



SANDMARTIN INTERNATIONAL HOLDINGS LIMITED

聖馬丁國際控股有限公司*

INCORPORATED IN BERMUDA WITH LIMITED LIABILITY
於百慕達註冊成立之有限公司

Stock Code 股份代號 : 482

2023 中期報告 INTERIM REPORT



* For identification purpose only
僅供識別

CONTENTS 目錄



Corporate Information	公司資料	2
Chairman's Letter to Shareholders	主席致股東報告	4
Business Overview and Management Discussion and Analysis	業務概覽及管理層討論與分析	6
Financial Review	財務回顧	13
Corporate Governance and Other Information	企業管治及其他資料	23
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	簡明綜合損益及其他全面收益表	31
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	33
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	35
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	37
Notes to the Condensed Consolidated Financial Statements	簡明綜合財務報表附註	38



CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Hung Tsung Chin
Mr. Chen Wei Chun

NON-EXECUTIVE DIRECTOR

Mr. Kuo Jen Hao (*Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Wei-Hui
Mr. Lu Ming-Shiuan
Mr. Wu Chia Ming

AUDIT COMMITTEE

Ms. Chen Wei-Hui (*Committee Chairperson*)
Mr. Lu Ming-Shiuan
Mr. Wu Chia Ming

REMUNERATION COMMITTEE

Mr. Wu Chia Ming (*Committee Chairman*)
Ms. Chen Wei-Hui
Mr. Lu Ming-Shiuan

NOMINATION COMMITTEE

Mr. Lu Ming-Shiuan (*Committee Chairman*)
Ms. Chen Wei-Hui
Mr. Wu Chia Ming

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 516, 5/F., Peninsula Centre, 67 Mody Road
Tsim Sha Tsui East, Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street, Hamilton
HM 11, Bermuda

執行董事

洪聰進先生
陳偉鈞先生

非執行董事

郭人豪先生(主席)

獨立非執行董事

陳葦憶女士
盧明軒先生
吳嘉明先生

審核委員會

陳葦憶女士(委員會主席)
盧明軒先生
吳嘉明先生

薪酬委員會

吳嘉明先生(委員會主席)
陳葦憶女士
盧明軒先生

提名委員會

盧明軒先生(委員會主席)
陳葦憶女士
吳嘉明先生

總辦事處及主要營業地點

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九龍尖沙咀東
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註冊辦事處

Clarendon House, 2 Church Street, Hamilton
HM 11, Bermuda

CORPORATE INFORMATION *(Continued)*

公司資料(續)

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

AUTHORISED REPRESENTATIVES

Mr. Hung Tsung Chin

Ms. Tung Wing Yee Winnie

PRINCIPAL BANKERS

CTBC Bank Co., Ltd.

China Guangfa Bank Co., Ltd.

Land Bank of Taiwan Co., Ltd.

AUDITOR

BDO Limited

Certified Public Accountants

LEGAL ADVISORS

TAN & CO., Solicitors

SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F.

148 Electric Road, North Point

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Conyers Corporate Services (Bermuda) Limited

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CORPORATE WEBSITE

www.sandmartin.com.hk

STOCK CODE

482

公司秘書

董穎怡女士

授權代表

洪聰進先生

董穎怡女士

主要往來銀行

中國信託商業銀行股份有限公司

廣發銀行股份有限公司

臺灣土地銀行股份有限公司

核數師

香港立信德豪會計師事務所有限公司

執業會計師

法律顧問

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股份代號

482

CHAIRMAN'S LETTER TO SHAREHOLDERS

主席致股東報告

Dear shareholders of the Company (the “Shareholders”),

On behalf of the board (the “Board”) of the directors (the “Directors”) of Sandmartin International Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”), I hereby present the interim results of the Group for the six months ended 30 June 2023.

The financial performance of the Group was not satisfactory for the six months ended 30 June 2023. The 2019 novel coronavirus pandemic (the “Pandemic”) continued to have negative impacts on the business and operations of the Group. With the global tight monetary policy, the revenue of the Group’s products has declined when compared with the same corresponding period in 2022. The Group has taken some measures to reduce the unfavourable impacts, including but not limited to sourcing from different suppliers to increase the profit margin.

The tight monetary policy in Nepal had an adverse impact on the economic sentiment in Nepal which led to the decrease in the number of subscribers of Dish Media Network Limited (“Dish Media”, the Company’s associate and the largest satellite pay television operator in Nepal).

The ongoing China-US trade war still has some negative impacts on certain segments of the operations of the Group and the Group mitigates the impacts by sourcing from suppliers in Southeast Asia, for the purpose of avoiding the excessive tariffs imposed by the United States (the “US”) on products from The People’s Republic of China (the “PRC” or “China”).

Although the global economy is gradually recovering from the Pandemic, the geo-political and geo-economic tensions are yet to be resolved. Given these volatilities and challenges, the Group will continue to adopt a prudent approach in managing its cash flows position and will make every endeavour to identify business opportunities with promising potential in the manufacturing segments in emerging markets or even other sectors so as to diversify our income source to weather adverse economic cycle.

各位本公司股東(「股東」)：

本人謹代表聖馬丁國際控股有限公司*(「本公司」，連同其附屬公司統稱為「本集團」)董事(「董事」)會(「董事會」)呈報本集團截至二零二三年六月三十日止六個月的中期業績。

本集團截至二零二三年六月三十日止六個月的財務表現並不理想。二零一九年新型冠狀病毒疫情(「疫情」)持續對本集團的業務及營運造成負面影響。隨著全球從緊的貨幣政策，本集團產品的收益較二零二二年同期有所下降。本集團已採取若干措施以減輕疫情造成的不利影響，包括但不限於向多名供應商採購以提升毛利率。

尼泊爾從緊的貨幣政策亦對尼泊爾的經濟復甦氣氛造成不利影響，導致Dish Media Network Limited(「Dish Media」，本公司的聯營公司，並為尼泊爾最大的收費衛星電視營辦商)的訂閱用戶數量下降。

中美貿易戰持續對本集團若干分部的營運仍有一定的負面影響，而本集團透過向東南亞供應商採購減輕其影響，以避免美利堅合眾國(「美國」)對中華人民共和國(「中國」)的產品徵收額外關稅。

儘管全球經濟正在從疫情中逐漸復甦，惟地緣政治及地緣經濟的緊張局勢仍未得到解決。鑒於該等波動因素及挑戰，本集團將繼續採取審慎態度管理其現金流量狀況，並將竭力於新興市場的製造分部(甚至其他行業)物色具有良好潛力的商機，為求拓展收入來源以應對不利經濟週期。

* 僅供識別

CHAIRMAN'S LETTER TO SHAREHOLDERS (Continued) 主席致股東報告(續)

Since 2018, the Group has, by outsourcing its production to suppliers in Vietnam, progressively wound down its own production facilities housed in the Group's factory buildings built on an industrial land in Zhongshan, the PRC (the "Land") owned by the Group. Most of the Group's factory buildings on the Land had been leased to third parties independent of the Company in return for rental income. However, owing to the age of the factory buildings, the rental return is low. As such, the Group has been exploring opportunities to increase the investment return from such factory buildings. In July 2021, the Group entered into a cooperation agreement with, among others, Guangdong Huasuan International Industrial Park Investment Development Co., Ltd.* (廣東省華算國際產業園投資發展有限公司) ("Huasuan") in relation to the cooperation between the Group and Huasuan for the purpose of redeveloping the Land into a landmark precision intelligent manufacturing centre and research and development innovation hub (the "Redevelopment") and subsequently in July 2023, the Group entered into a joint venture agreement with Huasuan to form an unincorporated joint venture for the purpose of the Redevelopment and for the purpose of governing the cooperation arrangement.

Going forward, the Board believes that the growth of the Group will depend on business opportunities arising from new 5G peripherals, Internet of Things and related products. In anticipation of such business opportunities, the Group's research and development team is developing new 5G related products with reference to the market trend. New products under development include next generation radio frequency and antenna products. The Group's research and development team is working on these products in its research centre in Hsinchu, Taiwan. Hopefully, the Group's new 5G related products will bring about more business opportunities as well as revenue and profits to the Group.

To strengthen the financial position and improve the liquidity of the Group, on 27 March 2023, the Company proposed rights issue on the basis of three rights shares for every two shares in issue on the record date and was completed on 5 July 2023.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our invaluable business partners, Shareholders, management and employees for their continuous support and contribution to the Group. We look forward to sharing the rewards ahead with you.

Kuo Jen Hao
Chairman

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自二零一八年起，本集團透過將生產外包予越南供應商，逐步關閉位於中國中山市工業用地(「該土地」)上的本集團廠房內的自有生產設施。本集團於該土地上的大部分廠房已出租予獨立於本公司的第三方，以換取租金收入。但由於廠房年代久遠，租金回報率較低。因此，本集團一直在尋找機會增加該等廠房的投資回報。於二零二一年七月，本集團與(其中包括)廣東省華算國際產業園投資發展有限公司(「華算」)就本集團與華算的合作訂立合作協議，旨在將該土地重新開發為地標性精密智能製造中心及研發創新中心(「重建」)，隨後於二零二三年七月，本集團與華算訂立合資協議，為重建目的及規管合作安排而成立一家非法團合資企業。

展望未來，董事會深信，本集團的增長將有賴於最新的5G週邊、物聯網和相關產品帶來的商機。為配合預期中的商機，本集團的研發團隊正因應市場趨勢開發全新的5G相關產品。開發中的新產品包括下一代的無線電頻道和天線產品。本集團的研發團隊目前在位於台灣新竹的研究中心埋首於這些產品的開發工作。希望本集團最新的5G相關產品將為本集團帶來更多商機以及收入和利潤。

為加強本集團的財務狀況及提高其流動性，於二零二三年三月二十七日，本公司建議按於記錄日期每兩股已發行股份獲發三股供股股份之基準進行供股，並已於二零二三年七月五日完成。

本人謹代表董事會藉此機會對寶貴的業務夥伴、股東以及管理層及僱員一直以來的鼎力支持及對本集團的貢獻衷心致謝，期望日後能與各位分享成果。

主席
郭人豪

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS

業務概覽及管理層討論與分析

FINANCIAL HIGHLIGHT AND BUSINESS REVIEW

The Group recorded an increase in gross profit margin from 9.96% for the six months ended 30 June 2022 to 14.49% for the six months ended 30 June 2023 due to the improvement in products profit margin of the Group's satellite TV equipment and antenna products segment.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets. The revenue of this segment decreased by 17.7% as compared with the six months ended 30 June 2022.

- Segment revenue of media entertainment platform related products was approximately HK\$53.6 million (six months ended 30 June 2022: HK\$65.1 million).
- Segment results from operations were approximately HK\$1.8 million (six months ended 30 June 2022: HK\$630,000).
- Segment margin was 3.32%, which increased by 2.35 percentage points as compared with the segment margin of 0.97% for the six months ended 30 June 2022.

Outlook

The Group is exploring new business opportunities for this segment. The China-US trade war is not expected to have material adverse impact on this segment as this segment does not have customers in the US.

財務摘要及業務概覽

本集團的毛利率由截至二零二二年六月三十日止六個月的9.96%增加至截至二零二三年六月三十日止六個月的14.49%，乃由於本集團的衛星電視設備及天線產品分部的產品毛利率有所改善。

媒體娛樂平臺相關產品

為應對充滿挑戰的經濟環境，本集團的媒體娛樂平臺相關產品分部繼續於新興市場發掘新商機。此分部的收益較截至二零二二年六月三十日止六個月減少17.7%。

- 媒體娛樂平臺相關產品的分部收益約為53,600,000港元(截至二零二二年六月三十日止六個月：65,100,000港元)。
- 分部營運業績約為1,800,000港元(截至二零二二年六月三十日止六個月：630,000港元)。
- 分部利潤率為3.32%，較截至二零二二年六月三十日止六個月的分部利潤率0.97%增加2.35個百分點。

前景

本集團正為此分部開拓新商機。由於此分部並無位於美國的客戶，故預期中美貿易戰不會對此分部造成重大不利影響。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

OTHER MULTIMEDIA PRODUCTS

Owing to the increases in material costs and freight charges, the revenue of the Group's other multimedia products segment was lower than expected. Major products of this segment included cables, multimedia accessories and wireless mobile phone chargers for vehicles. Segment revenue decreased by 18.9% as compared with the six months ended 30 June 2022.

- Segment revenue of other multimedia products was approximately HK\$49.8 million (six months ended 30 June 2022: HK\$61.5 million).
- Segment results from operations were approximately HK\$8.1 million (six months ended 30 June 2022: HK\$6.2 million).
- Segment margin was 16.16%, which increased by 6.0 percentage points as compared with the segment margin of 10.16% for the six months ended 30 June 2022.

Outlook

We are enhancing our product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war and increase in freight charges have certain impacts on this segment as some of the Group's customers are located in the US and the impact is partially mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia, and adjusting logistics structure.

其他多媒體產品

由於材料成本及貨運費用上漲，本集團其他多媒體產品分部的收益低於預期。此分部的主要產品包括電纜、多媒體配件及車載無線手機充電器。分部收益較截至二零二二年六月三十日止六個月下跌18.9%。

- 其他多媒體產品的分部收益約為49,800,000港元(截至二零二二年六月三十日止六個月：61,500,000港元)。
- 分部營運業績約為8,100,000港元(截至二零二二年六月三十日止六個月：6,200,000港元)。
- 分部利潤率為16.16%，較截至二零二二年六月三十日止六個月的分部利潤率10.16%增加6.0個百分點。

前景

我們正在豐富產品組合和開拓新業務，以滿足客戶的新需求。由於本集團部分客戶位於美國，故中美貿易戰及貨運費用上漲對此分部造成一定影響，而有關影響因向中國以外地區，例如東南亞的供應商進行採購以及調整物流架構而得以局部緩和。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

The revenue and segment results of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy from the Pandemic in the North America.

- Segment revenue of satellite TV equipment and antenna products was approximately HK\$191.9 million (six months ended 30 June 2022: HK\$313.0 million).
- Segment results from operations were approximately HK\$24.8 million (six months ended 30 June 2022: HK\$30.2 million).
- Segment margin was 12.93%, which increased by 3.29 percentage points as compared with the segment margin of 9.64% for the six months ended 30 June 2022.

Outlook

Low noise blocking down converters ("LNBS") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite TV signals. Apart from the sales of LNBS to the customers in North America, we are exploring business opportunities in other areas such as cross-selling LNBS to other existing customers of the Group in South Asia. The research and development team of the Group endeavours to develop new products for next generation radio frequency and antenna communications. The China-US trade war has some impacts on this segment as some of the Group's customers are located in the US. Such impacts are minimised by sourcing from suppliers outside the PRC, such as Southeast Asia.

衛星電視設備及天線產品

儘管北美洲經濟從疫情中逐漸復甦，本集團的衛星電視設備及天線產品分部的收益及分部業績出現下降。

- 衛星電視設備及天線產品的分部收益約為191,900,000港元(截至二零二二年六月三十日止六個月：313,000,000港元)。
- 分部營運業績約為24,800,000港元(截至二零二二年六月三十日止六個月：30,200,000港元)。
- 分部利潤率為12.93%，較截至二零二二年六月三十日止六個月的分部利潤率9.64%增加3.29個百分點。

前景

低雜訊降頻器(「LNBS」)是安裝在衛星天線用以接收來自於衛星天線無線電波的接收設備，有助傳輸衛星電視信號。除向北美洲的客戶銷售LNBS外，我們正於其他地區發掘商機，例如透過與本集團於南亞的其他現有客戶進行LNBS交叉銷售。本集團的研發團隊致力為新一代無線電頻道及天線通訊模式開發新產品。由於本集團部分客戶位於美國，故中美貿易戰已對此分部造成一些影響。有關影響因向中國以外地區(例如東南亞)的供應商進行採購而有所減輕。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

GEOGRAPHICAL RESULTS

Asia

- Revenue from Asia for the six months ended 30 June 2023 was approximately HK\$43.8 million, as compared with the six months ended 30 June 2022 of approximately HK\$103.5 million.
- 57.7% decrease in revenue from Asia as compared with the six months ended 30 June 2022.
- Revenue from Asia shares approximately 14.8% of the Group's total revenue for the six months ended 30 June 2023 (six months ended 30 June 2022: 23.6%).

