



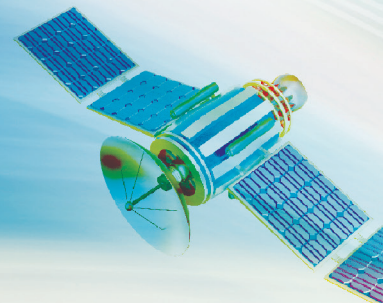
CMMB
VISION

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)



INTERIM REPORT
中期報告 **2020**

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Corporate Information

公司資料

BOARD OF DIRECTORS

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
(*resigned on 31 May 2020*)
Dr. LI Shan
Dr. LI Jun

MEMBERS OF AUDIT COMMITTEE

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

MEMBERS OF REMUNERATION COMMITTEE

Dr. WANG Wei-Lin (*Chairman*)
(*resigned on 31 May 2020*)
Dr. LI Jun (*Chairman*) (*appointed on 1 June 2020*)
Mr. CHOU Tsan-Hsiung
Dr. LI Shan

COMPANY SECRETARY

Ms. CHAN Pui Yee Janice

AUTHORISED REPRESENTATIVES

Mr. WONG Chau Chi
Ms. CHAN Pui Yee Janice

AUDITOR

HLM CPA Limited

董事會

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
(*於二零二零年五月三十一日辭任*)
李山博士
李珺博士

審核委員會成員

李山博士 (*主席*)
周燦雄先生
李珺博士

薪酬委員會成員

王偉霖博士 (*主席*)
(*於二零二零年五月三十一日辭任*)
李珺博士 (*主席*) (*於二零二零年六月一日委任*)
周燦雄先生
李山博士

公司秘書

陳佩儀女士

授權代表

黃秋智先生
陳佩儀女士

核數師

恒健會計師行有限公司

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 PLACE OF BUSINESS IN HONG KONG

Unit 1211, Level 12, Core F, Cyberport 3
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Tel: +852 2159 3300
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email: co.sec@cmmmb.com.hk
Website: www.cmmbvvision.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
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, Wanchai
Hong Kong

STOCK CODE: 471

香港法律顧問

陸繼鏘律師事務所，與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

香港主要營業地點

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電郵：co.sec@cmmmb.com.hk
網址：www.cmmbvvision.com

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
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

Management Discussion and Analysis

管理層討論及分析

REVIEW OF BUSINESS OPERATIONS

The principal activity of CMMB Vision Holdings Limited (the “Company”) is investment holding whilst its subsidiaries are mainly engaged in the provision of Convergent Mobile Multimedia Broadcasting (“CMMB”), the next generation of convergent satellite-mobile multimedia infotainment broadcasting service, and the trading of printed circuit board (“PCB”) materials.

The Impact of COVID-19 on the Group’s Operation

In the first half of 2020, an unexpected outbreak of the novel coronavirus (the “COVID-19”) has caused drastic fluctuations in economic and financial environment around the world. Later, in March, the World Health Organization (WHO) declared COVID-19 is a global pandemic. It led to extraordinary disruptions to our operations, research activities and business development in the PRC and US markets. The PRC offices and research centre were even instructed to close temporarily during February and March of 2020.

We expect that COVID-19 will structurally slow down global business-as-usual economic activities but force massive demand for business transformations; it is the latter that we are focused on for growth. In short, we are optimistic of the mid-term future.

Rights Issue

During the period, the Group proposed rights issue on the basis of one rights 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 with details disclosed in the announcement of the Company dated 10 March 2020. As disclosed in the announcement, 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 are approximately HK\$24,700,000 (equivalent to 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 estimated to be approximately HK\$23,500,000. The Company intends 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.

業務營運回顧

中國移動多媒體廣播控股有限公司(「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」)，新一代融合衛星-移動多媒體信息娛樂廣播服務，以及印刷電路板(「電路板」)材料的交易。

新型冠狀病毒對集團運作的影響

在二零二零年上半年，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二零二零年二月和三月期間甚至被指示關閉。

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，我們對中期前景樂觀。

供股

於期內，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」)，此供股已完成並提述於本公司日期為二零二零年三月十日之公告內。誠如該公告所披露，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)估計約為23,500,000港元。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。

Management Discussion and Analysis

管理層討論及分析

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

Save as disclosed above, there has been no material change in the development of the Group's business and financial position, and no important event affecting the Group has occurred since the publication of the annual report of the Company for the year ended 31 December 2019.

FINANCIAL REVIEW

The Group recorded loss for the six months ended 30 June 2020 (the "Period") of US\$16,165,000 (six months ended 30 June 2019: US\$6,975,000), and loss per share was US7.00 cents (six months ended 30 June 2019: US4.47 cents, restated). As at 30 June 2020, the net assets per share attributable to owners of the Company was US\$1.01 (31 December 2019: US\$1.39).

Revenue

For the Period, the Group is engaged in the provision of transmitting and broadcasting television programs and trading of PCB materials with a revenue of US\$3,026,000 (six months ended 30 June 2019: US\$3,317,000). The decrease in revenue of US\$291,000 or 8.8% was mainly due to the decrease in trading of PCB materials by US\$453,000 and increase in TV rental income of US\$162,000.

Cost of sales

Cost of sales mainly includes costs of goods sold, staff costs and operating lease payments. The decrease in cost of sales of US\$435,000 or 21.0% was due to a decrease in direct costs and costs of sales of US\$386,000 and a decrease in operating lease payments of US\$49,000 for the Period.

Gross profit

Gross profit increased from US\$1,242,000 in corresponding period in 2019 to US\$1,386,000 in 2020, an increase of US\$144,000 or 11.6%, which arose primarily from higher TV rental income.

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。

除上述所披露者外，本集團的業務及財務狀況發展並無出現重大變動，且自本公司刊發截至二零一九年十二月三十一日止年度之年報起亦無發生對本集團造成影響的重要事件。

財務回顧

截至二零二零年六月三十日止六個月（「本期間」），本集團錄得期內虧損16,165,000美元（截至二零一九年六月三十日止六個月：6,975,000美元）及每股虧損7.00美仙（截至二零一九年六月三十日止六個月：4.47美仙，經重列）。於二零二零年六月三十日，本公司擁有人應佔每股資產淨值為1.01美元（二零一九年十二月三十一日：1.39美元）。

收入

本期間內，本集團從事提供傳輸及播放電視節目以及印刷線路板材料貿易，收入為3,026,000美元（截至二零一九年六月三十日止六個月：3,317,000美元）。收入減少291,000美元或8.8%，主要歸因於印刷電路板貿易減少453,000美元，及電視租金收入增加162,000美元。

銷售成本

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435,000美元或21.0%，乃由於本期間直接成本及購貨成本減少386,000美元，及經營租賃款項減少49,000美元所致。

毛利

毛利由二零一九年同期1,242,000美元增加至二零二零年本期間1,386,000美元，增加144,000美元或11.6%，乃由於電視租金收入增加所致。

Management Discussion and Analysis

管理層討論及分析

Administrative expenses

Administrative expenses for the Period decreased by 31.5% to US\$740,000, as compared to the same Period in 2019 of US\$1,080,000, mainly due to decrease in staff cost of US\$269,000 and rental expenses of US\$54,000.

Market development and promotion expenses

Market development and promotion expenses decreased by 34.4% to US\$674,000 (six months ended 30 June 2019: US\$1,028,000), 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 period dropped significantly.

Other expenses

Other expenses for the Period amounted to US\$81,000 (six months ended 30 June 2019: US\$193,000), with the decrease mainly attributable to a less legal and professional fees. Other expenses included listing fees, printing charges and corporate legal and professional fees for potential investment and acquisitions and corporate transactions.

Finance costs

Finance costs of the Group for the Period amounted to US\$2,722,000 (six months ended 30 June 2019: US\$2,798,000) which mainly represented effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the six months ended 30 June 2020.

Share of results of an associate

The Company shared a loss of US\$6,578,000 (six months ended 30 June 2019: US\$4,689,000) for its 20% interest in Silkwave Holdings Limited (“Silkwave”), which is primarily comprised of write off of deposit paid for satellite construction and launching, depreciation and amortization, research and development and other operating expenses. Details are set out in note 11 of the condensed consolidated financial statements.

行政開支

與二零一九年同期比較，本期間行政開支由1,080,000美元減少31.5%至740,000美元，主要是由於員工成本減少269,000美元及辦公室租金費用減少54,000美元所致。

市場開發及推廣開支

市場開發及推廣開支減少約34.4%至674,000美元(截至二零一九年六月三十日止六個月：1,028,000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。市場開發和促銷費用的減少主要是由於自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。

其他開支

本期間的其他開支為81,000美元(截至二零一九年六月三十日止六個月：193,000美元)，其減少乃由於法律及專業費用減少所致。其他開支主要包括上市費用、印刷費用及潛在投資、收購及公司交易支付的法律及專業費用。

財務費用

本集團於本期間的財務費用為2,722,000美元(截至二零一九年六月三十日止六個月：2,798,000美元)，主要為可換股票據的實際利息開支。本集團於截至二零二零年六月三十日止六個月並無任何銀行或其他借款。

應佔聯營公司的虧損

本公司因其持有 Silkwave Holdings Limited (「Silkwave」) 20% 權益而分擔其應佔虧損 6,578,000 美元(截至二零一九年六月三十日止六個月：4,689,000 美元)，主要包括沖銷用於衛星建造和發射的按金、折舊及攤銷支出、研發及其他營運開支。詳情載於簡明綜合財務報表附註11。

Management Discussion and Analysis

管理層討論及分析

Impairment of assets

During the six months ended 30 June 2020, the outbreak of COVID-19 pandemic and its escalation on a global scale has triggered unprecedented disruptions to the economy and business operations, including the United States where the market in it. According to United States Bureau of Economic Analysis, real gross domestic product (“GDP”) of the United States decreased by 5.0 percent in the first quarter while their “advance” estimate indicated that real GDP decreased at an annual rate of 32.9 percent in the second quarter of 2020.

While the full economic and societal impacts of the COVID-19 pandemic are far from clear, continuing traditional full-package cable and satellite TV subscription cancellations are already having an impact on the TV and video market in the United States, with obvious supporting data being reflected in the beginning of second half of the year.

