions in the shares.
- These shares are registered under the name of Chi Capital, a company wholly owned by Mr. WONG Chau Chi, who was the sole shareholder and director of Chi Capital. Under the SFO, Mr. WONG Chau Chi was deemed to be interested in all the shares held by Chi Capital.

附註：

- 「L」指該等人士於股份的好倉。
- 該等股份以Chi Capital的名義登記。Chi Capital為黃秋智先生全資擁有的公司，而彼為Chi Capital的唯一股東兼董事。根據證券及期貨條例，黃秋智先生被視為擁有Chi Capital持有的所有股份中擁有權益。

Directors' Report

董事會報告書

3. These percentages have been compiled based on the total number of issued Shares as at 31 December 2020 (i.e. 277,925,277 Shares).

Other than as disclosed above, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in any shares, underlying shares and debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2020.

CONNECTED TRANSACTIONS

During the Year, there was not any connected transaction or continuing connected transaction which required the compliance with the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. Details of material related party transactions undertaken in the usual course of business of the Group are set out in note 33 to the consolidated financial statements. However, these transactions were either exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14 of the Listing Rules, or did not fall under the definition of connected transactions or continuing connected transactions as defined in the Listing Rules.

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

The Company is empowered by the applicable Cayman Islands Companies Law and the Articles of the Association to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable regulations imposed from time to time by the Stock Exchange. There was no purchase, sale, redemption or writing-off by the Company or any of its subsidiaries, of the Company's listed shares during the year ended 31 December 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Except as disclosed, during the year, none of the Directors had any interests in a competing business to the Group which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

3. 有關百分比乃按於二零二零年十二月三十一日的已發行股份總數(277,925,277股股份)計算得出。

除上文披露者外，本公司並不知悉任何其他人士(本公司董事或主要行政人員除外)於二零二零年十二月三十一日在本公司根據證券及期貨條例第336條規定存置的股東名冊中記錄的本公司或其相聯法團任何股份、相關股份及債券中擁有權益或淡倉。

關連交易

於本年度，概無訂立任何關連交易或持續關連交易，而須遵守上市規則之申報、公告及獨立股東批准之規定。於本集團一般業務過程中進行之重大關連方交易詳情，載於綜合財務報表附註33。然而，此等交易獲豁免遵守上市規則第十四章之報告、公告及獨立股東批准之規定，或並非屬於上市規則所定義之關連交易或持續關連交易。

購買、出售或贖回本公司股份

根據適用的開曼群島公司法和章程細則，本公司可在若干限制下購回其本身股份，惟董事會代表本公司行使該項權力時，必須符合聯交所不時實施的任何適用規定。於截至二零二零年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售、贖回或撤銷本公司的上市股份。

董事的競爭業務權益

年內，概無董事於本集團競爭業務中擁有根據上市規則第8.10條須予披露的任何權益(除已披露者外)。

EMOLUMENT POLICY

The Group's emolument policy is designed to attract, retain and motivate talented individuals to contribute to the success of its business. The emolument policy of the employees of the Group is formulated and reviewed by management on the basis of their merit, qualifications and competence.

The emoluments of the Directors and the senior management of the Group are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company currently has a Share Option Scheme as an incentive to directors, executives and any other eligible persons, details of which are set out in note 30 to the consolidated financial statements.

The Group operates a mandatory provident fund ("MPF") scheme under the rules and regulations of the MPF Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF scheme. Contributions are made based on a percentage of the employees' salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2020. During the year, the total amounts contributed by the Group to the schemes and costs charged to the consolidated statement of income or loss represent contributions payable to the schemes by the Group at designated rates according to the rules of the schemes.

薪酬政策

本集團之薪酬政策旨在吸引、挽留及鼓勵有才之士為本集團業務之成功作出貢獻。本集團僱員之薪酬政策乃由管理層按彼等之功績、資歷及勝任能力而制定及檢討。

本集團的董事及高級管理層的酬金乃由薪酬委員會視乎集團的業績、個人表現及市場統計比較而決定。

本公司現行有購股權計劃以獎勵董事，行政人員及任何合資格人士，其詳細資料載於綜合財務報表附註第30項。

本集團根據強制性公積金（「強積金」）計劃條例之規則及規例為其所有香港僱員設立一項強積金計劃。本集團所有於香港的僱員均須加入強積金計劃。供款按僱員薪金的某一百分比作出，並根據強積金計劃之規則於應予支付時在綜合損益及其他全面收益表扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。於二零二零年十二月三十一日，並無沒收之供款以供來年扣減應付供款。本年度，本集團向計劃供款總額及於綜合收益表扣除之成本，代表本集團根據計劃規則按指定比率向計劃應付之供款數額。

Directors' Report

董事會報告書

PERMITTED INDEMNITY PROVISION

The Directors shall be indemnified against all losses and liabilities which they may incur in connection with their duties. The Company has arranged the appropriate Directors and officers liability insurance coverage for the directors and officers of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any holders of securities of the Company who are entitled to any tax relief or exemption by reason of their holding of such securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best knowledge of the directors, as at the latest practicable date prior to the issue of this annual report, the Directors consider that the Company has maintained a sufficient public float as required under the Listing Rules, throughout the year ended 31 December 2020.

獲准許的彌償條文

董事就履行其職務而引致任何損失或責任，均有權獲得賠償。本公司有為本集團董事及高級職員安排恰當的董事及高級職員責任保險。

優先認購權

細則或開曼群島法律並無載入有關優先認購權的條文，規定本公司須按比例基準向現有股東發售新股。

稅項減免及豁免

據本公司所知，本公司證券持有人並無因持有有關證券而享有任何稅項減免或豁免。

足夠的公眾持股量

於本年度報告書刊發日期前的最後可行日期，根據本公司可從公開途徑取得的資料，以及據董事所知，董事認為，本公司已按照上市規則的規定維持足夠公眾持股量截至二零二零年十二月三十一日止。

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considers all of the independent non-executive Directors are independent.

AUDITOR

The consolidated financial statements for the years ended 31 December 2017, 2018 and 2019 were audited by HLM CPA Limited (“HLM”) and the consolidated financial statements for the year ended 31 December 2020 were audited by Confucius International CPA Limited (“Confucius”).

HLM resigned as auditor of the Company with effect from 6 November 2020 and Confucius was appointed as auditor of the Company with effect from 6 November 2020 to fill the causal vacancy and to hold office until the conclusion of the forthcoming AGM. Save as disclosed above, there were no other changes of auditor of the Company in the preceding three years.

Confucius will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Confucius as auditor of the Company is to be proposed at the AGM.

On behalf of the Board

For and on behalf of the Board

WONG Chau Chi

Chairman

Hong Kong, 29 March 2021

確認獨立性

本公司已收到每位獨立非執行董事根據聯交所之證券上市規則第3.13條所規定的書面年度確認，確認其獨立性。本公司認為全部獨立非執行董事確屬獨立人士。

核數師

恒健會計師行有限公司(「恒健」)已審核截至二零一七年、二零一八年及二零一九年十二月三十一日止年度之合併財務報表，而天健國際會計師事務所有限公司(「天健」)則已審核截至二零二零年十二月三十一日止年度之合併財務報表。

恒健辭任本公司核數師，由二零二零年十一月六日起生效，而天健已獲委任為本公司核數師，由二零二零年十一月六日起生效，以填補臨時空缺，並任職至應屆股東週年大會結束為止。除上文所披露者外，本公司核數師於過去三年並無其他變動。

天健將退任並符合資格且願意獲續聘。本公司將於股東週年大會上提呈續聘天健為本公司核數師之決議案。

代表董事會

主席

黃秋智

香港，二零二一年三月二十九日

Independent Auditor's Report

獨立核數師報告書



天健國際會計師事務所有限公司
Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道 181 號大有大廈 1501-08室
Rooms 1501-8, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong.
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TO THE MEMBERS OF CMMB VISION HOLDINGS LIMITED
中國移動多媒體廣播控股有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of CMMB Vision Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 96 to 212, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師行(以下簡稱「我們」)已審核列載於第96至212頁中國移動多媒體廣播控股有限公司「貴公司」及其附屬公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港財務報告準則真實與公平地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照由香港會計師公會所公佈之《香港財務報告準則》及符合香港《公司條例》的披露規定妥為編製。

意見基準

我們根據香港會計師公會頒佈的《香港審計準則》進行審核工作。根據該等準則，我們的責任於本報告「核數師就審核綜合財務報表的責任」一節中進一步詳述。根據香港會計師公會頒佈的《專業會計師道德守則》(「《守則》」)，我們獨立於貴集團，並已遵循該《守則》履行其他道德責任。我們認為，我們所獲得的審核憑證屬充分及恰當，可為我們的意見提供基準。

Independent Auditor's Report

獨立核數師報告書

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2020 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 2 to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately US\$127,700,000 for the year ended 31 December 2020, and as at the same date, the Group's current liabilities exceeded its current assets by approximately US\$3,059,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the intangible assets

As set out in Note 18 and Note 20 to the consolidated financial statements, the Group owned intangible assets held by subsidiaries of approximately US\$54,715,000 and an associate of approximately US\$582,000,000 as at 31 December 2020. The intangible asset represents the spectrum usage rights held by the Group's subsidiaries in the United States of America and the satellite intangible assets, including right to occupy the orbit slot and broadcast spectrum held by an associate. There is an impairment loss of US\$24,275,000 for the spectrum usage rights and the satellite intangible assets of US\$89,408,000 after taking into account the share of results of an associate which are recognised in the consolidated profit or loss and other comprehensive income in current year.

We have identified an impairment review of intangible asset as a key audit matter due to the significant judgements and assumptions about the future performance of the spectrum usage involved in the management's impairment review process.

有關持續經營之重大不確定性

隨附之截至二零二零年十二月三十一日止年度之綜合財務報表已假設貴集團將繼續按持續經營基準營運而編製。我們提請閣下垂注綜合財務報表附註2，貴集團於截至二零二零年十二月三十一日止年度產生貴公司擁有人應佔虧損淨額約127,700,000美元，於同日貴集團之流動負債超出流動資產約3,059,000美元，此等狀況顯示存在重大不確定因素，有可能對貴集團持續經營之能力構成重大疑慮。我們就此事宜之意見並無修訂。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在審核綜合財務報表及就此形成意見時處理該等事項，而不會就該等事項單獨發表意見。

無形資產之估值

誠如綜合財務報表附註18及20所載，貴集團於二零二零年十二月三十一日分別由附屬公司及聯營公司持有之無形資產為54,715,000美元及582,000,000美元。無形資產指貴集團之附屬公司於美國持有之頻譜使用權及聯營公司持有衛星無形資產，包括軌道位置及廣播頻譜使用權。於本年度錄入綜合損益及其他全面收益表之頻譜使用權減值虧損為24,275,000美元及應佔聯營公司持有衛星無形資產減值虧損為89,408,000美元。

我們將無形資產之減值評估識別為關鍵審核事項，原因為管理層減值評估過程中涉及對頻譜使用權的重大判斷及假設。

Independent Auditor's Report

獨立核數師報告書

Management is required to carry out an impairment test at least annually. Independent external valuations were obtained in order to support management's estimates. An income approach was adopted in the valuation conducted by the independent professional valuer, in which value in use is calculated with cash flow projections based on the financial budgets approved by the management, which is judgemental and based on a number of assumptions.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's valuation of the intangible asset included:

- evaluating the independent external valuer's competence, capabilities and objectivity;
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the industry; and
- checking on a sample basis, the accuracy and relevance of the input data used in the valuation.

We found the assumptions adopted in relation to these impairment assessments to be supportable and reasonable based on available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

管理層每年須至少進行一次減值測試。管理層已取得獨立外部估值以支持其估計。管理層於估值時採用收入法，其中使用價值乃按基於管理層批准的財政預算的現金流量預測計算，此乃涉及判斷，並以一系列假設為基準。

核數師如何處理關鍵審核事項

我們就管理層對無形資產所作估值進行之審核程序包括：

- 評估獨立外部估值師之資歷、能力及客觀性；
- 根據我們對行業的知識，評估所用方法及主要假設之恰當性；及
- 抽樣檢查所用輸入數據之準確性及相關性。

我們發現，根據現有證據，與這些減值評估相關的假設是可支持和合理的。

其他資料

貴公司董事負責其他資料。其他資料包括年報中載列的資料，但不包括綜合財務報表及核數師報告。

我們就綜合財務報表的意見並未包含其他資料且我們並不就其他資料表達任何形式的確定性結論。

就我們對綜合財務報表的審計而言，我們的責任是閱讀其他資料，並在閱讀過程中考慮其他資料是否與綜合財務報表或我們於審計中得知的情況存在重大不符，或者似乎有重大錯誤陳述。倘基於我們所作工作，我們斷定倘其他資料存在重大錯誤陳述，則我們須匯報該事實。就此而言，我們並無須匯報的內容。

Independent Auditor's Report

獨立核數師報告書

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及治理層就綜合財務報表須承擔的責任

貴公司董事負責遵照香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》之披露規定編製呈列真實及公允意見的綜合財務表，以及董事認為為必要的內部監控，使綜合財務報表的編製並無由於欺詐或錯誤導致的重大錯誤陳述。

於編製綜合財務報表時，董事負責評估貴集團持續經營的能力，披露有關持續經營事項（如適用）及採用持續經營會計基準，除非董事擬對貴集團進行清算或終止經營，或別無他法而只能如此。

治理層負責監督 貴集團財務報告程序。

核數師就審計綜合財務報表的責任

我們的目的為就綜合財務報表總體上是否不存在重大錯誤陳述（不論其由欺詐或錯誤引起）提供合理保證，並按照我們協定的委聘條款向閣下（作為一個團體）發出一份包括我們的意見在內的核數師報告，除此之外，並無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。儘管合理保證為高層次保證，但並不能保證根據《香港審計準則》進行的審計總能檢查出實際存在的重大錯誤陳述。重大錯誤陳述可由欺詐或錯誤引起，且倘合理預期該錯誤陳述（個別或整體）影響綜合財務報表使用者的經濟決策，則被視為重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告書

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

在根據《香港審計準則》進行審計的過程中，我們作出專業判斷並保持專業的懷疑態度。我們亦：

- 識別及評估綜合財務報表的重大錯誤陳述的風險（不論其由欺詐或錯誤引起），設計及實施審計程序以應對該等風險，並取得充分及恰當的審計憑證作為我們意見的依據。未能發現欺詐所導致的重大錯誤陳述的風險大於由於錯誤引起重大錯誤陳述的風險，原因是欺詐可能會涉及勾結、偽造、故意遺漏、不實陳述或凌駕於內部控制之上。
- 了解與審計相關的內部控制以設計恰當的審計程序，但並非為了就貴集團內部控制的有效性表達意見。
- 評估董事所用會計政策的恰當性及所作會計估計及有關披露的合理性。
- 就董事使用持續經營會計基準的恰當性進行斷定，並依據所取得的審計憑證，斷定是否存在與可能會對貴集團持續經營的能力產生重大疑問的事件或狀況有關的重大不確定因素。倘我們斷定存在重大不確定因素，則我們須於核數師報告內就綜合財務報表的相關披露提請注意，或倘該等披露不充分，則修訂我們的意見。我們的斷定乃基於直至我們的核數師報告日期所取得的審計憑證。然而，未來事件或狀況可能使得貴集團終止持續經營。

Independent Auditor's Report

獨立核數師報告書

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 就綜合財務報表的整體呈列、架構及內容(包括披露)及綜合財務報表是否公平反映及呈列有關交易及事項進行評估。
- 就貴集團實體或業務活動的財務資料取得充分恰當的審計憑證,以就綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對我們的審計意見負有完全責任。

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

我們與治理層就(其中包括)審計的計劃範圍及時間以及重大審計發現進行溝通,包括於審計期間我們所發現的內部控制中的任何重大缺陷。

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

我們亦向治理層提供表明我們已遵守有關獨立性的道德規定的聲明,並與彼等就所有被合理認為可能影響獨立性的關係及其他事項及有關保障措施(如適用)進行溝通。

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

根據與治理層進行溝通的事項,我們對當期綜合財務報表審計中屬重大而因此屬關鍵審核事項作出判定。我們於我們的核數師報告內對該等事項進行陳述,除非法律或法規不允許向公眾披露該等事項,或在極其罕有的情況下,我們認為在合理的預期內披露該等事項的負面後果大於對公眾利益帶來的好處,因而決定在我們的報告內不予披露該等事項。

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by the previous auditor of the Group who expressed an unmodified opinion on those statements on 30 March 2020.

其他事項

貴集團截至二零一九年十二月三十一日止年度之綜合財務報表已由貴集團前任核數師審核,該數師於二零二零年三月三十日就該等報表發表無修訂意見。

Confucius International CPA Limited

Certified Public Accountants

Chan Lap Chi

Practising Certificate Number: P04084

Hong Kong, 29 March 2021

天健國際會計師事務所有限公司

執業會計師

陳立志

執業證書編號: P04084

香港,二零二一年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

| | | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|--------------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 8 | 3,876 | 7,153 |
| Cost of sales | 銷售成本 | | (3,274) | (4,379) |
| Gross profit | 毛利 | | 602 | 2,774 |
| Other income | 其他收入 | 9 | 352 | 2 |
| Administrative expenses | 行政開支 | | (1,317) | (2,012) |
| Market development and promotion expenses | 市場開發及推廣開支 | | (1,662) | (2,540) |
| Finance costs | 財務成本 | 10 | (5,625) | (5,482) |
| Other expenses | 其他開支 | | (193) | (368) |
| Share of results of an associate | 應佔聯營公司的虧損 | 20 | (99,450) | (8,680) |
| Impairment loss recognised on intangible assets | 無形資產減值虧損 | 18 | (24,275) | (16,933) |
| Impairment loss recognised on assets classified as held for sale | 重分類至待售資產之減值虧損 | 24 | (574) | - |
| Gain on redemption of convertible notes | 贖回可換股票據之收益 | | - | 2,089 |
| Fair value loss on financial asset at fair value through profit or loss | 以公平值變動計入當期損益之金融資產的公允價值變動 | 21 | (1,050) | (600) |
| Loss before tax | 除稅前虧損 | | (133,192) | (31,750) |
| Income tax expense | 所得稅開支 | 11 | - | (117) |
| Loss for the year | 年內虧損 | 12 | (133,192) | (31,867) |
| Other comprehensive (expense) income | 其他全面(開支)收入 | | | |
| Items that may be reclassified subsequently to profit or loss: | 可能重新分類至損益之項目: | | | |
| - Exchange differences arising on translation of foreign operations | - 換算海外業務時產生之匯兌差額 | | (86) | 357 |
| - Share of exchange differences of an associate | - 應佔聯營公司的匯兌差額 | 20 | 14 | - |
| Other comprehensive (expense) income, net of tax | 其他全面(虧損)收入總額, 除稅後 | | (72) | 357 |
| Total comprehensive expense for the year | 年內全面開支總額 | | (133,264) | (31,510) |
| Loss for the year attributable to: | 以下各項應佔年內虧損: | | | |
| - Owners of the Company | - 本公司擁有人 | | (127,700) | (28,404) |
| - Non-controlling interests | - 非控股權益 | | (5,492) | (3,463) |
| | | | (133,192) | (31,867) |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

| | | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------|-------------|----------------------------------|----------------------------------|
| Total comprehensive expense for the year attributable to: | 以下各項應佔年內全面 開支總額 | | | |
| – Owners of the Company | – 本公司擁有人 | | (127,772) | (28,047) |
| – Non-controlling interests | – 非控股權益 | | <u>(5,492)</u> | <u>(3,463)</u> |
| | | | <u>(133,264)</u> | <u>(31,510)</u> |
| | | | US cents 美仙 | US cents 美仙 |
| Loss per share | 每股虧損 | | | |
| Basic | 基本 | 16 | <u>(52.75)</u> | <u>(17.36)</u> |
| Diluted | 攤薄 | | <u>(52.75)</u> | <u>(18.17)</u> |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

| | | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|-------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 17 | 213 | 367 |
| Intangible assets | 無形資產 | 18 | 54,715 | 80,564 |
| Interests in an associate | 於聯營公司的權益 | 20 | 124,865 | 224,301 |
| Financial asset at fair value through profit or loss | 以公平值變動計入當期損益的金融資產 | 21 | - | 1,050 |
| Rights-of-use assets | 使用權資產 | 19 | 297 | 478 |
| | | | <u>180,090</u> | <u>306,760</u> |
| CURRENT ASSETS | 流動資產 | | | |
| Trade and other receivables | 貿易及其他應收款項 | 22 | 970 | 1,352 |
| Amount due from a related company | 應收關連公司款項 | 26 | 2,212 | 6,662 |
| Amount due from an associate | 應收聯營公司款項 | 26 | 890 | 947 |
| Bank balances and cash | 銀行結餘及現金 | 23 | 447 | 342 |
| | | | <u>4,519</u> | <u>9,303</u> |
| Assets classified as held for sale | 重分類至待售資產 | 24 | 1,000 | - |
| | | | <u>5,519</u> | <u>9,303</u> |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 25 | 5,998 | 3,873 |
| Amount due to shareholders | 應付股東款項 | 27 | 1,932 | 12,992 |
| Lease liabilities | 租賃負債 | 19 | 309 | 236 |
| Tax payable | 應付稅項 | | 339 | 339 |
| | | | <u>8,578</u> | <u>17,440</u> |
| NET CURRENT LIABILITIES | 流動負債淨值 | | <u>(3,059)</u> | <u>(8,137)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | <u>177,031</u> | <u>298,623</u> |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Convertible notes | 可換股票據 | 28 | 53,373 | 47,773 |
| Lease liabilities | 租賃負債 | 19 | 33 | 283 |
| | | | <u>53,406</u> | <u>48,056</u> |
| NET ASSETS | 資產淨值 | | <u>123,625</u> | <u>250,567</u> |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

| | | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|--------------|-------------|----------------------------------|----------------------------------|
| CAPITAL AND RESERVES | 資本及儲備 | | | |
| Share capital | 股本 | 29 | 7,117 | 4,853 |
| Share premium and reserves | 股份溢價及儲備 | | <u>98,986</u> | <u>222,700</u> |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 106,103 | 227,553 |
| Non-controlling interests | 非控股權益 | | <u>17,522</u> | <u>23,014</u> |
| TOTAL EQUITY | 總權益 | | <u>123,625</u> | <u>250,567</u> |

The consolidated financial statements on pages 96 to 212 were approved and authorised for issue by the Board of Directors on 29 March 2021 and are signed on its behalf by:

第96至212頁的綜合財務報表已獲董事會於二零二一年三月二十九日批准及授權刊發，並由以下人士代表簽署：

DIRECTOR
董事

DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

Attributable to owners of the Company
本公司擁有人應佔

| | | Share capital | Share premium | Merger reserve | Distributable reserve | Share option reserve | Capital reserve | Convertible notes reserve | Exchange reserve | Retained earnings (accumulated losses) | Sub-total | Non-controlling interests | Total |
|---|-------------------------|---------------|---------------|-------------------|-----------------------|----------------------|-------------------|---------------------------|------------------|--|-----------|---------------------------|-----------|
| | | 股本 | 股份溢價 | 合併儲備 | 可分派儲備 | 購股權儲備 | 資本儲備 | 可換股票據儲備 | 匯兌儲備 | 保留盈利(累計虧損) | 小計 | 非控股權益 | 總計 |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 |
| | | | | (note 1) (附註1) | (note 2) (附註2) | | (note 3) (附註3) | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 3,966 | 36,925 | 31,987 | 129,757 | - | 2,110 | 54,670 | (363) | 304 | 259,356 | 26,477 | 285,833 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | (28,404) | (28,404) | (3,463) | (31,867) |
| Exchange differences arising on translation of foreign operations | 換算海外業務時產生之匯兌差額 | - | - | - | - | - | - | - | 357 | - | 357 | - | 357 |
| Total comprehensive income (expense) for the year | 年內全面收入(開支)總額 | - | - | - | - | - | - | - | 357 | (28,404) | (28,047) | (3,463) | (31,510) |
| Issue of shares by placement | 以配股方式發行新股 | 887 | 2,833 | - | - | - | - | - | - | - | 3,720 | - | 3,720 |
| Release upon redemption of convertible notes | 贖回可換股票據時撥回 | - | - | - | - | - | - | (7,669) | - | - | (7,669) | - | (7,669) |
| Recognition of equity-settled-share based payment expense | 確認以股權結算並以股份支付之開支 | - | - | - | - | 193 | - | - | - | - | 193 | - | 193 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | 4,853 | 39,758 | 31,987 | 129,757 | 193 | 2,110 | 47,001 | (6) | (28,100) | 227,553 | 23,014 | 250,567 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | - | (127,700) | (127,700) | (5,492) | (133,192) |
| Share of exchange difference of an associate | 應佔聯營公司的匯兌差額 | - | - | - | - | - | - | - | 14 | - | 14 | - | 14 |
| Exchange differences arising on translation of foreign operations | 換算海外業務時產生的匯兌差額 | - | - | - | - | - | - | - | (86) | - | (86) | - | (86) |
| Total comprehensive expense for the year | 年內全面開支總額 | - | - | - | - | - | - | - | (72) | (127,700) | (127,772) | (5,492) | (133,264) |
| Issue of shares by placement | 以配股方式發行新股 | 1,157 | 1,736 | - | - | - | - | - | - | - | 2,893 | - | 2,893 |
| Issue of shares by rights issue | 以供股方式發行新股 | 968 | 2,033 | - | - | - | - | - | - | - | 3,001 | - | 3,001 |
| Exercise of share options | 行使購股權 | 139 | 203 | - | - | (85) | - | - | - | - | 257 | - | 257 |
| Cancellation of share options | 撤銷購股權 | - | - | - | - | (193) | - | - | - | 193 | - | - | - |
| Recognition of equity settled share-based payments expense | 確認以股權結算以股份為基礎的付款開支 | - | - | - | - | 171 | - | - | - | - | 171 | - | 171 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 7,117 | 43,730 | 31,987 | 129,757 | 86 | 2,110 | 47,001 | (78) | (155,607) | 106,103 | 17,522 | 123,625 |

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

Note:

1. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of Global Technology International Limited acquired pursuant to a group reorganisation on 5 July 2005.
2. On 29 April 2009, the authorised and issued share capital of the Company was reduced through a reduction in the nominal value of each share from HK\$0.10 to HK\$0.01. The capital reduction amount was transferred to distributable reserve.

