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i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1097)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

	(Unaudited) Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Continuing operations		
Revenue	277,170	263,393
Loss from operations	(188,689)	(110,060)
Loss from continuing operations	(254,929)	(149,239)
Discontinued operation		
Loss from discontinued operation	—	(47,747)
Loss for the period	(254,929)	(196,986)
	HK cents	HK cents
Basic loss per share	(3.6)	(2.8)
Diluted loss per share	(3.6)	(2.8)
	(Unaudited) 30 June 2024	(Audited) 31 December 2023
	HK\$'000	HK\$'000
Total assets	950,801	945,159
Total liabilities	(2,534,457)	(2,273,976)
Total deficit	(1,583,656)	(1,328,817)
Net gearing ratio <i>(Note 1)</i>	-113%	-118%

- The economic rebound in 2024 has not met general expectation amid the full reopening of the border. Despite the challenging operating environment, i-CABLE Communications Limited (the “Company” or “i-CABLE”), its subsidiaries and consolidated structured entities (collectively the “Group”) recorded an increase in revenue from continuing operations in the first half of 2024 as compared to the corresponding period of last year.
- Revenue from continuing operations generated from the media segment increased to approximately HK\$107 million or approximately 37% for the six months ended 30 June 2024 from approximately HK\$78 million for the six months ended 30 June 2023, mainly attributable from increase in advertising revenue by approximately 39%.
- The number of broadband and telephony customers in June 2024 decreased to approximately 151,000 and 52,000, respectively, as compared to approximately 172,000 and 60,000, respectively in June 2023. Due to keen market competition, revenue from the telecommunications segment decreased by approximately HK\$16 million from approximately HK\$186 million for the six months ended 30 June 2023 to approximately HK\$170 million for the six months ended 30 June 2024.
- Segment loss before depreciation and amortisation of other intangible assets from continuing operations of the media segment increased, while segment profit before depreciation and amortisation of other intangible assets of the telecommunications segment increased during the six months ended 30 June 2024 as compared to the last corresponding period.
- The Group recorded an increase in the loss for the six months ended 30 June 2024 to approximately HK\$255 million, representing an increase of approximately 29% as compared to the loss of approximately HK\$197 million for the six months ended 30 June 2023.
- The Group has implemented several cost-saving measures to improve the operational efficiency and performance. As compared to the second half of 2023, after taking out the non-cash impairment losses recognised during that period, the Group has recorded a decrease in total operating expenses by approximately 18%.

Note:

1. *Net gearing ratio represents total interest-bearing borrowings and convertible bonds less cash and bank balances and restricted bank balances divided by total deficit.*

BUSINESS REVIEW

OPERATING ENVIRONMENT

The economic rebound in 2024 has not met general expectations amid the full reopening of the border. One notable trend is that Hong Kong citizens favour trips to, and spend money in, Mainland China. This change in consumer behaviour has had a significant impact on the local retail landscape, with Hong Kong's retail sector recording a double-digit negative growth in April and May 2024. The retail sector is further stifled by the volatility of the stock and property markets. Despite the challenging operating environment, the Group managed to deliver solid business performance in the first half of the year. In media business, the Group accelerated the comprehensive digitisation of its media platform, leading to simultaneous growth in advertising revenue and the number of advertising clients. Broadband customer retention is steadily recovering in the telecommunications business. Meanwhile, the Group further explored the business subscriber market to provide new impetus for revenue growth.

MEDIA

Digital media

To enhance the Group's competitiveness in the multimedia platform, hoy.tv and i-cable.com websites have implemented cloud infrastructure, resulting in improved stability and scalability for live streaming. This upgrade ensures that audiences can enjoy high-quality audio-visual experience anytime and anywhere. The optimisation of the websites and the enrichment of content have led to a consistent growth in the number of users on the hoy.tv website, which recorded approximately 0.38 million monthly active users in June 2024, representing an increase of approximately 82% as compared to that of December last year. As for the i-cable.com website, the number of monthly active users reached approximately 0.84 million in June 2024, with the peak month of the period recording over 1.59 million active users during the period. On the other hand, the Group kept optimising the official HOY Mobile App to further enhance the viewing experience of audiences. As at 30 June 2024, the official HOY Mobile App has achieved over 0.7 million cumulative downloads, representing an increase of approximately 41% as compared to that of December 2023. The official mobile app "i-CABLE News — News, Finance, and Lifestyle Information Platform" (有線新聞 — 新聞、財經及生活資訊平台) recorded over 1.4 million cumulative downloads as at 30 June 2024, representing an increase of 4.8% over that of December 2023, and the overall number of users showed a steady upward trend. Revenue from digital media recorded an increase of approximately 49% as compared to the last corresponding period.

With the optimisation of the multimedia platform, the Group's online reach to the Hong Kong audience has further widened, with many of the programme clips, including "City Focus" (一線搜查), "Undercover (CNY)" (臥底旅行團之新春賀歲深圳版), and "Let's Feast GBA" (煮題COOK 3 灣區搵食), registering hundreds of thousands of views on YouTube during the period.

Programme development

In light of the popularity of HOY TV's signature programme "Undercover" (臥底旅行團) series and to celebrate the 10th anniversary of the programme this year, HOY TV launched a programme called "Undercover Service Squad" (臥底服務團). The hosts acted as Hong Kong tour guides and tour escorts to present the service quality of the Hong Kong tourism sector to the audiences. The programme is fully supported by the Hong Kong Tourism Board. Meanwhile, "Undercover (CNY)" (臥底旅行團之新春賀歲深圳版) of the same series achieved an average rating of 4 points.

The Group is committed to providing audiences with diversified and innovative programme content. HOY TV produced a series of travel and cooking programmes in the first half of the year, including "Travel Girls Wakayama Special" (女遊和歌山), "What to Cook Today CNY Special" (開飯啦新年), "Along with the Goddess" (女神同行), "UK OK" (英國邊忽好) and "Dining Guide" (香港必食40道菜). With the increasing trend of northbound travel and consumption by Hong Kong people, the Group has swiftly responded to the needs of the community by producing and launching travel and dining programmes focusing on the Greater Bay Area and Mainland China attractions. Examples include "Let's Feast GBA" (煮題COOK 3 灣區搵食), "Map of Shenzhen" (深圳地圖), "Railway Traveler" (一個人鐵道行) and "Theme Cook 4 Endless Feast" (煮題COOK 4大食四方). Among them, "Let's Feast GBA" (煮題COOK 3 灣區搵食) achieved an average rating of 3.1 points, with the highest rating being 3.7 points.

The Group has produced a sketches-of-life series that are closely related to the livelihood of Hong Kong people to tighten its ties with them. "Good Old Days" (老派小店之必要) is a programme that visited and interviewed nostalgia stores and introduced prominent Hong Kong nostalgic brands. Both "Make it a better place 2" (香港空間改造王2) and "Hints of Postnatal Care" (坐月攻略) are programmes that dedicated to Hong Kong people who would like to pursue a comfortable home, and the latter is hosted by a celebrity mum who shares with new mothers her experience on what they should do during the month of postnatal care.

The Group has seized the opportunities arising from the development of the Guangdong-Hong Kong Greater Bay Area (“GBA”) and collaborated with China Guangdong Radio and Television to jointly produce their inaugural Spring Festival Gala programme (龍騰灣區歡樂年) in February 2024, which was broadcasted live in tandem with Astro Wah Lai Toi in Malaysia, GRT Pearl River Channel, Greater Bay Area TV, TDM Macau and Fairchild TV in Canada. The programme gathered popular artists from Mainland China and Hong Kong to celebrate the Year of the Dragon with Chinese people worldwide.

Moreover, HOY International Business Channel (“HOY 76”) welcomed the return of the popular English talk show “Friday Beyond Spotlights Season 3”. The show features in-depth discussions of Hong Kong’s social, political and economic issues from multiple angles, incorporating insights, experiences and stories from renowned personalities, and is well received by audiences.