Europe

- Revenue from Europe for the six months ended 30 June 2023 was approximately HK\$44.4 million, as compared with the six months ended 30 June 2022 of approximately HK\$53.0 million.
- 16.3% decrease in revenue from Europe as compared with the six months ended 30 June 2022.
- Revenue from Europe shares approximately 15.0% of the Group's total revenue for the six months ended 30 June 2023 (six months ended 30 June 2022: 12.0%).

Middle East

- Revenue from Middle East for the six months ended 30 June 2023 was approximately HK\$5.0 million, as compared with the six months ended 30 June 2022 of approximately HK\$4.0 million.
- 25.2% increase in revenue from Middle East as compared with the six months ended 30 June 2022.
- Revenue from Middle East shares for approximately 1.7% of the Group's total revenue for the six months ended 30 June 2023 (six months ended 30 June 2022: 0.9%).

地域分部業績

亞洲

- 於截至二零二三年六月三十日止六個月，亞洲收益約為43,800,000港元，而於截至二零二二年六月三十日止六個月約為103,500,000港元。
- 亞洲收益與截至二零二二年六月三十日止六個月相比下跌57.7%。
- 於截至二零二三年六月三十日止六個月，亞洲收益佔本集團的總收益約14.8%(截至二零二二年六月三十日止六個月：23.6%)。

歐洲

- 於截至二零二三年六月三十日止六個月，歐洲收益約為44,400,000港元，而於截至二零二二年六月三十日止六個月約為53,000,000港元。
- 歐洲收益與截至二零二二年六月三十日止六個月相比下跌16.3%。
- 於截至二零二三年六月三十日止六個月，歐洲收益佔本集團的總收益約15.0%(截至二零二二年六月三十日止六個月：12.0%)。

中東

- 於截至二零二三年六月三十日止六個月，中東收益約為5,000,000港元，而於截至二零二二年六月三十日止六個月約為4,000,000港元。
- 中東收益與截至二零二二年六月三十日止六個月相比增加25.2%。
- 於截至二零二三年六月三十日止六個月，中東收益佔本集團的總收益約1.7%(截至二零二二年六月三十日止六個月：0.9%)。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

North America

- Revenue from North America for the six months ended 30 June 2023 was approximately HK\$184.2 million, as compared with the six months ended 30 June 2022 of approximately HK\$245.0 million.
- 24.8% decrease in revenue from North America as compared with the six months ended 30 June 2022.
- Revenue from North America shares approximately 62.4% of the Group's total revenue for the six months ended 30 June 2023 (six months ended 30 June 2022: 55.7%).

South America

- Revenue from South America for the six months ended 30 June 2023 was approximately HK\$17.1 million, as compared with the six months ended 30 June 2022 of approximately HK\$32.6 million.
- 47.4% decrease in revenue from South America as compared with the six months ended 30 June 2022.
- Revenue from South America shares approximately 5.8% of the Group's total revenue for the six months ended 30 June 2023 (six months ended 30 June 2022: 7.4%).

Outlook

As our businesses in Asia, Europe and North America accounted for the majority of the Group's revenue, we shall focus on these regions in the future.

北美洲

- 於截至二零二三年六月三十日止六個月，北美洲收益約為184,200,000港元，而於截至二零二二年六月三十日止六個月約為245,000,000港元。
- 北美洲收益與截至二零二二年六月三十日止六個月相比下跌24.8%。
- 於截至二零二三年六月三十日止六個月，北美洲收益佔本集團的總收益約62.4% (截至二零二二年六月三十日止六個月：55.7%)。

南美洲

- 於截至二零二三年六月三十日止六個月，南美洲收益約為17,100,000港元，而於截至二零二二年六月三十日止六個月約為32,600,000港元。
- 南美洲收益與截至二零二二年六月三十日止六個月相比減少47.4%。
- 於截至二零二三年六月三十日止六個月，南美洲收益佔本集團的總收益約5.8% (截至二零二二年六月三十日止六個月：7.4%)。

前景

由於我們在亞洲、歐洲及北美洲的業務分佔本集團大部分的收益，因此，我們日後將專注於此等地區。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

RIGHTS ISSUE

References are made to the announcements of the Company dated 27 March 2023, 21 June 2023 and 4 July 2023, the circular of the Company dated 28 April 2023 and the prospectus of the Company dated 5 June 2023 in relation to, among other things, the Rights Issue of the Company (the “**Rights Issue Announcements, Circular and Prospectus**”). Unless otherwise specified herein, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Announcements, Circular and Prospectus.

According to the Rights Issue Announcements, Circular and Prospectus, the Company proposed to issue 738,242,235 Rights Shares by way of the Rights Issue, on the basis of three Rights Shares for every two Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.12 per Rights Share to raise approximately HK\$88.6 million before expenses (assuming no new issue or repurchase of Shares on or before the Record Date).

The Rights Issue was approved by the Shareholders at the special general meeting (“**SGM**”) held on 22 May 2023.

The Rights Issue was completed on 5 July 2023, and an aggregate of 738,242,235 Rights Shares were allotted and issued to the Qualifying Shareholders accordingly, which carried an aggregate nominal value of HK\$73,824,223.50. The gross proceeds raised from the Rights Issue (before expenses) were approximately HK\$88.6 million and the net proceeds from the Rights Issue after deducting the relevant expenses were approximately HK\$84.6 million (“**Net Proceeds**”). The net price per Rights Share was approximately HK\$0.114. The Company intended to apply approximately HK\$73.61 million or 87% of the Net Proceeds for partial repayment of the Loan and approximately HK\$10.98 million or 13% of the Net Proceeds for the general working capital of the Group (including the general working capital of the production plant in Zhongshan and the administration and operation expenses of the headquarters in Hong Kong). As at the date of this report, the Company had fully utilised the Net Proceeds in accordance with the said intention. Details of the results of the Rights Issue are disclosed in the announcement of the Company dated 4 July 2023.

供股

茲提述有關(其中包括)本公司供股之本公司日期為二零二三年三月二十七日、二零二三年六月二十一日及二零二三年七月四日的公告、本公司日期為二零二三年四月二十八日的通函及本公司日期為二零二三年六月五日的供股章程(「**供股公告、通函及供股章程**」)。除本報告另有指明外，本報告所用詞彙與供股公告、通函及供股章程所界定者具有相同涵義。

根據供股公告、通函及供股章程，本公司擬以供股方式發行738,242,235股供股股份，供股之基準為合資格股東於記錄日期每持有兩股股份獲發三股供股股份，認購價為每股供股股份0.12港元，以籌集約88,600,000港元(扣除開支前)(假設於記錄日期或之前並無發行新股或回購股份)。

供股經股東於二零二三年五月二十二日舉行的股東特別大會(「**股東特別大會**」)上批准。

供股已於二零二三年七月五日完成，並相應向合資格股東配發及發行合共738,242,235股供股股份，總面值為73,824,223.50港元。供股籌得之所得款項總額(扣除開支前)約為88,600,000港元，扣除相關開支後供股所得款項淨額約為84,600,000港元(「**所得款項淨額**」)。每股供股股份的淨價約為0.114港元。本公司擬將約73,610,000港元或87%的所得款項淨額用於部分償還該貸款及約10,980,000港元或13%的所得款項淨額用於本集團一般營運資金(包括中山生產廠房的一般營運資金及香港總部的行政及營運開支)。於本報告日期，本公司已按上述計劃全部用畢所得款項淨額。供股結果的詳情於本公司日期為二零二三年七月四日的公告中披露。

BUSINESS OVERVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

業務概覽及管理層討論與分析(續)

The table below sets out the shareholding structure of the Company immediately before and after completion of the Rights Issue: 下表列出緊隨供股完成前後本公司的股權結構：

		Immediately before completion of the Rights Issue 緊接供股完成前		Immediately after completion of the Rights Issue 緊隨供股完成後	
		Number of Shares 股份數目	%	Number of Shares 股份數目	%
First Steamship	益航	124,950,000	25.39%	473,869,283	38.52%
Grand Citi	Grand Citi	17,678,902	3.59%	44,197,255	3.59%
First Steamship and parties acting in concert with it	益航與其一致行動人士	142,628,902	28.98%	518,066,538	42.11%
Metroasset Investments Limited (Note 1)	Metroasset Investments Limited (附註1)	70,718,859	14.37%	140,000,000	11.38%
Legacy Trust Company Limited (Note 2)	Legacy Trust Company Limited (附註2)	76,520,000	15.55%	187,118,394	15.21%
Placees (Note 3)	承配人(附註3)	-	-	145,000,000	11.78%
The Lender and its associates (Note 4)	貸款人及其聯繫人(附註4)	24,000,000	4.88%	24,000,000	1.95%
Other public Shareholders	其他公眾股東	178,293,729	36.22%	216,218,793	17.57%
Public Shareholders	公眾股東	202,293,729	41.10%	385,218,793	31.30%
Total	總計	492,161,490	100.00%	1,230,403,725	100.00%

Notes:

- These Shares are held by Metroasset Investments Limited, 45.09%, 43.38% and 10.53% of the issued share capital of which are beneficially owned by Mr. Hung (an executive Director), Ms. Chen Mei Huei (spouse of Mr. Hung) and Mr. Hung Chih Chun (son of Mr. Hung) respectively.
- These Shares are held by Legacy Trust Company Limited, which is wholly-owned by Mr. Vincent Chok, an Independent Third Party (save for his capacity of being a substantial shareholding of the Company) and not acting in concert with First Steamship.
- Each of the Placees holds less than 10% of the enlarged issued share capital of the Company upon Completion and is a public Shareholder.
- These Shares are held by Universal Way Limited, an indirectly wholly-owned subsidiary of Allied Group Limited (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 373)) which in turn wholly owns the Lender.
- Certain figures and percentage included in the above table have been subject to rounding adjustments.

附註：

- 此等股份由 Metroasset Investments Limited 持有，而 Metroasset Investments Limited 之已發行股本中 45.09%、43.38% 及 10.53% 分別由執行董事洪先生、洪先生之配偶陳美惠女士及洪先生之兒子洪誌均先生實益擁有。
- 該等股份由 Vincent Chok 先生全資擁有之 Legacy Trust Company Limited 持有，Vincent Chok 先生為獨立第三方（除其作為本公司主要股東之身份外）且並非與益航一致行動。
- 各承配人於完成後持有本公司經擴大已發行股本少於 10%，且均為公眾股東。
- 此等股份由聯合集團有限公司（其股份於聯交所主板上市（股份代號：373））之間接全資附屬公司 Universal Way Limited 持有，同時全資擁有貸款人。
- 上表所載若干數字及百分比已作出約整調整。

REVENUE

The Group's revenue for the six months ended 30 June 2023 was approximately HK\$295.3 million, representing a decrease of 32.8% compared with approximately HK\$439.6 million for the six months ended 30 June 2022. The decrease in revenue was mainly due to the continued impact of the Pandemic.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's loss attributable to owners of the Company was approximately HK\$48.8 million for the six months ended 30 June 2023, compared with approximately HK\$20.1 million for the six months ended 30 June 2022. The loss is mainly attributable to (i) the decrease of revenue of the Group, (ii) the decrease in fair value of investment properties of the Group and (iii) share of loss of an associate.

LOSS PER SHARE

Calculation of basic loss per share for the six months ended 30 June 2023 was based on the loss attributable to owners of the Company and the weighted average number of 492,161,490 ordinary shares of the Company (the "Shares") (30 June 2022: 492,161,490 Shares) in issue. Basic loss per share was HK9.92 cents for the six months ended 30 June 2023, as compared with HK4.09 cents for the six months ended 30 June 2022.

FINANCE COSTS

The Group's finance costs for the six months ended 30 June 2023 were approximately HK\$14.9 million, compared to approximately HK\$14.2 million for the six months ended 30 June 2022. The Group's finance costs were increased due to the increase in bank and other borrowings when compared with the six months ended 30 June 2022.

INCOME TAX CREDIT/(EXPENSE)

The Group's income tax credit for the six months ended 30 June 2023 was approximately HK\$0.4 million (30 June 2022: expense of HK\$1.2 million).

收益

本集團截至二零二三年六月三十日止六個月的收益約為295,300,000港元，較截至二零二二年六月三十日止六個月約439,600,000港元減少32.8%。收益減少主要由於疫情的持續影響。

本公司擁有人應佔虧損

截至二零二三年六月三十日止六個月，本公司擁有人應佔本集團虧損約為48,800,000港元，而截至二零二二年六月三十日止六個月則為約20,100,000港元。虧損主要由於(i)本集團收益減少、(ii)本集團投資物業之公平值減少以及(iii)應佔一間聯營公司之虧損。

每股虧損

截至二零二三年六月三十日止六個月的每股基本虧損乃根據本公司擁有人應佔虧損及本公司已發行普通股(「股份」)加權平均數492,161,490股(二零二二年六月三十日：492,161,490股)計算。截至二零二三年六月三十日止六個月的每股基本虧損為9.92港仙，而截至二零二二年六月三十日止六個月為4.09港仙。

財務成本

截至二零二三年六月三十日止六個月，本集團的財務成本約為14,900,000港元，而截至二零二二年六月三十日止六個月約為14,200,000港元。本集團財務成本增加乃由於銀行及其他借貸與截至二零二二年六月三十日止六個月相比增加所致。

所得稅抵免／(支出)

本集團截至二零二三年六月三十日止六個月的所得稅抵免約為400,000港元(二零二二年六月三十日：支出1,200,000港元)。

FINANCIAL REVIEW (Continued)

財務回顧(續)

TRADE RECEIVABLES

應收貿易賬款

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	135,945	167,113
Balance at 30 June	於六月三十日的結餘	109,992	247,544
Average balance	平均結餘	122,969	207,329
Revenue for the six months ended 30 June	截至六月三十日止六個月的收益	295,340	439,570
Average turnover days	平均週轉天數	76	86

As at 30 June 2023, the trade receivables of the Group, net of allowance of doubtful debts were approximately HK\$110.0 million (31 December 2022: HK\$135.9 million). The trade receivables turnover days was within the average credit period of 60 days to 120 days to the customers of the Group.

於二零二三年六月三十日，本集團的應收貿易賬款扣除呆賬撥備後約為110,000,000港元(二零二二年十二月三十一日：135,900,000港元)。應收貿易賬款的週轉天數屬於給予本集團客戶的平均信貸期60天至120天以內。

TRADE AND BILLS PAYABLES

應付貿易賬款及應付票據

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	188,071	232,153
Balance at 30 June	於六月三十日的結餘	202,440	361,319
Average balance	平均結餘	195,256	296,736
Costs of sale for the six months ended 30 June	截至六月三十日止六個月的銷售成本	252,533	395,769
Average turnover days	平均週轉天數	141	137

As at 30 June 2023, the trade and bills payables of the Group were approximately HK\$202.4 million (31 December 2022: HK\$188.1 million). The increase in trade and bills payables turnover days was due to the tightening of settlement to the Group's suppliers to preserve more cash for better cash flow management.

於二零二三年六月三十日，本集團的應付貿易賬款及應付票據約為202,400,000港元(二零二二年十二月三十一日：188,100,000港元)。應付貿易賬款及應付票據的週轉天數增加，乃由於收緊對本集團供應商的結算以保留更多現金作最佳的現金流量管理。

FINANCIAL REVIEW (Continued)

財務回顧(續)

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the overall cash and cash equivalent of the Group was approximately HK\$186.6 million (31 December 2022: HK\$79.2 million). The Group managed its capital structure and liquidity to finance its operations by using bank and other borrowings and funds generated from operations.

The Group's current ratio (ratio of current assets to current liabilities) was 0.79 as at 30 June 2023 (31 December 2022: 0.74).

