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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 2020

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 2020 (the "Period") together with the comparative figures for the corresponding period in 2019 are as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Turnover	*3*	**54,773**	76,428
Cost of sales		**(42,244)**	(57,669)
Gross profit		**12,529**	18,759
Other income		**–**	11,753
Other expenses, gains and losses		**(1,715)**	(999)
Impairment loss on loan receivables		**(5,884)**	(2,853)
Reversal of impairment loss on loan receivables		**6,638**	3,822
Impairment loss on intangible assets		**–**	(3,392)
Impairment loss on account receivables		**(4,826)**	(5,488)
Impairment loss on interest in an associate		**(20,308)**	–
Share of loss of an associate		**(12,276)**	(32,065)
Loss on deemed disposal of an associate		**(5,160)**	–
Gain on the derivative financial instruments	*13*	**44,437**	–
Reversal of Impairment loss on interest in an associate		**–**	21,266
Net loss on financial assets at fair value through profit or loss		**(7,053)**	(33,357)
Distribution and selling expenses		**(1,990)**	(6,537)
Administrative and operating expenses		**(51,509)**	(54,820)
Finance costs	*4*	**(46,964)**	(54,249)

	Notes	Six months ended 30 June **2020** ***RMB'000*** **(unaudited)**	2019 *RMB'000* (unaudited)
Loss before taxation	*5*	**(94,081)**	(138,160)
Taxation	*6*	**1,159**	53
Loss for the period		**(92,922)**	(138,107)
Other comprehensive (expense)/income			
– Items that will be reclassified subsequently to profit or loss:			
– exchange differences arising on translation		**(11,587)**	1,016
– share of other comprehensive income of an associate		**(648)**	(286)
Total comprehensive expense for the period		**(105,157)**	(137,377)
Loss for the period attributable to:			
Owners of the Company		**(87,411)**	(132,317)
Non-controlling interests		**(5,511)**	(5,790)
		(92,922)	(138,107)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(97,269)**	(131,496)
Non-controlling interests		**(7,888)**	(5,881)
		(105,157)	(137,377)
		RMB cents	*RMB cents*
Loss per share			
– Basic and diluted	*7*	**(1.18)**	(1.84)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	**At 30 June 2020 *RMB'000* (unaudited)**	At 31 December 2019 *RMB'000* (audited)
Non-Current Assets			
Property, plant and equipment	*9*	**14,951**	3,850
Investment properties		**1,174**	1,150
Intangible assets	*10*	**103,733**	60,385
Goodwill		**20,864**	20,441
Right-to-use assets		**374,294**	376,358
Other deposits		**5,899**	5,464
Interest in an associate		**25,329**	63,720
		546,244	531,368
Current Assets			
Inventories		**84,384**	85,937
Trade and other receivables, deposits and prepayments	*11*	**68,435**	116,598
Loan receivables	*12*	**14,681**	86,405
Financial assets at fair value through profit or loss		**103,484**	91,693
Derivatives financial instruments	*13*	**18,617**	–
Bank balances and cash		**132,776**	101,167
		422,377	481,800
Current Liabilities			
Trade and other payables	*14*	**351,270**	372,698
Bond payables		**72,580**	68,613
Taxation payables		**3,949**	4,166
Government grant		**24**	24
Lease Liabilities		**1,801**	2,172
Derivative financial instruments	*13*	**–**	25,529
Bank loans		**46,250**	47,050
Loans from other financial institutions		**184,967**	223,764
Other borrowing		**175,876**	41,115
		836,717	785,131

	Notes	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Net current liabilities		**(414,340)**	(303,331)
Total assets less current liabilities		**131,904**	228,037
Non-current Liabilities			
Leases liabilities		**473**	988
Convertible bonds		**–**	126,848
Government grant		**152**	152
Deferred tax liabilities		**62,016**	61,619
		62,641	189,607
Net assets		**69,263**	38,430
Capital And Reserves			
Share capital	*15*	**648,584**	648,584
Reserves		**(508,169)**	(546,890)
Equity attributable to owners of the Company		**140,415**	101,694
Non-controlling interests		**(71,152)**	(63,264)
Total equity		**69,263**	38,430

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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 2020. 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 accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. A number of new or amended standards are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

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 2020 and 2019 are set out below.