Sports programme

During the period, the Group secured broadcasting rights for several international sports events and fully utilised on the opportunity to provide sports broadcasting to a wide audience through TV and mobile applications. During the first half of the year, HOY 76 and HOY TV (“HOY 77”) provided over 600 hours of live broadcast on international sports events, which was popular with the general public. Among them, the “AFC Asian Cup Qatar” was participated in by twenty four international teams and Hong Kong qualified for the finals for the first time in 55 years. The broadcast of the “FIVB Women’s Volleyball Nations League Hong Kong” in June 2024 was eye-catching and successfully boosted rating and triggered powerful brand effect. “Copa de La Liga” and “Liga de La Professional” brought the popular trend of Argentine football to Hong Kong and enriched the content diversity of the Group’s platform. Other sports programmes, including “U23 Asian Cup Qatar”, “AFC Champions League”, “German Cup”, “Copa America”, “FIBA Women’s Olympic Qualifying Tournaments 2024”, “World Aquatics Championships” and “FIBA Asia Cup 2025 Qualifiers”, have further consolidated the Group’s position as a brand that provides professional sports coverage.

In addition to broadcasting ball games, HOY 76 also shows a series of international sports events, such as “Asian Le Mans Series”, “European Le Mans Series”, “World Sailing Show”, “World Sailing Championships” and “Jumping Nations Cup”.

The Group's three free-to-air TV channels are part of the official broadcasters of the 2024 Paris Olympic Games ("Paris Olympics"). In order to help audiences get into the excitement of the games, HOY TV has produced a series of Paris Olympics warm up programmes featuring the preparation of the Mainland China and Hong Kong athletes, such as "Destination Paris" (下一站巴黎) and "Road to Paris" (HOY動巴黎奧運) of HOY 77 as well as "Countdown to Paris" of HOY 76.

i-CABLE News

In the first half of 2024, the i-CABLE News team upheld the philosophy of "Spotlight on Hong Kong. Eye on the World" to provide audiences with all-around news and information on Hong Kong's politics, economy and livelihoods. In April 2024, when a 7.2-magnitude earthquake struck off the coast of Hualien, Taiwan, the Group's reporters rushed to the disaster area immediately. In the first half of the year, the reporting team travelled to multiple provinces and cities in Mainland China, including Yunnan, Sichuan and Xinjiang, to report news from the forefront.

In addition to providing 24-hour news coverage, HOY Infotainment ("HOY 78") offers a wide range of infotainment programmes. Following the completion of the legislation of Article 23 of the Basic Law by the Government of Hong Kong Special Administrative Region ("HKSAR"), a number of experts were invited to the programme "Our Home Our Country" (家國天下) to provide in-depth analyses of the Article 23 legislation. The team actively collaborated with government departments on the production of various projects including a 12-episode series titled "Hello GBA Hello Qianhai!" (建灣區前海見), which introduces the opportunities in Qianhai. Additionally, they filmed the "Territory-Wide Inter-school National Security Knowledge Challenge" (全港學界國家安全常識挑戰賽), a competition aimed at enhancing students' understanding of the Constitution of China, Basic Law, Hong Kong National Security Law and the general concept of national security.

The Group has also enhanced the contents of "Property Outlook" (樓盤傳真) with the inclusion of the segment "Hot Issue by PO" (樓傳熱話) to provide in-depth analyses of weekly hot topics in the property market. The programme "Home FIX" (家家有求) sent its hosts to Europe to introduce the Scandinavian style of design to its audience. The Group's innovation and technology programme "InnoAction" (智創未來) won the Silver Award for Best Business Technology News Reporting from Hang Seng University of Hong Kong for its episode on 'Coatings for Electricity-free Cooling'.

The flagship programme “City Focus” (一線搜查) coordinated and produced by the i-CABLE News team has reached a peak rating of 3.6 in the first half of this year. In February 2024, the programme welcomed an upgrade by moving into a newly designed virtual studio where the set could be changed to suit different themes. A fair number of stories featured in “City Focus” have raised interest and stirred up extensive discussions within the general public, such as the issues of major renovation work at Neptune Terrace in Chai Wan (which has resulted in the government’s high-profile intervention and eventual overturn of the renovation plan that serves as an important precedent for similar cases in recent years); and the loophole of pre-paid SIM cards (which has drawn attention from the industry and the government and caused telecommunications service providers to take remedial actions immediately).

As demonstrated above, the Group has continued to enhance its creativity in programme contents to diversify its programme mix during the period, while at the same time adjusting its advertising model to meet the needs of its public and commercial clients. Driven by these two main forces, HOY TV’s advertising performance improved as compared to the last corresponding period. In the first half of 2024, both the number of clients placing advertisements on HOY TV and the average expenditure on advertising increased. In the first half of this year, advertisers in tourism, e-payment platforms and mobile food delivery platforms were notably active. However, amid a challenging external environment and a volatile local stock market, investor confidence weakened. Significant declines and negative returns in real estate and financial investments led to a slowdown in total retail business and market advertising expenditures.

MTR In-train TV Advertising

The Group’s “Hong Kong Cable News Express” (有線新聞速遞) is the sole distributor of advertisements and content provider for the MTR In-train TV on the MTR East Rail Line, Tuen Ma Line, Kwun Tong Line, Island Line and South Island Line, contributing another source of advertising revenue for the Group. As Hong Kong residents’ northbound spending has become a trend, MTR has increased train frequencies on weekends and long holidays, resulting in a significantly higher number of passengers. Advertising spending on such platforms has also increased accordingly.

Cable TV 18 Channel

During the first half of the year, Cable TV 18 Channel has strengthened its cooperation with the Hong Kong Jockey Club's off-course betting branches by organising a number of international horse racing events at the three premium betting branches in North Point, Kwun Tong and Kwai Fong, such as "HKDerby Outpost", a pre-race warm-up event, and Dubai Voyage (Cheering-Up Party), an overseas race day event broadcast. These events have enabled the hosts, viewers of i-CABLE CH 18 and racing fans to cheer for the local horses participating in major tournaments, which is in line with the slogan of its horse racing programme: "Be Original, Innovative and Meticulous". In the future, Cable TV 18 Channel will continue to organise similar events and further strengthen its cooperation with Hong Kong Jockey Club to bring more exciting and interactive racing experiences to all racing fans.

TELECOMMUNICATIONS

Apart from the media business, the telecommunications business has continued to provide positive contribution to the Group. As one of the major fixed telecommunications network service operators in Hong Kong, the Group has built a telecommunications network covering over 2 million households in Hong Kong. In the first half of 2024, the Group changed the sales model of telecommunications business by disbanding its direct sales team and shifting to telemarketing as the primary sales channel. This change was made to adapt to the evolving operating environment, changes in customers' consumption patterns, and technological advancements in the telecommunications industry. The Group had broadened its online sales channel of telecommunications business to attract new customers and strengthened its after-sales customer services to enhance service quality and shore up connection with existing customers. To navigate the ever-changing competitive environment and improve cost effectiveness, the Group has also introduced diverse broadband and mobile telecommunications service packages. This strategic shift in the sales model has yielded initial positive results, with its customer retention rate significantly improving in the first half of this year.

The Group has been providing telecommunications products and services to both individual and corporate customers, and enriching its product range with a view to increasing revenue. For individual customers, on top of providing residential broadband and fixed-line telephone services, the Group strives to increase the subscription level for i-Mobile to boost the revenue from the telecommunications services. For corporate customers, leveraging its extensive fibre network coverage, the Group provides dark fibre leasing, data centre connectivity and various enterprise solutions in its B2B (business-to-business) business.

In 2018, the Group signed a strategic cooperation agreement with China Mobile Hong Kong Co., Ltd. (“CMHK”) to initiate cross-platform collaboration in areas such as telecommunications and media information value-added services. Entering the sixth year of the cooperation agreement, the Group continues to strengthen its strategic partnership with CMHK across various domains to expand network coverage and support new business initiatives in both the residential and commercial sectors. Meanwhile, the Group is actively exploring new partnership opportunities with other telecommunications operators, international carriers and data centre providers, aiming to further expand its business scope in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) REVIEW OF RESULTS

Revenue from continuing operations of the Group for the six months ended 30 June 2024 increased to approximately HK\$277 million (for the six months ended 30 June 2023: approximately HK\$263 million). The increase in revenue was mainly due to the increase in revenue generated from the media segment, mainly attributable from increase in advertising revenue.

Cost of services from continuing operations of the Group for the six months ended 30 June 2024, including programming costs, network expenses and cost of sales, increased by approximately HK\$70 million to approximately HK\$373 million (for the six months ended 30 June 2023: approximately HK\$303 million). Programming costs, network expenses and cost of sales increased by approximately 39%, 11% and 13% respectively as compared to the six months ended 30 June 2023. Selling, general and administrative and other operating expenses from continuing operations of the Group for the six months ended 30 June 2024 increased by approximately 33% as compared to the last corresponding period. Some of the operating expenses incurred by pay television (“Pay TV”) operation before its termination continued to be incurred by continuing operations of the Group during the period.

