ASIA TELEVISION HOLDINGS LIMITED
亞洲電視控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 707)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Directors**" and the "**Board**", respectively) of Asia Television Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020, together with the comparative figures for the corresponding year in 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** **RMB'000**	2019 *RMB'000*
Turnover	*3*	**154,104**	156,892
Cost of sales		**(175,402)**	(159,221)
Gross loss		**(21,298)**	(2,329)
Other gains, net		**23,770**	16,778
Net loss on financial assets at fair value through profit or loss	*5*	**(48,732)**	(63,611)
Impairment loss on property, plant and equipment		**–**	(25,944)
Impairment loss on intangible assets		**(31,493)**	(47,492)
Impairment loss on right-of-use assets	*10*	**(40,001)**	(93,889)
Impairment loss on interest in an associate	*9*	**–**	(21,075)
Share of loss of an associate		**(11,825)**	(11,089)
Gain/(Loss) on deemed disposal of partial interests of an associate	*9*	**859**	(21,527)
Gain on disposal of an associate	*9*	**74,208**	–
Net impairment loss on trade and other receivables		**(616)**	(7,647)
Net impairment loss on loan receivables		**(4,079)**	(1,959)
Gain/(Loss) on the derivative financial instruments	*14*	**54,683**	(100,744)
Distribution and selling expenses		**(13,802)**	(9,759)
Administrative and operating expenses		**(110,402)**	(109,106)
Finance costs	*4*	**(87,263)**	(122,482)

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Loss before taxation	*5*	**(215,991)**	(621,875)
Income tax credit	*6*	**8,357**	16,562
Loss for the year		**(207,634)**	(605,313)
Other comprehensive income/(expenses)			
Items that will be reclassified subsequently to profit or loss:			
– exchange differences arising on translation		**6,202**	(408)
Total comprehensive expense for the year, net of income tax		**(201,432)**	(605,721)
Loss for the year attributable to:			
Owners of the Company		**(173,121)**	(557,550)
Non-controlling interests		**(34,513)**	(47,763)
		(207,634)	(605,313)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(160,274)**	(566,923)
Non-controlling interests		**(41,158)**	(38,798)
		(201,432)	(605,721)

		2020 *RMB cents*	2019 *RMB cents*
Loss per share attributable to owners of the Company			
– Basic and diluted	*7*	**(2.05)**	(7.64)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**18,977**	3,850
Investment properties		**1,080**	1,150
Right-of-use assets	*10*	**300,308**	376,358
Intangible assets		**68,486**	60,385
Goodwill		**19,188**	20,441
Other deposits		**5,549**	5,464
Interest in an associate	*9*	**–**	63,720
		413,588	531,368
Current assets			
Inventories		**87,271**	85,937
Trade and other receivables, deposits and prepayments	*11*	**92,119**	116,598
Loan receivables		**20,065**	86,405
Financial assets at fair value through profit or loss	*12*	**77,740**	91,693
Bank balances and cash		**118,403**	101,167
		395,598	481,800
Current liabilities			
Trade and other payables	*13*	**341,666**	372,698
Bond payables		**69,118**	68,613
Taxation payables		**4,553**	4,166
Government grant		**252**	24
Lease liabilities		**707**	2,172
Derivative financial instruments	*14*	**–**	25,529
Bank loans		**45,700**	47,050
Loans from other financial institutions		**166,290**	223,764
Other borrowings		**16,513**	41,115
		644,799	785,131
Net current liabilities		**(249,201)**	(303,331)
Total assets less current liabilities		**164,387**	228,037

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Non-current liabilities			
Lease liabilities		**–**	988
Convertible bonds	*14*	**92,801**	126,848
Government grant		**128**	152
Deferred tax liabilities		**49,609**	61,619
		142,538	189,607
Net assets		**21,849**	38,430
Capital and reserve			
Share capital	*15*	**870,809**	648,584
Reserves		**(744,538)**	(546,890)
Equity attributable to owners of the Company		**126,271**	101,694
Non-controlling interests		**(104,422)**	(63,264)
Total equity		**21,849**	38,430

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

1. GENERAL INFORMATION

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

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

Basis of preparation

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

The Group's recorded a net loss of approximately RMB207,634,000 for the year ended 31 December 2020 and the Group's current liabilities exceeded the current assets by approximately RMB249,201,000 as at 31 December 2020. The Group also has defaults in repayment of loans and borrowings with principals of approximately RMB182,803,000. These conditions indicate the existence of material uncertainties which may cast doubt about the Group's ability to continue as going concern.

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

(i) Actively negotiating with lenders to renew loans that have fallen due;

(ii) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;

(iii) Exploring the possibility of disposing certain non-core assets;

(iv) Soliciting for further financing arrangements which include placing of new convertible bonds to new potential investors; and

(v) The directors of the Company anticipates that the Group will generate positive cash flows from its operations in the foreseeable future.

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

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

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

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

2. APPLICATION OF AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

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

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

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

2.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

2.2 Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

2.3 Impacts on application of Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform

The Group has applied the amendments for the first time in the current year. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform. The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures.

The amendments had no impact on the consolidated financial statements of the Group.

2.4 *Impacts on early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions*

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact on the financial position and performance of the Group.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 January 2023.

[2] Effective for annual periods beginning on or after 1 January 2022.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after 1 January 2021.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 *Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the "**Conceptual Framework**") instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010);

- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions*, *Contingent Liabilities* and *Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2* relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

- **Modification of financial assets, financial liabilities and lease liabilities.** A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;

- **Hedge accounting requirements.** Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and

- **Disclosures.** The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates* and *Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items are measured in accordance with HKAS 2 *Inventories*.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that, when an entity assesses whether a contract is onerous in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the unavoidable costs under the contract should reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Costs of fulfilling the contract include incremental costs and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are applicable to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRSs Annual Improvements to HKFRSs 2018-2020

The annual improvements make amendments to the following standards.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

HKAS 41 Agriculture

The amendment ensures consistency with the requirements in HKFRS 13 *Fair Value Measurement* by removing the requirement in paragraph 22 of HKAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE AND SEGMENT INFORMATION

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

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:		
Sales of goods from		
– sales of finished fabrics	**28,630**	29,855
	28,630	29,855
Subcontracting services income	**68,202**	82,871
Advertising income	**4,467**	6,772
Shooting and broadcasting income	**11,754**	–
Other entertainment and media services income	**1,426**	6,313
Brokerage and related services income	**6,638**	5,421
Underwriting and placing services income	**–**	1,069
Handling services income	**239**	210
	121,356	132,511
Revenue from other sources		
Loan interest income	**6,398**	18,210
Margin financing interest income	**7,302**	6,171
Net distribution revenue from movie investment	**19,048**	–
	154,104	156,892

Segment reporting

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

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

Segment results, assets and liabilities

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

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

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

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

	Processing, printing and sales of finished fabrics – PRC 2020 *RMB'000*	Trading of fabrics and clothing – Hong Kong 2020 *RMB'000*	Money lending – Hong Kong 2020 *RMB'000*	Securities investment – Hong Kong 2020 *RMB'000*	Entertainment and media – Hong Kong 2020 *RMB'000*	Securities brokerage services and margin finance – Hong Kong 2020 *RMB'000*	Unallocated corporate office 2020 *RMB'000*	Inter-segment elimination 2020 *RMB'000*	Total 2020 *RMB'000*
Revenue from external customers	96,832	–	6,398	–	36,695	14,179	–	–	154,104
Revenue from inter-segment	–	–	–	–	3,557	–	11,921	(15,478)	–
	96,832	–	6,398	–	40,252	14,179	11,921	(15,478)	154,104
Reportable segment revenue and timing of revenue recognition									
Products and services transferred at a point in time	28,630	–	–	–	3,557	6,877	11,921	(15,478)	35,507
Services transferred over time	68,202	–	6,398	–	36,695	7,302	–	–	118,597
Reportable segment revenue	96,832	–	6,398	–	40,252	14,179	11,921	(15,478)	154,104
Reportable segment (loss)/profit (adjusted EBITDA)	(7,772)	(2)	4,548	(239)	(77,236)	3,326	(34,365)	–	(111,740)
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation and amortisation	(341)	–	–	–	(13,618)	(1,756)	(1,092)	–	(16,807)
Impairment on intangible assets	–	–	–	–	(31,493)	–	–	–	(31,493)
Impairment of right-of-use assets	–	–	–	–	(40,001)	–	–	–	(40,001)
Net (impairment)/reversals of impairment loss on trade and other receivables	231	–	–	–	(13)	(831)	(3)	–	(616)
Net reversal of impairment loss on deposits paid to suppliers	856	–	–	–	–	–	–	–	856
Net impairment loss on loan receivables	–	–	(4,079)	–	–	–	–	–	(4,079)
Reversal of write down of inventories	5,959	–	–	–	–	–	–	–	5,959
Net loss on financial assets at fair value through profit or loss	–	–	–	(9,134)	–	(27,670)	(11,928)	–	(48,732)
Gain on derivative financial instruments	–	–	–	–	–	–	54,683	–	54,683
Finance costs	(2,937)	–	–	(282)	(3,209)	(1,464)	(79,371)	–	(87,263)
Gain on disposal of an associate									74,208
Share of loss of an associate									(11,825)
Gain on deemed disposal of an associate									859
Loss before taxation									(215,991)
Reportable segment assets	110,629	99	20,149	3,384	397,458	185,304	92,163	–	809,186
Additions to non-current segment assets	1,004	–	–	–	60,748	–	–	–	61,752
Reportable segment liabilities	132,738	3,768	1,049	–	115,388	101,782	–	432,612	787,337