On 10 September 2012, every ten issued and unissued shares were consolidated into one consolidated share from HK\$0.01 to HK\$0.10.

On 21 June 2016, every ten issued and unissued shares were consolidated into one consolidated share from HK\$0.10 to HK\$1.

On 8 September 2016, the authorised and issued share capital of the Company was reduced through a reduction in the nominal value of each share from HK\$1 to HK\$0.01. The credit balance of the capital reduction amount after reducing the accumulated losses of the Company was transferred to distributable reserve.

On 12 November 2019, every twenty issued and unissued shares were consolidated into one consolidated share from HK\$0.01 to HK\$0.2 each.
3. Capital reserve represents (i) the capital contribution from a shareholder of the Company through the shares granted by a shareholder to the employees of the Company during the year ended 31 December 2006 and 2008, (ii) deemed capital contribution from a shareholder regarding the non-interest bearing advances.

附註：

1. 合併儲備指本公司已發行股本面值與本公司於二零零五年七月五日進行的集團重組所收購的環球科技國際有限公司股本面值的差額。
2. 於二零零九年四月二十九日，本公司的法定及已發行股本透過將各股份面值由0.10港元減至0.01港元而有所減少。資本減少金額已轉撥至可分派儲備。

於二零一二年九月十日，每十股已發行股本及未發行之股本會由0.01港元合併為0.10港元的合併股份。

於二零一六年六月二十一日，每十股已發行股本及未發行之股本會由0.10港元合併為1港元的合併股份。

於二零一六年九月八日，本公司的法定及已發行股本由每股1港元的股本面值減至0.01港元。減低本公司的累計虧損後的股本削減進賬餘額已轉撥至可分派儲備。

於二零一九年十一月十二日，每二十股已發行及未發行之股本會由每股0.01港元合併為0.2港元的合併股份。
3. 資本儲備指(i)截至二零零六年及二零零八年十二月三十一日止年度，本公司股東透過彼等向本公司僱員授出股份而作出的出資及(ii)不計息墊款的視作股東出資。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

| | | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|--------------------------|-------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營活動 | | | |
| Loss for the year | 年內虧損 | | (133,192) | (31,867) |
| Adjustments for: | 就以下各項調整： | | | |
| Income tax expense | 所得稅開支 | 11 | - | 117 |
| Finance costs | 財務成本 | 10 | 5,625 | 5,482 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 17 | 156 | 196 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 19 | 261 | 283 |
| Interest income | 利息收入 | 9 | - | (2) |
| Share-based payment expenses | 以股份為基礎的付款開支 | 30 | 171 | 193 |
| Share of results of an associate | 應佔聯營公司之虧損 | 20 | 99,450 | 8,680 |
| Impairment loss recognised on intangible assets | 無形資產減值虧損 | 18 | 24,275 | 16,933 |
| Gain on redemption of convertible notes | 贖回可換股票據之收益 | | - | (2,089) |
| Rental concession | 租金減免 | 19 | (184) | - |
| Impairment loss recognised on assets as held for sale | 重分類至待售資產之減值 | 24 | 574 | - |
| Fair value loss on financial asset at fair value through profit and loss | 以公平值變動計入當期損益之金融資產的公允價值變動 | 21 | 1,050 | 600 |
| Operating cash flows before movements in working capital | 未計營運資金變動前的經營現金流量 | | (1,814) | (1,474) |
| Decrease in trade and other receivables | 貿易及其他應收款項之減少 | | 382 | 135 |
| Increase (decrease) in trade and other payables | 貿易及其他應付款項之增加(減少) | | 2,125 | (97) |
| Repayments from (advances to) an associate | 聯營公司還款(墊款) | | 57 | (883) |
| (Repayments to) advances from shareholders | (償還)獲得股東款項 | | (11,060) | 8,953 |
| Cash flows (used in) generated from operations | 經營業務(所用)所得現金流量 | | (10,310) | 6,634 |
| Interest paid on lease liabilities | 租賃負債利息開支 | 19 | (23) | (34) |
| NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES | 經營活動(所用)所得現金淨額 | | (10,333) | 6,600 |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

| | NOTES 附註 | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|--------------------------|----------------------------------|----------------------------------|
| INVESTING ACTIVITY | 投資活動 | | |
| Interest received | 已收利息 | - | 2 |
| NET CASH GENERATED FROM INVESTING ACTIVITY | 投資活動所得現金淨額 | <u>-</u> | <u>2</u> |
| FINANCING ACTIVITIES | 融資活動 | | |
| Interest paid | 利息開支 | (2) | (3) |
| Advances from a related company | 獲得關連公司款項 | 4,450 | 2,469 |
| Net proceeds from rights issue, net of expenses | 供股所得款項淨額 | 3,001 | - |
| Net proceeds from issue of shares | 發行股份的所得款項淨額 | 2,893 | 3,720 |
| Proceeds from exercise of share options | 行使購股權所得款項 | 257 | - |
| Redemption of convertible notes | 贖回可換股票據 | - | (14,921) |
| Principal element of lease payments | 償還租賃付款之本金部分 | 19 (74) | (243) |
| NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES | 融資活動所得(所用)現金淨額 | <u>10,525</u> | <u>(8,978)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目增加(減少)淨額 | 192 | (2,376) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 年初的現金及等同現金項目 | 342 | 2,360 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 匯率變動的影響 | <u>(87)</u> | <u>358</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 年終的現金及等同現金項目 | | |
| Represented by bank balances and cash | 指銀行結餘及現金 | <u>447</u> | <u>342</u> |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company acts as an investment holding company. The Group is principally engaged in the development and promotion of CMMB-based multimedia and interactive services via proprietary terrestrial infrastructure. The Group is operating a terrestrial UHF wireless television (“TV”) network providing digital media and entertainment services to New York and other key markets in preparation to deploying a similar multimedia service platform in the United States of America (“US”).

Converged Mobile Multimedia Broadcasting (“CMMB”) is a digital mobile multimedia technology developed by and currently commercially deployed in the People’s Republic of China (the “PRC”) under the National Radio and Television Administration (“NRTA”). It can deliver digital mobile TV and multimedia contents via both terrestrial and satellite networks directly to mobile and wireless devices such as smartphones, tablets, pocket TV, laptops, automobile digital receivers and personal media players that are equipped with a CMMB-enabled chipset. Its broadcast oriented delivery capability can render data contents to be received any time anywhere with enormous scale and cost efficiency and encounter no traffic interruption or bandwidth squeeze typical of today’s unicast-based cellular network. The signals can be received over 350 kilometer/hour without distortion.

The Group is also engaged in trading business which relates to the procurement and distribution of printed circuit board (“PCB”) materials.

The consolidated financial statements are presented in United States dollars (“US\$”), which is also the functional currency of the Group.

1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處及主要營業地點的地址於年報的公司資料一節內披露。

本公司為一家投資控股公司。本集團主要從事開發及透過專有地面基礎設施推廣融合移動電視和多媒體廣播CMMB及互動服務。本集團正在運營一個地面UHF無線電視（「電視」）網絡，為紐約和其他主要市場提供數碼媒體和娛樂服務，以準備在美國（「美國」）部署一個類似的多媒體服務平台。

融合移動電視和多媒體廣播是由國家廣播電視局（「NRTA」）開發並目前在中華人民共和國（「中國」）進行商業部署的數字移動多媒體廣播技術。該技術可透過地面及衛星網絡直接向配備支持CMMB芯片組的移動及無線設備（如智能手機、平板電腦、口袋電視、筆記本、汽車數字接收機及個人媒體播放器）輸送數字移動電視及多媒體內容。其基於廣播的輸送能力使得可於任何時間在任何地方接收數字內容，具有巨大的規模及成本效益，不會受到目前基於單播的蜂窩網絡常見的傳輸中斷或帶寬擠壓影響。當汽車移動時，信號能以每小時超過350公里的速度接收，不存在扭曲。

本集團亦從事與印刷電路板材料的採購及分銷的貿易業務。

綜合財務報表以美元（「美元」）呈列，美元亦為本集團的功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. BASIS OF PREPARATION FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. In preparing the consolidated financial statements, the directors of the Company (“Directors”) have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss attributable to owners of the Company of approximately US\$127,700,000 for the year ended 31 December 2020 and the Group’s net current liabilities of US\$3,059,000 as at 31 December 2020. In the opinion of the Directors, the Group is able to continue as a going concern in the coming year taking into consideration the measures which include, but not limited to, the followings:

- a) Subsequent to the year-end date, the Group entered into an assignment of the lease agreement (“Assignment Agreement”) with purchaser, pursuant to which the Group agreed to assign, transfer, novate and convey absolutely to the purchaser all of the Group’s benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station entered between the Group, New York Broadband LLC (“NYBB”) and New York Spectrum Holdings Company LLC (“NYSHC”), as the lessor of the license and authorizations of KMMC Station (“KMMC Lease”) at a consideration of US\$1,000,000. The sales proceeds raised from the Agreement will improve the Group’s liquidity to cope with various corporate needs, especially in time of economic uncertainty under the pandemic environment.

2. 綜合財務報表的編製基準

綜合財務報表乃按持續經營基準編製。於編製綜合財務報表時，本公司董事（「董事」）已因應本集團截至二零二零年十二月三十一日止年度產生本公司擁有人應佔淨虧損127,700,000美元及本集團於二零二零年十二月三十一日的流動負債淨值3,059,000美元而謹慎考慮本集團日後的流動資金狀況。董事認為，計及（包括但不限於）以下措施，本集團應該可於未來一年按持續經營基準維持業務運作：

- a) 於年結日後，本集團與買方訂立頻譜租賃轉讓協議（「轉讓協議」），據此，本集團謹此同意將本集團所有的利益、權益、權利及補償措施或因本集團與New York Broadband LLC（「NYBB」）及New York Spectrum Holdings Company LLC（「NYSHC」），作為KMMC租約的出租人，就KMMC頻道所訂立的時間經紀協議／輔助頻譜租賃協議及其資產購買權產生或與之相關的所有契諾、義務及負債完全出讓、轉讓、更替及讓與買方，對價為1,000,000美元。該協議籌集的銷售收益將改善本集團的流動性，以滿足各種公司需求，尤其是在大流行環境下經濟不確定的時候。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

2. BASIS OF PREPARATION FOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- b) Chi Capital Holdings Ltd (“Chi Capital”), being a company wholly-owned by Mr. Wong Chau Chi, director and a substantial shareholder of the Company, has agreed to continuously provide financial support to enable the Group to meet its financial obligations as and when they fall due in the foreseeable future.
- c) In addition, the Group is in negotiation with potential investors to make fund-raising arrangement.
- d) The Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

Based on the foregoing, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. 綜合財務報表的編製基準(續)

- b) Chi Capital Holdings Ltd (「Chi Capital」), 由黃秋智先生全資擁有的公司和本公司的主要股東, 已同意繼續提供財務支持, 以使本集團能夠在在可預見的將來到期承擔其財務責任時履行其義務
- c) 此外, 本集團已正與潛在投資者商議安排籌集足夠資金。
- d) 董事們將繼續實行改善本集團之營運資金及現金流的措施, 包括密切監察一般管理費用和運營成本。

基於以上因素, 董事信納本集團將擁有足夠財務資源履行其於可預見之未來到期的財務責任。因此, 綜合財務報表已按持續經營基準編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and 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 period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

| | |
|--|--------------------------------|
| Amendments to HKAS 1 and HKAS 8 | Definition of Material |
| Amendments to HKFRS 3 | Definition of a Business |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform |

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」)

(a) 本年度強制生效的經修訂香港財務報告準則

於本年度，本集團已首次採用「對香港財務報告準則中概念框架的提述之修訂」及由香港會計師公會頒佈的以下經修訂香港財務報告準則，有關準則於2020年1月1日或之後年度期間開始強制生效以編製合併財務報表：

| | |
|---|--------|
| 香港會計準則第1號及香港會計準則第8號(修訂本) | 重大的定義 |
| 香港財務報告準則第3號(修訂本) | 業務的定義 |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本) | 利率基準改革 |

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3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

In addition, the Group has applied the Amendments to HKFRS 16 Covid-19-Related Rent Concessions.

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 16 Covid-19-Related Rent Concessions

The Group has early adopted the amendments to HKFRS 16 which provides relief to lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the novel coronavirus 2019 (“COVID-19”) pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The Group elects to adopt the practical expedient to account for the COVID-19 pandemic related rent concession as negative variable lease payments. Accordingly, the Group credited US\$184,000 to profit or loss for the rent concessions received by the Group during the year.

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

(a) 本年度強制生效的經修訂香港財務報告準則(續)

此外，本集團選擇提早採納香港財務報告準則第16號(修訂本)新型冠狀病毒肺炎相關租金減讓。

除下文所述者外，於本年度應用香港財務報告準則之修訂對本綜合財務報表內所呈報之金額及／或所披露之披露並無重大影響。

香港財務報告準則第16號與 Covid-19相關租金寬減之修訂

本集團已提早採納香港財務報告準則第16號修訂，其授予承租人寬免而毋須考慮個別租賃合約以釐定2019新型冠狀病毒肺炎(「COVID-19」)疫情直接引致之租金寬減是否為租賃修改，並准許承租人將有關租金寬減入賬，猶如其並非租賃修改。該可行權宜方法僅適用於COVID-19疫情直接引致之租金寬減，且僅於符合以下所有條件時適用：(i)租賃付款變動導致之經修訂租賃代價與緊接變動前之租賃代價大致相同，或少於有關代價；(ii)租賃付款之任何減幅僅影響原先於二零二一年六月三十日或之前到期之付款；(iii)租賃之其他條款及條件並無實質變動。本集團選擇採取該可行權宜方法，將COVID-19疫情相關租金寬減入賬為負浮動租賃付款。因此，本集團將於年內獲得之租金寬減184,000美元計入損益。本集團並無採納任何其他已頒佈但尚未生效之準則、詮釋或修訂。

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3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New and amendments to HKFRSs issued 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 ¹ |
| Amendments to HKFRS 3 | Reference to Conceptual Framework ² |
| Amendments to HKFRS 9, HKAS 39 HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform-Phase 2 ⁴ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹ |
| Amendments to HKAS 16 | Property, Plant and Equipment-Proceeds before Intended Use ² |
| Amendments to HKAS 37 | Onerous Contracts – Cost of Fulfilling a Contract ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018-2020 ² |

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

| | |
|--|---|
| 香港財務報告準則第17號 | 保險合同及相關修訂本 ¹ |
| 香港財務報告準則第3號(修訂本) | 對概念框架的提述 ² |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本) | 利率基準改革-第2期 ⁴ |
| 香港財務報告準則第10號及香港會計準則第28號(修訂本) | 投資者與其聯營公司或合營企業間之資產出售或注資 ³ |
| 香港會計準則第1號(修訂本) | 將負債分類為流動或非流動以及香港詮釋第5號(2020年)的相關修訂本 ¹ |
| 香港會計準則第16號(修訂本) | 物業、廠房及設備—作擬定用途前的所得款項 ² |
| 香港會計準則第37號(修訂本) | 虧損性合約—履行合約的成本 ² |
| 香港財務報告準則(修訂本) | 對香港財務報告準則2018年至2020年的年度改進 ² |

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3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

(Continued)

(b) New and amendments to HKFRSs issued but not yet effective (Continued)

- ¹ Effective for annual periods beginning on or after 1 January 2023.
- ² Effective for annual periods beginning on or after 1 January 2022.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2021.

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

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

- ¹ 於2023年1月1日或以後開始之年度期間生效
- ² 於2022年1月1日或以後開始之年度期間生效
- ³ 於待確定日期或以後開始之年度期間生效
- ⁴ 於2021年1月1日或以後開始之年度期間生效

管理層預期應用新訂及經修訂香港財務報告準則於可見將來不會對合併財務報表構成重大影響。

4. 主要會計政策

合規聲明

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例所規定的適用披露事項。

編製基準

綜合財務報表乃根據歷史成本基準而編製，惟於各報告期末按公平值計量之若干財務工具除外(如下文所載會計政策所述)。

歷史成本一般根據交換貨品及服務所作出代價的公平值計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economics benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. 主要會計政策(續)

編製基準(續)

公平值為市場參與者之間於計量日期進行的有序交易中出售一項資產所收取價格或轉移一項負債所支付價格，無論該價格是否可直接觀察或採用其他估值技術估計。非財務資產公平值的計量會參考市場參與者可從使用該資產得到之最高及最佳效用，或將該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。於估計資產或負債公平值時，本集團會考慮市場參與者於計量日期為資產或負債進行定價時所考慮的資產或負債特徵。

於該等綜合財務報表中計量及／或披露的公平值均在此基礎上予以釐定，惟香港財務報告準則第2號範圍內的股份支付交易、香港財務報告準則第16號範圍內的租賃交易及與公平值類似但並非公平值的計量(如香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值)除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接可觀察之輸入數據(第一級內包含的報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

The principal accounting policies are set out below.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. 主要會計政策(續)

綜合基準(續)

主要會計政策載列如下。

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變動，本集團會重新評估其是否控制投資對象。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內收購或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使因此而導致非控股權益出現虧絀結餘。

附屬公司之財務報表於有需要情況下作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及現金流量(與本集團成員公司間之交易有關)均於綜合賬目時予以全數對銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

4. 主要會計政策(續)

綜合基準(續)

當本集團失去一間附屬公司之控制權時，收益或虧損於損益內確認，並按(i)已收代價公平值及任何保留權益公平值之總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股權益之先前賬面值之差額計算。所有先前於其他全面收入確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號，於其後入賬時被列作初步確認之公平值或(如適用)於初步確認時於聯營公司或合營企業之投資成本。

於聯營公司的投資

聯營公司為本集團對其擁有重大影響力的實體。重大影響力指有權參與投資對象的財務及經營政策決策，但並無控制或共同控制該等政策。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Any retained portion of interests in an associate that has not been classified as held for sale shall be accounted for using the equity method. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, interests in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net interests in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Interests in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of interests in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. 主要會計政策(續)

於聯營公司的投資(續)

除投資或部份投資根據香港財務報告準則第5號持作出售的非流動資產及已終止經營業務分類為持作出售外，聯營公司的業績以及資產及負債以權益會計法於該等綜合財務報表入賬。聯營公司分類為持作出售的任何投資的保留部分應使用權益法。作會計權益法用途的聯營公司的財務報表乃按與本集團就同類交易及同類事項的統一會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後就確認本集團應佔該聯營公司的損益及其他全面收入予以調整。當本集團應佔該聯營公司的虧損超出本集團於該聯營公司的權益(包括實質上成為本集團於該聯營公司投資淨額一部分的任何長期權益)時，本集團終止確認其應佔之進一步虧損。僅於本集團已產生法定或推定責任，或已代表該聯營公司支付款項的情況下，方會確認額外虧損。

於聯營公司的投資乃自投資對象成為聯營公司當日起按權益法入賬。收購於聯營公司的投資時，投資成本超出本集團應佔該投資對象的可識別資產及負債之公平值淨額的任何數額確認為商譽，並計入該投資之賬面值。重新評估後，本集團應佔可識別資產及負債的公平值淨額超出投資成本的任何數額於投資被收購期間即時於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interests in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if again or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4. 主要會計政策(續)

於聯營公司的投資(續)

本集團應用香港會計準則第39號的規定決定是否有必要就本集團於聯營公司的投資確認任何減值虧損。如有必要，該項投資(包括商譽)的全部賬面值將根據香港會計準則第36號資產減值比較其可收回金額(使用價值與公平值減出售成本兩者的較高者)與其賬面價值進行減值測試。所確認的任何減值虧損均構成投資賬面值的一部分。該減值虧損的任何撥回乃根據香港會計準則第36號確認，惟應以之後該項投資增加的可收回金額為限。

當集團不再對聯營公司擁有重大影響，會被視為出售在該承資公司的全部權益，其收益或損失將會計入損益表。當本集團保留於前聯營公司之權益，且保留權益為金融資產時，本集團會於當日按公平值計量保留權益，而公平值則被視為根據香港會計準則第39號初步確認時之公平值。聯營公司於終止使用權益法當日之賬面值與任何保留權益之公平值及出售於聯營公司之部分權益所得任何款項之間的差額，將會計入出售聯營公司所產生之收益或虧損內。此外，本集團須將先前於其他全面收入確認之與該聯營公司有關之所有金額按該聯營公司直接出售相關資產或負債所採用之相同基準入賬。因此，倘該聯營公司先前於其他全面收入確認之收益或虧損在出售相關資產或負債時被重新分類至損益，本集團須於終止使用權益法當日將收益或虧損由權益重新分類至損益(列作重新分類調整)。

倘集團實體與本集團之聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利及虧損。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

To determine whether to recognise revenue, the Group follows a 5-step model in accordance with HKFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

4. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平值計量，相當於日常業務過程中所提供貨品及服務之已扣除折扣及銷售相關稅項的應收賬款。

以釐定是否確認收入，本集團根據了香港財務報告準則第15號載列的五步模式：

1. 識別與客戶的合約
2. 識別合約內履行的責任
3. 釐定交易價格
4. 按履行的責任分配交易價格
5. 當(或於)實體履行責任時確認收入

在所有情況下，合同總交易價格是根據相對獨立的銷售價格基準分配至各項履約義務。合同交易價格不包括代第三方收取的任何款項。

當/(或於)本集團已完成履約義務把承諾的貨品或服務轉移至客戶時，在某一時點或一段時間確認收入。

如果合同包含了為客戶提供超過十二個月重大融資利益的融資部分，收入的計量則應當採用能單獨反映與客戶進行融資交易的折現率確認的應收賬款現值，利息收入則根據實際利率折現值單獨計量。如果合同為本集團提供重大融資利益部分，該合同收入確認應當包含以實際利率法計算的合同負債利息支出。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Contract liabilities represent the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

Further details of the Group's revenue recognition policies are as follows:

Trading income is recognised when the related procurement and distribution of goods are completed.

Income from transmission and broadcasting of television programs represents the air time and transmission services provided and the channels broadcasting in real time on the TV stations 24 hours a day, seven days a week. Service income will be recognised on a straight-line basis over the contract period.

CMMB service income is recognised when the services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. 主要會計政策(續)

收入確認(續)

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。倘代價(包括已收客戶墊款)迄今超過根據產出法確認的收益，則本集團就差額確認合約負債。

本集團收入確認的會計政策之更多描述載列如下：

貿易收入在相關的貨物採購和分銷完成時確認。

提供傳輸及視廣播服務收入指已提供播出時段及傳輸服務及每週七天每日24小時進行電視台實時播出的頻道。服務收入將按直線法於合約期間確認。

CMMB服務收入將於提供服務時確認。

利息收入乃按時間基準，經參考未償還本金以適用實際利率計算。實際利率為將金融資產於預計年期之所得估計未來現金收入準確折現至該資產初步確認時的賬面淨額之比率。

物業、廠房及設備

物業、廠房及設備乃於綜合財務狀況表內按成本減去其後的累計折舊及累計減值虧損(如有)列賬。

折舊按估計可使用年期以直線法撇銷物業、廠房及設備項目之成本值而確認。估計可使用年期及折舊方法會於各報告期末檢討，而任何估計變動之影響按前瞻基準入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost, being the fair value at the date of acquisition, less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, it is classified as a lease.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目於出售或預期不會自持續使用資產產生日後經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生任何損益，按資產出售所得款項與賬面值間之差額計算，並計入損益。

無形資產

個別收購無形資產

個別收購具有有限可使用年期的無形資產按成本列賬，成本即收購日的公平值減累計攤銷及任何累計減值虧損。具有有限可使用年期的無形資產於其估計可使用年期內的攤銷以直線法確認。估計可使用年期及攤銷方法將於每個報告期末進行檢討，而任何估計變動的影響按前瞻基準入賬。具有無限使用年期的無形資產按成本減其後任何累計減值虧損入賬(見下文有形及無形資產減值虧損的會計政策)。

當無形資產於出售時或使用或出售時預期不會產生任何未來經濟利益，則該無形資產終止確認。終止確認無形資產時所產生的損益按出售所得款項淨額與資產賬面值間之差額計算，在終止確認資產時於損益確認。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約分類為租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position

4. 主要會計政策(續)

租賃(續)

集團作為出租人

營運租約之租金收入乃按相關租約年期以直線法於損益表確認。於協商及安排時引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作一項支出。

使用權資產

本集團於租賃開始日期(即相關資產可供使用當日)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整，惟2019冠狀病毒疫情相關租金減免引致的租賃負債調整(本集團對其應用可行權宜方法)除外。使用權資產成本包括已確認租賃負債的款額、已產生初始直接成本及於開始日期或之前作出的租賃款項減任何已收租賃獎勵。使用權資產亦須予以減值。使用權資產在租期內按直線法折舊。

本集團於綜合財務狀況表將使用權資產作為單獨項目呈列。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (i.e. a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4. 主要會計政策(續)

租賃(續)

租賃負債

於租賃開始日期，本集團確認以租賃期內作出的租賃款項現值計量租賃負債。租賃款項包括定額付款(含實質定額款項)減任何應收租賃獎勵款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保下支付的金額。租賃款項亦包括本集團合理確定行使的購買選擇權的行使價及倘在租賃期內反映本集團正行使終止選擇權時，有關終止租賃支付的罰款。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或條件的期間內(除非有關款項為生產存貨而產生)確認為支出。

於計算租賃款項的現值時，由於租賃內所含利率不易釐定，故本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因支付租賃款項而減少。此外，倘有任何修改(即租期變更、租賃款項變更(例如用於釐定相關租賃款項的指數或比率的變更導致對未來付款發生變化)或購買相關資產的選擇權評估的變更)則重新計量租賃負債的賬面值。

本集團於綜合財務狀況表將租賃負債作為單獨項目呈列。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

4. 主要會計政策(續)

租賃(續)

2019冠狀病毒病疫情相關租金減免

就因2019冠狀病毒病疫情直接後果而產生的租金減免而言，倘符合以下所有條件，本集團已選擇應用可行權宜方法不評估有關變動是否屬租賃修訂：

- 租賃付款的變動使租賃代價有所修改，而經修改的代價與緊接變動前租賃代價大致相同，或少於緊接變動前租賃代價；
- 租賃付款的任何減少僅影響原到期日為二零二一年六月三十日或之前的付款；及
- 租賃的其他條款及條件並無實質變動。

應用該可行權宜方法的承租人就租金減免產生的租賃付款變動所用的入賬方式，與其在有關變動並非租賃修訂的情況下，應用香港財務報告準則第16號將變動入賬所用的方式相同。租賃付款的寬免或豁免作為可變租賃付款入賬。相關租賃負債予以調整以反映寬免或豁免的金額，並於該事件發生期間於損益確認相應調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amounts and fair value less costs to sell.

