

\* 僅供識別 For identification purposes only



# 2017

Annual Report  
年報



歡喜傳媒集團有限公司\*  
HUANXI MEDIA GROUP LIMITED

(於百慕達註冊成立之有限公司)  
(Incorporated in Bermuda with limited liability)  
股份代號 Stock Code : 1003

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## CORPORATE INFORMATION 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Dong Ping (*Chairman*)  
Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

#### Non-Executive Directors

Mr. Ning Hao  
Mr. Xu Zheng  
Mr. Gao Zhikai

#### Independent Non-Executive Directors

Mr. Su Tuong Sing, David  
Mr. Li Xiaolong  
Mr. Wong Tak Chuen

### AUDIT COMMITTEE

Mr. Wong Tak Chuen (*Chairman*)  
Mr. Gao Zhikai  
Mr. Su Tuong Sing, David

### REMUNERATION COMMITTEE

Mr. Su Tuong Sing, David (*Chairman*)  
Mr. Dong Ping  
Mr. Li Xiaolong

### NOMINATION COMMITTEE

Mr. Su Tuong Sing, David (*Chairman*)  
Mr. Dong Ping  
Mr. Li Xiaolong

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants

### PRINCIPAL BANKERS

Bank of Communications Co., Ltd.  
China Construction Bank Corporation  
DBS Bank (Hong Kong) Limited

### 董事會

#### 執行董事

董平先生 (*主席*)  
項紹琨先生 (*行政總裁*)

#### 非執行董事

寧浩先生  
徐崢先生  
高志凱先生

#### 獨立非執行董事

徐傳陞先生  
李小龍先生  
黃德銓先生

### 審核委員會

黃德銓先生 (*主席*)  
高志凱先生  
徐傳陞先生

### 薪酬委員會

徐傳陞先生 (*主席*)  
董平先生  
李小龍先生

### 提名委員會

徐傳陞先生 (*主席*)  
董平先生  
李小龍先生

### 核數師

德勤•關黃陳方會計師行  
執業會計師

### 主要往來銀行

交通銀行股份有限公司  
中國建設銀行股份有限公司  
星展銀行(香港)有限公司

## CORPORATE INFORMATION 公司資料

### LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law*  
Weil, Gotshal & Manges  
Robertsons

*As to Bermuda Law*  
Appleby

### REGISTERED OFFICE

Canon's Court, 22 Victoria Street  
Hamilton HM12, Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor  
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### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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### STOCK CODE

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### 公司法律顧問

香港法律  
威嘉國際律師事務所  
羅拔臣律師事務所

百慕達法律  
Appleby

### 註冊辦事處

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Hamilton HM12, Bermuda

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### 香港股份過戶登記分處

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皇后大道東183號  
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### 股份代號

1003

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### 投資者關係聯絡

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## CHAIRMAN'S STATEMENT 主席報告書

Dear Shareholders,

I am pleased to announce that Huanxi Media Group Limited (the "Company", together with its subsidiaries, the "Group") made significant development and progress in the past year. After forging cooperation agreements with several heavyweight film directors of different directorial styles, we continued to explore opportunities to work with more famous film directors, to jointly strengthen and enrich our film and TV production contents. During the year under review, several films completed shooting and are expected to hit the screen this year or early next year.

The Group also strived to develop and build an excellent online video platform, in the hope of becoming a media group that owns top film and TV production contents, the best planning and production teams, exclusive online broadcast right, as well as a self-operated online video platform. The Group actively developed its multimedia online platform "huanxi.com" (歡喜首映) during the year under review. The platform has had rounds of testing and improvement, and is expected to be officially launched this year.

### INDUSTRY OVERVIEW

Positive changes were seen in the film industry of China in 2017. The "Film Industry Promotion Law of the People's Republic of China" was announced and implemented, which will not only foster development of the film industry, but also is proof of the weight the film industry carries for the Central Government and that the government is keen at supporting and encouraging the healthy growth and prosperity of the industry. At the Chinese government's effort to crackdown on online content piracy, audiences have started to go back to the cinema. According to statistics of the Film Bureau of the State Administration of Press, Publication, Radio, Film and Television ("SAPPRFT"), the total box office receipt in the country in 2017 was RMB55.911 billion, up by 13.5% year-on-year, another double-digit climb since two years ago and an above RMB50 billion new record. The gap between box office receipt in China and North America is narrowing, meaning it will not be too long for China to become the largest film market in the world.