	Processing, printing and sales of finished fabrics – PRC 2019 *RMB'000*	Trading of fabrics and clothing – Hong Kong 2019 *RMB'000*	Money lending – Hong Kong 2019 *RMB'000*	Securities investment – Hong Kong 2019 *RMB'000*	Entertainment and media – Hong Kong 2019 *RMB'000*	Securities brokerage services and margin finance – Hong Kong 2019 *RMB'000*	Unallocated corporate office 2019 *RMB'000*	Inter-segment elimination 2019 *RMB'000*	Total 2019 *RMB'000*
Revenue from external customers	112,726	–	18,210	–	13,085	12,871	–	–	156,892
Revenue from inter-segment	–	–	–	–	4,365	–	28,706	(33,071)	–
	112,726	–	18,210	–	17,450	12,871	28,706	(33,071)	156,892
Reportable segment revenue and timing of revenue recognition									
Products and services transferred at a point in time	29,855	–	–	–	3,337	6,700	2,646	(7,011)	35,527
Services transferred over time	82,871	–	18,210	–	14,113	6,171	26,060	(26,060)	121,365
Reportable segment revenue	112,726	–	18,210	–	17,450	12,871	28,706	(33,071)	156,892
Reportable segment (loss)/profit (adjusted EBITDA)	(9,691)	(49)	14,473	134	(7,957)	(3,824)	(59,046)	–	(65,960)
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation and amortisation	(7,781)	–	–	–	(26,326)	(2,088)	(1,128)	–	(37,323)
Impairment on intangible assets	–	–	–	–	(47,492)	–	–	–	(47,492)
Impairment of property, plant and equipment	(18,954)	–	–	–	(6,990)	–	–	–	(25,944)
Impairment of right-of-use assets	(384)	–	–	–	(93,505)	–	–	–	(93,889)
Net (impairment)/reversals of impairment loss on trade and other receivables	(265)	(119)	–	–	1,913	(9,176)	–	–	(7,647)
Net reversal of impairment loss on deposits paid to suppliers	3,071	–	–	–	–	–	–	–	3,071
Net impairment loss on loan receivables	–	–	(1,959)	–	–	–	–	–	(1,959)
Net impairment loss on inventories	(3,249)	–	–	–	(955)	–	–	–	(4,204)
Net loss on financial assets at fair value through profit or loss	–	–	–	(42,387)	(21,224)	–	–	–	(63,611)
Loss on derivative financial instruments	–	–	–	–	–	–	(100,744)	–	(100,744)
Finance costs	(4,828)	–	(26,060)	(2,596)	(1,781)	(1,515)	(111,762)	26,060	(122,482)
Impairment loss on interest in an associate									(21,075)
Share of loss of an associate									(11,089)
Loss on deemed disposal of an associate									(21,527)
Loss before taxation									(621,875)
Reportable segment assets	107,181	108	86,458	31,358	508,774	200,796	550,520	(472,027)	1,013,168
Additions to non-current segment assets	2,412	–	–	–	69,539	1,793	3,295	–	77,039
Reportable segment liabilities	127,059	4,014	473,100	23,785	186,983	84,640	547,184	(472,027)	974,738

Geographical information

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

	Turnover		**Specified non-current assets**	
	2020	2019	**2020**	2019
Country of domicile	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**96,832**	112,726	**2,057**	1,178
Malaysia	**37**	–	**96**	63,720
Hong Kong	**57,235**	44,166	**405,886**	461,006
	154,104	156,892	**408,039**	525,904

Information about major customers

Revenue from customers of corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2020	2019
	RMB'000	*RMB'000*
Customer A		
Revenue from movie investment	**19,048**	–*

* Representing revenue contributed less than 10% of the total revenue of the Group during the year.

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	2020	2019
	RMB'000	*RMB'000*
Receivables, which are included in "Trade and other receivables"		
– Sales of goods from finished fabrics and garment products	**9,137**	5,680
– Subcontracting services income	**1,782**	91
– Entertainment and media services income	**851**	–
– Brokerage and related services income *(Note)*	**42,337**	64,310
	54,107	70,081
Contract liabilities, which are included in "Trade and other payables"		
– Sales of goods from finished fabrics and garment products	**13,669**	11,023
– Subcontracting services income	**19,318**	12,978
– Entertainment and media services income	**42**	4,468
	33,029	28,469

The contract liabilities comprised the customers' deposits and receipt in advance.

The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Note: Due to the business nature of brokerage services and margin finance business, it is assumed that the entire trade receivables balances belong to the category of brokerage and related services income as customers would not indicate whether they are settling the brokerage and related services fee, handling services fee or margin financing interest.

4. FINANCE COSTS

	2020	2019
	RMB'000	*RMB'000*
Interest on bank loans	**2,937**	4,821
Interest on other secured loans*	**164**	49,733
Interest on other unsecured loans*	**59,834**	57,296
Interest on bond payables	**4,991**	4,939
Interest on lease liabilities	**74**	149
Interest on convertible bonds	**17,869**	929
Other finance costs	**1,394**	4,615
	87,263	122,482

* The amount comprised the interest payable for the year ended 31 December 2020 and the default interest at rates of ranging from 6% to 36% (2019: 6% to 36%) per annum accrued on the overdue outstanding balance in accordance with the relevant loan agreements.

5. LOSS BEFORE TAXATION

	2020	2019
		(Note)
	RMB'000	*RMB'000*
Loss before taxation has been arrived at after charging:		
Directors' remuneration	**4,903**	3,706
Staff cost (excluding directors' remuneration)#		
– Staff salaries	**40,769**	66,219
– Retirement benefits scheme contributions	**900**	1,128
– Staff welfare	**234**	739
Penalties to the SFC*	**–**	4,410
Amortisation of intangible assets	**–**	7,394
Depreciation## of:		
– Property, plant and equipment	**1,623**	11,136
– Right-of-use assets *(Note 10)*	**15,184**	18,793
Auditor's remuneration and other services		
– Audit services	**1,250**	1,235
– Non-audit services	**–**	128
	1,250	1,363
Net loss on financial assets at fair value through profit or loss		
(a) securities investment		
– Loss on disposal	**22,933**	32,793
– Fair value loss	**25,799**	9,594
(b) movie investment		
– Fair value loss	**–**	21,224
	48,732	63,611
Included in cost of sales:		
Loss on derecognition of financial asset at fair value through profit or loss	**60,001**	–
Cost of inventories recognised as expenses (including reversal of write down of inventories amounting to RMB5,959,000 (2019: write down of RMB4,204,000)	**42,930**	68,854

Note:

* The SFC has reprimanded and fined the Group HK$5,000,000 for a series of internal control failings and regulatory breaches for the year ended 31 December 2019.

Total staff cost of approximately RMB18,883,000 (2019: RMB32,851,000), RMB1,701,000 (2019: RMB6,115,000) and RMB21,319,000 (2019: RMB29,120,000) has been charged to cost of sales, distribution and selling expenses and administrative and operating expenses, respectively for the year ended 31 December 2020.