	Six months ended 30 June 2020 (unaudited)								
	Processing, printing and sales of finished fabrics – PRC *RMB'000*	Trading of fabrics and clothing – Hong Kong *RMB'000*	Money lending – Hong Kong *RMB'000*	Securities investment – Hong Kong *RMB'000*	Entertainment and media – Hong Kong *RMB'000*	Securities brokerage services and margin finance – Hong Kong *RMB'000*	Unallocated corporate office *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Reasonable segment revenue and timing of revenue recognition									
Products and services transferred at a point in time	7,165	–	5,141	–	–	9,194	–	–	21,500
Services transferred over time	31,076	–	–	–	2,197	–	–	–	33,273
Revenue from external customers	38,241	–	5,141	–	2,197	9,194	–	–	54,773
Revenue from inter-segment	–	–	–	–	–	–	13,254	(13,254)	–
Reportable segment revenue	38,241	–	5,141	–	2,197	9,194	13,254	(13,254)	54,773
Reportable segment profit/(loss) (adjusted EBITDA)	(6,985)	–	5,096	(175)	(19,381)	3,314	(15,221)	–	(33,352)
Depreciation and amortisation	(4)	–	–	–	(7,607)	(1,050)	(672)	–	(9,333)
Reversal of impairment loss on loan receivables	–	–	6,638	–	–	–	–	–	6,638
Impairment loss on trade receivables	–	–	–	–	–	(4,826)	–	–	(4,826)
Net gain/(loss) on financial assets at fair value through profit or loss	–	–	–	659	(7,712)	–	–	–	(7,053)
Gain on derivative financial instruments	–	–	–	–	–	–	44,437	–	44,437
Impairment loss on loan receivable	–	–	(5,884)	–	–	–	–	–	(5,884)
Finance costs	(1,512)	–	–	(290)	–	(1,701)	(43,461)	–	(46,964)
Impairment loss on interest in an associate									(20,308)
Share of loss of an associate									(12,276)
Loss of deemed disposal of an associate									(5,160)
Loss before taxation									(94,081)
	At 30 June 2020 (unaudited)								
Reportable segment assets	101,567	109	15,017	25,275	536,876	191,503	480,589	(382,315)	968,621
Reportable segment liabilities	132,205	4,096	307,070	17,344	145,394	77,232	525,525	(309,508)	899,358

	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	Entertainment and media – 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

(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
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
The PRC	**38,241**	48,839	**1,194**	1,178
Malaysia	**–**	–	**25,329**	63,720
Hong Kong	**16,532**	27,589	**513,822**	461,006
	54,773	76,428	**540,345**	525,904

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 and contract liabilities from contracts with customers.

	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Receivables, which are included in "Trade and other receivables"		
– Sales of goods from finished fabrics and garment products	**4,855**	5,680
– Subcontracting services income	**41**	91
– Entertainment and media services income	**–**	–
– Brokerage and related services income *(note)*	**40,066**	64,310
	44,962	70,081
Contract liabilities – which included in "trade and other payables"		
– Sales of goods from finished fabrics and garment products	**11,042**	11,023
– Subcontracting services income	**13,242**	12,978
– Entertainment and media service income	**4,561**	4,468
	28,845	28,469

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	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank loans	**1,512**	2,530
Interest on other secured loans	**26,522**	25,283
Interest on other unsecured loans	**2,698**	23,196
Interest on bond payables	**2,533**	2,402
Interest on lease liabilities	**53**	75
Interest on convertible bonds	**11,702**	–
Other finance costs	**1,944**	763
	46,964	54,249

5. LOSS BEFORE TAXATION

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before taxation was arrived at after charging/(crediting):		
Cost of inventories recognised as expenses	**38,663**	48,076
Depreciation on property, plant and equipment	**9,507**	11,307
Net loss on financial assets at fair value through profit or loss		
(a) securities investment		
– Realised loss on disposal	**848**	8,309
– Fair value (gain)/loss	**(1,507)**	25,048
(b) movie investment		
– Fair value loss	**7,712**	–
Impairment loss on loan receivables	**5,884**	2,853
Reversal of impairment loss on loan receivables	**(6,638)**	(3,822)
Impairment loss on intangible assets	**–**	3,392
Impairment loss on account receivables	**4,826**	5,488
Impairment loss on interest in an associate	**20,308**	–
Gain on the derivative financial instruments	**(44,437)**	–