As at 30 June 2023, the Group's total borrowings were approximately HK\$420.9 million (31 December 2022: HK\$370.5 million), of which approximately HK\$273.3 million (31 December 2022: HK\$274.9 million) was due within one year and the rest of approximately HK\$147.6 million (31 December 2022: HK\$95.6 million) was due over one year. Approximately 51.9% of the Group's bank and other borrowings were denominated in US dollars ("US\$") and the rest of them were denominated in Renminbi ("RMB"), Euro and New Taiwan dollars. The effective interest rates on the Group's variable interest rate bank and other borrowings ranged from 2.2% to 10% per annum for the six months ended 30 June 2023. The gearing ratio (total borrowings over total assets of the Group) increased from 42.73% as at 31 December 2022 to 43.03% as at 30 June 2023.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2023, except the Equity Pledge and the Land Pledge (as defined in the below section headed "Cooperation Agreement and JV Agreement in relation to Redevelopment") disclosed in the section headed "Cooperation Agreement and JV Agreement in relation to Redevelopment" below, the Group's general banking facilities (including bank loans and other borrowings) were secured by the following assets of the Group: (i) bank deposits of HK\$11.0 million (31 December 2022: HK\$8.3 million), (ii) property, plant and equipment with a carrying value of HK\$15.8 million (31 December 2022: HK\$14.7 million), (iii) investment properties of HK\$255.6 million (31 December 2022: HK\$231.9 million), (iv) trade receivables of HK\$70.9 million (31 December 2022: HK\$100.3 million), (v) inventories of nil (31 December 2022: HK\$56.9 million), and (vi) pledge of the Company's interest in Pro Brand Technology, Inc.

流動資金及財務資源

於二零二三年六月三十日，本集團的整體現金及現金等價物約為186,600,000港元(二零二二年十二月三十一日：79,200,000港元)。本集團利用銀行及其他借貸及來自經營產生的資金，以管理其資本結構及流動資金作資助其營運。

於二零二三年六月三十日，本集團的流動比率(流動資產與流動負債的比率)為0.79(二零二二年十二月三十一日：0.74)。

於二零二三年六月三十日，本集團的借貸總額約為420,900,000港元(二零二二年十二月三十一日：370,500,000港元)，其中約273,300,000港元(二零二二年十二月三十一日：274,900,000港元)於一年內到期，其餘約147,600,000港元(二零二二年十二月三十一日：95,600,000港元)超過一年到期。本集團約51.9%的銀行及其他借貸以美元(「美元」)計值，其餘以人民幣(「人民幣」)、歐元及新臺幣計值。本集團浮息銀行及其他借貸的實際利率介乎2.2%至10%。資本負債比率(本集團借貸總額除以資產總值)由二零二二年十二月三十一日的42.73%上升至二零二三年六月三十日的43.03%。

本集團的資產押記

於二零二三年六月三十日，除下文「有關重建的合作協議及合資協議」一節所披露的股權質押及土地抵押(定義見下文「有關重建的合作協議及合資協議」一節)外，本集團的一般銀行信貸(包括銀行貸款及其他借貸)以下列本集團資產作抵押：(i)銀行存款11,000,000港元(二零二二年十二月三十一日：8,300,000港元)；(ii)賬面值為15,800,000港元的物業、廠房及設備(二零二二年十二月三十一日：14,700,000港元)；(iii)投資物業255,600,000港元(二零二二年十二月三十一日：231,900,000港元)；(iv)應收貿易賬款70,900,000港元(二零二二年十二月三十一日：100,300,000港元)；(v)存貨為零(二零二二年十二月三十一日：56,900,000港元)；及(vi)質押本公司於博百科技有限公司*(Pro Brand Technology, Inc.)的權益。

* 僅供識別

FINANCIAL REVIEW (Continued)

財務回顧(續)

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed in the section headed “Cooperation Agreement and JV Agreement in relation to Redevelopment” below, there were no significant investments held as at 30 June 2023 nor were there other plans for material investments on capital assets as at the date of this report.

FOREIGN EXCHANGE EXPOSURE

The Group’s sales and purchases were denominated mainly in US\$ and RMB. The Group was exposed to certain foreign currency exchange risks but it does not expect future currency fluctuations to cause material operation difficulties because the recent pressure from depreciation of RMB was manageable. However, the management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations. For the six months ended 30 June 2023, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

SUBSEQUENT EVENTS

Subsequent to the period end date, the Rights Issue was completed on 5 July 2023, and an aggregate of 738,242,235 Rights Shares were allotted and issued to the Qualifying Shareholders accordingly. For details, please refer to the announcement of the Company dated 4 July 2023.

On 19 July 2023, Sandmartin (Zhong Shan) Electronic Co., Ltd.* (中山聖馬丁電子元件有限公司) (“ZSS” (an indirect wholly-owned subsidiary of the Company)) and Huasuan entered into the JV Agreement (as defined in the below section headed “Cooperation Agreement and JV Agreement in relation to Redevelopment”) relating to the formation of an unincorporated joint venture. For details, please refer to the below section headed “Cooperation Agreement and JV Agreement in relation to Redevelopment”.

Save as disclosed therein, there were no other material subsequent events after the period ended 30 June 2023.

* For identification purpose only

持有的重大投資以及重大投資或資本資產的未來計劃

除下文「有關重建的合作協議及合資協議」一節所披露者外，於二零二三年六月三十日，本公司並無持有重大投資，而截至本報告日期並無其他資本資產重大投資計劃。

外匯風險

本集團的銷售額及購貨額主要以美元及人民幣列值。本集團面對若干外幣匯兌風險，惟由於近期人民幣貶值的壓力可予管理，故預期未來貨幣波動不會造成重大經營困難。然而，管理層持續評估外匯風險，旨在將外匯波動對業務營運的影響減至最低。截至二零二三年六月三十日止六個月，本集團並無指定任何金融工具以對沖其外匯風險。

或然負債

於二零二三年六月三十日，本集團並無任何重大或然負債(二零二二年十二月三十一日：無)。

期後事項

於期結日之後，供股已於二零二三年七月五日完成，並相應向合資格股東配發及發行合共738,242,235股供股股份。詳情請參閱本公司日期為二零二三年七月四日之公告。

於二零二三年七月十九日，中山聖馬丁電子元件有限公司(「中山聖馬丁」，本公司之間接全資附屬公司)與華算訂立就成立非法團合資企業的合資協議(指下文「有關重建的合作協議及合資協議」一節界定的)。詳情請參閱下文「有關重建的合作協議及合資協議」一節。

除於本報告披露者外，截至二零二三年六月三十日止期間後並無其他重大期後事項。

FINANCIAL REVIEW (Continued) 財務回顧(續)

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

DISPOSAL OF ALL INTERESTS IN MYHD AND CONTINUATION OF LOANS AND GUARANTEE

Reference is made to the announcement of the Company dated 31 December 2018 (the “**Announcement**”) and the circular of the Company dated 25 May 2019 (the “**Circular**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and in the Circular. On 31 December 2018, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company, at the nominal consideration of US\$1 with effect from the Transaction Date. The Target Company was a wholly-owned subsidiary of the Company and indirectly held 51% interests in MyHD. All the Conditions set out in the Agreement had been satisfied and the Disposal was completed on 25 June 2019.

The Vendor had agreed with the Purchaser under the Agreement to procure that the Existing Loans shall continue to be advanced by the Company or SMT (as the case may be) to the Target Company and/or MyHD (as the case maybe) under the then existing arrangements notwithstanding that Completion has taken place. Such arrangement confers the right to the Company or SMT (as the case may be) to receive the payments for the Existing Loans from the Target Company and/or MyHD (as the case may be) when the financial positions of the Target Company and/or MyHD (as the case may be) improve and have sufficient cash to settle the Existing Loans. As at 30 June 2023, there were Existing Loans which have been past due in the aggregate amount of US\$114,165,000 comprising aggregate principal amount of US\$71,298,000 and aggregate accrued interest (calculated based on the terms of agreements of Existing Loans) of US\$42,867,000 owing by the Target Company and/or MyHD to the Company and/or SMT (as the case may be), the particulars of which are as follows:

中期股息

董事會已議決不宣派截至二零二三年六月三十日止六個月的中期股息(截至二零二二年六月三十日止六個月：無)。

出售於MYHD的全部權益及延續貸款及擔保

茲提述本公司日期為二零一八年十二月三十一日的公告(「該公告」)及本公司日期為二零一九年五月二十五日的通函(「該通函」)。除另有說明外，本報告所用詞彙與該公告及該通函所界定者具有相同涵義。於二零一八年十二月三十一日，賣方與買方訂立該協議，據此，賣方有條件同意出售，而買方有條件同意以象徵式代價1美元購買目標公司之全部已發行股本，自交易日期起生效。目標公司為本公司的全資附屬公司，間接持有MyHD的51%權益。該協議所載所有條件已獲達成，且出售事項已於二零一九年六月二十五完成。

儘管完成已落實，賣方已根據該協議與買方協定促使本公司或宏揚科技(視乎情況而定)按現有安排繼續向目標公司及／或MyHD(視乎情況而定)墊付現有貸款。有關安排賦予本公司或宏揚科技(視乎情況而定)權利，當目標公司及／或MyHD(視乎情況而定)之財務狀況改善並擁有足夠現金償付現有貸款時自目標公司及／或MyHD(視乎情況而定)收取現有貸款之付款。於二零二三年六月三十日，現有已逾期之貸款合共為114,165,000美元，包括目標公司及／或MyHD結欠本公司及／或宏揚科技(視乎情況而定)的本金總額71,298,000美元及應計利息(根據現有貸款合同內條款所計算)總額42,867,000美元，詳情如下：

FINANCIAL REVIEW (Continued)

財務回顧(續)

Lenders	Debtors	Prevailing interest rate	Maturity date	Principal amount outstanding as at 30 June 2023 於二零二三年六月三十日 尚未償還本金額	Accrued interest as at 30 June 2023 於二零二三年六月三十日 應計利息
貸款人	債務人	現行利率	到期日		
SMT	Target Company	3 months LIBOR + 100 basis points ^(Note 1)	31.12.2020	US\$9,554,000 (approximately HK\$74,861,000)	US\$2,157,000 (approximately HK\$16,901,000)
宏揚科技	目標公司	三個月倫敦銀行同業拆息加100個基點 ^(附註1)	二零二零年十二月三十一日	9,554,000美元 (約74,861,000港元)	2,157,000美元 (約16,901,000港元)
SMT	MyHD	3 months LIBOR + 100 basis points ^(Note 1)	31.12.2020	US\$10,500,000 (approximately HK\$82,274,000)	US\$2,110,000 (approximately HK\$16,533,000)
宏揚科技	MyHD	三個月倫敦銀行同業拆息加100個基點 ^(附註1)	二零二零年十二月三十一日	10,500,000美元 (約82,274,000港元)	2,110,000美元 (約16,533,000港元)
SMT	MyHD	10% per annum ^(Note 2)	31.12.2020	US\$42,653,000 (approximately HK\$334,212,000)	US\$32,132,000 (approximately HK\$251,774,000)
宏揚科技	MyHD	年利率10厘 ^(附註2)	二零二零年十二月三十一日	42,653,000美元 (約334,212,000港元)	32,132,000美元 (約251,774,000港元)
The Company	MyHD	10% per annum ^(Note 2)	31.12.2020	US\$8,591,000 (approximately HK\$67,316,000)	US\$6,468,000 (approximately HK\$50,681,000)
本公司	MyHD	年利率10厘 ^(附註2)	二零二零年十二月三十一日	8,591,000美元 (約67,316,000港元)	6,468,000美元 (約50,681,000港元)
			Total	US\$71,298,000 (approximately HK\$558,663,000)	US\$42,867,000 (approximately HK\$335,889,000)
			總計	71,298,000美元 (約558,663,000港元)	42,867,000美元 (約335,889,000港元)

Notes:

- As a reference, 3 months London inter-bank offered rates ("LIBOR") as applicable to these two loans during the period between 1 May 2012 to 30 June 2023 ranged between 0.11775% and 5.51671%.
- Prevailing interest rate shall be increased to 11% per annum after maturity date.

附註：

- 作為參考，於二零一二年五月一日至二零二三年六月三十日期間適用於此兩筆貸款的三個月倫敦銀行同業拆息（「倫敦銀行同業拆息」）介乎0.11775厘至5.51671厘。
- 於到期日後，現行利率將提高至年利率11厘。

FINANCIAL REVIEW (Continued) 財務回顧(續)

In December 2019, the Company was given to understand that the Target Company and MyHD were in serious financial problem and ceased to operate in late 2019. As such, the Company considered these loan receivables were credit impaired and full impairment in the amount of HK\$646,366,000 was provided as at 31 December 2019. No interest income was recognised on the outstanding loan principal for the six months ended 30 June 2023 as the recoverability of such interest receivables is remote.

The Vendor had also agreed that the Guarantee given by the Company to MyHD shall continue for the time being after the Completion. The maximum amount payable by the Company under the Guarantee would not exceed US\$3,500,000 (equivalent to HK\$27,332,000). Notwithstanding that MyHD ceased its operation in late 2019, the Company has not received any demand for payment from MyHD under the Guarantee. At 30 June 2022 and 2023, the Group had recognised the provision for financial guarantee in the amount of US\$3,500,000 (equivalent to HK\$27,332,000) in relation to the Guarantee.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Saved as disclosed in this interim report, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

於二零一九年十二月，本公司知悉目標公司及MyHD面臨嚴重財務問題，並於二零一九年底終止營運。因此，本公司認為該等應收貸款已信貸減值，並就該等應收貸款於二零一九年十二月三十一日全額計提減值撥備，金額為646,366,000港元。截至二零二三年六月三十日止六個月，由於該等應收利息的可收回性極低，故並無就未償還貸款本金確認利息收入。

賣方亦同意，本公司給予MyHD的擔保須於完成後暫時持續。本公司根據擔保所須支付的最高金額將不超過3,500,000美元（相當於27,332,000港元）。儘管MyHD已於二零一九年年底停止營運，但本公司未收到MyHD根據擔保提出的任何付款要求。於二零二二年及二零二三年六月三十日，本集團已就該擔保確認財務擔保撥備3,500,000美元（相當於27,332,000港元）。

重大收購及出售附屬公司、聯營公司及合營企業

除於本中期報告所披露者外，於截至二零二三年六月三十日止六個月，本集團並無任何重大收購及出售附屬公司、聯營公司及合營企業。

FINANCIAL REVIEW (Continued)

財務回顧(續)

COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO REDEVELOPMENT

Reference is made to the announcement of the Company dated 17 August 2021 (the “**17 August Announcement**”) in relation to the cooperation agreement dated 26 July 2021 entered into between, among others, the Group and Huasuan (the “**Cooperation Agreement**”), pursuant to which Huasuan and ZSS will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on the Land owned by ZSS and to redevelop some vacant and undeveloped parts of the Land subject to prior consents and planning approvals from the relevant PRC government authorities.

Please refer to the 17 August Announcement for details of the Cooperation Agreement.

As at the date of this report, Huasuan had paid to the Group the Cooperation Fund and the Group had recognised it as deposit received. The Group had provided in favour of Huasuan (i) 100% of the shareholding interests in ZSS (“**Equity Pledge**”), and (ii) one of the three pieces of land parcels within the Land (“**Land Pledge**”) as securities for the Cooperation Fund.

References are made to the announcements of the Company dated 19 July 2023 and 10 August 2023 (the “**19 July and 10 August Announcements**”) in relation to the joint venture agreement dated 19 July 2023 (the “**JV Agreement**”) and entered into between the Group and Huasuan, pursuant to which the parties have agreed to form the joint venture in the form of an unincorporated joint venture under the name of “Huasuan-Sandmartin Intelligent Manufacturing Park” (華算聖馬丁智造園) (the “**Joint Venture**”) in the PRC for the Redevelopment and for the purpose of governing the cooperation arrangement.

