

第一季度報告 **2020**
First Quarterly Report

 中國創意
Creative China

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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8368

CHARACTERISTICS OF THE GEM (THE “GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

香港聯合交易所有限公司(「聯交所」)GEM(「GEM」)的特色

GEM的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。**GEM**的較高風險及其他特色表示**GEM**較適合專業及其他老練投資者。

由於**GEM**上市公司新興的性質所然，在**GEM**買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時無法保證在**GEM**買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所**GEM**證券上市規則(「**GEM**上市規則」)之規定而提供有關中國創意控股有限公司(「本公司」)的資料。本公司各董事(「董事」)願就本報告共同及個別承擔全部責任，並於作出一切合理查詢後，確認就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成份；及並無遺漏任何其他事項致使本報告所載任何聲明或本報告產生誤導。

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2020, together with the unaudited comparative figures for the corresponding period in 2019, as follows:

本公司之董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱為「本集團」)截至二零二零年三月三十一日止三個月之未經審核簡明綜合業績連同二零一九年同期之未經審核比較數字如下：

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

未經審核簡明綜合全面收益表

For the three months ended 31 March 2020
截至二零二零年三月三十一日止三個月

		Three months ended 31 March	
		截至三月三十一日止三個月	
		2020	2019
		二零二零年	二零一九年
Notes		RMB'000	RMB'000
附註		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(Re-presented)	
		(重列)	
	Revenue	1,192	2,310
	Direct costs	(823)	(3,389)
	Gross profit/(loss)	369	(1,079)
	Other income	10	94
	Other gains and losses	12	257
	Selling and distribution costs	(554)	(1,132)
	Administrative expenses	(3,149)	(4,356)
	Loss from continuing operations	(3,312)	(6,216)
	Finance cost	(68)	-
	Loss before income tax	(3,380)	(6,216)
	Income tax credit	-	-
	Loss for the period from continuing operations	(3,380)	(6,216)
	Discontinued operation		
	Loss for the period from discontinued operation	-	(822)
	Loss for the period	(3,380)	(7,038)

		Three months ended 31 March	
		截至三月三十一日止三個月	
		2020	2019
		二零二零年	二零一九年
Notes		RMB'000	RMB'000
附註		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(Re-presented)	
		(重列)	
Other comprehensive loss that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之其他全面虧損：		
Exchange differences of translating foreign operations	換算海外業務的匯兌差額	(115)	(22)
Total comprehensive loss for the period	期內全面虧損總額	(3,495)	(7,060)
Loss for the period attributable to:	應佔期內虧損：		
Owners of the Company	本公司擁有人		
– from continuing operations	– 持續經營業務	(3,348)	(6,085)
– from discontinued operation	– 已終止經營業務	-	(209)
		(3,348)	(6,294)
Non-controlling interests	非控股權益		
– from continuing operations	– 持續經營業務	(32)	(131)
– from discontinued operation	– 已終止經營業務	-	(613)
		(32)	(744)
		(3,380)	(7,038)
Total comprehensive loss for the period attributable to:	應佔期內全面虧損總額：		
Owners of the Company	本公司擁有人	(3,459)	(6,316)
Non-controlling interests	非控股權益	(36)	(744)
		(3,495)	(7,060)
Loss per share:	每股虧損：		
– Basic and diluted (RMB cents)	– 基本及攤薄(人民幣分)		
– from continuing operations	– 持續經營業務	(0.22)	(0.43)
– from discontinued operation	– 已終止經營業務	-	(0.01)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

For the three months ended 31 March 2020
截至二零二零年三月三十一日止三個月

	Share capital	Share premium	Other reserve	Reserves			Equity attributable to the owners of the Company		Non-controlling interests	Total
				Merger reserve	Foreign exchange reserve	Accumulated losses	本公司擁有人應佔權益	非控股權益		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2020 (audited)	11,788	158,096	5,362	9,300	(224)	(146,204)	38,118	(154)	37,964	
Issue of shares under placing (note 6)(i)	1,400	7,282	-	-	-	-	8,682	-	8,682	
Loss for the period	-	-	-	-	-	(3,348)	(3,348)	(32)	(3,380)	
Other comprehensive loss	-	-	-	-	(111)	-	(111)	(4)	(115)	
Total comprehensive loss for the period	-	-	-	-	(111)	(3,348)	(3,459)	(36)	(3,495)	
Balance at 31 March 2020 (unaudited)	13,188	165,378	5,362	9,300	(335)	(149,552)	43,341	(190)	43,151	
Balance at 1 January 2019 (audited)	11,788	158,096	5,362	9,300	(102)	(147,819)	36,625	3,116	39,741	
Loss for the period	-	-	-	-	-	(6,294)	(6,294)	(744)	(7,038)	
Other comprehensive loss	-	-	-	-	(22)	-	(22)	-	(22)	
Total comprehensive loss for the period	-	-	-	-	(22)	(6,294)	(6,316)	(744)	(7,060)	
Balance at 31 March 2019 (unaudited)	11,788	158,096	5,362	9,300	(124)	(154,113)	30,309	2,372	32,681	

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

1. CORPORATE INFORMATION

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

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

1. 公司資料

本公司乃於二零一三年十一月一日在開曼群島註冊成立的有限公司。註冊辦事處地址為Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其中華人民共和國(「中國」)之主要業務地址位於中國北京朝陽區向軍南里2巷甲5號雨霖大廈19層1901室，而香港主要業務地址位於香港上環干諾道中128號豫泰商業大廈23樓。