Total depreciation of approximately RMB 334,000 (2019: RMB5,313,000) and RMB16,473,000 (2019: RMB24,616,000) has been charged to cost of sales and administrative and operating expenses, respectively for the year ended 31 December 2020.

6. INCOME TAX CREDIT

The PRC Enterprise Income Tax ("**EIT**") is calculated at the rate of 25% prevailing in the PRC jurisdiction for the year ended 31 December 2020 (2019: 25%). Provision for Hong Kong Profits Tax has been provided at the rate of 8.25% or 16.5% (2019: 8.25% or 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

	2020	2019
	RMB'000	*RMB'000*
Current tax		
– Hong Kong Profits Tax	**–**	184
– PRC EIT	**237**	845
– Under/(over)-provision in respect of prior year	**2**	(3)
	239	1,026
– Deferred tax	**(8,596)**	(17,588)
	(8,357)	(16,562)

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

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

For the years ended 31 December 2019 and 2020, as the Company's outstanding convertible bonds had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the years ended 31 December 2019 and 2020 are equal.

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

	2020	2019
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company used in the basic loss per share calculation	**(173,121)**	(557,550)
Add: Interest on convertible bonds	**–**	–*
Adjusted loss for the year attributable to owners of the Company used in the diluted loss per share calculation	**(173,121)**	(557,550)

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**8,433,709**	7,301,969

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

8. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2020 (2019: Nil). The Board resolved not to declare the payment of any final dividend for the year (2019: Nil).

9. INTEREST IN AN ASSOCIATE

	As at 31 December	
	2020	2019
	RMB'000	*RMB'000*
Share of fair value of net assets on acquisition	**235,817**	235,817
Goodwill	**149,579**	149,579
Share of post-acquisition profit or loss	**(229,624)**	(217,799)
	155,772	167,597
Less: Loss on deemed disposals, net	**(20,668)**	(21,527)
Impairment loss	**(77,873)**	(77,873)
Disposal	**(53,046)**	–
Currency realignment	**(4,185)**	(4,477)
	–	63,720

Particular of the associate are as follows:

Name	**Particulars of issued shares held**	**Place of incorporation/ operation**	**Percentage of ownership interest attributable to the Group**		**Principal activity**
			2020	2019	
Yong Tai Berhad ("**Yong Tai**")	76,821,000 (2019: 150,030,000) ordinary shares; and 60,000,000 (2019: 60,000,000) ICPS (as defined below)	Malaysia	**N/A**	19.78%	Property development and development and operation of tourism stage performance

On 9 May 2017, Full Winning Developments Limited ("**Full Winning**"), a direct wholly-owned subsidiary of the Company, entered into an agreement with Impression Culture Asia Limited, a subsidiary of Sino Haijing Holdings Limited (Stock code: 1106) to acquire 107 million ordinary shares of Yong Tai ("**Yong Tai Shares**"), a company listed on the Main Market of Bursa Malaysia Securities Berhad, at the consideration of approximately Malaysian Ringgit ("**RM**") 117,700,000 (equivalent to approximately RMB189,016,000). Following this acquisition, the Group owned as to 16.42% equity interest in Yong Tai.

On 2 August 2017, Full Winning entered into the subscription agreement with Yong Tai. Under the subscription agreement, Full Winning had conditionally agreed to subscribe for 43,000,000 new Yong Tai shares at the issue price of RM1.26 (equivalent to approximately HK$2.29) per share which represents 6.17% equity interest in Yong Tai as enlarged by the allotment and issue of the subscription. Following this subscription, the Group owned as to 21.53% equity interest in Yong Tai.

On 9 January 2018, Full Winning acquired 60,000,000 Irredeemable Convertible Preference Share ("**ICPS**") of Yong Tai at the consideration of RM66,000,000 (equivalent to approximately RMB109,312,000) which represents 8.17% equity interest in Yong Tai because the Group has determined that the ICPS represented present ownership interests in Yong Tai as the ICPS are convertible to its ordinary shares from 28 November 2019 without any further consideration. The effective interest of the Group in Yong Tai after taking into account the ICPS and all issued and outstanding ICPS held by other parties would be 28.60% as at 31 December 2018.

Upon the special issue and conversion of ICPS during the year ended 31 December 2019, the registered capital of Yong Tai (including the new ICPS issued during the year) was enlarged from approximately RM535,901,000 to RM611,404,000 (equivalent to approximately RMB852,375,644 to RMB994,081,000) and the Group's effective equity interest in Yong Tai was diluted to 19.78% resulting in a loss on deemed disposal of partial interest of associate of approximately RMB21,527,000. In view of the significant influence can be still exercised through participation in the directors' and shareholders' meeting of Yong Tai, it continued to be classified as an associate even though the equity interests was diluted to lower than 20%.

Based on the quoted market price of the ordinary shares and ICPS held by the Group, total impairment loss of approximately RMB21,075,000 was recognised in the profit or loss during the year ended 31 December 2019.

Upon the special issue and conversion of ICPS during the period from 1 January 2020 to 8 December 2020, the Group's effective equity interest in Yong Tai was further diluted to 18.27% resulting in a gain on deemed disposal of partial interests in the associate of approximately RMB859,000.

On 7 and 8 December 2020, Full Winning disposed on market an aggregate of 73,209,000 ordinary shares of Yong Tai Shares in a series of transactions at the average selling price of RM0.397 (equivalent to approximately RMB0.635) per Yong Tai Share. After the disposal, the Group holds 76,821,000 ordinary shares and 60,000,000 irredeemable preference shares of Yong Tai, representing approximately 11.9% of the effective equity interest of Yong Tai as at 8 December 2020. Upon completion of the disposal, Yong Tai ceased to be classified as an associate and was reclassified as financial assets at FVTPL.

The gain on disposal of an associate of approximately RMB74,208,000 represented the difference between the carrying amount of the associate on the disposal date of approximately RMB53,046,000, the fair value of the remaining interests classified as financial assets at FVTPL for the 11.9% residual effective equity interest of approximately RMB80,881,000 and the cash consideration received from the disposal of approximately RMB46,373,000.

The financial reporting date of the above associate is not coterminous with those of the Group, as it has financial year ending 30 June.

Summarised financial information in respect of the Group's material associate, Yong Tai, extracted from its consolidated financial statements is as below:

	2019
	RMB'000
As at 31 December	
Current assets	672,991
Non-current assets	431,380
Current liabilities	(603,486)
Non-current liabilities	(245,756)
Equity and net assets	255,129
Year ended 31 December	
Revenue	150,486
Loss for the year	(40,863)
Total comprehensive expense	(40,863)
As at 31 December	
Fair value of the Group's investment based on quoted market price	63,720

10. RIGHT-OF-USE ASSETS

Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leased properties *RMB'000*	**Premium over prepaid lease payments** *RMB'000* *(Note(i))*	**Prepaid lease payments** *RMB'000*	**Motor vehicles** *RMB'000*	**Total** *RMB'000*
As at 1 January 2019	3,041	475,807	398	475	479,721
Additions	1,793	–	–	–	1,793
Depreciation	(1,811)	(16,771)	(14)	(197)	(18,793)
Impairment loss	–	(93,505)	(384)	–	(93,889)
Effect of foreign currency exchange difference	54	7,466	–	6	7,526
As at 31 December 2019 and 1 January 2020	**3,077**	**372,997**	**–**	**284**	**376,358**
Written off of early terminated lease	**(858)**	**–**	**–**	**–**	**(858)**
Depreciation *(Note 5)*	**(1,496)**	**(13,489)**	**–**	**(199)**	**(15,184)**
Impairment loss	**–**	**(40,001)**	**–**	**–**	**(40,001)**
Transfer to property, plant and equipment	**–**	**–**	**–**	**(78)**	**(78)**
Effect of foreign currency exchange difference	**(56)**	**(19,866)**	**–**	**(7)**	**(19,929)**
As at 31 December 2020	**667**	**299,641**	**–**	**–**	**300,308**

	2020	2019
	RMB'000	*RMB'000*
Analysed into:		
Media CGU *(Note (ii))*	**299,641**	372,997
Brokerage and Margin CGU	**667**	3,077
Unallocated corporate office	**–**	284
	300,308	376,358

Notes:

(i) Upon completion of the acquisition of Asia Television Limited ("**ATV**"), the directors of the Company re-assessed the nature of the leasehold land and buildings included in property, plant and equipment of the ATV. Hence, the leasehold land and buildings were reclassified as "premium over prepaid lease payments" included in intangible assets. The underlying prepaid lease payments has lease term of 42 years commencing 22 September 2005. Therefore, premium over prepaid lease payments is amortised over 29 years which is the remaining lease term since acquisition of ATV. Upon the application of HKFRS 16, the premium over prepaid lease payments was reclassified to right-of-use assets as at 1 January 2019.