親愛的股東：

本人欣然報告歡喜傳媒集團有限公司(「本公司」，連同其附屬公司，統稱「本集團」)於過去一年的長足發展與進步。本集團成功與多名不同風格的重量級導演達成多項合作協定後，繼續積極發掘與知名導演合作的機會，共同為加強及豐富本集團的影視創作內容而努力。於回顧年內多部作品已連環殺青，預計將陸續在今年或明年年初上映。

本集團也致力開發及打造一個優質視頻網絡平台，藉此推動本集團成為一家集最頂尖影視作品內容、最精良策劃製作團隊、擁有線上獨家播放權、及自營視頻網路平台的傳媒集團。本集團於回顧年內積極推展多媒體在線平台「歡喜首映」，經過多番測試及改良後，預計「歡喜首映」將會在今年正式上線。

### 行業概覽

二零一七年見證了中國電影業喜人變化。《中華人民共和國電影產業促進法》頒布實施，不但促進電影產業繁榮發展，亦體現了中央政府對電影產業健康蓬勃發展的重視、扶持和鼓勵。隨著中國政府對網上盜版作品加強整治，觀眾回流電影院。國家新聞出版廣電總局(「國家廣電總局」)電影局發布的數據顯示，二零一七年全國電影總票房為人民幣559.11億元，同比增長13.5%，是相隔兩年後再次實現兩位數增長，而且超過人民幣500億元的新紀錄，進一步拉近中國與北美的票房差距，中國成為世界第一大電影市場指日可待。

## CHAIRMAN'S STATEMENT 主席報告書

At the same time as their number increases, movie goers are having more and more sophisticated preferences. This phenomenon has prompted film makers to cover a wide range of topics in their works. A blockbuster with an international perspective about the Chinese military, which grossed the highest box office receipt during the national day holiday, and a film about the life of members of an art troupe, all win the heart of audience. On top of Hollywood films, small and medium productions from India, Thailand and Spain also recorded satisfactory box office numbers and won acclaims, showing that audience are drawn to a film more by its quality and word-of-mouth, which means there is a growing market for quality productions.

Moreover, the number of viewers of videos on online platforms is growing rapidly. According to a China Internet Network Information Center report, as at the end of December 2017, there were 772 million internet users in China, and the country's internet penetration rate was 55.8%. According to the "2017 Consolidated Report on Information Dispatch" published by iResearch, China's online video platform market was worth over RMB90 billion, representing a 48.5% leap year-on-year, and online drama series managed particularly impressive growth. According to the "2017 Analysis Report of Development of Online Original Programs" (2017網絡原創節目發展分析報告) by the SAPPRFT, 206 online drama series were launched on the internet during the year, all together broadcasted 83.3 billion times, and 176 of them, or 85%, were Transactional Video on Demand ("TVOD"), and their video views made up 96% of the total. Supported by a rich supply of video content and advanced internet technology, TVOD is growingly popular among internet users in China, a trend that has kept boosting the price of online drama series, and high quality ones have a price tag of close to RMB10 million an episode.

在觀眾量增長的同時，中國觀眾對電影的口味愈見成熟，不同題材的電影百花齊放；既有具國際視野的軍事大片創出國慶檔期最高票房，平實的文工團生活文藝片也大受歡迎。除荷里活電影外，印度、泰國、西班牙的中小成本進口影片亦能叫好叫座，說明觀眾看重電影口碑和質量，優秀作品的市場空間日益擴大。

另一方面，透過網上視頻平台觀影的觀眾數量正迅速增長。中國互聯網絡信息中心報告顯示，二零一七年十二月底，中國網民規模達7.72億人次，互聯網普及率達到55.8%；艾瑞《2017年度數據發布集合報告》指，二零一七年中國線上視頻平台市場規模估算同比增長48.5%，將超過人民幣900億元，其中網劇的飛躍增長引人矚目。國家廣電總局《2017網絡原創節目發展分析報告》顯示，年內上線的網劇206部，播放總計833億次，付費劇佔176部，佔比高達85%，付費劇的播放量佔總播放量的96%。在豐富影視內容供應和先進互聯網技術的支持下，付費觀影廣為中國網民所接受，造就網劇價格不斷走高，高質量的網劇單集價格已迫近人民幣千萬元的水平。

## CHAIRMAN'S STATEMENT 主席報告書

### BUSINESS REVIEW

#### Enriching film reserve to achieve investments pay off

During the year under review, the Group cooperated with shareholder directors and contracted directors to produce many outstanding works. Our content production business developed steadily. Major projects proceeded as scheduled and will be released gradually. Among them, *Brotherhood of Blades II: The Infernal Battlefield* (繡春刀II•修羅戰場), directed by Lu Yang and produced by Ning Hao, hit main cinema circuits in July 2017. Apart from overseas distribution rights, the Group also owns exclusive broadcasting right of the film on new media. The sales of broadcasting right to some new media already brought impressive revenue contributions to the Group.

*Crazy Alien* (瘋狂的外星人), the third in the sci-fi comedic film series "Crazy", which has the Group as exclusive investor, is directed by Ning Hao and features two top comedians Huang Bo and Shen Teng in China. The "comedy movie trio" is expected to come up with a blockbuster comedy for audience in the country. With a top production team and strong capital support, *Crazy Alien* is expected to be released in early 2019, and open a new chapter for sci-fi comedy in China.

Moreover, *Nice to Meet You* (遇見你真好), screen-written based on an internet fiction (飛火流星) and directed by Gu Changwei, depicts the lives of several high school repeats, young and restless, and promises to bring back memories of innocent school days for the audience. It will be released in the first quarter of this year.

