Creative China Holdings Limited
中國創意控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8368)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

CHARACTERISTICS OF THE GEM (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2020

	Notes	Three months ended 30 June 2020 RMB'000 (Unaudited)	Three months ended 30 June 2019 RMB'000 (Unaudited) (Re-presented)	Six months ended 30 June 2020 RMB'000 (Unaudited)	Six months ended 30 June 2019 RMB'000 (Unaudited) (Re-presented)
Continuing Operations					
Revenue	*3(a)*	**19,093**	36,995	**20,285**	39,305
Direct costs		**(8,892)**	(21,652)	**(9,715)**	(25,041)
Gross profit		**10,201**	15,343	**10,570**	14,264
Other income	*4*	**119**	22	**129**	116
Other gains and losses	*5*	**201**	1,426	**213**	1,683
Selling and distribution costs		**(577)**	(560)	**(1,131)**	(1,692)
Administrative expenses		**(3,829)**	(3,140)	**(6,978)**	(7,496)
Profit from continuing operations		**6,115**	13,091	**2,803**	6,875
Finance cost	*7*	**(53)**	(105)	**(121)**	(105)
Profit before income tax	*6*	**6,062**	12,986	**2,682**	6,770
Income tax expense	*8*	**(73)**	(3,418)	**(73)**	(3,418)
Profit for the period from continuing operations		**5,989**	9,568	**2,609**	3,352
Discontinued operation					
Loss for the period from discontinued operation		**–**	(2,399)	**–**	(3,221)
Profit for the period		**5,989**	7,169	**2,609**	131

	Notes	Three months ended 30 June 2020 RMB'000 (Unaudited)	Three months ended 30 June 2019 RMB'000 (Unaudited) (Re-presented)	Six months ended 30 June 2020 RMB'000 (Unaudited)	Six months ended 30 June 2019 RMB'000 (Unaudited) (Re-presented)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange differences of translating foreign operations		**(51)**	(28)	**(166)**	(50)
Total comprehensive income for the period		**5,938**	7,141	**2,443**	81
Profit for the period attributable to:					
Owners of the Company					
– from continuing operations		**6,018**	9,564	**2,670**	3,479
– from discontinued operation		**–**	(612)	**–**	(821)
		6,018	8,952	**2,670**	2,658
Non-controlling interests					
– from continuing operations		**(29)**	4	**(61)**	(127)
– from discontinued operation		**–**	(1,787)	**–**	(2,400)
		(29)	(1,783)	**(61)**	(2,527)
		5,989	7,169	**2,609**	131
Total comprehensive income for the period attributable to:					
Owners of the Company		**5,966**	8,924	**2,507**	2,608
Non-controlling interests		**(28)**	(1,783)	**(64)**	(2,527)
		5,938	7,141	**2,443**	81
Earnings per share:					
– Basic (RMB cents)	*10*				
– from continuing operations		**0.3840**	0.6717	**0.1709**	0.2443
– from discontinued operation		**–**	(0.0430)	**–**	(0.0577)
		0.3840	0.6287	**0.1709**	0.1866
– Diluted (RMB cents)		**N/A**	N/A	**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*11*	**1,006**	1,394
Right-of-use assets		**1,723**	2,507
Financial assets at fair value though other comprehensive income		**–**	5,000
Total non-current assets		**2,729**	8,901
Current assets			
Serial programme rights		**107,687**	107,687
Trade and other receivables	*12*	**86,398**	59,350
Amounts due from non-controlling interests	*15(b)*	**189**	1,339
Cash and cash equivalents		**7,596**	11,539
Total current assets		**201,870**	179,915
Total assets		**204,599**	188,816
Current liabilities			
Trade payables	*13*	**37,626**	45,881
Other payables		**25,837**	29,879
Contract liabilities		**20,241**	14,069
Current tax liabilities		**3,571**	3,832
Lease liabilities		**1,046**	1,315
Loan due to shareholders	*15(c)*	**19,865**	8,105
Loan due to a director	*15(d)*	**1,279**	1,254
Total current liabilities		**109,465**	104,335
Net current assets		**92,405**	75,580
Total assets less current liabilities		**95,134**	84,481

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-current liabilities			
Trade payables	*13*	**45,259**	45,258
Lease liabilities		**786**	1,259
Total non-current liabilities		**46,045**	46,517
Total liabilities		**155,510**	150,852
NET ASSETS		**49,089**	37,964
Capital and reserves			
Share capital	*14*	**13,188**	11,788
Reserves		**36,119**	26,330
Equity attributable to owners of the Company		**49,307**	38,118
Non-controlling interests		**(218)**	(154)
TOTAL EQUITY		**49,089**	37,964

