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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the "Board") of directors (the "Director(s)") of Asia Television Holdings Limited (the "Company") is pleased to announce the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2019 (the "Period") together with the comparative figures for the corresponding period in 2018 are as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Turnover	*3*	**76,428**	75,297
Cost of sales		**(57,669)**	(101,004)
Gross profit/(loss)		**18,759**	(25,707)
Other income		**11,753**	797
Other expenses, gains and losses		**(999)**	(1,646)
Impairment loss on loan receivables		**(2,853)**	–
Reversal of impairment loss on loan receivables		**3,822**	–
Impairment loss on goodwill		**–**	(114,366)
Impairment loss on intangible assets		**(3,392)**	–
Impairment loss on account receivables		**(5,488)**	–
Reversal of Impairment loss on interest in an associate		**21,266**	–
Fair value loss on financial assets at fair value through profit or loss		**(33,357)**	(15,738)
Distribution and selling expenses		**(6,537)**	(16,767)
Administrative and operating expenses		**(54,820)**	(68,373)
Finance costs	*4*	**(54,249)**	(21,353)
Share of (loss)/profit of an associate		**(32,065)**	3,828

	Notes	Six months ended 30 June **2019** ***RMB'000*** **(unaudited)**	 2018 *RMB'000* (unaudited)
Loss before taxation	*5*	**(138,160)**	(259,325)
Taxation	*6*	**53**	73
Loss for the period		**(138,107)**	(259,252)
Other comprehensive income/(expense)			
– Items that will be reclassified subsequently to profit or loss:			
– exchange differences arising on translation		**1,016**	4,223
– share of other comprehensive income of an associate		**(286)**	8,887
Total comprehensive expense for the period		**(137,377)**	(246,142)
Loss for the period attributable to:			
Owners of the Company		**(132,317)**	(256,196)
Non-controlling interests		**(5,790)**	(3,056)
		(138,107)	(259,252)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(131,496)**	(242,506)
Non-controlling interests		**(5,881)**	(3,636)
		(137,377)	(246,142)
		RMB cents	*RMB cents*
Loss per share			
– Basic and diluted	*7*	**(1.84)**	(3.63)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Non-Current Assets			
Property, plant and equipment	*9*	**26,796**	35,779
Investment properties		**1,130**	1,130
Prepaid lease payments		**375**	384
Intangible assets	*10*	**595,403**	525,729
Goodwill		**20,077**	20,077
Right-to-use assets		**2,296**	–
Other deposits		**5,447**	5,481
Interest in an associate		**107,057**	118,141
		758,581	706,721
Current Assets			
Inventories		**92,903**	91,501
Trade and other receivables, deposits and prepayments	*11*	**150,756**	217,609
Loan receivables	*12*	**83,123**	100,193
Prepaid lease payments		**14**	14
Financial assets at fair value through profit or loss		**70,248**	123,237
Pledged bank deposits		**20,620**	20,620
Bank balances and cash		**114,066**	173,110
		531,730	726,284
Current Liabilities			
Trade and other payables	*13*	**257,886**	367,664
Bond payables		**64,966**	67,393
Taxation payables		**3,749**	7,416
Government grant		**24**	24
Lease Liabilities		**2,472**	–
Obligations under finance leases		**–**	205
Short-term bank loans, secured		**89,250**	90,350
Short-term loans from other financial institutions		**216,361**	220,866
Other borrowing		**199,442**	165,045
		834,150	918,963

	Notes	At 30 June 2019 RMB'000 (unaudited)	At 31 December 2018 RMB'000 (audited)
Net current liabilities		**(302,420)**	(192,679)
Total assets less current liabilities		**456,161**	514,042
Non-current Liabilities			
Obligations under finance leases		**–**	205
Lease liabilities		**205**	–
Government grant		**176**	176
Deferred tax liabilities		**75,918**	76,340
		76,299	76,721
Net assets		**379,862**	437,321
Capital And Reserves			
Share capital	*14*	**648,584**	616,617
Reserves		**(238,367)**	(154,822)
Equity attributable to owners of the Company		**410,217**	461,795
Non-controlling interests		**(30,355)**	(24,474)
Total equity		**379,862**	437,321

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL

The Company 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. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The unaudited interim condensed consolidated financial statements (the "Interim Financial Statements") are presented in Renminbi ("RMB").

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted HKFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. HKFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

(a) *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) *As a lessee*

The Group leases many assets, including properties and motor vehicles.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. office equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The recognised right-of-use assets relate to the following types of assets:

	Balance as at	
	30 June 2019	1 January 2019
	RMB'000	*RMB'000*
Properties	**1,954**	1,643
Motor vehicles	**342**	428
Total right-of-use assets	**2,296**	2,071

Significant accounting policies

The Group recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

Previously, the Group classified property leases as operating leases under HKAS 17. These include offices, staff quarters and warehouses. The leases typically run for a period of 1 to 3 years. Some leases include an option to renew the lease after the end of the non-cancellable period.

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17:

– Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

– Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

– Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(c) *Impacts of financial statements*

Impact on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The change in accounting policy affected the following items on the condensed consolidated statement of financial position (increase/(decrease)) as at 1 January 2019 is summarised below.