(ii) The recoverable amount of Media CGU as at 31 December 2020 has been determined to be approximately RMB326,634,000 (2019: RMB401,376,000) based on the value-in-use calculation (2019: value-in-use calculation) with reference to a professional valuation performed by Valtech Valuation Advisory Limited ("**Valtech**"). That value-in-use calculations use cash flow projections based on financial budgets approved by management covering an indefinite period (2019: indefinite period) as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The pre-tax discount rate used of 17.24% (2019: 16.91%) for Media CGU. Management determined the budgeted revenue and costs based on past performance and its expectations for the market development. The cash flows beyond five years (2019: five years) have been extrapolated using a steady 3% (2019: 3%) growth rate for revenue and expenses respectively. Based on the assessment, impairment loss on right-of-use assets of approximately RMB40,001,000 was recognised during the year (2019: the impairment loss on property, plant and equipment, intangible assets and right-of-use assets of approximately RMB6,990,000, RMB7,101,000 and RMB93,505,000 respectively).

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020	2019
	RMB'000	*RMB'000*
Trade receivables from securities brokerage services and margin finance segment *(Note (a))*	**56,687**	78,694
Less: Allowances for bad and doubtful debts	**(14,350)**	(14,384)
	42,337	64,310
Trade receivables from other segments *(Note (b))*	**16,099**	10,400
Less: Allowances for bad and doubtful debts	**(4,329)**	(4,629)
	11,770	5,771
Deposits paid to suppliers *(Note (c))*	**16,145**	21,518
Less: Allowances for impairment	**(7,705)**	(8,561)
	8,440	12,957
Other deposits, receivables and prepayments		
– Value-added tax recoverable	**539**	850
– Other receivables and prepayments *(Note (d)(i))*	**26,569**	30,582
– Other deposits	**1,441**	1,038
– Amounts due from related companies *(Note (d)(ii))*	**1,023**	1,090
	29,572	33,560
	92,119	116,598

(a) Trade receivables from securities brokerage services and margin finance segment

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding trade receivables in order to minimise credit risk.

Trade receivables from cash clients and securities clearing houses arising from securities dealing business are repayable on demand subsequent to the settlement date. The normal settlement terms of said trade receivables are, in general, two days after trade date. The Group allows a credit period mutually agreed with the contracting parties for receivables from margin clients.

The Group maintains accounts with the securities clearing houses through which it conducts securities trading transactions and settlement on a net basis.

Except for receivables from margin client, the Group does not hold any collateral or other credit enhancements over these balances. The Group is allowed to dispose of the securities or futures deposited by the customers with the Group to settle any overdue amount.

The receivables from margin clients (net of impairment) of approximately RMB44,270,000 (2019: RMB48,757,000) bears the interest at a range of 8.63% to 11% (2019: 8.63% to 11%) per annum and are secured by investments held by margin clients of approximately RMB84,365,000 (2019: RMB110,747,000) as at 31 December 2020.

The impairment of trade receivables arising from cash client and securities clearing house is measured on lifetime ECL basis. For impairment of trade receivables from margin client, the Group applies the general approach and considers there has been a significant increase in credit risk when the client cannot meet the margin call requirement and specific LTV to make its assessment.

No aging analysis by invoice date is disclosed for trade receivables from securities brokerage services and margin finance segment as, in the opinion of the directors of the Company, an aging analysis is not meaningful in view of the business nature of securities dealings.

(b) Trade receivables from other segments

The Group does not provide credit period to its customers. The ageing analysis of the trade receivables from other segments, net of impairment as at the reporting date, based on invoice date and due date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
0 to 90 day(s)	**10,537**	5,555
91 to 180 days	**878**	216
181 to 270 days	**355**	–
271 to 365 days	**–**	–
	11,770	5,771

Movement in the allowances for impairment:

	2020	2019
	RMB'000	*RMB'000*
At 1 January	**4,629**	6,291
Impairment loss made during the year	**132**	1,299
Reversal of impairment loss recognised during the year	**(349)**	(2,828)
Currency realignment	**(83)**	(133)
As at 31 December	**4,329**	4,629

(c) Deposits paid to suppliers

Deposits was paid to certain independent third parties as deposits to purchase raw materials of the processing and printing of fabrics in the subsequent period. Movement in allowance for impairment of deposits paid to suppliers is as follows:

	2020	2019
	RMB'000	*RMB'000*
As at 1 January	**8,561**	11,632
Impairment loss during the year	**1,733**	1,182
Reversal of impairment loss recognised during the year	**(2,589)**	(4,253)
As at 31 December	**7,705**	8,561

(d) Other deposits, receivables and prepayments

(i) During the year ended 31 December 2018, the Group paid approximately HK$34,000,000 (equivalent to approximately RMB29,849,000) to an independent third party which had been processing the claims of the creditor of a partial-owned subsidiary, ATV, under a scheme of arrangement (the "**Creditor Scheme**") approved on 12 September 2017. As at 31 December 2019, the remaining balance of the deposit for the Creditor Scheme is amounted to approximately HK$15,470,000 (equivalent to approximately RMB13,827,000). During the year ended 31 December 2020, the Creditor Scheme was completed, the remaining balance of the deposit was fully refunded.

Save for the above, the balances as at 31 December 2020 included (i) the prepayments of certain operational expenses of approximately RMB11,176,000 (2019: approximately RMB9,102,000); (ii) deposit paid in relation to the acquisition of equipment of approximately RMB10,081,000 (2019: Nil); and (iii) the receivables from the sales of electronic components of approximately RMB5,312,000 (2019: approximately RMB7,653,000).

(ii) The amounts due are unsecured, interest-free and repayable on demand.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RMB'000	*RMB'000*
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong and overseas at fair value *(Note (a))*	**77,740**	31,361
Movie investments, at fair value *(Note (b))*	**–**	60,332
	77,740	91,693

Notes:

(a) As at 31 December 2020, certain listed securities with fair values of approximately RMB1,051,000 (2019: approximately RMB28,855,000) were pledged to other financial institutions to secure the credit facilities granted to the Group.

(b) On 11 April 2019 and 14 May 2019, the Group had entered into two movie investments agreements with a film producer who is an independent third party, pursuant to which the Group made certain investments in the movie projects. These two agreements are accounted for as a single transaction based on the terms and conditions of the agreements and their economic effects. Total consideration of approximately HK$92,500,000 (equivalent to approximately RMB82,677,000) was based on the fair value estimated by reference to a professional valuation performed by AP Appraisal Limited ("**APA**") and such consideration was satisfied by allotment and issue of 370,000,000 ordinary shares (Note 15), based on the market price of each share of HK$0.25 on issue date.

The Group is then entitled to a pre-determined share of net distribution revenue of the respective movies as prescribed in the movie investments agreements.

The fair values of the movie investments as at 31 December 2019 have been determined by APA, based on the best estimation on the expected future revenue generated by the films less relevant costs. The fair value of movie investments is level 3 fair value measurement.

During the year ended 31 December 2019, the Group entered into an agreement with the film producer and Vendor to offset the payable of film rights (Note 13) against the share of net distribution revenue from one of the movies already launched during the year of approximately RMB835,000.

During the year ended 31 December 2020, another movie had been launched and the Group shared the total distribution revenue of film right of approximately HK$21,428,000 (equivalent to approximately RMB19,048,000). Such amount received had been used to offset against remaining payable with the film producer. After launch of the movie, the movie investment of approximately HK$67,500,000 (equivalent to approximately RMB60,001,000) recognised as financial assets at fair value through profit or loss in 2019 had been derecognised and recognised as cost of sales during the year.