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

		Reserves					Equity attributable to the owners of the Company		
	Share capital	Share premium	Other reserve	Merger reserve	Foreign exchange reserve	Accumulated losses		Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2020 (audited)	**11,788**	**158,096**	**5,362**	**9,300**	**(224)**	**(146,204)**	**38,118**	**(154)**	**37,964**
Issue of shares under placing *(note 14)*	**1,400**	**7,282**	**–**	**–**	**–**	**–**	**8,682**	**–**	**8,682**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**2,670**	**2,670**	**(61)**	**2,609**
Other comprehensive loss	**–**	**–**	**–**	**–**	**(163)**	**–**	**(163)**	**(3)**	**(166)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(163)**	**2,670**	**2,507**	**(64)**	**2,443**
Balance at 30 June 2020 (unaudited)	**13,188**	**165,378**	**5,362**	**9,300**	**(387)**	**(143,534)**	**49,307**	**(218)**	**49,089**
Balance at 1 January 2019 (audited)	**11,788**	**158,096**	**5,362**	**9,300**	**(102)**	**(147,819)**	**36,625**	**3,116**	**39,741**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**2,658**	**2,658**	**(2,527)**	**131**
Other comprehensive loss	**–**	**–**	**–**	**–**	**(48)**	**–**	**(48)**	**(2)**	**(50)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(48)**	**2,658**	**2,610**	**(2,529)**	**81**
Balance at 30 June 2019 (unaudited)	**11,788**	**158,096**	**5,362**	**9,300**	**(150)**	**(145,161)**	**39,235**	**587**	**39,822**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(23,416)**	(4,501)
Net cash generated from/(used in) investing activities	**3**	(2,094)
Net cash generated from financing activities	**19,389**	1,170
Net decrease in cash and cash equivalents	**(4,024)**	(5,425)
Effect of foreign exchange rate changes	**81**	(17)
Cash and cash equivalents at beginning of period	**11,539**	8,897
Cash and cash equivalents at end of period – represented by cash and bank deposits only	**7,596**	3,455

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 1 November 2013. The address of its registered office is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business in the People's Republic of China (the "PRC") is located at Room 1901, 19/F, Yulin Building, No.5A Xiangjun Nanli 2nd Alley, Chaoyang District, the PRC, and its principal place of business in Hong Kong is located at 23/F, Yue Thai Commercial Building, 128 Connaught Road Central, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the provision of traditional television program production, serial program rights distribution and licensing and related services, concert and event organisation services, mobile live broadcasting services and e-commerce services, entertainment contents on demand system services (discontinued during the year ended 31 December 2019) and artist management.

2. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance.

In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

The unaudited condensed consolidated financial results have been prepared under the historical cost basis.

The unaudited condensed consolidated results are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies applied in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2019, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the current period. The adoption of these new or revised HKFRSs had no change in significant accounting policies and no significant effect on the financial results of the current period. Also, no prior period adjustment is required.

The Group has not applied or early adopted the new or revised HKFRSs (including their consequential amendments) which are relevant to the Group that have been issued but are not yet effective in the preparation of these unaudited condensed consolidated results. The Group is currently assessing the impact of these new or revised HKFRSs upon initial application but is not yet in a position to state whether these new or revised HKFRSs would have any significant impact on its results of operations and financial position. It is anticipated that all of the pronouncements will be adopted in the Group's accounting policies in the accounting periods when they first become effective.

The unaudited condensed consolidated results have not been reviewed nor audited by the Company's auditor, but have been reviewed by the audit committee of the Board (the "Audit Committee").

3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has the following reportable segments which are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable and operating segments:

– Program production and related services ("Program Production");

  Program Production segment provides traditional television program production, serial programme right distribution and licensing and related services.

– Concert and event organisation and related services ("Concert and event organisation");

  Concert and event organisation segment provides organisation services, such as music concerts, prize presentation ceremony, automobile shows, university alumni and other performance events.

– Mobile live broadcasting and e-commerce and related services (" Mobile Live Broadcasting and e-commerce");

  Mobile Live Broadcasting and e-commerce segment provides an electronic platform for entertainment contents consumption and e-commerce, such as online store. This segment also provides online program production and related services.

– Entertainment contents on demand system and related services ("Entertainment on Demand System");

  Entertainment on Demand System segment provides entertainment content through an entertainment on demand system named "Fengtingxun" which are installed in hardware placed within various karaoke boxes, mini-cinemas, hotels and internet cafes in the PRC. This segment was discontinued during the year ended 31 December 2019.

– Artist Management and related services ("Artist Management");

  Artist Management segment provides agency service for the artists and star athletes for arrangement of different performance activities.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision maker for assessment of segment performance.

(a) Revenue

The amounts of each significant category of revenue recognised during the periods are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		(Re-presented)		(Re-presented)
Continuing Operations				
Program production and related income	**3,774**	35,653	**3,774**	35,653
Concert and event organisation and related income	**10**	116	**1,179**	2,426
Mobile live broadcasting and e-commerce and related income	**6,536**	–	**6,536**	–
Artist management and related income	**8,773**	1,226	**8,796**	1,226
Discontinued operation	**19,093**	36,995	**20,285**	39,305
Entertainment contents on demand system and related income	**–**	3,346	**–**	6,436
	19,093	40,341	**20,285**	45,741

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

For the six months ended 30 June 2020 (unaudited)