6. TAXATION

The PRC Enterprise Income Tax is calculated at the rate of 25% prevailing in the PRC jurisdiction for the period ended 30 June 2020 (2019: 25%). Provision for Hong Kong Profits Tax has been provided at the rate of 8.25% or 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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

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

For the period ended 30 June 2020, as the Company's outstanding convertible bonds had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the period ended 30 June 2020 are equal.

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

	2020	2019
	RMB'000	*RMB'000*
Loss		
Loss for the period attributable to owners of the Company used in the basic loss per share calculation	**(87,411)**	(132,317)
Add: Interest on convertible bonds	**–***	–
Adjusted loss for the period attributable to owners of the Company used in the diluted loss per share calculation	**(87,411)**	(132,317)

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**7,425,668**	7,174,176

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

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (2019: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired construction in progress of approximately RMB11,479,000.

10. INTANGIBLE ASSETS

During the six months ended 30 June 2020, the Group acquired film right and license fees of approximately RMB52,581,000.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2020 *RMB'000* **(unaudited)**	At 31 December 2019 *RMB'000* (audited)
Trade receivables from securities brokerage services and margin finance segment *(note i)*	**59,601**	78,694
Less: Allowances for bad and doubtful debts	**(19,535)**	(14,384)
	40,066	64,310
Trade receivables from other segments *(note ii)*	**9,553**	10,400
Less: Allowances for bad and doubtful debts	**(4,657)**	(4,629)
	4,896	5,771
Deposits paid to suppliers	**16,729**	21,518
Less: Allowances for impairment	**(8,561)**	(8,561)
	8,168	12,957
Other deposits, receivables and payments		
– Value-added tax recoverable	**1,302**	850
– Other receivables and prepayments	**12,114**	30,582
– Other deposits	**776**	1,038
– Amounts due from related companies *(note iii)*	**1,113**	1,090
	15,305	33,560
	68,435	116,598

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

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

	At 30 June 2020 *RMB'000* **(unaudited)**	At 31 December 2019 *RMB'000* (audited)
0 to 90 day(s)	**4,471**	5,555
91 to 180 days	**124**	216
181 to 270 days	**301**	–
271 to 365 days	**–**	–
Over 365 days	**–**	–
	4,896	5,771

(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 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Unsecured loans		
– principal	**35,546**	89,494
– interest	**2,094**	20,148
Less: Impairment loss recognised	**(22,959)**	(23,237)
	14,681	86,405

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 2020 amounted to approximately HK$38,964,000 (31 December 2019: HK$85,127,000) and approximately HK$2,297,000 (31 December 2019: HK$11,544,000), 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 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Less than 1 month	**–**	–
1 to 3 month(s)	**520**	54,749
4 to 6 months	**–**	15,099
7 to 12 months	**14,161**	16,557
	14,681	86,405

13. DERIVATIVE FINANCIAL INSTRUMENTS

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

	Phase II of the convertible bonds *RMB'000*
As at 1 January 2020	(25,529)
Fair value loss recognised in the consolidated profit or loss	44,437
Currency realignment	(291)
As at 30 June 2020	18,617

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

	31 December 2019	30 June 2020
Expected volatility	73.16%	84.46%
Discount rate	19.40%	18.85%
Expected life	0.09 year	0.18 year

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

14. TRADE AND OTHER PAYABLES

	At 30 June 2020 RMB'000 (unaudited)	At 31 December 2019 RMB'000 (audited)
Trade payables from securities brokerage services and margin finance segment *(note i)*	**54,056**	74,719
Trade payables from other segments *(note ii)*	**18,473**	14,733
Other payables and accruals *(note iii)*	**114,716**	97,257
Other payable under creditor scheme	**–**	13,125
Other payable on film rights and licence fees	**62,394**	80,096
Amounts due to a director *(note iv)*	**11,725**	13,299
Amounts due to directors of the subsidiaries *(note iv)*	**166**	310
Amounts due to a shareholder of the Company *(note iv)*	**401**	393
Amounts due to non-controlling owners of subsidiaries *(note iv)*	**18,616**	3,491
Amounts due to related companies *(note v)*	**24,545**	29,824
Deposits on disposal of subsidiaries	**17,333**	16,982
Contract liabilites	**28,845**	28,469
	351,270	372,698