有關重建的合作協議及合資協議

茲提述本公司日期為二零二一年八月十七日之公告(「八月十七日公告」)，內容有關(其中包括)本集團與華算於二零二一年七月二十六日訂立合作協議(「合作協議」)，據此，華算及中山聖馬丁將合作升級由中山聖馬丁擁有之土地上之若干廠房及宿舍，並重建該土地的部分空置及未發展部分，惟須事先獲得中國相關政府部門的同意及規劃批准。

有關合作協議之詳情請參閱八月十七日公告。

於本報告日期，華算已向本集團支付合作金，而本集團已將其確認為已收取按金。本集團已向華算提供(i)中山聖馬丁的100%股權(「股權質押」)及(ii)該土地內三幅地塊的其中一幅(「土地抵押」)作為合作金的抵押品。

茲提述本公司日期為二零二三年七月十九日及二零二三年八月十日的公告(「七月十九日及八月十日公告」)，內容有關本集團與華算於二零二三年七月十九日訂立的合資協議(「合資協議」)，據此，訂約雙方同意以「華算聖馬丁智造園」名義並以非法團合資企業的形式在中國成立合資企業(「合資企業」)，以進行重建及規管合作安排。

FINANCIAL REVIEW (Continued) 財務回顧(續)

The sole purpose and business of the Joint Venture is to redevelop the Land into a landmark precision intelligent manufacturing centre and research and development innovation hub and the properties built thereon shall be for leasing or for sale. The Redevelopment will be carried out on the Land. The Group will contribute the Land for the Redevelopment and Huasuan will be responsible for funding the entire costs for the Redevelopment (save for the Land contributed by ZSS). If required, ZSS as the entity undertaking the Redevelopment will secure the ZSS Development Loan for funding the Redevelopment. As stipulated in the JV Agreement, Huasuan will have the sole responsibility of repaying the ZSS Development Loan, both loan principal and interests. The Parties to the JV Agreement have yet to decide on whether the ZSS Development Loan will be necessary and will closely monitor the ongoing funding needs of the Redevelopment. In relation to allocation of the properties constructed on the Land, the Group shall continue to be entitled to certain blocks of buildings constructed on the Land as at the date of the JV Agreement (which comprise for factory buildings) (the “Existing Buildings”), the vacant area and roads covered under the current real estate title certificate issued to the Group. In relation to the new buildings to be constructed on certain parts of the Land which are currently vacant, the Group and Huasuan shall be entitled to 20% and 80% respectively of (i) the total gross floor area of the new buildings; and (ii) the corresponding revenue that is generated from the new buildings. In the event where certain parts of the Existing Buildings are to be demolished and redeveloped under the Redevelopment, the Group shall be entitled to (i) firstly, certain gross floor area of the newly built buildings equivalent to the gross floor area that has been demolished covered under its real estate title certificate; and (ii) secondly, an additional 5% of the remaining total gross floor area of the newly built buildings. After the aforesaid allocations to the Group, Huasuan shall be entitled to all of the entire balance of the gross floor area.

Please refer to the 19 July and 10 August Announcements for details of the JV Agreement and the Joint Venture.

合資企業的唯一目的和業務為將該土地重建為地標性精密智能製造中心和研發創新中心，所建物業將作租賃或出售用途。重建將在該土地上進行。本集團將提供該土地進行重建，而華算將負責為重建的全部成本提供資金（中山聖馬丁提供的該土地除外）。如有需要，中山聖馬丁作為進行重建的實體將獲得中山聖馬丁開發貸款，為重建提供資金。根據合資協議規定，華算將全權負責償還中山聖馬丁開發貸款，包括貸款本金及利息。合資協議訂約方尚未決定是否需要中山聖馬丁開發貸款，並將密切關注重建的持續資金需求。關於建於該土地上的物業的分配，本集團將繼續擁有於合資協議日期在該土地上建造的若干建築物（包括廠房）（「現有建築物」），以及向本集團出具的現有不動產權證中涵蓋的空置區域及路段。關於將建於目前空置的該土地若干部分的新建樓宇，本集團及華算分別有權獲得(i)新建樓宇總樓面面積；及(ii)新建樓宇產生的相應收入的20%及80%。倘現有建築物的若干部分根據重建遭拆除及重建，本集團有權(i)首先，獲得新建樓宇的若干樓面面積（相當於本集團不動產權證中涵蓋的已拆除的樓面面積）；及(ii)其次，額外獲得新建樓宇的剩餘總樓面面積的5%。向本集團作出上述分配後，華算有權獲得全部剩餘樓面面積。

有關合資協議及合資企業之詳情請參閱七月十九日及八月十日公告。

FINANCIAL REVIEW (Continued)

財務回顧(續)

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2023, the Group employed a total of 654 (31 December 2022: 669) full-time employees. Employees are remunerated according to their performance and responsibilities. Employees of the Group receive training depending on their scope of works, especially those training relating to workplace health and safety.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The emoluments of the Directors are decided by the Board based on the recommendation of the remuneration committee, having regard to market competitiveness, individual performance and achievement. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

人力資源及酬金政策

於二零二三年六月三十日，本集團合共聘用654名(二零二二年十二月三十一日：669名)全職僱員。僱員薪酬乃根據僱員表現及職責釐定。本集團僱員會視乎工作範圍接受培訓，尤其是與工作場所健康與安全相關的培訓。

董事及本公司高級管理層以薪金、實物利益及／或與本集團表現有關的酌情花紅形式收取報酬。董事的酬金由董事會基於薪酬委員會經考慮市場競爭力、個人表現及成就後作出的推薦釐定。本公司定期檢討及釐定董事及高級管理層的酬金及薪酬待遇。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts with all Directors, with the maximum term of three years. No service contract was entered into or is to be entered into between the Directors and the members of the Group that cannot be terminated by the Group within one year without paying any compensation (other than the statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests and short positions of each of the Directors and chief executive of the Company and their associates had in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO), or (b) which are required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事的服務合約

本公司已與全體董事訂立為期最長三年的服務合約。董事與本集團成員公司之間概無訂有亦不會訂立本集團不可在一年內免付賠償(法定賠償除外)而終止的服務合約。

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零二三年六月三十日，本公司各董事及最高行政人員以及彼等的聯繫人於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)任何股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)，或(b)根據證券及期貨條例第352條須記入該條例所述由本公司存置的登記冊內的權益及淡倉，或(c)根據載於聯交所證券上市規則(「上市規則」)附錄十的《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

(a) Long positions in the shares, underlying shares and debentures of the Company

(a) 於本公司股份、相關股份及債券的好倉

Name of Director	Capacity	Number of Shares held	Percentage of the issued share capital ²
董事名稱	身份	所持股份數目	已發行股本百分比 ²
Mr. Hung Tsung Chin 洪聰進先生	Interest of controlled corporation 受控制法團的權益	70,718,859 ¹	14.37%

Notes:

- These shares represent shares held by Metroasset Investments Limited in which Mr. Hung Tsung Chin beneficially owns 45.09% of the issued share capital.
- The calculation is based on the total number of 492,161,490 Shares in issue as at 30 June 2023.

附註：

- 該等股份代表Metroasset Investments Limited持有的股份，洪聰進先生實益擁有該公司的45.09%已發行股本。
- 根據於二零二三年六月三十日已發行股份總數492,161,490股計算。

(b) Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of associated corporation: Pro Brand Technology, Inc.

(b) 於本公司相聯法團的股份、相關股份及債券的好倉

相聯法團名稱：博百科技有限公司*(Pro Brand Technology, Inc.)

Name of Directors	Capacity	Number of shares held	Percentage of the issued share capital
董事名稱	身份	所持股份數目	已發行股本百分比
Mr. Chen Wei Chun 陳偉鈞先生	Interest of controlled corporation	350,000 ¹	0.82%
	Beneficial owner	300,000 ²	
	Total 總計	650,000	
Mr. Hung Tsung Chin 洪聰進先生	Beneficial owner 實益擁有人	450,000 ³	0.57%

* 僅供識別

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Notes:

1. These shares represent 350,000 shares of Pro Brand Technology, Inc, a non-wholly owned subsidiary of the Company, held by Jun Zhong Investment Limited* (鈞仲投資有限公司) in which Mr. Chen Wei Chun beneficially owns the entire issued share capital.
2. These shares represent 300,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Chen Wei Chun.
3. These shares represent 450,000 shares of Pro Brand Technology, Inc., a non-wholly owned subsidiary of the Company, owned by Mr. Hung Tsung Chin.

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

* For identification purpose only

附註：

1. 該等股份代表鈞仲投資有限公司持有的本公司非全資附屬公司博百科技有限公司* (Pro Brand Technology, Inc.)的350,000股股份，陳偉鈞先生實益擁有鈞仲投資有限公司的全部已發行股本。
2. 該等股份代表本公司非全資附屬公司博百科技有限公司* (Pro Brand Technology, Inc.)的300,000股股份，由陳偉鈞先生擁有。
3. 該等股份代表本公司非全資附屬公司博百科技有限公司* (Pro Brand Technology, Inc.)的450,000股股份，由洪聰進先生擁有。

除上文所披露者外，於二零二三年六月三十日，概無本公司董事或最高行政人員以及彼等的聯繫人於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)，或(b)已記入本公司根據證券及期貨條例第352條須存置的登記冊內的任何權益或淡倉，或(c)根據標準守則須知會本公司及聯交所的任何權益或淡倉。

* 僅供識別

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors or chief executive of the Company are aware, as at 30 June 2023, the Shareholders (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東於本公司股份及相關股份中的權益及淡倉

就本公司董事或最高行政人員所知，於二零二三年六月三十日，股東(本公司董事或最高行政人員除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司及聯交所披露的權益或淡倉，或已記入本公司根據證券及期貨條例第336條須存置之登記冊內的權益或淡倉如下：

Name of Shareholders	Capacity	Number of Shares and underlying Shares held	Percentage of the issued share capital
股東名稱	身份	所持股份及相關股份數目	已發行股本百分比
Metroasset Investments Limited ¹	Beneficial owner 實益擁有人	70,718,859(L)	14.37% ⁵
Ms. Chen Mei Hwei ² 陳美惠女士 ²	Interest of controlled corporation 受控制法團的權益	70,718,859(L)	14.37% ⁵
First Steamship Company Limited ³ 益航股份有限公司 ³	Beneficial owner 實益擁有人	124,950,000(L)	25.39% ⁵
	Interest of controlled corporation 受控制法團的權益	17,678,902(L)	3.59% ⁵
	Underwriter 包銷商	524,298,882(L)	42.61% ⁶
Legacy Trust Company Limited ⁴	Beneficial owner 實益擁有人	76,520,000(L) 76,520,000(S)	15.55% ⁵

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

Notes:

1. These Shares are held by Metroasset Investments Limited, 45.09% of the issued share capital of which is beneficially owned by Mr. Hung Tsung Chin.
2. The Shares are the same batch of Shares (as referred to in note 1) held by Metroasset Investments Limited, 44.38% of the issued share capital of which is beneficially owned by Ms. Chen Mei Huei, the spouse of Mr. Hung Tsung Chin.
3. First Steamship Company Limited is interested in 666,927,784 Shares. It holds 124,950,000 Shares as beneficial owner and 17,678,902 Shares through Grand Citi Limited, which is owned as to 100% by Grand Ocean Retail Group Ltd., which is in turn owned as to 58.62% by First Steamship S.A., a wholly-owned subsidiary of First Steamship Company Limited. Moreover, First Steamship Company Limited entered into an underwriting agreement with the Company in respect of the Rights Shares and has underwritten 524,298,882 Rights Shares.
4. Disclosure of the percentage of the issued share capital held by Legacy Trust Company Limited is made as per the last disclosure of interests notice which was filed on 15 August 2022.
5. The calculation is based on the total number of 492,161,490 Shares in issue as at 30 June 2023.
6. The calculation is based on the total number of 1,230,403,725 Shares in issue upon completion of the Rights Issue.

(L) - denotes long position; (S) - denotes short position

Save as disclosed above and so far as the Directors and the chief executive of the Company are aware, as at 30 June 2023, no person or entity had any interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

附註：

1. 該等股份由 Metroasset Investments Limited 持有，而 Metroasset Investments Limited 的 45.09% 已發行股本由洪聰進先生實益擁有。
2. 該等股份為附註 1 所述由 Metroasset Investments Limited 持有的同一批股份，而 Metroasset Investments Limited 的 44.38% 已發行股本由陳美惠女士（洪聰進先生之配偶）實益擁有。
3. 益航股份有限公司於 666,927,784 股股份中擁有權益。其作為實益擁有人持有 124,950,000 股股份，並通過 Grand Citi Limited 持有 17,678,902 股股份，而 Grand Citi Limited 由 Grand Ocean Retail Group Ltd. 擁有 100%，Grand Ocean Retail Group Ltd. 則由 First Steamship Company Limited 全資附屬公司 First Steamship S.A. 擁有 58.62%。此外，益航股份有限公司與本公司就供股股份訂立包銷協議，並已包銷 524,298,882 股供股股份。
4. 有關 Legacy Trust Company Limited 所持已發行股本之百分比的披露是根據於二零二二年八月十五日存檔之披露權益通知而作出。
5. 根據於二零二三年六月三十日已發行股份總數 492,161,490 股計算。
6. 根據供股完成後已發行股份總數 1,230,403,725 股計算。

(L) - 表示好倉；(S) - 表示淡倉

除上文所披露者外，並就本公司董事及最高行政人員所知，於二零二三年六月三十日，概無個人或實體於股份及相關股份中擁有根據證券及期貨條例第 XV 部第 2 及 3 分部規定須向本公司及聯交所披露的任何權益或淡倉，或根據證券及期貨條例第 336 條須記入該條例所述登記冊內的任何權益或淡倉。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance which are consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

During the six months ended 30 June 2023, the Company has applied the principles and has complied with all the mandatory disclosure requirements and the code provisions (“**Code Provision(s)**”) of the section headed “Part 2 — principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“**Corporate Governance Code**”) as contained in Appendix 14 to the Listing Rules, except for the deviations with following reason.

Under Code Provisions C.1.6 and F.2.2 of the Corporate Governance Code, independent non-executive directors and other non-executive directors and chairman of the board should attend general meetings, respectively.

Mr. Kuo Jen Hao, a non-executive Director and the chairman of the Board, and Mr. Lu Ming-Shiuan, an independent non-executive Director, were unable to attend the annual general meeting of the Company held on 28 June 2023 due to their other personal engagements.

購買、出售或贖回本公司的上市證券

於截至二零二三年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

本集團不斷改善其企業管治常規，注重構建及維持一個優良的董事會、穩健的風險管理及內部控制，並對股東高度透明，對彼等負責。董事會及管理層致力恪守符合審慎管理及提高股東價值的良好企業管治原則。董事會相信，良好的企業管治將為股東及本集團帶來長遠利益。

於截至二零二三年六月三十日止六個月，本公司已應用上市規則附錄十四所載《企業管治守則》(「**企業管治守則**」)的原則及遵守《企業管治守則》「第2部—良好企業管治原則、守則條文及建議最佳常規」的所有強制披露要求及守則條文(「**守則條文**」)，惟因以下原因而出現的偏離情況除外。

根據企業管治守則守則條文第C.1.6條第F.2.2條，獨立非執行董事及其他非執行董事及董事會主席應分別出席股東大會。

非執行董事兼董事會主席郭人豪先生及獨立非執行董事盧明軒先生因處理其個人其他事務而未能出席本公司於二零二三年六月二十八日舉行的股東週年大會。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standards regarding securities transactions by Directors as set out in the Model Code throughout the six months ended 30 June 2023. No incident of non-compliance was noted by the Company for the six months ended 30 June 2023.

COMPETING AND CONFLICT OF INTEREST

None of the Directors or the controlling Shareholders or their respective associates had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group nor any conflict of interest which any of them had or may have with the Group for the six months ended 30 June 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of the interim report, the Company has maintained the prescribed public float under the Listing Rules.