	Continuing operations					Discontinued operation	
	Program Production	Concert and event Organisation	Mobile Live Broadcasting	Artist Management	Sub-total	Entertainment on Demand System	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue from external customers	3,773	1,179	6,537	8,796	20,285	–	20,285
Reportable segment profit/(loss)	(396)	(233)	3,536	2,777	5,684	–	5,684
Interest income	4	–	3	–	7	–	7
Interest expenses	97	8	–	8	113	–	113
Depreciation of property, plant and equipment	252	–	3	120	375	–	375
Depreciation of right-of-use assets	490	96	–	96	682	–	682
Reportable segment assets	148,510	21,840	25,789	727	196,866	–	196,866
Additions to non-current assets	–	–	5	–	5	–	5
Reportable segment liabilities	105,777	17,084	12,824	3,598	139,283	–	139,283

For the six months ended 30 June 2019 (unaudited)

	Continuing operations					Discontinued operation	
	Program Production *RMB'000*	Concert and event Organisation *RMB'000*	Mobile Live Broadcasting *RMB'000*	Artist Management *RMB'000*	Sub-total *RMB'000*	Entertainment on Demand System *RMB'000*	Total *RMB'000*
Reportable segment revenue from external customers	35,653	2,426	–	1,226	39,305	6,436	45,741
Reportable segment profit/(loss)	14,256	(1,459)	(2,396)	(229)	10,172	(3,221)	6,951
Interest income	1	–	–	–	1	2	3
Interest expenses	–	–	–	–	–	198	198
Depreciation of property, plant and equipment	651	38	–	114	803	198	1,001
Reportable segment assets	67,417	5,112	30,425	2,474	105,428	34,372	139,800
Additions to non-current assets	4,367	–	–	–	4,367	143	4,510
Reportable segment liabilities	57,594	3,534	9,861	7,822	78,811	15,746	94,557

(c) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment and consolidated revenue	**20,285**	45,741

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Re-presented)
Profit before income tax		
Reportable segment profit	**5,684**	10,172
Other revenue:		
– Interest income	**1**	2
Other gains and losses:		
– Exchange gain	**213**	288
Unallocated corporate expenses:		
– Directors' emoluments	**(1,340)**	(1,309)
– Legal and professional fee	**(828)**	(449)
– Salaries and other benefits for key management and administration staff	**(790)**	(1,194)
– General operating expenses	**(258)**	(740)
Consolidated profit before income tax	**2,682**	6,770

	As at 30 June	As at 31 December
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Assets		
Reportable segment assets	**196,866**	180,698
Unallocated corporate assets:		
– Property plant and equipment	**149**	174
– Cash and bank balances	**1,185**	2,629
– Other financial assets	**–**	5,000
– Others	**6,399**	315
Consolidated total assets	**204,599**	188,816

	As at 30 June 2020 *RMB'000* (Unaudited)	As at 31 December 2019 *RMB'000* (Audited)
Liabilities		
Reportable segment liabilities	**139,283**	139,181
Unallocated corporate liabilities:		
– Accruals and other payable	**2,206**	2,312
– Loan due to shareholders	**13,290**	8,105
– Loan due to a director	**731**	1,254
Consolidated total liabilities	**155,510**	150,852

(d) Geographic information

	Six months ended 30 June 2020 *RMB'000* (Unaudited)	Six months ended 30 June 2019 *RMB'000* (Unaudited) (Re-presented)
Revenue		
PRC	**20,285**	43,315
Hong Kong	**–**	1,703
Other countries in Southeast Asia	**–**	723
	20,285	45,741

Geographical location of customers is based on the location at which the services are provided.

No geographical location of non-current assets is presented as substantial non-current assets are physically based in the PRC.

(e) Information about major customers

For the six months ended 30 June 2020, revenues from three customer (for the six months ended 30 June 2019: one customer) with whom transactions have exceeded 10% of the Group's revenue for the period. Details were as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from the customer:		
Customer I:		
– Artist management	**8,774**	N/A(i)
– Program production and related services	**3,773**	N/A(i)
Customer II:		
– Mobile live broadcasting and e-commence and related services	**3,326**	N/A(i)
Customer III:		
– Mobile live broadcasting and e-commerce and related services	**3,211**	N/A(i)
Customer IV:		
– Program production and related services	**N/A (ii)**	35,653
	19,084	35,653

Notes:

(i) The corresponding revenue in the six months ended 30 June 2019 for Customer I, II and III did not contribute over 10% of the total revenue of the Group.

(ii) The corresponding revenue in the six months ended 30 June 2020 for Customers IV did not contribute over 10% of the total revenue of the Group.