The Group has implemented several cost-saving measures to improve the operational efficiency and performance. As compared to the second half of 2023, after taking out the non-cash impairment losses recognised during that period, the Group has recorded a decrease in total operating expenses for approximately 18%, resulting in an improvement in the loss from continuing operations (excluding the non-cash impairment losses on certain non-current assets and the write down of deferred tax assets) by approximately 13%.

Finance costs from continuing operations of the Group for the six months ended 30 June 2024 increased by approximately HK\$23 million or 64% to approximately HK\$59 million (for the six months ended 30 June 2023: approximately HK\$36 million), including approximately HK\$21 million (for the six months ended 30 June 2023: approximately HK\$20 million) represented the total interest expenses on unlisted long-term convertible bonds issued in June 2019 (the “2019 LCS”) and March 2021 (the “2021 LCS”), approximately HK\$9 million (for the six months ended 30 June 2023: approximately HK\$1 million) represented interest expenses on lease liabilities and approximately HK\$29 million (for the six months ended 30 June 2023: approximately HK\$15 million) represented interest expenses on interest-bearing borrowings.

Net non-operating expenses from continuing operations of the Group amounted to approximately HK\$7 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HK\$1 million). Net non-operating expenses from continuing operations of the Group for the six months ended 30 June 2024 mainly represented the non-cash unrealised fair value loss on financial assets at fair value through profit or loss on the redemption option of long-term convertible bonds in the amount of approximately HK\$8 million recorded during the period. For the six months ended 30 June 2023, the amount mainly represented the non-cash unrealised fair value loss on the listed debt securities recognised as financial assets at fair value through profit or loss in the amount of approximately HK\$1 million.

After recognising the interest income, finance costs, non-operating expenses, net and income tax, the Group recorded a net loss of approximately HK\$255 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: approximately HK\$197 million), representing an increase of approximately 29%, as compared to the last corresponding period.

Basic and diluted loss per share from continuing and discontinued operations for the six months ended 30 June 2024 were approximately HK\$3.6 cents (for the six months ended 30 June 2023: approximately HK\$2.8 cents). Basic and diluted loss per share from continuing operations for the six months ended 30 June 2024 were approximately HK\$3.6 cents (for the six months ended 30 June 2023: approximately HK\$2.1 cents).

(B) SEGMENTAL INFORMATION

The principal activities of the Group include media and telecommunications operations.

Media

The media segment includes operations related to the television subscription business (terminated with effect from 1 June 2023), domestic free television programme service, advertising, television relay service, programme licensing, theatrical release and other media related businesses.

Revenue from continuing operations derived from the media segment for the six months ended 30 June 2024 increased by approximately 37% to approximately HK\$107 million (for the six months ended 30 June 2023: approximately HK\$78 million) which was mainly due to increase in advertising revenue by approximately 39%.

Operating expenses from continuing operations before depreciation and amortisation of other intangible assets incurred by the media segment for the six months ended 30 June 2024 increased by approximately 59% to approximately HK\$279 million (for the six months ended 30 June 2023: approximately HK\$175 million). As disclosed in “Segment Information” in Note 7 to the condensed consolidated interim financial information of this interim results announcement, the loss before depreciation and amortisation of other intangible assets from continuing operations of the media segment for the six months ended 30 June 2024 increased to approximately HK\$172 million (for the six months ended 30 June 2023: approximately HK\$97 million), which was mainly due to increase in operating expenses.

Telecommunications

The telecommunications segment includes operations related to broadband internet access services, portal operation, telephony services, network leasing, network construction, mobile service and mobile agency service as well as other telecommunications related businesses.

The number of broadband and telephony customers in June 2024 decreased to approximately 151,000 and 52,000, respectively, as compared to approximately 172,000 and 60,000, respectively in June 2023. Due to keen market competition, revenue from the telecommunications segment decreased by approximately HK\$16 million from approximately HK\$186 million for the six months ended 30 June 2023 to approximately HK\$170 million for the six months ended 30 June 2024.

Operating expenses before depreciation and amortisation of other intangible assets incurred by the telecommunications segment for the six months ended 30 June 2024 decreased by approximately 15% to approximately HK\$113 million (for the six months ended 30 June 2023: approximately HK\$133 million). As disclosed in “Segment Information” in Note 7 to the condensed consolidated interim financial information of this interim results announcement, the profit before depreciation and amortisation of other intangible assets from the telecommunications segment for the six months ended 30 June 2024 increased by approximately 8% to approximately HK\$57 million (for the six months ended 30 June 2023: approximately HK\$53 million), which was mainly due to the decrease in revenue but offset by decrease in operating expenses.

(C) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2024, the Group had cash and bank balances and restricted bank balances of approximately HK\$66 million and HK\$12 million respectively as compared to approximately HK\$29 million and HK\$12 million respectively as at 31 December 2023. The increase in cash and bank balances was mainly due the net cash from financing activities and offsetting against the net cash used in operations and investing activities. The cash and bank balances and restricted bank balances of the Group as at 30 June 2024 and 31 December 2023 were mainly denominated in Hong Kong Dollars (“HK\$”). The net gearing ratio, measured in terms of the total interest-bearing borrowings and convertible bonds less cash and bank balances and restricted bank balances divided by total deficit, was a negative of approximately 113% as at 30 June 2024 (31 December 2023: a negative of approximately 118%). As at 30 June 2024, the Group recorded total assets of approximately HK\$951 million which were financed by total liabilities of approximately HK\$2,535 million offsetting against the total deficit of approximately HK\$1,584 million. As at 31 December 2023, the Group recorded total assets of approximately HK\$945 million which were financed by total liabilities of approximately HK\$2,274 million offsetting against the total deficit of approximately HK\$1,329 million. The increase in total deficit was attributable to the loss for the period.

Consolidated net liability value of the Group was approximately HK\$1,584 million and approximately HK\$1,329 million as at 30 June 2024 and 31 December 2023 respectively.

The carrying amount of interest-bearing borrowings denominated in HK\$ as at 30 June 2024 was approximately HK\$1,281 million (31 December 2023: approximately HK\$1,041 million), in which the bank loan carries interest at variable rates and was repayable on demand, and the loans from Celestial Pioneer Limited (a company holding 72.0% of the total number of issued shares of Forever Top (Asia) Limited (“Forever Top”), a substantial shareholder holding 43.2% shareholding of the Company, and is wholly-owned by Dr. Cheng Kar-Shun, Henry, a director of the Company) carry interest at fixed rates ranging from 2.5% to 8.0% per annum and with a term of three years from the date of the respective loan agreements. As at 30 June 2024, amongst the carrying amount of interest-bearing borrowings of approximately HK\$1,281 million, 36% would mature within one year or on demand, 29% would mature after one year but within two years and 35% would mature after two years but within five years. As at 30 June 2024 and 31 December 2023, the Group has utilised all committed borrowing facilities.

The 2019 LCS

On 4 June 2019, the issuance of the 2019 LCS with the principal amount of HK\$568 million by the Company to Forever Top, the controlling shareholder of the Company, was completed. The 2019 LCS would be convertible into 4,544,000,000 new ordinary shares of the Company upon full conversion of the 2019 LCS based on the initial conversion price of HK\$0.125 per conversion share and the coupon rate of the 2019 LCS is 2.0% per annum and payable quarterly. During the six months ended 30 June 2024, there had not been any conversion of the 2019 LCS. Details of the 2019 LCS were set out in the announcements of the Company dated 25 January 2019 and 4 June 2019 and the circular of the Company dated 8 April 2019 (the “2019 Circular”).

The carrying amount of liability component of the 2019 LCS denominated in HK\$ as at 30 June 2024 was approximately HK\$436 million (31 December 2023: approximately HK\$426 million). Details of the 2019 LCS were set out in “Convertible Bonds” in Note 16 to the condensed consolidated interim financial information in this interim results announcement.

The net proceeds raised from the issuance of the 2019 LCS have all been utilised as at 31 December 2020 according to the intended use of proceeds as disclosed in the 2019 Circular.