13. TRADE AND OTHER PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables from securities brokerage services and margin finance segment *(Note (i))*	**69,139**	74,719
Trade payables from other segments *(Note (ii))*	**21,744**	14,733
Other payables and accruals *(Note (iii))*	**140,136**	97,257
Other payables under Creditor Scheme *(Note (iv))*	**–**	13,125
Other payables on film rights and licence fees	**125**	80,096
Other payables on convertible bonds interest	**2,527**	–
Amount due to a director *(Note (v))*	**24,802**	13,299
Amounts due to directors of the subsidiaries *(Note (v))*	**153**	310
Amount due to a shareholder of the Company *(Note (v))*	**369**	393
Amounts due to non-controlling owners of subsidiaries *(Note (v))*	**20,476**	3,491
Amounts due to related companies *(Note (vi))*	**29,166**	29,824
Deposit on disposal of subsidiaries *(Note (vii))*	**–**	16,982
Contract liabilities	**33,029**	28,469
	341,666	372,698

Notes:

(i) The trade payable balances arising from the ordinary course of business of securities brokerage services and margin finance are normally settled in two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which are repayable on demand. No aging analysis is disclosed for as in the opinion of the directors of the Company, an aging analysis is not meaningful in view of the business nature of securities dealings and margin financing.

(ii) The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2020	2019
	RMB'000	*RMB'000*
0 to 90 day(s)	**11,725**	5,797
91 to 180 days	**2,708**	1,096
181 to 270 days	**1,596**	242
271 to 365 days	**58**	967
Over 365 days	**5,657**	6,631
	21,744	14,733

(iii) Other payables mainly represents (i) amounts due to certain independent third parties of approximately RMB17,059,000 (2019: approximately RMB11,200,000); (ii) interest payables of approximately RMB53,600,000 (2019: approximately RMB36,167,000); and (iii) accrued staff costs and director's remuneration of approximately RMB19,411,000 (2019: approximately RMB15,349,000).

(iv) Other payables under Creditor Scheme represents the amount due to the claimants of a partial-owned subsidiary, ATV, under Creditor Scheme. These claims were settled during the year ended 31 December 2020, the difference arising from the settlement of the claims and other payables under Credit Scheme of approximately HK$6,142,000 equivalent to approximately RMB5,459,000 is recognised in profit or loss.

(v) The amounts due were unsecured, interest-free and repayable on demand.

(vi) The amounts were due to related companies which directors of certain subsidiaries have significant influence or direct equity interest which were unsecured, interest-free and repayable on demand.

(vii) On 16 July 2018, Co-Prosperity Investment (International) Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with an independent third party (the "**Vendor**"), pursuant to which the Vendor was conditionally to acquire 60% shareholding of Million Federal at the consideration of approximately RMB87,790,000 (equivalent to HK$100,000,000). Such transaction is not completed, and the balance represented the deposit not yet returned to the Vendor as at 31 December 2020.

14. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

On 24 September 2019, the Company entered into the subscription agreement with Mr. Deng, the substantial shareholder and the director of the Company, pursuant to which Mr. Deng has conditionally agreed to subscribe and the Company has conditionally agreed to issue the 6% convertible bonds in two phases in an aggregate principal amount of HK$400,000,000 (equivalent to approximately RMB362,765,000) at the conversion price of HK$0.1 per conversion share.

The subscription agreement became unconditional upon the conditions precedents have been all fulfilled on 2 December 2019. Forward contract is arisen from the terms and conditions of the subscription agreement as Mr. Deng, as a subscriber, has irrevocable undertaking to subscribe the convertible bonds at a fixed consideration of HK$400,000,000 in aggregate within the prescribed period.

On 2 December 2019, forward contract which is classified as derivative financial instruments measured at fair value of approximately HK$82,654,000 (equivalent to approximately RMB73,876,000) was recognised and the corresponding amount were recognised as capital contribution from Mr. Deng in the capacity of a substantial shareholder of the Company.

Phase I completion in respect of the convertible bonds in the principal amount of HK$200,000,000 (equivalent to approximately RMB178,017,000) has been taken place on 17 December 2019 which results in derecognition of respective derivative financial instrument as set out below. Details of the subscription of convertible bonds were set out in the Company's announcements dated 24 September 2019 and 17 December 2019 and the circular dated 11 November 2019.

Phase I of the convertible bonds has a maturity of three years from the date of issue (i.e. 16 December 2022). The holder of the convertible bonds shall have the right to convert the convertible bonds into the conversion shares on or after 17 December 2019 to 16 December 2022 at the conversion price of HK$0.1 per share, which is subject to anti-dilutive adjustments prescribed in the convertible bonds subscription agreement. The convertible bonds may be early redeemed at 100% of the outstanding principal amount of the convertible bonds (in whole or in part) and the accrued interest at any time and from time to time at the option of the Company prior to 16 December 2022. The conversion rights shall be exercisable as long as (a) the minimum public float requirement for the shares as required under the Listing Rules could be maintained; or (b) a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the convertible bonds and any parties acting in concert with it would not be triggered. The holder of the convertible bonds shall not have any early redemption right.

Interest of 6% per annum is payable per repayment schedule and is paid annually on 16 December until the bonds are converted or redeemed. Any unredeemed and unconverted convertible bonds shall be redeemed at 100% of the outstanding principal amount and the accrued interest on 16 December 2022.

On 10 June 2020, the Company received a transfer notice from Mr. Deng in respect of the transfer of convertible bonds with an aggregate principal amount of HK$200,000,000 to Build Rise Capital Group Limited ("**Build Rise**"), an independent third party of the Group. On 2 July 2020, the convertible bonds in the principal amount of HK$200,000,000 has been converted, pursuant to which a total number of 2,000,000,000 conversion shares have been allotted and issued to China Special Economic Zone Development Limited, being a nominee of Build Rise. Details of the transfer and conversion of the convertible bonds were set out in the Company's announcement dated 2 July 2020.

According to the subscription agreement, phase II completion shall take place within three months immediately preceding the date of the subscription agreements.

On 26 February 2020, the Company and Mr. Deng entered into a letter of confirmation, pursuant to which both parties mutually agreed to extend the Phase II completion date to 1 April 2020. The date was further extended to 30 September 2020 per the letter of confirmation.

Phase II completion in respect of the convertible bonds in the principal amount of HK$200,000,000 (equivalent to approximately RMB177,780,000) has been taken place on 29 September 2020 which results in derecognition of respective derivative financial instrument as set out below. Details of the subscription of convertible bonds were set out in the Company's announcements dated 29 September 2020.

Phase II of the convertible bonds has a maturity of three years from the date of issue (i.e. 28 September 2023). The holder of the convertible bonds shall have the right to convert the convertible bonds into the conversion shares on or after 29 September 2020 to 28 September 2023 at the conversion price of HK$0.1 per share, which is subject to antidilutive adjustments prescribed in the convertible bonds subscription agreement. The convertible bonds may be early redeemed at 100% of the outstanding principal amount of the convertible bonds (in whole or in part) and the accrued interest at any time and from time to time at the option of the Company prior to 28 September 2023. The conversion rights shall be exercisable as long as (a) the minimum public float requirement for the shares as required under the Listing Rules could be maintained; or (b) a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the convertible bonds and any parties acting in concert with it would not be triggered. The holder of the convertible bonds shall not have any early redemption right.

Interest of 6% per annum is payable per repayment schedule and is paid annually on 28 September until the bonds are converted or redeemed. Any unredeemed and unconverted convertible bonds shall be redeemed at 100% of the outstanding principal amount and the accrued interest on 28 September 2023.

On 22 December 2020, the Company received a transfer notice from Mr. Deng in respect of the transfer of convertible bonds with an aggregate principal amount of HK$34,900,000 to an independent third party ("**Transferee**"). On 24 December 2020, the convertible bonds in the principal amount of HK$34,900,000 has been converted, pursuant to which a total number of 349,000,000 conversion shares have been allotted and issued to the Transferee. Details of the transfer and conversion of the convertible bonds were set out in the Company's announcement dated 24 December 2020.

On 31 December 2020, the convertible bonds in the principal amount of HK$15,100,000 has been converted, pursuant to which a total number of 151,000,000 conversion shares have been allotted and issued to Mr. Deng. Details of the transfer and conversion of the convertible bonds were set out in the Company's announcement dated 31 December 2020.