4. 主要會計政策(續)

租賃(續)

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用短期租賃(即自租賃開始日期起計租期為十二個月或以下,並且不包含購買選擇權的租賃)。低價值資產租賃的確認豁免亦應用於被認為低價值的辦公室設備租賃。短期租賃的租賃款項及低價值資產租賃在租期內按直線法確認為支出。

持作出售的非流動資產

倘賬面值可主要通過出售交易而非通過持續使用而收回,則非流動資產及出售組別會分類為持作出售。該條件僅於極有可能達成出售及非流動資產(或出售組別)可於其現況下即時出售時方告符合。管理層必須對出售作出承諾,而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

持作出售的非流動資產(及出售組別)按其賬面值及公平值減出售成本之較低者列賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of impairment loss, if any. The recoverable amount of tangible assets are estimated individually, or when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策(續)

有形資產及無形資產減值虧損

本集團於報告期末檢討擁有有限可使用年期的有形資產及無形資產的賬面值，以釐定是否有跡象顯示出現資產減值虧損。倘有減值跡象，將會估計資產的可收回數額以釐定減值虧損的幅度(如有)。有形資產之可收回金額獨立地估計或若單項資產的可收回金額難以估計，本集團會估計該資產所屬的現金產生單位的可收回金額。若可識別合理和一致的分配基準，則公司資產亦分配至個別現金產生單位，或以其他方式分配至可識別合理和一致的分配基準的最小現金產生單位組別。

具有無限使用年期的無形資產至少須每年作一次減值測試，無論是否有跡象顯示可能出現減值。

可收回金額為公平值減銷售成本與使用價值兩者的較高者。估計使用價值時，估計未來現金流量以稅前折現率折現至現值，該折現率應能反映當前市場對貨幣時間價值的評估和該資產(或現金產生單位)的特定風險(估計未來現金流量未就該等風險作出調整)。

倘估計一項資產(或現金產生單位)的可收回數額低於其賬面值，則會將該資產(或現金產生單位)的賬面值減至其可收回數額，減值虧損即時於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible and intangible assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit (loss) for the year. Taxable profit (loss) differs from profit (loss) before tax as reported in the profit or loss because of income or expense that are taxable or deductible in other years and that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4. 主要會計政策(續)

有形資產及無形資產減值虧損(續)
當減值虧損其後撥回時，則會將資產(或現金產生單位)的賬面值增至經修訂估計的可收回數額，但增加後的賬面值不得超出假設資產(或現金產生單位)於以往年度並無確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益內確認。

稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利(虧損)計算。應課稅溢利(虧損)因其他年度的應課稅或可扣稅收入或開支及毋須課稅或不可扣稅收入或開支而與損益內所呈報除稅前溢利(虧損)不同。本集團的流動稅項負債以報告期末已頒佈或實質上頒佈的稅率計算。

遞延稅項指從綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產一般就所有可扣減暫時差額確認，並於很可能出現應課稅溢利時予以確認，而可扣減暫時差額可供對銷之用。如暫時差額來自商譽或由初次確認一項不影響應課稅溢利或會計溢利的交易的其他資產及負債所產生(除業務合併外)，有關資產及負債不予確認。

遞延稅項負債乃就附屬公司及聯營公司投資所產生之應課稅暫時差異予以確認，惟倘本集團能夠控制暫時差異之撥回及暫時差異可能不會在可見未來撥回則作別論。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之利益且預期於可見將來可撥回時確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised to profit or loss.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4. 主要會計政策(續)

稅項(續)

遞延稅項資產的賬面值乃於報告期末進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部份資產可予收回為止。

遞延稅項資產及負債按預期適用於負債清償或資產變現期間的稅率計算，並以報告期末已生效或實質上已生效之稅率(及稅法)為基準計算。

就本集團確認使用權資產及相關租賃負債的租賃交易計量遞延稅項而言，本集團首先釐定使用權資產或租賃負債是否應佔稅項扣減。

遞延稅項負債及資產的計算反映了於報告期末本集團所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

即期及遞延稅項於損益賬確認。

在評估所得稅處理的任何不確定性時，本集團會考慮相關稅務機關是否有可能接受單獨集團實體所得稅申報中已使用或擬使用的不確定的稅務處理。如果有可能，當期所得稅及遞延所得稅的確定與所得稅申報的稅務處理一致。如果相關稅務機關不太可能接受不確定的稅務處理，則通過使用最可能的金額或預期值來反映各種不確定性的影響。

借貸成本

所有借貸成本於產生期內在損益賬中確認。

外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易，按進行交易當日通行的匯率確認。於報告期末，以外幣為單位的貨幣項目按當日通行的匯率重新換算。按歷史成本以外幣計算的非貨幣項目均不得重新換算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Exchange differences arising on settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into the presentation currency of the Group (i.e. United States dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributable to non-controlling interests as appropriate).

On the disposal or deconsolidation of subsidiaries which are foreign operations, all of the relevant exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are transferred to accumulated losses.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Equity-settled share-based payment transactions

Shares and share options granted to employees of the Group

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

4. 主要會計政策(續)

外幣(續)

於編算及經重新換算貨幣項目時產生之匯兌差額均於彼等產生期內於損益確認。

就呈列綜合財務報表而言，貴集團之海外經營業務的資產與負債均採用各報告期末通行的匯率換算為本集團的呈列貨幣(即美元)。除非匯率在該期間內大幅波動，否則收入及開支項目均按期內的平均匯率換算，在該情況下所採用的匯率是交易日期的匯率。所產生的匯兌差額(如有)於其他全面收入中確認並於匯兌儲備項下股本中累計歸屬非控股權益，如有。

海外經營業務的附屬公司被出售或不再綜合入賬時，所有就本公司擁有人應佔的該業務於權益累計的相關匯兌差額轉撥至累計虧損。

退休福利成本

向界定供款退休福利計劃作出的付款於僱員提供服務，令其符合供款資格時確認為開支。

以股份支付的交易

以權益結算並以股份支付的交易

授予本集團僱員的股份及購股權就授出須滿足特定歸屬條件後方可作實的購股權而言，參考於授出日期授出購股權的公平值而釐定所得服務的公平值，乃就歸屬期以直線基準支銷，並於權益中作出相應增長(購股權儲備)。

於報告期末，本集團修訂其估計預期最終歸屬購股權數目。原有估計變動的影響(如有)乃於損益賬確認，以使累計支銷反映修訂估計，及對購股權儲備作相應調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled share-based payment transactions (Continued)

Shares and share options granted to employees of the Group (Continued)

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings (accumulated losses).

Share options granted to consultants

Share options issued in exchange for services are measured at the fair value of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair value of the services received is recognised as an expense, with a corresponding increase in equity (share option reserve), when the counterparties render services, unless the services qualify for recognition as assets.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

4. 主要會計政策(續)

以股份支付的交易(續)

以權益結算並以股份支付的交易(續)

授予本集團僱員的股份及購股權(續)

就於授出日期即時歸屬的購股權而言，已授出購股權的公平值即時於損益內支銷。

於行使購股權時，早前已確認的購股權儲備數額將轉換為股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期時仍未獲行使，早前已確認的購股權儲備數額將轉入累計虧損。

授予顧問之購股權

就交換服務而發行之購股權乃以所得服務之公平值計量。除非所得公平值不能可靠地計量，則服務參考已授出購股權公平值計量。所得服務之公平值於對方提供服務時確認為開支，連同股本(購股權儲備)相應增加，除非該等服務合資格確認為資產。

財務工具

財務資產及財務負債乃於集團實體成為工具合約條文的訂約方時確認。

財務資產及財務負債按公平值初步計算。收購或發行財務資產及財務負債(按公平值計入損益賬的財務資產或財務負債除外)而直接應佔的交易成本於初次確認時計入財務資產及財務負債公平值或自財務資產及財務負債扣除(以適用者為準)。收購按公平值計入損益賬的財務資產及財務負債而直接應佔的交易成本即時計入損益賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables, amounts due from a related company, amount due from an associate and bank balances and cash.

All other financial assets are subsequently measured at FVTPL.

4. 主要會計政策(續)

財務工具(續)

實際利率法

實際利率法乃計算債務工具的經攤銷成本以及分攤相關期間利息收入的方法。實際利率乃按債務工具的預計年期或適用的較短期間內準確折讓的估計未來現金收入(包括構成實際利率不可或缺部份已付或已收的一切費用、交易成本及其他溢價及折讓)至其初次確認時之賬面淨值的利率。

財務資產

金融資產的分類和其後計量

滿足以下條件其後按攤銷成本計量的金融工具：

- 以收取合約現金流量為目的之經營模式下持有之金融資產；及
- 金融資產之合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

按攤銷成本計算的金融資產其後採用實際利率法計算，並可能會出現減值。當資產被終止確認，修改和減值時，收益和損失在損益中確認。本集團按攤銷成本計算的金融資產包括貿易及其他應收款項、應收關聯公司及聯營公司款項及銀行結餘及現金。

所有其他金融資產其後按公允值計入損益計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other income” line item.

4. 主要會計政策(續)

財務工具(續)

財務資產(續)

金融資產的分類和其後計量(續)

倘若出現下列情況，則金融資產將分類為持作買賣：

- 產生之主要目的為於不久將來出售而購回；或
- 於初步確認時，其為本集團聯合管理之已識別金融工具組合之一部分，而近期實際具備短期獲利之模式；或
- 其為不指定及有效作為對沖工具之衍生工具。

此外，本集團可能不可撤銷地指定一項金融資產，該金融資產需按攤銷成本或FVTOCI計量，以公允價值計量且其變動計入損益，如果這樣做會消除或顯著減少會計錯配。

按公平值透過損益計量之財務資產按各申報期結束時的公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認之淨收益或虧損不包括該財務資產所賺取之任何股息或利息，並計入「其他收益項目」。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 including trade and other receivables, amount due from a related company and amount due from an associate. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and amount due from a related company and an associate. The ECL for these assets and debtors with significant balances are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 主要會計政策(續)

財務工具(續)

財務資產(續)

金融資產減值

本集團就根據香港財務報告準則第9號面臨減值的金融資產(包括貿易及其他應收款項、應收關連人士及聯營公司款項)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於相關工具預期壽命內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據應收賬款特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團始終就貿易應收款項、應該關連人士及聯營公司確認全期預期信貸虧損。對於具有重大餘額的債務人及這些資產的預期信貸虧損時，本集團以進行單獨模式來評估。

有關所有其他工具，本集團以相等於12個月預期信貸虧損計量虧損撥備，除非自初步確認以來信貸風險曾大幅上升，則本集團確認全期預期信貸虧損。有關應否確認全期預期信貸虧損的評估乃基於自初步確認以來違約的可能性或風險大幅上升。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策(續)

財務工具(續)

財務資產(續)

金融資產減值(續)

信貸風險大幅上升

於評估信貸風險自初步確認以來有否大幅上升時，本集團比較於報告日期的金融工具違約風險及初步確認日期的金融工具違約風險。作出評估時，本集團考慮合理且有可靠資料證明的定量和定性資料，包括過往經驗及無需付出過多成本或工作下可獲取的前瞻性資料。

尤其，於評估信貸風險有否大幅上升時，將考慮以下資料：

- 金融工具的實際或預期外部(如有)或內部信貸評級大幅下降；
- 外部市場信貸風險指標大幅下降(例如信貸息差(即債務人信貸違約掉期價格)大幅上升)；
- 預期現行或預測業務、金融或經濟狀況的不利變化導致債務人履行債務責任的能力大幅下降；
- 債務人的實際或預期營運業績大幅下降；
- 債務人法規上、經濟上或技術環境上的實際或預期重大不利變化導致債務人履行債務責任的能力大幅下降。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Convertible notes contain debt and equity components

The component parts of the convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

4. 主要會計政策(續)

財務工具(續)

財務資產(續)

金融資產減值(續)

信貸風險大幅上升(續)

在每個報告日期重新計量預期信用損失，以反映自初始確認以來金融工具信用風險的變化。ECL金額的任何變動均確認為減值損益。本集團確認所有金融工具的減值損益，並通過損失準備賬戶對其賬面金額進行相應調整。

財務負債及股本工具

由集團實體發行的債務及股本工具按合約安排性質，以及財務負債及股本工具的定義而分類為財務負債或股本工具。

股本工具

股本工具為證明實體資產剩餘權益(經扣除其所有負債)的任何合約。本公司發行的股本工具按已收款項扣除直接發行成本確認。

可換股票據包括債務部分及權益部分

本集團所發行之可換股債券部分被分類為金融負債及權益，乃根據合約之實質安排與金融負債及權益性工具的定義分別歸類為其各自之項目。倘兌換股權將透過以固定金額的現金或另一項金融資產換取固定數目的本公司權益性工具結算，則分類為權益性工具。

於發行日，負債部分的公平價值乃按類似不可轉換債務的現行市場利率釐定。該金額乃以實際利息法按攤銷成本基礎列賬為負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible notes contain debt and equity components (Continued)

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to shareholders and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. 主要會計政策(續)

財務工具(續)

財務負債及股本工具(續)

可換股票據包括債務部分及權益部分(續)

分類為權益之兌換股權是由複合工具整體之公平價值扣除負債部分的金額所釐定。此金額扣除所得稅影響確認及計入權益，隨後將不會重新計量。此外，分類為權益之兌換股權將保留在權益中，直至兌換股權獲行使(於此情況下，在權益中確認的結餘將轉撥至股本溢價)。倘兌換股權於可換股債券到期日尚未行使，在權益中確認的結餘將轉入保留盈利。在兌換股權獲轉換或到期時，不會於損益中確認任何盈虧。

發行可換股債券涉及的交易成本按所得款項總額分配比例分配至負債及權益部分。權益部分的相關交易成本直接於權益內扣除。負債部分的相關交易成本計入負債部分的賬面值，並採用實際利息法按可換股債券年期攤銷。

其他財務負債

其他財務負債(包括貿易及其他應付款項)其後使用實際利率法按攤銷成本計量。

終止確認

僅當資產現金流量的合約權利已到期，本集團才會終止確認財務資產。

終止確認財務資產後，資產賬面值與已收及應收代價之間的差額會於損益內確認。

當且僅當本集團的責任獲解除、取消或到期時，本集團才會終止確認財務負債。不再確認的財務負債賬面值與已付及應付代價間的差額乃於收益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period, and are discounted to present value where the effect is material.

Related parties

A party is a person or an entity that is related to the Group if:

- (a) A person or a close member of that person's family, related to the Group if that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the Group's parent; or
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) the entity and the Group are joint ventures of the same third party;

4. 主要會計政策(續)

撥備

撥備乃當本集團因過往事件須承擔現有法律或推定責任時確認，而本集團可能將需償付該債務。撥備乃按董事於各報告期末對償付該債務所需開支之最佳估計計量，並折讓至現值(倘有重大影響)。

關連人士

倘屬以下人士或實體，則被視作與本集團有關連：

- (a) 有關人士為與本集團有關連之下述人士或身為下述人士之直系親屬：
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；或
- (b) 有關實體與本集團有關連，倘為適用下列任何條件之實體：
 - (i) 該實體與本集團為同一集團的成員公司；
 - (ii) 該實體為另一間實體(或另一間實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
 - (iii) 該實體及本集團為同一第三方的合營企業；

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) (Continued)

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

4. 主要會計政策(續)

關連人士(續)

(b) (續)

- (iv) 該實體為第三方的合營企業，而另一實體為該名第三方的聯營公司；
- (v) 該實體為本集團或與本集團有關連的實體的員工福利而設之退休福利計劃；
- (vi) 該實體受(a)段所述人士的控制或共同控制；
- (vii) (a)(i)段所述之人士對該實體擁有重大影響力或為該實體(或該實體之母公司)之主要管理人員；或
- (viii) 實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

任何人士之近親為該名人士與實體進行買賣時可能影響該名人士或受該名人士影響之家庭成員。

5. 關鍵會計判斷及估計不確定因素的主要來源

於應用附註4所述本集團的會計政策時，董事須就從其他來源不顯而易見的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關的其他因素為基礎。實際結果可能有別於該等估計。估計及相關假設會持續檢討。

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5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Enforceability of the finance lease agreement

Section 310 of the Communication Act of 1934 in US ("US rules and regulations") places certain restrictions on foreign investment in and ownership of a US broadcast licensee. The Group conducts their CMMB Business in US principally through a finance lease agreement with NYBB and NYSHC, being the lessor (note 18). The Directors, after consulting legal opinion, are of the view that such lease agreement is valid, binding and enforceable, and do not result in any violation of the US rules and regulations currently in effect in all material respects. However, if the US government changes its regulations to restrict or prohibit companies of foreign sources from operating TV stations in US, the Group may have difficulties in enforcing its rights under the lease agreement. In such case, the Group may not be able to operate its intangible assets which may have an adverse and material effect on the carrying amount of the intangible assets and the Group's operation and results thereof.

Renewal of spectrum usage rights

The spectrum usage rights have legal rights of 5 years. In assessing the useful life of the spectrum usage rights, the Directors are of the view that NYBB/NYSHC has the ability to renew the license right with the authority indefinitely at minimal costs and NYBB/NYSHC provides the option to the Group to renew the lease continuously. Therefore, the useful life of spectrum usage rights is regarded as indefinite.

Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

應用會計政策的關鍵判斷

以下為董事在應用本集團會計政策過程中作出的關鍵判斷(涉及估計者除外(見下文)，並對綜合財務報表已確認的金額具有最重要影響。

融資租賃協議的可執行性

美國一九三四年的《通訊法》第310條(「美國法規及規例」)對在美國廣播的外商投資及持牌人擁有權施加了若干限制。本集團主要透過與出租人NYBB及NYSHC訂立的融資租賃協議(附註18)在美國經營其CMMB業務。董事經諮詢法律意見後，認為該租賃協議屬有效、具效力且可執行，並在所有重大方面不會違反現行有效的美國法規及規例。然而，倘美國政府修改其法規，限制或禁止外國公司在美國經營電視台，本集團或會在執行租賃協議下的權利方面存在困難。在此情況下，本集團未必能夠經營其頻譜使用權，此或會對無形資產賬面值及本集團經營及經營業績有重大不利影響。

重續頻譜使用權

頻譜使用權擁有為期五年的法定權利。於評估頻譜使用權的可使用年期時，董事認為，NYBB/NYSHC可按最低成本無限地向相關機構重續特許使用權及NYBB/NYSHC向本集團提供重續租賃的選擇權，致使租賃協議是可依法強制執行。因此，頻譜使用權的可使用年期被視為無限期。

估計不確定因素的主要來源

下列是涉及未來的主要假設以及於報告期末估計不確定因素的其他主要來源，該等估計具有可能導致下一個財政年度的資產及負債賬面值出現重大調整的重大風險。

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5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of intangible assets

During the current year, the management has evaluated the impairment of intangible assets by way of value in use (“VIU”) calculation by reference to the discounted cash flows derived from financial budgets approved by the management of the Group. If the VIU is less than the corresponding carrying amounts, an impairment loss may be required. For the year ended 31 December 2020 and 2019, VIU is used to compare the carrying amount of the spectrum usage rights for impairment assessment. As VIU is lower than its carrying amount, an impairment loss of US\$24,275,000 (2019: US\$16,933,000) was recognised in profit or loss for the year ended 31 December 2020. As at 31 December 2020, the carrying amount of intangible assets was US\$54,715,000 (2019: US\$80,564,000).

Satellite intangible assets, including right to occupy the orbital slot and broadcast spectrum, held by Silkwave Holdings Limited (“Silkwave”) represents major assets of the associate.

During the current year, the management has evaluated the impairment of the satellite intangible assets by way of value in use calculation by reference to the discounted cash flows derived from financial budgets approved by the management of the Group (“VIU”).

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續) 無形資產減值

於本年度，管理層經參考本集團管理層批准的財務預算產生的貼現現金流量計算的使用價值(「使用價值」)評估無形資產的減值。倘使用價值低於相應賬面值，或會產生減值虧損。截至二零二零及二零一九年十二月三十一日止年度，使用價值被用來比較頻譜使用權的賬面值，以作出減值評估。由於使用價值低於其賬面值，因此截至二零二零年十二月三十一日止年度，確認減值虧損為24,275,000美元(二零一九年：16,933,000美元)。於二零二零年十二月三十一日，無形資產的賬面值為54,715,000美元(二零一九年：80,564,000美元)。

由Silkwave Holdings Limited(「Silkwave」)持有的衛星無形資產，包括佔用軌道位置和廣播頻譜的權利，是該聯營公司的主要資產。

於本年度，管理層已參考由本集團管理層批准的財務預算所產生的貼現現金流量，以估值方式評估衛星無形資產減值(「VIU」)。

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5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty (Continued)

Impairment of intangible assets (Continued)

As VIU of the satellite intangible assets is lower than its carrying amount, an impairment loss of US\$447,039,000 (2019: Nil) was recognised on the satellite intangible assets in profit or loss for the year ended 31 December 2020. After taking into account the share of results of an associate, the impairment loss recognised amounted to US\$89,408,000 for the year ended 31 December 2020. As at 31 December 2020, the carrying amount of the satellite intangible assets was US\$582,000,000 (2019: US\$1,066,572,000).

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to equity holders through the optimisation of the debts-to-equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes convertible notes disclosed in note 28, net of cash and cash equivalents disclosed in note 23 and equity attributable to owners of the Company, comprising issued share capital, share premium and reserves. The Group relies mainly on the equity financing from the owners of the Company.

The Directors review the capital structure on a regular basis by considering the cost of capital and the risks associate with the capital. Based on recommendation of Directors, the Group will balance its overall capital structure through, new share issues as well as the issue of new debts and the repayment of existing debts.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續)
無形資產減值(續)

由於衛星無形資產的VIU低於其賬面值，截至二零二零年十二月三十一日止年度於損益中確無形資產減值447,039,000美元(二零一九年：無)。截至2020年12月31日止年度，計入應佔聯營公司業績的減值虧損為89,408,000美元。於二零二零年十二月三十一日，衛星無形資產的賬面值為582,000,000美元(二零一九年：1,066,572,000美元)。

6. 資本風險管理

本集團管理其資本，以確保本集團的實體將可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。於過往年度，本集團的整體策略維持不變。

本集團的資本結構包括債務，其包括於附註28披露的可換股票據、扣除於附註23披露的現金及等同現金項目及本公司擁有人應佔權益(包括已發行股本、股份溢價及儲備)。本集團主要依賴本公司擁有人的股本融資。

董事定期檢討資本結構，經考慮資本成本及與資本相關的風險。根據董事的建議，本集團將透過發行新股及發行新債務或償還現有債務平衡其整體資本結構。

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7. FINANCIAL INSTRUMENTS

7a. Categories of financial instruments

| Financial assets | 財務資產 |
|--|---------------|
| Financial assets measured at amortised cost: | 以攤銷成本計量的財務資產： |
| Trade receivables | 貿易應收款項 |
| Other receivables and deposits | 其他應收款項及按金 |
| Amount due from a related company | 應收關連公司墊款 |
| Amount due from an associate | 應收聯營公司墊款 |
| Bank balances and cash | 銀行結餘及現金 |
| Financial assets at FVTPL | 按公平值計入損益的財務資產 |

| Financial liabilities | 財務負債 |
|---|---------------|
| Financial liabilities measured at amortised cost: | 以攤銷成本計量的財務負債： |
| Trade payable | 貿易應付款項 |
| Accruals | 應計費用 |
| Amounts due to shareholders | 應付股東款項 |
| Convertible notes | 可換股票據 |
| Lease liabilities | 租賃負債 |

7. 財務工具

7a. 財務工具類別

| 2020 | 2019 |
|----------|----------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |

| | |
|--------------|---------------|
| 816 | 1,220 |
| 152 | 129 |
| 2,212 | 6,662 |
| 890 | 947 |
| 447 | 342 |
| - | 1,050 |
| 4,517 | 10,350 |

| | |
|---------------|---------------|
| 490 | 953 |
| 3,903 | 2,920 |
| 1,932 | 12,992 |
| 53,373 | 47,773 |
| 342 | 519 |
| 60,040 | 65,157 |

7b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, amount due from a related company, amount due from an associate amounts due to shareholders, lease liabilities and convertible notes. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (represented by currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

7b. 財務風險管理目標及政策

本集團的主要財務工具包括貿易及其他應收款項、銀行結餘及現金、貿易及其他應付款項、應收關連公司及聯營公司款項、應付股東款項、租賃負債及可換股票據。該等財務工具的詳情於相關附註內披露。與該等財務工具相關的風險包括市場風險(以貨幣風險及利率風險為代表)、信貸風險及流動資金風險。有關緩解該等風險的政策載於下文。管理層管理及監測該等風險，以確保及時有效地採取適用措施。

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7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

Certain bank balances and amounts due of the Group are denominated in currencies other than US dollars, which expose the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

| | | Liabilities 負債 | | Assets 資產 | |
|-------------------|-----|-------------------|-----------------|-----------------|-----------------|
| | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
| | | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 |
| Hong Kong dollars | 港元 | 2,696 | 13,889 | 3,591 | 7,719 |
| Renminbi | 人民幣 | 21 | - | 71 | 33 |

The Group does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

For the exposure to the fluctuation in United States dollar against Hong Kong dollar, as Hong Kong dollar was pegged to United States dollar, the management is of opinion that such exposure is insignificant and no sensitivity analysis is presented.