董事進行證券交易的標準守則

本公司已採納標準守則作為董事買賣本公司證券的行為準則。經特定查詢後，全體董事確認彼等於截至二零二三年六月三十日止六個月一直遵守標準守則所載有關董事進行證券交易的必要準則。本公司並不知悉於截至二零二三年六月三十日止六個月有任何不合規事件。

競爭性權益及利益衝突

截至二零二三年六月三十日止六個月，概無董事或控股股東或彼等各自的聯繫人於直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益，或與本集團存在或可能存在任何利益衝突。

公眾持股量之充足程度

根據本公司可公開獲得的資料及就董事於中期報告日期所知，本公司一直維持上市規則規定的公眾持股量。

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

企業管治及其他資料(續)

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the “**Audit Committee**”) for reviewing and providing supervision over the Group’s financial reporting process and internal controls. As at the date of this report, the Audit Committee comprises three members, namely Ms. Chen Wei-Hui (chairperson of the Audit Committee), Mr. Lu Ming-Shiuan and Mr. Wu Chia Ming, all of whom are INEDs. The interim financial information for the six months ended 30 June 2023 has not been audited by the independent auditor of the Company. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2023 and held discussion with the management. Based on the review and the discussion with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended 30 June 2023.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all of the Shareholders for their support to the Company.

Kuo Jen Hao

Chairman

Hong Kong, 28 August 2023

審核委員會

本公司已成立董事會審核委員會(「**審核委員會**」)，旨在審閱及監督本集團的財務申報程序及內部監控。於本報告日期，審核委員會包括三名成員，分別為陳葦憶女士(審核委員會主席)、盧明軒先生及吳嘉明先生，全部均為獨立非執行董事。截至二零二三年六月三十日止六個月的中期財務資料未經本公司獨立核數師審核。審核委員會已審閱本集團截至二零二三年六月三十日止六個月的未經審核簡明綜合財務報表及中期報告，並與管理層進行討論。根據此審閱及與管理層的討論，審核委員會信納未經審核簡明綜合財務報表乃按照適用會計準則編製，並公平呈列本集團於截至二零二三年六月三十日止六個月的財務狀況及業績。

致謝

本人謹藉此機會代表董事會衷心感謝全體股東支持本公司。

主席

郭人豪

香港，二零二三年八月二十八日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Revenue	收益	5	295,340
Cost of sales	銷售成本		(252,533)
Gross profit	毛利		42,807
Other income, gains and losses	其他收入、收益及虧損	6	22,930
Decrease in fair value of investment properties	投資物業的公平值減少		(7,708)
Distribution and selling costs	經銷及銷售成本		(8,171)
Administrative and other expenses	行政及其他開支		(40,439)
Research and development costs	研發成本		(12,338)
(Provision for)/Reversal of expected credit losses on financial assets	金融資產的預期信貸虧損(撥備)/撥回		(3,858)
Finance costs	財務成本		(14,872)
Share of loss of an associate	應佔一間聯營公司之虧損		(25,610)
Loss before income tax expense	除所得稅支出前虧損		(47,259)
Income tax credit/(expense)	所得稅抵免/(支出)	7	367
Loss for the period	本期間虧損	8	(46,892)
Other comprehensive income, net of tax	其他全面收益(扣除稅項)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>		
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額		2,102
Other comprehensive income for the period	本期間其他全面收益		(2,433)
Total comprehensive income for the period	本期間全面收益總額		(49,325)
Loss for the period attributable to:	下列各項應佔本期間虧損：		
– Owners of the Company	– 本公司擁有人		(48,804)
– Non-controlling interests	– 非控股權益		1,912
			(46,892)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

簡明綜合損益及其他全面收益表(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Total comprehensive income attributable to:	下列各項應佔全面收益總額：		
– Owners of the Company	— 本公司擁有人	(50,237)	(19,889)
– Non-controlling interests	— 非控股權益	912	874
		(49,325)	(19,015)
		HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	10	
Basic	基本	(9.92)	(4.09)
Diluted	攤薄	(9.92)	(4.09)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

AT 30 JUNE 2023
於二零二三年六月三十日

		Notes 附註	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	49,904	58,809
Prepaid lease payments	預付租賃款項		1	1
Investment properties	投資物業	11	255,640	231,949
Goodwill	商譽		9,616	8,772
Intangible assets	無形資產		4,153	3,635
Interest in an associate	於一間聯營公司之權益		21,111	46,722
Deferred tax assets	遞延稅項資產		3,857	4,247
Total non-current assets	非流動資產總值		344,282	354,135
Current assets	流動資產			
Inventories	存貨		163,596	137,404
Trade, bills and other receivables	應收貿易賬款、應收票據及 其他應收款項	13	212,794	229,071
Prepaid lease payments	預付租賃款項		14	27
Loan receivables	應收貸款	12	-	-
Loan to an associate	給予一間聯營公司的貸款	14	21,327	20,803
Amount due from an associate	應收一間聯營公司的款項	14	38,629	38,015
Pledged bank deposits	已抵押銀行存款		11,013	8,252
Bank balances and cash	銀行結存及現金		186,601	79,158
Total current assets	流動資產總值		633,974	512,730
Current liabilities	流動負債			
Trade, bills and other payables	應付貿易賬款、應付票據及 其他應付款項	15	480,559	356,072
Contract liabilities	合約負債		12,567	17,673
Tax liabilities	稅項負債		10,116	15,697
Bank and other borrowings	銀行及其他借貸	17	270,457	269,941
Provision for financial guarantee	財務擔保撥備	16	27,332	27,332
Lease liabilities	租賃負債		2,811	4,979
Total current liabilities	流動負債總額		803,842	691,694
Net current liabilities	流動負債淨額		(169,868)	(178,964)
Total assets less current liabilities	資產總值減流動負債		174,414	175,171

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表(續)

AT 30 JUNE 2023
於二零二三年六月三十日

		Notes 附註	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸	17	137,080	81,990
Deferred tax liabilities	遞延稅項負債		63,220	66,786
Lease liabilities	租賃負債		10,588	13,544
Total non-current liabilities	非流動負債總額		210,888	162,320
NET (LIABILITIES)/ASSETS	(負債)/資產淨值		(36,474)	12,851
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	18	49,216	49,216
Reserves	儲備		(125,226)	(74,989)
Capital deficiency attributable to owners of the Company	本公司擁有人應佔資本虧絀		(76,010)	(25,773)
Non-controlling interests	非控股權益		39,536	38,624
TOTAL (CAPITAL DEFICIENCY)/EQUITY	(資本虧絀)/權益總額		(36,474)	12,851

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

(unaudited)

(未經審核)

		Attributable to owners of the Company												
		本公司擁有人應佔												
		Share option reserve	Capital redemption reserve	Contributed surplus	Statutory reserve	Defined benefit plan reserve	Property Special reserve	Currency revaluation reserve	Currency translation reserve	Accumulated losses	Non- controlling Total interests	Total		
		購股權 儲備	資本贖回 儲備	實繳盈餘	法定儲備	計劃儲備	特別儲備	物業重估 儲備	貨幣換算 儲備	累計虧損	總計	非控股 權益	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
					(Note d) (附註d)	(Note a) (附註a)	(Note b) (附註b)	(Note c) (附註c)						
Balance at 1 January 2022	於二零二二年一月一日之結餘	49,216	50,880	7,960	506,750	32,699	124	89,175	102,437	(15,537)	(770,138)	55,279	39,814	95,093
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	(20,138)	(20,138)	(979)	(21,117)
Other comprehensive Income, net of tax	其他全面收益(扣除稅項)													
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	-	-	249	-	249	1,853	2,102	
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	-	-	249	(20,138)	(19,889)	874	(19,015)	
Transfer	轉撥	-	-	-	-	7	-	-	-	(7)	-	-	-	
Balance at 30 June 2022	於二零二二年六月三十日之結餘	49,216	50,880	7,960	506,750	32,706	124	89,175	102,437	(15,288)	(790,283)	35,390	40,688	76,078
Balance at 1 January 2023	於二零二三年一月一日之結餘	49,216	50,880	7,960	506,750	33,694	-	89,175	102,437	(18,917)	(848,681)	(25,773)	38,624	12,851
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	(48,804)	(48,804)	1,912	(46,892)
Other comprehensive Income, net of tax	其他全面收益(扣除稅項)													
Exchange difference on translation of foreign operations	換算海外業務時產生之匯兌差額	-	-	-	-	-	-	-	(1,433)	-	(1,433)	(1,000)	(2,433)	
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	-	-	(1,433)	(48,804)	(50,237)	912	(49,325)	
Transfer	轉撥	-	-	-	-	(4)	-	-	-	4	-	-	-	
Balance at 30 June 2023	於二零二三年六月三十日之結餘	49,216	50,880	7,960	506,750	33,690	-	89,175	102,437	(20,350)	(897,481)	(76,010)	39,536	(36,474)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

Notes:

- (a) The statutory reserve is required by the relevant law of The People's Republic of China (the "PRC") applicable to the subsidiaries in the PRC. The statutory reserve can be applied in conversion into PRC subsidiaries' capital by means of a capitalisation issue.
- (b) The special reserve represents:
- (i) the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of a group reorganisation prior to the listing of the Company's shares and the surplus arising pursuant to a capitalisation of advances from shareholders as part of the group reorganisation;
 - (ii) the difference between the consideration for acquisition of a subsidiary satisfied by way of partial interest of a subsidiary without the overall gain or loss of control in the partial disposed subsidiary and the fair value of net assets acquired; and
 - (iii) the acquisition of additional interest in a subsidiary without the overall gain or loss of control in that subsidiary.
- (c) The property revaluation reserve is frozen upon the transfer of properties from property, plant and equipment to investment properties and will be transferred to accumulated losses when the relevant properties are disposed of.
- (d) The amount of HK\$506,750,000 standing to the credit of the share premium account of the Company was reduced to nil and that the credit arising therefrom was transferred to the contributed surplus account arising from the capital reorganisation during the year ended 31 December 2021.

附註：

- (a) 法定儲備乃按適用於位於中華人民共和國(「中國」)之附屬公司之中國相關法律設立。法定儲備可透過資本化發行轉換為中國附屬公司的資本。
- (b) 特別儲備指：
- (i) 所收購附屬公司股份之面值與於本公司股份上市前進行集團重組之時為收購而發行之本公司股份面值及根據將股東墊款撥作資本(作為集團重組之一部分)所產生盈餘兩者之差額；
 - (ii) 以一間附屬公司之部分權益(並無整體獲得或失去該部分出售附屬公司之控制權)方式償付之收購一間附屬公司代價與所收購淨資產公平值兩者之差額；及
 - (iii) 收購一間附屬公司額外權益(並無整體獲得或失去該附屬公司之控制權)。
- (c) 物業重估儲備於自物業、廠房及設備轉撥物業至投資物業時被凍結，將於相關物業出售時轉撥至累計虧損。
- (d) 本公司股份溢價賬之進賬金額506,750,000港元已減至零，而藉此產生之進賬已轉撥至截至二零二一年十二月三十一日止年度進行股本重組產生之實繳盈餘賬內。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	103,792	(26,952)
Investing activities	投資活動		
Increase in pledged bank deposits	已抵押銀行存款增加	(3,084)	(11,945)
Purchases of property, plant and equipment	購買物業、廠房及設備	(7,480)	(8,411)
Addition of investment properties	添置投資物業	(39,951)	-
Addition to intangible assets	添置無形資產	(656)	-
Net cash used in investing activities	投資活動所用現金淨額	(51,171)	(20,356)
Financing activities	融資活動		
Repayment of bank and other borrowings	償還銀行及其他借貸	(69,069)	(93,919)
Payment of interest element of lease liabilities	支付租賃負債利息部分	-	(612)
Payment of principal element of lease liabilities	支付租賃負債本金部分	(5,838)	(2,703)
New bank and other loans raised	新造銀行及其他貸款	129,114	119,449
Net cash from financing activities	融資活動所得現金淨額	54,207	22,215
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	106,828	(25,093)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	79,158	111,354
Effect of foreign exchange rate changes	外幣匯率變動影響	615	(2,082)
Cash and cash equivalents at end of period, represented by bank balances and cash	期末現金及現金等價物，即銀行結存及現金	186,601	84,179

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal place of business is located at Unit 516, 5/F., Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Group principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

These condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. Except as described below, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2022.

Basis of measurement and going concern assumption

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

1. 一般資料

本公司為於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「**聯交所**」）主板上市。本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda及其主要營業地點位於香港九龍尖沙咀東麼地道67號半島中心5樓516室。本集團主要從事製造及買賣衛星電視設備產品及其他電子產品。

2. 編製基準

簡明綜合財務報表乃按照聯交所證券上市規則（「**上市規則**」）附錄十六之適用披露規定及遵照香港會計師公會（「**香港會計師公會**」）頒佈之香港會計準則（「**香港會計準則**」）第34號「*中期財務報告*」編製。

該等簡明綜合財務報表應與二零二二年之年度財務報表一併閱讀。除下述者外，編製本截至二零二三年六月三十日止六個月之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零二二年十二月三十一日止年度之綜合財務報表時所依循者相同。

計量基準及持續經營假設

除投資物業按公平值計量外，簡明綜合財務報表乃按歷史成本基準編製。歷史成本一般是建基於就換取貨品及服務支付之代價之公平值。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

Basis of measurement and going concern assumption (Continued)

During the period, the Group incurred a net loss of HK\$48,804,000 attributable to owners of the Company and at the end of reporting period, the Group had net current liabilities of approximately HK\$169,868,000. As at the same date, the Group had bank and other borrowings of HK\$407,537,000, which is subject to repayment or renewal in the next twelve months after the end of the reporting period. Included in current borrowings as at 30 June 2023 was other loans (the "Loan") with an outstanding balance of approximately HK\$195,890,000 scheduled to be fully repayable in April 2023, and interest payment included in other payables of approximately HK\$18,569,000 which has been overdue. The non-repayment of interest constituted an event of default under the loan agreement. In addition, the Group had capital deficiency attributable to owners of the Company of HK\$76,010,000 as at 30 June 2023.

These conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company (the "Directors") have given consideration to the future liquidity and performance of the Group and its available sources of finance in the preparation of a cash flow forecast cover a 18-month period from the end of the reporting period for assessing whether the Group will have sufficient financial resources to continue as a going concern. Management has also performed a sensitivity analysis by considering a reasonable change in operating cash flows on the forecast period and the headroom of the available working capital. In particular, the Directors have considered the following:

- (1) Based on communication with banks, the Group should be able to renew the existing bank loans upon expiry. The Directors are of the opinion that the Group maintains good relationship with major banks providing finance or facilities to the Group and the Group has successfully renewed most of its banking facilities based on past experience;

2. 編製基準(續)

計量基準及持續經營假設(續)

於期內，本集團錄得本公司擁有人應佔淨虧損48,804,000港元，而於報告期末本集團有淨流動負債約169,868,000港元。同日，本集團有須於報告期末後未來十二個月內償還或重續的銀行及其他借貸407,537,000港元。於二零二三年六月三十日之即期借貸中包括其他貸款(「該貸款」)，未償還結餘約195,890,000港元，計劃於二零二三年四月悉數償還，以及於其他應付款項中包括利息付款約18,569,000港元已逾期。未償還利息構成貸款協議項下的違約事件。此外，於二零二三年六月三十日，本集團有本公司擁有人應佔資本虧絀76,010,000港元。

該等狀況可能對本集團持續經營能力構成重大疑問。

鑒於此等情況，本公司董事(「董事」)在評估本集團是否有足夠的財務資源繼續持續經營而編製報告期結束後十八個月期間的現金流量預測時，已考慮本集團未來的流動資金及表現，及其可用的資金來源。管理層亦已透過考慮預測期間經營現金流量的合理變動及可得營運資金上限進行敏感度分析。特別是董事已考慮以下各項：

- (1) 基於與銀行的溝通，本集團應能夠於現有銀行貸款到期後進行重續。董事認為，本集團與提供融資或信貸予本集團的銀行維持良好關係，且本集團已根據過往經驗成功重續其大部分銀行信貸；

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

Basis of measurement and going concern assumption (Continued)

- (2) During the reporting period, the lender of the Loan conditionally agreed with the Group, upon the repayment of US\$7,500,000 (equivalent to approximately HK\$58,767,000) and accrued interest, to enter into a supplemental loan agreement for an extension of the repayment date of the remaining balance of the Loan of US\$17,500,000 (equivalent to approximately HK\$137,123,000) to 20 April 2025;
- (3) As of the date of approval of these financial statements, the Group has unutilised bank loan facilities totalling HK\$179,817,000, which are repayable twelve months from dates of drawdown. They are available for the Group to draw down to finance its future operations and financial obligations; and
- (4) Subsequent to the end of the reporting period, the Company issued 738,242,235 rights shares by way of rights issue, on the basis of three rights shares for every two shares held by the qualifying shareholders on the record date at the subscription price of HK\$0.12 per rights share (the "Rights Issue") to raise a gross proceeds of approximately HK\$88.6 million. The Rights Issue was completed on 5 July 2023. The Company intended to apply the net proceeds from the Rights Issue for partial repayment of outstanding loans of the Company and general working capital of the Group. The Company had fully utilized the net proceeds in accordance with the said intention.