4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		(Re-presented)		(Re-presented)
Continuing operations				
Interest income from bank deposits	**2**	1	**8**	3
Sundry income	**117**	21	**121**	113
	119	22	**129**	116
Discontinued operation				
Interest income from bank deposit bank deposits	**–**	1	**–**	2
Sundry income	**–**	–	**–**	9
	–	1	**–**	11

5. OTHER GAINS AND LOSSES

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		(Re-presented)		(Re-presented)
Continuing operations				
Exchange gain, net	**201**	52	**213**	288
Gain on disposal of property, plant and equipment	**–**	–	**–**	21
Provision of doubtful debts written back	**–**	1,374	**–**	1,374
	201	1,426	**213**	1,683

6. PROFIT BEFORE INCOME TAX

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
		(Re-presented)		(Re-presented)
Continuing operations				
Profit before income tax is arrived at after charging:				
Directors' remuneration (including retirement benefit scheme contributions)	**670**	656	**1,340**	1,309
Other staff costs	**1,476**	1,184	**2,913**	3,281
Retirement benefit schemes contributions for other staffs	**236**	300	**474**	865
Staff costs	**2,382**	2,140	**4,727**	5,455
Depreciation of property, plant and equipment	**109**	400	**400**	668
Depreciation of right-of-use assets	**413**	575	**777**	575

7. FINANCE COST

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Continuing operations				
Interest on lease liabilities	**53**	105	**121**	105

8. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations				
Current tax – the PRC				
– provision for the period	**(73)**	(3,418)	**(73)**	(3,418)
Current tax – Hong Kong				
– provision for the period	**–**	–	**–**	–
Deferred tax	**–**	–	**–**	–
Income tax expense	**(73)**	(3,418)	**(73)**	(3,418)

PRC enterprise income tax and Hong Kong profits tax are calculated at 25% (for the six months ended 30 June 2019: 25%) and 16.5% (for the six months ended 30 June 2019: 16.5%) on the estimated assessable profits for the period respectively.

9. DIVIDEND

The directors do not recommend the payment of any dividend for the three and six months ended 30 June 2020 (for the three and six months ended 30 June 2019: nil).

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit for the purposes of basic earnings per share				
– Continuing operations	**6,018**	9,564	**2,670**	3,479
– Discontinued operation	**–**	(612)	**–**	(821)
	6,018	8,952	**2,670**	2,658

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	**2020**	2019
	'000	*'000*	***'000***	*'000*
Number of shares				
Issued ordinary shares at beginning of period	**1,581,578**	1,423,513	**1,423,513**	1,423,513
Effect of issuance of shares under placing *(note 14)*	**–**	–	**138,958**	–
Weighted average number of ordinary shares *(note)*	**1,581,578**	1,423,513	**1,562,471**	1,423,513

Note:

Diluted earnings per share was the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding for the three months and six months ended 30 June 2020 and 2019.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired property, plant and equipment amounting to approximately RMB5,000 (for the six months ended 30 June 2019: approximately RMB5.4 million (including the initial recognition of right of use assets of approximately RMB3.9 million of leased properties pursuant to the application of HKFRS 16)).

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**2,603**	1,414
Less: impairment allowance	**(1,351)**	(1,351)
Trade receivables, net	**1,252**	63
Prepayments and deposits	**68,628**	38,463
Other receivables, gross	**16,518**	20,824
Less: impairment allowance	**–**	–
Other receivables, net	**16,518**	20,824
	86,398	59,350

The aging analysis of trade receivables (net of impairment losses), based on invoice dates, as of the end of period, is as follows:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**–**	–
31 to 90 days	**1,188**	–
91 to 180 days	**–**	63
Over 180 days	**64**	–
	1,252	63

Note:

The credit period granted to trade debtors ranges 0-90 days from the invoice dates.

At the end of reporting period, the Group reviews trade and other receivables for evidence of impairment on both an individual and collective basis.

The below table reconciled the impairment allowance of trade debtors for the period:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
At beginning of period	**1,351**	4,589
Impairment for the period	**–**	–
Reversal for the period	**–**	(3,238)
At end of period	**1,351**	1,351

Trade receivables that were not past due relate to customers for whom there was no recent history of default.

13. TRADE PAYABLES

The aging analysis of trade payables, based on invoice dates, as of the end of period, is as follows:

	As at 30 June 2020 *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Within 30 days *(note)*	**970**	79,896
31 to 90 days	**–**	–
91 to 365 days	**81,504**	1,577
Over 365 days	**411**	9,666
	82,885	91,139

Note:

Included in trade payables within 91 to 365 days as at 30 June 2020 and within 30 days as at 31 December 2019 was the remaining balances of RMB34,638,000 in respect of purchase of serial programme rights which was payable by instalments up to end of 2020. The Group is negotiating with different TV stations and platforms for initial broadcasting of the serial program. The Group has obtained consent from the vendor to defer the settlement of certain payables but no later than 31 December 2021 in case distribution of broadcasting right is delayed.