	1 January 2019
	RMB'000
Assets	
Right-of-use assets	2,071
Total assets	2,071
Liabilities	
Lease liabilities	1,848
Total liabilities	1,848

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019.

	1 January 2019
	RMB'000
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	4,105
Discounted using the incremental borrowing rate at 1 January 2019	2,985
Less: Recognition exemption for leases with less than 12 months of leases term at transition	(1,342)
Add: Finance lease liabilities recognised as at 31 December 2018	205
Lease liability recognised as at 1 January 2019	1,848
Of which are:	
Current lease liabilities	1,643
Non-current lease liabilities	205
	1,848

3. SEGMENT INFORMATION

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.

(i) 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 basis:

Segment assets include all 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, other borrowing and short-term 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 senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2019 and 2018 are set out below.

	Six months ended 30 June 2019 (unaudited)								
	Processing, printing and sales of finished fabrics – PRC	Trading of fabrics and clothing – Hong Kong	Money lending – Hong Kong	Securities investment – Hong Kong	Media, cultural and entertainment – Hong Kong	Securities brokerage services and margin finance – Hong Kong	Unallocated corporate office	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reasonable segment revenue and timing of revenue recognition									
Products and services transferred at a point in time	13,045	127	9,371	–	–	11,140	–	–	33,683
Services transferred over time	35,794	–	–	–	6,951	–	–	–	42,745
Revenue from external customers	48,839	127	9,371	–	6,951	11,140	–	–	76,428
Revenue from inter-segment	–	–	–	–	–	–	12,106	(12,106)	–
Reportable segment revenue	48,839	127	9,371	–	6,951	11,140	12,106	(12,106)	76,428
Reportable segment profit/(loss) (adjusted EBITDA)	(4,030)	(48)	8,074	(33,936)	(12,165)	(1,932)	(11,507)	–	(55,544)
Depreciation and amortisation for the Period	(459)	–	–	–	(12,537)	(1,120)	(60)	–	(14,176)
Impairment loss on intangible assets	–	–	–	–	(3,392)	–	–	–	(3,392)
Reversal of impairment loss on interest on associate	–	–	–	–	–	–	–	–	21,266
Finance costs	(2,534)	–	–	(1,709)	–	(1,867)	(48,139)	–	(54,249)
Share of loss of an associate	–	–	–	–	–	–	–	–	(32,065)
Loss before taxation									(138,160)
	At 30 June 2019 (unaudited)								
Reportable segment assets	153,954	202	83,148	70,251	552,442	228,611	614,085	(412,382)	1,290,311
Reportable segment liabilities	139,177	3,902	412,380	56,012	146,557	100,430	464,373	(412,382)	910,449

	Six months ended 30 June 2018 (unaudited)								
	Processing, printing and sales of finished fabrics – PRC	Trading of fabrics and clothing – Hong Kong	Money lending – Hong Kong	Securities investment – Hong Kong	Media, cultural and entertainment – Hong Kong	Securities brokerage services and margin finance – Hong Kong	Unallocated corporate office	Inter-segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reasonable segment revenue and timing of revenue recognition									
Products and services transferred at a point in time	18,053	1,153	8,796	–	–	12,131	–	–	40,133
Services transferred over time	26,055	–	–	–	9,109	–	–	–	35,164
Revenue from external customers	44,108	1,153	8,796	–	9,109	12,131	–	–	75,297
Revenue from inter-segment	–	–	–	–	–	1,471	9,447	(10,918)	–
Reportable segment revenue	44,108	1,153	8,796	–	9,109	13,602	9,447	(10,918)	75,297
Reportable segment profit/(loss) (adjusted EBITDA)	2,432	(64)	8,927	(18,668)	(91,516)	7,223	(18,471)	–	(110,137)
Depreciation and amortisation for the Period	(4,850)	(3)	–	–	(11,907)	(70)	(467)	–	(17,297)
Impairment loss on goodwill	–	–	–	–	(114,366)	–	–	–	(114,366)
Finance costs	(2,984)	–	(9,447)	(951)	–	(2,855)	(16,034)	10,918	(21,353)
Share of profit of an associate									3,828
Loss before taxation									(259,325)

	At 30 June 2018 (unaudited)								
Reportable segment assets	209,015	687	370,250	188,960	1,141,019	296,066	800,592	(1,219,170)	1,787,419
Reportable segment liabilities	156,396	4,283	395,418	33,662	162,211	167,827	259,261	(395,418)	783,640

(ii) 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 property, plant and equipment, prepaid lease payments, intangible assets, goodwill, deposits for other investments, deposits paid for acquisition of property plant and equipment, investment properties and interest in an associate (the "Specified Non-current Assets"). The geographical location of 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, in the case of property, plant and equipment, the location of the operation to which they are allocated.

	Turnover		**Non-current assets**	
	Six months ended 30 June		**At 30 June**	At 31 December
	2019	2018	**2019**	2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
The PRC	**48,839**	44,108	**21,204**	26,575
Malaysia	**–**	–	**107,057**	118,141
Hong Kong	**27,589**	31,189	**630,320**	556,524
	76,428	75,297	**758,581**	701,240

Information about major customers

There are no customers who individually contribute over 10% of the total revenue of the Group.