According to an online article released by Forbes on 24 July 2020, the data shows even more households intending to cut their pay TV offerings. Many of the cord-cutters had or would soon buy Subscription Video On Demand (SVOD) services, like Netflix and Disney Plus, but the traditional full-package cable and satellite providers were suffering from continuing consumer cancellations. 8% of pay TV subscribers indicate that they were “very likely” to cut the cord in the United States in the next 12 months.

As a result, many TV service providers had prepared for revenue decline and were unwilling to sign up new supplier contracts like channel leasing, subject to low subscription rates and their advertising customers adopted survival plans by cutting their spending. The COVID-19 crisis has also dramatically disrupted the content pipeline of existing and potential lessee of the Company which are TV broadcasters. For instance, it has halted the production of all TV, except for some select live and news programming. This has caused many broadcasters to reduce their number of channels and conserve new episodes, filling time on their schedules by airing reruns. This is a possible indicator of the upcoming utilisation rate of the Company will not reach our target as previously planned.

資產減值

截至二零二零年六月三十日止的六個月期間，COVID-19之大爆發及其在進一步蔓延至全球各地，引發了對經濟和商業運營的空前破壞，包括市場所在地的美國。根據美國經濟分析局的數據：第一季度美國的實際國內生產總值下跌了5.0%，而其「提前」的估算則顯示，二零二零年第二季度的實際國內生產總值的年增長率下跌32.9%。

儘管COVID-19之大爆發對總體經濟和社會的影響尚不明確，但傳統的全包有線和衛星電視組合的持續性取消訂閱，已經對美國的電視和視頻市場產生了影響，實質的支持性數據在下半年初開始反映。

根據《福布斯》(Forbes) 在二零二零年七月二十四日發布的在線文章，數據顯示有更多家庭打算削減其付費電視產品。當中許多的剪線者已經或將會購買如網飛(Netflix)和迪士尼串流平台(Disney Plus)的訂閱視頻點播(SVOD)服務，而傳統的全包有線電視和衛星供應商則正在遭受消費者不斷取消訂閱的困擾。8%的美國的付費電視訂戶表示，他們「很可能」在未來12個月內終止訂閱。

結果，許多電視服務提供商已經為收入下降做好了準備，並且因為低訂購率，以及其廣告客戶通過削減支出以達致持續營運的計劃，而不願意簽署新的供應商合同(例如頻道租賃)。COVID-19危機還大幅地刪減了公司現有和潛在承租人(電視廣播公司)的內容渠道。例如，除了某些特定的直播和新聞節目，它已經停止了所有電視的製作。這導致許多廣播公司減少了頻道數量並存封了新劇集，通過播放重播來填滿節目時間表。這可能是公司將無法達到先前預計使用率目標的跡象。

Management Discussion and Analysis

管理層討論及分析

With these updated market information and indicators available when we were preparing the interim results, the Company had revised its budget revenue and/or the terminal fill rates to reflect the recent market conditions. Accordingly, the management recognised an impairment loss on intangible assets of US\$7,000,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: nil). Details are set out in note 10 of the condensed consolidated financial statements.

INTERIM DIVIDEND

The board of directors of the Company (“Board”) did not declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2020.

LIQUIDITY AND FINANCIAL RESOURCES

The total equity attributable to the owners of the Company decreased to US\$215,428,000 as at 30 June 2020 as compared with US\$227,553,000 as at 31 December 2019 which is mainly derived from the loss for the period attributable to the owners of the Company, set off by the proceeds of the Rights Issue completed on 11 March 2020.

Current assets amounted to US\$5,998,000 (31 December 2019: US\$9,303,000) is comprised of bank balances and cash of US\$1,724,000 (31 December 2019: US\$342,000), trade and other receivables of US\$939,000 (31 December 2019: US\$1,352,000), amount due from a related company of US\$2,538,000 (31 December 2019: US\$6,662,000) and amount due from an associate of US\$797,000 (31 December 2019: US\$947,000).

Current liabilities amounted to US\$11,226,000 (31 December 2019: US\$17,440,000), which represented trade and other payables of US\$3,655,000 (31 December 2019: US\$3,873,000), amounts due to shareholders of US\$6,698,000 (31 December 2019: US\$12,992,000) and tax payable of US\$574,000 (31 December 2019: US\$339,000). As at 30 June 2020, the Group’s current ratio was 0.5 (31 December 2019: 0.5).

當我們準備中期結果時，有了這些更新的市場信息和指標，公司已修改了預算收入和／或終端機的填充率，以反映最近的市場情況。截至二零二零年六月三十日止六個月，管理層確認無形資產的減值虧損為7,000,000美元（截至二零一九年六月三十日止六個月：無）。詳情載於簡明綜合財務報表附註10。

中期股息

截至二零二零年六月三十日止六個月，本公司董事會（「董事會」）不建議向本公司股東宣派任何中期股息。

流動資金及財務資源

於二零二零年六月三十日，本公司擁有人應佔權益減少至215,428,000美元，比較於二零一九年十二月三十一日為227,553,000美元，主要來自本公司擁有人應佔期內虧損及於二零二零年三月十一日完成的供股所得款項對沖所致。

流動資產為5,998,000美元（二零一九年十二月三十一日：9,303,000美元），包括銀行結餘及現金1,724,000美元（二零一九年十二月三十一日：342,000美元），貿易及其他應收款項939,000美元（二零一九年十二月三十一日：1,352,000美元），應收關聯公司款項2,538,000美元（二零一九年十二月三十一日：6,662,000美元）及應收聯營公司款項797,000美元（二零一九年十二月三十一日：947,000美元）。

流動負債為11,226,000美元（二零一九年十二月三十一日：17,440,000美元），指貿易及其他應付款項3,655,000美元（二零一九年十二月三十一日：3,873,000美元），應付股東款項6,698,000美元（二零一九年十二月三十一日：12,992,000美元）及應付稅項574,000美元（二零一九年：339,000美元）。於二零二零年六月三十日，本集團的流動比率為0.5（二零一九年十二月三十一日：0.5）。

Management Discussion and Analysis

管理層討論及分析

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares 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.

CAPITAL STRUCTURE

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 30 June 2020 amounted to US\$50,481,000 (31 December 2019: US\$47,773,000). The gearing ratio (a ratio of total loans to total assets) was 16.9% (31 December 2019: 15.1%), reflecting the Group's financial position was still at a sound level. Other than the convertible notes, the Group did not have any bank borrowings as at 30 June 2020 (31 December 2019: nil).

As at 30 June 2020, neither the Group nor the Company has any significant contingent liabilities (31 December 2019: nil).

Capital Commitments

As at 30 June 2020, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

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。所得款項用於為本公司用作償還股東預付款及加強本公司一般營運資金。

資本結構

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

於二零二零年六月三十日，本集團的可換股票據為50,481,000美元(二零一九年十二月三十一日：47,773,000美元)。資產負債比率(貸款總額與資產總值的比率)為16.9%(二零一九年十二月三十一日：15.1%)，反映出集團的財務狀況仍然處於良好的水平。除可換股票據外，於二零二零年六月三十日本集團並無任何銀行借貸(二零一九年十二月三十一日：無)。

於二零二零年六月三十日，本集團及本公司概無任何重大或然負債(二零一九年十二月三十一日：無)。

資本承擔

於二零二零年六月三十日，本集團或本公司概無任何重大已訂約但未於簡明綜合財務報表撥備的資本性開支。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF/CHARGE ON ASSETS

As at 30 June 2020, neither the Group nor the Company pledged or charged any properties and assets (31 December 2019: nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2020, the Group did not enter into any material off-balance sheet transactions (31 December 2019: nil).

FOREIGN EXCHANGE EXPOSURE

For the Period, 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, therefore, the Group did not make any hedging arrangement during the Period.

SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 3 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

The average number of employees of the Group for the Period was approximately 25 (six months ended 30 June 2019: 30). The Group's staff costs (including directors' fees and emoluments) for the Period amounted to US\$507,000 (six months ended 30 June 2019: US\$757,000). 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.

資產抵押／質押

於二零二零年六月三十日，本集團及本公司概無抵押／或質押任何物業及資產(二零一九年十二月三十一日：無)。

資產負債表交易

截至二零二零年六月三十日，本集團並未進行任何重大資產負債表外交易(二零一九年十二月三十一日：無)。

匯兌風險

於期間內，本集團大部分資產、負債及買賣均以美元計值。本集團管理層認為匯兌風險對本集團不會產生重大影響，故本集團於本期間未有作出任何對沖安排。

分部資料

本集團本期間的詳盡分部資料載於簡明綜合財務報表附註3。

僱員福利

於本期間內，本集團僱員的平均數目約為25人(截至二零一九年六月三十日止六個月：約30人)。本集團的員工成本(包括董事酬金及薪酬)為507,000美元(截至二零一九年六月三十日止六個月：757,000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，其他附帶福利以及香港僱員的強制性公積金計劃。本集團的薪酬政策每年進行檢討，並符合現行市場慣例。

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SHARE OPTIONS

The Company adopted a new share option scheme (“Share Option Scheme”) on 18 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, employees, 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.

During the Interim Period, no share option was granted, exercised, cancelled or lapsed and there is 2,718,843 outstanding share option under the Share Option Scheme. Details are set out in note 17 of the condensed consolidated financial statements.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares at the subscription price of HK\$0.50 per subscription share for an aggregate consideration of approximately HK\$22,706,440. 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.

On 5 August 2020, the Board has resolved to cancel the outstanding share options, subject to the respective consent of the existing holders (the “Existing Holders”), on the ground that 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 from exercising the outstanding share options. As a result, the outstanding share options could no longer serve the purpose to motivate the Existing Holders.

購股權

本公司於二零一五年十二月十八日採納新購股權計劃（「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、僱員、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。

於中期期間，概無購股權獲授出、行使、註銷或失效，而購股權計劃項下概有2,718,843股未行使購股權。詳情載於簡明綜合財務報表附註17。

報告期後事項

於二零二零年七月二日，本公司與認購人訂立認購協議，按認購價為每股認購股份0.50港元，認購合共45,412,879股新股份，總代價約為22,706,440港元。認購事項已於二零二零年七月十三日完成。所得款項用於為本公司用作償還股東預付款及加強公司的一般營運資金。

於二零二零年八月五日，未行使購股權的行使價持續與股份現行市價比較相對為高，降低了未行使購股權的購股權持有人（「現有持有人」）行使未行使購股權之意欲，未行使購股權據此不能再達到激勵現有持有人的目的；因此，董事會議決註銷該未行使購股權，惟須待各現有持有人同意。

Management Discussion and Analysis

管理層討論及分析

On 5 August 2020, the Company has resolved to grant 10,896,000 new share options (the “New Share Options”) to (i) the Existing Holders to subscribe for 8,172,000 Shares, which are served as replacement of the cancelled outstanding share options, and (ii) one new consultant to subscribe for 2,724,000 Shares, subject to their respective acceptance, under the Share Option Scheme. Reference is made to the announcement of Company dated 11 August 2020. The purported grant of the New Share Options has not been accepted by the respective grantees and has not been materialised. The purported grant of the New Share Options has been cancelled accordingly by the Company pursuant to Rule 17.05 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”).

MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENT

During the Period, the Group did not have any material acquisition or disposals of subsidiaries or associates other than those announced on the website of the Stock Exchange.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 June 2020, the Group did not make any significant investments.

PROSPECTS

CMMB Business

As a result of the reassignment of frequencies, the Company has started retrofitting our broadcasting equipment to conform with the new frequencies assigned and will continue to do so into 2020, although these capital expenditures are expected to be relatively insignificant.

Despite the potential downsides to the Federal Communications Commission (“FCC”) spectrum reallocation, this event also brings new opportunities and synergies to TV operators through collaboration, such as co-sharing of revenue on joint marketing initiatives and reducing operational costs. Furthermore, the FCC has approved the introduction of the Advanced Television Systems Committee (“ATSC”) standard 3.0 (“ATSC 3.0”), however, it is deferring its decision on targeted ads in accordance with its guidelines on privacy. The approval carries with it a general requirement on full-power stations who choose to deploy ATSC 3.0 to maintain an ATSC-compatible signal for at least 5 years, while low-power stations are exempt from this simulcasting requirement. Although we are exempt from the simulcasting requirement, we predict the transition to ATSC 3.0 at the hardware manufacturer level and especially at the consumer level to take at least 5 years or longer. During this time, advances in scalable video codec and audio compression technology are anticipated to allow for a possible increase in the number of channels given a fixed assignment of spectrum frequency, such that there is a potential to reverse channels lost in the current displacement reapplications.

於二零二零年八月五日，本公司已決議授出合共10,896,000份新購股權（「新購股權」），予(i)現有持有人以認購8,172,000股股份，用作替代已註銷的未行使購股權，以及(ii)一名新顧問以認購2,724,000股股份，惟須待彼等各自按購股權計劃接納，方可作實。茲提述本公司日期為二零二零年八月十一日的公告，擬授出的新購股權未獲各承授人接納，且尚未被實現。根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）第17.05條的規定，本公司已據此取消據稱授出的新購股權。

重大收購及出售與未來重大投資計劃

本期間內，除於聯交所網站所公佈者外，本集團概無任何其他重大收購或出售附屬公司及聯營公司。

本集團持有的重大投資

於二零二零年六月三十日，本集團並無作出任何重大投資。

前景

CMMB業務

因頻率的重新分配，為符合獲分配的新頻率，本公司已開始更新我們的廣播設備，並將於二零二零年繼續開展此項工作，惟預期有關資本開支相對而言並不重大。

儘管美國聯邦通信委員會（「FCC」）頻譜的再分配引致潛在不利因素，但此事件亦令電視台運營商通過合作（例如共同營銷活動的收益共享及降低經營成本）迎來新的商機及協同效益。此外，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」），但基於隱私指引延遲對目標廣告的審批決定。此項批准對選擇採用ATSC 3.0的全功率電視台施加一項基本要求，即於至少五年內維持與ATSC兼容的信號，而低功率電視台則毋須受此同播要求限制。儘管我們獲豁免遵守同播規定，但我們預計於硬件製造商及（特別是）消費者層面向ATSC 3.0過渡至少需要五年或更長時間。於此期間，可伸縮視頻解碼器及音頻壓縮技術將會進行升級，而鑒於頻譜頻率的分配有限，故頻道數量可能出現增長，從而令本公司有機會扭轉於目前重新申請更換頻率中失去頻道的情況。

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In China and other Asian countries, the Company through its affiliate Silkwave has already owned one of the world's most powerful L-band satellite network with coverage over China and the Belt and Road countries, in addition to the necessary space and terrestrial technology, licenses, content and other partnerships brought by Silkwave to form a complete ecosystem to serve infotainment services to consumers and commercial businesses. It also acquired "Satellite+4G/5G" converged technology patents as well as AI-based cutting-edge autonomous-driving sensor technology. With the prevalence of 4G and coming 5G, Silkwave has developed groundbreaking technology that integrates our satellite broadcast with 4G/5G cellular deliveries on the same device, hence rendering our platform as part of 5G ecosystem. Taken together, it is well-poised to take the lead in supporting China's New Infrastructure development initiative in multiple dimensions.

Silkwave has also enlisted a top-tier investment bank to lead its fundraising campaign whose proceeds will be used to finance the construction of the next generation of satellites and related infrastructures, as well as fund operating cash flows. The new space infrastructure will replace the existing AsiaStar-based system and allow Silkwave to reach its full-service capability by expanding its service offerings once Silkwave enters full commercial service launch. Recently, Silkwave has entered framework contract with China Great Wall Industries Corporation to procure 2 new generation satellites covering from China to Asia, the Middle East, Africa, and Europe for BeltRoad new infrastructure and signed Memorandum of Understanding with Saudi partner to jointly invest in new satellite and develop connected-car service for the Middle East and Africa.

在中國和其他亞洲國家，本公司還通過其聯營公司Silkwave早已配備和擁有全球最強大之一及覆蓋中國和「一帶一路」沿線國家的L波段衛星網絡，「衛星+4G/5G」一體化的融合技術專利。除了具備必要的太空和地面技術外，Silkwave還帶來的牌照，內容和其他合作夥伴關係，形成了一個完整的生態系統，可以為消費者和商業業務提供信息娛樂服務。它還獲得了「衛星+4G/5G」融合技術專利以及突破性的人工智能駕駛感應科技。隨著4G的普及和5G的來臨，Silkwave開發了突破性的技術，該技術將我們的衛星廣播與4G/5G流動傳輸集於在同一設備上，從而使我們的平台成為5G生態系統的一部分。兩者合計，具多方面先發優勢率以支持國家新基建縱深發展。

Silkwave亦已選定一間頂尖投資銀行牽頭進行其集資活動，所得款項將用於撥付建造新一代衛星及相關基礎設施的成本以及為經營現金流量提供資金。新的太空基礎設施會更換現時基於AsiaStar的系統，將有助於Silkwave通過擴大服務範圍實現全面服務能力，屆時即可推出全部商業服務。最近，Silkwave與中國長城工業集團簽訂框架合同，採購兩顆新一代衛星，建設一個覆蓋中國、亞洲、中東、非洲、歐洲「一帶一路」的新基建項目，以及與一間來自沙特阿拉伯的集團簽訂合作備忘錄，共同投資於新衛星，為中東和非洲地區提供衛星車聯網多媒體服務。

Management Discussion and Analysis

管理層討論及分析

Trading Business

There are several factors which affect the business, including the stage of product life cycle for our clients' electronic products and consumer demands for these products, status of political relationship between countries, and changes in each country's regulations. With mobile devices reaching saturation in most western countries and the current state of trade tensions between the US and China, we anticipate our trading business will continue to face challenging times in the year ahead.

Development of Maritime Project

The Company has announced that it is developing a maritime satellite multimedia service for the South China Sea, which includes the Greater Bay Area and the Southern China Sea. The business is to target the millions of fishing boats, commercial freighters and cruise liners and the operators and passengers aboard these vessels. The area covers 9 million square miles and will be serviced by our AsiaStar satellite. This project aims to deploy our existing assets, technology and ecosystem of partners to market services over the maritime area as a business. The trial of such business is underway and commercial services could start in 2021.

The maritime project will be a validation of the Company's business model which showcases our technology to an international audience. It will be a testament of the business opportunities available beyond our initial investment in the vehicular multimedia infotainment technologies developed by Silkwave.

貿易業務

影響業務的因素有很多，包括客戶電子產品的產品生命週期階段和消費者對這些產品的需求，各國政治關係的狀況以及各國法規的變化。隨著大多數西方國家的移動設備達到飽和，以及中美之間目前的貿易緊張局勢，我們預計未來一年我們的貿易業務將繼續面臨挑戰。

開發海事項目

本公司已宣佈，其正為中國南海(包括大灣區及中國南海)開發海上衛星多媒體服務。該業務乃面向數百萬艘漁船、商業貨輪及郵輪以及該等船舶上的作業人員及乘客。所涉地區佔地九百萬平方英里，將由我們的亞洲之星衛星提供服務。該項目旨在將我們現有的資產、技術及合作夥伴的生態系統作為一項業務部署至覆蓋該海域的市場服務中。該業務正在試運行中，商業服務可能會於二零二一年開始提供。

海事項目將對本公司的商業模式進行檢驗，將向國際觀眾及聽眾展示我們的技術。這將證明我們除對由Silkwave開發的車載多媒體資料娛樂技術的最初投資以外，亦有能力利用其他商機。

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FUNDRAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Set out below is the fundraising activities of the Company during the past twelve months immediately prior to the date of this interim report:

本公司於前12個月內進行的集資活動

於緊接本中期報告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
公佈日期	事件	所得款項淨額	所得款項擬訂用途	於本中期報告日期所得款項實際用途
11 October 2019	Placing of 630,266,440 new shares under general mandate granted by the Shareholders at the annual general meeting on 29 May 2019	Approximately US\$2,810,000	General working capital for operations and business development	<ul style="list-style-type: none"> Administrative and operating expenses of US\$2,810,000
二零一九年十月十一日	根據股東於二零一九年五月二十九日之股東週年大會授出的一般授權配售630,266,440股新股份	約2,810,000美元	本集團的一般營運資金及業務發展	<ul style="list-style-type: none"> 行政及營運費2,810,000美元
10 March 2020	Issuance of 37,984,428 new shares pursuant to the Rights Issue	Approximately US\$2,990,000	General working capital for operations and business development	<ul style="list-style-type: none"> Administrative and other operations expenses of US\$560,000 Marketing development and promotion expenses of US\$674,000 General working capital of an associate of US\$128,000 Development of maritime project of US\$218,000 Unutilised proceeds held in the Group of US\$1,410,000
二零二零年三月十日	根據供股發行37,984,428股新股份	約2,990,000美元	本集團的一般營運資金及業務發展	<ul style="list-style-type: none"> 行政及其他營運開支560,000美元 市場開發及推廣開支674,000美元 聯營公司之一般營運資金128,000美元 開發海事項目：218,000美元 於本集團內未動用所得款項1,410,000美元