Based on the cash flow forecast, the Directors are of the opinion that the Group would have sufficient liquidity to finance its operations and meet its financial obligations as and when they fall due for the at least twelve months subsequent to the end of reporting period. Accordingly, the Directors considered that it is appropriate to continue to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the management's assessment and measures mentioned, there is a material uncertainty related to the above events or conditions that may cast significant doubt about the Group's ability to continue as a going concern. Whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate cash flows through the above plans and measures.

2. 編製基準(續)

計量基準及持續經營假設(續)

- (2) 報告期間，該貸款的貸款人有條件同意，在償還7,500,000美元(相等於約58,767,000港元)及應計利息後，與本集團訂立補充貸款協議，以延遲該貸款的餘下結餘17,500,000美元(相等於約137,123,000港元)的還款日期至二零二五年四月二十日；
- (3) 於該等財務報表批准日期，本集團有須於提取日期起計十二個月償還的未動用銀行貸款額度總額179,817,000港元。該等貸款可供本集團提取以為其未來營運及財務責任提供資金；及
- (4) 報告期末後，本公司以供股方式，按記錄日期合資格股東每持有兩股股份獲發三股供股股份的基準，按認購價每股供股股份0.12港元發行738,242,235股供股股份(「供股」)，以籌集所得款項總額約88,600,000港元。供股已於二零二三年七月五日完成。本公司擬將供股所得款項淨額用於償還本公司部分未償還貸款及本集團一般營運資金。本公司已按上述計劃全部用畢所得款項淨額。

基於有關現金流量預測，董事認為，本集團將擁有充足流動資金以為其業務營運提供資金及履行其自報告期末起計至少未來十二個月的到期財務責任。因此，董事認為，繼續按持續經營基準編製綜合財務報表乃屬適當。

儘管管理層已作上述評估及計量，有與上述事件或情況相關的重大不確定性可能會對本集團持續經營的能力產生重大疑問。本集團能否持續經營取決於本集團是否有能力通過上述計劃及措施產生充足的現金流。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

Basis of measurement and going concern assumption (Continued)

Should the Group fail to achieve the above plans and measures, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to adjust the value of assets to their estimated net realisable values, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

In the current period, the Group has applied for the first time the following new or revised HKFRSs that are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2023.

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

2. 編製基準(續)

計量基準及持續經營假設(續)

倘本集團未能達成上述計劃及措施，則可能無法在正常業務過程中變現資產和清償負債。

倘本集團無法在業務上持續經營，則須作出相關調整，將資產之價值調整至其估計可變現淨值，將非流動資產及負債分別重新分類為流動資產及負債，並為可能產生之任何進一步負債作出撥備。綜合財務報表並無反映此等潛在調整的影響。

3. 採納香港財務報告準則(「香港財務報告準則」)

香港會計師公會已頒佈若干於本集團當前會計期間首次生效之新訂或經修訂香港財務報告準則：

於本期間，本集團首次應用下列新訂或經修訂香港財務報告準則，有關準則與二零二三年一月一日開始之年度期間的本集團綜合財務報表相關並對其生效。

香港財務報告準則第17號及相關修訂	保險合約
香港會計準則第1號及香港財務報告準則實務聲明第2號之修訂	會計政策披露
香港會計準則第8號的修訂本	會計估計的定義
香港會計準則第12號的修訂本	與從單一交易產生的資產及負債有關的遞延稅項
香港會計準則第12號的修訂本	國際稅務改革—支柱二立法模板

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

The following new or revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants (the 2022 Amendments) ²
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²

¹ No mandatory effective date yet determined but available for adoption.

² Effective for annual periods beginning on or after 1 January 2024.

3. 採納香港財務報告準則(「香港財務報告準則」)(續)

該等新訂或經修訂香港財務報告準則對本集團於本期間或過往期間之業績及財務狀況概無重大影響。本集團於本會計期間並無提早應用任何尚未生效之新訂或經修訂香港財務報告準則。

以下可能與本集團財務報表相關的新訂或經修訂香港財務報告準則已經頒佈，但尚未生效且並無獲本集團提早採納。本集團目前有意於該等變動生效當日應用該等變動。

香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ¹
香港會計準則第1號的修訂	負債分類為流動或非流動及香港詮釋第5號(二零二零年)之相關修訂 ²
香港會計準則第1號的修訂	附帶契諾的非流動負債(二零二二年修訂版) ²
香港財務報告準則第16號的修訂	售後租回交易中的租賃負債 ²
香港會計準則第7號及香港財務報告準則第7號的修訂	供應商融資安排 ²

¹ 尚未釐定強制生效日期惟可供採用。

² 二零二四年一月一日或之後開始的年度期間生效。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2022 annual financial statements.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods and services delivered or provided by the Group's operating divisions which are consistent with the internal information that are regularly reviewed by the executive Directors, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

Specifically, the Group's operating segments under HKFRS 8 are as follows:

- (i) **Media entertainment platform related products**
Trading and manufacturing of media entertainment platform related products, which are mainly used for satellite products equipment.
- (ii) **Other multimedia products**
Trading and manufacturing of components of audio and video electronic products such as cable lines.
- (iii) **Satellite TV equipment and antenna products**
Trading and manufacturing of satellite TV equipment and antenna products.

4. 採用判斷及估計

於編製該等簡明綜合中期財務報表之過程中，管理層於應用本集團會計政策時作出之重大判斷及估計不明朗因素之主要來源與二零二二年年度財務報表所應用者相同。

5. 分部資料

對外呈報之分部資料按本集團營運部門交付貨品及提供服務之基準分析，其與由執行董事（主要營運決策者）就資源分配及表現評估定期審閱之內部資料一致。此亦為本集團之組織基準，據此，管理層選擇按不同產品及服務組織本集團。

具體而言，本集團根據香港財務報告準則第8號之經營分部如下：

- (i) **媒體娛樂平臺相關產品**
買賣及製造媒體娛樂平臺相關產品，主要用於衛星產品設備。
- (ii) **其他多媒體產品**
買賣及製造影音電子產品零件，例如線纜。
- (iii) **衛星電視設備及天線產品**
買賣及製造衛星電視設備及天線產品。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2023

5. 分部資料(續)

分部收益及業績

按可呈報及經營分部分析本集團於回顧期間之收益及業績如下：

截至二零二三年六月三十日止六個月

		Media entertainment platform related products 媒體娛樂 平臺相關產品 HK\$'000 千港元 (unaudited) (未經審核)	Other multimedia products 其他 多媒體產品 HK\$'000 千港元 (unaudited) (未經審核)	Satellite TV equipment and antenna products 衛星電視設備 及天線產品 HK\$'000 千港元 (unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
REVENUE	收益				
External sales	對外銷售	53,601	49,822	191,917	295,340
Timing of revenue recognition	收益確認時間				
At a point in time	按時間點	53,601	49,822	191,917	295,340
RESULTS	業績				
Segment results	分部業績	1,777	8,050	24,809	34,636
Other income, gains and losses	其他收入、收益及虧損				22,930
Decrease in fair value of investment properties	投資物業的公平值減少				(7,708)
Administrative and other expenses	行政及其他開支				(40,439)
Research and development costs	研發成本				(12,338)
Provision for expected credit losses on trade receivables	應收貿易賬款的 預期信貸虧損撥備				(4,391)
Reversal of expected credit losses on loan to an associate	給予一間聯營公司的貸款的 預期信貸虧損撥回				524
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司的款項的 預期信貸虧損撥回				9
Finance costs	財務成本				(14,872)
Share of loss of an associate	應佔一間聯營公司之虧損				(25,610)
Loss before income tax expense	除所得稅支出前虧損				(47,259)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2022

5. 分部資料(續)

分部收益及業績(續)

截至二零二二年六月三十日止六個月

		Media entertainment platform related products 媒體娛樂 平臺相關產品 HK\$'000 千港元 (unaudited) (未經審核)	Other multimedia products 其他 多媒體產品 HK\$'000 千港元 (unaudited) (未經審核)	Satellite TV equipment and antenna products 衛星電視設備 及天線產品 HK\$'000 千港元 (unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (unaudited) (未經審核)
REVENUE	收益				
External sales	對外銷售	65,140	61,453	312,977	439,570
Timing of revenue recognition	收益確認時間				
At a point in time	按時間點	65,140	61,453	312,977	439,570
RESULTS	業績				
Segment results	分部業績	630	6,241	30,184	37,055
Other income, gains and losses	其他收入、收益及虧損				28,147
Decrease in fair value of investment properties	投資物業的公平值減少				(1,091)
Administrative and other expenses	行政及其他開支				(54,467)
Research and development costs	研發成本				(12,040)
Reversal of expected credit losses on trade receivables	應收貿易賬款的 預期信貸虧損撥回				8,739
Reversal of expected credit losses on loan to an associate	給予一間聯營公司的貸款的 預期信貸虧損撥回				88
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司的款項的 預期信貸虧損撥回				493
Finance costs	財務成本				(14,214)
Share of loss of an associate	應佔一間聯營公司之虧損				(12,598)
Loss before income tax expense	除所得稅支出前虧損				(19,888)

Segment results represent the profit earned by each segment without allocation of other income, gains and losses, administrative and other expenses, research and development costs, provision for/reversal of expected credit losses, finance costs, changes in fair value of investment properties and share of loss of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分部業績指各分部所賺取之溢利，當中並未分配其他收入、收益及虧損、行政及其他開支、研發成本、預期信貸虧損撥備／撥回、財務成本、投資物業之公平值變動及應佔一間聯營公司之虧損。此乃就資源分配及表現評估向主要營運決策者報告之計量方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

6. OTHER INCOME, GAINS AND LOSSES

6. 其他收入、收益及虧損

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
Ancillary service income from tenants	來自租戶的配套服務收入	6,320	7,827
Interest income	利息收入	808	554
Interest income from an associate	來自一間聯營公司的利息收入	502	501
Rental income	租金收入	8,376	10,709
Net foreign exchange gain	匯兌收益淨額	2,432	3,025
Others	其他	4,492	5,531
		22,930	28,147

7. INCOME TAX (CREDIT)/EXPENSE

7. 所得稅(抵免)/支出

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
The tax (credit)/charge comprises:	稅項(抵免)/開支包括：		
Current tax:	本期稅項：		
the PRC	中國	125	296
Jurisdictions other than the PRC and Hong Kong	中國及香港以外之司法權區	1,523	1,203
		1,648	1,499
Under-provision in prior years:	過往年度撥備不足：		
the PRC	中國	42	74
Deferred taxation:	遞延稅項：		
Current period	本期間	(2,057)	(344)
		(367)	1,229

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

7. INCOME TAX (CREDIT)/EXPENSE (Continued)

(i) the PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No tax is payable on the profit arising in Hong Kong as the entity operating in Hong Kong incurred tax losses for both periods.

(iii) United States

The Group's subsidiaries in United States of America are subjected to United States Federal Income Tax at 21% and States Income Tax at 6%.

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 25% to 30%.

(v) Macau

According to the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to Macanese Pataca ("MOP") 300,000 and 12% for taxable profits over MOP300,000. Taxable profits below MOP32,000 are exempt from tax.

No tax is payable on the profit arising in Macau as the entity operating in Macau incurred tax losses for both periods.

(vi) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax rates in the relevant jurisdictions.

7. 所得稅(抵免)/支出(續)

(i) 中國

根據中國有關所得稅法律及法規，中國附屬公司之適用中國企業所得稅稅率為25%。

(ii) 香港

香港利得稅按估計應課稅溢利之16.5%計算。

由於在香港經營之實體於兩個期間均產生稅項虧損，因此毋須就於香港產生之溢利繳納稅項。

(iii) 美國

本集團之美利堅合眾國附屬公司須分別按21%及6%之稅率繳納美國聯邦所得稅及州所得稅。

(iv) 歐洲

本集團之歐洲附屬公司須按介乎25%至30%之稅率繳納利得稅。

(v) 澳門

根據澳門所得補充稅法，所得補充稅按累進稅率介乎3%至9%（就應課稅溢利低於或相當於300,000澳門幣（「澳門幣」）而言）及12%（就應課稅溢利超過300,000澳門幣而言）徵收。應課稅溢利低於32,000澳門幣獲豁免繳納稅項。

由於在澳門經營之實體於兩個期間均產生稅項虧損，故毋須就在澳門產生的溢利繳稅。

(vi) 其他

於其他司法權區經營之其他附屬公司須按有關司法權區之適用稅率繳稅。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

8. LOSS FOR THE PERIOD

8. 本期間虧損

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
Loss for the period has been arrived at after charging/ (crediting):	達致本期間虧損時已扣除/(計入) :		
Directors' emoluments	董事酬金	1,663	1,668
Other staff costs	其他員工成本	36,459	37,330
Contributions to defined contribution plans, excluding Directors	定額供款計劃供款 (董事除外)	422	555
Total employee benefit expenses	僱員福利開支總額	38,544	39,553
Provision for/(reversal of) expected credit losses on trade receivables	應收貿易賬款的預期信貸虧損撥備/(撥回)	4,391	(8,739)
Reversal of expected credit losses on loan to an associate	給予一間聯營公司的貸款的 預期信貸虧損撥回	(524)	(88)
Reversal of expected credit losses on amount due from an associate	應收一間聯營公司款項的 預期信貸虧損撥回	(9)	(493)
Provision for/(reversal of) expected credit losses on financial assets	金融資產的預期信貸虧損撥備/ (撥回)	3,858	(9,320)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,634	8,265
Depreciation of right-of-use assets	使用權資產折舊	3,960	3,323
Amortisation of intangible assets (Note (i))	無形資產攤銷(附註(i))	148	158
Release of prepaid lease payments	撥回預付租賃款項	14	15
Loss on disposal of property, plant and equipment (Note (ii))	出售物業、廠房及設備的虧損 (附註(ii))	4,503	622

Notes:

- (i) Included in cost of sales
(ii) Included in other income, gains and losses

附註：

- (i) 包括於銷售成本內
(ii) 包括於其他收入、收益及虧損內

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

9. DIVIDENDS

No dividend was paid or declared during the interim period. The Board has resolved not to declare an interim dividend for the period.

10. LOSS PER SHARE

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

9. 股息

於本中期期間並無派付或宣派股息。董事會已決議不就本期間宣派中期股息。

10. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (unaudited) (未經審核)	2022 二零二二年 (unaudited) (未經審核)
Loss for the period attributable to owners of the Company for the purposes of calculating basic and diluted loss per share (HK\$'000)	用於計算每股基本及攤薄虧損之本公司擁有人應佔本期間虧損(千港元)	(48,804)	(20,138)
Number of shares	股份數目		
Weighted average number of ordinary shares at 30 June	於六月三十日之普通股加權平均數	492,161,490	492,161,490

Diluted loss per share

Diluted loss per share for each of the six months ended 30 June 2023 and 2022 respectively are the same as the basic loss per share because there were no dilutive potential ordinary shares during both periods.