(iii) Contract balances

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

	At **30 June 2019** ***RMB'000*** **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Receivables, which are included in "Trade and other receivables"		
– Sales of goods from finished fabrics and garment products	**2,411**	2,152
– Subcontracting services income	**76**	35
– Entertainment and media services income	**62**	2,058
– Brokerage and related services income *(note)*	**77,677**	135,498
	80,226	139,743
Contract liabilities – which included in "trade and other payables" *(note 13)*		
– Sales of goods from finished fabrics and garment products	**2,504**	5,720
– Subcontracting services income	**18,472**	12,551
– Deferred revenue	**7,685**	11,442
	28,661	29,713

The contract liabilities primarily relate to the deposit received from customers as security deposit.

The Group applies the practical expedient in paragraph 121 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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interests on bank and other borrowings wholly repayable within five years		
– bank loans	**2,530**	2,847
– other secured loans	**25,283**	951
– other unsecured loans	**23,196**	11,828
	51,009	15,626
Effective interest expense on bond payables	**2,402**	2,256
Interest expense on finance leases	**6**	9
Other finance costs	**832**	3,462
	54,249	21,353

5. (LOSS)/PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss)/profit before taxation was arrived at after charging/(crediting):		
Cost of inventories recognised as expenses	**48,076**	40,917
Depreciation on property, plant and equipment	**11,307**	9,541
Net loss/(gain) on securities investment:		
– disposed of during the period	**8,309**	(6,913)
– held at the end of the reporting period	**25,048**	22,651

6. TAXATION

The PRC Enterprise Income Tax is calculated at the rate of 25% prevailing in the PRC jurisdiction for the year ended 31 December 2018 (2017: 25%). Provision for Hong Kong Profits Tax has been provided at the rate of 8.25% or 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong Profits Tax has been made in the Interim Financial Statements as the Group's operations in Hong Kong and PRC had no assessable profit for the Period.

7. LOSS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss attributable to the owners of the Company		
Loss for the purpose of basic and diluted loss per share	**(132,317)**	(256,196)

	Six months ended 30 June	
	2019	2018
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**7,174,176**	7,055,668

The weighted average number of ordinary shares for the current periods has been adjusted as the issue of the consideration shares had occurred during the current periods.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2018: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During six months ended 30 June 2019, the Group did not have any material acquisition and disposal of property, plant and equipment.

Property, plant and equipment decreased by approximately RMB428,000 on 1 January 2019 following the adoption of HKFRS 16, see note 2 for details.

10. INTANGIBLE ASSETS

During the six months ended 30 June 2019, apart from the acquisition of the right to share of the net income of movies amounted to appropriately RMB79,918,000 (see note 14 (i) & (ii) for details), the Group did not have any material acquisition and disposal of Intangible assets.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2019 ***RMB'000*** **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Trade receivables from securities brokerage services and margin finance segment *(note i)*	**93,210**	145,456
Less: Allowances for bad and doubtful debts	**(15,533)**	(9,958)
	77,677	135,498
Trade receivables from other segments *(note ii)*	**9,403**	10,536
Less: Allowances for bad and doubtful debts	**(6,854)**	(6,291)
	2,549	4,245
Deposits paid to suppliers	**23,904**	29,081
Less: Allowances for impairment	**(11,632)**	(11,632)
	12,272	17,449
Deposits prepayments and other receivables		
– Value-added tax recoverable	**445**	913
– Other receivables and prepayments	**52,380**	54,034
– Other deposits	**1,065**	1,105
– Amounts due from related companies *(note iii)*	**4,368**	4,365
	58,258	60,417
	150,756	217,609

Notes:

(i) Trade receivables from securities brokerage services and margin financial segment

All receivables from cash clients, margin clients and clearing house are not past due at the reporting dates for which the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by management.

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

(ii) Trade receivables from other segments

Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable by 30 days of issuance.

The following is an aged analysis of trade receivables presented based on the invoice date and net of impairment at the end of the reporting period:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 90 days	**1,523**	3,583
91 to 180 days	**440**	461
181 to 270 days	**–**	–
271 to 365 days	**586**	201
Over 365 days	**–**	–
	2,549	4,245

Management closely monitors the credit quality of trade receivables and considers trade receivables that are neither past due nor impaired to be of a good credit quality.

(iii) The amounts due from a related company/a non-controlling owner of subsidiaries are unsecured, interest-free and repayable on demand.

12. LOAN RECEIVABLES

The credit quality analysis of the loan receivables is as follows:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Unsecured loans		
– principal	**94,659**	108,763
– interest	**10,306**	12,303
Less: Impairment loss recognised	**(21,842)**	(20,873)
	83,123	100,193

The Group's loan receivables, which arise from the money lending business in Hong Kong, were denominated in Hong Kong dollars. The net carrying value of the loan principal and interest receivables in original currency as at 30 June 2019 amounted to approximately HK$82,875,000 (31 December 2018: HK$102,349,000) and approximately HK$11,729,000 (31 December 2018: HK$11,779,000), respectively.