Management Discussion and Analysis

管理層討論及分析

Date of Announcement	Event	Net proceeds	Intended use of proceeds	Actual 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	於本中期報告日期所得款項實際用途
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\$2,920,000	Repayment of advances from shareholders and general working capital for operations	<ul style="list-style-type: none"> Repayment of advances from shareholders of US\$2,900,000 Administrative and other operations expenses of US\$20,000
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 2,920,000 美元	償還股東預付款及本集團的一般營運資金	<ul style="list-style-type: none"> 償還股東預付款 2,900,000 美元 行政及其他營運開支 20,000 美元

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

除上述者外，本公司於緊接本中期報告日期前十二個月內無進行任何其他集資活動。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2020, the interests and short positions of the Directors and chief executives of the Company in 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 for Securities Transactions by Directors of Listed Issuers (“Model Code”) were as follows:

Ordinary shares

Name of Director	Name of corporation	Capacity/nature of interest	Total number of ordinary shares held	Approximate percentage of interest
董事姓名	法團名稱	身份／權益性質	普通股總數	概約百分比
Mr. Wong Chau Chi	The Company	Interest of controlled corporation (Note)	63,353,286	23.25%
黃秋智先生	本公司	受控制公司權益(附註)		

Note: These shares are registered under the name of Chi Capital Holdings Ltd (“Chi Capital”), a company wholly owned by Mr. Wong Chau Chi (“Mr. Wong”) and he was the sole shareholder and director of Chi Capital. Under the SFO, Mr. Wong was deemed to be interested in all the shares held by Chi Capital.

董事及主要行政人員於股份的權益

於二零二零年六月三十日，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上市發行人董事進行證券交易的標準守則(「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

附註：該等股份以 Chi Capital Holdings Ltd (「Chi Capital」) 的名義登記。Chi Capital 為黃秋智先生(「黃先生」)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，黃先生被視為於 Chi Capital 持有的所有股份中擁有權益。

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

Save 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 30 June 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，於二零二零年六月三十日，概無本公司董事、主要行政人員或彼等的聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、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。

Other Information 其他資料

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, the register of the Company's substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors or chief executives of the Company, the following shareholders of the Company 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.

主要股東

於二零二零年六月三十日，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，以下本公司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或淡倉。

Name of shareholder 股東名稱	Capacity/nature of interest 身份／權益性質	Number of ordinary shares 普通股總數 (Note 1) (附註1)	Approximate percentage of interest 權益概約百分比
Chi Capital Chi Capital	Beneficial owner (Note 2) 實益擁有人(附註2)	63,353,286 (L)	23.25%
Mr. Wong 黃秋智先生	Interest of controlled corporation (Note 2) 受控制公司權益(附註2)	63,353,286 (L)	23.25%

Notes:

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

附註：

- 「L」指該等人士於本公司股份的好倉。
- 該等股份以 Chi Capital 的名義登記。Chi Capital 為黃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，黃先生被視為於 Chi Capital 持有的所有股份中擁有權益。

Save 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 or 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 30 June 2020.

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)於二零二零年六月三十日在本公司根據證券及期貨條例第336條規定存置的登記冊中記錄的本公司或其相聯法團任何股份、相關股份或債券中擁有權益或淡倉。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the paragraph “SHARE OPTIONS” held under section headed “Management Discussion and Analysis”, at no time during the Period 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 CONTRACTS OF SIGNIFICANCE

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 Period or at any time during the Period.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Period, the Company has adopted a code of conduct regarding the Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers 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 Period and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Period.

購買股份或債券的安排

除於「管理層討論及分析」一節下「購股權」一段所披露者外，本期間內任何時間，本公司或其任何附屬公司概無訂立任何安排，以便董事藉收購本公司或任何其他法人團體的股份或債券而獲益。

董事於重大合約的權益

本公司或其任何附屬公司概無於本期間結束或本期間任何時間訂立任何董事直接或間接於其中擁有重大權益的重大合約。

購買、出售或贖回本公司的上市證券

本期間內，本公司或其任何附屬公司均無購買、出售或贖回本公司的上市證券。

董事進行證券交易的標準守則

本期間內，本公司已採納董事進行證券交易的行為準則，有關條款與上市規則附錄十所載上市公司董事進行證券交易的標準守則規定的標準同樣嚴格。本公司已向所有董事作出具體查詢，查詢其於本期間內有否違反標準守則，所有董事確認於本期間內一直遵守標準守則所載的規定準則。

Other Information 其他資料

CODE ON CORPORATE GOVERNANCE (“CG CODE”)

The Directors recognise the importance of incorporating elements of good corporate governance in the management structure and internal control procedures of the Group so as to achieve effective accountability and to maximise the shareholders’ benefits. 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.

During the Period, the Company has fully complied with the requirements under the CG Code, except for the deviation from Code Provision A.2.1 of the CG Code. The Company had been deviated from the Code Provision A.2.1 of CG Code, as the roles of chairman and chief executive officer of the Company were not separate. With effect on 19 May 2008, Mr. Wong had been re-designated as the chairman of the Company and Mr. Wong also remains as the chief executive officer of the Company. According to the Code Provision A.2.1 of the CG Code, the roles of a chairman and a chief executive officer 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 year 2007, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the Board considers that it would benefit the Group if Mr. Wong is also in charge of overseeing the Company’s operations as its 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.

Dr. Wang Wei-Lin (“Dr. Wang”) resigned as an independent non-executive Director (“INED”) and ceased to be a member of remuneration committee, with effect from 1 June 2020. Following his resignation, the Company has only two INEDs which does not meet the requirement under Rule 3.10(1) of the Listing Rules.

The Company will identify a suitable candidate for the position of independent non-executive director of the Company within three months from the effective date of Dr. Wang’s resignation to comply with the requirements of Rule 3.10(1) of the Listing Rules. Further announcement will be made by the Company as and when appropriate. Further, with effect from 1 June 2020, Dr. Li Jun has been appointed as the chairman of the remuneration committee in place of Dr. Wang.

企業管治守則

董事深信本集團的管理架構及內部監控程式必須具備優良的企業管治元素，方可促成有效問責，實現股東利益最大化。董事會將繼續檢討及改善本公司的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的監管。

本期間內，本公司已完全遵守企業管治守則的規定，惟偏離企業管治守則的守則條文A.2.1條。本公司已偏離企業管治守則的守則條文A.2.1條，因為本公司的主席及行政總裁兩職並無獨立分開。自二零零八年五月十九日起，黃先生已重新調任為本公司主席，並且黃先生亦仍為本公司行政總裁。根據企業管治守則的守則條文A.2.1條，主席兼行政總裁兩職應獨立分開且不應由同一人擔任。鑒於黃先生在本集團業務擁有廣泛經驗並自二零零七年加入本公司以來一直表現理想，並以招攬具可能性的新業務機遇及為本公司未來發展推究整體策略計劃方面尤為突出，董事會認為，倘若黃先生同時以主席的身份負責監督本公司的運作，則對本集團有利。董事會認為，這樣的架構不會損害董事會與本集團管理層之間的權力及權限平衡。董事會將定期檢討這個安排的有效性。

王偉霖博士(「王博士」)已辭任獨立非執行董事(「獨立非執行董事」)職務，並已不再擔任董事會的薪酬委員會成員，均自二零二零年六月一日起生效。自王博士辭任後，本公司只有兩名獨立非執行董事，不符合上市規則第3.10(1)條的規定。

本公司將竭盡全力，於王博士辭任生效日期起計三個月內物色適合人選以填補第三名獨立非執行董事的空缺，以符合企業管治守則第3.10(1)條的規定。本公司將於適當時候作進一步公告。此外，自二零二零年六月一日起，李珺博士已獲委任為薪酬委員會主席，以替任王博士。

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company deeply understands that shareholders are entitled to have a better understanding of the business and prospect of the Group. Therefore, the Company always makes active communication with investment community. Shareholder communication policy has been adopted to regulate and promote the efficient and sound communication among the Company, its shareholders and other stakeholders. The policy can be accessed on the Group's website.

AUDIT COMMITTEE

The Audit Committee comprises of Dr. Li Shan and Dr. Li Jun, being independent non-executive Directors and Mr. Chou Tsan-Hsiung, a non-executive Director. Currently, Dr. Li Shan is the chairman of the Audit Committee. The Audit Committee has reviewed and discussed, with the management, the accounting principles and policies, internal controls and financial reporting adopted by the Group, and the unaudited condensed consolidated financial statements for the Period and recommended its adoption by the Board.

The unaudited condensed consolidated financial statements for the Period was approved by the Board on 24 August 2020.

For and on behalf of the Board
Wong Chau Chi
Chairman

Hong Kong, 24 August 2020

投資者關係及股東溝通

本公司深明股東有權對本集團業務及前景有更多瞭解，故本公司一直採取積極態度與投資大眾溝通。本公司已採納股東溝通政策，以規範和促進本公司、股東與其他利益相關持份者之間的有效健康溝通。該政策可在本集團網站上查閱。

審核委員會

審核委員會由獨立非執行董事李山博士及李珺博士以及非執行董事周燦雄先生組成。目前，李山博士為審核委員會主席。審核委員會與管理層已審閱及討論本集團所採納的會計原則及政策、內部監控措施及財務申報，以及本期間的未經審核簡明綜合財務報表，並已建議董事會採納。