In the management's opinion, the Group does not have significant exposure to the fluctuation in United States dollar against Renminbi, so no sensitivity analysis is presented.

7. 財務工具(續)

7b. 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

本集團若干銀行結餘及應收／付款項以外幣(除美元之外)計值，這使本集團面對外幣風險。於報告日期，本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

集團並無外匯對沖政策。然而，管理層監察外匯風險，並於有需要時考慮對沖重大外匯風險。

敏感度分析

就美元兌港元匯率波動的風險而言，由於港元與美元掛鈎，管理層認為該風險並不重大，故並無進行敏感度分析。

管理層認為，本集團並無面對美元兌人民幣匯率波動的的重大風險，故並無進行敏感度分析。

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7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk in relation to the bank balances due to the fluctuation of the market interest rates for both years.

The Group currently does not have any interest rate hedging policy. The Directors monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arise. The Group's cash flow interest rate risk is mainly sensitive to the fluctuation of interest rate arising from the Group's bank balances.

Sensitivity analysis

For the years ended 31 December 2020 and 2019, the Group's cash flow interest rate risk is only related to the impact of prevailing market interest rate change on bank balances which are all short-term in nature. Any variations in interest rates are not expected to have a significant impact on the result of the Group. Accordingly, no sensitivity analysis is performed for the years ended 31 December 2020 and 2019.

7. 財務工具(續)

7b. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團承受有關銀行結餘的利率風險，乃由於受兩個年度現行市場利率波動影響所致。

本集團現時並無任何利率對沖政策。董事持續監察本集團面臨的風險並於必要時考慮對沖利率風險。本集團的現金流利率風險主要易受本集團銀行結餘所產生的利率波動影響。

敏感度分析

截至二零二零年及二零一九年十二月三十一日止年度，本集團承受的現金流量利率風險僅限於市場利率變動對銀行結餘造成的影響，且銀行結餘全部為短期。因此，利率浮動預期不會對本集團的業績構成重大影響。故截至二零二零年及二零一九年十二月三十一日止年度均無進行敏感度分析。

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7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk on bank balances is limited because all the counterparties are reputable banks in Hong Kong and PRC.

As at 31 December 2020, the Group has concentration of credit risk as the total trade receivables were due from the Group's largest customer and one other customer (2019: one). The management is of the view that these two customers have good track records and considers that the trade receivables from these two customers are recoverable.

In order to minimise the credit risk, management continuously monitors the level of exposure to individual customers to ensure that follow-up actions and/or corrective actions are taken promptly to lower the risk exposure or to recover overdue balances. Before accepting any new customer, the Group has to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2020 (2019: Nil). Expected loss rates are based on actual loss experience over the years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

7. 財務工具(續)

7b. 財務風險管理目標及政策(續)

信貸風險

於報告期末，由於對方未能履行責任而導致本集團財務虧損而使本集團承受的最高信貸風險乃為綜合財務狀況表所述的各類經確認的財務資產的賬面值。

由於對方為香港及中國的知名銀行，銀行結餘的信貸風險有限。

於二零二零年十二月三十一日，由於應收貿易賬款總額來自本集團最大客戶與另一客戶(二零一九年：一家)，故本集團信貸風險集中。管理層認為這兩家客戶擁有良好的往績記錄，並認為這兩家客戶的貿易應收款項可收回。

為了最大限度降低信用風險，管理層持續監控個人客戶的風險水平，以確保及時採取後續行動和/或糾正措施，以降低風險或收回逾期餘額。於接納任何新客戶前，本集團須評估潛在客戶的信貸質素及界定客戶的信貸限額，並對給予客戶限額進行定期檢討。

本集團以等於終身ECL的金額計量貿易應收款項的損失準備。本集團評估於二零二零年十二月三十一日並無根據香港財務報告準則第9號確認的重大虧損撥備(二零一九年：無)。預期虧損率乃根據過去兩年的實際虧損經驗釐定。調整這些利率以反映收集歷史數據期間的經濟狀況，當前狀況和本集團對應收賬款預期年限的經濟狀況的看法之間的差異。

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7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Directors are taking active steps to improve the liquidity position of the Group and the Group should be able to continue as a going concern.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity risk tables 2020

| | | Less than 1 month or on demand | 1 to 3 months | 3 months to 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total undiscounted cash flows 未折現 現金流量 總額 | Carrying amount |
|--------------------------------|-----------------|--------------------------------------|---------------|-----------------------|--------------|---------------|--------------|--|------------------------|
| | | 少於1個月 或按要求 | 1至3個月 | 3個月至1年 | 1至2年 | 2至5年 | 超過5年 | US\$'000 千美元 | 賬面值 US\$'000 千美元 |
| Trade payables | 貿易應付款項 | 153 | 337 | - | - | - | - | 490 | 490 |
| Accruals | 應計費用 | 3,903 | - | - | - | - | - | 3,903 | 3,903 |
| Convertible notes (note 28) | 可換股票據 (附註28) | - | - | - | - | 87,000 | - | 87,000 | 53,373 |
| Amounts due to shareholders | 應付股東款項 | 1,932 | - | - | - | - | - | 1,932 | 1,932 |
| Lease liabilities | 租賃負債 | 13 | 26 | 239 | 27 | 7 | - | 312 | 342 |
| | | <u>6,001</u> | <u>363</u> | <u>239</u> | <u>27</u> | <u>87,007</u> | <u>-</u> | <u>93,637</u> | <u>60,040</u> |

7. 財務工具(續)

7b. 財務風險管理目標及政策(續)

流動資金風險

就流動資金風險管理而言，本集團監察及維持管理層視為足夠的一定水平的現金及等同現金項目以為本集團經營融資及降低現金流量波動的影響。

董事正採取積極措施以提高本集團的資金流動狀況，以確保本集團能夠持續經營。

下表詳列本集團財務負債根據協定還款期劃分的剩餘合約到期情況。該表根據本集團須付款的最早日期的財務負債未折現現金流量而編製。本表包括利息及本金現金流量。

流動資金風險表 二零二零年

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk tables (Continued)

2019

| | | Less than 1 month or on demand | 1 to 3 months | 3 months to 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total undiscounted cash flows 未折現 現金流量 總額 | Carrying amount 賬面值 |
|--------------------------------|-----------------|--------------------------------------|-----------------|-----------------------|-----------------|-----------------|-----------------|--|---------------------------|
| | | 少於1個月 或按要求 | 1至3個月 | 3個月至1年 | 1至2年 | 2至5年 | 超過5年 | 總額 | 賬面值 |
| | | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 |
| Trade payables | 貿易應付款項 | 197 | 756 | - | - | - | - | 953 | 953 |
| Accruals | 應計費用 | 2,920 | - | - | - | - | - | 2,920 | 2,920 |
| Convertible notes (note 28) | 可換股票據 (附註28) | - | - | - | - | - | 87,000 | 87,000 | 47,773 |
| Amounts due to shareholders | 應付股東款項 | 12,992 | - | - | - | - | - | 12,992 | 12,992 |
| Lease liabilities | 租賃負債 | 14 | 26 | 217 | 289 | - | - | 546 | 519 |
| | | <u>16,123</u> | <u>782</u> | <u>217</u> | <u>289</u> | <u>-</u> | <u>87,000</u> | <u>104,411</u> | <u>65,157</u> |

Note: The undiscounted cash flows of convertible notes are presented based on the assumption that the Company will not early redeem the outstanding convertible notes before the maturity date.

附註：可換股票據的未折現現金流量乃根據本公司不會於到期日之前提早贖回尚未兌換的可換股票據的假設而呈列。

7. 財務工具(續)

7b. 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金風險表(續)

二零一九年

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For the year ended 31 December 2020
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7. FINANCIAL INSTRUMENTS (Continued)

7c. Fair value

This note provides information about how the Group determines the fair value of its financial asset.

(i) **Fair value of the Group's financial asset that is measured at fair value on a recurring basis**

One of the Group's financial assets is measured at fair value at the end of each reporting period.

Binomial Pricing Model has been consistently applied for the years ended 31 December 2019 and 31 December 2018 to measure the fair value for one of the Group's financial assets, the Call Option (Note 21(b)) granted for the Company to acquire additional equity in Silkwave Holdings within the next 7-years since the Completion, resulting in an equity interest of up to 51%.

During the year, the Directors recognised a full impairment loss of US\$1,050,000 for the Call Option after the assessing and revising its commercial operations and the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence the unlikeliness that the Call Option will become effective when Silkwave Holdings generates an Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of US\$200,000,000 based on the audited report in any given year during the 7-years period (i.e., up to year 2025) of the Call Option.

7. 財務工具(續)

7c. 公平值

本附註提供有關本集團如何釐定財務資產公平值的資料。

(i) **本集團按經常性基準以公平值計量的財務資產公平值**

於各報告期末，本集團其中一項財務資產按公平值計量。

於截至二零一九年十二月三十一日止年度及截至二零一八年十二月三十一日止年度，本集團一直採用二項式定價模型來衡量本集團其中一項金融資產，即為本公司於完成後未來7年內收購Silkwave額外股權的認購期權(附註21(b))，導致股本權益在完成後可達至51%的公允價值。

年內，董事在評估Silkwave將因監管方面和大功率衛星採購的延遲而需要推遲其商業運營，以及與該業務相關的預期現金流量及收入流後，確認認購期權之全額減值，該減值虧損為1,050,000美元，因為只有Silkwave在認購期權7年期間(即到2025年)任何指定年度的經審核報告產生利息、稅項、折舊及攤銷前盈利(「EBITDA」)為200,000,000美元後，該認購期權才會生效，而生效的機會不大。

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

7. FINANCIAL INSTRUMENTS (Continued)

7c. Fair value (Continued)

(i) Fair value of the Group's financial asset that is measured at fair value on a recurring basis (Continued)

7. 財務工具(續)

7c. 公平值(續)

(i) 本集團按經常性基準以公平值計量的財務資產公平值(續)

| Financial asset 財務資產 | Fair value as at 於以下日期的公平值 | | Fair value hierarchy 公平值等級 | Valuation technique and key inputs 估值技術及主要輸入數據 | Significant unobservable input(s) 重大不可觀察輸入數據 |
|---|-------------------------------|------------------|----------------------------------|---|--|
| | 31/12/2020 | 31/12/2019 | | | |
| | 二零二零年 十二月三十一日 | 二零一九年 十二月三十一日 | | | |
| Financial asset at FVTPL - Call Option granted for a further 31% equity interest in Silkwave Holdings Limited | - | US\$1,050,000 | Level 3 | Binomial Pricing Model – in this approach, certain parameters determined by management are input into the binomial model to derive the valuation of the call option. | Volatility, determined by reference to historical volatilities of companies operating in the same industry |
| 以公允價值計量的金融資產 - Silkwave Holdings Limited 額外31%股權的 認購期權 | - | 1,050,000美元 | 第三級 | 二項式定價模型 – 利用此方法，管理層釐定的若干參數均輸入二項式模型，以獲得認購期權的估值。 Certain parameters include: - Risk-free rate: N/A (2019: 1.72%) - Volatility: N/A (2019: 44.71%) 若干參數包括： - 無風險利率：不適用 (二零一九年：1.72%) - 波幅：不適用 (二零一九年：44.71%) | 波幅，經參考同業過往波幅釐定 |

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

7. FINANCIAL INSTRUMENTS (Continued)

7c. Fair value (Continued)

(i) **Fair value of the Group's financial asset that is measured at fair value on a recurring basis**
(Continued)

Fair value hierarchy

7. 財務工具(續)

7c. 公平值(續)

(i) **本集團按經常性基準以公平值計量的財務資產公平值(續)**
公允值等級架構

| | | Level 1 第一級 US\$'000 千美元 | Level 2 第二級 US\$'000 千美元 | Level 3 第三級 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
|---|--------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| 2020 | 二零二零年 | | | | |
| Financial assets | 財務資產 | | | | |
| Financial asset at fair value through profit or loss | 以公允價值計量的金融資產 | - | - | - | - |
| 2019 | 二零一九年 | | | | |
| Financial assets | 財務資產 | | | | |
| Financial asset at fair value through profit or loss | 以公允價值計量的金融資產 | - | - | 1,050 | 1,050 |
| (ii) Reconciliation of Level 3 fair value measurements | | | | | |
| | | | | (ii) 第三層公允值計量之變動 | |

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|-----------------|----------|----------------------------------|----------------------------------|
| At 1 January | 於一月一日 | 1,050 | 1,650 |
| Fair value loss | 公平值虧損 | (1,050) | (600) |
| At 31 December | 於十二月三十一日 | - | 1,050 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION

Information is reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

- i. CMMB business – Provision of transmission and broadcasting of TV programs.
- ii. Trading business – Trading of PCB materials.

8. 收入及分部資料

向本公司執行董事(即主要營運決策者)呈報以供分配資源及評估分部表現的資料,集中於已提供的服務類型。

主要營運決策者在設定本集團的可報告分部時並無彙合所識別的經營分部。

具體而言,根據香港財務報告準則第8號經營分部,本集團的可呈報分部及經營分部如下:

- i. CMMB業務—提供傳輸及播放電視節目。
- ii. 貿易業務—印刷線路板材料貿易。

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綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION

(Continued)

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

For the year ended 31 December 2020

8. 收入及分部資料(續)

按經營及可呈報分部劃分的本集團收入及業績的分析如下：

截至二零二零年十二月三十一日止年度

| | | CMMB business CMMB 業務 US\$'000 千美元 | Trading business 貿易業務 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
|--|--------------------------|--|--|--------------------------------|
| Revenue | 收入 | | | |
| Segment revenue | 分部收入 | 1,968 | 1,908 | 3,876 |
| Segment loss | 分部虧損 | (29,387) | (59) | (29,446) |
| Market development and promotion expenses | 市場開發及推廣開支 | (1,662) | - | (1,662) |
| Fair value loss on financial asset at FVTPL | 以公平值變動計入當期損益之金融資產的公允價值變動 | (1,050) | - | (1,050) |
| Share of results of an associate | 應佔聯營公司的業績 | (99,450) | - | (99,450) |
| Other income | 其他收入 | - | - | 253 |
| Impairment loss recognised on assets classified as held for sale | 重分類至待售資產之減值損失 | (574) | - | (574) |
| Unallocated corporate expenses | 未分配的公司開支 | | | (1,263) |
| Loss for the year | 年內虧損 | | | <u>(133,192)</u> |

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION

(Continued)

For the year ended 31 December 2019

8. 收入及分部資料(續)

截至二零一九年十二月三十一日止年度

| | | CMMB business CMMB 業務 US\$'000 千美元 | Trading business 貿易業務 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
|--|----------------------------------|--|--|--------------------------------|
| Revenue | 收入 | | | |
| Segment revenue | 分部收入 | 4,039 | 3,114 | 7,153 |
| Segment loss | 分部虧損 | (17,943) | (46) | (17,989) |
| Market development and promotion expenses | 市場開發及推廣開支 | (2,540) | – | (2,540) |
| Fair value loss on financial asset at FVTPL | 以公平值變動計入 當期損益之金融資產 的公允價值變動 | (600) | – | (600) |
| Share of results of an associate | 應佔聯營公司的業績 | (8,680) | – | (8,680) |
| Other income | 其他收入 | – | – | 2 |
| Unallocated corporate expenses | 未分配的公司開支 | | | (2,060) |
| Loss for the year | 年內虧損 | | | (31,867) |

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment loss represents the loss from each segment after tax without allocation of other income, share of results of an associate, impairment recognised on assets classified as held for sale and central administration expenses. This is the measure reported to Company's executive directors for the purposes of resources allocation and performance assessment.

經營分部的會計政策與附註4所述的本集團會計政策一致。分部虧損指來自各分部除稅後虧損(不考慮分配其他收入,應佔聯營公司的業績,重分類至待售資產之減值損失及中央行政開支)。此乃就資源分配及表現評估而言向本公司執行董事報告的標準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets

| | | 8. 收入及分部資料(續) | |
|--------------------------------------|------------|----------------|----------------|
| | | 分部資產 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| CMMB business | CMMB 業務 | 179,820 | 306,201 |
| Trading business | 貿易業務 | 899 | 1,360 |
| | | <u>180,719</u> | <u>307,561</u> |
| Total segment assets | 分部資產總值 | 180,719 | 307,561 |
| Unallocated | 未分配 | | |
| - Assets classified as held for sale | - 重分類至待售資產 | 1,000 | - |
| - Property, plant and equipment | - 物業、廠房及設備 | 59 | 107 |
| - Right-of-use assets | - 使用權資產 | 238 | 474 |
| - Other receivables | - 其他應收款項 | 109 | 121 |
| - Amount due from a related company | - 應收關連公司款項 | 2,212 | 6,662 |
| - Amount due from an associate | - 應收聯營公司款項 | 890 | 947 |
| - Bank balances and cash | - 銀行結餘及現金 | 382 | 191 |
| | | <u>185,609</u> | <u>316,063</u> |
| Consolidated total assets | 綜合資產總額 | 185,609 | 316,063 |

Segment liabilities

| | | 8. 收入及分部資料(續) | |
|--------------------------------|----------|---------------|---------------|
| | | 分部負債 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| CMMB business | CMMB 業務 | 58,698 | 50,615 |
| Trading business | 貿易業務 | 590 | 992 |
| | | <u>59,288</u> | <u>51,607</u> |
| Total segment liabilities | 分部負債總額 | 59,288 | 51,607 |
| Unallocated | 未分配 | | |
| - Accruals | - 應計費用 | 480 | 382 |
| - Lease liabilities | - 租賃負債 | 284 | 515 |
| - Amount due to shareholders | - 應付股東款項 | 1,932 | 12,992 |
| | | <u>61,984</u> | <u>65,496</u> |
| Consolidated total liabilities | 綜合負債總額 | 61,984 | 65,496 |

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include certain property, plant and equipment, intangible assets, interest in an associate, financial asset at fair value through profit or loss, certain bank balances and cash and trade receivables; and
- segment liabilities include trade payables, certain accruals and convertible notes.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

| | |
|---|-------------------|
| Revenue from contracts with customers recognised at a point in time: | 於某一時點來自客戶合約之收入確認: |
| Trading of PCB materials | 印刷線路板材料貿易 |
| Revenue from contracts with customers recognised over a period of time: | 於某一時段來自客戶合約之收入確認 |
| CMMB service income | CMMB服務收入 |
| Revenue from other sources: | 其他收入來源: |
| Transmission and broadcasting of television programs | 提供傳輸及電視廣播服務 |

8. 收入及分部資料(續)

分部負債(續)

就監察分部表現及在分部之間分配資源而言:

- 分部資產包括若干物業、廠房及設備、無形資產、於聯營公司的權益、以公平值計入損益的金融資產、若干銀行結餘及現金以及貿易應收款項;及
- 分部負債包括貿易應付款項、若干應計費用及可換股票據。

來源於主要產品及服務的收入

本集團來源於主要產品及服務的收入分析如下:

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------------|----------------------------------|
| Trading of PCB materials | 1,908 | 3,114 |
| CMMB service income | 232 | — |
| Transmission and broadcasting of television programs | 1,736 | 4,039 |
| | <u>3,876</u> | <u>7,153</u> |

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For the year ended 31 December 2020
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8. REVENUE AND SEGMENT INFORMATION 8. 收入及分部資料(續)

(Continued) Other segment information

其他分部資料

| | | CMMB business CMMB業務 US\$'000 千美元 | Trading business 貿易業務 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
|--|--------------------------|---|--|--------------------------------|
| Amounts included in the measure of segment profit or loss: | 計入計量分部損益的款項: | | | |
| Year ended 31 December 2020 | 截至二零二零年十二月三十一日止年度 | | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 107 | – | 107 |
| Depreciation of right-of-use assets | 使用權資產折舊 | – | 23 | 23 |
| Effective interest expense on convertible notes | 可換股票據實際利息開支 | 5,600 | – | 5,600 |
| Interest expense on lease liabilities | 租賃負債利息開支 | – | 3 | 3 |
| Impairment loss recognised on intangible assets | 無形資產減值虧損 | 24,275 | – | 24,275 |
| Impairment loss recognised on assets classified as held for sale | 重分類至待售資產之減值虧損 | 574 | – | 574 |
| | | <u>574</u> | <u>–</u> | <u>574</u> |
| Year ended 31 December 2019 | 截至二零一九年十二月三十一日止年度 | | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 127 | – | 127 |
| Depreciation of right-of-use assets | 使用權資產折舊 | – | 23 | 23 |
| Effective interest expense on convertible notes | 可換股票據實際利息開支 | 5,445 | – | 5,445 |
| Interest expense on lease liabilities | 租賃負債利息開支 | – | 1 | 1 |
| Gain on redemption of convertible notes | 贖回可換股票據之收益 | (2,089) | – | (2,089) |
| Impairment loss recognised on intangible assets | 無形資產減值虧損 | 16,933 | – | 16,933 |
| | | <u>16,933</u> | <u>–</u> | <u>16,933</u> |

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綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

8. REVENUE AND SEGMENT INFORMATION

(Continued)

Geographical information

The Group principally operates in the US (country of domicile of the operating subsidiary) for CMMB business and in Taiwan for trading business. Nearly all non-current assets of the Group are located in the US except for certain insignificant non-current assets (such as office equipment and motor vehicles) are located in Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations.

| | |
|--------|----|
| US | 美國 |
| Taiwan | 台灣 |
| PRC | 中國 |

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

| | |
|------------|-----|
| Customer A | 客戶A |
| Customer B | 客戶B |
| Customer C | 客戶C |

¹ Revenue from CMMB business

² Revenue from Trading business

8. 收入及分部資料(續)

地區資料

本集團主要於美國(經營附屬公司的註冊國家)經營CMMB業務及於台灣經營貿易業務。本集團幾乎全部非流動資產位於美國，惟極少數非流動資產(如辦公室設備及汽車)位於香港。

有關本集團來自外部客戶的收入資料根據經營業務所在地呈列。

Revenue from external customers

來自外部客戶的收入

| 2020 | 2019 |
|--------------|--------------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |
| 1,736 | 4,039 |
| 1,908 | 3,114 |
| 232 | - |
| 3,876 | 7,153 |

主要客戶資料

來自客戶的收入佔本集團總收入超過10%的詳情如下：

| 2020 | 2019 |
|--------------------|--------------------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |
| 1,908 ² | 3,114 ² |
| 964 ¹ | 2,736 ¹ |
| 535 ¹ | 1,266 ¹ |

¹ 來自CMMB業務的收入

² 來自貿易業務的收入

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9. OTHER INCOME

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|----------------------------|------------------|----------------------------------|----------------------------------|
| COVID-19 rents concessions | 與COVID-19相關的租金優惠 | 184 | – |
| Government grants (note) | 政府補助金(附註) | 68 | – |
| Bank interest income | 銀行利息收入 | – | 2 |
| Other | 其他 | 100 | – |
| | | <u>352</u> | <u>2</u> |

Note: In 2020, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government of the Hong Kong Special Administrative Region. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be at risk of being made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

9. 其他收入

附註：於二零二零年，本集團已成功從香港政府設立的防疫抗疫基金的保就業計劃中申請撥款。有關撥款是旨在為企業提供財務支持，以留聘面對被裁風險的員工。根據撥款的條款，本集團在補貼期間不得裁員，並須將所有撥款用於支付員工工資。

10. FINANCE COSTS

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|--------------------|----------------------------------|----------------------------------|
| Effective interest expense on convertible notes (note 28) | 可換股票據的實際利息開支(附註28) | 5,600 | 5,445 |
| Interest expense on lease liabilities | 租賃負債利息開支 | 23 | 34 |
| Interest expense on bank overdrafts | 銀行利息開支 | 2 | 3 |
| | | <u>5,625</u> | <u>5,482</u> |

10. 財務成本

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11. INCOME TAX EXPENSE

Current tax:
US Income Tax

本年稅項：
美國所得稅

Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) on the estimated assessable profits for the year, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2018/2019. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both years.

For the year ended 31 December 2020, US Income Tax is charged at 24% (2019: 24%) on the estimated assessable profits. No provision for US Income Tax has been made as the Group does not have assessable profit arising in US for the year ended 31 December 2020.

Taiwan Income Tax is charged at 20% on the estimated assessable profits for both years. No provision for Taiwan Income Tax has been made as the Group does not have assessable profit arising in Taiwan for both years.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the consolidated financial statements as all of the PRC subsidiaries did not have taxable income for both years.