14. SHARE CAPITAL

Authorised and issued share capital

	Number	**HK$'000**	**Equivalent to RMB'000**
Authorised			
At 1 January 2019,31 December 2019, 1 January 2020 and 30 June 2020	8,000,000,000	80,000	**67,024**
Issued and fully paid			
Ordinary shares			
At 1 January 2019, 31 December 2019 and 1 January 2020	1,423,513,043	14,235	**11,788**
Issue of shares under placing *(note)*	158,064,516	1,581	**1,400**
At 30 June 2020	1,581,577,559	15,816	**13,188**

Note:

On 23 January 2020, pursuant to the subscription agreement entered into between the Company and Mr. Wu Jian ("Mr. Wu", an independent third party of the Company under GEM Listing Rules) on 10 January 2020 (the "Subscription Agreement"), the Company completed the issuance of 158,064,516 new ordinary shares of the Company (with aggregate nominal value of HK$1,580,645.16) (the "Subscription Share(s)") to Mr. Wu at the subscription price of HK$0.062 (the "Subscription Price") per Subscription Share (the "Subscription"). The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Subscription Agreement was HK$0.075. The gross proceeds from the Subscription is HK$9,800,000 and the net proceeds from the Subscription is approximately HK$9,790,000 after deducting the related expenses. The net issue price was approximately HK$0.062 per Subscription Share. Upon the completion of the Subscription, Mr. Wu owns 158,064,516 ordinary shares of the Company, representing approximately 9.99% of the issued share capital immediately after the completion of the Subscription. The Directors consider that the Subscription represents a good opportunity to raise funds for the development and production of serial programs which the Company has entered into and to strengthen the capital base of the Company.

15. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in this unaudited condensed consolidated financial statements, the Group had the following significant transactions with related parties during the period:

Related party relationship	**Type of transaction**	**Six months ended 30 June**	
		2020	2019
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Shareholder A *(note)*	Salaries	**38**	38
Shareholder B *(note)*	Salaries	**38**	38
Director A	Lease payment	**570**	–

Note: The shareholders are the controlling shareholders of the Group

(b) The amounts due from non-controlling interests are unsecured, interest-free and repayable on demand. No ECL provision has recognised as management assessed the effect is immaterial.

(c) The loans due to the controlling shareholders are unsecured, interest-free and repayable on demand or due on within 1 year.

(d) The loan due to a director is unsecured, interest-free and repayable on demand or due within 1 year.

(e) The remuneration of the Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Wages and salaries	**2,102**	**2,112**
Social insurance and housing fund	**–**	**61**
Mandatory provident fund	**28**	**23**
	2,130	**2,196**

16. POST BALANCE SHEET EVENT

Lapse of connected transaction in relation to subscription of new shares by connected persons under specific mandate

On 9 April 2020, the Company entered into subscription agreements ("Subscription Agreements") with the Subscribers (being Guang Rui Investments Limited and Goldbless International Limited), pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 90,909,090 new shares in aggregate, at the subscription price of HK$0.11 per subscription share.

As certain conditions under the Subscription Agreements have not been fulfilled by the Long Stop Date (i.e. 31 July 2020), the Subscription Agreements have lapsed on 31 July 2020.

The Directors believe that the lapse of the Subscription Agreements has no material adverse impact on the business operations and financial position of the Company.

Details of which was disclosed in the announcements dated 9 April 2020 and 31 July 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 June 2020 amounted to approximately RMB20.3 million, representing a decrease of approximately 48.4% as compared to that recorded for the six months ended 30 June 2019 of approximately RMB39.3 million. The revenue was mainly generated from program production, mobile live broadcasting and e-commerce and artist management segments. The decrease in revenue was mainly due to the postpone of the negotiation of licensing the broadcasting rights under the program production segment, amid the temporary suspension of the entertainment industry operations during the beginning of the pandemic of coronavirus disease 2019 ("COVID-19"), and no concerts being organised under the enforcement on prohibition of group gathering in the rest of the world.

Gross profit

The gross profit for the six months ended 30 June 2020 amounted to approximately RMB10.6 million, representing a decrease of approximately 25.9% as compared to that recorded for the six months ended 30 June 2019 of approximately RMB14.3 million. Gross profit margin increased from 36.3% to 52.1% as compared to the corresponding period in last year. Gross profit was being recorded for the six months ended 30 June 2020 was mainly attributable to a number of planning, online promotional activities and advertising jobs being arranged for our contracted artists.

Expenses

Selling and distribution costs for the six months ended 30 June 2020 was approximately RMB1.1 million, which represented a decrease of approximately 33.2% as compared to the corresponding period in last year. The selling and distribution costs incurred for the six months ended 30 June 2020 were mainly for the maintenance of the mobile live broadcasting segment.

Administrative expenses for the six months ended 30 June 2020 amounted to approximately RMB7.0 million (for the six months ended 30 June 2019: approximately RMB7.5 million), which was decreased by approximately 6.9% as compared to the corresponding period in last year. The main reason is due to the cost control under the pandemic of COVID-19 and enforcement on prohibition of group gathering in the rest of the world.

Income tax expenses

The Group had recorded income tax expenses for the six months ended 30 June 2020 of approximately RMB73,000 while no income tax credit was recorded. There are no significant provision of Hong Kong profit tax and PRC enterprise income tax for the six months ended 30 June 2020 and 2019 as there are tax losses offsetting the taxable profit during the period. PRC enterprise income tax for the subsidiaries incorporated in the PRC and Hong Kong profits tax for the subsidiaries incorporated in Hong Kong is calculated at 25% and 16.5% respectively on taxable profit of relevant period in accordance with the relevant laws and regulations.