董事會已於二零二零年八月二十四日批准本期間的未經審核簡明綜合財務報表。

代表董事會
主席
黃秋智

香港，二零二零年八月二十四日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
		NOTES 附註	
Revenue	收入	3	3,026
Cost of sales	銷售成本		(1,640)
Gross profit	毛利		1,386
Other income	其他收入	4	480
Administrative expenses	行政開支		(740)
Market development and promotion expenses	市場開發及推廣開支		(674)
Finance costs	財務成本	5	(2,722)
Other expenses	其他開支		(81)
Share of results of an associate	應佔聯營公司的虧損		(6,578)
Impairment loss recognised on intangible assets	無形資產減值虧損		(7,000)
Gain on redemption of convertible notes	贖回可換股票據的 收益		-
			<u>1,639</u>
Loss before tax	除稅前虧損		(15,929)
Income tax expense	所得稅開支	6	(236)
Loss for the period	期內虧損	7	(16,165)
Other comprehensive (expense) income	其他全面(開支)收入		
Items that may be subsequently reclassified to profit or loss:	期後可重新分類至 損益的項目：		
Exchange differences arising on translation of foreign operations	換算海外業務時 產生的匯兌差額		(406)
			<u>170</u>
Total comprehensive expense for the period	期內全面開支總額		(16,571)
(Loss) profit for the period attributable to:	以下人士應佔期內(虧損) 溢利：		
- Owners of the Company	- 本公司擁有人		(14,864)
- Non-controlling interests	- 非控股權益		(1,301)
			<u>58</u>
Loss for the period	期內虧損		(16,165)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
		NOTES 附註	
Total comprehensive (expense) income attributable to:	以下人士應佔全面(開支)收入總額：		
– Owners of the Company	– 本公司擁有人	(15,270)	(6,863)
– Non-controlling interests	– 非控股權益	(1,301)	58
Total comprehensive expense for the period	期內全面開支總額	(16,571)	(6,805)
		US cents 美仙	US cents 美仙 (Restated) (重列)
Loss per share	每股虧損		
– Basic	– 基本	8	(7.00)
– Diluted	– 攤薄		(4.47)
			(7.00)
			(5.34)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020

於二零二零年六月三十日

			30 June 2020 六月三十日 二零二零年	31 December 2019 十二月三十一日 二零一九年
		NOTES 附註	US\$'000 千美元	US\$'000 千美元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備		278	367
Intangible assets	無形資產	10	73,564	80,564
Interests in an associate	於聯營公司的權益	11	217,723	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		1,050	1,050
Rights-of-use assets	使用權資產		417	478
			<u>293,032</u>	<u>306,760</u>
CURRENT ASSETS				
流動資產				
Trade and other receivables	貿易及其他應收款項	12	939	1,352
Amount due from a related company	應收關連公司款項	14	2,538	6,662
Amount due from an associate	應收聯營公司款項	14	797	947
Bank balances and cash	銀行結餘及現金		1,724	342
			<u>5,998</u>	<u>9,303</u>
CURRENT LIABILITIES				
流動負債				
Trade and other payables	貿易及其他應付款項	13	3,655	3,873
Lease liabilities	租賃負債		299	236
Amount due to shareholders	應付股東款項	14	6,698	12,992
Tax payable	應付稅項		574	339
			<u>11,226</u>	<u>17,440</u>
NET CURRENT LIABILITIES	流動負債淨值		<u>(5,228)</u>	<u>(8,137)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<u>287,804</u>	<u>298,623</u>
NON-CURRENT LIABILITIES				
非流動負債				
Convertible notes	可換股票據	15	50,481	47,773
Lease liabilities	租賃負債		182	283
			<u>50,663</u>	<u>48,056</u>
NET ASSETS	資產淨值		<u>237,141</u>	<u>250,567</u>

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2020
於二零二零年六月三十日

			30 June 2020 六月三十日 二零二零年	31 December 2019 十二月三十一日 二零一九年
		NOTES 附註	US\$'000 千美元	US\$'000 千美元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	16	5,821	4,853
Share premium and reserves	股份溢價及儲備		<u>209,607</u>	<u>222,700</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益		<u>215,428</u>	<u>227,553</u>
Non-controlling interests	非控股權益		<u>21,713</u>	<u>23,014</u>
TOTAL EQUITY	總權益		<u><u>237,141</u></u>	<u><u>250,567</u></u>

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

		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	Accumulated profit (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	累計盈利(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
As at 31 December 2019 (audited)	於二零一九年十二月三十一日(經審核)	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 period	期內虧損	-	-	-	-	-	-	-	-	(14,864)	(14,864)	(1,301)	(16,165)
Exchange differences arising on translation of foreign operations	換算海外業務時產生的匯兌差額	-	-	-	-	-	-	-	(406)	-	(406)	-	(406)
Total comprehensive expenses for the period	期內全面開支總額	-	-	-	-	-	-	-	(406)	(14,864)	(15,270)	(1,301)	(16,571)
Issue of shares by rights issue	以供股方式發行股份	968	2,022	-	-	-	-	-	155	-	3,145	-	3,145
As at 30 June 2020 (unaudited)	於二零二零年六月三十日(未經審核)	5,821	41,780	31,987	129,757	193	2,110	47,001	(257)	(42,964)	215,428	21,713	237,141
As at 31 December 2018 (audited)	於二零一八年十二月三十一日(經審核)	3,966	36,925	31,987	129,757	-	2,110	54,670	(363)	304	259,356	26,477	285,833
(Loss) profit for the period	期內(虧損)溢利	-	-	-	-	-	-	-	-	(7,033)	(7,033)	58	(6,975)
Exchange differences arising on translation of foreign operations	換算海外業務時產生的匯兌差額	-	-	-	-	-	-	-	170	-	170	-	170
Total comprehensive income (expenses) for the period	期內全面收入(開支)總額	-	-	-	-	-	-	-	170	(7,033)	(6,863)	58	(6,805)
Issue of shares by placement	以配股方式發行股份	84	826	-	-	-	-	-	-	-	910	-	910
Recognition of equity-settled share-based payment expenses	確認以股權結算以股份為基礎的付款開支	-	-	-	-	193	-	-	-	-	193	-	193
Release upon redemption of convertible notes	於贖回可換股票據時解除	-	-	-	-	-	-	(3,887)	-	-	(3,887)	-	(3,887)
As at 30 June 2019 (unaudited)	於二零一九年六月三十日(未經審核)	4,050	37,751	31,987	129,757	193	2,110	50,783	(193)	(6,729)	249,709	26,535	276,244

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Net cash generated from (used in) operating activities	經營活動所得(所用)現金淨額	923	(2,746)
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	-	(1)
Interest received	已收利息	-	1
Net cash used in investing activities	投資活動所用現金淨額	-	-
Financing activities	融資活動		
Proceeds from issue of shares	發行股份的所得款項	3,145	910
Transaction cost paid	已支付交易開支	(155)	-
Receipt from related companies	收到關連公司款項	4,124	6,363
(Repayment of) advance from shareholders	(償還)獲得股東墊款	(6,294)	2,464
Redemption of convertible notes	贖回可換股票據	-	(7,920)
Principal element of lease payment	償還租賃付款之本金部分	(107)	-
Interest paid	已付利息	(1)	-
Net cash from financing activities	融資活動所得現金淨額	712	1,817
Net increase (decrease) in cash and cash equivalents	現金及等同現金項目增加(減少)淨額	1,635	(929)
Cash and cash equivalents at beginning of the period	期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	(253)	170
Cash and cash equivalents at end of the period	期末的現金及等同現金項目	1,724	1,601

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The consolidated financial statements have been prepared on a going concern basis. In preparing the consolidated financial statements, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of approximately US\$16,165,000 for the six months ended 30 June 2020 (the “Period”) and the Group’s net current liabilities of approximately US\$5,228,000 as at 30 June 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) On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares at the subscription price of HK\$0.50 per subscription share for an aggregate consideration of approximately HK\$22,706,440. 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.
- b) Chi Capital Holdings Ltd (“Chi Capital”) being a company wholly owned by Mr. Wong Chau Chi and a substantial shareholder of the Company has agreed to provide continuous financial support to enable the Group to meet its financial obligations as they fall due in the foreseeable future.

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

1. 編製基準

簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十六所載的適用披露規定編製。

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」)已因應本集團於截至二零二零年六月三十日止六個月(「本期間」)產生虧損約16,165,000美元及本集團於二零二零年六月三十日的流動負債淨值約5,228,000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) 於二零二零年七月二日，本公司與認購人訂立認購協議，按認購價為每股認購股份0.50港元，認購合共45,412,879股新股份，總代價約為22,706,440港元(「配股」)。認購事項已於二零二零年七月十三日完成。所得款項用作償還股東預付款及加強本公司一般營運資金。
- b) Chi Capital Holdings Ltd (「Chi Capital」)乃一間由黃秋智先生全資擁有的公司及本公司主要股東，已同意持續提供財務援助，以使本集團可於可預見的將來履行其到期的財務責任。

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 Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019 ("2019 Annual Report").

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9 HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 16	COVID-19 Related Rent Concessions*

* Early adopted by the Group in current period's financial statements.

Except as described below, the application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策

簡明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的若干財務工具除外。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。

除下文所述者外，截至二零二零年六月三十日止六個月的簡明綜合財務報表採納的會計政策及計算方法與編製本集團截至二零一九年十二月三十一日止年度的年度合併財務報表（「2019年報」）所採用者一致。

於本中期期間，本集團已首次採納下列由香港會計師公會頒布的經修訂香港財務報告準則（「香港財務報告準則」），以編製本集團之簡明綜合財務報表：

香港財務報告準則 第3號修訂	業務之定義
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	利率基準改革
香港會計準則 第1號及香港 會計準則第8號 修訂	重大之定義
香港財務報告準則 第16號修訂	COVID-19相關 租金寬減*

* 獲本集團於當前期間之財務報表提早採納。

除下文所述者外，於本中期期間應用該等香港財務報告準則的修訂對此等簡明綜合財務報表所呈報之金額及／或所載披露資料並無重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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; (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\$73,000 to profit or loss for the rent concessions received by the Group during the period.

The Group has not adopted any other standard, interpretation or amendment that has been issued but has not yet been effective.

2. 主要會計政策(續)

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二零二零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，本集團將於期內獲得之租金寬減73,000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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. CMMB business – Provision of transmitting and broadcasting of television (“TV”) programs.
2. Trading business – Trading of printed circuit board (“PCB”) materials.