The Group also invested in *Us and Them* (後來的我們), which was produced by Zhang Yibai and is the directorial debut of famous Taiwanese singer Rene Liu, completed shooting at the end of last year and will be screened in the first half of this year.

The Group has invested in another new film *Dying to Survive* (我不是藥神) which is co-produced by Xu Zheng and Ning Hao, starring Xu Zheng and directed by Wen Muye, is expected to be released in the second half of this year.

### 業務回顧

#### 電影儲備積厚 投資成效初見

回顧年內，本集團積極與股東導演以及簽約導演合作大量優秀作品，我們穩步推進內容製作業務，多個主要項目如期製作，並將逐步上映。其中由路陽執導、寧浩監製的《繡春刀II•修羅戰場》已於二零一七年七月在中國內地主要院線上映，本集團擁有此作品的海外發行權及新媒體的獨家播映權，出售此作品的部份新媒體播映權已為本集團帶來不俗的收益貢獻。

由本集團獨資投資拍攝的「瘋狂」系列的第三部科幻喜劇電影——《瘋狂的外星人》，由寧浩與中國著名喜劇演員黃渤及沈騰組成國內頂級喜劇大片「鐵三角」陣容，為中國影迷引頸以待的年度喜劇大片。在優質創作團隊與雄厚資本的支持下，《瘋狂的外星人》預計於二零一九年初上映，相信能為國內科幻喜劇電影開創全新一章。

另外，顧長衛導演的《遇見你真好》，根據網絡小說《飛火流星》改編，劇情講述一群「高四」學生壓抑青春中的躁動時光，將引發觀眾對純真校園生活的追憶，預計將在今年第一季上映。

本集團有份投資的由張一白監製，台灣著名女歌手劉若英導演之處女作《後來的我們》於去年年底殺青，預計將於今年上半年與觀眾見面。

本集團投資的另一全新力作，由徐崢及寧浩聯合監製、由徐崢主演及文牧野導演的《我不是藥神》，預計於今年下半年與觀眾見面。

## CHAIRMAN'S STATEMENT 主席報告書

*Ash Is Purest White* (江湖兒女), the fifth long film by director Jia Zhangke, was shot in different places in the Yangtze River Delta, Shanxi and Xinjiang. It has high artistic value, and is very entertaining as well. It shall hit the cinema screen in the second half of this year.

The story about four princesses coming across sprites from outer space in Yuan Ming Yuan, *Wizards in the Royal Palace* (精靈•格格) directed by Manfred Wong, is a comedy that stars well-loved movie icons and will be released at the end of 2018 or beginning of 2019.

### Developing internet drama resources to gain exclusive broadcast right

In the second half of 2018 or first half of 2019, a 13-episode internet drama series *Sex and Stocks* (股色股香) directed by Gu Changwei will be broadcasted. During the year under review, production of the internet drama with 18 episodes in two seasons had begun. The internet drama is produced and co-directed by shareholder director Wong Kar Wai, and the Group owns the exclusive rights to broadcast and re-sell the production to new media platforms around the world for a period of 10 years after production is completed.

### Establishing online platform to prepare for advent of paid viewing

The "huanxi.com" (歡喜首映) online video platform jointly designed and developed with its business partners made satisfactory progress, with trial operation kicked off earlier and close to 200,000 users registered. Viewers can watch, via the platform, 30 classic films a month on their personal computers or smart phones. The Group has continued to maintain close communication with its business partners on improving and strengthening the user interface and interactive features of "huanxi.com" (歡喜首映), targeting for formal launch of the platform in second half of 2018. By then, all films and TV productions the Group had invested in, and also third-party authorized films and those produced by contracted directors and shareholder directors of the Group will be available for paid viewing to members of "huanxi.com" (歡喜首映).

賈樟柯導演的第五部電影長片《江湖兒女》，走遍長江三峽、山西、新疆等幾千公里取景，不僅藝術性高，且充滿娛樂性。預期該電影將在今年下半年上映。

文雋導演的《精靈•格格》講述四位格格在圓明園偶遇外星精靈引發的一系列逗趣故事。參演陣容星光熠熠，有望在今年年底或明年初上映。

### 開展網劇資源 享獨家播映權

今年下半年或明年上半年，顧長衛導演操刀的13集網絡系列影視劇《股色股香》將和觀眾見面。本集團股東導演王家衛首次監製和聯合導演的兩季共18集網絡系列影視劇在回顧年內已開始製作。本集團於製作完成後之未來十年內將享有該網絡系列影視劇在全球新媒體平台的獨家播映權及轉售權。

### 打造在線平台 迎接付費觀影大潮

由本集團與合作夥伴攜手設計及開發的在線視頻平台「歡喜首映」進展理想，月前已進入測試營運，用戶接近20萬。觀眾可透過個人電腦或智能手機平台每月觀看30部經典作品。本集團正繼續與合作夥伴緊密溝通，進一步改善「歡喜首映」的界面及互動性，預期在二零一八年下半年正式推出，屆時本集團投資的影視作品、第三方授權電影以及簽約導演及股東導演之作品將悉數可供收費會員觀賞。