During the years ended 31 December 2019 and 2020, certain provision of the convertible bonds subscription agreements were breached which could cause the principal amount of whole convertible bonds becomes payable on demand. The Group has been granted the waiver in respect of the relevant breached provisions before 31 December 2019 and 2020 respectively.

Liability and equity components of convertible bonds – Phase I

The fair value of the liability component and the equity component on initial recognition of approximately HK$141,935,000 (equivalent to approximately RMB126,861,000) and HK$59,584,000 (equivalent to approximately RMB53,256,000) was determined at date of issuance of the convertible bonds.

The Phase I of convertible bonds recognised at the date of issuance and at 31 December 2020 and 2019 are as follows:

	Equity component	Liability component *(Note a)*
	RMB'000	*RMB'000*
Fair value at the date of issuance	53,256	126,861
Transaction cost on issuance *(Note b)*	(225)	(536)
Effective interest expenses	–	929
Accrued interest	–	(411)
Currency realignment	(3)	5
As at 31 December 2019 and 1 January 2020	53,028	126,848
Effective interest expenses	**–**	**12,083**
Accrued interest	**–**	**(5,075)**
Currency realignment	**(291)**	**(998)**
Conversion of convertible bonds	**(52,737)**	**(132,858)**
At 31 December 2020	**–**	**–**

	RMB'000
Fair value at the date of issuance:	
– Equity component	53,256
– Liability component	126,861
Fair value of convertible bonds	180,117
Derecognition of derivative financial instruments upon the issuance of Phase I convertible bonds	(1,339)
Proceeds from issuance	178,778

Notes:

(a) The effective interest rate of the liability component on initial recognition and the subsequent measurement of interest expenses on the convertible bonds was calculated using effective interest rate of 18.9% per annum.

(b) Transaction costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

Liability and equity components of convertible bonds – Phase II

The fair value of the liability component and the equity component on initial recognition of approximately HK$142,897,000 (equivalent to approximately RMB127,021,000) and HK$24,147,000 (equivalent to approximately RMB21,465,000) was determined at date of issuance of the convertible bonds.

The Phase II of convertible bonds recognised at the date of issuance and the end of the year are as follows:

	Equity component	**Liability component** *(Note a)*
	RMB'000	***RMB'000***
Fair value at the date of issuance	**21,465**	**127,021**
Transaction cost on issuance *(Note b)*	**(13)**	**(79)**
Effective interest expenses	**–**	**5,786**
Interest payable (include in other payables)	**–**	**(2,522)**
Conversion of convertible bonds	**(5,363)**	**(31,735)**
Currency realignment	**(904)**	**(5,670)**
As at 31 December 2020	**15,185**	**92,801**

	RMB'000
Fair value at the date of issuance:	
– Equity component	21,465
– Liability component	127,021
Fair value of convertible bonds	148,486
Derecognition of derivative financial instruments upon the issuance of Phase II convertible bonds	29,295
Proceeds from issuance	177,781

Notes:

(a) The effective interest rate of the liability component on initial recognition and the subsequent measurement of interest expenses on the convertible bonds was calculated using effective interest rate of 18.4% per annum.

(b) Transaction costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

Derivative financial instruments

The derivative financial instruments recognised at the date of issuance and the end of the year are as follows:

	Phase I *RMB'000*	**Phase II** *RMB'000*
At the date of subscription agreement became unconditional	40,670	33,206
Fair value loss recognised in the consolidated profit or loss	(42,009)	(58,735)
Derecognition of derivative financial instruments upon the issuance of Phase I convertible bonds	1,339	–
As at 31 December 2019 and 1 January 2020	–	(25,529)
Fair value gain recognised in the consolidated profit or loss	–	54,683
Derecognition of derivative financial instruments upon the issuance of Phase II convertible bonds	–	(29,295)
Currency realignment	–	141
At 31 December 2020	–	–

Fair value measurement

The fair values of the liability component and equity conversion component of Phase I and Phase II convertible bonds on initial recognition were determined with reference to a professional valuation performed by Valtech, using Hull-white model and Black Scholes model respectively, with significant unobservable inputs and therefore were classified as level 3 of the fair value hierarchy. The key inputs applied to the valuation models on the convertible bonds were as follows:

	Date of Phase II Completion 29 September 2020	**Date of Phase I Completion 17 December 2019**
Risk free rate	0.53%	1.97%
Implied/Expected volatility	92.47%	75.53%
Expected life	3 years	3 years
Dividend yield	0.00%	0.00%
Discount rate*	19.44%	19.70%

* Being the market interest rate for an equivalent non-convertible bonds and netting off the fair values of the Company's early redemption options and subsequently measured at amortised cost.

The variable and assumptions used in calculating the fair value of the liability component and equity component of convertible bonds are based on the directors' best estimate.

The fair value of the derivative financial instruments is calculated as the difference between the present value of the principal amounts to be received and the fair value of convertible bonds to be issued at the date the subscription agreement became unconditional, with reference to a professional valuation performed by Valtech, with significant unobservable inputs and therefore were classified as level 3 of the fair value hierarchy. The key inputs applied to the valuation model on the derivative financial instruments were as follows:

Phase I

	Date of issue 2 December 2019	**Date of Phase I completion 17 December 2019**
Expected volatility	71.67%	75.53%
Discount rate	21.56%	19.70%
Expected life	0.02 year	–

Phase II

	Date of issue 2 December 2019	**Year ended 31 December 2019**	**Date of Phase II completion 29 September 2020**
Expected volatility	70.54%	73.16%	92.47%
Discount rate	21.52%	19.40%	19.43%
Expected life	0.83 year	0.75 year	–

The significant unobservable input is determining the fair value of the derivative financial instrument is mainly the discount rate, the higher the discount rate, the lower the fair value, vice versa.

15. SHARE CAPITAL

	Number of share *'000*	**Authorised Amount** *HK$'000*
Ordinary shares of HK$0.10 each		
As at 1 January 2019, 31 December 2019 and 31 December 2020	20,000,000	2,000,000

	Issued and fully paid		
	Number of shares	**Amount**	**Amount**
	'000	***RMB'000***	***HK$'000***
As at 1 January 2019	**7,055,668**	**616,617**	**705,566**
Issue of consideration shares for movie investments *(Note)*	**370,000**	**31,967**	**37,000**
As at 31 December 2019 and 1 January 2020	**7,425,668**	**648,584**	**742,566**
Conversion of convertible bonds	**2,500,000**	**222,225**	**250,000**
At 31 December 2020	**9,925,668**	**870,809**	**992,566**

Note: On 11 April 2019 and 14 May 2019, the Company entered into two movie investment agreements with an independent third party, pursuant to which the Company agreed to acquire the income rights of two movies at the aggregate consideration of HK$92,500,000 (equivalent to approximately RMB82,677,000), which was satisfied by the allotment and issue of 370,000,000 shares in aggregate fair value of approximately HK$92,500,000 (equivalent to approximately RMB79,918,000) based on the fair value of each share of HK$0.25 on issue date.

16. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following subsequent events:

On 9 January 2018, a wholly-owned subsidiary of the Company, entered into the Agreement (the "**Purchaser**") with Jade Stones Group Limited (the "**Vendor**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale ICPS at the Consideration of RMB66,000,000.

The ICPS holders shall have the right to convert the ICPS into new Yong Tai Shares at nil conversion price, at the option of the ICPS holder, commencing from 28 November 2019 up to the maturity date of 27 November 2026. Each ICPS can be convertible into one new Yong Tai Shares.