本公司主要活動為投資控股，而其附屬公司主要從事提供傳統電視節目製作、連續劇版權發行及許可相關服務、演唱會及活動籌辦服務、移動直播服務及電商服務、娛樂內容付費點播系統服務(於截至二零一九年十二月三十一日止年度終止經營)及藝人經紀業務。

2. BASIS OF PRESENTATION

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

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

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

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

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

2. 呈列基準

綜合財務報表已根據香港會計師公會頒佈的所有適用香港財務報告準則、香港會計準則及詮釋(以下統稱為「香港財務報告準則」)及香港公司條例之披露規定而編製。

此外，財務報表亦載列GEM上市規則所規定之適用披露事項。

未經審核簡明綜合財務業績已按歷史成本的基準編製。

未經審核簡明綜合業績以本公司及其附屬公司之功能貨幣人民幣(「人民幣」)呈列，除另有指明外，所有價值均四捨五入至最接近之人民幣千元。

編製未經審核簡明綜合業績所應用之會計政策與編製本集團截至二零一九年十二月三十一日止年度之年度綜合財務報表時所採納者一致，惟本集團已採納多項於回顧期內新生效之新訂或經修訂香港財務報告準則。採納該等新訂或經修訂香港財務報告準則毋須對重要會計政策作出變更及對本期間的財務業績並無重大影響。同時，毋須對過往期間作出調整。

2. BASIS OF PRESENTATION (CONTINUED)

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

The unaudited condensed consolidated results have been reviewed by the audit committee of the Board (the "Audit Committee").

3. REVENUE

Turnover of the Group represents revenue generated from (i) program production and related services, (ii) concert and event organisation and related services, (iii) mobile live broadcasting and e-commerce and related services, (iv) entertainment contents on demand system and related services (discontinued during the year ended 31 December 2019) and (v) artist management and related services. The amounts of each significant category of revenue recognised in turnover during the period are as follows:

2. 呈列基準(續)

本集團於編製此等未經審核簡明綜合業績時並無應用或提早採納與本集團相關的已頒佈但尚未生效的新訂或經修訂香港財務報告準則(包括其後續修訂)。本集團現正評估首次採用該等新訂或經修訂香港財務報告準則之影響，惟仍未能確定該等新訂或經修訂香港財務報告準則會否對其營運業績及財務狀況構成任何重大影響。預計所有頒佈之準則將於其首次生效時之會計期間納入本集團之會計政策。

未經審核簡明綜合業績已由董事會之審核委員會(「審核委員會」)審閱。

3. 收入

本集團營業額指(i)節目製作及相關服務、(ii)演唱會及活動籌辦及相關服務、(iii)移動直播及電商及相關服務、(iv)娛樂內容付費點播系統及相關服務(於截至二零一九年十二月三十一日止年度終止經營)，及(v)藝人經紀業務及相關服務產生之相關收入。於期內在營業額確認的各主要收入類別的款額如下：

3. REVENUE (CONTINUED)

3. 收入(續)

		Three months ended 31 March 截至三月三十一日止三個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(Re-presented)	
		(重列)	
Continuing operations	持續經營業務		
Program production and related income	節目製作及相關收入	-	-
Concert and event organisation and related services income	演唱會及活動籌辦及相關服務收入	1,169	2,310
Mobile live broadcasting and e-commerce and related income	移動直播及電商及相關收入	-	-
Artist management and related income	藝人經紀及相關收入	23	-
		1,192	2,310
Discontinued operation	已終止經營業務		
Entertainment contents on demand system and related income	娛樂內容付費點播系統及相關收入	-	3,090
		1,192	5,400

4. INCOME TAX CREDIT

4. 所得稅抵免

		Three months ended 31 March 截至三月三十一日止三個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Continuing operations	持續經營業務		
Current tax – the PRC – provision for the period	即期稅項－中國 －期內撥備	-	-
Deferred tax	遞延稅項	-	-
		<u>-</u>	<u>-</u>

PRC enterprise income tax is calculated at 25% (2019: 25%) on the estimated assessable profits during the period.

中國企業所得稅乃以期內之估計應課稅溢利按25%(二零一九年: 25%)計算。

5. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 31 March 2020 (2019: nil).

5. 股息

董事不建議就截至二零二零年三月三十一日止三個月派發任何股息(二零一九年: 無)。

6. LOSS PER SHARE

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

6. 每股虧損

本公司普通股權持有人應佔每股基本及攤薄虧損乃根據以下數據計算:

		Three months ended 31 March 截至三月三十一日止三個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loss for the purposes of basic loss per share	就每股基本虧損而言 之虧損		
– Continuing operations	– 持續經營業務	(3,348)	(6,085)
– Discontinued operation	– 已終止經營業務	-	(209)
		<u>(3,348)</u>	<u>(6,294)</u>

6. LOSS PER SHARE (CONTINUED)

6. 每股虧損(續)

		Three months ended 31 March 截至三月三十一日止三個月	
		2020	2019
		二零二零年	二零一九年
		'000	'000
		千股	千股
Number of shares	股份數目		
Issued ordinary shares of 1 January	於一月一日的 已發行普通股	1,423,513	1,423,513
Effect of issuance of shares under placing (note (i))	根據配售發行股份之影響 (附註(i))	119,851	-
Weighted average number of ordinary shares (note (ii))	普通股加權平均數 (附註(ii))	1,543,364	1,423,513

Note:

- (i) On 23 January 2020, pursuant to the subscription agreement entered into between the Company and Mr. Wu Jian ("Mr. Wu", an independent third party of the Company under GEM Listing Rules) on 10 January 2020 (the "Subscription Agreement"), the Company completed the issuance of 158,064,516 new ordinary shares of the Company (with aggregate nominal value of HK\$1,580,645.16) (the "Subscription Share(s)") to Mr. Wu at the subscription price of HK\$0.062 (the "Subscription Price") per Subscription Share (the "Subscription"). The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Subscription Agreement was HK\$0.075. The gross proceeds from the Subscription is HK\$9,800,000 and the net proceeds from the Subscription is approximately HK\$9,790,000 after deducting the related expenses. The net issue price was approximately HK\$0.062 per Subscription Share. Upon the completion of the Subscription, Mr. Wu owns 158,064,516 ordinary shares of the Company, representing approximately 9.99% of the issued share capital immediately after the completion of the Subscription. The Directors consider that the Subscription represents a good opportunity to raise funds for the development and production of serial programs which the Company has entered into and to strengthen the capital base of the Company.
- (ii) Diluted loss per share was the same as basic loss per share as there were no potential dilutive ordinary shares outstanding for the three months ended 31 March 2020 and 2019.

附註:

- (i) 於二零二零年一月二十三日，本公司根據於二零二零年一月十日與吳健先生(「吳先生」，根據GEM上市規則為本公司獨立第三方)簽訂的認購協議(「認購協議」)，完成了按每股認購股份0.062港元的認購價(「認購價」)發行158,064,516股總面值為1,580,645.16港元的本公司新普通股(「認購股份」)予吳先生(「認購事項」)。於認購協議日期，本公司普通股在聯交所報之收市價為0.075港元。認購事項之所得款項總額為9,800,000港元，經扣除相關開支後，認購事項之所得款項淨額約為9,790,000港元。每股認購股份的淨發行價約0.062港元。於認購事項完成後，吳先生持有158,064,516股本公司普通股，佔本公司於緊隨認購事項完成後之已發行股本約9.99%。董事認為認購事項可籌集資金以供本公司發展及製作已簽訂之連續劇，同時可加強本公司的資本儲備。
- (ii) 每股攤薄虧損與每股基本虧損相同，因截至二零二零年及二零一九年三月三十一日止三個月均無發行在外之潛在攤薄普通股。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

Revenue of the Group for the three months ended 31 March 2020 amounted to approximately RMB1.2 million, representing an decrease of approximately 47.8% as compared to that recorded for the three months ended 31 March 2019 of approximately RMB2.3 million. The Revenue was mainly generated from concert and event organisation and artist management segments. The decrease in revenue mainly due to the pandemic of coronavirus disease ("COVID-19") and enforcement on prohibition of group gathering in the rest of the world.

Gross profit/(loss)

The gross profit for the three months ended 31 March 2020 amounted to approximately RMB0.4 million, while the Group recorded gross loss of approximately RMB1.1 million during the three months ended 31 March 2019. Gross profit was being recorded during the three months ended 31 March 2020 was mainly due to an event and jobs were being organised and arranged for our world champion athletes in early 2020.

Expenses

Selling and distribution costs for the three months ended 31 March 2020 was approximately RMB0.6 million, which represented a decrease by approximately 51.1% as compared to the corresponding period in last year. The selling and distribution costs incurred for the three months ended 31 March 2020 were mainly for the maintenance of the mobile live broadcasting segment.

Administrative expenses for the three months ended 31 March 2020 amounted to approximately RMB3.1 million (three months ended 31 March 2019: approximately RMB4.4 million), representing a decrease of approximately 27.7% as compared to the corresponding period in last year. The cost control is mainly due to the pandemic of COVID-19 and enforcement on prohibition of group gathering in the rest of the world.

財務回顧

收入

截至二零二零年三月三十一日止三個月本集團錄得約人民幣1.2百萬元之收入，較截至二零一九年三月三十一日止三個月的約人民幣2.3百萬元減少約47.8%。收入主要來自演唱會及活動籌辦及藝人經紀業務方面。收入減少主要由於新冠肺炎(「新冠肺炎」)大規模流行及全球實施限制聚集令。

毛利／(損)

截至二零二零年三月三十一日止三個月錄得約人民幣0.4百萬元之毛利，而截至二零一九年三月三十一日止三個月則錄得約人民幣1.1百萬元的毛損。截至二零二零年三月三十一日止三個月錄得的毛利主要由於在二零二零年初籌辦了一項活動及為世界冠軍運動員籌辦及安排了一些工作。

開支

截至二零二零年三月三十一日止三個月，銷售及分銷成本約為人民幣0.6百萬元，較去年同期減少約51.1%。截至二零二零年三月三十一日止三個月產生的銷售及分銷成本主要為移動直播分部的維護。

截至二零二零年三月三十一日止三個月的行政開支約人民幣3.1百萬元(截至二零一九年三月三十一日止三個月：約人民幣4.4百萬元)，較去年同期減少約27.7%。主要原因就新冠肺炎大規模流行及全球實施限制聚集令影響下的成本控制。

FINANCIAL REVIEW (CONTINUED)

Income tax credit

The Group had recorded neither income tax credit nor income tax expense for the three months ended 31 March 2020. There are no provision of Hong Kong profits tax and PRC enterprise income tax for the three months ended 31 March 2020 and 2019 as no subsidiaries of the Company located in Hong Kong and the PRC have recorded taxable profit during both periods. PRC enterprise income tax for the subsidiaries incorporated in the PRC and Hong Kong profits tax for the subsidiaries incorporated in Hong Kong is calculated at 25% and 16.5% respectively on taxable profit of relevant period in accordance with the relevant laws and regulations.