Aging analysis of loan receivables (after impairment allowances) prepared based on loan commencement or renewal date, set out in the relevant contracts is as follows:

	At 30 June 2019	At 31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Less than 1 month	**9,236**	–
1 to 3 month(s)	**18,472**	26,013
4 to 6 months	**–**	46,906
7 to 12 months	**55,415**	27,274
	83,123	100,193

13. TRADE AND OTHER PAYABLES

	At 30 June 2019 *RMB'000* (unaudited)	At 31 December 2018 *RMB'000* (audited)
Trade payables from securities brokerage services and margin finance segment *(note i)*	**86,385**	146,858
Trade payables from other segments *(note ii)*	**30,843**	16,529
Customers' deposits	**20,976**	18,271
Other payables and accruals *(note iii)*	**50,872**	69,814
Other payable under creditor scheme *(note iv)*	**32,034**	31,792
Amounts due to a director *(note v)*	**626**	626
Amounts due to directors of the subsidiaries *(note v)*	**153**	153
Amounts due to a shareholder of the Company *(note v)*	**386**	386
Amounts due to non-controlling owners of subsidiaries *(note v)*	**11,128**	55,007
Amounts due to related companies *(note vi)*	**105**	105
Deposits on disposal of subsidiaries *(note vii)*	**16,693**	16,681
Deferred revenue	**7,685**	11,442
	257,886	367,664

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, 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:

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
0 to 90 day(s)	**5,519**	7,403
91 to 180 days	**16,114**	688
181 to 270 days	**3,668**	993
271 to 365 days	**55**	864
Over 365 days	**5,487**	6,581
	30,843	16,529

(iii) Included in other payables, there was an amount of approximately HK$57,900,000(equivalent to RMB50,872,000) representing the outstanding payable for the settlement of ATV's scheme of arrangements as at 30 June 2019.

(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 in process as at 30 June 2019.

(v) The amounts due are unsecured, interest-free except for an amount of RMB11,128,000 (31 December 2018: RMB55,007,000) which is interest bearing at 8.5% per annum, and repayable on demand.

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

(vii) On 16 July 2018, a wholly owned subsidiary, Co-Prosperity Investment (International) Limited entered into agreement with Ms. Yang Xiaoqiu to sell 60% of the entire issued share capital of Million Federal International Limited at the consideration of approximately RMB87,790,000 (equivalent to HK$100,000,000). As at 30 June 2019, the Group received a deposit on disposed of this subsidiary of approximately RMB16,693,000 (equivalent to HK$19,000,000).

14. SHARE CAPITAL

	Authorised	
	Number of shares	Amount
	'000	*HK$'000*
Ordinary shares of HK$0.10 each:		
At 1 January 2018 (audited), 31 December 2018 (audited) and 30 June 2019 (unaudited)	**20,000,000**	2,000,000

	Issued and fully paid		
	Number of shares	Amount	Amount
	'000	*RMB$'000*	*HK$'000*
Ordinary shares of HK$0.10 each:			
At 1 January 2018 and 31 December 2018 (audited)	7,055,668	616,617	705,566
Issue of consideration shares for movie investment *(note i)*	270,000	23,171	27,000
Issue of consideration shares for movie investment *(note ii)*	100,000	8,796	10,000
30 June 2019 (unaudited)	7,425,668	648,584	742,566

Notes:

(i) On 11 April 2019, the Company entered into a movie investment agreement with Filmko Pictures Limited. Pursuant to the movie investment agreement, Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 15% of the total net income of the movie"Double World《征途》"at the Consideration of HK$67,500,000. All the conditions precedent set out in the Movie Investment Agreement had been fulfilled and the Completion took place on 26 April 2019 in accordance with the terms and conditions of the Movie Investment Agreement. An aggregate of 270,000,000 Consideration Shares were allotted and issued to Filmko Pictures (or its nominees) at the issue price of HK$0.25 per Consideration Share under the General Mandate. Details of the issue of consideration shares are set out in the Company's announcements dated 11 April 2019 and 26 April 2019. These shares rank pair passu in all respects with the existing shares.

(ii) On 14 May 2019, the Company entered into a movie investment agreement with Filmko Pictures Limited. Pursuant to the movie investment agreement, Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 10% of the total net income of the movie"Little Q《小Q》", at the Consideration of HK$25,000,000. All the conditions precedent set out in the Movie Investment Agreement have been fulfilled and the Completion took place on 22 May 2019 in accordance with the terms and conditions of the Movie Investment Agreement. An aggregate of 100,000,000 Consideration Shares were allotted and issued to Filmko Pictures (or its nominee(s)) at the issue price of HK$0.25 per Consideration Share under the General Mandate. Details of the issue of consideration shares are set out in the Company's announcements dated 14 May 2019 and 22 May 2019. These shares rank pair passu in all respects with the existing shares.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table presents the carrying value of the Group's financial instruments measured at fair value across the three levels of the fair value hierarchy defined in Hong Kong Financial Reporting Standard 13 "Fair Value Measurement" with fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The fair value hierarchy has the following levels:

– Level 1: fair values measured quoted prices (unadjusted) in active markets for identical financial instruments;

– Level 2: fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

– Level 3: fair value measured using significant unobservable inputs.