Profit for the period

Profit for the six months ended 30 June 2020 was approximately RMB2.6 million (six months ended 30 June 2019: RMB131,000), which was increased by approximately 18.9 times as compared to the corresponding period in last year. The significant increase in net profit after tax was mainly from mobile live broadcasting and e-commerce and artist management segments. It is mainly attributable to (i) the increase of sales in the provision of planning, promotion services and resources integration, (ii) an improvement in gross profit margin, and (iii) disposal of discontinued operation.

Share subscription

On 23 January 2020, pursuant to the subscription agreement entered into between the Company and Mr. Wu Jian ("Mr. Wu", an independent third party of the Company under GEM Listing Rules) on 10 January 2020 (the "Subscription Agreement"), the Company completed the issuance of 158,064,516 new ordinary shares of the Company (with aggregate nominal value of HK$1,580,645.16) (the "Subscription Share(s)") to Mr. Wu at the subscription price of HK$0.062 (the "Subscription Price") per Subscription Share (the "Subscription"). The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Subscription Agreement was HK$0.075. The gross proceeds from the Subscription is HK$9,800,000 and the net proceeds from the Subscription is approximately HK$9,790,000 after deducting the related expenses. The net issue price was approximately HK$0.062 per Subscription Share. Upon the completion of the Subscription, Mr. Wu owns 158,064,516 ordinary shares of the Company, representing approximately 9.99% of the issued share capital immediately after the completion of the Subscription. The Directors consider that the Subscription represents a good opportunity to raise funds for the development and production of serial programs which the Company has entered into and to strengthen the capital base of the Company. As at 30 June 2020, the net proceeds from the Subscription has been fully utilised as follows:

– approximately HK$5,843,000 has been utilised to finance the production of TV serial programmes

– approximately HK$2,067,000 has been utilised to pay for concert organisation expenses

– approximately HK$1,880,000 has been utilised for general working capital of the Company

Financial resources, liquidity and capital structure

During the six months ended 30 June 2020, the Group finances its operations by internally generated cash flow, borrowings and shareholders' equity. As at 30 June 2020, the Group had net current assets of approximately RMB92.4 million (as at 31 December 2019: approximately RMB75.6 million) including cash and cash equivalents of approximately RMB7.6 million (as at 31 December 2019: approximately RMB11.5 million). The decrease in cash and cash equivalents was mainly due to the Group has deployed capital for the pre-production of a TV serial program and movies which entered into during the second quarter of 2020. The current ratio, being the ratio of current assets to current liabilities, was approximately 1.84 times as at 30 June 2020 (as at 31 December 2019: approximately 1.72 times). The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately RMB49.3 million as at 30 June 2020 (as at 31 December 2019: approximately RMB38.1 million).

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the businesses of (i) program production and related services; (ii) concert and event organisation; (iii) mobile live broadcasting and e-commerce; and (iv) artist management.

Program production and related services

The Group has recorded revenue of approximately RMB3.8 million for the six months ended 30 June 2020, representing a decrease of approximately 89.4% as compared to that recorded for the six months ended 30 June 2019 of approximately RMB35.7 million. The revenue was from provision of planning, promotion and related services for online drama. The decrease was mainly due to the postpone of the negotiation of licensing the broadcasting rights under the program production segment, amid the temporary suspension of the entertainment industry operations during the beginning of the pandemic of coronavirus disease 2019 ("COVID-19"), whereas the broadcasting rights of a serial program has been licensed during the same period last year.

The Group has deployed capital in production of 2 movies and 1 serial program, which are currently in the pre-production and planning stages: 1. a modern urban emotion movie; 2. a Chinese historical fiction movie; and 3. a TV serial program with approximately 36 episodes. Under the impact of the COVID-19 pandemic, the management will use its best endeavour to liaise the kick off of the official shooting time.

The Group has entered into several contracts in the total amounted of RMB15.0 million for provision of planning services in 2020, which will be recognised in 2020 accordingly pursuant to the accounting standards.

The Group is in discussion with several PRC television video production and online platforms for distribution and/or licensing the broadcasting rights of three serial programs in our inventory.

The Group entered into cooperation agreement with a PRC television video production company, which is specialised in creation of intellectual property, to secure more potential resources and reserves for production of serial programs, online dramas and movies.

The Group continues to pursue production, distribution and licensing of broadcasting rights of serial programs, online dramas and movies to create values.

Concert and event organisation

For the six months ended 30 June 2020, revenue from concert and event organising decreased from approximately RMB2.4 million to approximately RMB1.2 million (approximately 51.4%), it is mainly due to the COVID-19 pandemic and enforcement on prohibition of group gathering in the rest of the world, therefore there was no concerts being organised during the period.

The Group has entered into agreements with certain Korean pop singers and a renowned top PRC singer to organise not less than 20 concerts in 2020 and 2021. Subject to the situation of the COVID-19 pandemic, the management will use its best endeavour to reschedule the timetable. The Group is also in negotiation with the feasibility to go online concerts with the artists.