Loss for the period

Loss for the three months ended 31 March 2020 was approximately RMB3.4 million (three months ended 31 March 2019: RMB7.0 million). The significant decrease in net loss after tax was mainly because the gross profit derived from the concert and event organisation, and artist management segments.

USE OF PROCEED

Disposal of 19.25% of equity interest of Capital Land Digital Entertainment Co. Ltd

On 28 August 2019, the Group entered into equity transfer agreements with three different purchasers for the disposal of 19.25% of equity interest of Capital Land Digital Entertainment Co. Ltd., and the disposal was completed on 31 December 2019. The total consideration in cash was RMB15,400,000 and the net proceeds was amounted to RMB14,735,000. As at 31 March 2020, the net proceeds from Disposal has been utilised as follows:

- approximately RMB4,635,000 has been utilised to finance the production of TV serial programmes

財務回顧(續)

所得稅抵免

本集團於截至二零二零年三月三十一日止三個月並無錄得所得稅抵免或所得稅開支。由於截至二零二零年及二零一九年三月三十一日止三個月本公司位於香港及中國的附屬公司概無錄得應課稅溢利，因此兩個期間內並無任何香港利得稅及中國企業所得稅的撥備。於中國註冊成立的附屬公司的中國企業所得稅及於香港註冊成立的附屬公司的香港利得稅乃根據相關法律及法規按有關期間之應課稅溢利分別按25%及16.5%計算。

期內虧損

截至二零二零年三月三十一日止三個月的期內虧損約人民幣3.4百萬元(截至二零一九年三月三十一日止三個月：人民幣7.0百萬元)。除稅後淨虧損大幅減少主要由於來自演唱會及活動籌辦及藝人經紀分部的毛利。

所得款項用途

出售19.25%之京江南數娛(北京)科技有限公司股權

於二零一九年八月二十八日，本集團與三名買方簽訂股權轉讓協議以出售19.25%之京江南數娛(北京)科技有限公司股權及該出售事項已於二零一九年十二月三十一日完成。現金代價總額為人民幣15,400,000元及所得款項淨額為人民幣14,735,000元。於二零二零年三月三十一日，出售事項所得款項淨額已作下列用途：

- 約人民幣4,635,000元已用於支付製作電視連續劇節目

USE OF PROCEED (CONTINUED)

Disposal of 19.25% of equity interest of Capital Land Digital Entertainment Co. Ltd (Continued)

- approximately RMB3,140,000 has been utilised to pay for concert organisation expenses
- approximately RMB4,951,000 million has been utilised for repayment of shareholders' loan

The remaining of approximately RMB2,000,000 will be used in paying for concert organisation expenses.

The details of the Disposal can be referred to the circular of the Company dated 24 September 2019.

Share subscription

On 23 January 2020, pursuant to the subscription agreement entered into between the Company and Mr. Wu Jian ("Mr. Wu", an independent third party of the Company under GEM Listing Rules) on 10 January 2020 (the "Subscription Agreement"), the Company completed the issuance of 158,064,516 new ordinary shares of the Company (with aggregate nominal value of HK\$1,580,645.16) (the "Subscription Share(s)") to Mr. Wu at the subscription price of HK\$0.062 (the "Subscription Price") per Subscription Share (the "Subscription"). The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Subscription Agreement was HK\$0.075. The gross proceeds from the Subscription is HK\$9,800,000 and the net proceeds from the Subscription is approximately HK\$9,790,000 after deducting the related expenses. The net issue price was approximately HK\$0.062 per Subscription Share. Upon the completion of the Subscription, Mr. Wu owns 158,064,516 ordinary shares of the Company, representing approximately 9.99% of the issued share capital immediately after the completion of the Subscription. The Directors consider that the Subscription represents a good opportunity to raise funds for the development and production of serial programs which the Company has entered into and to strengthen the capital base of the Company. As at 31 March 2020, the net proceeds from the Subscription has been utilised as follows:

所得款項用途(續)

出售19.25%之京江南數娛(北京)科技有限公司股權(續)

- 約人民幣3,140,000元已用於支付演唱會籌辦費用
- 約人民幣4,951,000元已用於償還股東貸款

餘額約人民幣2,000,000元將用於支付演唱會籌辦費用。

有關出售事項的詳情可參閱本公司於二零一九年九月二十四日發出之通函。

股份認購事項

於二零二零年一月二十三日，本公司根據於二零二零年一月十日與吳健先生(「吳先生」，根據GEM上市規則為本公司獨立第三方)簽訂的認購協議(「認購協議」)，完成了按每股認購股份0.062港元的認購價(「認購價」)發行158,064,516股總面值為1,580,645.16港元的本公司新普通股(「認購股份」)予吳先生(「認購事項」)。於認購協議日期，本公司普通股在聯交所所報之收市價為0.075港元。認購事項之所得款項總額為9,800,000港元，經扣除相關開支後，認購事項之所得款項淨額約為9,790,000港元。每股認購股份的淨發行價約0.062港元。於認購事項完成後，吳先生持有158,064,516股本公司普通股，佔本公司於緊隨認購事項完成後之已發行股本約9.99%。董事認為認購事項可籌集資金以供本公司發展及製作已簽訂之連續劇，同時可加強本公司的資本儲備。於二零二零年三月三十一日，認購事項所得款項淨額已用作下列用途：

USE OF PROCEED (CONTINUED)

Share subscription (Continued)

- approximately HK\$5,354,000 has been utilised to finance the production of TV serial programmes
- approximately HK\$774,000 has been utilised to pay for concert organisation expenses
- approximately HK\$1,880,000 has been utilised for general working capital of the Company

The remaining of approximately HK\$1,782,000 will be used in paying for concert organisation expenses.