The 2021 LCS

On 31 March 2021, the issuance of the 2021 LCS with the principal amount of HK\$200 million by the Company to Forever Top was completed. The 2021 LCS would be convertible into 2,941,176,470 new ordinary shares of the Company upon full conversion of the 2021 LCS based on the initial conversion price of HK\$0.068 per conversion share and the coupon rate of the 2021 LCS is 2.0% per annum and payable quarterly. The Company may at any time on or after the date of issue of the 2021 LCS by giving not less than 10 business days' written notice to the holder(s) of the 2021 LCS to redeem all or part of the 2021 LCS at the outstanding principal amount of the 2021 LCS together with all accrued but unpaid interest. During the six months ended 30 June 2024, there had not been any conversion or redemption of the 2021 LCS. Details of the 2021 LCS were set out in the announcements of the Company dated 27 January 2021 and 31 March 2021 and the circular of the Company dated 2 March 2021 (the "2021 Circular").

The carrying amount of liability component and redemption option of the 2021 LCS denominated in HK\$ as at 30 June 2024 was approximately HK\$149 million (31 December 2023: approximately HK\$146 million) and approximately HK\$26 million (31 December 2023: approximately HK\$34 million) respectively. Details of the 2021 LCS were set out in "Convertible Bonds" in Note 16 to the condensed consolidated interim financial information in this interim results announcement.

The net proceeds raised from the issuance of the 2021 LCS have all been utilised as at 31 December 2022 according to the intended use of proceeds as disclosed in the 2021 Circular.

The Group takes a centralised approach to the Group's funding and treasury management as well as optimisation of the funding cost-efficiency. The management (i) strives to maintain a balanced debt and capital financing structure; (ii) ensures secure and optimum return on the investment of surplus funds within an agreed risk profile; (iii) oversees the treasury-related financial risks, including but not limited to interest rate risk, currency risk, liquidity risk and credit risk; (iv) strives to diversify source of funding and maintain a balanced maturity profile; and (v) maintains an appropriate control environment to protect the financial return under the fluidity financial market conditions.

The Group's assets and liabilities are mainly denominated in HK\$ and United States Dollars ("US\$") and it earns its revenue and incurs costs and expenses mainly in HK\$ and US\$. As HK\$ is pegged to US\$, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the US\$/HK\$ or HK\$/US\$ exchange rates.

During the six months ended 30 June 2024, capital expenditure on property, plant and equipment amounted to approximately HK\$21 million (for the six months ended 30 June 2023: approximately HK\$34 million), the additions to right-of-use assets was approximately HK\$3 million (for the six months ended 30 June 2023: approximately HK\$0.3 million) and the additions to programming library was approximately HK\$26 million (for the six months ended 30 June 2023: approximately HK\$17 million).

The Group generally financed its operations with internally generated cash flows and loans from the controlling shareholder of Forever Top.

(D) CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any contingent liabilities.

(E) GUARANTEES

As at 30 June 2024, a corporate guarantee of HK\$295 million (31 December 2023: HK\$295 million) had been provided by the Company to a bank in respect of the facility of borrowing up to HK\$295 million (31 December 2023: HK\$295 million) to a wholly-owned subsidiary of the Company, of which HK\$295 million (31 December 2023: HK\$295 million) was utilised by the wholly-owned subsidiary of the Company.

As at 30 June 2024, the Group had made an arrangement with a bank to provide a performance bond to a counterparty amounting to approximately HK\$34 million (31 December 2023: approximately HK\$35 million), of which approximately HK\$4 million (31 December 2023: approximately HK\$5 million) was secured by bank deposits. The performance bond is to guarantee in favour of the counterparty the Group's performance in fulfilling the obligations under a contract.

(F) HUMAN RESOURCES

The Group had 964 permanent employees as at 30 June 2024 (30 June 2023: 1,144). Total gross salaries and related costs before capitalisation and incurred for the six months ended 30 June 2024 amounted to approximately HK\$171 million (for the six months ended 30 June 2023: approximately HK\$204 million). The remuneration of the directors of the Company (the "Directors") and the employees of the Group is determined with reference to their qualifications, experience, duties and responsibilities with the Group, as well as the Group's performance and the prevailing market conditions. Besides, the Group regularly provides training courses for the employees of the Group to meet their needs.

(G) OPERATING ENVIRONMENT

Although the Group has terminated the Pay TV operation with effect from 1 June 2023, the Group recorded an improvement on the advertising revenue during the period under review.

For broadband services, the number of customers decreased as at 30 June 2024 as compared to that as at 30 June 2023 due to keen market competition. In view of the above, the Group will continue to expand the network coverage and upgrade of the Group's network to provide high speed Gigabit-capable Passive Optical Network services to enhance the Group's competitiveness.

(H) CHARGE ON GROUP ASSETS

As at 30 June 2024, restricted bank balances of approximately HK\$12 million (31 December 2023: approximately HK\$12 million) were made by the Group to secure certain banking facilities granted to the Group.

(I) MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

There was no material acquisition or disposal of subsidiaries, associated companies and joint ventures or significant investments of the Group, which would have been required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the six months ended 30 June 2024.

(J) FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to invest in property, plant and equipment and programming library as required by its business operations, and explore the market and identify any business opportunities which will be beneficial to its growth and development, enhance its profitability, and strive for better return to the shareholders of the Company (the "Shareholders"). The Group's ongoing capital expenditure will be funded by internal cash flows generated from operations and the available credit facilities.

(K) OUTLOOK

This section will begin outlining the coming content and business developments of the Group with an examination of the substantial changes to its operations as witnessed in the Paris Olympics held between 26 July 2024 and 11 August 2024.

Determined to debunk the widely touted perception that free-to-air broadcasting of major sports events is a loss-making business in Hong Kong, the Group and the production team has halved the budget of Paris Olympics comparing to the Tokyo Olympics in 2021, without compromising the production quality of its coverage. Instead of spending on marketing and promotions, the Group has invested in upgrading its official HOY Mobile App to provide comprehensive over-the-top (OTT) support for the Paris Olympics, and built a close-knit social media network to distribute live and video on demand (VOD) contents of the Paris Olympics night after night. As a result, its Olympic videos have consistently scored two to four slots in YouTube's daily top five trending videos. Leveraging on its substantial coverage of the Olympic across free-to-air television, HOY Mobile App, social media and MTR In-train TV, the Company's sales team offered a multi-media 360 Olympic package to the market, and managed to turn the Paris Olympics into a viable business. This ensured that the Paris Olympics would be profitable and positively contribute to the Group's results for the second half of this year.

In brief, the Group has demonstrated the value of production and budget vigilance, strategically focused on Paris Olympics online and viral developments, revamped TV sales into all-media sales exercise, and improved revenue intake despite an admittedly slowing advertising market. These changes were accumulated over numerous strategic shifts in resources allocation, manpower adjustments, and catching up on the technological basis of its operations. And above all, a sense of direction.

It is on the basis of these improvements and strategic shifts that the Group plans to organise the following new developments and business ventures in the next 6 to 12 months.

- (1) Drama production — The Group is working on four drama projects, including one mini drama intended to release on Mainland China social media platform, two 30-minute new genre short series, and one hour-long series for regional cooperation.
- (2) Content-driven e-commerce — HOY's new official mobile application was launched during the Hangzhou Asian Games, which has won the "Cloud Innovation of the Year — Media", awarded by Alibaba Cloud. The HOY Mobile App has since been upgraded according to a rollout plan for loyalty programmes and e-commerce capabilities. HOY and HOY Mobile App are going to launch a content-driven e-commerce model before end of year. New content line up and in-app features will be tailored to provide the integrated viewing and shopping experience to audience.

- (3) Regional collaborations — The Group is developing projects and events in collaboration with partners in the GBA, Southeast Asia, and nationwide Mainland platforms. These collaborations range from drama series, variety projects, online campaigns and on-ground events. With the announcements and social media releases leading on to the programmes and events, these projects are going to bring excitement to audience and the public from later this year till 2025.
- (4) “Key Account 360” media platform — On the basis of coming new content propositions on HOY TV, the rollout of loyalty features like e-vouchers redemption and e-commerce on HOY Mobile App, and integrated after-sales media reports, the Group is going to launch “Key Account 360”, a multi-media sales platform covering TV, digital media, MTR In-train TV advertisement, and outdoor advertising spaces. The new sales platform aims to expand clients’ reach to a broader spectrum of customers and introduce interactive and even e-shopping functions to enhance the values and possibilities of the package.
- (5) Sports-themed projects — In the run up to the GBA National Games in 2025, HOY will organise a number of sports-themed projects to promote both the national event as well as the general passion for sports in Hong Kong.
- (6) i-CABLE News enhancement — Throughout 2024, i-CABLE News has implemented a thorough system upgrade of its newsroom operations to bring to audience accurate and faster coverage of everyday news stories, 24 hours a day. With stronger support, HOY’s anchor social interest infotainment programme “City Focus” (一線搜查) will be expanded to be on-aired six days a week later this year.
- (7) Telecommunications collaborations — Given gathering pace in technological advancement and fast-maturing business models in the communications industries, the Group has been and will continue to explore and prudently evaluate the collaboration opportunities with telecommunications carriers, international operators, data centre providers and other players in the industry to enhance the business performance and efficiency.