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

Six months ended 30 June 2020

		CMMB business CMMB業務 US\$'000 千美元 (unaudited) (未經審核)	Trading business 貿易業務 US\$'000 千美元 (unaudited) (未經審核)	Total 總計 US\$'000 千美元 (unaudited) (未經審核)
Segment revenue	分部收入	2,127	899	3,026
Segment loss	分部虧損	(5,602)	(22)	(5,624)
Market development and promotion expenses	市場開發及推廣開支	(674)	–	(674)
Effective interest on convertible notes	可換股票據的實際利息開支	(2,708)	–	(2,708)
Share of results of an associate	應佔聯營公司的虧損	(6,578)	–	(6,578)
Other income	其他收入			480
Unallocated expenses	未分配開支			(1,061)
Loss for the period	期內虧損			(16,165)

3. 收入與分部資料

根據香港財務報告準則第8號，本集團的可呈報分部及經營分部如下：

1. CMMB業務 – 提供傳輸及播放電視節目。
2. 貿易業務 – 印刷線路板材料貿易。

下表載列按可呈報分部及經營分部劃分的本集團收入及業績分析：

截至二零二零年六月三十日止六個月

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020

截至二零二零年六月三十日止六個月

3. REVENUE AND SEGMENT INFORMATION (Continued)

Six months ended 30 June 2019

3. 收入與分部資料(續)

截至二零一九年六月三十日止六個月

		CMMB business CMMB業務 US\$'000 千美元 (unaudited) (未經審核)	Trading business 貿易業務 US\$'000 千美元 (unaudited) (未經審核)	Total 總計 US\$'000 千美元 (unaudited) (未經審核)
Segment revenue	分部收入	1,965	1,352	3,317
Segment profit (loss)	分部溢利(虧損)	953	(39)	914
Market development and promotion expenses	市場開發及推廣開支	(1,028)	-	(1,028)
Effective interest on convertible notes	可換股票據的實際利息開支	(2,798)	-	(2,798)
Share of results of an associate	應佔聯營公司的虧損	(4,689)	-	(4,689)
Gain on redemption of convertible notes	贖回可換股票據的收益	1,639	-	1,639
Interest income	利息收入			1
Unallocated expenses	未分配開支			(1,014)
Loss for the period	期內虧損			(6,975)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) from each segment after tax without allocation of other income and central administration expenses. This is the measure reported to the executive directors for the purpose of resources allocation and performance assessment.

經營分部的會計政策與本集團會計政策一致。分部溢利(虧損)指來自各分部的溢利(虧損)，不考慮分配其他收入及中央行政開支。此乃就資源分配及表現評估而言向執行董事報告的標準。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

3. **REVENUE AND SEGMENT INFORMATION** (Continued)
Revenue from major products and services
The following is an analysis of the Group's revenue from its major products and services:

3. **收入與分部資料** (續)
來自主要產品及服務的收入
本集團來自其主要產品及服務的收入分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Transmission and broadcasting of TV programs	傳輸及播放電視節目	2,127	1,965
Trading of PCB Materials	印刷線路板材料貿易	899	1,352
		<u>3,026</u>	<u>3,317</u>

4. OTHER INCOME

4. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Derecognition of payable	終止確認應付款項	345	—
COVID-19 related rent concessions and subsidies	與COVID-19相關的租金優惠和補貼	135	—
Bank interest income	銀行利息收入	—	1
		<u>480</u>	<u>1</u>

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

5. FINANCE COSTS

Effective interest expense on convertible notes 可換股票據的實際利息開支
Interest expenses on lease liabilities 租賃負債利息開支
Bank interest expense on bank overdrafts 銀行利息費用

5. 財務成本

Six months ended 30 June 截至六月三十日止六個月	
2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
2,708	2,798
13	–
1	–
<u>2,722</u>	<u>2,798</u>

6. INCOME TAX EXPENSE

Current tax:
US Income Tax

本期稅項：
美國所得稅

6. 所得稅開支

Six months ended 30 June 截至六月三十日止六個月	
2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
236	69

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6. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2019: 16.5%) on the estimated assessable profits for the period, 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 periods. In addition, the directors considered that the two-tiered profits tax rates regime is not applicable to any entity within the Group for the six months ended 30 June 2020.

For the six months ended 30 June 2020, US Income Tax of US\$236,000 is calculated at 24% (six months ended 30 June 2019: US\$69,000; 24%) on the estimated assessable profits.

Taiwan Income Tax is charged at 17% on the estimated assessable profits for both periods. No provision for Taiwan Income Tax has been made as the Group does not have assessable profit arising in Taiwan for both periods.

Under the law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and the 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 condensed consolidated financial statements as all of the PRC subsidiaries do not have taxable income for both periods.

6. 所得稅開支(續)

於期內，香港利得稅按估計應課稅溢利16.5% (截至二零一九年六月三十日止六個月：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。新的兩級利得稅率制度，自2018/2019課稅年度起生效。本集團於兩個期內並無香港的應課稅溢利，故並無就香港利得稅作出撥備。此外，董事認為兩級利得稅率制度於二零二零年六月三十日止六個月並不適用於本集團內的任何一間實體。

截至二零二零年六月三十日止六個月，美國所得稅236,000美元按估計應課稅溢利24% (截至二零一九年六月三十日止六個月：69,000美元；24%) 的稅率計算。

於兩個期間，台灣所得稅按17%的現行稅率計算。本集團於兩個期間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期間內並無應課稅收入，故並無於綜合財務報表中作出中國所得稅撥備。

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7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

7. 期內虧損

經扣除以下項目後達致的期內虧損：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Staff costs, including Directors' remuneration and retirement benefits scheme contributions	員工成本，包括董事酬金及退休福利計劃供款	507	757
Depreciation of property, plant and equipment	物業、廠房及設備折舊	90	114
Depreciation of rights-of-use-assets	使用權資產折舊	130	134
Share-based payment expense	以股份為基礎的付款開支	-	193
Included in other expenses:	計入其他開支：		
Legal and professional fees	法律及專業費用	99	119
Exchange (gain) loss, net	匯兌(收益)虧損淨額	(2)	5

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8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributed to the owners of the Company was based on the following data:

8. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Loss	虧損		
Loss for the period attributable to the owners of the Company for the purposes of 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期內虧損	(14,864)	(7,033)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
- Interest on convertible notes	- 可換股票據的實際利息	-	114
- Gain on redemption of convertible notes	- 贖回可換股票據的收益	-	(1,525)
		<u>(14,864)</u>	<u>(8,444)</u>
Loss for the period attributable to the owners of the Company for the purposes 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期內虧損	(14,864)	(8,444)
		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (unaudited) (未經審核)	2019 二零一九年 (unaudited) (未經審核) (Restated) (經重列)
Number of shares	股份數目		
Number of ordinary shares for the purposes of 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	212,455,003	157,201,557
Effect of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
- Convertible notes	- 可換股票據	-	1,062,624
		<u>-</u>	<u>1,062,624</u>
Number of ordinary shares for the purposes of diluted 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>212,455,003</u>	<u>158,264,181</u>

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8. LOSS PER SHARE (Continued)

Adjustment has been made to the basic loss per share amount for the six months ended 30 June 2019 in respect of a dilution because the diluted loss per share amount is increased when taking convertible notes into account, so the convertible notes have a dilutive effect.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the six months ended 30 June 2019 has been adjusted for the effect of share consolidation completed on 12 November 2019.

As the rights issue on the basis of one rights 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 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 six months ended 30 June 2020 and 2019 are not required to be adjusted for the effect of the Rights Issue.

9. DIVIDENDS

No dividend was declared by the Company during the six months ended 30 June 2020 and 2019.

8. 每股虧損(續)

截至二零一九年六月三十日止六個月的每股基本虧損金額已就稀釋而作出調整，因為考慮可換股票據時每股攤薄虧損金額增加，因此可換股票據具有攤薄影響。

用作計算截至二零一九年六月三十日止年度的每股基本及攤薄虧損的普通股加權平均數已追溯調整，以反映於二零一九年十一月十二日完成的股份合併的影響。

於二零二零年三月十一日，按記錄日期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港元完成之供股(「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六月三十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追溯調整以反映該次供股的影響。

9. 股息

截至二零二零年及二零一九年六月三十日止六個月，本公司並無宣派股息。

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10. INTANGIBLE ASSETS

10. 無形資產

		Spectrum Usage rights 頻譜使用權 US\$'000 千美元	Licensing rights 特許使用權 US\$'000 千美元	Total 總計 US\$'000 千美元
Cost	成本			
At 31 December 2019 and 30 June 2020	於二零一九年十二月三十一日 及二零二零年六月三十日	108,937	1,533	110,470
Accumulated amortisation/impairment	累計攤銷及減值			
At 31 December 2019	於二零一九年十二月三十一日	28,373	1,533	29,906
Impairment recognised for the period	期內無形資產減值虧損	7,000	-	7,000
At 30 June 2020	於二零二零年六月三十日	<u>35,373</u>	<u>1,533</u>	<u>36,906</u>
Carrying Value	賬面值			
At 30 June 2020	於二零二零年六月三十日	<u>73,564</u>	-	<u>73,564</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>80,564</u>	-	<u>80,564</u>

As disclosed in note 18 of the 2019 Annual Report, 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 revenue stream of spectrum usage rights is composed of (a) actual revenue from existing lease contracts; (b) advertising income and (c) expected income from increase in utilisation of the unutilised capacity.

誠如2019年報附註18所述，頻譜使用權指美國八大都會城市（即紐約、洛杉磯、三藩市、達拉斯、休斯敦、亞特蘭大、邁阿密和坦帕）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。頻譜使用權的收入流包括：(a)從現有租賃合同的實際收入；(b)廣告收入和(c)增加實現使用閒置頻譜容量的預期收入。

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10. INTANGIBLE ASSETS (Continued)

As a result of the outbreak of COVID-19 pandemic as discussed on page 7 of section headed “Impairment of assets” under “Management Discussion and Analysis”, the expected revenue stream from (b) advertising income and (c) increase in utilisation of the unutilised capacity is not materialized as planned. Accordingly, the management conducted an internal impairment assessment on the spectrum usage rights on the reporting date which has not reviewed by independent professional valuer. The directors determined that there is an impairment loss of US\$7,000,000 (six months ended 30 June 2019: nil) recognised for the Period for the spectrum usage rights by reference to the value in use (“VIU”) calculation.

Furthermore, the fair value less cost of disposal is not available as the Federal Communications Commission (“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.

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 VIU calculation is based on the revised financial budgets approved by the management which assumes the current contracted capacity will continue for the next three-years with fill rate of 40% (2019: 40%), while the unutilised capacity will be filled at 10% (2019: 10%) increments per quarter until the utilisation rate of unutilised capacity reaches a 69% (2019: 78%) filled rate in the third-year. Nevertheless, the terminal-year fill rate of 80% (2019: 95%) was assumed for both contracted and unutilised capacities.