BUSINESS REVIEW AND PROSPECTS

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

Program production and related services

The Group has not recorded revenue in program production and related services for the three months ended 31 March 2020. During the period, amid the pandemic of COVID-19, activities have been shut down in the entertainment production sector.

During the Year 2019, the Group has entered into agreements in relation to production, licensing and distribution of serial programs: (1) an exclusive distribution agency agreement with a film and television production company for a serial program totaling 45 episodes; (2) a joint development and production agreement with a PRC media company in Year 2020 for a top-rated South Korean TV serial program and our Group has controlling interest in this program; (3) an exclusive adaptation right agreement with a Korean TV station authorised media company for a TV serial program; and (4) an investment in one of the serial program on list for celebration of the 70th anniversary of the PRC. The Group has also entered into a cooperation agreement with a PRC television video production company, which specialized in creation of intellectual property rights in drama program, in order to secure more resources for potential production of serial programs, online dramas and movies.

所得款項用途(續)

股份認購事項(續)

- 約5,354,000港元已用於支付製作電視連續劇節目
- 約774,000港元已用於支付演唱會籌辦費用
- 約1,880,000港元已用作本公司一般營運資金

餘額約1,782,000港元將用於支付演唱會籌辦費用。

業務回顧及展望

本集團主要從事(i)節目製作及相關服務；(ii)演唱會及活動籌辦；(iii)移動直播及電商；及(iv)藝人經紀業務。

節目製作及相關服務

本集團於截至二零二零年三月三十一日止三個月並無錄得節目製作及相關服務收入。主要由於新冠肺炎肆虐，本公司從事之娛樂行業於該時段停止運作。

於二零一九年度內，本集團已就連續劇製作、播放和發行訂立協議：(1)與影視製作公司簽訂獨家經銷一部共45集的連續劇協議；(2)於二零二零年度與某中國影視劇製作公司就一部具有極高收視率的韓國電視連續劇共同開發及製作協議；(3)與一間韓國電視台的授權機構就一部電視劇訂立獨家改編權協議；及(4)投資一部已被中國國家廣播總局收錄為七十週年國慶獻禮電視劇片單的連續劇。本集團亦已與一間從事連續劇知識產權創造的中國影視製作公司訂立合作協議，以在未來獲得更多電視劇、網絡劇及電影製作的潛在資源和儲備。

BUSINESS REVIEW AND PROSPECTS (CONTINUED)

Program production and related services (Continued)

Subject to the pandemic of COVID-19, the Group is planning to generate more revenue from our serial programs from licensing of broadcasting rights to TV stations and major online video platforms in the PRC.

Concert and event organization

The revenue from concert and event organisation segment for three months ended 31 March 2020 was decreased from approximately RMB2.3 million to approximately RMB1.2 million (approximately 47.8%), which was mainly due to pandemic of COVID-19 and enforcement on prohibition of group gathering in the rest of the world, therefore there is no concert being organised during the period.

The Group has entered into agreements with certain Korean pop singers and a renowned top league PRC singer to organize concerts in 2020 and 2021. Subject to the situation of the COVID-19 pandemic, the Group expects there will be further postpone of certain concerts to the fourth quarter of 2020 or even to early 2021. The Group is also in negotiation with the feasibility to go online concerts with the artists.

Mobile live broadcasting and e-commerce

The Group has not recorded revenue from mobile live and e-commerce segment in the three months ended 31 March 2020 and the same period of last year. The Group expects it is a temporary effect regarding the transition period of restructuring of this segment.

The management is studying the feasibility to optimise the exclusive operational rights (custodial agreement of the mobile application entered in May 2019) of "Aiwoo" (an APP to provide online fans and stars with the tools necessary to engagement and interaction) by organising online concerts or events.

業務回顧及展望(續)

節目製作及相關服務(續)

新冠肺炎疫情，本集團正積極計劃透過向中國的電視台及主要網絡視頻平台授出連續劇播放權為集團產生更多收入。

演唱會及活動籌辦

截至二零二零年三月三十一日止三個月演唱會及活動籌辦收入由約人民幣2.3百萬元減少至約人民幣1.2百萬元(約47.8%)，主要由於新冠肺炎大規模流行及全球實施限制聚集令，演唱會沒能於期內籌備。

本集團已與若干韓國流行歌手及中國一位知名頂尖歌手訂立協議，於二零二零年至二零二一年籌辦演唱會。視乎新冠肺炎的疫情情況，本集團預期若干演唱會將進一步推遲至二零二零年第四季度或甚至二零二一年年初。本集團亦正與藝人就舉行網絡演唱會的可行性進行磋商。

移動直播及電商

於截至二零二零年三月三十一日止三個月及去年同期，本集團並無錄得移動直播及電商業務收入。本集團預期此乃重組該分部的調整期的暫時性影響。

管理層正在研究透過優化獨家經營權(於二零一九年五月簽訂移動應用程式的運營委託協議)的「Aiwoo」(一個為在綫粉絲和明星提供參與及互動所需的互聯網工具的應用程式)來籌辦網絡演唱會的可行性。

BUSINESS REVIEW AND PROSPECTS (CONTINUED)

Artist management

The revenue for the three months ended 31 March 2020 was approximately RMB23,000 as compared to no revenue from the same period of last year. The Group has entered into contracts in early 2020, however, due to the postpone of 2020 Summer Tokyo Olympics, only a partial will be recognized. However, the Group expects the commercial value of world champion athletes will be considerably increased accordingly.