每股攤薄虧損

由於該兩個期間並無潛在攤薄普通股，截至二零二三年及二零二二年六月三十日止六個月，每股攤薄虧損與每股基本虧損均相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

11. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

During the six months ended 30 June 2023, the Group recognised decrease in fair value of investment properties of approximately HK\$7,708,000 (six months ended 30 June 2022: approximately HK\$1,091,000).

As at 30 June 2023, investment property is pledged to a bank to secure a mortgage loan and general banking facilities granted to the Group of approximately HK\$206,074,000 (31 December 2022: approximately HK\$231,949,000).

(b) Property, plant and equipment

During the current period, the Group acquired property, plant and equipment of approximately HK\$7,480,000 (six months ended 30 June 2022: approximately HK\$8,411,000). During the period, the Group disposed of certain property, plant and equipment with carrying amount of HK\$4,503,000 (six months ended 30 June 2022: HK\$622,000) resulting in a loss of approximately HK\$4,503,000 (six months ended 30 June 2022: approximately HK\$622,000) recognised in profit or loss.

11. 投資物業、物業、廠房及設備之變動

(a) 投資物業

截至二零二三年六月三十日止六個月，本集團確認投資物業公平值減少約7,708,000港元(截至二零二二年六月三十日止六個月：約1,091,000港元)。

於二零二三年六月三十日，投資物業已抵押予銀行，作為授予本集團約206,074,000港元(二零二二年十二月三十一日：約231,949,000港元)的抵押貸款及一般銀行信貸的抵押。

(b) 物業、廠房及設備

於本期間，本集團購置物業、廠房及設備約7,480,000港元(截至二零二二年六月三十日止六個月：約8,411,000港元)。於期內，本集團出售賬面值為4,503,000港元(截至二零二二年六月三十日止六個月：622,000港元)之若干物業、廠房及設備，因而於損益確認虧損約4,503,000港元(截至二零二二年六月三十日止六個月：約622,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

12. LOAN RECEIVABLES

12. 應收貸款

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Loans receivables (Note (i))	應收貸款(附註(i))	12,989	12,989
Loans receivables due from former subsidiaries (Note (ii))	應收前附屬公司貸款 (附註(ii))	894,551	848,383
		907,540	861,372
Less: allowance for doubtful debts (Note (iii))	減：呆賬撥備(附註(iii))	(907,540)	(861,372)
		-	-

Notes:

- (i) As at 30 June 2023 and 31 December 2022, the Group had loan receivable amounting to HK\$12,989,000 from a third party. The amount was unsecured and bore interest at 1.2% (31 December 2022: 1.2%) per annum. This loan receivable was fully impaired as at 30 June 2023 and 31 December 2022.
- (ii) During the year ended 31 December 2019, the Group disposed of the entire equity interest in Speed Connection Group Limited (the "Disposal"), and since then, the loan receivables from Speed Connection Group Limited and its subsidiary, MyHD Media FZ LLC ("MyHD") were classified as loan receivables due from former subsidiaries.

The loan receivables due from former subsidiaries were arising from the disposal of all interests in MyHD and the extension of the existing loans to MyHD. For details, please refer to the announcement of the Company dated 31 December 2018 and the circular of the Company dated 25 May 2019. The amounts were unsecured, interest-bearing at rates ranged from 3 months London inter-bank offered rates ("LIBOR") plus 100 basis point per annum to 10% per annum and matured on 31 December 2020.

附註：

- (i) 於二零二三年六月三十日及二零二二年十二月三十一日，本集團擁有授予一名第三方的應收貸款12,989,000港元。該款項為無抵押，按年利率1.2厘（二零二二年十二月三十一日：1.2厘）計息。該應收貸款已於二零二三年六月三十日及二零二二年十二月三十一日完全減值。
- (ii) 截至二零一九年十二月三十一日止年度，本集團出售於捷聯集團有限公司之全部股本權益（「出售事項」），自此以後，來自捷聯集團有限公司及其附屬公司MyHD Media FZ LLC（「MyHD」）之應收貸款已分類為應收前附屬公司貸款。

應收前附屬公司貸款乃產生自出售於MyHD之全部權益，以及將授予MyHD的現有貸款延長。詳情請參閱本公司日期為二零一八年十二月三十一日之公告及本公司日期為二零一九年五月二十五日之通函。該等金額為無抵押、按三個月倫敦銀行同業拆息（「倫敦銀行同業拆息」）加100個基點至10厘的年利率計息，並於二零二零年十二月三十一日到期。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

12. LOAN RECEIVABLES (Continued)

Notes: (Continued)

(ii) (Continued)

The principal amounts of these loan receivables at the date of the Disposal were US\$71,298,000 (equivalent to approximately HK\$558,663,000), in which amount of US\$9,554,000 (equivalent to approximately HK\$74,861,000) due from Speed Connection Group Limited, bore interest rate at 3 months LIBOR plus 100 basis points per annum; and amount of US\$51,244,000 (equivalent to approximately HK\$401,528,000) and amount of US\$10,500,000 (equivalent to approximately HK\$82,274,000) due from MyHD (the non-wholly owned subsidiary of Speed Connection Group Limited), bore interest rate at 10% per annum and at 3 months LIBOR plus 100 basis points per annum respectively, and the corresponding interest receivables were US\$11,728,000 (equivalent to approximately HK\$91,896,000). These loan receivables and the interest receivables, net of the provision of expected credit loss ("ECL") of HK\$219,103,000 as at the date of the Disposal, amounted to HK\$429,410,000 were recognised as loan receivables upon the Disposal.

In December 2019, management was given to understand that Speed Connection Group Limited and MyHD were in serious financial problem and ceased to operate in late 2019. As such, management considered these loan receivables were credit-impaired and recognised life time ECLs of the total net carrying amount of these loan receivables of HK\$429,410,000 at 31 December 2019.

The provision of expected credit loss was determined by the management of the Group based on the creditworthiness and the past collection history of the borrowers.

(iii) Allowances for doubtful debts

12. 應收貸款(續)

附註：(續)

(ii) (續)

於出售日期，該等應收貸款之本金額為71,298,000美元(相當於約558,663,000港元)，其中應收捷聯集團有限公司之9,554,000美元(相當於約74,861,000港元)按三個月倫敦銀行同業拆息加100個基點的年利率計息，而應收MyHD(捷聯集團有限公司之非全資附屬公司)之51,244,000美元(相當於約401,528,000港元)及10,500,000美元(相當於約82,274,000港元)則分別按年利率10厘及三個月倫敦銀行同業拆息加100個基點計息，相應的應收利息為11,728,000美元(相當於約91,896,000港元)。於出售日期扣除預期信貸虧損(「預期信貸虧損」)撥備219,103,000港元後，該等應收貸款及應收利息為429,410,000港元，已於出售事項後確認為應收貸款。

於二零一九年十二月，管理層知悉捷聯集團有限公司及MyHD面臨嚴重財務問題，並於二零一九年底終止營運。因此，管理層認為該等應收貸款已信貸減值，並就該等應收貸款於二零一九年十二月三十一日之賬面淨值總額429,410,000港元確認全期預期信貸虧損。

預期信貸虧損撥備由本集團管理層基於借款人之信譽及過往收賬紀錄而釐定。

(iii) 呆賬撥備

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
At the beginning of period/year	於期/年初	861,372	788,405
Unwinding of discount	折現回撥	42,022	72,992
Exchange realignment	匯兌調整	4,146	(25)
At the end of period/year	於期/年末	907,540	861,372

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

13. TRADE, BILLS AND OTHER RECEIVABLES

13. 應收貿易賬款、應收票據及其他應收款項

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade and bills receivables	應收貿易賬款及應收票據	109,992	135,945
Other receivables	其他應收款項	102,802	93,126
Total trade, bills and other receivables	應收貿易賬款、應收票據及 其他應收款項總額	212,794	229,071

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an ageing analysis of trade and bills receivables presented based on the invoice date at the end of the reporting periods:

本集團給予其貿易客戶之信貸期平均為60至120日。應收貿易賬款及應收票據於報告期末按發票日期呈列之賬齡分析如下：

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 – 30 days	0至30日	72,444	114,995
31 – 90 days	31至90日	15,142	10,889
91 – 180 days	91至180日	12,379	6,591
More than 180 days	超過180日	90,124	126,733
		190,089	259,208
Less: Loss allowance	減：虧損撥備	(80,097)	(123,263)
		109,992	135,945

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

13. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

Based on the Group's assessment, the Group recognised provision for expected credit losses on trade receivables of HK\$4,391,000 (six months ended 30 June 2022: reversal of HK\$8,739,000) during the period.

14. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE

13. 應收貿易賬款、應收票據及其他應收款項(續)

根據本集團的評估，本集團於本期間已確認應收貿易賬款的預期信貸虧損撥備4,391,000港元(截至二零二二年六月三十日止六個月：撥回8,739,000港元)。

14. 應收一間聯營公司款項／給予一間聯營公司的貸款

			30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current assets	流動資產			
Loan receivables	應收貸款	(i)	21,327	20,803
Trade receivables	應收貿易賬款	(ii)	36,088	35,986
Interest receivable on loan receivables	應收貸款之應收利息		2,541	2,029
Amount due from an associate	應收一間聯營公司的款項		59,956	58,818

Notes:

- (i) The amount is unsecured and bears interest at a fixed rate of 4.75% (31 December 2022: 4.75%) per annum. The loan receivables will mature on 31 December 2023 (2022: 31 December 2022).
- (ii) Amount being unsecured and interest-free. The Group allows a credit period of 360 days.

附註：

- (i) 該款項為無抵押及按固定年利率4.75厘計息(二零二二年十二月三十一日：4.75厘)。應收貸款將於二零二三年十二月三十一日到期(二零二二年：二零二二年十二月三十一日)。
- (ii) 該款項乃無抵押及不計息。本集團給予的信貸期為360日。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

14. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE (Continued)

The following is an ageing analysis of trade receivables due from an associate, presented based on the invoice date, at the end of the reporting period:

	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
More than 360 days 超過360日	36,088	35,986

Based on the Group's assessment, the Group recognised reversal of expected credit losses on trade receivables due from an associate of HK\$9,000 (six months ended 30 June 2022: HK\$493,000) and reversal of expected credit losses on loan to an associate of HK\$524,000 (six months ended 30 June 2022: HK\$88,000) during the period.

15. TRADE, BILLS AND OTHER PAYABLES

	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade payables 應付貿易賬款	190,658	187,988
Bills payables 應付票據	11,782	83
Deposits received (Note 22) 已收按金(附註22)	65,076	67,167
Other payables and accruals (Note) 其他應付款項及應計項目(附註)	213,043	100,834
Total trade, bills and other payables 應付貿易賬款、應付票據及 其他應付款項總額	480,559	356,072

14. 應收一間聯營公司款項／給予一間聯營公司的貸款(續)

應收一間聯營公司的應收貿易賬款於報告期末按發票日期呈列之賬齡分析如下：

根據本集團的評估，本集團於本期間已確認應收一間聯營公司應收貿易賬款的預期信貸虧損撥回9,000港元(截至二零二二年六月三十日止六個月：493,000港元)及給予一間聯營公司的貸款的預期信貸虧損撥回524,000港元(截至二零二二年六月三十日止六個月：88,000港元)。

15. 應付貿易賬款、應付票據及其他應付款項

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

15. TRADE, BILLS AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade and bills payables, presented based on the invoice date at the end of the reporting periods:

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 – 30 days	0至30日	69,753	99,967
31 – 90 days	31至90日	65,925	25,818
91 – 360 days	91至360日	49,383	44,256
More than 360 days	超過360日	17,379	18,030
		202,440	188,071

The average credit period for purchases of goods is 90 days.

Note: An amount due to a director of HK\$1,651,000 (31 December 2022: HK\$1,704,000) which was included in other payables. It is unsecured, interest free and repayable on demand.

16. PROVISION FOR FINANCIAL GUARANTEE

The Company had pursuant to the guarantee (the "Guarantee") given in favour of MyHD irrevocably guaranteed to pay all financial obligations of MyHD in relation to the third amendment agreement to the content supply agreement (the "Content Supply Agreement") dated 3 October 2016 which was entered into between MyHD and MBC FZ LLC. The Guarantee does not expire and the maximum amount payable by the Company under the Guarantee should not exceed US\$3,500,000 (equivalent to approximately HK\$27,332,000).

The Guarantee does not contain any conditions which need to be fulfilled or any circumstances which must arise before MyHD can enforce the same and demand payment from the Company. Notwithstanding that MyHD failed to observe all its payment obligations under the third amendment agreement to the Content Supply Agreement, since the date of the Guarantee up to the reporting date, the Company has not received any demand for payment from MyHD under the Guarantee.

15. 應付貿易賬款、應付票據及其他應付款項(續)

應付貿易賬款及應付票據於報告期末按發票日期呈列之賬齡分析如下：

	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
0 – 30 days	69,753	99,967
31 – 90 days	65,925	25,818
91 – 360 days	49,383	44,256
More than 360 days	17,379	18,030
	202,440	188,071

購買貨品的平均信貸期為90日。

附註：其他應付款項包括一筆應付董事款項1,651,000港元（二零二二年十二月三十一日：1,704,000港元），此款項為無抵押、免息且須按要求償還。

16. 財務擔保撥備

本公司已根據就MyHD之利益作出之擔保（「擔保」），不可撤回地保證支付MyHD有關MyHD與MBC FZ LLC所訂立日期為二零一六年十月三日之內容供應協議（「內容供應協議」）第三份修訂協議之所有財務責任。該擔保並無到期日，而本公司根據擔保應付之最高金額不得超過3,500,000美元（相當於約27,332,000港元）。

擔保並不包含任何須予達成之條件或必須發生之任何情況，以規限MyHD執行擔保及要求本公司付款。儘管MyHD未能遵從於內容供應協議第三份修訂協議下之所有付款責任，惟自擔保日期起直至報告日期止，本公司並無接獲任何由MyHD根據擔保提出之付款要求。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

16. PROVISION FOR FINANCIAL GUARANTEE (Continued)

At 30 June 2023 and 31 December 2022, the Group had recognised the provision for financial guarantee amounting to US\$3,500,000 (equivalent to approximately HK\$27,332,000) in relation to the Guarantee.

16. 財務擔保撥備(續)

於二零二三年六月三十日及二零二二年十二月三十一日，本集團已就擔保確認為數3,500,000美元(相當於約27,332,000港元)之財務擔保撥備。

17. BANK AND OTHER BORROWINGS

17. 銀行及其他借貸

		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank loans	銀行貸款	205,379	150,704
Other loans	其他貸款	202,158	201,227
		407,537	351,931
Analysed as:	分析為：		
Secured	有抵押	346,817	107,469
Unsecured	無抵押	60,720	244,462
		407,537	351,931
Analysed as:	分析為：		
Current	流動	270,457	269,941
Non-current	非流動	137,080	81,990
		407,537	351,931

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

17. BANK AND OTHER BORROWINGS (Continued)

During the period, the Group raised bank and other loans in the amount of approximately HK\$129,114,000 (six months ended 30 June 2022: approximately HK\$119,449,000) and repaid bank and other loans of approximately HK\$69,069,000 (six months ended 30 June 2022: approximately HK\$93,919,000).

The variable rates of bank borrowings carry interests at LIBOR plus a spread. The effective interest rates on borrowings are at range of 2.2% to 10.00% per annum as at 30 June 2023 (30 June 2022: 1.0% to 10.00% per annum).