The financial assets measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	At 30 June 2019 (unaudited)		
	Level 1	**Level 2**	**Level 3**
	RMB'000	***RMB'000***	***RMB'000***
Financial assets at fair value through profit or loss			
– Equity securities listed in Hong Kong, at fair value	**68,552**	**–**	**–**
– Equity securities listed in oversea, at fair value	**1,696**	**–**	**–**

	At 31 December 2018 (audited)		
	Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss			
– Equity securities listed in Hong Kong, at fair value	121,966	–	–
– Equity securities listed in oversea, at fair value	1,271	–	–

The fair value of financial assets at fair value through profit or loss categorised in Level 2 is determined based on the market value as stated in net asset value statement issued by the securities broker.

There were no transfers between the three Levels during the Period (31 December 2018: Nil).

16. MATERIAL RELATED PARTY TRANSACTIONS

At the end of the reporting date, the short-term loans from other financial institutions and certain short-term bank loans were guaranteed by the following related parties with respective maximum guarantees:

	At 30 June 2019 *RMB'000* **(unaudited)**	At 31 December 2018 *RMB'000* (audited)
Short-term bank loans		
Joint and several guarantee *(note i)*	**153,000**	153,000
Joint and several guarantee *(note ii)*	**124,500**	124,500
	277,500	277,500
Short-term loans from other financial institutions		
– Mr. Deng Junjie *(note iii)*	**170,624**	166,801
	448,124	444,301

Notes:

(i) The credit facilities were jointly guaranteed by Mr. Cai Chaodun, Mr. Qiu Fengshou, Ms. Wang Yuee, Mr. Cai Chaodun's wife and Ms. Ding Honggan, Mr. Qiu Fengshou's wife. Mr. Cai Chaodun is the deputy general manager of the Group, who is considered as a key management personnel. Mr. Qiu Fengshou is the senior manager of the Group.

(ii) The credit facility was jointly guaranteed by Mr. Cai Chaodun and Mr. Qiu Fengshou.

(iii) Mr. Deng Junjie is the substantial shareholder and the director of the Company.

The Directors represented key management of the Group. During the Period, the Directors' remuneration of approximately RMB2,530,000 (2018: RMB3,190,000) was charged to the profit or loss.

The related party balances as at 30 June 2019 and 31 December 2018 are set out in notes 11 and 13.

The material related party transactions for both periods are disclosed as below:

Name of related party	Nature	Six months ended 30 June	
		2019	2018
		RMB'000	*RMB'000*
		(unaudited)	(audited)
Sincere Finance Holding Limited *(note i)*	Interest expenses	**951**	1,361
Sincere Link Asset Management Limited *(note ii)*	Rental expenses	**147**	278
Incharm Limited *(note ii)*	Rental expenses	**528**	429
Joy East Holdings Limited *(note ii)*	Rental expenses	**–**	487
Sincere Bullion Limited *(note iii)*	Interest expenses	**–**	23
	Rental expenses	**264**	99

Notes:

(i) Other interest expenses were paid to a non-controlling owner of a subsidiary based on the terms as disclosed in note 13.

(ii) Companies in which directors of certain subsidiaries have significant influence. Rental expenses were charged based on terms mutually agreed.

(iii) A company in which director of a subsidiary has significant influence. The expenses were charged based on terms mutually agreed.

17. CONTINGENT LIABILITIES

As at 30 June 2019, the Group had provided corporate guarantee to a bank in respect of certain credit facilities granted to Shasing-Shapheng Quanzhou of which RMB40,000,000 was drawn down. The total amounts to be guaranteed by the Group should not exceed RMB50,000,000. The effective period of the guarantee should be from 16 July 2018 to 15 July 2023. 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 would not meet their obligations to the bank is remote, and it was not probable that a claim will be made against the Group under the guarantee contract.

18. COMPARATIVE FIGURES

The group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective method. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the Period (2018: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2019 (the "Period"), Asia Television Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") engaged in four major business streams including (i) processing, printing and sales of finished fabrics and subcontracting services and the trading of fabric and clothing business ("Fabrics and Trading Business"); (ii) money lending business; (iii) securities investment and brokerage services business; and (iv) media, cultural and entertainment business.

BUSINESS AND OPERATIONAL REVIEW

Fabrics and Trading Business

The revenue generated from the Fabrics and Trading Business slightly increased by around 8.2% to approximately Renminbi ("RMB") 49.0 million during the Period (2018: RMB45.2 million). Despite the fierce competition of the fabric industry in the People's Republic of China (the "PRC"); the economy of the PRC remained challenging due to the slowdown of economic growth in the PRC, driven by the structural adjustment in the domestic economy and structural reform on the supply side; and the operating environment was unfavourable owing to the volatile global economy and weak demand from customers, the revenue generated from the Fabrics and Trading Business remained steady. Nevertheless, the overall outlook of the Fabrics and Trading Business remains challenging.

Facing both market and internal challenges, the Group aims to progressively enhance production efficiency of its existing manufacturing facilities through process automation and advanced information technology platforms, maintain good relationships with existing customers to achieve sales growth, develop new types of products utilising internal resources and through collaboration with business partners, and, ultimately, further expand its customer base.