## CHAIRMAN'S STATEMENT 主席報告書

### BUSINESS STRATEGIES AND PROSPECTS

Following the rapid development of the cultural and entertainment industry in the People's Republic of China ("PRC"), the film-related entertainment business will continue to grow and become a pillar industry of the PRC economy. To seize a good position in this burgeoning industry, the Group has been actively exploring and building its content resources in an aim to become a leading and all-round media and entertainment group in the Greater China region. Many films and TV productions of the Group are expected to be completed or broadcasted in coming two years, and the Group believes that quality content will bring handsome returns, reflect the fruit of pre-production investment, and hence lay a solid foundation for its healthy growth.

The Group strongly believes having an outstanding production team is fundamental to the creation of quality film and TV contents. Currently, the Group has six shareholder directors, namely Ning Hao, Wong Kar Wai, Xu Zheng, Chan Ho Sun Peter, Gu Changwei and Zhang Yibai. The Group also has close cooperative relationship with world-known directors, including Jia Zhangke, Manfred Wong, Wang Xiaoshuai, Li Yang and Chen Daming. The Group is tying in a brand new operational model with the wide networks and rich experience of the directors it cooperates with, to build a cooperation platform to ultimately achieve all-win. The Group will continue to identify opportunities to cooperate with more famous directors so as to create more diverse and quality productions for audiences in the Greater China region, while enhancing its core competitive advantages in film and TV production.

Moreover, the Group has been active in building the online video platform "huanxi.com" (歡喜首映) which distinguished from existing video broadcasting websites by carefully selects and offers various quality films and network drama series to audiences in order to save their searching time and facilitate them to enjoy the content they like with ease. It positioned as an online film and TV productions store that serves white-collar in city and sub-urban. With premium content and matching the growing trend of paid viewing, "huanxi.com" (歡喜首映) will be able to attract a large number of users and related revenue will become the Group's profit growth driver.

### 業務策略及展望

隨着中華人民共和國(「中國」)文化娛樂產業飛躍發展，電影相關的娛樂產業將繼續成為中國國民經濟的支柱產業之一。為佔據行業急速擴張中的有利地位，本集團積極拓展建設內容資源，矢志成為大中華地區具領導地位的全方位媒體及娛樂集團。本集團多部籌拍多時的影視作品，預期於未來一、兩年陸續完成或上映，相信此等優質內容將帶來不俗的收益，體現出前期投資的成效，並為歡喜傳媒的健康發展提供堅實的基礎。

本集團深信成功的影視內容離不開優秀的創作團隊，目前，本集團擁有寧浩、王家衛、徐崢、陳可辛、顧長衛與張一白六位股東導演，同時與不少全球知名導演建立了緊密合作關係，包括賈樟柯、文雋、王小帥、李揚、陳大明等。本集團正結合嶄新的經營模式，以各合作導演的廣闊人脈及創作經驗，打造一個合作共贏的影視平台。本集團將繼續物色與更多知名導演合作的機會，為大中華地區的觀眾創作出更多元化、更優質的作品，持續提升歡喜傳媒在影視作品製作方面的核心競爭優勢。

此外，本集團亦積極構建在線視頻平台「歡喜首映」，有別於現有的視頻播放網站，該平台為觀眾篩選出各類優質電影和網劇，省卻他們四處尋找的時間，方便他們輕鬆欣賞喜歡的內容，定位相當於網上影視內容的精品店，面向城鄉白領。「歡喜首映」憑藉精品內容作支援，在付費觀影已成主流的大潮下，相信能吸納可觀的用戶，相關的收益將成為本集團盈利增長點。

## CHAIRMAN'S STATEMENT 主席報告書

### CONCLUSION

As urbanization continues and accordingly cultural consumption demand matures, the film and TV industry has been given continuous impetus to grow. Implementation of the "Film Industry Promotion Law of the People's Republic of China" braces the development of the film industry in the PRC, as it has strengthened protection of intellectual property right and can facilitate structural upgrade of the system, talent, capital and technologies of the film industry. The size of the audiences of film and TV productions is expected to climb to new height in 2018. The large audience base is what powers the creation of contents, and great contents complimented by word-of-mouth shall be recognised and reflected in box office receipts.

Looking ahead, the Group will continue to capture opportunities with professionalism. By actively developing its film, TV and entertainment business in the PRC, building on the brilliant investment vision of its management team and its own flexible management and operational models, the Group will be able to hasten building of a leading online video platform with diverse film and TV content, and perfect its industrial chain from film and TV content creation, shooting and production to distribution and marketing. These moves will help consolidate and expand the Group's competitive advantages and in turn help the Group generate greater long-term returns for shareholders.

Last but not least, I would like to express my heartfelt gratitude to all Board members, our management team, business partners and staff for their contribution to the Group's business.