The Group has been focusing on formulating and implementing organisational restructuring which included, among other things, (i) identifying cost-saving initiatives through automation and process re-engineering; (ii) promoting more locally produced high quality content and introducing new overseas contents; (iii) exploring new content co-operation models between free-to-air television channels and other digital media platforms to cope with the increasingly fierce competition from alternative media platforms; and (iv) performing strategic reviews on possible restructuring of the Group to enhance business performance and management efficiency, promote synergies, and improve cost efficiency and profitability, and on the financial performance of the Group. As part of a strategic review, the Group has been and will continue to prudently evaluate any opportunities and potential partnerships.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024 – unaudited

		Six months ended 30 June	
		2024	2023
	Note	HK\$'000	HK\$'000
Continuing operations			
Revenue	6, 7	277,170	263,393
Cost of services			
— Programming costs		(175,580)	(126,605)
— Network expenses		(118,201)	(106,255)
— Cost of sales		(79,322)	(70,208)
Selling, general and administrative and other operating expenses		(92,756)	(70,385)
Loss from operations		(188,689)	(110,060)
Interest income		299	334
Finance costs		(59,453)	(35,547)
Non-operating expenses, net		(6,994)	(659)
Loss before taxation	8	(254,837)	(145,932)
Income tax	9	(92)	(3,307)
Loss from continuing operations		(254,929)	(149,239)
Discontinued operation			
Loss from discontinued operation	10	—	(47,747)
Loss for the period		(254,929)	(196,986)
Attributable to:			
Equity shareholders of the Company		(254,929)	(196,986)

		Six months ended 30 June	
	<i>Note</i>	2024	2023
Loss per share	<i>11</i>		
From continuing and discontinued operations			
Basic		<u>(3.6) HK cents</u>	<u>(2.8) HK cents</u>
Diluted		<u>(3.6) HK cents</u>	<u>(2.8) HK cents</u>
From continuing operations			
Basic		<u>(3.6) HK cents</u>	<u>(2.1) HK cents</u>
Diluted		<u>(3.6) HK cents</u>	<u>(2.1) HK cents</u>
From discontinued operation			
Basic		<u>–</u>	<u>(0.7) HK cents</u>
Diluted		<u>–</u>	<u>(0.7) HK cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited

	<i>Six months ended 30 June</i>	
	2024	2023
	HK\$'000	HK\$'000
Loss for the period	(254,929)	(196,986)
Other comprehensive income for the period		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation difference	<u>90</u>	<u>54</u>
Total comprehensive income for the period	<u>(254,839)</u>	<u>(196,932)</u>
Attributable to:		
Equity shareholders of the Company		
• Continuing operations	(254,839)	(149,185)
• Discontinued operation	<u>–</u>	<u>(47,747)</u>
	<u>(254,839)</u>	<u>(196,932)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		379,841	393,219
Right-of-use assets		181,125	194,248
Programming library		14,451	–
Other intangible assets		1,218	1,218
Contract acquisition costs		3,436	4,248
Deferred tax assets	12	69,551	69,551
Deposits, prepayments and other receivables		33,619	31,154
		<u>683,241</u>	<u>693,638</u>
Current assets			
Inventories		3,119	3,416
Trade receivables and contract assets	13	89,467	120,203
Deposits, prepayments and other receivables		62,137	46,007
Contract acquisition costs		8,784	6,534
Financial assets at fair value through profit or loss		26,284	34,392
Restricted bank balances		12,050	12,050
Cash and bank balances		65,719	28,919
		<u>267,560</u>	<u>251,521</u>
Total assets		<u><u>950,801</u></u>	<u><u>945,159</u></u>

		Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
	<i>Note</i>		
EQUITY			
Capital and reserves			
Share capital	15	7,928,975	7,928,975
Reserves		<u>(9,512,631)</u>	<u>(9,257,792)</u>
Total deficit		<u>(1,583,656)</u>	<u>(1,328,817)</u>
LIABILITIES			
Non-current liabilities			
Convertible bonds	16	585,666	572,005
Interest-bearing borrowings	17	820,000	746,035
Lease liabilities		257,736	225,169
Other non-current liabilities		<u>26,969</u>	<u>26,969</u>
		<u>1,690,371</u>	<u>1,570,178</u>
Current liabilities			
Trade payables	14	55,880	85,486
Accrued expenses and other payables		243,223	234,879
Receipts in advance and customers' deposits		79,142	83,538
Interest-bearing borrowings	17	461,035	295,000
Lease liabilities		4,721	4,815
Current tax liabilities		<u>85</u>	<u>80</u>
		<u>844,086</u>	<u>703,798</u>
Total liabilities		<u>2,534,457</u>	<u>2,273,976</u>
Total equity and liabilities		<u>950,801</u>	<u>945,159</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL

i-CABLE Communications Limited is a limited liability company incorporated in Hong Kong. The address of its registered office in Hong Kong is 7th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is engaged in domestic free television programme service, advertising, television relay service, programme licensing, theatrical release, other media related businesses, broadband internet access services, portal operation, telephony services, network leasing, network construction, mobile service and mobile agency service as well as other telecommunications related businesses.

The condensed consolidated interim financial information for the six months ended 30 June 2024 (the “Interim Financial Information”) is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated. The Interim Financial Information has been approved for issue by the board (the “Board”) of Directors of the Company on 28 August 2024.

The financial information relating to the year ended 31 December 2023 that is included in the Interim Financial Information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2 BASIS OF PREPARATION

This Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

This Interim Financial Information should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

During the six months ended 30 June 2024, the Group incurred a net loss of HK\$255 million (2023: HK\$197 million). As at 30 June 2024, the Group's current liabilities exceeded its current assets by HK\$577 million (31 December 2023: HK\$452 million) and total deficit amounted to HK\$1,584 million (31 December 2023: HK\$1,329 million). Total operating cash outflows amounted to HK\$151 million (2023: HK\$115 million) and total cash inflows amounted to HK\$37 million during the period (2023: total cash inflows of HK\$27 million). Included in the Group's current liabilities was an interest-bearing bank borrowing of HK\$295 million which is immediately repayable on demand and subject to review at any time and in any event not less than annually. Besides the banking facility, the Group has been receiving financial support from Forever Top (Asia) Limited ("Forever Top"), a substantial shareholder holding 43.2% shareholding of the Company, through rights issue and issue of long-term convertible bonds in June 2019 and March 2021 to improve the Group's liquidity. Up to 30 June 2024, the controlling shareholder of Forever Top has also advanced unsecured 3-year interest-bearing loans totalling HK\$986 million to the Group, of which HK\$240 million was advanced to the Group during the six months ended 30 June 2024.

In view of such circumstances, the Directors have given careful consideration of the liquidity requirement for the Group's operations, the performance of the Group and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from 30 June 2024. The Directors have taken into account the following plans and measures in assessing the sufficiency of working capital requirements in the foreseeable future:

1. The Group's banking facility was renewed in March 2023 and the outstanding loan balance of HK\$295 million is expected to be rolled over, which will continue to be subject to the clause of the bank's overriding right to demand repayment;
2. The Group will continue with its strategic transformation plan to enhance the Group's business performance; enrichment of contents; cooperation with other partners and cost savings initiatives; and
3. Forever Top has entered into an irrevocable deed of undertaking for a period of twelve months from 30 June 2024 to provide financial support to the Group, up to a cap with reference to the latest funding requirement based on the cash flow forecast as approved by the board of directors of the Company, as and when necessary. In turn, Forever Top has received back to back financial support undertakings from its controlling shareholder.

Notwithstanding the above, whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions are subject to inherent uncertainties. In particular, whether the Group will be able to continue as a going concern would depend upon the continuous availability of existing banking facility, the successful implementation of cost saving initiatives and enhancement of business performance, and from time to time as and when is necessary, the financial support from Forever Top as backed by the controlling shareholders of Forever Top.

The Directors, after due consideration of the basis of the Group's plans and measures as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2024. Accordingly, the Directors consider it is appropriate to prepare the Interim Financial Information on a going concern basis.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Interim Financial Information are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of the amendments to standards and interpretation that are effective for the financial year ending 31 December 2024.