Notes:

(i) The trade payable balances arising from the ordinary course of business of securities brokerage services and margin finance are normally settled in two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which are repayable on demand. No aging analysis is disclosed for as in the opinion of the Directors, 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 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 90 day(s)	**5,915**	5,797
91 to 180 days	**5,650**	1,096
181 to 270 days	**1,069**	242
271 to 365 days	**725**	967
Over 365 days	**5,114**	6,631
	18,473	14,733

(iii) Other payables mainly represents (i) amounts due to certain independent third parties; (ii) interest payables and (iii) accrued staff costs and director's remuneration.

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

(v) 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.

15. SHARE CAPITAL

	Number of share	**Authorised Amount**
	’000	***HK$’000***
Ordinary shares of HK$0.10 each		
As at 1 January 2019 (audited), 31 December 2019 (audited) and 30 June 2020 (unaudited)	20,000,000	2,000,000

	Issued and fully paid		
	Number of shares	Amount	Amount
	‘000	*RMB’000*	*HK$’000*
As at 1 January 2019	7,055,668	616,617	705,566
Issue of consideration shares for movie investments *(Note)*	370,000	31,967	37,000
As at 31 December 2019 (audited) and 30 June 2020 (unaudited)	7,425,668	648,584	742,566

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

16. 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:

	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
At 30 June 2020				
Financial assets at FVTPL				
– Movie investments, at fair value	**–**	**–**	**53,824**	**53,824**
– Equity securities listed in Hong Kong, at fair value	**47,130**	**–**	**–**	**47,130**
– Equity securities listed in overseas, at fair value	**2,530**	**–**	**–**	**2,530**
Financial liabilities at FVTPL				
– Derivative financial instruments	**–**	**–**	**18,617**	**18,617**
	49,660	**–**	**72,441**	**122,101**

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2019				
Financial assets at FVTPL				
– Movie investments, at fair value	–	–	60,332	60,332
– Equity securities listed in Hong Kong, at fair value	28,882	–	–	28,882
– Equity securities listed in overseas, at fair value	2,479	–	–	2,479
Financial liabilities at FVTPL				
– Derivative financial instruments	–	–	(25,529)	(25,529)
	31,361	–	34,803	66,164

There were no transfers between the three Levels during the year and prior period.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

17. 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 2020	At 31 December 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Short-term bank loans		
Joint and several guarantee *(note i)*	**75,000**	75,000
Joint and several guarantee *(note ii)*	**127,000**	127,000
Joint and several guarantee *(note iii)*	**21,900**	21,900
Guarantee by Mr. Cai Chaodun	**50,000**	50,000
	273,900	273,900

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) The credit facility were jointly guaranteed by Mr. Cai and one independent third party.

The Directors represented key management of the Group. During the Period, the Directors' remuneration of approximately RMB2,528,000 (2019: RMB2,530,000) was charged to the profit or loss.

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

		Six months ended 30 June	
Name of related party	**Nature**	**2020**	2019
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Sincere Link Asset Management Limited	Rental expenses	**–**	147
Incharm Limited *(note i)*	Rental expenses	**528**	528
Sincere Bullion Limited	Rental expenses	**264**	264

Notes:

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

18. CONTINGENT LIABILITIES

The Group has provided corporate guarantees in favour of a financial institution in respect of certain credit facilities granted to an independent third party, Shasing-Shapheng Quanzhou and a related company, Fujian Xiesheng Xiefeng Printing and Dyeing Industry Co., Ltd. The total amounts to be guaranteed by the Group should not exceed RMB50,000,000 and RMB180,000,000 respectively.