**Dong Ping**

*Chairman*

Hong Kong, 29 March 2018

### 總結

隨著城鎮化的發展，文化消費的需求日益成熟，為影視產業的持續發展提供動力。《中華人民共和國電影產業促進法》政策落實進一步為中國電影發展保駕護航，既加強保護知識產權，亦促進電影產業的制度、人才、資本和技術等的結構升級。觀影人數有望在二零一八年繼續攀高，龐大的觀眾群支持著豐富的題材，口碑推動優質內容獲得票房肯定。

展望來年，本集團繼續秉承專業精神，抓住機遇，透過在中國影視娛樂業務上精耕細作，管理團隊出色的投資眼光和靈活的管理運營模式，加速打造一個具多元化影視內容的領先線上視頻平台，完善從影視內容創作、拍攝製作、發行到宣傳全產業鏈開發運營的戰略佈局，從而進一步鞏固並擴大本集團的競爭優勢，為股東創造長遠以及高價值的回報。

最後，本人謹藉此向本集團董事會成員、管理團隊、業務夥伴及全體員工對本集團業務所做出的傾力貢獻，表示由衷的致謝！

主席

董平

香港，二零一八年三月二十九日

## CHAIRMAN'S STATEMENT

### 主席報告書

#### APPENDIX: FAMOUS DIRECTORS COOPERATING EXCLUSIVELY WITH THE GROUP

##### 附表：與本集團簽訂獨家合作合約之知名導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Ning Hao* 寧浩*	<ul style="list-style-type: none"> <li>Famous internationally for his unique directing style, all films he made so far had brought strong investment returns. His directorial debut <i>Incense</i> (香火) and another work <i>Mongolian Ping Pong</i> (綠草地) were nominated in over 50 international film festivals 憑藉獨特個人風格享譽國際，全部電影均帶來豐碩投資回報，其首部執導電影《香火》和《綠草地》於五十多個國際電影節獲提名</li> <li><i>Crazy Stone</i> (瘋狂的石頭), a low budget production he directed in 2006, won at the Taiwan Golden Horse Awards for Best Original Screenplay. <i>Crazy Racer</i> (瘋狂的賽車) (2009), which he wrote and directed was produced with at RMB10 million, yet boasted box office receipt of over RMB100 million 於二零零六年執導小本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導投資監製成本僅人民幣10,000,000元之《瘋狂的賽車》(二零零九年)，票房突破人民幣100,000,000元</li> <li>He also directed the huge box office hit <i>Breakup Buddies</i> (心花路放) (2014), which grossed RMB1,169 million in box office receipt in the PRC and was the highest-grossing domestic Chinese movie of the year 執導電影《心花路放》(二零一四年)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影</li> </ul>	<ul style="list-style-type: none"> <li>Shall direct one to two films (for public release) every three years 將為本集團每三年導演一至兩部電影作品(以作品正式公開上映為準)</li> <li>The Group shall own exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由其構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者</li> <li>The Group shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in the PRC, Hong Kong, Taiwan and Macau Special Administrative Region of the PRC 本集團擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等</li> <li>The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-wrote by him or has him as lead actor or member of the creative team 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本集團提供優先投資權、製作權及發行權</li> <li><i>Crazy Alien</i> (瘋狂的外星人) is expected to be released before Chinese New Year in 2019 《瘋狂的外星人》預計於二零一九年春節前上映</li> </ul>

\* Shareholder director and non-executive director of the Company

\* 股東導演及本公司非執行董事

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Xu Zheng* 徐崢*	<ul style="list-style-type: none"> <li>In 2012, his directorial debut <i>Lost in Thailand</i> (人再囧途之泰囧), which he also wrote, produced and starred in, earned over USD200 million in box office receipt and became the highest-grossing PRC film ever 二零一二年首次自編自導自演兼監製公路喜劇《人再囧途之泰囧》，票房突破美金200,000,000元，成為中國有史以來最賣座華語電影</li> <li>In 2014, he produced and starred in the film <i>Great Hypnotist</i> (催眠大師) which became a classic in the PRC suspense and thriller film market 二零一四年，其製作並主演驚悚懸疑電影《催眠大師》，成為華語驚悚懸疑電影市場經典</li> </ul>	<ul style="list-style-type: none"> <li>Shall direct one to two films (for public release) every three years 將為本集團每三年導演一至兩部電影作品（以作品正式公開上映為準）</li> <li>The Group owns exclusive investment and production rights to any films and programmes developed and directed by Mr. Xu, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由其構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者</li> <li>The Group has priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in the PRC, Hong Kong, Taiwan and Macau Special Administrative Region of the PRC 本集團將擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等</li> <li>The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-wrote by him or has him as lead actor or member of the creative team 股東導演將竭盡所能並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本集團提供優先投資權、製作權及發行權</li> <li><i>Dying to Survive</i> (我不是藥神) will be released in the second half of 2018 《我不是藥神》將於二零一八年下半年上映</li> </ul>