(a) Amendments to standards and interpretation that are effective in current accounting period

During the period ended 30 June 2024, the Group has adopted the following amendments to standards and interpretation which are mandatory for accounting period beginning on 1 January 2024:

HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these amendments to standards and interpretation does not have any significant change to the accounting policies or any significant effect on the results and financial position of the Group.

(b) New standards and amendments to standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to standards have been published which are mandatory for the Group's accounting periods beginning on or after 1 January 2025 but have not been early adopted by the Group:

HKAS 21 (Amendments)	Lack of Exchangeability ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement to Financial Instruments ⁽²⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
HKFRS 10 and 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for accounting periods beginning on or after 1 January 2025

⁽²⁾ Effective for accounting periods beginning on or after 1 January 2026

⁽³⁾ Effective for accounting periods beginning on or after 1 January 2027

⁽⁴⁾ Effective date is to be determined

The Group does not expect that these new standards and amendments to standards would have any material impact on its results and financial position.

4 ESTIMATES AND JUDGEMENTS

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

5 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

There have been no changes in the risk management policies since 31 December 2023.

(b) Liquidity risk

Compared to the year ended 31 December 2023, there was no other material change in the contractual undiscounted cash outflows for financial liabilities, except for the contractual cash outflows for the additional outstanding amount of loans from Celestial Pioneer Limited of HK\$240,000,000 with a term of 3 years from the date of the respective loan agreements and interest thereon (Note 17(b)).

(c) Price risk

The Group is exposed to price risk through its investments and redemption option of long-term convertible bonds recognised as financial assets at fair value through profit or loss. The Group manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

At 30 June 2024, if the price of the Group's investments recognised as financial assets at fair value through profit or loss had been 1% higher/lower with all other variables held constant, the loss for the period would have decreased/increased by approximately HK\$1,000 (31 December 2023: approximately HK\$2,000).

Based on the share price of the Company as at 30 June 2024, if the share price of the Company had been HK\$0.01 higher/lower with all other variables held constant, the fair value of the redemption option of long-term convertible bonds recognised as financial assets at fair value through profit or loss would have increased by approximately HK\$9,683,000 and decreased by approximately HK\$9,566,000 respectively (31 December 2023: increased by approximately HK\$10,954,000 and decreased by approximately HK\$12,676,000 respectively) and the loss for the period would have decreased by approximately HK\$9,683,000 and increased by approximately HK\$9,566,000 respectively (31 December 2023: decreased by approximately HK\$10,954,000 and increased by approximately HK\$12,676,000 respectively).

(d) Fair values of financial instruments

Financial instruments carried at fair value are measured by different valuation methods. The inputs to valuation methods are categorised into three levels within a fair value hierarchy, as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the Group's assets that are measured at fair value at the end of the reporting period on a recurring basis:

	Level 1 <i>HK\$'000</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 30 June 2024 (unaudited)				
Assets				
Financial assets at fair value through profit or loss				
— Listed debt securities	137	—	—	137
— Redemption option of long-term convertible bonds	<u>—</u>	<u>—</u>	<u>26,147</u>	<u>26,147</u>
	<u>137</u>	<u>—</u>	<u>26,147</u>	<u>26,284</u>

At 31 December 2023 (audited)				
Assets				
Financial assets at fair value through profit or loss				
— Listed debt securities	197	—	—	197
— Redemption option of long-term convertible bonds	<u>—</u>	<u>—</u>	<u>34,195</u>	<u>34,195</u>
	<u>197</u>	<u>—</u>	<u>34,195</u>	<u>34,392</u>

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (31 December 2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The following table presents the changes in Level 3 financial instrument for the six months ended 30 June 2024 and 2023:

	Unaudited six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Redemption option:		
At the beginning of the period	34,195	37,408
Unrealised fair value change recognised in non-operating expenses, net	<u>(8,048)</u>	<u>(446)</u>
At the end of the period	<u>26,147</u>	<u>36,962</u>

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	Fair value as at		Unobservable inputs	Range of unobservable inputs as at		Relationship of unobservable inputs to fair value
	30 June	31 December		30 June	31 December	
	2024	2023		2024	2023	
	(unaudited)	(audited)				
	HK\$'000	HK\$'000				
Redemption option of long-term convertible bonds	26,147	34,195	Discount rate	8.26%	7.78%	The higher the discount rate, the lower the fair value of the redemption option of long-term convertible bonds (holding all other inputs as constant)

The main Level 3 input used by the Group in measuring the fair value of financial instrument is derived and evaluated as follows:

Discount rate was determined with reference to the risk free rate, credit spread of comparable bonds and liquidity spread in the market.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

6 REVENUE

Revenue comprises principally subscription, service and related fees for broadband internet access and telephony services. It also includes advertising revenue net of agency deductions and distribution fees, programme licensing income, film exhibition and distribution income, network leasing income, network construction income, mobile service income, mobile agency service income and other telecommunications income.

7 SEGMENT INFORMATION

The Group managed its businesses according to the nature of services provided. The Group's chief operating decision maker (the "CODM"), which comprises executive Directors and senior management of the Company, has determined two reportable operating segments for measuring performance and allocating resources. The segments are media and telecommunications.

The media segment includes operations related to the domestic free television programme service, advertising, television relay service, programme licensing, theatrical release and other media related businesses.

The telecommunications segment includes operations related to broadband internet access services, portal operation, telephony services, network leasing, network construction, mobile service and mobile agency service as well as other telecommunications related businesses.

The CODM evaluates performance primarily based on segment results before depreciation of property, plant and equipment and right-of-use assets, amortisation of other intangible assets, corporate expenses, corporate depreciation of property, plant and equipment, interest income, finance costs, non-operating expenses, net and income tax, but after amortisation of programming library and amortisation of contract acquisition costs. Besides, the CODM also evaluates performance based on segment results before corporate expenses, corporate depreciation of property, plant and equipment, interest income, finance costs, non-operating expenses, net and income tax, but after amortisation of programming library, amortisation of contract acquisition costs, depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangible assets.

Inter-segment pricing is generally determined at arm's length basis.

Segment assets principally comprise all assets with the exception of deferred tax assets and assets managed at the corporate office. Segment liabilities include all liabilities, convertible bonds and interest-bearing borrowings directly attributable to and managed by each segment with the exception of current tax liabilities and liabilities at corporate office.

Besides, the CODM is also provided with segment information concerning revenue (including inter-segment revenue).

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance from continuing operations for the six months ended 30 June 2024 and 2023 is set out below:

	Unaudited six months ended 30 June					
	Media		Telecommunications		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Reportable segment revenue	107,375	77,817	169,823	185,576	277,198	263,393
Less: Inter-segment revenue	–	–	(28)	–	(28)	–
Revenue from external customers	<u>107,375</u>	<u>77,817</u>	<u>169,795</u>	<u>185,576</u>	<u>277,170</u>	<u>263,393</u>
Revenue from contracts with customers:						
Timing of revenue recognition:						
At a point in time	2,910	1,746	14,170	19,507	17,080	21,253
Over time	104,465	76,071	155,465	165,884	259,930	241,955
Revenue from other sources:						
Rental income	–	–	160	185	160	185
	<u>107,375</u>	<u>77,817</u>	<u>169,795</u>	<u>185,576</u>	<u>277,170</u>	<u>263,393</u>
Reportable segment (loss)/profit before depreciation and amortisation of other intangible assets	(172,015)	(96,816)	56,997	52,753	(115,018)	(44,063)
Depreciation	(25,421)	(5,449)	(24,188)	(25,607)	(49,609)	(31,056)
Amortisation of other intangible assets	–	(445)	–	(4)	–	(449)
Reportable segment results before corporate expenses and corporate depreciation	<u>(197,436)</u>	<u>(102,710)</u>	<u>32,809</u>	<u>27,142</u>	<u>(164,627)</u>	<u>(75,568)</u>
Corporate expenses					(23,183)	(32,570)
Corporate depreciation					<u>(879)</u>	<u>(1,922)</u>
Loss from operations					(188,689)	(110,060)
Interest income					299	334
Finance costs					(59,453)	(35,547)
Non-operating expenses, net					(6,994)	(659)
Income tax					<u>(92)</u>	<u>(3,307)</u>
Loss from continuing operations					<u>(254,929)</u>	<u>(149,239)</u>

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Segment assets		
Media	459,415	459,713
Telecommunications	385,307	394,932
	844,722	854,645
Corporate assets	36,528	20,963
Deferred tax assets	69,551	69,551
Total assets	950,801	945,159
Segment liabilities		
Media	1,764,954	1,499,773
Telecommunications	722,277	742,861
	2,487,231	2,242,634
Corporate liabilities	47,141	31,262
Current tax liabilities	85	80
Total liabilities	2,534,457	2,273,976

During the six months ended 30 June 2024, there were additions of approximately HK\$20,945,000 (2023: approximately HK\$34,242,000) to property, plant and equipment, approximately HK\$3,458,000 (2023: approximately HK\$322,000) to right-of-use assets and approximately HK\$25,838,000 (2023: approximately HK\$16,793,000) to programming library, respectively.