11. 稅項

| 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|---|-----|
| - | 117 |
|---|-----|

於二零二零年香港利得稅按年內估計應課稅溢利16.5%(二零一九年：16.5%)的稅率計算，惟合資格實體應課稅溢利之首次2,000,000港元(按8.25%計算)除外。新的兩級利得稅稅率制度，自二零一八/二零一九年課稅年度起生效。本集團於兩年內並無在香港的應課稅溢利，故並無就香港利得稅作出撥備。

於二零二零年十二月三十一日年度，美國所得稅按24%(二零一九年：24%)的稅率計算。本集團於二零二零年十二月三十一日止年度並無美國的應課稅溢利，故並無就美國所得稅作出撥備。

於兩個年度，台灣所得稅按20%的現行稅率計算。本集團於兩個年度於台灣並無產生任何應課稅溢利，故無作出台灣所得稅撥備。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司的中國附屬公司自二零零八年一月一日起之稅率為25%。所有中國附屬公司於兩個年度內並無應課稅收入，故並無於綜合財務報表中作出中國所得稅撥備。

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11. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

11. 稅項(續)

年內稅項與綜合損益及其他全面收益表除稅前虧損對賬如下：

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | <u>(133,192)</u> | <u>(31,750)</u> |
| Tax at the US income tax rate of 24% (2019: 24%) | 美國所得稅稅率為24% (二零一九年：24%) | (31,966) | (7,620) |
| Tax effect of income not taxable for tax purpose | 就稅項而言，不應課稅收入的 稅務影響 | (600) | (1,249) |
| Tax effect of expenses not deductible for tax purpose | 就稅項而言，不可扣稅開支的 稅務影響 | 2,500 | 2,839 |
| Tax effect of tax losses not recognised | 未確認稅項虧損的稅務影響 | 234 | - |
| Tax effect of share of results of an associate | 應佔聯營公司虧損的稅務影響 | 23,868 | 2,083 |
| Tax effect of deductible temporary differences not recognised | 確認可扣減暫時差額的稅務影響 | <u>5,964</u> | <u>4,064</u> |
| Tax charge for the year | 年內稅項 | <u>-</u> | <u>117</u> |

At the end of both reporting periods, the Group has deductible temporary differences of US\$52,207,000 (2019: US\$27,358,000) relating to impairment loss recognised on an intangible asset recognised. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised. In addition, the Group has unused tax losses of US\$7,288,000 as at 31 December 2020 (2019: US\$6,313,000) available for offsetting against future profits, subject to the confirmation of the relevant tax authorities. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

於兩個報告期末，本集團有關截至十二月三十一日止年度已確認的無形資產已確認的減值虧損的可扣減暫時差額為52,207,000美元(二零一九年：27,358,000美元)。由於並無應課稅溢利將用作抵銷可動用可扣減暫時差額，故概無就有關可扣減暫時差額確認遞延稅項資產。此外，截至二零二零年十二月三十一日止年度，本集團的未動用稅項虧損7,288,000美元(二零一九年：6,313,000美元)可用於抵銷未來溢利，惟須取得相關稅務部門的確認。由於未來溢利來源不可預測，故並無確認遞延稅項資產。

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12. LOSS FOR THE YEAR

12. 年內虧損

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|-----------------|----------------------------------|----------------------------------|
| Loss for the year has been arrived at after charging: | 年內虧損經扣除以下項目後達致： | | |
| Staff costs, including Directors' remuneration | 員工成本，包括董事酬金 | | |
| – Directors' remuneration | – 董事酬金 | 81 | 252 |
| – Salaries and allowances | – 薪金及津貼 | 1,050 | 1,080 |
| – Retirement benefit scheme contributions | – 退休福利計劃供款 | 20 | 21 |
| Total staff costs | 員工成本總額 | <u>1,151</u> | <u>1,353</u> |
| Share-based payment expense | 以股份為基礎的付款開支 | 171 | 193 |
| Auditor's remuneration | 核數師酬金 | | |
| – Assurance service | – 核數服務 | 142 | 140 |
| – Non-assurance service | – 非核數服務 | 18 | 7 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 156 | 196 |
| Depreciation of right-of-use-assets | 使用權資產折舊 | 261 | 283 |
| Included in other expenses: | 計入其他開支： | | |
| – Exchange losses, net | – 匯兌虧損淨額 | 11 | 9 |
| – Legal and professional fee | – 法律及專業費用 | <u>101</u> | <u>261</u> |

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the eight directors (2019: seven) of the Company were as follows:

2020

13. 董事及主要行政人員酬金

(a) 董事酬金

已付或應付八位董事及主要行政人員(二零一九年：七位)的酬金如下：

二零二零年

| | | Directors 董事 | | | | | | | Total | |
|---|----------|------------------|----------|---------------------|----------|-------------------|----------|----------|-------------------|-------------|
| | | Wong Chau Chi | Liu Hui | Chou Tsan Hsiung | Yang Yi | Wang Wei-Lin # | Li Shan | Li Jun | Chow Kin Wing* | 2020 |
| | | 黃秋智 | 劉輝 | 周燦雄 | 楊毅 | 王偉霖# | 李山 | 李珺 | 周建榮* | 二零二零年 總計 |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 |
| Fees | 袍金 | - | - | - | - | - | - | - | 4 | 4 |
| Other emoluments | 其他酬金 | | | | | | | | | |
| Salaries and other benefits | 薪金及其他福利 | 77 | - | - | - | - | - | - | - | 77 |
| Contributions to retirement benefits scheme | 退休福利計劃供款 | 2 | - | - | - | - | - | - | - | 2 |
| | | <u>79</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4</u> | <u>83</u> |

Dr. Wang Wei-Lin resigned as an independent non-executive Director of the Company on 31 May 2020.

王偉霖博士於二零二零年五月三十一日已辭任本公司獨立非執行董事。

* Mr. Chow Kin Wing was appointed as an independent non-executive Director of the Company on 12 October 2020.

* 周建榮先生於二零二零年十月十二日已獲委任為本公司獨立非執行董事。

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued) 2019

| | Directors 董事 | | | | | | | Total 2019 二零一九年 總計 US\$'000 千美元 |
|---|------------------|------------|---------------------|----------|-----------------|----------|----------|---|
| | Wong Chau Chi | Liu Hui | Chou Tsan Hsiung | Yang Yi | Wang Wei-Lin | Li Shan | Li Jun | |
| Fees | - | - | - | - | - | - | - | - |
| Other emoluments | | | | | | | | |
| Salaries and other benefits | 77 | 175 | - | - | - | - | - | 252 |
| Contributions to retirement benefits scheme | 2 | - | - | - | - | - | - | 2 |
| | <u>79</u> | <u>175</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>254</u> |

The Directors' emoluments disclosed above include their services in connection with management of the affairs of the Group.

Mr. Wong Chau Chi is also the Chief Executive Officer of the Company.

(b) Directors' material interests, transactions, arrangements or contracts

Except as disclosed in note 33, no other transactions, arrangements and contracts of significance to which the Group as a party and in which a director of the Group had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Loans, quasi-loans and other dealings in favour of directors

Except as disclosed in Note 26, no loans, quasi-loans and other dealings in favour of directors of the Group or body corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the year or at any time during the year.

13. 董事及主要行政人員酬金(續)

(a) 董事酬金(續) 二零一九年

上表披露之董事酬金包括彼等就本集團之事務所提供之管理服務。

黃秋智先生亦為本公司首席執行官。

(b) 董事的重大權益、交易、安排或合約

除於附註33所披露之外，概無其他重大交易、安排及合約為本集團作為訂約方，而同時本集團董事直接或間接擁有重大權益，且於年度終結或年內任何時間存續。

(c) 以董事為受益人的貸款、準貸款及其他交易

除於附註26所披露之外，無其他以本集團董事或該等董事控制的法人團體或該等董事的關聯實體為受益人的貸款、準貸款及其他交易於年度終結或年內任何時間存續。

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14. EMPLOYEES' REMUNERATIONS

Of the five individuals with the highest emoluments in the Group, there was one director whose emoluments are included in the disclosures in note 13 (2019: one). The emoluments of the remaining four (2019: four) individuals were as follows:

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 521 | 620 |
| Contributions to retirement benefits scheme | 退休福利計劃供款 | <u>5</u> | <u>7</u> |
| | | <u>526</u> | <u>627</u> |

Their emoluments were within the following bands:

| | | 2020 二零二零年 No. of employees 僱員數目 | 2019 二零一九年 No. of employees 僱員數目 |
|---|---|--|--|
| HK\$500,001 to HK\$1,000,000 (equivalent to US\$64,001 to US\$129,000) | 500,001 港元至 1,000,000 港元 (相當於 64,001 美元至 129,000 美元) | 2 | 2 |
| HK\$1,000,001 to HK\$1,500,000 (equivalent to US\$129,001 to US\$193,000) | 1,000,001 港元至 1,500,000 港元 (相當於 129,001 美元至 193,000 美元) | 2 | - |
| HK\$1,500,001 to HK\$2,000,000 (equivalent to US\$193,001 to US\$258,000) | 1,500,001 港元至 2,000,000 港元 (相當於 193,001 美元至 258,000 美元) | <u>-</u> | <u>2</u> |

During the years ended 2020 and 2019, no emoluments had been paid by the Group to the directors of the Company or the five highest-paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

14. 僱員酬金

於本集團五名最高薪酬人士中，一名董事(二零一九年：一名)的酬金詳情如上文附註13所披露。其餘四位(二零一九年：四位)人士的酬金如下：

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 521 | 620 |
| Contributions to retirement benefits scheme | 退休福利計劃供款 | <u>5</u> | <u>7</u> |
| | | <u>526</u> | <u>627</u> |

彼等的酬金介乎以下範圍：

| | | 2020 二零二零年 No. of employees 僱員數目 | 2019 二零一九年 No. of employees 僱員數目 |
|---|---|--|--|
| HK\$500,001 to HK\$1,000,000 (equivalent to US\$64,001 to US\$129,000) | 500,001 港元至 1,000,000 港元 (相當於 64,001 美元至 129,000 美元) | 2 | 2 |
| HK\$1,000,001 to HK\$1,500,000 (equivalent to US\$129,001 to US\$193,000) | 1,000,001 港元至 1,500,000 港元 (相當於 129,001 美元至 193,000 美元) | 2 | - |
| HK\$1,500,001 to HK\$2,000,000 (equivalent to US\$193,001 to US\$258,000) | 1,500,001 港元至 2,000,000 港元 (相當於 193,001 美元至 258,000 美元) | <u>-</u> | <u>2</u> |

於二零二零年及二零一九年十二月三十一日止年度，本集團並無向公司董事及五位最高薪人士支付酬金作為促使其加入或在加入本集團時之獎金或作為失去職位之賠償。

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15. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2020 and 2019.

15. 股息

公司董事不建議就截至二零二零年及二零一九年十二月三十一日止年度派付股息。

16. LOSS PER SHARE

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

16. 每股虧損

年內本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

| Loss for the year | 年內虧損 | 2020 | 2019 |
|---|---------------------------|--------------------------|--------------------------|
| | | 二零二零年 US\$'000 千美元 | 二零一九年 US\$'000 千美元 |
| Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share | 就計算每股基本虧損時所用的本公司擁有人應佔年內虧損 | (127,700) | (28,404) |
| Effect of dilutive potential ordinary shares: | 潛在攤薄普通股影響： | | |
| – Effective interest expense on convertible notes | – 可換股票據的實際利息 | – | 114 |
| – Gain on redemption of convertible notes | – 贖回可換股票據之收益 | – | (1,525) |
| | | <u>(127,700)</u> | <u>(29,815)</u> |
| Loss for the year attributable to owners of the Company for the purpose of calculating diluted loss per share | 就計算每股攤薄虧損時所用的本公司擁有人應佔年內虧損 | <u>(127,700)</u> | <u>(29,815)</u> |
| Number of shares | 股份數目 | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | 就計算每股基本虧損時所用的普通股加權平均股數 | 242,093,844 | 163,601,929 |
| Effect of dilutive potential ordinary shares:* | 潛在攤薄普通股影響：* | | |
| – Convertible notes | – 可換股票據 | – | 526,945 |
| | | <u>242,093,844</u> | <u>164,128,874</u> |
| Weighted average number of ordinary shares for the purpose of calculating dilutive loss per share | 就計算每股攤薄虧損時所用的普通股加權平均股數 | <u>242,093,844</u> | <u>164,128,874</u> |

* The computation of the diluted loss per share for the year ended 31 December 2020 has not assumed the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in loss per share.

* 計算截至二零二零年十二月三十一日止年度的每股攤薄虧損時，並未假設本公司未償還的可轉換債券獲兌換，因為它們的行使會導致每股虧損的減少。

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16. LOSS PER SHARE (Continued)

For the share options, the computation of diluted loss per share amount has not assumed the conversion of the Company's outstanding share options since they are anti-dilutive for the years ended 31 December 2020 and 2019.

Adjustment made to the basic loss per share amount for the year ended 31 December 2019 in respect of a dilution because the diluted loss per share amount was increased when taking convertible notes into account, so the convertible notes had a dilutive effect.

As the Rights Issue completed on 11 March 2020 includes no bonus elements, the weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the year ended 31 December 2020 and 2019 are not required to be adjusted for the effect of the Rights Issue.

16. 每股虧損(續)

對於購股權，計算截至二零二零年和二零一九年十二月三十一日止年度的攤薄虧損時，並未假設本公司購股權的轉換，因為購股權有反攤薄效應。

截至二零一九年十二月三十一日止年度的每股基本虧損金額已就攤薄效應作出調整，因為考慮到可換股票據時每股攤薄虧損額增加，因此可兌換票據有攤薄效應。

由於二零二零年三月十一日完成的供股不含紅股因素，用作計算截至二零二零年及二零一九年十二月三十一日止年度的每股基本及攤薄虧損的普通股加權平均數不需作出調整以反映該次供股的影響。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

| | | Leasehold improvements | Motor vehicles | TV equipment | Office and other equipment | Total |
|---|-------------------------------------|---------------------------|-----------------------|-------------------------|----------------------------------|-----------------------|
| | | 租賃裝修 US\$'000 千美元 | 汽車 US\$'000 千美元 | 電視設備 US\$'000 千美元 | 辦公室及 其他設備 US\$'000 千美元 | 總計 US\$'000 千美元 |
| COST | 成本 | | | | | |
| At 1 January 2019 | 於二零一九年 一月一日 | 249 | 116 | 225 | 605 | 1,195 |
| Exchange differences | 匯兌調整 | 1 | - | - | 3 | 4 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年 十二月三十一日及 二零二零年 一月一日 | 250 | 116 | 225 | 608 | 1,199 |
| Exchange differences | 匯兌調整 | 1 | - | - | - | 1 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 251 | 116 | 225 | 608 | 1,200 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | |
| At 1 January 2019 | 於二零一九年 一月一日 | 234 | 85 | 104 | 210 | 633 |
| Provided for the year | 年內撥備 | 14 | 18 | 46 | 118 | 196 |
| Exchange differences | 匯兌調整 | 2 | - | - | 1 | 3 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年 十二月三十一日及 二零二零年 一月一日 | 250 | 103 | 150 | 329 | 832 |
| Provided for the year | 年內撥備 | - | 12 | 26 | 118 | 156 |
| Exchange differences | 匯兌調整 | 1 | 1 | - | (3) | (1) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 251 | 116 | 176 | 444 | 987 |
| CARRYING VALUE | 賬面值 | | | | | |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | - | - | 49 | 164 | 213 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | - | 13 | 75 | 279 | 367 |

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

| | |
|----------------------------|--------|
| Leasehold improvement | 33% |
| Motor vehicles | 20% |
| TV equipment | 20% |
| Office and other equipment | 10–33% |

17. 物業、廠房及設備(續)

上述物業、廠房及設備項目按以下
年利率以直線基準折舊：

| | |
|----------|--------|
| 租賃裝修 | 33% |
| 汽車 | 20% |
| 電視設備 | 20% |
| 辦公室及其他設備 | 10–33% |

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18. INTANGIBLE ASSETS

18. 無形資產

| | | Spectrum usage rights 類譜使用權 (note a) (附註a) US\$'000 千美元 | Licensing rights 特許使用權 (note c) (附註c) US\$'000 千美元 | Total 總計 US\$'000 千美元 |
|---|---|---|--|------------------------------------|
| At 1 January 2019, 31 December 2019 and 1 January 2020 | 於二零一九年一月一日， 二零一九年 十二月三十一日及 二零二零年一月一日 | 108,937 | 1,533 | 110,470 |
| Reclassified to assets held for sale (Note 24) | 重分類至待售資產 (附註24) | (12,989) | – | (12,989) |
| Write-off | 註銷 | – | (1,533) | (1,533) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | <u>95,948</u> | <u>–</u> | <u>95,948</u> |
| ACCUMULATED AMORTISATION/ 累計攤銷及減值 | | | | |
| IMPAIRMENT | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 11,440 | 1,533 | 12,973 |
| Impairment recognised for the year | 年內無形資產減值虧損 | 16,933 | – | 16,933 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年 十二月三十一日及 二零二零年一月一日 | 28,373 | 1,533 | 29,906 |
| Impairment recognised for the year | 年內無形資產減值虧損 | 24,275 | – | 24,275 |
| Reclassified to assets held for sale (Note 24) | 重分類至待售資產 (附註24) | (11,415) | – | (11,415) |
| Write-off | 註銷 | – | (1,533) | (1,533) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | <u>41,233</u> | <u>–</u> | <u>41,233</u> |
| CARRYING VALUE | | | | |
| At 31 December 2020 | 賬面值 於二零二零年 十二月三十一日 | <u>54,715</u> | <u>–</u> | <u>54,715</u> |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | <u>80,564</u> | <u>–</u> | <u>80,564</u> |

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18. INTANGIBLE ASSETS (Continued)

- (a) The spectrum usage rights represented user and operating rights over free-to-air UHF Spectrum TV Stations inclusive of the spectrum usage right, broadcasting rights and operating facilities in eight top US metropolitan cities, which are New York, Los Angeles, San Francisco, Dallas, Houston, Atlanta, Miami and Tampa.

The spectrum usage rights are subject to renewal from time to time. The directors of the Company are of the view that NYBB/NYSHC is able to renew the license rights with the authority indefinitely at minimal costs. Accordingly, the useful life of the spectrum usage rights is regarded as indefinite.

Section 310 of the US rules and regulations places certain restrictions on foreign investment in and ownership of a US broadcast licensee. The Group conducts their CMMB business in the US principally through a finance lease agreement with NYBB/NYSHC being the lessor. The directors of the Company, after consulting legal opinion, are of the view that such lease agreement is valid, binding and enforceable, and does not result in any violation of the US rules and regulations currently in effect in all material respects. However, if the US government changes its regulations to restrict or prohibit companies of foreign sources from operating TV stations in US, the Group may have difficulties in enforcing its rights under the lease agreement. In such case, the Group may not be able to operate its intangible assets which may have an adverse and material effect on the carrying amount of the intangible assets and the Group's operation and results thereof.

Since the date of acquisition in year 2012 to date of modification in year 2013, the costs of spectrum usage rights in New York were amortised on a straight-line basis over the leasing period of 20 years under the lease and amortisation of US\$664,000 was recognised during the period.

18. 無形資產(續)

- (a) 頻譜使用權代表美國八大都會城市(即紐約、洛杉磯、三藩市、達拉斯、休斯敦、亞特蘭大、邁阿密及坦帕)的免費UHF頻譜電視台(包括頻譜使用、廣播權及營運設施)的使用及經營權。

頻譜使用權需不時續約。公司董事認為，NYBB/NYSHC可按最低成本無限期地向相關機構重續特許使用權。因此，頻譜使用權的可使用年期被視為無限期。

美國法規及規例第310條對在美國廣播的外商投資及持牌人擁有權施加了若干限制。本集團主要透過與出租人NYBB/NYSHC訂立的融資租賃協議在美國經營其CMMB業務。公司董事經諮詢法律意見後，認為該租賃協議屬有效、具效力且可執行，並在所有重大方面不會違反現行有效的美國法規及規例。然而，倘美國政府修改其法規，限制或禁止外國公司在美國經營電視台，本集團或會在執行租賃協議下的權利方面存在困難。在此情況下，本集團未必能夠經營其無形資產。此或會對無形資產賬面值及本集團經營及經營業績有重大不利影響。

自二零一二年收購日起至二零一三年修訂日，紐約的頻譜使用權成本在租賃期間以直線基準攤銷(租賃期為二十年)，期內確認攤銷664,000美元。

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18. INTANGIBLE ASSETS (Continued)

(a) (Continued)

In the US, the Federal Communications Commission (“FCC”) regulates the licensing of wireless spectrums, including our UHF TV spectrums. With the proliferation of wireless devices, telecom operators experienced a surge in the demand for wireless spectrum. Consequently, the FCC, with mandate from the US Congress, has reallocated its spectrum frequencies by repurposing a portion of the frequencies from TV operators to telecom operators. After this reallocation, previous TV spectrum licensees who choose to continue their business operations have reapplied for a frequency reassignment. Where there were more than one operator applying for a frequency range, the applicants would choose to collaborate and jointly file with the FCC or bid in an auction for the rights of such frequency range.

Since 2018, the Company has commenced filing for frequency reassignment for its UHF TV spectrums. As a result, the Company throughout the year has 10 (2019: 10) TV stations, of which 2 stations (Dallas and Houston) have been under a co-sharing arrangement since 2018; additional 3 stations (Los Angeles, Miami and San Francisco) are under a co-sharing arrangement during the second half of 2019. For the remaining 5 stations, the Company has confirmed to have a full spectrum license for each of these stations.

As a result of the repackaging of the Federal Communications Commission, old LPTV channels were reshuffled and re-allocated to new ones. The process would require old LPTV channels to be shut down and relocated to new sites for re-installation and bring on-air the new channels. In addition, new channel stations are required to be upgraded from the old analogue format to the new digital format, which would require new equipment such as transmitter and antenna as well as highly regulated engineering activities. Such a process would have long lead time taking up to a year and the Company is proceeding ahead steadily in its re-installation effort. Given the disruptions of repacked station re-installation and COVID-19 on LPTV revenues, hence, the reduction in valuation lead to make the necessary impairment of its TV broadcasting capacity.

18. 無形資產(續)

(a) (續)

在美國，美國聯邦通信委員會(「FCC」)對無線頻譜(包括我們的超高頻電視頻譜)的發牌進行監管。隨著無線設備的廣泛使用，電訊運營商的無線頻譜需求出現激增。因此，FCC已重新分配其頻譜頻率，將部分用於電視運營商的頻率轉移予電訊運營商。經過此重新分配後，選擇繼續經營其業務的原電視頻譜獲授人已經重新申請頻率的再轉讓。倘有超過一名運營商申請同一頻率範圍，該等申請人會選擇合作並共同向FCC提交申請，或在該頻率範圍權的拍賣中進行競拍。

自二零一八年起，本公司已著手就其超高頻電視頻譜之頻率再轉讓提交申請。因此，本公司於整年度擁有十家電視台(二零一九年：十家)，其中二家電視台(達拉斯和休斯頓)自二零一八年起已在共享安排；自二零一九年下半年起，另有三家電視台(洛杉磯，邁阿密和舊金山)現正在共享協議下。至於餘下五個電視台，本公司已獲每個電視台的全頻譜授權。

由於聯邦通信委員會的重新分配頻譜，現有的LPTV頻譜被改組並重新分配給新的LPTV頻譜。該過程將需要關閉舊的LPTV頻道，並將其重新分配頻譜到新站點進行重新安裝，並使新頻道開播。另外，需要將新的頻道台從舊的模擬格式升級到新的數碼廣播格式，這將需要新的設備，例如發射機和天線，以及高度規範的工程活動。這樣的過程將需要很長的時間，需要一年的時間，而公司的重新安裝工作正在穩步進行。鑑於重新安裝的電視台重新安裝和LPTV收入受到COVID-19的干擾，因而引致估值下降，從而對其電視業務之廣播容量進行了必要的減值。

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18. INTANGIBLE ASSETS (Continued)

(a) (Continued)

The management conducted an impairment assessment on the spectrum usage rights on the reporting date. The Group's intangible assets were valued by Peak Vision Appraisals Limited, a professional valuer not related to the Group. The Directors determined that as at 31 December 2020, there is an impairment loss of US\$24,275,000 (2019: US\$16,933,000) recognised for the spectrum usage rights by reference to the VIU calculation, which has been consistently applied for the year ended 31 December 2019 and 2018 respectively. Furthermore, the fair value less cost of disposal is not available as the FCC closed the auction for the sale of TV spectrum since 2017 and has yet to announce future sale plans open up to date of this report.

18. 無形資產(續)

(a) (續)

管理層就頻譜使用權於報告日內評估減值。與本集團無關的專業估值師滌鋒評估有限公司就本集團無形資產進行估值。董事經參考自二零一九年及二零一八年十二月三十一日止年度貫徹地應用使用價值計算法後認為頻譜使用權減值虧損為24,275,000美元(二零一九年：16,933,000美元)。此外，由於FCC自二零一七年以來結束了拍賣電視頻譜的拍賣，並且尚未宣布截至本報告日為止的未來銷售計劃，因此無法獲得公允價值減去處置費用的金額。

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18. INTANGIBLE ASSETS (Continued)

(a) (Continued)

The basis of the recoverable amounts of the above spectrum usage rights and their underlying assumptions are summarised below:

The recoverable amount of the spectrum usage rights has been determined based on a VIU calculation. The calculation uses cash flow projections based on financial budgets approved by the management covering a three-year period at a discount rate of 10.35% (2019: 10.21%). The discount rate is determined based on the weighted average cost of capital appropriate for the spectrum usage rights. The cost of equity of 8.26% (2019: 8.62%) for the year is calculated by: (i) the risk free rate of 0.92% (2019: 1.92%), which is the 10 year average yield of US Government Bond Benchmark Yield Curve; (ii) the equity beta of 1.03 (2019: 0.97), which is the adjusted beta by making reference to publicly listed companies with comparable business nature and operation sourced from Thomson Reuters; and (iii) the market risk premium of 7.15% (2019: 6.91%), which is the difference between market rate of return and risk free rate. This long-term equity risk premium refers to the 10-year average market rate of return for the United States, sourced from Thomson Reuters. The cost of debt of 3.25% (2019: 4.75%) for the year is estimated by referring to the US Prime Lending Rate as sourced from Thomson Reuters. Through the analysis of the industry comparables, the weight of debt and equity is estimated as 49% (2019: 46%) and 51% (2019: 54%) respectively. The corporate tax rate applied remain unchanged at 24%. The specific risk premium this year is 3% (2019: 2%) The spectrum usage rights' cash flow beyond the three-year period (2019: three year period) are extrapolated using a steady growth rate of 2.17% (2019: 2.32%) per annum. This growth rate is based on projected inflation published by the International Monetary Fund.