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

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

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

19. EVENTS AFTER THE REPORTING PERIOD

Placing of Convertible Bonds

On 25 August 2020, the Company entered into a placing agreement with the placing agent, pursuant to which (i) the placing agent has conditionally agreed to procure, on a best effort basis during the placing period, currently expected to be not less than six (6) places to subscribe for the convertible bonds in the aggregate principal amount of up to HK$222,770,040 at the conversion price of HK$0.15 per conversion share; and (ii) subject to the fulfillment of the warrant conditions precedent, the Company shall create, and issue to each place, the warrants entitling the holders thereof to subscribe up to the amount of HK$89,108,016 (on the proportion of the warrants in the amount of HK$2 for every convertible bonds in the principal amount of HK$5 allotted and issued to the places) at nil consideration. The warrants, with subscription rights entitling the holders thereof to subscribe for the warrant Shares, will be exercisable in whole or in part at the subscription price of HK$0.15 per warrant share during the subscription period. Please refer to the Company's announcement dated 25 August 2020 for further details.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the Period (2019: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2020 (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

Due to the outbreak of the novel coronavirus (COVID-19) epidemic (the "Pandemic") across the People's Republic of China (the "PRC"), the business of the production was affected by the lock-down of cities implemented in the PRC in the early stage of the Pandemic, resulting in a failure to resume work as scheduled after the Chinese new year, which led to sluggish sales. Unavoidably, the revenue generated from the Fabrics and Trading Business decreased by around 21.9% to approximately Renminbi ("RMB") 38.2 million during the Period (2019: RMB49.0 million). Together with the fierce competition of the fabric industry in the PRC; the economy of the PRC remained challenging due to the unfavourable operating environment owing to the volatile global economy and weak demand from customers, the revenue generated from the Fabrics and Trading Business has dropped significantly. We expected the overall outlook of the Fabrics and Trading Business remains extremely 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 Group adopted the money lending policy and procedure manual which provide guidelines on the handling and monitoring of money lending procedures according to the Money Lenders Ordinance. 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 reduced the loan balance to approximately RMB14.7 million (31 December 2019: RMB86.4 million), with terms of less than 1 year. During the Period, the interest income generated from money lending business has decreased by 45% to approximately RMB5.1 million (2019: RMB9.4 million).

Securities Investment and Brokerage Services Business

As at 30 June 2020, the Group managed a portfolio of securities totally approximately RMB49.6 million (31 December 2019: RMB31.4 million). It consists of a portfolio of listed securities trading in The Stock Exchange of Hong Kong (the "Stock Exchange") and overseas. During the Period, the Group recorded a realised loss of RMB0.8 million and unrealised gain of RMB1.5 million from the portfolio of securities of approximately RMB49.6 million respectively (2019: realised loss of RMB8.3 million and unrealized loss of RMB25.0 million). The realised loss from the portfolio of securities 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 volatility and uncertainty of Hong Kong stock market, the revenue generated from the securities brokerage services during the Period was approximately RMB9.2 million (2019: RMB11.1 million), representing a decline by around 17.5%.

Media, Cultural and Entertainment Business

This year began with the adverse impact of the COVID-19 pandemic subsequent to the 2019 social unrest events in Hong Kong. This pandemic further depressed the already fragile local economy and significantly dampened the business of media, cultural and entertainment sector. During the Period, the turnover of the entertainment and media business was approximately RMB2.2 million (2019: RMB7.0 million), representing a decline by around 68.4%. 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 as well as 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 ultimately 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.

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

During the six months ended 30 June 2020, the Group incurred a net loss of approximately RMB92.9 million (unaudited). As at 30 June 2020, the Group had net current liabilities of approximately RMB414.3 million (unaudited). These events and conditions indicate a material uncertainty exists that may cast significant doubt about the Group's ability to continue as going concern.

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

(i) Actively negotiating with lenders and other financial institutions to renew loans that have fallen due and new credit facilities;

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

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

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

(v) Obtaining a financial undertaking and financial support from a substantial shareholder of the Company who is also a director of the Company.