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

For details, please refer to the Company's announcements date 31 March 2021, 17 January 2018 and 9 January 2018.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited Consolidated Financial Statements for the year. The work performed by Crowe (HK) CPA Limited in respect of this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on this announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The followings are extracted from the independent auditor's report on the Consolidated Financial Statements in respect of qualified opinion arising from limitation of scope and material uncertainty related to going concern of the Group for the year ended 31 December 2020.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the"Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

*Share of loss of an associate, gain on deemed disposal of partial interests, share of exchange translation difference of an associate and gain on disposal of an associate – Yong Tai Berhad (“**Yong Tai**”)*

Included in the interest in an associate of the Group was an investment in Yong Tai whose carrying amount as at 31 December 2019 was approximately RMB63,720,000. The Group recognised share of loss of the associate of approximately RMB11,825,000, gain on deemed disposal partial interests of the associate of approximately RMB859,000 and share of exchange translation difference of an associate of approximately RMB292,000 in its consolidated financial statements for the year ended 31 December 2020. On 7 and 8 December 2020, the Group disposed on market an aggregate of 73,209,000 ordinary shares of Yong Tai Shares. Upon completion of the disposal, Yong Tai ceased to be classified as an associate and the Group’s retained interests in Yong Tai Shares were reclassified as financial assets at fair value through profit or loss. The Group recognised gain on disposal of an associate of RMB74,208,000. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the share of loss of the associate, gain on deemed disposal of partial interests, the share of exchange translation difference of the associate and the gain on disposal of the associate referred to above are properly recognised in the consolidated financial statements of the Group for the year ended 31 December 2020 were free from material misstatements because we were not provided with access to management and accounting books and records of the associate for us to carry out the necessary audit procedures on the consolidated financial statements of the associate used by the Group for equity accounting purpose.

Any adjustments to the figures as described from above might have consequential effects on the consolidated financial performance and consolidated cash flows of the Group for the year ended 31 December 2020.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the Consolidated Financial Statements which indicates that, the Group incurred a net loss from operations of approximately RMB207,634,000 for the year ended 31 December 2020 and the Group's current liabilities exceeded its current assets by approximately RMB249,201,000 as of 31 December 2020. These events or conditions, indicate a material uncertainty exists that may cast significant doubt about the Group's ability to continue as going concern. Our opinion is not further modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

During the year ended 31 December 2020, Asia Television Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") had engaged in four business streams including (i) the processing, printing and sales of finished fabrics and subcontracting services and the trading of fabric and clothing business (the "**Fabrics and Trading Business**"); (ii) the money lending business; (iii) securities investment and securities brokerage services business (the "**Investments and Brokerage Services Business**"); and (iv) media, cultural and entertainment business.

FINANCIAL REVIEW

Turnover

The Group's turnover decreased by approximately 1.8% to RMB154.1 million, primarily due to the decline in turnover of the Fabrics and Trading Business by approximately RMB15.9 million; the money lending business of approximately RMB11.8 million; offset by the increase in turnover of entertainment and cultural business of approximately RMB22.8 million, respectively.

Gross Loss and Net Loss

The Group recorded a gross loss of approximately RMB21.3 million (2019: gross loss of RMB2.3 million). The Group recorded a net loss of approximately RMB207.6 million, as compared to a net loss of approximately RMB605.3 million for the year ended 31 December 2020. The decrease in the audited consolidated loss attributable to owners of the Company was mainly attributable to:

(i) The gain on the derivative financial instruments of approximately RMB54,683,000 due to the completion of the subscription of phase 2 of convertible bonds during the year of 2020;

(ii) An absence of the loss on the derivative financial instruments of approximately RMB 100,744,000 as recognised in the same period last year;

(iii) The gain on disposal of an associate of approximately RMB74,208,000, represented the difference between the carrying amount of the associate on the disposal date of approximately RMB53,046,000, release of translation reserve of approximately RMB4,185,000, the fair value transfer to financial assets at fair value through profit or loss for 11.9% residual effective equity interest of approximately RMB80,881,000 and the cash consideration received from the disposal of approximately RMB46,373,000;

(iv) An absence of the impairment loss on interest in an associate of approximately RMB 21,075,000 due to the reclassification from the investment in an associate to the fair value transfer to financial assets at fair value through profit or loss upon the disposal of the associate as recognised in the same period last year;

(v) A decrease in the finance costs of approximately RMB35,219,000 as compared to the same period of the last year;

(vi) An absence of the impairment loss on property, plant and equipment of approximately RMB25,944,000 as recognised in the same period last year; and

(vii) A decrease in the impairment loss on right-of-use assets of approximately RMB53,888,000 as compared to the same period of the last year.

BUSINESS REVIEW

Fabrics and Trading Business

The Group continued to engage in the Fabrics and Trading Business during the financial year. Revenue generated the fabric and trading business decreased from RMB112.7 million for the year ended 31 December 2019 to RMB96.8 million for the year ended 31 December 2020. The decrease in the revenue is mainly due to delayed production schedules caused by the initial temporary suspension of production facilities in China and decreased order placements resulted from the cease of economic activities and weakened consumer sentiment caused by the outbreak of the Coronavirus Disease 2019 (the "**COVID-19**"). The reportable segment loss improved from RMB9.7 million for the year ended 31 December 2019 to RMB7.8 million for the year ended 31 December 2020 due to adoption of the cost control measure to reduce the raw material wastage in the production.

Money Lending Business

The money lending business is conducted through Rende Finance Limited, a locally licenced money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of the Hong Kong). As at 31 December 2020, the loan balances were approximately RMB20.1 million (2019: RMB86.4 million) with terms of 1 year.

The Group adopted the money lending policy and procedure manual which provide guidelines on the handling and monitoring of money lending procedures according to the Money Lenders Ordinance. For the year ended 31 December 2020, the interest income contributed by the money lending business was approximately RMB6.4 million (2019: RMB18.2 million) with the reportable segment profit result of approximately RMB4.5 million (2019: RMB14.5 million).

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

Investment and Brokerage Services Business

To enhance the financial performance, the Group held listed securities as investment during the year. During the year, the Group recorded an overall fair value of loss of approximately RMB9.1 million (2019: fair value loss of RMB42.4 million) as the stock market was volatile in 2020.

As at 31 December 2020, the aggregate amount of the Group's listed securities held for trading at fair value is approximately RMB77.8 million (2019: RMB31.4 million). The increase mainly represents the reclassification of approximately RMB80.9 million from the investment in an associate to the fair value transfer to financial assets at fair value through profit or loss upon the disposal of the associate during the year of 2020. The Group managed a portfolio of securities listed in Hong Kong and overseas.

The Group recorded revenue from brokerage services business for the Year of RMB14.2 million (2019: RMB12.9 million), representing an increase of 10.17% as compared to that for the same period in the last year. The increase is mainly contributed by growth of margin financing interest income. The reportable segment result recorded from the loss of RMB3.8 million for the year ended 31 December 2019 to the profit of RMB3.3 million for the year ended 31 December 2020 due to an absence of the penalties of approximately RMB4,410,000 to the Securities and Futures Commission (the "**SFC**") as recognised in the same period of the last year and the adoption of stringent cost control measures.

Media, Cultural and Entertainment Business

Revenue of the media, cultural and entertainment business increased from RMB13.1 million for the year ended 31 December 2019 to RMB36.7 million for the year ended 31 December 2020 driven by the license fee income from the film right and shooting and broadcasting income. However, the reportable segment loss increased from RMB8.0 million for the year ended 31 December 2019 to RMB77.2 million for the year ended 31 December 2020 due to the net result from the film right was not performed well caused by change of the distribution platforms under the impact of COVID-19.

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

BUSINESS OUTLOOK

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

MATERIAL ACQUISITIONS AND DISPOSALS OF THE GROUP

Disposal of Million Federal

On 26 May 2020, Co-Prosperity Investment (International) Limited, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement to dispose 60% of the entire issued share capital of Million Federal International Limited ("**Million Federal**") and its subsidiaries at the consideration of approximately HK$62,000,000 (subject to adjustment). Sincere Securities Limited, a wholly-owned subsidiary of Million Federal, is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. The transaction has not been completed up to the date of this announcement.

Disposal of Listed Securities in Yong Tai Berhad

On 7 December 2020, Full Winning Developments Limited, a wholly-owned subsidiary of the Company, disposed on market an aggregate of 73,208,000 shares of Yong Tai Berhad ("**Yong Tai Share(s)**"), a company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad, in a series of transactions on 7 December 2020, at the average selling price of RM0.398 (equivalent to approximately HK$0.757) per Yong Tai Share (the "**Disposal**"). The aggregate gross sale proceeds from the Disposal were approximately RM29 million (equivalent to approximately HK$55 million) (excluding transaction costs). As a result of the Disposal, the Group is expected to recognise a gain before taxation of approximately RMB28 million (equivalent to approximately HK$33 million) included in the other comprehensive income which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of transaction costs) of the Yong Tai Shares. The Board intends to apply the net proceeds from the Disposal will be applied for repayment of the borrowings of the Group and/or for the general working capital of the Group.