The Group has also entered into an artist agency agreement with a renowned Chinese male actor and singer. The Group believes that he will bring considerable benefits to the Group. Our Group will continue to seek for opportunities between our artists and customers or brands, as well as managing and promoting our artists and/or athletic artists in order to bring more value to the Group.

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

業務回顧及展望(續)

藝人經紀業務

截至二零二零年三月三十一日止三個月的收入約為人民幣23,000元，而去年同期並無錄得收入。本集團於二零二零年初已訂立多份合約，然而，由於二零二零年夏季東京奧運會推遲，僅履行部分合約。然而，本集團預計，世界冠軍運動員的商業價值將隨之提升。

本集團亦已獲得與一名著名中國男演員兼歌手簽訂藝人經紀代理協議。本集團認為彼將會為本集團帶來可觀的收入。本集團將繼續尋求藝人與客戶或品牌之間的機遇，以及管理及推廣我們的藝人及／或體育明星，以為本集團帶來更多價值。

儘管於二零二零年本集團業務面臨各種外來挑戰，本集團將致力改善並在具有豐富經驗的管理層領導下克服種種挑戰。在我們現時探索的多項商機支持下，本集團認為我們的業務將持續改善。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債券中的權益及淡倉

As at 31 March 2020, the interest and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

於二零二零年三月三十一日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

(i) Long positions in ordinary shares of the Company

(i) 於本公司普通股的好倉

Name of Director	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
董事名稱	權益性質	股份數目	
Goldbless International Limited ("Goldbless") 金美國際有限公司(「金美」)	Beneficial owner (note) 實益擁有人(附註)	382,500,000	24.18
Mr. Wang Yong 汪勇先生	Interest of controlled corporation (note) 於受控法團權益(附註)	382,500,000	24.18

Notes:

The entire issued share capital of Goldbless is owned by Mr. Wang Yong. Under the SFO, Mr. Wang Yong is deemed to be interested in all the shares registered in the name of Goldbless.

附註:

金美的全部已發行股本由汪勇先生擁有。根據證券及期貨條例，汪勇先生被視為於以金美名義登記的所有股份中擁有權益。

(ii) Long positions in ordinary shares of US\$1.00 each in Youth Success Holdings Limited (“Youth Success”)

(ii) 於Youth Success Holdings Limited (「Youth Success」) 每股面值1.00美元普通股的好倉

Name of Director 董事名稱	Number of shares 股份數目	Percentage of shareholding 股權百分比
Mr. Philip Jian Yang (note 1) 楊劍先生(附註1)	1,273	12.73
Ms. Yang Jianping (note 2) 楊建平女士(附註2)	150	1.50
Mr. Yang Shiyuan (note 3) 楊世遠先生(附註3)	148	1.48

Notes:

1. Mr. Philip Jian Yang holds the shares of Youth Success through Ever Ring Holdings Limited which is wholly-owned by him.
2. Ms. Yang Jianping holds the shares of Youth Success through Rich Promise Investments Limited which is wholly-owned by her.
3. Mr. Yang Shiyuan holds the shares through State Trade Global Limited which is wholly-owned by him.

附註:

1. 楊劍先生透過其全資擁有的恆永控股有限公司持有Youth Success的股份。
2. 楊建平女士透過其全資擁有的富諾投資有限公司持有Youth Success的股份。
3. 楊世遠先生透過其全資擁有的State Trade Global Limited持有Youth Success的股份。

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

除上文所披露者外，於二零二零年三月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

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

As at 31 March 2020, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零二零年三月三十一日，根據證券及期貨條例第336條須存置的登記冊所記錄，下列人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有權益或淡倉：

(i) Long positions in ordinary shares of the Company

(i) 於本公司普通股的好倉

Name of Shareholder 股東名稱	Capacity and nature of interest 權益性質	Number of shares 股份數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Youth Success	Beneficial owner ^(note 1) ; deemed interest under shareholders voting agreement ^(note 1) 實益擁有人 ^(附註1) ；根據股東投票協議被視為擁有權益 ^(附註1)	866,868,000	54.81
Guang Rui Investments Limited ("Guang Rui") 光瑞投資有限公司(「光瑞」)	Beneficial owner; interest in controlled corporation ^(note 1) ; deemed interest under shareholders voting agreement ^(note 1) 實益擁有人；於受控法團權益 ^(附註1) ；根據股東投票協議被視為擁有權益 ^(附註1)	879,840,000	55.63
Mr. Yang Shaoqian ("Mr. Yang") 楊紹謙先生(「楊先生」)	Interest in controlled Corporation ^(note 1) ; interest of spouse ^(note 2) ; deemed interest under shareholders voting agreement ^(note 1) 於受控法團權益 ^(附註1) ；配偶權益 ^(附註2) ；根據股東投票協議被視為擁有權益 ^(附註1)	879,840,000	55.63
Ms. Mu Sufang ("Ms Mu") 牟素芳女士(「牟女士」)	Interest in controlled Corporation ^(note 1) ; interest of spouse ^(note 2) ; deemed interest under shareholders voting agreement ^(note 1) 於受控法團權益 ^(附註1) ；配偶權益 ^(附註2) ；根據股東投票協議被視為擁有權益 ^(附註1)	879,840,000	55.63
Mr. Wu Jian 吳建先生	Beneficial owner 實益擁有人	158,064,516	9.99