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

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

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

(iii) revitalizing and developing the mobile application and OTT platform for Singapore, Malaysia, Hong Kong and Taiwan; and

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

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

Financial Review

Turnover

The Group's turnover decreased by approximately 28.3% to RMB54.8 million, primarily due to the decline in turnover of (i) the Fabrics and Trading Business by approximately RMB10.7 million; (ii) the money lending business of approximately RMB4.2 million; and (iii) entertainment and cultural business of approximately RMB4.8 million, respectively.

Gross Profit and Gross Profit Margin and Net Loss

The Group recorded a gross profit of approximately RMB12.5 million (2019: gross profit of RMB18.8 million) representing a decrease of approximately 33.2%.

The Group's gross profit margin as a percentage of turnover decreased slightly from 24.5% for the same period in 2019 to 22.9% for the Period, mainly caused by fierce competition during the economic turmoils.

The Group recorded a net loss of approximately RMB92.9 million, as compared to a net loss of approximately RMB138.1 million for the six months ended 30 June 2019. The decrease in the unaudited consolidated loss attributable to owners of the Company was mainly attributable to the net effect of:

(i) the recognition of the gain on the derivative financial instruments of approximately RMB44,437,000 due to the re-measurement of the phase 2 of the convertible bonds to be issued upon the completion of the subscription of convertible bonds under specific mandate at the reporting date;

(ii) a decrease in the fair value loss on financial assets at fair value through profit or loss of approximately RMB26,304,000 as compare to the same period of the last year;

(iii) an absence of the recognition of the gain on disposal of intangible asset of approximately RMB11,025,000 recognized in the same period last year; and

(iv) an increase in share of loss of an associate, impairment of an associate and loss on deemed disposal of an associate of approximately RMB26,945,000 as compare to the same period of the last year.

Other Income

During the Period, no other income was recorded (2019: RMB11.8 million), which was mainly due to the absence of the waiver of the outstanding payment for the license of a drama series as recognsied in the same period last year. The Group recorded net expenses from other expenses, gains and losses of approximately RMB1.7 million (2019: net expenses from other expenses, gains and losses of RMB1.0 million).

Distribution and Selling Expenses and administrative expenses

The distribution and selling expenses decreased by approximately 69.6% to approximately RMB2.0 million (2019: RMB6.5 million) while the administrative expenses decreased slightly to approximately RMB51.5 million, representing a decline of 6.0% as compared to the corresponding period (2019: RMB54.8 million) which was mainly due to stringent cost control measures and reduction of labour costs.

Finance Cost

Finance costs decreased by approximately 13.4% to approximately RMB47.0 million (2019: RMB54.2 million) as a result of the decrease in interest expense arising from credit facilities from financial institution during the Period.

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 2020 will be another 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.

Proposed Disposal of Brokerage Services Business

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

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 2020, the Group had total assets of approximately RMB968.6 million (31 December 2019: RMB1,013.2 million) which were financed by current liabilities of approximately RMB836.7 million (31 December 2019: RMB785.1 million), non-current liabilities of approximately RMB62.6 million (31 December 2019: RMB189.6 million) and shareholders' equity of approximately RMB140.4 million (31 December 2019: RMB101.7 million).

As at 30 June 2020, the Group's cash and bank balances was approximately RMB56.4 million (31 December 2019: RMB29.7 million). As at 30 June 2020, 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 and certain listed securities of the Group and personal guaranteed from related parties as disclosed in note 17 to the interim condensed consolidated financial statements.

The current ratio, being a ratio of total current assets to total current liabilities, was approximately 0.5 (31 December 2019: 0.6). 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 341.6% (31 December 2019: 502.1%).

CAPITAL STRUCTURE

As at 30 June 2020, 7,425,668,000 ordinary shares of the Company (the "Share(s)") were issued and fully paid.

Conversion of convertible bonds

On 2 July 2020, the convertible bonds in the principal amount of HK$200,000,000 has been converted, pursuant to which a total number of 2,000,000,000 new Shares from conversion ("Conversion Shares") have been allotted and issued to the convertible bonds holder, who served a conversion notice to the Company for the conversion.