Mobile live broadcasting and e-commerce

During the six months ended 30 June 2020, revenue of approximately RMB6.5 million was recorded (no revenue was recorded in the same period last year). Revenue was from online advertising, licensing fees and related services.

The management has gradually optimised the exclusive operational rights (custodial agreement of the mobile application entered in May 2019) of "Aiwoo" (an APP to provide online fans and stars with the tools necessary to engagement and interaction). Under the impact of the pandemic of coronavirus disease ("COVID-19"), there is a higher demand of use of online social media from customers, hence, generating online business revenue.

The Group has entered into contracts relating to advertising and licensing fee with total amount of RMB18.0 million, which will be recognised in 2020 accordingly pursuant to the accounting standards. The Group expected that the revenue from this segment will increase significantly in 2020.

On 20 July 2020, the Group and China General Chamber of Commerce ("CGCC"), affiliated to the State-owned Assets Supervision and Administration Commission of the State Council, have signed a not legal binding strategic cooperation framework agreement ("Cooperation Agreement") for jointly deepening the traditional business service industry transformation and sustainable development brought about by the Internet.

Under the Cooperation Agreement, the Company and CGCC might establish a cooperative company. The Group, as a partner, shall be responsible for integration of the operations and implementation for all mobile live broadcast and e-commerce online projects, including Internet e-commerce resources, celebrities and artists invitation, multi-channel network organisation operation and maintenance, project training, event planning, marketing and other related businesses. CGCC is an organisation boasting a strong membership base with more than 83,400 direct and indirect large commercial institutions and organisations. It manages 39 national commercial retail production associations. With such a broad coverage of sectors and services, CGCC has established a leading position in Mainland China's commercial services industry.

Since the beginning of 2020, the COVID-19 outbreak has hit the offline retail and services industries hard with extensive impact on traditional business operation models, spurring an urgent need for transformation and reshaping of the offline retail industry accompanied by online consumption models combined with the Internet. For example, live stream marketing, one of the hottest marketing trends, not only has continuously brought a new profit and income source to merchants, but also has helped them combine the offline operation with the online promotion, break through the barriers of the regional operation, and spread their own business throughout the country.

The Group has established an experienced team and good reputation and has a wide range of synergistic resources through providing planning and promotion as well as integration of resource and marketing services to a number of domestic and foreign companies in Mainland China. It has also proactively seized business opportunities presented by the COVID-19 pandemic and ridden the tailwind of video and livestream e-commerce, which will contribute notable profits to the Group.

CGCC's strong membership base and ability to rally support across a wide swath of industries, combined with their advantages and resources is set to create powerful synergy benefits. We have confidence that we will break through the impact on our social life brought by COVID-19. We can seize this opportunity to expand the market share of our mobile live broadcasting and e-commerce businesses and create value.

Artist management

The revenue for the six months ended 30 June 2020 was approximately RMB8.8 million as compared to the same period of last year of approximately RMB1.2 million, representing an increase of approximately 617.4%.

The Group has entered into an artist agency agreement with an entertainment company. During the second quarter of 2020, the Group has seek for several advertisement opportunities for the contracted artists of this company. The management believes that more jobs will be arranged for the artists in the second half of 2020.

The Group has entered into several contracts for our star athletes in early 2020, however, due to the postpone of 2020 Summer Tokyo Olympics, only a partial will be recognised. The Group expects the commercial value of world champion athletes will be considerably increased accordingly.

The Group will continue to seek for opportunities for our artists, as well as managing and promoting our artists and/or star athletes in order to bring more value to the Group.

With the closure of entertainment facilities such as cinemas across the country affected by the global epidemic situation, entertainment content consumption has been more sticky to streaming platforms with flexibility amid fascinating entertaining programs. The streaming platforms with more customized content will propel rapid growth. The emergence of the coronavirus not only reshaped the traditional operation model of film and TV market, but also changed the consumption habit. We believe 'content is king' is the future development direction. Thus, the Group proactively entered into the film and television production industry through integrating its advantageous resources such as its own program production, artist management and planning promotion resources to develop the films, TV serial programs and online short video content to meet market demand.

Although the businesses of the Group are facing various external challenges in 2020, the Group will strive to make improvements and overcome the challenges under the leadership of our experienced management. Together with the various opportunities currently exploring, the Group believes our business will continue to improve.

Principal risks and uncertainties

A number of factors may affect the results and business operations of the Group, major risks are summarised below.

Reliance on limited number of customers

The Group derived a significant portion of our revenue from a limited number of customers. For the six months ended 30 June 2020, the largest customer and the five largest customers of the Group contributed approximately 61.9% and 100% of total revenue to the Group respectively. There is a risk that these significant customers to cancel or early terminate the contract and no assurance that these significant customers will continue their business relationship with the Group or that the revenue generated from the customers will increase or be maintained in the future. The Group will continue to expand the customer base to mitigate the risk.

Intense competition

The television broadcasting content production market is highly fragmented. New players are entering into the market, while existing big players are growing. The Group is facing pricing pressure from the television station customers which have the sole decision making to which program to be played. The Group also faces threat of substitution by films, television series and competition programs which take up higher proportions of audience rating compared to television broadcasting contents such as variety shows.