Qualified opinion related to Share of loss of an associate, gain on deemed disposal of partial interests, share of exchange translation difference of an associate and gain on disposal of an associate – Yong Tai Berhad ("Yong Tai")

No sufficient appropriate audit evidence has been provided to satisfy our auditor as to whether the share of loss of an associate of approximately RMB11,825,000, gain on deemed disposal of approximately RMB859,000, the share of exchange translation difference of an associate of approximately RMB292,000 and the gain on disposal of an associate of approximately RMB74,208,000 are properly recognised for the year ended 31 December 2020.

The Board and the audit committee of the Company concur with the view as stated in the modification opinion and consider that it will not have material potential impact on the Group's financial position.

No further action is considered necessary due to Yong Tai ceased to be classified as an associate and was reclassified as financial assets at fair value through profit or loss upon completion of the disposal during the year of 2020.

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

The management has drawn attention to note 1 to the Consolidated Financial Statements with respect to the Group's ability to continue as going concerns. During the financial year ended 31 December 2020, the Group incurred a net loss of approximately RMB207,634,000. As at 31 December 2020, the Group's current liabilities exceeded the current assets by approximately RMB249,201,000 as at 31 December 2020. The Group also has defaults in repayment of loans and borrowings with principals of approximately RMB182,803,000. These events and conditions indicate a material uncertainty exists that may cast significant doubt about the Group's ability to continue as going concern.

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

(i) Actively negotiating with lenders to renew loans that have fallen due;

(ii) Implementing comprehensive policies to monitor cash flows through cutting costs and capital expenditure;

(iii) Exploring the possibility of disposing certain non-core assets;

(iv) Soliciting for further financing arrangements which include placing of new convertible bonds to new potential investors; and

(v) The directors of the Company anticipates that the Group will generate positive cash flows from its operations in the foreseeable future.

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

(i) negotiating with third parties to jointly organise music events and produce film rights;

(ii) negotiating with third parties to invest in film rights;

(iii) revitalizing and developing the mobile application and OTT platform for different regions; and

(iv) implementing policies to monitor cash flows through cutting costs and capital expenditure.

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had total assets of approximately RMB809.2 million (2019: RMB1,013.2 million) which were financed by current liabilities of approximately RMB644.8 million (2019: RMB785.1 million), non-current liabilities of approximately RMB142.5 million (2019: RMB189.6 million) and the shareholders of the Company (the "**Shareholders**") equity of approximately RMB126.3 million (2019: RMB101.7 million).

As at 31 December 2020, excluded clients' monies in segregated account, the Group's cash and bank balances were approximately RMB47.0 million (2019: RMB29.7 million). As at 31 December 2020, the secured bonds were fixed-rate and were denominated in Hong Kong dollars ("**HK$**"), the short- term bank loans were fixed-rate loans and denominated in RMB whereas loans from other financial institution and other borrowing were fixed-rate loan and denominated in HK$. The Group's borrowings were secured by property, plant and equipment, interest in an associate financial assets at fair value through profit or loss, rights-of-use assets, inventories, trade and other receivables, deposits and prepayments, pledged bank deposits and bank balances and cash of the Group.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 0.6 (2019: 0.6). The gearing ratio, being a ratio of borrowings (comprising leases liabilities, bond payables, convertible bonds, bank loans, loans from other financial institutions and other borrowings as at 31 December 2020) to Shareholders' equity, was 309.8% (2019: 502.1%).

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities held for trading, at fair value

As at 31 December 2020, the Group held listed securities held for trading at fair value through profit or loss of approximately RMB77,740,000, particulars of which are set out below:

Stock code	**Name of Securities**	**No of shares held by the Group as at 31 December 2020**	**% of share capital owned by the Group**	**Investment cost** *(Note 1)* *RMB'000*	**Market value at 31 December 2020** *(Note 1)* *RMB'000*	**Unrealised loss on change in fair value for the year ended 31 December 2020** *(Note 1)* *RMB'000*	**% of the Group's total assets**
Bursa Malaysia Securities Berhad, stock code: 7066	Yong Tai Berhad	76,821,000 ordinary shares and 60,000,000 Irredeemable Convertible Preference Share	11.9%	80,881	68,953	(11,928)	8.52%
	Other listed securities held for trading, at fair value				8,787		1.09%
				Total	77,740		9.61%

Notes:

1. The investment cost, market value as at 31 December 2020, unrealized loss on change in fair value and the percentage of the Group's total assets in the the above table have been subject to rounding adjustments. Accordingly figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

2. The market value of each financial assets at fair value through profit or loss in others investments as at 31 December 2020 are less than RMB4,000,000.

LITIGATIONS

I. Litigation in Relation to Statutory Demands

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

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

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

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

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

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

II. Litigation in Relation to writ of Summons

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

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

CAPITAL EXPENDITURES

As at 31 December 2020, the Group has no significant capital commitments (2019: Nil) in respect of purchases of property, plant and equipment.

CONTINGENT LIABILITIES AND EXCHANGE RISK EXPOSURE

The Group has provided corporate guarantees in favour of a financial institution in respect of certain credit facilities granted to an independent third party, Shasing-Shapheng (Quanzhou) Textile Industrial Co., Ltd. ("**Shasing-Shapheng Quanzhou**")and a related company, Fujian Xiesheng Xiefeng Printing and Dyeing Industry Co., Ltd ("**Fujian Xiesheng Xiefeng**"). The total amounts to be guaranteed by the Group to Shasing-Shapheng Quanzhou and Fujian Xiesheng Xiefeng should not exceed RMB50,000,000 and RMB180,000,000 respectively (2019: RMB50,000,000 and RMB180,000,000 respectively). As at 31 December 2020, the guaranteed loans drawn down amounted to RMB20,000,000 and RMB45,600,000 respectively (2019: RMB20,000,000 and RMB20,850,000 respectively).

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

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

Except for the corporate guarantees disclosed above, the Group and the Company did not have any other contingent liabilities as at the end of the current and prior financial years.

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

EMPLOYMENT

As at 31 December 2020, the Group had about 409 employees (2019: 436 employees) in Hong Kong and in the PRC.

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

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

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 16 to this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the reporting period ended 31 December 2020, neither the Company, nor any of its subsidiaries, had repurchased, sold or redeemed any of its listed shares.

DIVIDEND

The Board does not recommend any payment of final dividend (2019: Nil) for the year.

CORPORATE GOVERNANCE

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

The Directors are in the opinion that the Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "**CG Code**") during the year ended 31 December 2020 except the following deviations:

In respect of code provisions A.6.7 and E.1.2 of the Corporate Governance Code, Dato' Sri Lai Chai Suang 拿督斯里賴彩雲博士*, being a non-executive Director and Co-Chairman of the Company, Mr. Andy Yong Kim Seng 楊錦成先生*, being a non-executive Director, Ms. Han Xingxing and Mr. Li Yu being independent non-executive Directors were unable to attend the annual general meeting held on 30 June 2020 due to COVID-19 travel restrictions. The Company shall continue to communicate with the Directors and make best effort to ensure their availabilities to attend general meetings and avoid time conflict.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") comprised four independent non-executive directors, Ms. Wong Chi Yan, Ms. Han Xingxing, Mr. Li Yu and Mr. Lee Cheung Yuet Horace. Ms. Wong Chi Yan is the chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Group's Consolidated Financial Statements for the year ended 31 December 2020 have been reviewed by the Audit Committee.

PUBLICATION OF ANNUAL REPORT

This audited annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company (http://www.atvgroup.com.hk). The annual report of the Company for the year ended 31 December 2020 containing all the information as required by the Listing Rules will be despatched to the Shareholders and made available for review on the same websites in due course.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company ("**2021 AGM**") is scheduled to be held on Wednesday, 30 June 2021. The notice of the 2021 AGM together with the 2020 annual report of the Company will be published on the websites of the Company (www.atvgroup.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), and despatched to the Shareholders on or before 30 April 2021.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Friday, 25 June 2021 to Wednesday, 30 June, 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a Shareholder to be eligible to attend and vote at the 2021 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 24 June 2021.

By order of the Board
Asia Television Holdings Limited
Deng Junjie
Co-Chairman and Non-executive Director

Hong Kong, 31 March 2021

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

* *For identification purpose only*