18. 無形資產(續)

(a) (續)

上述頻譜使用權的可收回金額基準及其相關假設概述如下：

頻譜使用權的可收回金額按使用價值計算法釐定。該計算法使用根據管理層批准的財務預算涵蓋三年期的現金流量預測及貼現率10.35% (二零一九年：10.21%) 計算。折現率是根據適用於頻譜使用權的加權平均資本成本釐定。本年度的股權資本成本為8.26% (二零一九年：8.62%) 的計算方法如下：(i) 無風險利率為0.92% (二零一九年：1.92%)：取自美國政府債券基準收益率的10年平均收益率曲線；(ii) 權益啤打系數為1.03 (二零一九年：0.97)，是參照湯姆森路透社提供的具有可比業務性質和運營的上市公司的經調整後之啤打系數；(iii) 市場風險溢價為7.15% (二零一九年：6.91%)，即市場回報率與無風險率之差；此長期股權風險溢價是指美國湯森路透社的10年平均市場收益率。本年度債務成本為3.25% (二零一九年：4.75%)，是根據湯森路透社提供的美國基準貸款利率估算得出的。通過對可比行業公司的分析，債務和股權的權重估計分別為49% (二零一九年：46%) 和51% (二零一九年：54%)。適用的公司稅率保持不變為24%。本年度特定風險溢價為3% (二零一九年：2%) 頻譜使用權超過三年期 (二零一九年：三年期) 的現金流量乃使用穩定年增長率2.17% (二零一九年：2.32%) 推算。此增長率以國際貨幣基金發佈的預期通脹率為基準。

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18. INTANGIBLE ASSETS (Continued)

(a) (Continued)

One of the key assumptions for the VIU calculations is the budgeted revenue, which assumes the current contracted capacity will continue for the next three-years taking into account the upgrading from the old analogue format to the new digital format. In the first-year, the unutilised capacity will be filled at approximately 5% (2019: approximately 10%) increments per quarter. In the second-year, the unutilised capacity will be filled at approximately 10% (2019: approximately 10%) increments per quarter until it reaches an approximately 54% (2019: approximately 78%) filled rate in the third-year; a terminal-year fill rate of approximately 65% (2019: approximately 95%) was assumed for both contracted and unutilised capacities. Such estimation is based on the past performance and management's experience.

Further to the above inputs, we have also considered these factors – (a) the FCC licences for the spectrum usage rights can be renewed upon expiry at nominal cost; (b) the contracting parties for the existing lease contracts are acting in accordance with the agreements' terms and conditions and other understanding discussed between the parties; (c) the level of key management, competent personnel and technical staff retained to support the ongoing operations have remained consistent over time; etc. Except for updated business plans and budgets/forecasts based on current available TV spectrum (e.g., due to re-installation effort and COVID-19 situation) with details mentioned above, there was no significant changes in the value of inputs or assumptions from those previously adopted.

18. 無形資產(續)

(a) (續)

使用價值計算法的其中一個主要假設當中包括預算收入，該預算假設已使用頻譜容量在未來三年將會持續及考慮需要將新的頻道台從舊的模擬格式升級到新的數碼廣播格式，第一年的閒置頻譜容量將以5%（二零一九年：約10%）的增長率按季度使用；而第二年起的閒置頻譜容量將以10%（二零一九年：約10%）的增長率按季度使用，直至達到第三年的54%（二零一九年：約78%）使用率；使用和閒置頻譜容量的終端年使用率為65%（二零一九年：約95%）。有關估計及根據過往表現及管理層預期而得出。

除上述輸入外，我們還考慮了以下因素：(a) FCC的頻譜使用權許可證可在到期時以名義的成本續簽；(b) 現有租賃合同的締約方根據協議的條款和條件以及其他雙方之間的討論和理解執行；(c) 維持主要管理層、有能力的人才和技術人員之水平一直保持一致，以支持正在進行的運營工作等。除了以上陳述關於根據當前可提供的電視頻譜（例如，由於重新安裝工作和COVID-19的局面所致）更新了業務計劃和預算／預測外，輸入或假設的相比數值與先前採用的沒有重大變化。

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18. INTANGIBLE ASSETS (Continued)

(a) (Continued)

Sensitivity analysis have been carried out based on: (i) a reduction in the budgeted sales growth for the unutilised capacity resulting in filled rate increments of 5% per quarter while maintaining a terminal-year fill rate of 65%, which would led to a reduction in the VIU amount for certain spectrums and an increase in the impairment loss recognised on intangible assets of US\$282,000; and (ii) an increase in the budgeted sales growth for the unutilised capacity resulting in filled rate increments of 15% per quarter while maintaining a terminal-year fill rate of 65%, which would led to an increase in the VIU amount for certain spectrums and a reduction in the impairment loss recognised on intangible assets of \$274,000. The calculations are based on management's assessment of possible changes in the sales growth assumption, which is hypothetical and should not be viewed as an indication on the likelihood of its occurrence. The sensitivity analyses should therefore be interpreted with caution.

18. 無形資產(續)

(a) (續)

敏感性分析乃基於：(i) 閒置頻譜容量的預算收入增長減慢，導致每季度使用率增長為5%，亦同時保持終端年使用率為65%。該假設將導致減少部分頻譜的使用價值和增加無形資產減值虧損為282,000美元；和(ii) 閒置頻譜容量的預算收入增長加快，導致每季度使用率增長為15%，亦同時保持終端年使用率為65%。該假設將導致增加部分頻譜的使用價值和減少無形資產減值虧損為274,000美元。該計算基於管理層對收入增長假設的變化評估，於假設和不應被視為其發生可能性的指示。因此，應謹慎解釋敏感性分析。

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18. INTANGIBLE ASSETS (Continued)

- (b) Subsequent to the year-end date, the Group entered into the Assignment Agreement with the purchaser, pursuant to which the Group agreed to assign, transfer, novate and convey absolutely to the purchaser all of the Group's benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station in San Francisco entered between the Group and NYSHC, as the lessor of the license and authorizations of KMMC Station.

Accordingly, the carrying value has been reclassified to assets classified held for sale as disclosed in note 24.

- (c) The licensing rights represented the exclusive international development and licensing right of CMMB technology registered in the PRC for providing turnkey solutions to develop and promote CMMB technology and business platform in markets outside of the PRC. The licensing rights have finite useful lives and are amortised on a straight-line basis over the remaining licensing period of 9 years which approximates its economic useful life. The licensing rights expired in year 2020 and was written off accordingly.

18. 無形資產(續)

- (b) 於年結日後，本集團與買方訂立轉讓協議，據此，本集團謹此同意將本集團所有的利益、權益、權利及補償措施或因本集團與NYSHC作為位於三藩市之KMMC頻道許可證及授權的出租人就KMMC頻道所訂立的時間經紀協議／輔助頻譜租賃協議及其資產購買期權產生或與之相關的所有契諾、義務及負債完全出讓、轉讓、更替及讓與買方。

因此，其表面價值已重分類至附註24所披露之重分類至待售資產。

- (c) 特許使用權指為於中國境外市場開發及推廣CMMB技術及業務平台提供啟鑰解決方案的獨家於中國註冊的國際發展CMMB技術的特許使用權。特許使用權擁有有限使用年限並於餘下許可期9年(與其經濟使用年限相若)內以直線法攤銷。特許使用權於二零二零年到期及被註銷。

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19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

19. 使用權資產及租賃負債

使用權資產

| | | US\$'000 千美元 |
|--|-----------------------------|-----------------|
| At January 2019 | 於二零一九年一月一日 | 829 |
| Lease modification | 租賃修改 | (71) |
| Depreciation provided during the year | 年內計提折舊 | (283) |
| Exchange difference | 匯兌差額 | 3 |
| | | <hr/> |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 478 |
| Addition | 添置 | 78 |
| Depreciation provided during the year | 年內計提折舊 | (261) |
| Exchange difference | 匯兌差額 | 2 |
| | | <hr/> |
| At 31 December 2020 | 於二零二零十二月三十一日 | <u>297</u> |

The Group leases offices for its operations. Rental contracts are typically made for fixed period of three to four years. Lease terms are negotiated on an individual basis and contained a wide range of different terms and conditions.

The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

本集團就其業務租賃辦公室。租賃合同一般為三至四年的固定期限。租賃條款乃根據個別情況進行協商而確定，並包含眾多不同的條款及條件。

使用權資產指本集團根據經營租賃安排於租賃期內有使用相關租賃物業之權利，其以成本減累計折舊及累計減值損失(可就任何租賃負債重新計量予以調整)列賬。

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19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Lease liabilities

租賃負債

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|--------------------|----------------------------------|----------------------------------|
| Maturity analysis | 到期分析 | | |
| – contractual undiscounted cash flows: | – 合約未貼現現金流量: | | |
| Less than one year | 一年內 | 278 | 257 |
| Over 1 year but less than 2 years | 多於一年但少於兩年 | 27 | 289 |
| Over 2 years but less than 5 years | 多於二年但少於五年 | 7 | – |
| Total undiscounted lease liabilities at 31 December | 於十二月三十一日之未貼現租賃負債總額 | <u>312</u> | <u>546</u> |
| Lease liabilities analysed as: | 計入: | | |
| Current | 流動 | 309 | 236 |
| Non-current | 非流動 | 33 | 283 |
| At 31 December | 於十二月三十一日 | <u>342</u> | <u>519</u> |

Amounts recognised in the consolidated statement of financial position

於綜合財務狀況表內確認之金額

| | | US\$'000 千美元 |
|--|-------------------------|-----------------|
| At 1 January 2019 | 於二零一九年一月一日 | 829 |
| Lease modification | 租賃修改 | (71) |
| Interest charged to profit or loss | 損益應計利息 | 34 |
| Payments | 付款 | (277) |
| Exchange difference | 匯兌差額 | 4 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | <u>519</u> |
| Addition | 添置 | 78 |
| Interest charged to profit or loss | 損益應計利息 | 23 |
| Payments | 付款 | (97) |
| Rent concession | 租金減免 | (184) |
| Exchange difference | 匯兌差額 | 3 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | <u>342</u> |

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綜合財務報表附註

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19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES 19. 使用權資產及租賃負債(續)

(Continued)

Lease liabilities (Continued)

Amounts recognised in consolidated profit or loss

租賃負債(續)

於綜合損益確認之金額

| | | 2020 | 2019 |
|---|------------|------------|------------|
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 261 | 283 |
| Interest on lease liabilities | 租賃負債之利息 | 23 | 34 |
| Rent concession | 租金減免 | (184) | - |
| Expense relating to lease of low value assets | 與低值租賃為關的開支 | - | 3 |
| Expense relating to short term lease | 與短期租賃相關開支 | 34 | - |
| | | <u>134</u> | <u>320</u> |

Amounts recognised in the consolidated statement of cash flows

於綜合現金流量表確認之金額

| | | 2020 | 2019 |
|--------------------------------------|------------------|-----------|------------|
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| Total cash outflow for leases | 租賃之現金流出總額 | | |
| Within operating activities | 經營活動內 | 23 | 34 |
| Within financing activities | 融資活動內 | 74 | 243 |
| | | <u>97</u> | <u>277</u> |

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20. INTERESTS IN AN ASSOCIATE

20. 聯營公司權益

| | | 2020 | 2019 |
|---|--------------|----------------|----------------|
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| Initial cost of unlisted investment in an associate | 非上市聯營公司投資之成本 | 238,350 | 238,350 |
| Share of results of an associate | 應佔聯營公司業績 | (113,499) | (14,049) |
| Share of exchange difference of an associate | 應佔聯營公司的匯兌差額 | 14 | - |
| | | <u>124,865</u> | <u>224,301</u> |

Details of the Group's associate as at 31 December 2020 and 2019 are as follows:

於二零二零年及二零一九年十二月三十一日，本集團聯營公司的詳情如下：

| Name of associate 聯營公司名稱 | Country of registration and principal place of operation 註冊成立國家及主要營運地點 | Paid-up registered capital 已繳註冊資本 | Attributable equity interest held by the Group 本集團所持股權應佔百分比 | | Principal activity 主要業務 |
|-----------------------------|---|--------------------------------------|--|----------------|----------------------------|
| | | | Direct 直接 | Indirect 間接 | |
| Silkwave Holdings Limited | Cayman Islands/ Hong Kong | US\$5,625 | 20% | - | Investment holding |
| Silkwave Holdings Limited | 開曼群島/香港 | 5,625 美元 | 20% | - | 投資控股 |
| Silkwave Asia Limited | Cayman Islands/ Hong Kong | US\$1,000 | - | 20% | Investment holding |
| Silkwave Asia Limited | 開曼群島/香港 | 1,000 美元 | - | 20% | 投資控股 |

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20. INTERESTS IN AN ASSOCIATE (Continued)

The Company holds 20% equity interest in Silkwave Holdings Limited (“Acquisition”) and a call option to acquire additional 31% equity interest in Silkwave (“Call Option”). Through its wholly-owned subsidiary, Silkwave indirectly holds a geosynchronous L-band satellite operating platform, including the AsiaStar satellite capacity, its 40MHz spectrum frequency use, orbital slots, the Silkwave-1 satellite under construction and a media service platform with ample international programming (“Relevant Assets”), in order to provide multimedia broadcasting and internet-based content delivery services to vehicles and mobile devices in China and Asia Pacific Region.

The summarised consolidated financial information in respect of Silkwave is set out below, which represents amounts shown in Silkwave’s consolidated financial statements prepared in accordance with HKFRSs. Silkwave is accounted for using the equity method in the consolidated financial statements.

20. 聯營公司權益(續)

本公司持有20% Silkwave Holdings Limited (「收購」) 及獲得額外31% 認購期權，通過其全資子公司，Silkwave 間接擁有地球同步L波段衛星運營平台，包括AsiaStar衛星容量，40MHz頻譜使用，軌道位置，正在建設中的Silkwave-1衛星以及擁有充足國際化的媒體服務平台編程(「相關資產」)為中國和亞太地區的車輛和移動設備提供多媒體廣播和基於互聯網的內容交付服務。

有關Silkwave的綜合財務資料概要載列如下，其代表Silkwave根據香港財務報告準則編製的綜合財務報表所示金額。Silkwave使用綜合財務報表中的權益法入賬。

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---------------------|-------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 20 | 10,995 |
| Non-current assets | 非流動資產 | 626,998 | 1,112,799 |
| Current liabilities | 流動負債 | (2,695) | (2,287) |
| Net assets | 資產淨值 | <u>624,323</u> | <u>1,121,507</u> |

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20. INTERESTS IN AN ASSOCIATE (Continued) Silkwave Holdings Limited

20. 聯營公司權益(續) Silkwave Holdings Limited

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------|----------------------------------|----------------------------------|
| Revenue | 收入 | <u>259</u> | <u>329</u> |
| Loss for the year | 年內虧損 | (497,251) | (43,402) |
| Exchange differences for the year | 年內匯兌差額 | <u>70</u> | - |
| Total comprehensive expense for the year | 年內全面開支總額 | <u>(497,181)</u> | <u>(43,402)</u> |

The Company shared a loss of approximately US\$99,450,000 (2019: approximately US\$8,680,000) for its 20% interest in Silkwave which is primarily due to the delay of regulatory approval for Silkwave group to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout due to COVID-19.

應佔聯營公司的虧損本公司因其持有Silkwave 20%權益而分擔其應佔虧損99,450,000美元(二零一九年: 8,680,000美元), 主要包括由於COVID-19的緣故, Silkwave集團推遲了在中國部署商業服務的監管審批, 並延遲了建造新衛星的資金籌集活動, 以推廣大規模市場商業服務。

Silkwave has been developing satellite connected-car multimedia business in China which will be supported by its AsiaStar satellite assets such as frequency spectrum and orbital slot. Over the years Silkwave has completed its network infrastructure, technology, and ecosystem platform and has been conducting trial services throughout China. It has been awaiting regulatory approvals from various government agencies to launch its commercial services, which in turn will allow the Company to start generating revenues. Due to numerous government delays, and amidst the prolonged COVID-19 impact, the expected regulatory approvals have not yet arrived, and Silkwave cannot commence commercial services.

Silkwave一直在中國發展衛星聯網汽車多媒體業務, 這將得到其亞洲之星衛星資產(如頻譜和軌道槽)的支持。多年來, Silkwave已完成其網絡基礎設施, 技術和生態系統平台, 並已在中國各地提供試用服務。它一直在等待各種政府機構的監管批准, 以啟動其商業服務, 這將使該公司開始產生收入。由於政府的大量延遲, 以及在COVID-19的長期影響中, 預期的監管批准尚未到位, Silkwave無法啟動商業服務。

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20. INTERESTS IN AN ASSOCIATE (Continued)

Silkwave Holdings Limited (Continued)

On the other hand, the slow capital market activities during the COVID-19 period seriously delayed Silkwave's fund-raising effort for constructing and launching a new high-power satellite, which is needed for commercial service rollout in a mass-market scale. The lack of regulatory approval also hampered the fund-raising process. Accordingly, the management has assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence significant reduction in the valuation of the Silkwave assets is resulted.

The Company remains confident that the regulatory approvals will eventually arrive, and the fund-raising effort will regain momentum, especially when there are new vaccination efforts in coping with the COVID-19 pandemic.

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Silkwave recognised in the consolidated financial statements:

| | | | |
|--|-----------------------------|----------------|-----------|
| Net assets of Silkwave | Silkwave的淨資產 | 624,323 | 1,121,507 |
| Proportion of the Group's ownership interest in Silkwave | 本集團於Silkwave的所有權權益比例 | 20% | 20% |
| Share of net assets of the Group in Silkwave | 本集團於Silkwave Holdings的淨資產份額 | 124,865 | 224,301 |
| Goodwill on acquisition | 收購的商譽 | - | - |
| Carrying amounts | 帳面價值 | 124,865 | 224,301 |

20. 聯營公司權益(續)

Silkwave Holdings Limited (續)

另一方面，COVID-19時期資本市場活動緩慢，嚴重拖延了Silkwave籌集資金用於建造和發射新的高功率衛星的努力，這是大規模市場推廣商業服務所必需的。缺乏監管部門的批准也阻礙了融資過程。由於監管和大功率衛星採購的延遲，因此，管理層評估並修訂了其商業運營以及與該業務相關的預期現金流量和收入流，導致Silkwave資產的估值大幅度下降。

本公司仍然有信心最終會獲得監管部門的批准，並且籌集資金的努力將重新獲得動力，特別是當有新的疫苗接種工作應對COVID-19大流行時。

上述合併財務資料與綜合財務報表中確認的Silkwave權益賬面值的對賬：

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------------|----------------------------------|
| | 624,323 | 1,121,507 |
| | 20% | 20% |
| | 124,865 | 224,301 |
| | - | - |
| | 124,865 | 224,301 |

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21. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS 21. 以公平值變動計入當期損益的金融資產

| | | 2020 | 2019 |
|--|-------------------------|----------|--------------|
| | | 二零二零年 | 二零一九年 |
| | | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 |
| Unlisted investment designated at FVTPL (note a) | 指定通過損益以反映公平值的非上市投資(附註a) | - | - |
| Call Option granted (note b) | 授予認購期權(附註b) | - | 1,050 |
| | | <u>-</u> | <u>1,050</u> |

(a) The Group entered into a joint venture agreement on 31 March 2015 to acquire 3% equity interest in Soaring Idea Holdings Limited (“Soaring”) at the consideration of US\$2,000,000 and an option to acquire an additional 47% equity interest in Soaring for a term of 5 years, maturing in 31 March 2020 for an additional cash consideration of US\$3 million. The acquisition was completed on 25 May 2015. Since the option cannot be measured reliably after separation from the whole contract, the 3% equity interest and the option is accounted for as one contract and classified as financial asset at FVTPL.

The directors of the Company recognised an impairment loss of US\$2,118,000 for the year ended 31 December 2016 as Soaring recorded significant deficits and negative cash flow. There were no changes to the circumstances which led to the impairment in the prior year. Accordingly, no reversal of impairment loss had been made in the current year.

(a) 本集團於二零一五年三月三十一日與獨立第三方簽署合資協議以收購騰思控股有限公司的3%股權，代價為2,000,000美元，同時本集團持有購股權，可於5年期限內(於二零二零年三月三十一日屆滿)以額外現金代價3,000,000美元收購騰思控股有限公司的額外47%股權，該收購於二零一五年五月二十五日完成。由於購股權從整份合約分割後無法準確計量，故3%股權及購股權將合併為一份合約入賬，並分類為以公平值變動計入當期損益的金融資產。

由於騰思控股有限公司錄得重大赤字及負現金流量，故管理層於二零一六年十二月三十一日止年度確認減值虧損為2,118,000美元。在上一年度導致減值的情況並沒有改變，因此，本集團在本年度並無撥回減值虧損。

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21. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

- (b) As disclosed in note 20, a call option to acquire an additional 31% equity interest in Silkwave was granted to the Company in the Acquisition. The directors determined the fair value of the Call Option was nil and US\$1,050,000 at 31 December 2020 and 2019 respectively.

During the year, the Directors recognised a full impairment loss of US\$1,050,000 for the Call Option after the assessing and revising its commercial operations, the expected cashflow and revenue streams associated with the business due to the delay in the regulatory and high-power satellite procurement, hence the unlikeliness that the Call Option will become effective when Silkwave generates an Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) of US\$200,000,000 based on the audited report in any given year during the 7-years period of the Call Option.

The fair value of Call Option at 31 December 2019 was valued by Peak Vision Appraisals Limited, an independent valuer not related to the Group and it was determined based on Binomial Option Pricing Model.

21. 以公平值變動計入當期損益的金融資產(續)

- (b) 誠如附註20所披露，於收購事項中向本公司授出收購Silkwave額外31%股權的認購期權。於二零二零年及二零一九年十二月三十一日，董事釐定認購期權的公允價值分別為無及1,050,000美元。

年內，董事在評估Silkwave將因監管方面和大功率衛星採購的延遲而需要推遲其商業運營，以及與該業務相關的預期現金流量及收入流後，確認認購期權之全額減值，該減值虧損為1,050,000美元，因為只有Silkwave在認購期權7年期間任何指定年度的經審核報告產生利息、稅項、折舊及攤銷前盈利(「EBITDA」)為200,000,000美元後，該認購期權才會生效，而生效的機會不大。

認購期權於二零一九年十二月三十一日之公允價值乃由滙鋒評估有限公司(一家與本集團無關的獨立估值師)估值，並根據二項式期權定價模型確定。

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22. TRADE AND OTHER RECEIVABLES

| | |
|--------------------------------|-----------|
| Trade receivables | 貿易應收款項 |
| Other receivables and deposits | 其他應收款項及按金 |
| Prepayments | 預付款項 |

Total trade and other receivables 貿易及其他應收款項總額

The Group generally allows a credit period of between 15 to 60 days to its customers of trading business and CMMB business.

The trade receivables are due from a customer under trading business (2019: one) and a customer under CMMB business (2019: Nil).

The aging analysis of the trade receivables with nil loss allowance, presented based on invoice dates, at the end of the reporting period, are as follows:

| | |
|------------|---------|
| 0–30 days | 0–30 日 |
| 31–60 days | 31–60 日 |
| 61–90 days | 61–90 日 |

The trade receivables that are neither past due nor impaired as at 31 December 2020 have no default payment history.

22. 貿易及其他應收款項

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------------|----------------------------------|
| | 816 | 1,220 |
| | 152 | 129 |
| | <u>2</u> | <u>3</u> |
| | <u>970</u> | <u>1,352</u> |

本集團一般給予其貿易業務及CMMB業務的客戶的賬期為15日至60日。

於二零二零年十二月三十一日，貿易業務持有應收一名客戶的款項(二零一九年：一名)及CMMB業務持有應收一名客戶的款項(二零一九年：無)。

於報告期末的貿易應收款項按發票日期的賬齡分析如下：

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------------|----------------------------------|
| | 182 | 226 |
| | 303 | 645 |
| | <u>331</u> | <u>349</u> |
| | <u>816</u> | <u>1,220</u> |

於二零二零年十二月三十一日，未到期亦未減值的貿易應收款項並無過往欠款記錄。

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22. TRADE AND OTHER RECEIVABLES (Continued)

Aging of trade receivables which are past due but not impaired based on the past due date:

| | |
|-----------|--------|
| 0–30 days | 0–30 日 |
|-----------|--------|

The Group has not provided impairment for trade receivables past due as all overdue amounts have been fully settled subsequent to the end of the reporting period.

23. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.001% to 0.3% (2019: 0.001% to 0.3%) per annum.

The carrying amounts of the Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities at the reporting date are as follows:

| | |
|------------------|-----|
| Hong Kong dollar | 港元 |
| Renminbi | 人民幣 |

22. 貿易及其他應收款項(續)

已逾期但未減值的貿易應收款項按逾期日期的賬齡：

| 2020 | 2019 |
|------------|------------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |
| <u>331</u> | <u>349</u> |

由於所有逾期貿易應收款項已於報告期結束後悉數結清，本集團並無就已逾期的貿易應收款項計提撥備。

23. 銀行結餘及現金

銀行結餘按市場年利率介乎0.001%至0.3%(二零一九年：0.001%至0.3%)計息。

下列為本集團於報告日期以相關集團實體之功能貨幣以外的貨幣計值的銀行結餘及現金的賬面值：

| 2020 | 2019 |
|------------|----------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |
| <u>382</u> | 16 |
| <u>13</u> | <u>9</u> |

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24. ASSETS CLASSIFIED AS HELD FOR SALE

24. 重分類至待售資產

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|-------------|----------------------------------|----------------------------------|
| Carrying amount of intangible assets to be disposed of | 待售無形資產的賬面價值 | 1,574 | - |
| Impairment loss recognised | 減值損失 | (574) | - |
| | | <u>1,000</u> | <u>-</u> |

The Group entered into the Assignment Agreement with the purchaser, pursuant to which the Group agreed to assigns, transfers, novates and conveys absolutely to the purchaser all of the Group's benefits, entitlements, interests, rights and remedies, and all covenants, obligations and arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station entered between the Group, NYBB and NYSHC, as the lessor of KMMC Lease at a consideration of US\$1,000,000.

The Group recognised impairment loss on intangible assets classified as held for sale of approximately US\$574,000, being the difference between (i) the consideration, net of estimated cost for disposal from the Assignment Agreement and (ii) the carrying amount of the respective intangible assets of the Group as at 31 December 2020.