The issued share capital of the Company increased to 9,425,668,000 Shares upon allotment and issue of the Conversion Shares and the Conversion Shares represent approximately 26.93% of the issued capital of the Company before the allotment and issue of the Conversion Shares and approximately 21.22% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Details of the conversion of convertible bonds were set out in the Company's announcements dated 7 November 2019, 29 November 2019, 17 December 2019 and 2 July 2020 and the circular of the Company dated 11 November 2019.

Connected Transaction in relation to Subscription of Convertible Bonds under Specific Mandate – Phase 2 Completion

As at the date of this announcement, as additional time is required to proceed with completion of the subscription of the convertible bonds in principal amount of HK$200,000,000 contemplated under the subscription agreement ("Phase 2 Completion"), Mr. Deng Junjie, the co-chairman, an non-executive Director and a substantial shareholder of the Company (the "Subscriber") and the Company mutually agreed to extend the date of Phase 2 Completion to 4 September 2020. For details, please refer to the Company's announcement dated 26 February 2020, 1 April 2020, 4 May 2020, 1 June 2020, 3 July 2020 and 3 August 2020.

CHARGES ON ASSETS

As at 30 June 2020, the Group's borrowings were secured by assets with a total carrying value of approximately RMB968.6 million (31 December 2019: RMB107.2 million).

CAPITAL COMMITMENTS

As at 30 June 2020, except for disclosure elsewhere in this announcement, the Group did not have any capital commitments (31 December 2019: Nil).

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 18 to the interim 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 2020, the Group had about 367 employees in the PRC and Hong Kong (31 December 2019: 436 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.

LITIGATIONS

I. LITIGATIONS IN RELATION TO STATUTORY DEMANDS

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

As disclosed in the Statutory Demands Related Announcements, on 9 October 2019, a statutory demand under section 178(1)(A) of the Ordinance ("Statutory Demand I") was served on the Company by a creditor (the "Creditor I") to demand the Company to repay the alleged outstanding debt in the amount of HK$222,707,496.00 (the "Debt") within 3 weeks after service of the Statutory Demand I. After the expiry of the 3-week period after the services of Statutory Demand I, the Creditor I may present a winding-up petition against the Company.

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

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

On 23 March 2020, a statutory demand under section 178(1)(A) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("Statutory Demand II") was served on the Company by a creditor (the "Creditor II") to demand the Company to pay the alleged outstanding debt in the amount of HK$45,978,301.36 (the "Debt II") within 3 weeks after the service of the Statutory Demand II. After the expiry of the 3-week period, the Creditor II may present a winding-up petition against the Company. On 12 May 2020, the Company has reached a settlement agreement (the "Settlement Agreement") with the Creditor II. Pursuant to the terms and conditions of the Settlement Agreement, the Company shall pay and discharge the outstanding debts to the Creditor II in accordance with the repayment schedule in the Settlement Agreement. As a result, the Statutory Demand II was withdrawn by the Creditor II with immediate effect.

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 30 June 2020 due to other commitments. Dato' Sri Lai Chai Suang and Mr. Andy Yong Kim Seng , both being non-executive Directors were unable to attend the annual general meeting held on 30 June 2020 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 four members, namely Mr. Li Yu, Ms. Han Xingxing, Ms. Wong Chi Yan and Mr. Lee Cheung Yuet Horace, 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. Mr. Deng Junjie ("Mr. Deng") has been re-designated from an executive Director to a non-executive Director, with effect from 9 June 2020. Upon Mr. Deng's re-designation, the existing service contract of Mr. Deng as an executive Director was terminated. Mr. Deng has entered into a letter of appointment with the Company for an initial term of two years commencing on 9 June 2020 and entitled to a director's remuneration of HK$960,000.00 per annum.

2. Ms. Wong Chi Yan has resigned as an independent non-executive director and the chairman of each of the audit committee, remuneration committee and nomination committee of HUIYIN HOLDINGS GROUP LIMITED (stock code: 1178) with effect from 10 June 2020.

3. Mr. Lee Cheung Yuet, Horace has tendered his resignation as an independent non-executive director, the chairman of the audit committee, and a member of the remuneration committee and a member of the nomination committee of Chuan Holdings Limited (stock code: 1420) with effect from 16 June 2020.

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
Co-Chairman and non-executive Director

Hong Kong, 31 August 2020

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

* *For identification purpose only*