Money Lending Business

The money lending business is conducted through Rende Finance Limited ("Rende"), a locally licensed money lender under the Money Lenders Ordinance. The money lending business has gradually grown at a stable pace into a significant loan portfolio. All the borrowers have been carefully evaluated by the Group, among other things, on their repayment capabilities, professional background and financial status. As a matter of risk management exercise, we will not further enlarge the exposure of the money lending business. We will remain prudent in our credit approval process and exercise stringent internal process in screening applications.

At the reporting date, Rende has maintained a loan portfolio of approximately RMB83.1 million (31 December 2018: RMB100.2 million) with interest rates ranging from 10% to 36% per annum (31 December 2018: 10% to 24%). The interest income generated from money lending business remained steady during the Period.

Securities Investment and Brokerage Services Business

As at 30 June 2019, the Group managed a portfolio of securities totally approximately RMB70.2 million (31 December 2018: RMB123.2 million). It consists of a portfolio of listed securities trading in The Stock Exchange of Hong Kong (the "Stock Exchange"). During the Period, the Group recorded a realised loss and unrealised loss from the portfolio of securities of approximately RMB8.3 million and RMB25.0 million respectively (2018: realised gain of RMB6.9 million and unrealised gain of RMB22.6 million). The realised loss from the portfolio of securities and the significant decrease in the fair value of the securities investment was mainly due to the volatility caused by the enduring US-China trade war which lead to the overall weakness of the stock market. Under the global economic uncertainty, together with the unstable political atmosphere in Hong Kong, the Group will take necessary measures to safeguard the portfolio of securities.

During the Period, due to volatile global situations and shrinking of trade volume in Hong Kong stock market, the revenue generated from the securities brokerage services during the Period was approximately RMB11.1 million (2018: RMB12.1 million), representing a decline by around 8.1%.

Media, Cultural and Entertainment Business

The Group has invested substantially into development opportunities of media, cultural and entertainment sector since 2018. During the Period, the turnover of the entertainment and media business was RMB7.0 million (2018: RMB9.1 million), representing a decline by around 23.7%. In view of the unsatisfactory financial performance of the media, cultural and entertainment sector, the Group will proactively take stringent measures on cost control to improve the efficiency of operation and explore new co-operation opportunities with business partners to achieve our business goals. Despite the uncertainty and the challenges of the media and entertainment industry, the directors of the Company (the "Directors") believe that the potential intrinsic value of Asia Television Limited ("ATV") can be realised and expedite the Group's development and diversification.

Social media is now an integral part of our lives. ATV is actively expanding the audience on the OTT platform and connecting contents to social media. We are building long-term strategic partnerships with some leading media and content production companies in the region. We are investing in outsourced programs, developing our own drama serials and editions and developing our copyrights to continuously grow our business.

Financial Review

Turnover

The Group's turnover slightly increased by approximately 1.5% to RMB76.4 million, primarily due to the increase in turnover of money lending business, the Fabrics and Trading Business totally RMB4.3 million, offset by the overall decline in turnover of the securities brokerage business and entertainment and media business of approximately RMB2.5 million and RMB 2.2 million respectively.

Gross Profit, Gross Profit Margin and Net Loss

The Group recorded a gross profit of approximately RMB18.8 million (2018: gross loss of RMB25.7 million). The improvement of gross profit resulted from the adoption of stringent cost control measures.

The Group's gross profit margin as a percentage of turnover improved to 24.5% from -34.1% for the same period in 2018, mainly caused by stringent cost control as mentioned above.

The Group recorded a net loss of approximately RMB138.1 million, as compared to a net loss of approximately RMB259.2 million for the six months ended 30 June 2018. The decrease in the net loss was mainly due to an absence of the recognition of impairment loss on goodwill of approximately RMB114.4 million for the acquisition of ATV and its subsidiaries as recognsied in the same period last year.

Other Income

Other income was increased by 1,374.7% to approximately RMB11.8 million (2018: RMB0.8 million), which was mainly due to the waiver of the outstanding payment for the license of a drama series. The waiver was mutually agreed. The Group recorded net expenses from other expenses, gains and losses of approximately RMB1.0 million (2018: net income from other expenses, gains and losses of RMB1.6 million), which mainly comprised of the government subsidy in the PRC.

Distribution and Selling Expenses and Administrative Expenses

The distribution and selling expenses decreased by approximately 61.0% to approximately RMB6.5 million (2018: RMB16.8 million) while the administrative expenses decreased to approximately RMB54.8 million, representing a decrease of 19.8% as compared to the corresponding period (2018: RMB68.4 million) which was mainly due to stringent cost control measures and reduction of labour costs.

Finance Cost

Finance costs increased by approximately 154.1% to approximately RMB54.2 million (2018: RMB21.4 million) as a result of the increase in interest expense arising from credit facilities from financial institution during the Period.

Impairment Loss on Goodwill

During the Period, no impairment loss on goodwill was recorded. The Company recorded an impairment loss on goodwill amounted to approximately RMB114.4 million for the equity acquisition of ATV and its subsidiaries as recognised in the same period last year.