The robust sector in the event organisation is very competitive. Apart from competition with other event organisers, television stations, online video networks and film distributors with high backward integration ability, many corporations setup their own in-house public relations, which have the ability to organise their own events such as annual parties. Further, companies that are well-established in other related fields such as public relations agencies, also are the potential competitors of the event organisation segment of the Group.

Uncertainties of market demand of recently developed businesses

The Group had made material investment in the mobile live broadcasting and e-commerce businesses. The Group believes these businesses have huge potential under the fast growing internet platform and the huge demand in the pan-entertainment sector. However, the instability in determining reliable estimates on the fast changing users' behaviors make no assurance that our optimistic expectation on these businesses can be realized. Further, its regulatory control are not fully sophisticated. The Group's operations of "entertainment contents + social media + e-commerce" of mobile live broadcasting and e-commerce business require quick reaction to the rapid market changes, therefore the Group has not yet been affirmed that the value of this business model will be realized in the short term.

Mobile live broadcasting and e-commerce are not necessities, the demand of these businesses may fall significantly if the economy in the PRC faces material downturn with the decrease in purchasing power of potential consumers. In addition, the consumption trend and demand of the internet and pan-entertainment can be changed quickly, the Group may require to deploy resources continuously to attract and retain the customers' loyalty. The management of the Group will closely monitor the operation and the market changes of these segments.

Employees and remuneration policies

As at 30 June 2020, the Group had a total of 29 employees (30 June 2019: 68). The decrease mainly due to disposal of capital Land. The Group remunerates its employees based on their performance, experience and the prevailing market situation. Their remuneration packages are normally renewed on an annual basis, based on performance appraisals and other relevant factors. The Group may pay discretionary bonuses to its employees based on individual performance.

Foreign exchange risks

The sales and purchases of the Group are mainly in a mix of HKD and RMB, the Group will review and monitor the risk relating to foreign exchanges.

Capital expenditure

The Group paid approximately RMB5,000 for the addition of property, plant and equipment during the six months ended 30 June 2020 (for the six months ended 30 June 2019: approximately RMB1.6 million).

Capital commitments

As at 30 June 2020, the Group did not have any capital commitments.

Contingent liabilities

As at 30 June 2020, there were no significant contingent liabilities for the Group.

Significant investment, material acquisitions or disposals of subsidiaries and affiliated companies

There were neither significant investments held as at 30 June 2020 (as at 31 December 2019: nil) nor material acquisitions and disposals of subsidiaries or affiliated companies made by the Group during the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 3 November 2015 (the "Share Option Scheme") and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of its adoption and enables the Company to grant share options to the eligible persons (including any executive director, non-executive director and independent non-executive director, advisor and consultant of the Group) (the "Eligible Person(s)") as incentives or rewards for their contributions to the Group. No share option was granted, exercised, expired or lapsed since its adoption by the Company and there is no outstanding share option under the Share Option Scheme.

COMPETING INTERESTS

During the six months ended 30 June 2020, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) as at 30 June 2020 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

The Board has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

The Board is pleased to report compliance with the code provisions of the CG Code for the six months ended 30 June 2020, except the following deviations (Code Provisions A.2.1, A.4.1 and C.2.5):

Chairman and Chief Executive Officer

Mr. Philip Jian Yang is the Chairman of the Board and the Chief Executive Officer of the Company and is responsible for the overall operations, management, business development and strategy planning of the Group.

The Chairman also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the Directors to make active contribution in Board's affairs and promoting a culture of openness and debate.

The Board is of the view that although Mr. Yang is both Chairman and the Chief Executive Officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company.

Non-executive directors

The non-executive directors of the Company were not appointed for a specific term but their respective terms of office are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The rotation clause sets up a mechanism to ensure that all Directors shall retire at least once every three years and be eligible for re-election.

Internal audit function

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. This situation will be reviewed from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the directors (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the directors, all the directors have complied with the Required Standard of Dealings throughout the six months ended 30 June 2020.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board. At the date of this report, the audit committee comprises three independent non-executive directors, namely Mr. Yau Yan Yuen, Ms. Fu Yuehong and Mr. Tan Song Kwang.

The unaudited condensed consolidated results of the Company for the six months ended 30 June 2020 have been reviewed by the audit committee. The audit committee is of the opinion that such unaudited condensed consolidated results comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

By order of the Board
Creative China Holdings Limited
Philip Jian Yang
Chairman and Executive Director

Hong Kong, 7 August 2020

As at the date of this report, the Board of Directors of the Company comprises Mr. Philip Jian Yang and Ms. Yang Jianping as executive directors; Mr. Yang Shiyuan, Mr. Ge Xuyu and Mr. Wang Yong as non-executive directors; and Ms. Fu Yuehong, Mr. Yau Yan Yuen and Mr. Tan Song Kwang as independent non-executive directors.

This announcement will remain on GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its publication and will be published on the website of the Company at www.ntmediabj.com.