As at the date of approval of these consolidated financial statements, the disposal has not been completed.

本集團與買方訂立該轉讓協議，據此，本集團謹此同意將本集團所有的利益、權益、權利及補償措施或因本集團與NYBB及NYSHC，作為KMMC租約的出租人，就KMMC頻道所訂立的時間經紀協議／輔助頻譜租賃協議及其資產購買期權產生或與之相關的所有契諾、義務及負債完全出讓、轉讓、更替及讓與買方，對價為1,000,000美元。

本集團在頻譜認為重分類至待售資產時，減值費用約為574,000美元，即(i)轉讓協議的代價(扣除估計出售成本後)與(ii)租賃資產截至二零二零年十二月三十一日的賬面值之間的差額。

於批准該等綜合財務報表日期，出售事項尚未完成。

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25. TRADE AND OTHER PAYABLES

The aging analysis of the trade payables as at the end of the reporting period, presented based on invoice dates, are as follows:

| | |
|-----------------------------------|-------------|
| Trade payables due within 90 days | 貿易款項90日內結清 |
| Accruals | 應計費用 |
| Contract liabilities | 合約負債 |
| Total trade and other payables | 貿易及其他應付款項總額 |

The average credit period granted by its suppliers is 60 days (2019: 60 days).

25. 貿易及其他應付款項

本集團於報告期末的貿易應付款項按發票日期的賬齡分析如下：

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|----------------------------------|----------------------------------|
| | 490 | 953 |
| | 3,903 | 2,920 |
| | <u>1,605</u> | <u>-</u> |
| | <u>5,998</u> | <u>3,873</u> |

供應商授出的平均賒賬期為六十日(二零一九年：六十日)。

Accruals included the following items:

| |
|------------------------|
| Auditor's remuneration |
| Staff salaries |
| Others* |

應計費用包括以下項目：

| | | |
|-------|---------------------|---------------------|
| 核數師酬金 | 177 | 141 |
| 員工薪金 | 310 | 288 |
| 其他* | <u>3,416</u> | <u>2,491</u> |
| | <u>3,903</u> | <u>2,920</u> |

* Others include accrued general administrative expenses.

* 其他包括應計一般行政開支。

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26. AMOUNTS DUE FROM A RELATED COMPANY/AN ASSOCIATE

26. 應收關連公司／聯營公司墊款

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|-----------------|----------------------------------|----------------------------------|
| Due from Chi Capital | 應收Chi Capital款項 | <u>2,212</u> | <u>6,662</u> |
| Maximum amount outstanding during the year | 年內未償的最高金額 | <u>6,662</u> | <u>9,131</u> |
| Due from Silkwave | 應收Silkwave款項 | <u>890</u> | <u>947</u> |
| Maximum amount outstanding during the year | 年內未償的最高金額 | <u>947</u> | <u>947</u> |

The amounts due are non-interest bearing, unsecured and repayable within one year and thus classified as current assets. Chi Capital is controlled by Mr. Wong, a director of the Company.

應收款項為不計息、無抵押且須於一年內償還，因此被分類為流動負債。Chi Capital由本公司董事黃先生控制。

Mr. Wong is a common director of the Company, Chi Capital and Silkwave.

黃先生為本公司Chi Capital及Silkwave之共同董事。

27. AMOUNT DUE TO SHAREHOLDERS

The amounts are unsecured, non-interest bearing and are repayable on demand. The Directors are of the view that the amounts will be repaid within one year.

27. 應付股東款項

此款項為無抵押，不計息，且無固定還款期限。董事認為此收取款項於一年內還款。

28. CONVERTIBLE NOTES

On 22 July 2015, the Company issued United States dollar denominated convertible notes with a principal amount of US\$38,000,000 (“2021 Convertible Notes”) to Chi Capital as part of the consideration for the acquisition of Chi Vision USA Corporation (“Chi Vision”). The maturity date of the 2021 Convertible Notes is 21 July 2021 (“2021 CN Maturity Date”) which is 6 years from the date of issue of the 2021 Convertible Notes. The 2021 Convertible Notes are not interest bearing. The 2021 Convertible Notes are convertible into shares at any time after the issuance up to, but excluding, 5 business days prior to the 2021 CN Maturity Date at the conversion price of HK\$0.1, subject to anti-dilutive adjustments.

28. 可換股票據

於二零一五年七月二十二日，本公司向Chi Capital發行以美元計值本金額為38,000,000美元（「2021可換股票據」）的可換股票據，作為收購Chi Vision USA Corporation（「Chi Vision」）的部分代價。2021可換股票據的到期日為二零二一年七月二十一日（「2021可換股票據到期日」），即2021可換股票據發行日期起計六年。2021可換股票據不計息。2021可換股票據可於發行後直至（但不包括）可換股票據到期日前五個營業日隨時按轉換價0.10港元轉換為股份，可作出反攤薄調整。

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28. CONVERTIBLE NOTES (Continued)

The initial number of ordinary shares of the Company issuable upon conversion is 2,948,800,000 shares. During the year 2015, US\$9,664,948 value of the 2021 Convertible Notes had been converted into shares of the Company. Pursuant to terms and conditions of the 2021 Convertible Notes, the conversion price and the number of conversion shares to be issued upon the exercise of conversion rights attached to the outstanding 2021 Convertible Notes were adjusted to HK\$1 and 219,880,000 shares respectively upon the completion of the share consolidation on 21 June 2016. During the year 2019, the 2021 Convertible Notes in principal amount of US\$5,921,000 were redeemed at redemption amount of US\$5,921,000.

As stated in note 20, on 29 May 2018, the Company issued US dollar denominated convertible notes with a principal amount of US\$96,000,000 (“2025 Convertible Notes”) to Chi Capital as part of the consideration for the acquisition of 20% equity interest in Silkwave. The maturity date of the 2025 Convertible Notes is 28 May 2025 (“2025 CN Maturity Date”) which is 7 years from the date of issue of the 2025 Convertible Notes. The 2025 Convertible Notes are non-interest bearing and mature on 2025 CN Maturity Date at the principal amount. The 2025 Convertible Notes are convertible into shares at any time after the issuance and up to, but excluding, 5 business days prior to the 2025 CN Maturity Date at the conversion price of HK\$0.4 each share, subject to anti-dilutive adjustments.

The initial number of ordinary shares of the Company issuable upon conversion is 1,862,400,000 shares.

Pursuant to terms and conditions of the 2025 Convertible Notes, the conversion price and the number of conversion shares to be issued upon the exercise of conversion rights attached to the outstanding 2025 Convertible Notes were adjusted to HK\$8 and 84,390,000 shares respectively upon the completion of the share consolidation on 12 November 2019.

As disclosed in note 29, the Company completed the rights issue on 11 March 2020. Pursuant to terms and conditions of the 2025 Convertible Notes, the conversion price of and the number of conversion shares to be issued upon exercise of the conversion rights attached to the outstanding 2025 Convertible Notes are adjusted to HK\$8.088 and 83,471,810 shares, respectively.

28. 可換股票據(續)

轉換後可發行的本公司普通股初始股數為2,948,800,000股。於二零一五年，2021可換股票據之美元價值9,664,948美元已轉換為本公司股份。於二零一六年六月二十一日，股份合併生效，根據2021可換股票據之條款及條件，已發行2021可換股票據隨附之換股權獲行使時將予發行之換股股份之換股價及數目經調整後分別為1港元及219,880,000股股份。於二零一九年，2021可換股票據中之本金額5,921,000美元已贖回，贖回價金額為5,921,000美元。

誠如附註20所述，於二零一八年五月二十九日，本公司向Chi Capital發行本金額為96,000,000美元(「2025可換股票據」)之美元計價可換股票據，作為收購Silkwave 20%股權之代價之一。2025可換股票據的到期日為二零二五年五月二十八日(「2025年到期日」)，自2025可換股票據發行日期起計7年。2025可換股票據於二零二五年到期日按本金額無利息及到期。2025可換股票據可於發行後任何時間轉換為股份，直至(但不包括)2025年到期日前5個營業日，每股轉換價為0.4港元，惟須進行反攤薄調整。

轉換後可發行的本公司普通股初始數量為1,862,400,000股股份。

於二零一九年十一月十二日，股份合併生效，根據2025可換股票據之條款及條件，已發行2025可換股票據隨附之換股權獲行使時將予發行之換股股份之換股價及數目經調整後分別為8港元及84,390,000股股份。

誠如附註29所披露，本公司已於二零二零年三月十一日完成供股。根據2025可換股票據之條款及條件，已發行2025可換股票據隨附之換股權獲行使時將予發行之換股股份之換股價及數目經調整後分別為8.088港元及83,471,810股股份。

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28. CONVERTIBLE NOTES (Continued)

During the year, there were no redemption of Convertible Notes. During the year 2019, the 2025 Convertible Notes with principal amount of US\$9,000,000 were redeemed at redemption amount of US\$9,000,000.

The Hong Kong dollar equivalent of the principal amount of the 2021 Convertible Notes and 2025 Convertible Notes being converted shall be calculated by using the fixed exchange rate of HK\$7.76 per US\$1.00.

The movements of the liability component of the 2021 Convertible Notes and 2025 Convertible Notes for the year are set out below:

28. 可換股票據(續)

年內，概無贖回可換股票據。於二零一九年，2025可換股票據中之本金額9,000,000美元已贖回，贖回價金額為9,000,000美元。

予以轉換的2021可換股票據及2025可換股票據的本金額的港元等值應按每1.00美元兌7.76港元的固定匯率計算。

年內2021可換股票據及2025可換股票據債務部分的變動如下：

| | | 2021 | 2025 | Total |
|---|----------------------------------|--------------------|--------------------|-----------------|
| | | Convertible | Convertible | |
| | | Notes | Notes | |
| | | 2021 | 2025 | 總計 |
| | | 可換股票據 | 可換股票據 | 總計 |
| | | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 |
| At 1 January 2019 | 於二零一九年 一月一日 | 4,525 | 47,143 | 51,668 |
| Effective interest expenses at 10.82%/11.40% | 按實際利息開支為 10.82%/11.40% | 114 | 5,331 | 5,445 |
| Redeemed | 贖回 | <u>(4,639)</u> | <u>(4,701)</u> | <u>(9,340)</u> |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月 三十一日及於二零 二零年一月一日 | – | 47,773 | 47,773 |
| Effective interest expenses at 11.40% | 按實際利息開支為 11.40% | <u>–</u> | <u>5,600</u> | <u>5,600</u> |
| At 31 December 2020 | 於二零二零年十二月 三十一日 | <u>–</u> | <u>53,373</u> | <u>53,373</u> |

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29. SHARE CAPITAL

29. 股本

| | | Number of ordinary shares of HK\$0.01 each 股份數目 每股0.01港元 | Number of ordinary shares of HK\$0.2 each 股份數目 每股0.2港元 | Nominal value 面值 HK\$'000 千港元 | Shown as 呈列為 US\$'000 千美元 |
|---|--|--|--|---|------------------------------------|
| Authorised: | 法定： | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 500,000,000,000 | - | 5,000,000 | |
| Share consolidation (Note i) | 股份合併(附註i) | <u>500,000,000,000</u> | <u>25,000,000,000</u> | - | |
| At 31 December 2019, 1 January 2020 and 31 December 2020 | 於二零一九年十二月三十一日， 二零二零年一月一日及 二零二零年十二月三十一日 | <u>-</u> | <u>25,000,000,000</u> | <u>5,000,000</u> | |
| Issued and fully paid: | 已發行及繳足： | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 3,085,251,425 | - | 30,853 | 3,966 |
| Issue of new shares by placing (Note ii) | 以配股方式發行新股(附註ii) | 696,347,975 | - | 6,963 | 887 |
| Share consolidation (Note i) | 股份合併(附註i) | <u>(3,781,599,400)</u> | <u>189,079,970</u> | - | - |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | - | 189,079,970 | 37,816 | 4,853 |
| Issue of new shares by rights issue (Note iii) | 以供股方式發行新股(附註iii) | - | 37,984,428 | 7,597 | 968 |
| Issue of new shares by placing (Note iv) | 以配股方式發行新股(附註iv) | - | 45,412,879 | 9,082 | 1,157 |
| Exercise of share options (Note v) | 行使購股權(附註v) | - | <u>5,448,000</u> | <u>1,090</u> | <u>139</u> |
| At 31 December 2020 | 於二零二零年十二月三十一日 | <u>-</u> | <u>277,925,277</u> | <u>55,585</u> | <u>7,117</u> |

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29. SHARE CAPITAL (Continued)

Notes:

- (i) Pursuant to an extraordinary general meeting of the Company which was held on 8 November 2019 and the resolutions of the share consolidation of the Company involving consolidation of the number of shares on the basis that every twenty issued and unissued shares of HK\$0.01 each be consolidated into one consolidated share of HK\$0.2 each were approved, with effect from 12 November 2019.
- (ii) On 11 January 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 66,081,535 new ordinary shares for an aggregate consideration of approximately HK\$7,137,000 at the subscription price of HK\$0.108 per subscription share. The subscription was completed on 21 January 2019. The proceeds were used to provide general working capital for the Company. On 11 October 2019, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 630,266,440 new shares for an aggregate consideration of approximately HK\$22,059,000 at the subscription price of HK\$0.035 per subscription share. The subscription was completed on 21 October 2019. The proceeds were used to provide general working capital for the Company.
- (iii) On 11 March 2020, the Company raised approximately HK\$24,700,000 (equivalent to approximately US\$3,145,000) before expenses by way of issuance of 37,984,428 new shares pursuant to the Rights Issue. The Company used the net proceeds from the Rights Issue for general working capital and the development of the Maritime Project. Details of the Rights Issue are set out in the prospectus and the announcement of the Company dated 18 February 2020 and 10 March 2020, respectively.
- (iv) On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new ordinary shares at the subscription price of HK\$0.50 per subscription share for an aggregate consideration of approximately HK\$22,706,000. The subscription was completed on 13 July 2020. The proceeds were used to repay advances from shareholders and to provide additional general working capital for the Company.
- (v) On 29 October 2020, 5,448,000 share options have been exercised at the exercise price of HK\$0.37, and total of 5,448,000 ordinary shares were issued, giving gross proceeds of HK\$2,016,000 approximately. The proceeds were used to provide general working capital for the Company.

All the new shares rank pari passu with the existing shares in all respects.

29. 股本(續)

附註：

- (i) 根據本公司於二零一九年十一月八日舉行的股東特別大會及批准本公司之股份合併決議案，其中涉及合併股份數目，以每20股每股面值0.01港元的已發行及未發行股份為基礎合併為一股每股面值0.2港元的合併股份，自二零一九年十一月十二日起生效。
- (ii) 於二零一九年一月十一日，本公司與認購人訂立認購協議，以總對價約7,137,000港元，按每股認購股份0.108港元的認購價認購合共66,081,535股新股。認購已於二零一九年一月二十一日完成。所得款項已用於為本公司提供一般營運資金。於二零一九年十月十一日，本公司與認購人訂立認購協議，以總代價約22,059,000港元，按每股認購股份0.035港元的認購價認購合共630,266,440股新股。認購已於二零一九年十月二十一日完成。所得款項已用於為本公司提供一般營運資金。
- (iii) 於二零二零年三月十一日，本公司根據供股發行37,984,428股新股，籌集資金約24,700,000港元(扣除開支前)(約3,145,000美元)。本公司已將供股所得款項淨額用作一般營運資金及發展海事項目。供股的詳情分別載於本公司日期分別為二零二零年二月十八日和二零二零年三月十日的供股章程和公告中。
- (iv) 於二零二零年七月二日，本公司與認購人訂立認購協議，以每股認購股份0.50港元的認購價認購合共45,412,879股新股，總代價約為22,706,000港元。認購已於二零二零年七月十三日完成。募集資金的目的是償還股東預付款並加強公司的一般營運資金。
- (v) 於二零二零年十月二十九日，已按行使價0.37港元行使5,448,000份購股權共發行5,448,000股普通股，所得款項總額約為2,016,000港元。所得款項已用於為本公司提供一般營運資金。

所有新股份在各方面與現有股份享有同等地位。

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30. SHARE OPTION SCHEME

The Directors adopted a new share option scheme (“Share Option Scheme 2015”) which was duly passed at the extraordinary general meeting of the Company held on 18 December 2015. Details of the Share Option Scheme 2015 are set out in the circular of the Company dated 2 December 2015.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, executives, suppliers of goods or services, customers, persons or entities that provide research, development or other technological support to the Group, shareholders of any member of the Group, advisers or consultants of the Group and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the date on which the Share Option Scheme is adopted.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the shares of the Company in issue on 18 December 2015 (the “General Scheme Limit”). The Company may renew the General Scheme Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the shares in the Company in issue as at the date of the shareholders’ approval.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the shares in issue from time to time.

30. 購股權計劃

董事採納新購股權計劃（「二零一五年購股權計劃」），於二零一五年十二月十八日舉行的本公司股東特別大會上獲正式通過。二零一五年購股權計劃詳情載於本公司日期為二零一五年十二月二日的通函。

購股權計劃旨在讓本集團向經挑選的參與者授出購股權，作為彼等為本集團作出的貢獻的獎勵或回報。所有董事、行政人員、貨物及服務供應商、客戶、向本集團提供研發或其他技術支援的人士或實體、本集團任何成員公司的股東、本集團的顧問或諮詢人及以合資經營、業務聯盟或其他業務安排方式而已經或可能為本集團業務增長帶來貢獻的任何其他組別及類別參與者，均符合資格參加購股權計劃。

購股權計劃於採納購股權計劃當日起計十年內有效。

因行使根據購股權計劃及本集團已採納的任何其他購股權計劃將授出的所有購股權而可能配發及發行的股份總數，合共不得超過本公司於二零一五年十二月十八日已發行股份的10%（「一般計劃限額」）。本公司於獲取股東批准後可更新一般計劃限額，惟每次更新的限額不得超過本公司於獲授股東批准當日已發行股份的10%。

於行使根據購股權計劃授出及尚未行使的所有尚未行使購股權及本集團採納的任何其他購股權計劃時可能發行的股份最高數目不得超過已發行股份的30%。

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30. SHARE OPTION SCHEME (Continued)

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being.

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence on a day after the date upon which the grant of options is made but shall not end later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

The Company granted 54,956,892 share options on 17 May 2019 to certain consultants for the purpose of fund raising activities; development of CMMB Business and seeking for new investment opportunities in CMMB Business. The fair value of the options at the date of grant was HK\$1,513,000 (equivalent to approximately US\$193,000). The options were valued by Peak Vision Appraisals Limited, an independent valuer not related to the Group. The fair value was determined based on Binomial Pricing Model.

30. 購股權計劃(續)

除非獲本公司股東批准，否則根據購股權計劃授出的購股權及本集團任何其他購股權計劃(包括已行使或尚未行使的購股權)向每名參與者發行及將予發行的股份總數任何十二個月期間不得超過本公司暫時已發行股本的1%。

參與者可以在授予期權的要約之日起二十一天內接受購股權。在接納授出購股權時，須支付1港元的名義代價。購股權可根據購股權計劃之條款於董事釐定及通知各承授人的期間內隨時行使，而該期限可於授出購股權之日後一日開始，但須在授予購股權之日起十年後終止，並須遵守提前終止的規定。除非董事另行決定並在向承授人授出購股權的要約中作出規定，否則購股權計劃並無規定在行使購股權前持有購股權的最短期限。

購股權計劃下股份的認購價將為董事釐定的價格，但不得低於以下三項中最高者(i)於授出當日(必須是營業日)聯交所每日報價表所載的股份收市價；(ii)聯交所於緊接授出日期前五個交易日的每日報價所述股份的平均收市價；及(iii)股份面值。

本公司於二零一九年五月十七日向若干顧問授出54,956,892股購股權，作為融資活動，發展CMMB業務及尋求CMMB業務的新投資機會為目的。於授出日期，購股權的公允價值為1,513,000港元(相等於約193,000美元)。購股權由滙鋒評估有限公司(一家與本集團無關的獨立估值師)估值。公允價值以二項式定價模型確定。

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30. SHARE OPTION SCHEME (Continued)

As a result of the share consolidation which was effective on 12 November 2019, the exercise price per share and number of outstanding share options granted on 17 May 2019 were adjusted from HK\$0.075 to HK\$1.50 and from 54,956,892 to 2,747,844 respectively.

As a result of the Rights Issue which was completed on 11 March 2020, the exercise price per share and number of outstanding share options granted on 17 May 2019 were further adjusted from HK\$1.50 to HK\$1.516 and from 2,747,844 options to 2,718,843 options respectively (“Outstanding Share Option”).

On 5 August 2020, the Company cancelled the above Outstanding Share Options as the exercise price of the Outstanding Share Options has been consistently high when compared with the prevailing market price of the share, which deters the option holders of the Outstanding Share Options (the “Existing Holders”) from exercising the Outstanding Share Options. As a result, the Outstanding Share Options could no longer serve the purpose to motivate the Existing Holders.

The Company granted 10,896,000 share options (“Options”) on 4 September 2020 to certain consultants for the purpose of fundraising activities; development of CMMB Business and seeking for new investment opportunities in CMMB Business. The fair value of the options at the date of grant was HK\$1,323,000 (equivalent to approximately US\$171,000). The Options were valued by Peak Vision Appraisals Limited, an independent valuer not related to the Group. The fair value was determined based on Binomial Pricing Model.

30. 購股權計劃(續)

因股份合併於二零一九年十一月十二日生效，故於二零一九年五月十七日授出之尚未行使購股權之每股行使價從0.075港元調整至1.50港元，數目從54,956,892股調整至2,747,844股。

因供股於二零二零年三月十一日完成，故於二零一九年五月十七日授出之尚未行使購股權之每股行使價從1.50港元再調整至1.516港元，數目從2,747,844股再調整至2,718,843股(「未行使購股權」)。

於二零二零年八月五日，本公司註銷了以上尚未行使的購股權，但需取得現有持有人的各自同意，因為與股票的現行市價相比，已行使的購股權的行使價一直處於較高水平，這會阻止購股權優先股的持有人(「現有持有人」)行使優先股。因此，未行使購股權不再能達到激勵現有持有人的目的。

本公司於二零二零年九月四日向若干顧問授出10,896,000股購股權(「股權」)，作為融資項目發展CMMB業務及尋求CMMB業務的新投資機會為目的。於授出日期，購股權的公允價值為1,323,000港元(相等於約171,000美元)。購股權由滙鋒評估有限公司(一家與本集團無關的獨立估值師)估值。公允價值以二項式定價模型確定。

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30. SHARE OPTION SCHEME (Continued)

The following significant assumptions were used to derive the fair value using the Binomial Pricing Model:

- Exercise price HK\$0.37;
- Expected volatility 68.00%;
- Expected life is 3 years;
- Expected dividend yield of 0.00%; and
- Risk free rate of 0.255%.

The Binomial Pricing Model has been used to estimate the fair value of the Options. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables may materially affect the estimation of the fair value of an option.

The Group has recognised share-based payments expense in profit or loss of US\$171,000 related to equity-settled share-based payment transactions for the year ended 31 December 2020.

30. 購股權計劃(續)

下列為利用二項式定價模型以計算公允價值之重要假設：

- 行使價0.37港元；
- 預期波幅68.00%；
- 預計年期為3年；
- 預計股息率0.00%；及
- 無風險利率0.255%。

二項式定價模型已用於估計購股權的公允價值。期權的價值隨某些主觀假設的不同變量而變化。如此採納的變數的任何變動可能會對期權的公允價值的估計產生重大影響。

截至二零二零年十二月三十一日止年度，本集團已確認以股權結算以股份為基礎的付款開支171,000美元於損益中。

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30. SHARE OPTION SCHEME (Continued)

Details of the share options granted and outstanding under the Share Option Scheme during 2020 were as follows:

30. 購股權計劃(續)

二零二零年內根據購股權計劃授出及尚未行使的購股權詳情如下：

| | | Date of grant | Adjusted exercise price | Exercise period | Number of share options 購股權數目 | | | | | |
|--|-------------|------------------|-------------------------|--------------------------------------|----------------------------------|-------------------------|----------------------|---------------------------|--------------------------|---------------------------|
| | | | | | Outstanding at 1.1.2020 | Granted during the year | Adjustment (Note ii) | Exercised during the year | Canceled during the year | Outstanding at 31.12.2020 |
| | | 授予日期 | 經調整行使價 HK\$ 港元 | 行使期 | 於二零二零年一月一日尚未行使 | 年內已授出 | 調整 (附註ii) | 年內已行使 | 年內已取消 | 於二零二零年十二月三十一日尚未行使 |
| Consultants | 顧問 | 17 May 2019 | 1.516 | 17 May 2019 to 16 May 2022 | | | | | | |
| | | 二零一九年五月十七日 | 1.516 | 二零一九年五月十七日至二零二二年五月十六日 | 2,747,844 | - | (29,001) | - | (2,718,843) | - |
| Consultants | 顧問 | 4 September 2020 | 0.37 | 4 September 2020 to 3 September 2023 | | | | | | |
| | | 二零二零年九月四日 | 0.37 | 二零二零年九月四日至二零二三年九月三日 | - | 10,896,000 | - | (5,448,000) | - | 5,448,000 |
| Total | 總額 | | | | <u>2,747,844</u> | <u>10,896,000</u> | <u>(29,001)</u> | <u>(5,448,000)</u> | <u>(2,718,843)</u> | <u>5,448,000</u> |
| Exercisable at the end of the year | 於年末可予行使 | | | | | | | | | <u>5,448,000</u> |
| Weighted average exercise price (HK\$) | 加權平均行使價(港元) | | | | <u>1.5</u> | <u>0.37</u> | <u>0.37</u> | <u>0.37</u> | <u>1.516</u> | <u>0.37</u> |

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30. SHARE OPTION SCHEME (Continued)

Details of the share options granted and outstanding under the Share Option Scheme during 2019 were as follows:

| | Date of grant | Adjusted exercise price | Exercise period | Number of share options | | | | | |
|--|---------------|-------------------------|----------------------------|-------------------------|-------------------------|---------------------|---------------------------|-------------------------|---------------------------|
| | | | | Outstanding at 1.1.2019 | Granted during the year | Adjustment (Note i) | Exercised during the year | Expired during the year | Outstanding at 31.12.2019 |
| | 授予日期 | 經調整行使價 HK\$ 港元 | 行使期 | 於二零一九年一月一日尚未行使 | 年內已授出 | 調整 (附註1) | 年內已行使 | 年內已失效 | 於二零一九年十二月三十一日尚未行使 |
| Consultants | 顧問 | 17 May 2019 | 17 May 2019 to 16 May 2022 | | | | | | |
| | | 二零一九年五月十七日 | 二零一九年五月十七日至二零二二年五月十六日 | - | 54,956,892 | (52,209,048) | - | - | 2,747,844 |
| Total | 總額 | | | - | 54,956,892 | (52,209,048) | - | - | 2,747,844 |
| Exercisable at the end of the year | 於年末可予行使 | | | | | | | | 2,747,844 |
| Weighted average exercise price (HK\$) | 加權平均行使價(港元) | | | - | 0.075 | | - | - | 1.50 |

At 31 December 2020, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 5,448,000 (2019: 2,747,844), representing 1.96% (2019: 1.45%) of the shares of the Company in issue at that date.