Business Development and Future Prospects

The management believes it is the best interest of the Group to continue to consolidate its existing Fabric and Trading Business and money lending business and diversify into new business in the media, cultural and entertainment and property development sectors, which should be able to generate relatively stable income stream given the existing market conditions and the available resources within the Company.

Given the dynamic changes in the macroeconomic environment and policy changes in the PRC, together with the unstable political and economic environment in Hong Kong, it is foreseeable that the year of 2019 will be a challenging year. Despite the challenges, the management believes there are still opportunities for our business growth. The Group will pay close attention to the internal and external economic situation and continue to closely monitor and make efforts on adjusting internal structure to optimize the businesses.

INVOLVEMENT IN MOVIE INVESTMENT BUSINESS

Share Transaction – Movie Investment Agreement I Involving the Issue of Consideration Shares I Under the 2018 General Mandate

On 11 April 2019, the Company entered into a movie investment agreement (the "Movie Investment Agreement I") with Filmko Pictures Limited ("Filmko Pictures"), pursuant to which Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 15% of the total net income of the movie "Double World《征途》" (the "Acquisition I"), at a consideration of HK$67,500,000, which was satisfied by the allotment and issue of a total of 270,000,000 new Shares (the "Consideration Shares I") to Filmko Pictures (or its nominee(s)). On 26 April 2019, the Consideration Shares I were allotted and issued to Filmko Pictures (or its nominees) at the issue price of HK$0.25 per Share under the general mandate granted by the shareholders of the Company to the Directors at the annual general meeting held on 1 June 2018 (the "2018 General Mandate") and the Acquisition I was completed on 26 April 2019.

Discloseable Transaction – Movie Investment Agreement II Involving the Issue of Consideration Shares II Under the 2018 General Mandate

On 14 May 2019, the Company entered into a movie investment agreement (the "Movie Investment Agreement II") with Filmko Pictures, pursuant to which Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 10% of the total net income of the movie "Little Q《小Q》", (the "Acquisition II"), at a consideration of HK$25,000,000, which was satisfied by the allotment and issue of a total of 100,000,000 new Shares (the "Consideration Shares II") pursuant to the Movie Investment Agreement II to Filmko Pictures (or its nominee(s)). On 22 May 2019, the Consideration Shares II were allotted and issued to Filmko Pictures (or its nominees) at the issue price of HK$0.25 per Share under the 2018 General Mandate and the Acquisition II was completed on 22 May 2019.

Lapsed of Placing Agreement for Placing of Convertible Bonds under the 2018 General Mandate

On 30 May 2019 (after trading hours), Kingston Securities Limited (the "Placing Agent") and the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Company has agreed to appoint the Placing Agent as the placing agent and the Placing Agent has conditionally agreed to procure placee(s) to subscribe for the convertible bonds in the principal amount of up to HK$260,275,000 to be issued by the Company pursuant to the Placing Agreement, on a best efforts basis, on the terms and conditions set out in the Placing Agreement. On 28 June 2019, given that certain conditions set out in the Placing Agreement have not been satisfied on or before the fifth business day after expiration of the placing period, the Placing Agreement accordingly lapsed.

Proposed Disposal of Brokerage Services Business

On 16 July 2018, 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 and its subsidiaries at the consideration of approximately RMB85 million (equivalent to HK$100 million). Sincere Securities, 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.

As always, our management team will leverage on our internal innovation as well as develop in a pragmatic and aggressive approach and continue its persistent efforts to bring desirable return to the shareholders. In light of the global economic trend and fierce competition in the market, the Group has continuously reviewed its business strategy and development plan, expand its income source and improve its operating performance of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, the Group had total assets of approximately RMB1,290.3 million (31 December 2018: RMB1,433.0 million) which were financed by current liabilities of approximately RMB834.2 million (31 December 2018: RMB919.0 million), non-current liabilities of approximately RMB76.3 million (31 December 2018: RMB76.7 million) and shareholders' equity of approximately RMB410.2 million (31 December 2018: RMB461.8 million).

As at 30 June 2019, the Group's cash and bank balances was approximately RMB114.1 million (31 December 2018: RMB173.1 million), while pledged bank deposits amounted to approximately RMB20.6 million (31 December 2018: RMB20.6 million). As at 30 June 2019, the secured bonds were fixed-rate and were denominated in Hong Kong dollars, the short-term bank loans were fixed-rate loans and denominated in RMB whereas short-term loans from other financial institution and other borrowing were fixed-rate loan and denominated in Hong Kong dollar. The Group's borrowings were secured by land use rights, certain property, plant and equipment, certain listed securities, pledged bank deposits of the Group and personal guaranteed from related parties as disclosed in note 16 to the interim condensed consolidated financial statements.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 0.6 (31 December 2018: 0.8). The gearing ratio, being a ratio of borrowings (comprising obligations under finance leases, bond payables, other borrowing, short-term bank loans, short-term loans from other financial institution and convertible bonds) to shareholders' equity, was approximately 139.0% (31 December 2018: 117.8%).

CAPITAL STRUCTURE

As at 30 June 2019, 7,425,668,000 ordinary shares of the Company (the "Share(s)") were issued and fully paid.