Notes:

1. *Youth Success and Guang Rui owns 406,890,000 shares and 12,972,000 shares respectively, representing 28.58% and 0.91% of the issued share capital of the Company. The issued share capital of Youth Success is legally and beneficially owned as to 83.54% by Guang Rui. Under the SFO, Guang Rui is deemed to be interested in all the Shares registered in the name of Youth Success. The entire issued share capital of Guang Rui is legally and beneficially owned as to 60% by Mr. Yang and 40% by Ms. Mu. By virtue of the shareholders voting agreement entered into by Mr. Yang, Ms. Mu, Youth Success, Mr. Li Lin, Alpha Master, Ms. Yang Qi, Qiao Tian Limited ("Qiao Tian"), Mr. Wang Yong and Goldbless, Youth Success is deemed to be interested in the Shares held by Alpha Master, Qiao Tian and Goldbless in aggregate by virtue of the SFO.*
2. *Ms. Mu is the spouse of Mr. Yang, therefore she is deemed to be interested in all the Shares in which Mr. Yang is deemed to be interested, and vice versa.*

Save as disclosed above, as at 31 March 2020, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2020.

SHARE OPTION SCHEME

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

附註:

1. *Youth Success及光瑞分別擁有406,890,000股及12,972,000股股份，佔本公司已發行股本28.58%及0.91%。Youth Success的已發行股本由光瑞合法及實益擁有83.54%。根據證券及期貨條例，光瑞被視為於Youth Success名義登記的所有股份中擁有權益。光瑞的全部已發行股本由楊先生及牟女士分別合法及實益擁有60%及40%。根據楊先生、牟女士、Youth Success、黎霖先生、Alpha Master、楊琪女士、翹天有限公司(「翹天」)、汪勇先生及金美訂立的股東投票協議，Youth Success依據證券及期貨條例被視為於Alpha Master、翹天及金美合共持有的股份中擁有權益。*
2. *牟女士為楊先生的配偶，因此，彼被視為於楊先生被視為擁有權益的所有股份中擁有權益，反之亦然。*

除上文所披露者外，於二零二零年三月三十一日，概無於本公司股份或相關股份的其他權益或淡倉記錄在本公司根據證券及期貨條例第336條須存置的登記冊內。

購買、出售或贖回本公司上市證券

截至二零二零年三月三十一日止三個月，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。

購股權計劃

本公司已於二零一五年十一月三日採納購股權計劃(「購股權計劃」)，除另有註銷或修訂外，該計劃將於其獲採納日期起計的10年維持有效。購股權計劃使本公司可向合資格人士(包括本集團任何執行董事、非執行董事、獨立非執行董事及顧問)(「合資格人士」)授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。自本公司採納購股權計劃以來，購股權計劃項下概無購股權獲授出、行使、屆滿或失效，且亦無未行使購股權。

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option schemes adopted by the Group from time to time (the "Other Schemes") must not, in aggregate, exceed 10% of the shares of the Company in issue of as at 18 November 2015 (the "Listing Date"), the date which the Company listed on the GEM of the Stock Exchange (the "Scheme Mandate Limit") provided that the share options lapsed in accordance with the terms of the Shares Option Scheme or Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,200,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 120,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date and 7.59% of the shares of the Company in issue as at the date of this report.

The total number of shares of the Company issued and to be issued upon exercise of the share options granted to each Eligible Person under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the shares of the Company in issue from time to time, and provided that if approved by shareholders of the Company in general meeting with such Eligible Person and his associates abstaining from voting, the Company may make a further grant of share options to such Eligible Person (the "Further Grant") notwithstanding that the Further Grant would result in the shares of the Company issued and to be issued upon exercise of all share options granted and to be granted under the Share Option Scheme and Other Schemes to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares of the Company in issue from time to time.

Upon acceptance of the share option, the Eligible Person under the Share Option Scheme shall pay HK\$1.00 to the Company by way of consideration for the grant. The share option will be offered for acceptance for a period of 28 days from the date on which the share option is granted.

因根據購股權計劃及本集團不時採納的任何其他購股權計劃(「其他計劃」)將予授出的所有購股權獲行使而可發行的本公司股份總數合共不得超過二零一五年十一月十八日(「上市日期」)(本公司於聯交所GEM上市之日期)已發行本公司股份的10%(「計劃授權上限」),惟根據購股權計劃或其他計劃的條款失效的購股權將不會計入計劃授權上限。按上市日期已發行1,200,000,000股股份為基準計算,計劃授權上限將相等於120,000,000股股份,相當於上市日期已發行股份的10%及本報告日期本公司已發行股份的7.59%。

在任何十二個月期間,根據購股權計劃及其他計劃授予合資格人士的購股權(包括已行使及尚未行使購股權)獲行使後,已發行及將予發行的本公司股份總數不得超過不時已發行本公司股份的1%,惟倘本公司股東在股東大會(有關合資格人士及其聯繫人須放棄投票)批准後,本公司可向有關合資格人士授出額外購股權(「額外授出」),儘管額外授出購股權會導致在截至及包括額外授出當日12個月期間,根據購股權計劃及其他計劃已授予及將授予有關合資格人士的所有購股權(包括已行使、註銷及尚未行使購股權)獲行使後,已發行及將予發行本公司股份總數相當於不時已發行本公司股份的1%以上。

於接納購股權後,購股權計劃下合資格人士須支付1.00港元予本公司,作為獲授購股權的代價。購股權的接納期為授出購股權當日起計28日期間。

The subscription price for the shares of the Company subject to the Share Options Scheme will be a price determined by the Board and notified to each Eligible Person and shall be the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share options, which must be a trading day of the Stock Exchange; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days of the Stock Exchange immediately preceding the date of grant of the share options; and (iii) the nominal value of a share of the Company.