於二零二零年十二月三十一日，根據購股權計劃已授出但仍未行使的購股權所涉及的股份數目為5,448,000股(二零一九年：2,747,844)，佔本公司於該日已發行股份數目的1.96%(二零一九年：1.45%)。

31. COMMITMENTS

As at 31 December 2020 and 2019, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the consolidated financial statements.

31. 承擔

於二零二零年及二零一九年十二月三十一日，本集團或本公司概無任何重大已訂約但未於綜合財務報表撥備的資本性開支。

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32. RETIREMENT BENEFIT SCHEME

(a) Mandatory Provident Fund

The Group operates a Mandatory Provident Fund Scheme (“MPF Scheme”) for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years. Both the Group and the employee contribute a fixed percentage of the relevant payroll, subject to a maximum mandatory contribution of HK\$1,500 (approximately US\$194) effective from 1 June 2014 to the MPF Scheme.

(b) Social security and benefits for PRC employees

In accordance with the relevant PRC rules and regulations, the PRC subsidiaries are required to establish defined contribution plans managed by the relevant local government bureau in the PRC and to make contributions to the plan for its eligible employees. The contribution borne by the Group is calculated according to the level regulated by the municipal government.

The total cost charged to profit or loss of US\$20,000 (2019: US\$21,000) represents contributions payable to these schemes by the Group in respect of the current year.

32. 退休福利計劃

(a) 強制性公積金

本集團根據強制性公積金計劃條例為所有於香港的合資格僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃的資產與本集團資產分開保管，存放於獨立受託人管理的基金。根據強積金計劃規則，僱主及其僱員須各自按規則指定比率向計劃供款。本集團於強積金計劃的唯一責任為根據該計劃作出所需供款。並無被沒收供款可用作減少未來年度的應付供款。本集團及僱員均按有關薪酬指定比例供款，向強積金計劃強制性供款的上限為1,500港元（約194美元），於二零一四年六月一日起生效。

(b) 中國僱員的社會保障及福利

根據有關中國條例及法規，中國附屬公司須設立一個由中國有關地方政府部門管理的界定供款計劃，並為其合資格僱員向計劃作出供款。本集團承擔的供款乃根據市政府規定的水平計算。

自損益賬扣除的總成本達20,000美元（二零一九年：21,000美元），指本集團就本年度應付該等計劃的供款。

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33. RELATED PARTY DISCLOSURES

Related party transactions

In addition to those related party balances and convertible notes at the end of the reporting period which are set out in notes 26 and 28 respectively, the Group had the following significant transaction with a related party during the year:

| | |
|-------------|-------------|
| Chi Capital | Rental paid |
| Chi Capital | 已付租金 |

During the current year, the Group reimbursed NYBB of US\$605,000 (2019: US\$720,000) in relation to the expenses paid by NYBB on behalf of the Group for certain site premises.

Compensation of key management personnel

The remuneration of key management personnel of the Company during the year were as follows:

| | |
|---|----------|
| Salaries and other benefits | 薪金及其他福利 |
| Contributions to retirement benefits scheme | 退休福利計劃供款 |

The emoluments of key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends.

33. 關連人士披露

關連人士交易

除分別載於附註26及28所披露的於報告期末該等關連人士結餘及可換股票據外，年內，本集團有以下重大關連人士交易：

| 2020 | 2019 |
|----------|----------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |

| | |
|-----------|-----------|
| 24 | 24 |
|-----------|-----------|

本年度，本集團就NYBB代表本集團支付若干地盤物業的開支已償還NYBB 605,000美元(二零一九年：720,000美元)。

主要管理人員的薪酬

年內，本公司主要管理人員的酬金載列如下：

| 2020 | 2019 |
|----------|----------|
| 二零二零年 | 二零一九年 |
| US\$'000 | US\$'000 |
| 千美元 | 千美元 |

| | |
|-----------|-----|
| 81 | 252 |
| 2 | 2 |
| 83 | 254 |

主要管理人員的酬金由薪酬委員會經考慮彼等的個人表現及市場趨勢後釐定。

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34. LITIGATION

As at the end of the reporting period, the Group had potential litigation in US against the Company. On 18 October 2019, Mr. Hamza Farooqui (“Mr. Farooqui”) filed a claim against Silkwave, the Company, Chi Capital, Mr. Wong Chau Chi (a director of the Company), Mr. Liu Hui (a director of the Company) and three other related parties of Silkwave for breach of implied contract, quantum meruit, promissory estoppel, unjust enrichment, breach of contract, fraud and fraud in the inducement, constructive trust, and defamation (the “Claim”). In the Claim, it is alleged that, among other matters, the defendants in the Claim are liable to Mr. Farooqui for certain work he performed for the benefit of the defendants in connection with business transactions involving satellite assets in Asia and Africa and certain compensations.

As at the end of the reporting period, the Superior Court of the District of Columbia, US granted motion for the extension of time to file proof of service. The scheduling conference which was previously scheduled on 12 June 2020 and 28 August 2020 in Washington D.C., US. was rescheduled to November 2020 by court order due to COVID-19 situation, which was further postponed. The litigation has no material movement for this reporting period.

A scheduling conference with the court occurred in late February 2021 where the parties agreed to proceed based on the track three schedule and that each party prepared the document request list to commence the discovery process.

As at the end of the reporting period, the Company was seeking legal advice in relation to the Claim. The Directors believe that the Claim is without merit and the likelihood of a significant loss arising from the Claim is small thus no provision of the Claim was considered necessary.

34. 訴訟

於報告期末，本集團於美國有針對(其中包括)本公司提起的潛在訴訟。於二零一九年十月十八日，Hamza Farooqui先生(「Farooqui先生」)就違反默示合約、按服務計酬、承諾不容反悔、不公平得益、違反合約、欺詐、引誘性欺詐、法律構成信託及誹謗向Silkwave、本公司、Chi Capital、黃秋智先生(本公司董事)、劉輝先生(本公司董事)及三名其他Silkwave關連人士提出申索(「申索」)。於申索中，其指稱(其中包括)申索中的被告人須就Farooqui先生就涉及於亞洲及非洲衛星資產的業務交易為被告人的利益所進行的若干工作及若干酬金向其負責。

於報告期末，美國哥倫比亞地區高級法院批准延長提交服務證明時間的動議。由於新型冠狀病毒肺炎引致延誤，法院頒令原定於二零二零年六月十二日及二零二零年八月二十八日在美國華盛頓哥倫比亞特區進行的和解會推遲至二零二零年十一月進行，及後再被推遲。該訴訟在本報告期內沒有重大變動。

二零二一年二月下旬，與法院舉行了一次三軌道排程會議，各方同意準備請求文件清單，以開展發現程序。

截至報告期末，本公司正在就該索賠尋求法律意見。董事認為，該索償是沒有根據的，而因索償引起的重大損失的可能性不大，因此，認為無需計提任何準備。

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35. EVENTS AFTER THE END OF REPORTING PERIOD

On 20 January 2021, the Company has resolved to grant 11,810,439 new share options to (i) seven Directors to subscribe for 1,665,000 shares, (ii) employees to subscribe for 1,808,439 shares and (iii) consultants to subscribe for 8,337,000 shares, subject to their respective acceptance, under the Share Option Scheme of the Company. For details, please refer to the announcement of Company dated 20 January 2021.

Subsequent to the reporting period, the Group entered into an Assignment Agreement with the purchaser, pursuant to which the Group agreed to assign, transfer, novate and convey absolutely to the purchaser all of the Group's benefits, entitlements, interests, rights and remedies, and all covenants, obligations and liabilities arising from the time brokerage agreement/ancillary spectrum lease agreement and asset purchase option pertaining to the KMMC Station entered between the Group and NYSHC, as the lessor of the license and authorisations of KMMC Station.

The consideration to be paid by the purchaser for the Spectrum Disposal is US\$1,000,000. Up to the date of this report, the Spectrum Disposal is not yet completed.

35. 報告期末後事件

於二零二一年一月二十日，本公司已決議授出合共11,810,439份新購股權，予(i)七名董事以認購1,665,000股股份，(ii)員工以認購1,808,439股股份，以及(iii)顧問以認購8,337,000股股份，惟須待彼等接納各自按購股權計劃，方可作實。詳情載於本公司日期為二零二一年一月二十日的公告。

於年結日後，本集團與買方訂立該轉讓協議，據此，本集團謹此同意將本集團所有的利益、權益、權利及補償措施或因本集團與NYSHC作為KMMC頻道許可證及授權的出租人就KMMC頻道所訂立的時間經紀協議／輔助頻譜租賃協議及其資產購買期權產生或與之相關的所有契諾、義務及負債完全出讓、轉讓、更替及讓與買方。

就頻譜出售而支付的代價將為1,000,000美元。截至本報告日期，頻譜出售還未完成。

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

36. 融資活動產生的負債對賬

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動所產生的負債乃為現金流量所致，或未來現金流量將本集團綜合財務報表中分類為融資活動所產生的現金流量。

| | | Convertible notes 可換股票據 |
|--|-----------------------------|--|
| | | US\$'000 千美元 |
| At 1 January 2019 | 於二零一九年一月一日 | 51,668 |
| Effective interest expenses | 按實際利息開支 | 5,445 |
| Redeemed | 贖回 | (9,340) |
| | | <hr/> |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 47,773 |
| Effective interest expenses | 按實際利息開支 | 5,600 |
| | | <hr/> |
| At 31 December 2020 | 於二零二零年十二月三十一日 | <u>53,373</u> |
| | | <hr/> |
| | | Lease liabilities 租賃負債 |
| | | US\$'000 千美元 |
| At 1 January 2019 | 於二零一九年一月一日 | 829 |
| Lease modification | 租賃修改 | (71) |
| Interest charged to profit or loss | 損益應計利息 | 34 |
| Payments | 付款 | (277) |
| Exchange difference | 匯兌差額 | 4 |
| | | <hr/> |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 519 |
| Addition | 添置 | 78 |
| Interest charged to profit or loss | 損益應計利息 | 23 |
| Payments | 付款 | (97) |
| Rent concession | 租金減免 | (184) |
| Exchange difference | 匯兌差額 | 3 |
| | | <hr/> |
| At 31 December 2020 | 於二零二零年十二月三十一日 | <u>342</u> |

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

(a) Particulars of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows:

37. 主要附屬公司

(a) 於二零二零年及二零一九年十二月三十一日，本公司附屬公司的詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operations 註冊成立/成立/ 營運地點 | Class of share held 所持股份 類別 | Issued and fully paid share/ registered capital 已發行繳足股份/ 註冊股本 | Proportion of nominal value of issued share capital/paid up capital and voting power held by the Company 本公司所持已發行股本/繳足股本及投票權面值比例 | | | | Principal activities 主要業務 |
|------------------------------------|---|-----------------------------------|--|---|---------------|------------------|---------------|---|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 | |
| Global Flex Trading Center Limited | Samoa/Taiwan | Ordinary | *US\$2,000,000 | 100% | 100% | - | - | Trading business |
| Global Flex Trading Center Limited | 薩摩亞/台灣 | 普通股 | *2,000,000美元 | 100% | 100% | - | - | 貿易業務 |
| Galactic Venture Holdings Limited | British Virgin Islands | Ordinary | US\$1 | 100% | 100% | - | - | Investment holding |
| Galactic Venture Holdings Limited | 英屬處女群島 | 普通股 | 1美元 | 100% | 100% | - | - | 投資控股 |
| Grand Regal Capital Limited | British Virgin Islands | Ordinary | US\$1 | - | - | 100% | 100% | Investment holding |
| Grand Regal Capital Limited | 英屬處女群島 | 普通股 | 1美元 | - | - | 100% | 100% | 投資控股 |
| Newell Top Limited | British Virgin Islands | Ordinary | US\$50,000 | - | - | 100% | 100% | Trading business |
| Newell Top Limited | 英屬處女群島 | 普通股 | 50,000美元 | - | - | 100% | 100% | 貿易業務 |
| CMMB International Limited | Hong Kong | Ordinary | HK\$10,000 | - | - | 65% | 65% | Holding of a licensing right |
| CMMB International Limited | 香港 | 普通股 | 10,000港元 | - | - | 65% | 65% | 擁有一項特許使用權 |
| CMMB Vision USA Inc. | US | Ordinary | US\$10,000 | 51% | 51% | - | - | Provision of transmission and broadcasting of TV programs |
| CMMB Vision USA Inc. | 美國 | 普通股 | 10,000美元 | 51% | 51% | - | - | 提供傳輸及播放電視節目 |

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(a) Particulars of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows:
(Continued)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operations 註冊成立/成立/ 營運地點 | Class of share held 所持股份 類別 | Issued and fully paid share/ registered capital 已發行繳足股份/ 註冊股本 | Proportion of nominal value of issued share capital/paid up capital and voting power held by the Company 本公司所持已發行股本/ 繳足股本及投票權面值比例 | | | | Principal activities 主要業務 |
|--|---|-----------------------------------|--|---|---------------|------------------|---------------|---|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 | |
| Chi Vision | US | Ordinary | US\$20 | 79% | 79% | - | - | Provision of transmission and broadcasting of TV programs |
| Chi Vision | 美國 | 普通股 | 20美元 | 79% | 79% | - | - | 提供傳輸及播放電視節目 |
| Professional Broadcasting Communications Limited | Hong Kong | Ordinary | HK\$10 | 100% | 100% | - | - | Provision of transmission and broadcasting of TV programs |
| Professional Broadcasting Communications Limited | 香港 | 普通股 | 10港元 | 100% | 100% | - | - | 提供傳輸及播放電視節目 |
| CMMB Satellite Services Limited | Hong Kong | Ordinary | HK\$100 | 100% | 100% | - | - | Provision of satellite services |
| CMMB Satellite Services Limited | 香港 | 普通股 | 100港元 | 100% | 100% | - | - | 提供衛星服務 |
| CMMB Vision (Beijing) Co., Ltd. | China | Registered capital | US\$1,063,000 | - | - | 100% | 100% | Provision of transmission and broadcasting of TV programs |
| 中播華夏(北京)互動傳媒文化有限公司 | 中國 | 註冊資本 | 1,063,000美元 | - | - | 100% | 100% | 提供傳輸及播放電視節目 |

* The registered capital has not been paid up as at 31 December 2020 and 2019.

(a) 於二零二零年及二零一九年十二月三十一日，本公司附屬公司的詳情如下：(續)

* 於二零二零年及二零一九年十二月三十一日，註冊股本均未繳足。

None of the subsidiaries had issued any debt securities at the end of the year.

於年終時，概無該等附屬公司已發行任何債務證券。

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of the non-wholly owned subsidiary of the Company that has material non-controlling interests:

| Name of subsidiary 附屬公司名稱 | Place of incorporation and principal place of business 註冊成立地點及 主要營業地點 | Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持有的 所有權及投票權比例 | | (Loss)/profit allocated to non-controlling interests 分配予非控股權益的(虧損)/溢利 | | Accumulated non-controlling interests 累計非控股權益 | |
|--|---|---|-----------------|--|-----------------|--|-----------------|
| | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
| | | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 | US\$'000 千美元 |
| CMMB Vision USA CMMB Vision USA | US 美國 | 49% | 49% | (124) | 26 | 11,219 | 11,343 |
| Chi Vision Chi Vision | US 美國 | 21% | 21% | (5,368) | (3,489) | 6,653 | 12,021 |
| Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益的個別不屬重要的附屬公司 | | | | - | - | (350) | (350) |
| | | | | <u>(5,492)</u> | <u>(3,463)</u> | <u>17,522</u> | <u>23,014</u> |

Summarised financial information in respect of the Group's subsidiaries that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intra-group eliminations.

37. 主要附屬公司(續)

(b) 擁有重大非控股權益的非全資附屬公司

下表列示本公司擁有重大非控股權益的非全資附屬公司詳情：

有關本集團擁有重大非控股權益的附屬公司的財務資料概要載列如下。以下財務資料概要為集團內公司間對銷前的金額。

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued) CMMB Vision USA

37. 主要附屬公司(續)

(b) 擁有重大非控股權益的非全資附屬公司(續) CMMB Vision USA

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | <u>2,799</u> | <u>2,526</u> |
| Non-current assets | 非流動資產 | <u>23,888</u> | <u>23,905</u> |
| Current liabilities | 流動負債 | <u>(2,117)</u> | <u>(1,608)</u> |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | <u>13,351</u> | <u>13,480</u> |
| Non-controlling interests | 非控股權益 | <u>11,219</u> | <u>11,343</u> |

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued) CMMB Vision USA (Continued)

37. 主要附屬公司(續)

(b) 擁有重大非控股權益的非全資附屬公司(續) CMMB Vision USA (續)

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Revenue | 收入 | <u>313</u> | <u>690</u> |
| Expenses | 開支 | <u>(566)</u> | <u>(637)</u> |
| (Loss) profit for the year | 年內(虧損)溢利 | <u>(253)</u> | <u>53</u> |
| (Loss) profit and total comprehensive (expense) income attributable to owners of the Company | 本公司擁有人應佔(虧損)溢利及全面(支出)收入總額 | <u>(129)</u> | <u>27</u> |
| (Loss) profit and total comprehensive (expense) income attributable to non-controlling interests | 非控股權益應佔(虧損)溢利及全面(支出)收入總額 | <u>(124)</u> | <u>26</u> |
| (Loss) profit and total comprehensive (expense) income for the year | 年內(虧損)溢利及全面(支出)收入總額 | <u>(253)</u> | <u>53</u> |

There were no cash transactions during the years ended 31 December 2020 and 2019.

截至二零二零年及二零一九年十二月三十一日止年度並無現金交易。

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37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Chi Vision

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | <u>13,160</u> | <u>10,254</u> |
| Non-current assets | 非流動資產 | <u>30,876</u> | <u>56,736</u> |
| Current liabilities | 流動負債 | <u>(12,352)</u> | <u>(9,743)</u> |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | <u>25,031</u> | <u>45,226</u> |
| Non-controlling interests | 非控股權益 | <u>6,653</u> | <u>12,021</u> |

37. 主要附屬公司(續)

(b) 擁有重大非控股權益的非全資附屬公司(續)

Chi Vision

| | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|------------|----------------------------------|----------------------------------|
| 流動資產 | <u>13,160</u> | <u>10,254</u> |
| 非流動資產 | <u>30,876</u> | <u>56,736</u> |
| 流動負債 | <u>(12,352)</u> | <u>(9,743)</u> |
| 本公司擁有人應佔權益 | <u>25,031</u> | <u>45,226</u> |
| 非控股權益 | <u>6,653</u> | <u>12,021</u> |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued) *Chi Vision (Continued)*

37. 主要附屬公司(續)

(b) 擁有重大非控股權益的非全資附屬公司(續) *Chi Vision (續)*

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--|-------------------|----------------------------------|----------------------------------|
| Revenue | 收入 | <u>1,517</u> | <u>3,349</u> |
| Expenses | 開支 | <u>(27,080)</u> | <u>(19,963)</u> |
| Loss for the year | 虧損溢利 | <u>(25,563)</u> | <u>(16,614)</u> |
| Loss and total comprehensive expense attributable to owners of the Company | 本公司擁有人應佔虧損及全面支出總額 | <u>(20,195)</u> | <u>(13,125)</u> |
| Loss and total comprehensive expense attributable to non-controlling interests | 非控股權益應佔虧損及全面支出總額 | <u>(5,368)</u> | <u>(3,489)</u> |
| Loss and total comprehensive expense for the year | 年內虧損及全面支出總額 | <u>(25,563)</u> | <u>(16,614)</u> |

There were no cash transactions during the years ended 31 December 2020 and 2019.

截至二零二零年及二零一九年十二月三十一日止年度並無現金交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position

38. 本公司財務狀況表及儲備

(a) 財務狀況表

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|---|-------------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 59 | 107 |
| Investments in subsidiaries | 於附屬公司的投資 | 43,310 | 68,159 |
| Amount due from subsidiaries | 應收附屬公司款項 | 1,152 | 1,105 |
| Investment in an associate | 於聯營公司的權益 | 124,865 | 224,301 |
| Financial assets at fair value through profit or loss | 以公平值變動計入當期損益的金融資產 | – | 1,050 |
| Rights-of-use assets | 使用權資產 | 238 | 474 |
| | | <u>169,624</u> | <u>295,196</u> |
| CURRENT ASSETS | 流動資產 | | |
| Amount due from a related company | 應收關連公司款項 | – | 1,595 |
| Amount due from an associate | 應收聯營公司款項 | 755 | 812 |
| Other receivables, deposits and prepayment | 其他應收款項 | 109 | 97 |
| Bank balances and cash | 銀行結餘及現金 | 382 | 183 |
| | | <u>1,246</u> | <u>2,687</u> |
| CURRENT LIABILITIES | 流動負債 | | |
| Amount due to a related company | 應付關連公司款項 | 2,860 | – |
| Other payables | 其他應付款項 | 480 | 382 |
| Amounts due to shareholders | 應付股東款項 | 1,932 | 12,992 |
| Lease liabilities | 租賃負債 | 284 | 232 |
| | | <u>5,556</u> | <u>13,606</u> |
| NET CURRENT LIABILITIES | 負債資產淨值 | <u>(4,310)</u> | <u>(10,919)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | <u>165,314</u> | <u>284,277</u> |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(a) Statement of financial position (Continued)

38. 本公司財務狀況表及儲備(續)

(a) 財務狀況表(續)

| | | 2020 二零二零年 US\$'000 千美元 | 2019 二零一九年 US\$'000 千美元 |
|--------------------------------|--------------|----------------------------------|----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Amounts due to subsidiaries | 應付附屬公司款項 | 11,370 | 9,501 |
| Convertible notes | 可換股票據 | 53,373 | 47,773 |
| Lease liabilities | 租賃負債 | - | 283 |
| | | <u>64,743</u> | <u>57,557</u> |
| | | <u>100,571</u> | <u>226,720</u> |
| CAPITAL AND RESERVES | 資本及儲備 | | |
| Share capital | 股本 | 7,117 | 4,853 |
| Reserves | 儲備 | 93,454 | 221,867 |
| | | <u>100,571</u> | <u>226,720</u> |
| TOTAL EQUITY | 總權益 | <u>100,571</u> | <u>226,720</u> |

The statement of financial position was approved by the Board of Directors on 29 March 2021 and is signed on its behalf by:

本公司之財務狀況表已於二零二一年三月二十九日獲董事會批准及刊發，並由以下人士代表簽署：

DIRECTOR
董事

DIRECTOR
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(b) Reserves of the Company

| | | Share Premium | Merger reserve | Distributable reserve | Share Option reserve | Capital reserve | Convertible notes reserve | Accumulated losses | Total |
|---|---------------------------------|------------------|-------------------|--------------------------|-------------------------|--------------------|------------------------------|-----------------------|-----------|
| | | 股份溢價 | 合併儲備 | 可分派儲備 | 購股權儲備 | 資本儲備 | 可換股 票據儲備 | 累計虧損 | 總計 |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 | 千美元 |
| At 1 January 2019 | 於二零一九年 一月一日 | 36,925 | 31,987 | 129,757 | - | 2,105 | 54,670 | (213) | 255,231 |
| Loss for the year and total comprehensive expense for the year | 年內虧損及年內 全面支出總額 | - | - | - | - | - | - | (28,721) | (28,721) |
| Issue of shares by placement | 以配股方式發行新股 | 2,833 | - | - | - | - | - | - | 2,833 |
| Release upon redemption of convertible notes | 贖回可換股票據時撥回 | - | - | - | - | - | (7,669) | - | (7,669) |
| Recognition of equity-settled share-based payment expense | 確認以股權結算以股份 為基礎的付款開支 | - | - | - | 193 | - | - | - | 193 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年 十二月三十一日及 二零二零年一月一日 | 39,758 | 31,987 | 129,757 | 193 | 2,105 | 47,001 | (28,934) | 221,867 |
| Loss for the year and total comprehensive expense for the year | 年內虧損及年內 全面支出總額 | - | - | - | - | - | - | (132,471) | (132,471) |
| Issue of shares by placement | 以配股方式發行新股 | 1,736 | - | - | - | - | - | - | 1,736 |
| Issue of shares by rights issue | 以供股方式發行新股 | 2,033 | - | - | - | - | - | - | 2,033 |
| Exercise of share options | 行使購股權 | 203 | - | - | (85) | - | - | - | 118 |
| Cancellation of share options | 撤銷購股權 | - | - | - | (193) | - | - | 193 | - |
| Recognition of equity-settled share-based payment expense | 確認以股權結算以股份 為基礎的付款開支 | - | - | - | 171 | - | - | - | 171 |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 43,730 | 31,987 | 129,757 | 86 | 2,105 | 47,001 | (161,212) | 93,454 |

38. 本公司財務狀況表及儲備 (續)

(b) 本公司儲備



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