18. SHARE CAPITAL

17. 銀行及其他借貸(續)

於期內，本集團新造銀行及其他貸款約129,114,000港元(截至二零二二年六月三十日止六個月：約119,449,000港元)，並償還銀行及其他貸款約69,069,000港元(截至二零二二年六月三十日止六個月：約93,919,000港元)。

銀行借貸之浮動利率根據倫敦銀行同業拆息加若干息差而定。於二零二三年六月三十日，借貸之實際年利率介乎2.2厘至10.00厘(二零二二年六月三十日：年利率介乎1.0厘至10.00厘)。

18. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元的普通股		
Issued and fully paid:	已發行及繳足：		
At 31 December 2022 and 30 June 2023	於二零二二年十二月三十一日及 二零二三年六月三十日	492,161,490	49,216

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

19. RELATED PARTY DISCLOSURES

(i) Transactions

The Group had the following related party transaction:

Relationship 關係	Nature of transaction 交易性質	For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
Associate 聯營公司	Interest income 利息收入	502	501

(ii) Balances

Details of the Group's balances with related party are set out in the condensed consolidated statement of financial position and in note 14.

(iii) Compensation of the key management personnel

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

19. 關聯人士披露

(i) 交易

本集團曾進行以下關聯人士交易：

(ii) 結餘

本集團與關聯人士之結餘詳情載於簡明綜合財務狀況表及附註14。

(iii) 主要管理人員之補償

期內董事及主要管理層其他成員之薪酬如下：

		For six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 HK\$'000 千港元 (unaudited) (未經審核)	2022 二零二二年 HK\$'000 千港元 (unaudited) (未經審核)
Short-term benefits	短期福利	4,711	4,513
Post-employment benefits	離職後福利	77	71
		4,788	4,584

In the opinion of the Directors, the remuneration of the Directors and key executives is determined having regard to the performance of individuals and market trends.

董事認為，董事及主要行政人員的薪酬乃經考慮個人表現及市場趨勢後釐定。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

20. ARBITRATION

On 29 September 2011, the Group entered into a conditional agreement (the “**Agreement**”) with an independent individual third party (the “**Original Shareholder**”) and Technosat Technology JLT FZE (“**Technosat**”, a company incorporated in Dubai, which was wholly owned by the Original Shareholder), to subscribe for 375 new shares in Technosat at a cash consideration of US\$7,500,000 (equivalent to HK\$58,170,000), amounting to 15% of Technosat’s enlarged capital. Technosat is set up to be engaged in operation of digital TV and radio platform, pay TV channel, and sales and supply of TV set top boxes.

As at 30 June 2012, the Group had paid a deposit of US\$2,500,000 (equivalent to HK\$19,467,000) to Technosat to acquire new shares in Technosat which was fully provided for impairment in the prior year. Pursuant to the terms of the Agreement, the Group is required to pay a further sum of US\$5,000,000 in relation to the subscription of this 15% equity interest in Technosat. The subscription has not yet completed up to the date of approval of this report as the conditions precedent of the subscription of new shares in Technosat including the consent and approval by government authority in Dubai have not been fulfilled.

Despite the Group’s repeated requests for information, there has been no satisfactory response from the Original Shareholder or Technosat (“**Counterparties**”) regarding the current status and the procurement of obtaining government approval from the government authority in Dubai. The Group has engaged legal counsel to act for the Group and started dispute resolution proceedings against the Original Shareholder and Technosat.

On 21 January 2013, the legal counsel of the Original Shareholder and Technosat served a notice on the Group’s legal counsel for a claim on the further payment of US\$5,000,000 in relation to the subscription of 15% equity interest in Technosat.

The Group’s legal counsel has replied on behalf of the Group on 11 February 2013 in response to the claim of the Original Shareholder and Technosat defending the claim as the Directors consider such claim invalid, as the conditions precedent of the subscription of new shares in Technosat had not been fulfilled and constituted a breach of the Agreement.

20. 仲裁

於二零一一年九月二十九日，本集團與一名獨立個別第三方（「**原股東**」）及Technosat Technology JLT FZE（「**Technosat**」，一間於杜拜註冊成立之公司，由原股東全資擁有）訂立一份有條件協議（「**該協議**」），以現金代價7,500,000美元（相當於58,170,000港元）認購Technosat 375股新股，即Technosat經擴大股本之15%。Technosat之成立目的為從事營運數字電視及廣播平臺、付費電視頻道以及銷售及供應機頂盒。

於二零一二年六月三十日，本集團已向Technosat支付訂金2,500,000美元（相當於19,467,000港元），以收購Technosat的新股，該等訂金已於去年悉數計提減值撥備。根據該協議之條款，本集團須就認購Technosat該15%股本權益進一步支付合共5,000,000美元。由於認購Technosat新股之先決條件（包括取得杜拜政府部門的同意及批准）尚未達成，故認購事項於截至本報告獲批准當日尚未完成。

儘管本集團一再要求原股東或Technosat（「**對手方**」）提供關於徵求杜拜政府部門批准的現況及促使取得有關批准，但對手方未有令人滿意的回應。本集團已委聘法律顧問以代本集團行事，並針對原股東及Technosat展開糾紛調解程序。

於二零一三年一月二十一日，原股東及Technosat的法律顧問向本集團的法律顧問送達一份通知，申索有關認購Technosat該15%股本權益的進一步款項5,000,000美元。

本集團的法律顧問於二零一三年二月十一日代表本集團回覆原股東及Technosat的申索，就申索提出抗辯，原因為董事認為由於認購Technosat新股的先決條件尚未達成，即構成違反該協議，故該項申索屬無效。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

20. ARBITRATION (Continued)

The Group's legal counsel had repeated request on the Original Shareholder and Technosat to commence the next step on mediation, but there were no satisfactory response from the legal counsel of the Original Shareholder and Technosat up to the deadline set by August 2014. At the date of approval of this report, the Group's legal counsel confirmed that there was no update on the arbitration.

21. LITIGATIONS

Lawsuit in India

In October 2020, Aggressive Digital Systems Private Ltd. ("AD", a non-wholly owned subsidiary of the Company) received a summons to the National Company Law Tribunal ("NCLT") at Chandigarh in India filed by Aggressive Electronics Manufacturing Services Private Limited ("AEMS", a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the "Petitioners") against Top Dragon Development Limited (a wholly-owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the "Respondents") alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. The last hearing was originally scheduled on 24 August 2023 at NCLT and was further adjourned. The date of next hearing has yet to be determined.

After consulting the Company's legal counsel in India and taking into account the possible factors including, but not limited to, the possible amount involved in the case, the Board considered that it is not probable that the Group will incur any material losses resulting from this litigation. Accordingly, no provision was made in the consolidated financial statements of the Group as at 30 June 2023 and 31 December 2022.

20. 仲裁(續)

本集團的法律顧問已多次覆述向原股東及 Technosat 提出開展下一步調解程序的要求，惟截至二零一四年八月的既定限期，仍未獲得原股東及 Technosat 的法律顧問的滿意回覆。於本報告獲批准當日，本集團的法律顧問確認仲裁並無更新。

21. 訴訟

於印度的訴訟

於二零二零年十月，Aggressive Digital Systems Private Ltd. (「AD」，本公司的非全資附屬公司) 接獲由 Aggressive Electronics Manufacturing Services Private Limited (「AEMS」，AD 的少數股東) 及 Neeraj Bharara 先生 (統稱「呈請人」) 針對 Top Dragon Development Limited (本公司的全資附屬公司及 AD 的股東)、AD 及 AD 的若干董事 (統稱「答辯人」) 向印度昌迪加爾國家公司法法庭 (「國家公司法法庭」) 發出的傳票，該傳票指稱答辯人作出了壓迫或管理不善的不當行為，並就該等不當行為對呈請人所造成的損失提出申索。最後一次聆訊原定於二零二三年八月二十四日在國家公司法法庭舉行，後來被進一步延期。下次聆訊的日期尚未確定。

經諮詢本公司的印度法律顧問，並考慮到案件可能涉及的金額等因素，董事會認為，本集團因該訴訟而產生任何重大損失的可能性不大。因此，本集團並無於二零二三年六月三十日及二零二二年十二月三十一日的綜合財務報表計提任何撥備。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

22. COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO REDEVELOPMENT

Reference is made to the announcement of the Company dated 17 August 2021 (the “**17 August Announcement**”) in relation to the cooperation agreement dated 26 July 2021 entered into between, among others, the Group and Huasuan (the “**Cooperation Agreement**”), pursuant to which Huasuan and Sandmartin (Zhong Shan) Electronic Co., Ltd.* (中山聖馬丁電子元件有限公司) (“**ZSS**”) (an indirect wholly-owned subsidiary of the Company) will cooperate to upgrade certain blocks of factory buildings and dormitories constructed on the Land owned by ZSS and to redevelop some vacant and undeveloped parts of the Land subject to prior consents and planning approvals from the relevant PRC government authorities.

Please refer to the 17 August Announcement for details of the Cooperation Agreement.

As at the date of this report, Huasuan had paid to the Group the Cooperation Fund and the Group had recognised it as deposit received. The Group had provided in favour of Huasuan (i) 100% of the shareholding interests in ZSS (“**Equity Pledge**”), and (ii) one of the three pieces of land parcels within the Land (“**Land Pledge**”) as securities for the Cooperation Fund.

References are made to the announcements of the Company dated 19 July 2023 and 10 August 2023 (the “**19 July and 10 August Announcements**”) in relation to the joint venture agreement dated 19 July 2023 (the “**JV Agreement**”) and entered into between the Group and Huasuan, pursuant to which the parties have agreed to form the joint venture in the form of an unincorporated joint venture under the name of “Huasuan-Sandmartin Intelligent Manufacturing Park” (華算聖馬丁智造園) (the “**Joint Venture**”) in the PRC for the Redevelopment and for the purpose of governing the cooperation arrangement.

22. 有關重建的合作協議及合資協議

茲提述本公司日期為二零二一年八月十七日之公告(「八月十七日公告」)，內容有關(其中包括)本集團與華算於二零二一年七月二十六日訂立合作協議(「合作協議」)，據此，華算及中山聖馬丁電子元件有限公司(「中山聖馬丁」，本公司之間接全資附屬公司)將合作升級由中山聖馬丁擁有之土地上之若干廠房及宿舍，並重建該土地的部分空置及未發展部分，惟須事先獲得中國相關政府部門的同意及規劃批准。

有關合作協議之詳情請參閱八月十七日公告。

於本報告日期，華算已向本集團支付合作金，而本集團已將其確認為已收取按金。本集團已向華算提供(i)中山聖馬丁的100%股權(「股權質押」)及(ii)該土地內三幅地塊的其中一幅(「土地抵押」)作為合作金的抵押品。

茲提述本公司日期為二零二三年七月十九日及二零二三年八月十日的公告(「七月十九日及八月十日公告」)，有關本集團與華算於二零二三年七月十九日訂立的合資協議(「合資協議」)，據此，訂約雙方同意以「華算聖馬丁智造園」名義並以非法團合資企業的形式在中國成立合資企業(「合資企業」)，以進行重建及規管合作安排。

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

22. COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO REDEVELOPMENT (Continued)

The sole purpose and business of the Joint Venture is to redevelop the Land into a landmark precision intelligent manufacturing centre and research and development innovation hub and the properties built thereon shall be for leasing or for sale. The Redevelopment will be carried out on the Land. The Group will contribute the Land for the Redevelopment and Huasuan will be responsible for funding the entire costs for the Redevelopment (save for the Land contributed by ZSS). If required, ZSS as the entity undertaking the Redevelopment will secure the ZSS Development Loan for funding the Redevelopment. As stipulated in the JV Agreement, Huasuan will have the sole responsibility of repaying the ZSS Development Loan, both loan principal and interests. The Parties to the JV Agreement have yet to decide on whether the ZSS Development Loan will be necessary and will closely monitor the ongoing funding needs of the Redevelopment. In relation to allocation of the properties constructed on the Land, the Group shall continue to be entitled to certain blocks of buildings constructed on the Land as at the date of the JV Agreement (which comprise for factory buildings) (the “Existing Buildings”), the vacant area and roads covered under the current real estate title certificate issued to the Group. In relation to the new buildings to be constructed on certain parts of the Land which are currently vacant, the Group and Huasuan shall be entitled to 20% and 80% respectively of (i) the total gross floor area of the new buildings; and (ii) the corresponding revenue that is generated from the new buildings. In the event where certain parts of the Existing Buildings are to be demolished and redeveloped under the Redevelopment, the Group shall be entitled to (i) firstly, certain gross floor area of the newly built buildings equivalent to the gross floor area that has been demolished covered under its real estate title certificate; and (ii) secondly, an additional 5% of the remaining total gross floor area of the newly built buildings. After the aforesaid allocations to the Group, Huasuan shall be entitled to all of the entire balance of the gross floor area.

Please refer to the 19 July and 10 August Announcements for details of the JV Agreement and the Joint Venture.

22. 有關重建的合作協議及合資協議(續)

合資企業的唯一目的和業務為將該土地重建為地標性精密智能製造中心和研發創新中心，所建物業將作租賃或出售用途。重建將在該土地上進行。本集團將提供該土地進行重建，而華算將負責為重建的全部成本提供資金(中山聖馬丁提供的該土地除外)。如有需要，中山聖馬丁作為進行重建的實體將獲得中山聖馬丁開發貸款，為重建提供資金。根據合資協議規定，華算將全權負責償還中山聖馬丁開發貸款，包括貸款本金及利息。合資協議訂約方尚未決定是否需要中山聖馬丁開發貸款，並將密切關注重建的持續資金需求。關於建於該土地上的物業的分配，本集團將繼續擁有於合資協議日期在該土地上建造的若干建築物(包括廠房)(「現有建築物」)，以及向本集團出具的現有不動產權證中涵蓋的空置區域及路段。關於將建於目前空置的該土地若干部分的新建樓宇，本集團及華算分別有權獲得(i)新建樓宇總樓面面積；及(ii)新建樓宇產生的相應收入的20%及80%。倘現有建築物的若干部分根據重建遭拆除及重建，本集團有權(i)首先，獲得新建樓宇的若干樓面面積(相當於本集團不動產權證中涵蓋的已拆除的樓面面積)；及(ii)其次，額外獲得新建樓宇的剩餘總樓面面積的5%。向本集團作出上述分配後，華算有權獲得全部剩餘樓面面積。

有關合資協議及合資企業之詳情請參閱七月十九日及八月十日公告。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三年六月三十日止六個月

23. SUBSEQUENT EVENTS

Except for the JV Agreement entered on 19 July 2023 as disclosed on note 22, on 27 March 2023, the Company proposed to issue 738,242,235 rights shares by way of the Rights Issue, on the basis of three rights shares for every two shares held by the qualifying shareholders on the record date at the subscription price of HK\$0.12 per rights share to raise approximately HK\$88.6 million before expenses.

The Rights Issue was completed on 5 July 2023 and the net proceeds from the Rights Issue after deducting the relevant expenses was approximately HK\$84.6 million. The Company intended to apply the net proceeds from the Rights Issue for partial repayment of outstanding loans of the Company and general working capital of the Group. As at the date of this report, the Company had fully utilized the net proceeds in accordance with the said intention.

Details of the Rights Issue referred to the announcement of the Company dated 4 July 2023.

23. 期後事項

除附註22所披露於二零二三年七月十九日訂立的合資協議外，於二零二三年三月二十七日，本公司擬以供股方式發行738,242,235股供股股份，供股之基準為合資格股東於記錄日期每持有兩股股份獲配發三股供股股份，認購價為每股供股股份0.12港元，以籌集約88,600,000港元(扣除開支前)。

供股已於二零二三年七月五日完成，扣除相關開支後供股所得款項淨額約為84,600,000港元。本公司擬將供股所得款項淨額用於償還本公司部分未償還貸款及本集團一般營運資金。於本報告日期，本公司已按上述計劃全部用畢所得款項淨額。

供股詳情請參閱本公司日期為二零二三年七月四日的公告。



**SANDMARTIN INTERNATIONAL
HOLDINGS LIMITED**

聖馬丁國際控股有限公司*