An share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Eligible Person provided that the period within which the share option must be exercised shall not be more than 10 years from the date of the grant of share option.

COMPETING INTERESTS

During the three months ended 31 March 2020, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) as at 31 March 2020 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

CORPORATE GOVERNANCE PRACTICES

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

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

受購股權計劃規限的本公司股份認購價將由董事會釐定，並知會各合資格人士，價格須為下列各項的最高者：(i)於授出購股權日期(必須為聯交所交易日)聯交所每日報價表所載的本公司股份收市價；(ii)於緊接授出購股權當日前五個聯交所交易日聯交所每日報價表所載的本公司股份平均收市價；及(iii)本公司股份面值。

本公司股份認購價將由董事會釐定，並知會各合資格人士，價格須為下列各項的最高者：(i)於授出購股權日期(必須為聯交所交易日)聯交所每日報價表所載的本公司股份收市價；(ii)於緊接授出購股權當日前五個聯交所交易日聯交所每日報價表所載的本公司股份平均收市價；及(iii)本公司股份面值。

在董事會決定及通知各合資格人士的期間內，可隨時根據購股權計劃的條款行使購股權，惟行使購股權的期間不得超出自授出購股權日期起計10年。

競爭權益

截至二零二零年三月三十一日止三個月，董事、本公司控股股東及彼等各各自之緊密聯繫人(定義見GEM上市規則)於二零二零年三月三十一日概無在任何與本集團業務直接或間接競爭或可能競爭的業務中擁有權益或與本集團有任何其他利益衝突。

企業管治常規

本公司董事會及管理層致力訂立良好的企業管治常規及程序。保持高標準的商業道德和企業管治常規一直是本集團的目標之一。本公司相信，良好的企業管治能為有效管理、成功達致業務增長及健康企業文化訂立框架，從而提升股東價值。

董事會已採納GEM上市規則附錄15所載企業管治守則(「企業管治守則」)。

The Board is pleased to report compliance with the code provisions of the CG Code for the three months ended 31 March 2020, except the following deviations (Code Provisions A.2.1, A.4.1 and C.2.5):

Chairman and Chief Executive Officer

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

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

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

Non-executive directors

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

Internal Audit Function

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

董事會欣然匯報，除以下偏離（企業管治守則之守則條文第A.2.1條、第A.4.1條及第C.2.5段）外，截至二零二零年三月三十一日止三個月期間一直符合企業管治守則的守則條文。

主席及行政總裁

楊劍先生為本公司董事會主席兼行政總裁，負責本集團整體營運、管理、業務發展及策略規劃。

主席亦領導董事會，鼓勵所有董事積極參與董事會事務，倡導公開及積極討論的文化，以確保其有效運作，維護本公司最佳利益。

董事會認為，雖然楊先生為主席兼行政總裁，但通過由具備豐富經驗的人士組成的董事會的運作及由董事會不時開會討論影響本公司營運的事宜，已確保權責平衡。

非執行董事

本公司非執行董事並無委任特定任期，惟彼等須根據細則於股東週年大會上輪席退任及重選。有關輪值退任之條文已設立確保所有董事須每三年至少輪值退任一次及合資格膺選連任之機制。

內部審核功能

本集團並無內部審核功能及認為根據目前本集團業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核功能。該情況將不時進行檢討。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the directors (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the directors, all the directors have complied with the Required Standard of Dealings throughout the three months ended 31 March 2020.

AUDIT COMMITTEE

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

The unaudited condensed consolidated results of the Company for the three months ended 31 March 2020 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that such unaudited condensed consolidated results comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

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

Hong Kong, 11 May 2020

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

董事進行證券交易

本公司已採納GEM上市規則第5.48至5.67條作為董事買賣本公司證券之行為守則（「交易必守標準」）。本公司於向董事作出特定查詢後確認，所有董事均於截至二零二零年三月三十一日止三個月期間遵守交易必守標準。

審核委員會

本公司已成立審核委員會，其書面職權範圍符合GEM上市規則第5.28至5.33條。審核委員會的主要職責為檢討及監督本集團的財務監控、內部監控及風險管理制度，並就本集團的財務申報事宜向董事會提供建議及意見。於本報告日期，審核委員會由三名獨立非執行董事組成，即邱欣源先生、傅躍紅女士及陳松光先生。

審核委員會已審閱本公司截至二零二零年三月三十一日止三個月的未經審核簡明綜合業績。審核委員會認為，有關未經審核簡明綜合業績符合適用會計準則、GEM上市規則及法定要求，並已作出足夠披露。

承董事會命
中國創意控股有限公司
主席兼執行董事
楊劍

香港，二零二零年五月十一日

於本報告日期，本公司董事會由執行董事楊劍先生及楊建平女士；非執行董事楊世遠先生、葛旭宇先生及汪勇先生；及獨立非執行董事傅躍紅女士、邱欣源先生及陳松光先生組成。

The logo consists of a stylized circular emblem with concentric rings in shades of blue, red, and yellow, resembling a globe or a creative spark.

中國創意
Creative China