10. 無形資產(續)

誠如於第7頁「管理層討論與分析」一節下「資產減值」一段所述，由於COVID-19大規模的爆發，從(b)廣告收入和(c)對實現使用閒置頻譜容量的預期收入流未按計劃實現。因此，管理層就頻譜使用權於報告日進行內部減值評估(未經獨立專業評估師審閱)。經參考使用價值計算法，董事認為頻譜使用權於本期間之減值虧損為7,000,000美元(截至二零一九年六月三十日止六個月：無)。

由於美國聯邦通信委員會(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。

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。使用價值計算法乃根據管理層批准的經修訂財務預算計算，且假設已使用頻譜容量在未來三年將繼續維持40%使用率(二零一九年：40%)；而閒置頻譜容量將以10%(二零一九年：10%)的增長率按季度使用，直至閒置頻譜容量的使用率達到第三年的69%(二零一九年：78%)使用率。但是，使用和閒置頻譜容量的終端年使用率為80%(二零一九年：95%)。

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10. INTANGIBLE ASSETS (Continued)

The post-tax discount rate of 8.13% (2019: 8.34%) is determined based on the weighted average cost of capital appropriate for the spectrum usage rights. The cost of equity of 9.24% (2019: 8.62%) for the year is calculated by: (i) the risk free rate of 0.66% (2019: 1.92%), which is the 10 year average yield of US Government Bond Benchmark Yield Curve; (ii) the equity beta of 1.20 (2019: 0.97), which is the adjusted beta by making reference to publicly listed companies with comparable business nature and operation; 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.

Through the analysis of the industry comparables, the weight of debt and equity is estimated as 46% (2019: 46%) and 54% (2019: 54%) respectively. The corporate tax rate and specific risk premium applied remain unchanged at 24% and 2% respectively. The spectrum usage rights' cash flow beyond the three-year period (2019: three year period) are extrapolated using a steady growth rate of 2.31% (2019: 2.32%) per annum. This growth rate is based on projected inflation published by the International Monetary Fund.

Other key assumptions for the VIU calculations relate to the estimation of cash inflows/outflows which included budgeted lease income and gross margin. Such estimation is based on the past performance and management's expectations. 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.

10. 無形資產(續)

稅後貼現率8.13% (二零一九年: 8.34%) 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9.24% (二零一九年: 8.62%) 的計算方法如下: (i) 無風險利率為0.66% (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) 權益啤打係數為1.20 (二零一九年: 0.97), 是具有可比業務性質和運營的上市公司的經調整後之啤打係數; (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46% (二零一九年: 46%) 和54% (二零一九年: 54%)。適用的公司稅率和特定風險溢價保持不變, 分別為24%和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2.31% (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。

使用價值計算法的其他主要假設與估計現金流入/流出有關, 當中包括預算租賃收入及毛利。有關估計乃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水平一直保持一致, 以支持正在進行的運營工作等。

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11. INTERESTS IN AN ASSOCIATE

Initial cost of unlisted investment in an associate	非上市聯營公司的初次投資成本
Share of result of an associate	應佔聯營公司的業績

The Company completed the acquisition of 20% equity interest in Silkwave Holdings Limited (“Silkwave”) with a call option to acquire additional 31% equity interest in Silkwave (“Call Option”) on 29 May 2018. 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, in order to provide multimedia broadcasting and internet-based content delivery services to vehicles and mobile devices in China and Asia Pacific Region.

11. 於聯營公司的權益

30 June 2020 二零二零年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元 (audited) (經審核)
238,350	238,350
(20,627)	(14,049)
<u>217,723</u>	<u>224,301</u>

於二零一八年五月二十九日，本公司完成收購20% Silkwave Holdings Limited (「Silkwave」) 及獲得其額外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。

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11. INTERESTS IN AN ASSOCIATE (Continued)

With the already acquired global L-band mobile broadcasting satellite assets, Silkwave has been developing core technologies for satellite + LTE (4G and 5G) convergence. Working with multiple Chinese government agencies and industry groups Silkwave has developed a nationwide satellite – LTE Converged™ network for multimedia delivery, end-to-end ecosystem solutions, and operating partnerships with broadcasting authorities for service deployment. Its development highlights include the terminal device solution TM-Box coupled with Xingyun user interface which is being promoted to be China's industry standard for vehicular multimedia, with multiple OEM automakers having expressed interest to design-in such standard into new vehicle series. Silkwave has also integrated Beidou satellite system to create centimetre-level high-precision positioning solutions for vehicle navigation. In addition, Silkwave has completed multiple stages of technical trial services over 14 provinces and 1 million kilometres in road test in China, as well as over vast regions over the South China Sea.

The share of loss of Silkwave for the Period increased by 40.3% to US\$6,578,000 (six months ended 30 June 2019: US\$4,689,000). The increase mainly represents the write-off of deposit paid to The Boeing Company (“Boeing”) for the construction of Silkwave-1 satellite, which amounted to US\$2,160,000 (20% share of the deposit of US\$10,800,000). Given the recent U.S. technology transfer restrictions such as the adoption of H.R. 6388, the Space Technology Advancement Report (STAR) Act of 2020, into the National Defense Authorization Act (NDAA), has limited the non-American company to hold the American space-based assets, it is an indicator that Silkwave is likely unable to launch the new satellite to be constructed by Boeing as previously planned.

Further, the outbreak of COVID-19 (led to extraordinary disruptions to overall business activities in the PRC and Silkwave is no exception. Silkwave's offices, research facilities and most of the testing venues were instructed to close temporarily during February and March of 2020. Silkwave's offices resumed operations in early March 2020 and the research facilities operated by the first week of April 2020. These government mandated closures of business operations and disruptions affected the Silkwave's research and fundraising schedule which inevitably impacted on the Silkwave's financial results and liquidity position in the first half of 2020.

11. 於聯營公司的權益(續)

Silkwave憑藉已收購的全球L波段移動廣播衛星資產，一直在開發用於衛星+LTE (4G和5G)融合的核心技術。它與多家中國政府機構和行業組織合作，開發了全國性衛星+LTE Converged™網絡，用於多媒體交付、端到端生態系統解決方案，以及為與廣播機構的運營合作夥伴關係進行服務部署。它的發展亮點包括終端設備解決方案TM-Box和星雲用戶界面。星雲用戶界面正被推廣為中國的汽車多媒體的行業標準，多家OEM汽車製造商已經表示有興趣將這種標準納入到新汽車系列的設計當中。Silkwave還集成了北斗衛星系統，創建用於車輛導航達厘米級的高精度定位解決方案。此外，Silkwave已在中國的14個省以及南海廣大地區，完成了100萬公里路試的多階段技術試驗服務。

本期間應佔Silkwave虧損增加40.3%至6,578,000美元(截至二零一九年六月三十日止六個月: 4,689,000美元)。該增加主要是為建造Silkwave-1衛星而支付給波音公司(「波音」)的按金沖銷，金額為2,160,000美元(即按金10,800,000美元的20%)。鑑於最近美國技術轉讓限制(例如將二零二零年《太空技術進程報告(STAR)法案》H.R.6388版本，納入《國防授權法案》(NDAA)，限制非美國公司持有美國製的太空資產，這表明Silkwave很有可能未能按原計劃發射波音製造的新衛星。

此外，COVID-19的爆發導致中國整體業務活動異常中斷，Silkwave也不例外。Silkwave的辦公室、研究設施和大多數測試場所在二零二零年二月和三月被指示暫時關閉。Silkwave的辦公室於二零二零年三月上旬恢復運營、研究設施在二零二零年四月的第一個星期開始重新運營。這些政府要求關閉企業運營和業務中斷影響了Silkwave的研究和融資計劃，這無可避免地影響了Silkwave二零二零年上半年的財務業績和流動資金。

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12. TRADE AND OTHER RECEIVABLES

The Group generally allows credit period between 60 to 120 days to its customers of CMMB Business and Trading Business. The trade receivables are due from one customer under Trading Business (31 December 2019: one) and three customers under CMMB business as at 30 June 2020 (31 December 2019: nil).

The aged analysis of trade receivables, presented based on invoice date, which approximated to the respective revenue recognition dates, at the end of the reporting period are as follows:

Trade receivables:	貿易應收款項：
0-30 days	0-30日
31-60 days	31-60日
61-90 days	61-90日
Other receivables and deposits	其他應收款項及按金
Prepayment	預付款項

12. 貿易及其他應收款項

本集團一般給予其CMMB業務及貿易業務的客戶的賒賬期為60至120日。於二零二零年六月三十日，貿易業務持有一名客戶(二零一九年十二月三十一日：一名)及CMMB業務持有三名客戶(於二零一九年十二月三十一日：無)的應收款項。

本集團於報告期末的貿易應收款項按發票日期(與其各自的收益確認日期相近)的賬齡分析如下：

30 June 2020 二零二零年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元 (audited) (經審核)
242	226
-	645
567	349
809	1,220
109	129
21	3
939	1,352

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13. TRADE AND OTHER PAYABLES

The average credit period granted by its suppliers was 60 days.

The aged analysis of trade payables presented based on the invoice date as at the end of the reporting period was as follows:

		30 June 2020 二零二零年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元 (audited) (經審核)
Trade payables aged 0–90 days	貿易應付款項賬齡0–90日	297	953
Accruals	應計費用	<u>3,358</u>	<u>2,920</u>
		<u>3,655</u>	<u>3,873</u>

13. 貿易及其他應付款項

供應商授出的平均賒賬期為60日。

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：

		30 June 2020 二零二零年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元 (audited) (經審核)
Trade payables aged 0–90 days	貿易應付款項賬齡0–90日	297	953
Accruals	應計費用	<u>3,358</u>	<u>2,920</u>
		<u>3,655</u>	<u>3,873</u>

14. AMOUNTS DUE FROM A RELATED COMPANY/AN ASSOCIATE AND AMOUNTS DUE TO SHAREHOLDERS

Due from Chi Capital	應收Chi Capital款項	<u>2,538</u>	<u>6,662</u>
Due from Silkwave	應收Silkwave款項	<u>797</u>	<u>947</u>
Due to shareholders	應付股東款項	<u>6,698</u>	<u>12,992</u>

As at 30 June 2020 and 31 December 2019, the amounts are non-interest bearing, unsecured and repayable within one year and thus classified as current.

Chi Capital is controlled by Mr. Wong Chau Chi, a Chairman and executive director of the Company.