Issuance Of Consideration Shares I And Consideration Shares II Under The 2018 General Mandate

Pursuant to the Movie Investment Agreement I, Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 15% of the total net income of the movie"Double World《征途》", at a consideration of HK$67,500,000, which was satisfied by the allotment and issue of a total of 270,000,000 new Shares. On 26 April 2019, the Company allotted and issued 270,000,000 ordinary Shares at the issue price of HK$0.25, as the Consideration Shares I under the 2018 General Mandate to Filmko Pictures (or its nominee(s)).

Pursuant to the Movie Investment Agreement II, Filmko Pictures has conditionally agreed to sell and the Company has conditionally agreed to acquire the right to share 10% of the total net income of the movie"Little Q《小 Q》", at a consideration of HK$25,000,000, which was satisfied by the allotment and issue of a total of 100,000,000 new Shares. On 22 May 2019, the Company allotted and issued 100,000,000 ordinary Shares at the issue price of HK$0.25, as the Consideration Shares II under the 2018 General Mandate to Filmko Pictures (or its nominee(s)).

As a result of the abovementioned Movie Investment Agreement I and Movie Investment Agreement II, an aggregate of 370,000,000 new ordinary Shares were issued by the Company during the Period, representing 4.98% of the enlarged share capital of the Company as at 30 June 2019.

Details of the Movie Investment Agreement I and Movie Investment Agreement II were set out in note 14 to the unaudited interim condensed consolidated financial statements, the Company's announcements dated 11 April 2019, 26 April 2019, 14 May 2019 and 22 May 2019. The Movie Investment Agreement I and Movie Investment Agreement II were completed on 26 April 2019 and 22 May 2019 respectively.

CHARGES ON ASSETS

As at 30 June 2019, the Group's borrowings were secured by assets with a total carrying value of approximately RMB1,290.3 million (31 December 2018: RMB1,433.0 million).

CAPITAL COMMITMENTS

As at 30 June 2019, except for disclosure elsewhere in the interim report, the Group did not have any capital commitments (31 December 2018: Nil).

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 17 to this report.

EXCHANGE RISK EXPOSURE

The Group's business transactions were mainly denominated in RMB and Hong Kong dollar. The Group currently does not have any established hedging policies in place. Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure by using appropriate financial instruments and adopting appropriate hedging policies to control the risks, when the need arises. The Group was not engaged in any hedging contracts with respect to the foreign exchange risks.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group had about 449 employees in the PRC and Hong Kong (31 December 2018: 632 employees). Remuneration packages for the employees are maintained at a competitive level within the jurisdiction where the employees are employed for attraction, retainment and motivation. Remuneration packages will be reviewed periodically. In addition, the Group maintains a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contribution to the Group.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Period.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the Period.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the Period, except as stated below. In respect of code provision A.6.7 of the Corporate Governance Code, Ms. Han Xingxing and Mr. Li Yu, both being independent non-executive Directors were unable to attend the annual general meeting held on 27 June 2019 due to other commitments. 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.

DIRECTORS' COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the Period and all Directors confirmed that they have fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE REVIEW

The Group's audit committee (the "Audit Committee") comprises three members, namely Mr. Li Yu, Ms. Han Xingxing and Ms. Wong Chi Yan, who are independent non-executive Directors. The chairman of the Audit Committee is Ms. Wong Chi Yan. The primary duties of the Audit Committee are, among others, to review the financial reporting system and internal control procedures of the Group, to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to review the financial information and accounting policies of the Group. This unaudited interim results including the accounting principles and practices adopted by the Group have been reviewed and approved by the Audit Committee.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to the disclosure requirement under Rule 13.51B of the Listing Rules, the changes in information of the Directors are as follows:

1. Ms. Sun Tingting has been appointed as an executive Director with effect from 21 June 2019 and retired as executive Director with effect from the conclusion of the annual general meeting of the Company on 27 June 2019 and subsequently has been re-appointed as executive Director with effect from 28 June 2019.

2. Mr. Lin Wan Qaing has been appointed as an executive Director with effect from 21 June 2019 and retired as executive Director with effect from the conclusion of the annual general meeting of the Company on 27 June 2019 and subsequently has been re-appointed as executive Director with effect from 28 June 2019.

Save for the above, there is no other change in information of the Directors during the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim report of the Group for the Period, which contains the detailed results and other information of the Group for the Period required pursuant to Appendix 16 of the Listing Rules, will be despatched to the shareholders of the Company and published on the Stock Exchange's website at www.hkexnews.hk and the Company's designated website at www.atvgroup.com.hk in due course. This announcement can also be accessed on the above websites.

By order of the Board
Asia Television Holdings Limited
Deng Junjie
Chairman

Hong Kong, 30 August 2019

As at the date of this announcement, the Board comprises Mr. Deng Junjie, Mr. Wang Jiasi, Mr. Chan Wai Kit, Mr. Sze Siu Bun, Ms. Sun Tingting and Mr. Lin Wan Qaing as executive Directors, Ms. Han Xingxing, Mr. Li Yu and Ms. Wong Chi Yan as independent non-executive Directors.