Geographical segment:

No geographical segment information is shown as, during the period presented, less than 10% of the Group's segment revenue, segment results, segment assets and segment liabilities are derived from activities conducted outside Hong Kong.

Information about major customer:

Revenue of approximately HK\$55,633,000 (2023: approximately HK\$58,085,000) were derived from a single external customer during the six months ended 30 June 2024, of which approximately HK\$54,633,000 (2023: approximately HK\$57,055,000) and approximately HK\$1,000,000 (2023: approximately HK\$1,030,000) were attributed to the telecommunications segment and the media segment, respectively.

8 LOSS BEFORE TAXATION

Loss before taxation is stated after charging/(crediting):

	Unaudited	
	six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Continuing operations		
Finance costs		
— Interest expenses on interest-bearing borrowings	29,135	14,501
— Interest expenses on lease liabilities	8,988	794
— Interest expenses on convertible bonds	21,330	20,252
Other items		
Depreciation		
— assets held for use under operating leases	—	379
— other assets	33,910	29,772
— right-of-use assets	16,578	2,827
	50,488	32,978
Amortisation		
— programming library*	11,389	7,194
— other intangible assets	—	449
— contract acquisition costs	4,657	5,402
Rental income under operating leases in respect of		
— owned plant and machinery	(160)	(185)
Non-operating expenses, net		
— sub-lease rental income	(418)	—
— net gain on disposal of property, plant and equipment	(133)	(133)
— gain on modification of lease contracts	(563)	—
— fair value losses on financial assets at fair value through profit or loss	8,108	1,608

* Amortisation of programming library was included within programming costs in the condensed consolidated statement of profit or loss of the Group.

9 INCOME TAX

Hong Kong and other jurisdictions profits tax has been provided at the rate of 16.5% (2023: 16.5%) and at the rates of taxation prevailing in the jurisdictions in which the Group operates respectively.

	Unaudited	
	six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Continuing operations		
Current income tax		
Provision for the period	92	190
Deferred income taxation	—	3,117
Income tax	92	3,307

10 DISCONTINUED OPERATION

(a) Description

In view of the rapidly changing media landscape in Hong Kong and fierce competition among the global paid TV content providers and pay TV operators, Hong Kong Cable Television Limited, a subsidiary of the Company, obtained approval from the Government of the HKSAR on 14 February 2023 for the termination of the domestic pay television programme service licence with effect from 1 June 2023, which was reported in the Interim Financial Information for the six months ended 30 June 2024 and 2023 as a discontinued operation.

(b) Financial performance and cash flow information

Financial information relating to discontinued operation for the six months ended 30 June 2024 and 2023 are set out below.

	Unaudited 30 June 2024 HK\$'000	Unaudited 30 June 2023 HK\$'000
Statement of profit or loss and other comprehensive from discontinued operation:		
Revenue	–	118,228
Operating expenses	–	(165,975)
	–	–
Loss before taxation	–	(47,747)
Income tax	–	–
	–	–
Loss from discontinued operation	–	(47,747)
	–	–
Total comprehensive income from discontinued operation	–	(47,747)
Cash flows from discontinued operation:		
Net cash outflow from operating activities	(11,070)	(54,569)
	–	–
Net decrease in cash generated by the discontinued operation	(11,070)	(54,569)
	–	–
Basic loss per share from discontinued operation	–	(0.7) HK cents
Diluted loss per share from discontinued operation	–	(0.7) HK cents

11 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	six months ended 30 June	
	2024	2023
Loss from continuing operations attributable to equity shareholders of the Company (HK\$'000)	(254,929)	(149,239)
Loss from discontinued operation attributable to equity shareholders of the Company (HK\$'000)	–	(47,747)
Loss attributable to equity shareholders of the Company (HK\$'000)	(254,929)	(196,986)
Weighted average number of ordinary shares in issue	<u>7,134,623,520</u>	<u>7,134,623,520</u>
Basic loss per share for loss from continuing operations (HK cents)	(3.6)	(2.1)
Basic loss per share for loss from discontinued operation (HK cents)	<u>–</u>	<u>(0.7)</u>
Total basic loss per share (HK cents)	<u>(3.6)</u>	<u>(2.8)</u>

(b) Diluted loss per share

The diluted loss per share for the six months ended 30 June 2024 and 2023 equals to the basic loss per share since the conversion rights attached to the unlisted long-term convertible bonds would not have a dilutive effect on the loss per share.

12 DEFERRED TAX ASSETS

As at 30 June 2024, the Group had recognised net deferred tax assets in respect of the future benefit of unutilised tax losses which can be carried forward indefinitely without expiry date of approximately HK\$69,551,000 (unaudited) (31 December 2023 (audited): approximately HK\$69,551,000), being the net balance of deferred tax assets arising from tax losses of approximately HK\$116,237,000 (unaudited) (31 December 2023 (audited): approximately HK\$116,237,000) and deferred tax liabilities arising from depreciation allowances in excess of the related depreciation of approximately HK\$46,686,000 (unaudited) (31 December 2023 (audited): approximately HK\$46,686,000). The deferred tax assets recognised as at 30 June 2024 was determined after considering the estimated future taxable profits and the timing of utilisation of the tax losses in the relevant subsidiary of the Company. The estimated future taxable profits of the relevant subsidiary of the Company take into account the expected growth of the business due to the operating environment, business strategies, business development, approved business plans, the effect of the tax planning as well as the trend of the performance of the relevant subsidiary of the Company. Deferred tax assets were recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

13 TRADE RECEIVABLES AND CONTRACT ASSETS

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Trade receivables	65,079	103,568
Contract assets	24,388	16,635
	<u>89,467</u>	<u>120,203</u>

An ageing analysis of trade receivables (net of loss allowance), based on the invoice date is set out as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
0 to 30 days	34,549	54,425
31 to 60 days	5,380	23,235
61 to 90 days	10,266	12,201
Over 90 days	14,884	13,707
	<u>65,079</u>	<u>103,568</u>

The Group has a defined credit policy. The general credit terms allowed range from 0 to 15 days in respect of broadband, telephony and mobile service subscription and from 0 to 30 days in respect of advertising, network leasing and network construction services.

14 TRADE PAYABLES

An ageing analysis of trade payables, based on the invoice date is set out as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
0 to 30 days	5,619	9,976
31 to 60 days	13,805	19,115
61 to 90 days	11,702	10,916
Over 90 days	24,754	45,479
	55,880	85,486

15 SHARE CAPITAL

	Number of shares	HK\$'000
Ordinary shares, issued and fully paid:		
At 1 January 2023, 30 June 2023 (unaudited), 31 December 2023 (audited) and 30 June 2024 (unaudited)	7,134,623,520	7,928,975

16 CONVERTIBLE BONDS

(i) The 2019 LCS

On 25 January 2019, the Company entered into the unlisted long-term convertible securities subscription agreement with Forever Top, pursuant to which the Company has conditionally agreed to issue, and Forever Top has conditionally agreed to subscribe for the unlisted long-term convertible bonds issued in June 2019 (the “2019 LCS”). On 4 June 2019, the issuance of the 2019 LCS with the principal amount of HK\$568,000,000 to Forever Top was completed. The 2019 LCS would be convertible into 4,544,000,000 new ordinary shares of the Company (the “Share(s)”) upon full conversion of the 2019 LCS based on the initial conversion price of HK\$0.125 per conversion share. The initial conversion price represents a premium of approximately 8.7% over the closing price of HK\$0.115 per Share as quoted on the Stock Exchange on 25 January 2019, being the date on which the terms of the 2019 LCS were fixed. The coupon rate of the 2019 LCS is 2.0% per annum and payable quarterly. The 2019 LCS is convertible into ordinary Shares at any time during the period from the date of the issue of the 2019 LCS up to the close of business on the maturity date, subject to the conversion restrictions. The maturity date of the 2019 LCS is the end of the tenth year from date of the issue of the 2019 LCS and all of the remaining outstanding 2019 LCS will be redeemed by the Company at 100% of the outstanding principal amount of the 2019 LCS together with any interest accrued but unpaid thereon.