14. 應收關連公司／聯營公司墊款及應付股東款項

		30 June 2020 二零二零年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元 (audited) (經審核)
Due from Chi Capital	應收Chi Capital款項	<u>2,538</u>	<u>6,662</u>
Due from Silkwave	應收Silkwave款項	<u>797</u>	<u>947</u>
Due to shareholders	應付股東款項	<u>6,698</u>	<u>12,992</u>

於二零二零年六月三十日及二零一九年十二月三十一日，該款項為不計息、無抵押且須於一年內償還，因此被分類為流動。

Chi Capital由本公司董事會主席兼執行董事黃秋智先生控制。

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15. CONVERTIBLE NOTES

As disclosed in note 27 of the 2019 Annual Report, the Company issued US dollar denominated convertible notes with outstanding principal amount of US\$83,471,810 (“2025 Convertible Notes”) to Chi Capital as part of the consideration for the acquisition of 20% equity interest in Silkwave.

The movement of the liability component of the 2025 Convertible Notes for the Period are as follows:

15. 可換股票據

誠如2019年報附註27所述，本公司向Chi Capital發行本金餘額為83,471,810美元(「2025可換股票據」)之美元計價可換股票據，作為收購Silkwave 20%股權之代價之一部分。

於本期間2025可換股票據債務部分的變動如下：

		US\$'000 千美元
At 31 December 2018 (audited)	於二零一九年十二月三十一日 (經審核)	47,773
Effective interest expenses	按實際利息開支	<u>2,708</u>
At 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	<u><u>50,481</u></u>

16. SHARE CAPITAL

16. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元	Shown as 呈列為 US\$'000 千美元
		(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)
Ordinary shares of HK\$0.2 each	普通股每股0.2港元			
At 1 January 2020	於二零二零年 一月一日	189,079,970	37,816	4,853
Issue of new shares by Rights Issue	以配股方式發行 新股	<u>37,984,428</u>	<u>7,597</u>	<u>968</u>
At 30 June 2020	於二零二零年 六月三十日	<u><u>227,064,398</u></u>	<u><u>45,413</u></u>	<u><u>5,821</u></u>

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16. SHARE CAPITAL (Continued)

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.

The new shares rank pari passu with the existing shares in all respects.

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares at the subscription price of HK\$0.50 per subscription share for an aggregate consideration of approximately HK\$22,706,440. 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.

17. SHARE OPTION SCHEME

The Company adopted a new share option scheme (the “Share Option Scheme”) on 18 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, employees, 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.

16. 股本(續)

於二零二零年三月十一日，根據供股發行37,984,428股新股份，籌集資金約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分配給用於一般營運資金與開發海事項目。

供股詳情分別載於本公司日期為二零二零年二月十八日及二零二零年三月十日之供股章程及公告內。

新股與各方面現有股份享有同等權益。

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

17. 購股權計劃

本公司於二零一五年十二月十八日採納新購股權計劃(「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、僱員、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。

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17. SHARE OPTION SCHEME (Continued)

The Company granted 54,956,892 share options on 17 May 2019 under the existing scheme mandate limit at the exercise price of HK\$0.075 per share to certain consultants for the purpose of fundraising activities; development of CMMB Business and seeking for new investment opportunities in CMMB Business. The closing price as stated on the daily quotations sheet of the Stock Exchange on the date of grant was HK\$0.070 per share. The scheme mandate limit was utilised in full on the date of grant.

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 options 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”).

17. 購股權計劃(續)

本公司於二零一九年五月十七日按計劃授權限額，以每股行使價0.075港元，向若干顧問授出54,956,892股購股權，以酬謝彼等為本公司融資項目、發展CMMB業務及尋求CMMB業務的新投資機會之貢獻。該股份於授出日期按聯交所每日報價表所示之收市價為每股0.070港元。於授出日期，計劃授權限額已被全數動用。

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」）。

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17. SHARE OPTION SCHEME (Continued)

Details of the share options granted and outstanding under the Share Option Scheme for the Period were as follows:

		Date of grant	Adjusted exercise price	Exercise period	Outstanding at 1.1.2020	Adjustment	Outstanding at 30.6.2020
		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	調整	於二零二零年 六月三十日 尚未行使
Consultants	顧問	17 May 2019 二零一九年 五月十七日	1.516	17 May 2019 to 16 May 2022 二零一九年 五月十七日至 二零二零年 五月十六日	2,747,844	(29,001)	2,718,843
Total	總額				<u>2,747,844</u>	<u>(29,001)</u>	<u>2,718,843</u>
Exercisable at the end of the period	於期末可予行使						<u>2,718,843</u>
Weighted average exercise price (HK\$)	加權平均行使價(港元)						<u>1.516</u>

On 5 August 2020, the Board has resolved to cancel the Outstanding Share Options subject to the respective consent of the existing holders (the “Existing Holders”), on the ground that 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 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 5 August 2020, the Company has resolved to grant 10,896,000 new share options (the “New Share Options”) to (i) the Existing Holders to subscribe for 8,172,000 Shares, which are served as replacement of the cancelled Outstanding Share Options, and (ii) one new consultant to subscribe for 2,724,000 Shares, subject to their respective acceptance, under the Share Option Scheme. Reference is made the announcement of Company dated 11 August 2020. The purported grant of the New Share Options has not been accepted by the respective grantees and has not been materialised. The purported grant of the New Share Options has been cancelled accordingly by the Company pursuant to Rule 17.05 of the Listing Rules.

17. 購股權計劃(續)

本期內根據購股權計劃授出及尚未行使的購股權詳情如下：

於二零二零年八月五日，由於未行使購股權的行使價持續與股份現行市價比較相對為高，降低了未行使購股權的購股權持有人（「現有持有人」）行使未行使購股權之意欲，未行使購股權據此不能再達到激勵現有持有人的目的；因此，董事會決議註銷未行使購股權，惟須待各現有持有人同意。

於二零二零年八月五日，本公司已決議授出合共10,896,000份新購股權（「新購股權」），予(i)現有持有人以認購8,172,000股股份，用作替代已註銷的未行使購股權，以及(ii)一名新顧問認購2,724,000股股份，惟須待彼等各自按購股權計劃接納，方可作實。茲提述本公司日期為二零二零年八月十一日的公告，擬授出的新購股權未獲各承授人接納，且尚未被實現。根據上市規則第17.05條，本公司已據此取消據稱授出的新購股權。

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18. RELATED PARTY DISCLOSURES

Related party transaction

In addition to those related party balances and convertible notes at the end of the reporting period which are set out in notes 14 and 15 respectively, the Group had the following significant transaction with a related party during the period:

Name of related parties 關連人士名稱	Nature of transactions 交易性質	Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
Chi Capital Chi Capital	Rental paid 已付租金	8	12

During the period, the Group reimbursed New York Broadband LLC ("NYBB") of US\$360,000 (six months ended 30 June 2019: US\$304,000) in relation to the rental expenses paid by NYBB on behalf of the Group for certain site premises and staff salaries.

Compensation of key management personnel

The remuneration of key management personnel of the Company during the Period were as follows:

Salaries and other benefits	薪金及其他福利	Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
		131	106

The emoluments of key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends.

18. 關連人士披露

關連人士交易

除分別載於附註14及15所披露於本中期報告期末該等關連人士結餘及可換股票據外，於期內，本集團有以下重大關連人士交易：

	Six months ended 30 June 截至六月三十日止六個月	
	2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
	8	12

本期間，本集團就New York Broadband LLC (「NYBB」) 代表本集團支付若干地盤物業的租金開支及員工薪酬已償還NYBB 360,000美元(截至二零一九年六月三十日止六個月：304,000美元)。

主要管理人員的薪酬

於期內，本公司主要管理人員的酬金載列如下：

	Six months ended 30 June 截至六月三十日止六個月	
	2020 二零二零年 US\$'000 千美元 (unaudited) (未經審核)	2019 二零一九年 US\$'000 千美元 (unaudited) (未經審核)
	131	106

主要管理人員的酬金由薪酬委員會曾經考慮彼等的個人表現及市場趨勢後釐定。

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19. CAPITAL COMMITMENTS

As at 30 June 2020, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

20. 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 settlement conference was previous scheduled on 12 June 2020 and 28 August 2020 in Washington D.C., US. was further postponed to November 2020 due to court order for Corona Virus delay.

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 and therefore no provision of the Claim was considered necessary.

19. 資本承擔

於二零二零年六月三十日，本集團或本公司概無任何重大已訂約但未於簡明綜合財務報表撥備的資本性開支。

20. 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、法律構定信託及誹謗向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，法院頒令再推遲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議至二零二零年十一月進行。

於報告期末，本公司正就申索尋求法律意見。董事相信申索缺乏充份理據，而申索產生重大損失的可能性不大，因此認為毋須就申索作出撥備。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2020
截至二零二零年六月三十日止六個月

21. EVENT AFTER THE REPORTING PERIOD

On 2 July 2020, the Company entered into subscription agreements with subscribers for the subscription of an aggregate 45,412,879 new shares at the subscription price of HK\$0.50 per subscription share for an aggregate consideration of approximately HK\$22,706,440. 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.

On 5 August 2020, the Board has resolved to cancel the Outstanding Share Options subject to the respective consent of the Existing Holders, on the ground that 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 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 5 August 2020, the Company has resolved to grant 10,896,000 New Share Options to (i) the Existing Holders to subscribe for 8,172,000 Shares, which are served as replacement of the cancelled Outstanding Share Options, and (ii) one new consultant to subscribe for 2,724,000 Shares, subject to their respective acceptance, under the Share Option Scheme. Reference is made the announcement of Company dated 11 August 2020. The purported grant of the New Share Options has not been accepted by the respective grantees and has not been materialised. The purported grant of the New Share Options has been cancelled accordingly by the Company pursuant to Rule 17.05 of the Listing Rules.

21. 報告期後事件

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

於二零二零年八月五日，由於未行使購股權的行使價持續與股份現行市價比較相對為高，降低了現有持有人行使未行使購股權之意欲，未行使購股權據此不能再達到激勵現有持有人之目的；因此，董事會議決註銷該未行使購股權，惟須待各現有持有人同意。

於二零二零年八月五日，本公司已決議授出合共10,896,000份新購股權，予(i)現有持有人以認購8,172,000股股份，用作替代已註銷的未行使購股權，以及(ii)一名新顧問以認購2,724,000股股份，惟須待彼等各自按購股權計劃接納，方可作實。茲提述本公司日期為二零二零年八月十一日的公告，擬授出的新購股權未獲各承授人接納，且尚未被實現。根據上市規則第17.05條，本公司已據此取消據稱授出的新購股權。



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