\* Shareholder director and non-executive director of the Company

\* 股東導演及本公司非執行董事

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Chan Ho Sun Peter# 陳可辛#	<ul style="list-style-type: none"> <li>He is the first and also the only director crowned the "Best Director" at the Taiwan Golden Horse Awards, the Hong Kong Film Awards and Mainland China's Golden Rooster Awards. His films <i>Almost a Love Story</i> (甜蜜蜜) and <i>Dragon</i> (武俠) had made it among Time Magazine's 10 Best Movies of the Year 作為首位亦是至今唯一奪得台灣金馬獎、香港電影金像獎以及中國電影金雞獎「最佳導演」的大滿貫導演。其執導的電影《甜蜜蜜》及《武俠》先後兩度獲選美國時代週刊的年度十佳電影</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group shall have investment right to at least two films directed or co-directed by Mr. Chan, up to a maximum of 60% of the total investment amount in each of Mr. Chan's production 在六年合作期內，本集團將擁有至少兩部由陳先生自導或聯合導演的電影投資權，最高投資總額為每部陳先生作品投資總額的60%</li> <li>The Group shall have priority over others to purchase exclusive global distribution licenses in new media with respect to Mr. Chan's productions 本集團優先於他人購買陳先生作品之全球獨家新媒體發行許可之權利</li> <li>For those productions the Group invested, the Group shall have the right to decide regarding distribution of the films to exclusive new media platforms 對本集團已投資的製作，本集團將獲授予擬定電影之獨家新媒體平台互聯網發行權</li> </ul>
Wong Kar Wai# 王家衛#	<ul style="list-style-type: none"> <li>Dubbed a "movie poet", renowned movie director, producer and screenwriter Wong Kar Wai won the "Best Director" title at the Hong Kong Film Awards and the Golden Horse Awards for the movie <i>Days of Being Wild</i> (阿飛正傳) 以「電影詩人」著稱的知名電影導演、監製及編劇。其執導的電影《阿飛正傳》榮獲香港電影金像獎最佳導演獎及金馬獎最佳導演獎</li> <li>He also won the "Best Director" Award for <i>Happy Together</i> (春光乍洩) at the 50th Festival de Cannes 憑藉《春光乍洩》榮獲第50屆戛納電影節最佳導演獎</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has the right to invest exclusively in a Chinese internet drama series with 18 episodes in two seasons co-directed and produced by Mr. Wong. The first season will comprise 12 episodes 在六年合作期內，本集團獲得其監製和聯合導演的兩季共18集中文網絡系列影視劇的獨家投資權，首季共12集</li> <li>The Group has exclusive right to distribute and sub-license the internet drama series to and be shown on the new media platforms globally for 10 years 本集團擁有發行、轉授、及透過新媒體平台向全球觀眾播放此網絡系列影視劇的獨家許可權，年期達十年</li> </ul>

# Shareholder director  
# 股東導演

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Zhang Xiaoling# (also known as Zhang Yibai) 張曉陵# (又名張一白)	<ul style="list-style-type: none"> <li>• Dubbed the "Godfather of Youth Films" in the PRC, his love story movies have enjoyed wide acclaims and among them the 2016 production <i>I Belonged to You</i> (從你的全世界路過) brought in box office receipt of near RMB900 million, a record among movies of its kind 被譽為中國「青春片教父」，其執導的多部愛情電影均於中國大獲好評，其中二零一六年電影《從你的全世界路過》更是取得票房近人民幣900,000,000元，創下國產愛情電影的票房新紀錄</li> <li>• The box office receipts of films he directed and produced totaled more than RMB2.8 billion, putting him in the league of the most commercially successful directors and producers in the PRC today 他執導和監製的電影累積票房超過人民幣2,800,000,000元，乃中國目前最具商業價值和最有商業眼光的導演兼監製之一</li> </ul>	<ul style="list-style-type: none"> <li>• During the six-year cooperation period, the Group has priority right over others to invest in at least two of Mr. Zhang's productions, with no less than 55% of the total investment amount of each of the productions 在六年合作期內，本集團享有優先於他人投資至少兩部張先生作品之權利，投資額不少於每部張先生作品投資總額之55%</li> <li>• The Group has priority right to purchase exclusive global distribution licenses to new media of at least two of Mr. Zhang's productions 本集團享有優先購買至少兩部張先生作品之全球獨家新媒體發行許可之權利</li> <li>• The Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Zhang 本集團享有對張先生執導(或聯合執導)的兩季網絡系列影視劇之獨家投資權</li> <li>• The Group has been granted exclusive global distribution rights of two seasons of the internet drama series directed (or co-directed) by Mr. Zhang to new media 本集團獲授張先生執導(或聯合執導)的兩季網絡系列影視劇之全球獨家新媒體發行權</li> <li>• The Group has participation rights to other productions of Mr. Zhang 本集團獲授張先生其他作品之投資參與權</li> <li>• <i>Us and Them</i> (後來的我們) produced by Mr. Zhang and directed by Rene Liu will be released in the first half of this year 其擔任監製，劉若英執導的青春文藝電影《後來的我們》將於今年上半年上映</li> </ul>