On the date of issuance of the 2019 LCS, the fair value of liability component of approximately HK\$343,719,000 was recognised and the fair value of approximately HK\$224,281,000, representing equity element, was recognised and presented in equity heading “equity component of convertible bonds” at initial recognition. The effective interest rate of the liability component was 7.69% per annum. As at 30 June 2024, the carrying amount of liability component of the 2019 LCS is approximately HK\$436,408,000 (31 December 2023: approximately HK\$425,663,000).

The relevant fair value measurement was carried out by an independent qualified professional valuer not connected to the Group.

(ii) The 2021 LCS

On 27 January 2021, the Company entered into the unlisted long-term convertible securities subscription agreement with Forever Top, pursuant to which the Company has conditionally agreed to issue, and Forever Top has conditionally agreed to subscribe for, the unlisted long-term convertible bonds issued in March 2021 (the “2021 LCS”). On 31 March 2021, the issuance of the 2021 LCS with the principal amount of HK\$200,000,000 with a maturity of 10 years by the Company to Forever Top was completed. The 2021 LCS would be convertible into 2,941,176,470 new ordinary Shares upon full conversion of the 2021 LCS based on the initial conversion price of HK\$0.068 per conversion share and the coupon rate of the 2021 LCS is 2.0% per annum and payable quarterly. The Company may at any time on or after the date of issue of the 2021 LCS by giving not less than 10 business days’ written notice to the holder(s) of the 2021 LCS to redeem all or part of the 2021 LCS at the outstanding principal amount of the 2021 LCS together with all accrued but unpaid interest.

On the date of issuance of the 2021 LCS, the fair value of liability component of approximately HK\$131,806,000 was recognised, the fair value of approximately HK\$144,610,000, representing equity element, was recognised and presented in equity heading “equity component of convertible bonds” and the fair value of the redemption option of approximately HK\$78,061,000 was recognised as financial assets at fair value through profit or loss at initial recognition. The effective interest rate of the liability component was 6.88% per annum. As at 30 June 2024, the carrying amount of liability component and redemption option of the 2021 LCS is approximately HK\$149,258,000 (31 December 2023: approximately HK\$146,342,000) and approximately HK\$26,147,000 (31 December 2023: approximately HK\$34,195,000) respectively.

The relevant fair value measurement was carried out by an independent qualified professional valuer not connected to the Group.

17 INTEREST-BEARING BORROWINGS

	Unaudited 30 June 2024			Audited 31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loan (Note (a))	295,000	–	295,000	295,000	–	295,000
Loans from Celestial Pioneer Limited (Note (b))	166,035	820,000	986,035	–	746,035	746,035
Total interest-bearing borrowings	<u>461,035</u>	<u>820,000</u>	<u>1,281,035</u>	<u>295,000</u>	<u>746,035</u>	<u>1,041,035</u>

Notes:

- (a) The carrying amount of bank loan denominated in Hong Kong dollar as at 30 June 2024 was HK\$295,000,000 (31 December 2023: HK\$295,000,000), which is unsecured, carries interest at variable rates and repayable on demand.
- (b) The carrying amount of the loans from Celestial Pioneer Limited (a company holding 72.0% of the total number of issued shares of Forever Top and wholly-owned by Dr. Cheng Kar-Shun, Henry, the Director) denominated in Hong Kong dollar as at 30 June 2024 was approximately HK\$986,035,000 (31 December 2023: HK\$746,035,000), which are unsecured, carry interest at fixed rates ranging from 2.5% to 8.0% per annum (31 December 2023: 2.5% to 6.0% per annum) and with a term of 3 years from the date of the respective loan agreements.

The maturity of interest-bearing borrowings was as follows:

	Bank loan		Loans from Celestial Pioneer Limited		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December	30 June	31 December
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year or on demand	295,000	295,000	166,035	–	461,035	295,000
After 1 year but within 2 years	–	–	370,000	296,035	370,000	296,035
After 2 years but within 5 years	–	–	450,000	450,000	450,000	450,000
	<u>295,000</u>	<u>295,000</u>	<u>986,035</u>	<u>746,035</u>	<u>1,281,035</u>	<u>1,041,035</u>

18 DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (2023: HK\$Nil).

19 CAPITAL COMMITMENTS

Capital commitments outstanding as at 30 June 2024 and 31 December 2023 were as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Property, plant and equipment — Contracted but not provided for	3,997	413
Programming library — Contracted but not provided for	12,310	13,470
	16,307	13,883

20 GUARANTEES

As at 30 June 2024, a corporate guarantee of HK\$295,000,000 (31 December 2023: HK\$295,000,000) had been provided by the Company to a bank in respect of the facility of borrowing up to HK\$295,000,000 (31 December 2023: HK\$295,000,000) to a wholly-owned subsidiary of the Company of which HK\$295,000,000 (31 December 2023: HK\$295,000,000) was utilised by the wholly-owned subsidiary of the Company.

As at 30 June 2024, the Group had made an arrangement with a bank to provide a performance bond to a counterparty amounting to HK\$33,830,000 (31 December 2023: HK\$35,330,000), of which HK\$3,830,000 (31 December 2023: HK\$5,330,000) was secured by bank deposits. The performance bond is to guarantee in favour of the counterparty the Group's performance in fulfilling the obligations under a contract.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with the statutory and regulatory requirements with an aim to maximising the Shareholders' values and interests as well as to enhancing the stakeholders' transparency and accountability. During the six months ended 30 June 2024, the Company has complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules, except for the following deviations:

Code Provision C.1.6 of Part 2 of the CG Code stipulates that independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Generally, they should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Also, Code Provision F.2.2 of Part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Dr. Cheng Kar-Shun, Henry (the chairman of the Board (the "Chairman") and a non-executive Director) and Mr. Luk Koon Hoo, Roger (an independent non-executive Director) were unable to attend the annual general meeting of the Company held on 6 June 2024 ("2024 AGM") as each of Dr. Cheng Kar-Shun, Henry and Mr. Luk Koon Hoo, Roger had other engagements at the time of such meeting. In the absence of the Chairman at the 2024 AGM, Mr. Tsang On Yip, Patrick (the vice-chairman of the Board (the "Vice-chairman") and an executive Director) acted as the chairman of the 2024 AGM, and together with other Directors present at the 2024 AGM, were sufficiently knowledgeable and capable to address any questions at the 2024 AGM, ensuring effective communication with the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. The Company, having made specific enquiries to all the Directors, was not aware of any non-compliance with the required standard set out in the Model Code during the six months ended 30 June 2024.

The Company has also applied the principles of the Model Code to the employees of the Group.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has set up an audit committee (the “Audit Committee”) with majority of the members being the independent non-executive Directors with terms of reference in accordance with the requirements of the Listing Rules for the purposes of, among others, reviewing the financial information of the Group, and overseeing the Group’s financial reporting system, and risk management and internal control systems, as well as the Group’s corporate governance matters. As at the date of this announcement, the Audit Committee comprises Mr. Luk Koon Hoo, Roger (an independent non-executive Director and the chairman of the Audit Committee), Prof. Hu Shao Ming Herman (an independent non-executive Director) and Mr. Tang Sing Ming Sherman (an independent non-executive Director).

The unaudited condensed consolidated interim financial information of the Group and the interim report of the Company for the six months ended 30 June 2024 have been reviewed by the Audit Committee with no disagreement by the Audit Committee. The auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: HK\$Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2024.

By order of the Board
i-CABLE Communications Limited
Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 28 August 2024

As at the date of this announcement, the Board comprises ten Directors, namely Dr. Cheng Kar-Shun, Henry (Chairman) as non-executive Director; Mr. Tsang On Yip, Patrick (Vice-chairman), Mr. Lie Ken Jie Remy Anthony Ket Heng, Mr. To Chi Hak (Chief Executive Officer) and Dr. Luk Wai Ki Elvis as executive Directors; Ms. Ng Yuk Mui Jessica as non-executive Director; and Mr. Lam Kin Fung Jeffrey, Prof. Hu Shao Ming Herman, Mr. Luk Koon Hoo, Roger and Mr. Tang Sing Ming Sherman as independent non-executive Directors.