# Shareholder director  
# 股東導演

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Gu Changwei <sup>#</sup> 顧長衛 <sup>#</sup>	<ul style="list-style-type: none"> <li>• He is one of the few Chinese members of the Academy of Motion Picture Arts and Sciences (AMPAS) and long-been hailed as "the master cinematographer in Asia" and subsequently became a director 顧長衛為少數華人奧斯卡委員，早有「亞洲第一攝影師」之稱，及後轉執導電影</li> <li>• He directed a number of iconic movies including <i>Love for Life</i> (最愛), <i>Peacock</i> (孔雀), and shot <i>Red Sorghum</i> (紅高粱) and <i>Farewell To My Concubine</i> (霸王別姬), winning accolades at many international film festivals 執導多部知名電影，包括《最愛》、《孔雀》及拍攝《紅高粱》及《霸王別姬》，在世界級電影頒獎禮中屢獲殊榮</li> </ul>	<ul style="list-style-type: none"> <li>• During the six-year cooperation period, the Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Gu 在六年合作期內，本集團享有顧先生執導（或聯合執導）的兩季網絡系列影視劇之獨家投資權</li> <li>• The Group has exclusive global new media distribution rights for these internet drama series 本集團獲授顧先生網絡系列影視劇之全球獨家新媒體發行權</li> <li>• The Group has priority right to invest in Mr. Gu's productions. The exact amount of investment in each of Mr. Gu's productions is to be agreed between the Company and Mr. Gu 本集團提供優先投資顧先生作品之權利。每一部顧先生作品之具體投資額將由本公司與顧先生協定</li> <li>• The Group has the right to purchase exclusive global distribution licenses to new media for at least two of Mr. Gu's productions and has participation right to invest in other productions 本集團享有購買至少兩部顧先生作品的全球獨家新媒體發行許可之權利和提供投資其他作品之參與權</li> <li>• <i>Nice to Meet You</i> (遇見你真好) will be released in the first quarter of 2018 《遇見你真好》將於二零一八年第一季上映</li> </ul>

<sup>#</sup> Shareholder director  
<sup>#</sup> 股東導演

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Chen Daming 陳大明	<ul style="list-style-type: none"> <li>Mr. Chen studied screenwriting, directing and acting in the United States in the 1990s and had starred in a number of Hollywood movies. Many of the films he directed were honored with international awards. He is currently a visiting professor at the Beijing Film Academy (北京電影學院) and Vice President of the Shanghai International School of Beijing Film Academy (北京電影學院上海國際學院) 於九十年代赴美國學習編劇、導演和表演，曾參演多部荷里活電影，其執導之多部電影均獲國外殊榮，他並為北京電影學院客座教授及北京電影學院上海國際學院副院長</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has priority right over others to invest in at least three of Mr. Chen's productions 在六年合作期內，本集團享有優先於他人投資至少三部陳先生作品之權利</li> <li>The Group has exclusive rights to invest in two seasons of internet drama series directed (or co-directed) by Mr. Chen 本集團獲取其所執導(或聯合執導)的兩季網絡系列影視劇之獨家投資權</li> <li>Payments (such as development fund, film director fees and creative member fees) will be agreed separately for each of Mr. Chen's films and internet drama series productions 陳先生每部電影及網絡系列影視劇製作之付款(例如開發基金、電影導演費及主創人員費用)將分別協定</li> </ul>
Jia Zhangke 賈樟柯	<ul style="list-style-type: none"> <li>A distinguished international art-house director, he has received Lifetime Achievement Awards from several international film organizations 國際著名藝術電影導演，曾獲多個國際電影組織頒發「終身成就獎」</li> <li>Directed 11 feature films, all nominated for awards at the Berlin, Cannes and Venice International Film Festivals. In 2013, <i>A Touch of Sin</i> (天注定) won the award for Best Screenplay at the 66th Festival de Cannes 共導演11部長片，全部入圍柏林、戛納、威尼斯電影節。二零一三年，《天注定》獲第66屆戛納電影節最佳編劇獎</li> <li>In 2015, he received the Carrosse d' Or at the Festival de Cannes 二零一五年，獲戛納電影節導演雙周單元終身成就「金馬車獎」</li> </ul>	<ul style="list-style-type: none"> <li>The Group has exclusive or priority investment right of at least three new films directed by Mr. Jia in the six years cooperation period 在六年合作期內，本集團獲得由賈先生執導之最少三部新電影作品的獨家或優先投資權</li> <li>The Group has priority distribution right and exclusive new media right of the above new films 本集團可獲得上述新電影作品的優先發行權及新媒體獨家權</li> <li><i>Ash is Purest White</i> (江湖兒女) will be released in the second half of 2018 《江湖兒女》將於二零一八年下半年上映</li> </ul>



## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Wang Xiaoshuai 王小帥	<ul style="list-style-type: none"> <li>A pioneer independent film director in the PRC and recipient of the Ordre des Arts et des Lettres from the French Minister of Culture 中國獨立導演先鋒，並曾獲得法國文化藝術騎士勳章的嘉許</li> <li>Directed 11 feature films and nominated eight times in the "Big Three" international film festivals 共執導過11部電影長篇，八次入圍三大國際電影節競賽單元</li> <li>In 2005, <i>Shanghai Dreams</i> (青紅) won the Jury Prize at the 58th Festival de Cannes 二零零五年，《青紅》斬獲第58屆戛納電影節評審團大獎</li> </ul>	<ul style="list-style-type: none"> <li>The Group has priority investment right in two productions (including films and internet drama series) Mr. Wang directed or produced during the six years cooperation period 在六年合作期內，本集團獲得由其導演執導或監製之兩部影視作品(包括電影、網絡系列影視劇)的優先投資權</li> <li>The Group has priority investment right and priority global distribution right of his new productions 本集團將享有新作品的優先投資權和全球優先發行權</li> <li>The Group has exclusive rights to distribute and re-sell his new productions in to new media platforms worldwide 本集團將享有新作品在全球各新媒體平台獨家發行權及轉售權</li> </ul>
Manfred Wong 王文俊 (又名文雋)	<ul style="list-style-type: none"> <li>A veteran filmmaker in Hong Kong who has directed, produced, and acted in films and is also a screenwriter for films and TV dramas 香港資深電影人，曾擔任電影導演、監製、演員及影視編劇等崗位</li> <li>Ventured into the film industry in the early 1990s. Co-founded BoB &amp; Partners Company Limited (最佳拍檔有限公司) in the mid-90s, which had made more than 30 films including <i>The Storm Riders</i> (風雲) and the <i>Young and Dangerous</i> (古惑仔) series 於九十年代初開展電影事業，於九十年代中期合組最佳拍檔有限公司，曾製作超過30部電影，包括《風雲》、《古惑仔》系列等</li> <li>The film <i>Roots and Branches</i> (我的兄弟姐妹) he produced broke the box office receipt record of domestic movies in the PRC in 2001 and had won awards at more than 10 film festivals 由其監製之《我的兄弟姐妹》於二零零一年打破全國國產電影票房紀錄，並奪取超過十個影展的電影獎項</li> <li>Hong Kong's first producer to venture into production of internet drama series. His works included <i>Feel 100%</i> (百分百感覺) and <i>20/30 Dictionary</i> (男女字典), among others 香港首位開拓網絡劇集製作人，製作包括《百分百感覺》及《男女字典》等網絡劇集</li> </ul>	<ul style="list-style-type: none"> <li>During the three-year cooperation period, the Group has priority right over others to invest in at least four of Mr. Wong's new films 在三年合作期內，本集團享有優先於他人投資至少四部王先生作品之權利</li> <li><i>Wizards in the Royal Palace</i>, a comedy about four princesses encounter some sprites from outer space, will be released at the end of 2018 or the beginning of 2019 《精靈•格格》講述了四位格格在圓明園偶遇外星精靈引發的一系列逗趣故事，將於二零一八年底或明年初上映</li> </ul>

## CHAIRMAN'S STATEMENT

### 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Li Yang 李楊	<ul style="list-style-type: none"> <li>Li Yang is a firm director in Mainland China, good at making documentaries of social phenomena and movies that portray real life stories. His work <i>Blind Shaft</i> (盲井) has won more than 30 awards, including the Silver Bear for Outstanding Artistic Achievement at the 53th Berlin International Film Festival 專長於拍攝中國社會現象及社會問題紀錄片及寫實故事電影中國大陸電影導演，憑藉《盲井》，李先生獲得了包括第53屆柏林國際電影節最佳藝術貢獻銀熊獎在內的三十餘個國際大獎</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group shall obtain exclusive right to invest in at least three films directed by Mr. Li 在六年合作期內，本集團將獲取其所執導最少三部電影作品的獨家投資權</li> <li>The Group shall have exclusive right to broadcast on and re-sell to new media platforms worldwide the productions it invested in 本集團將享有其投資的作品在全球各新媒體平台獨家播放權及轉售權</li> </ul>
Liu Xingang 劉心剛	<ul style="list-style-type: none"> <li>With years of experience shooting movies and TV drama series, Liu Xingang was the Art Director of <i>The Sorrow of Brook Steppe</i> (悲情布魯克) and <i>Cell Phone</i> (手機) nominated two times for the "Best Art Direction" Award at the Golden Rooster Awards. He won the "Best Director" award at the public TV Double Ten (大眾電視雙十佳) for <i>I'm Looking Forward to Being Loved</i> (好想好想談戀愛) and his <i>Five Star Hotel</i> (五星級大飯店) was named "TV Drama of the Year" by Sina 擁有多年的電影及電視劇拍攝經驗，他曾擔任美術指導的《悲情布魯克》和《手機》分別榮獲兩屆中國電影金雞獎最佳美術獎提名，隨後他憑藉《好想好想談戀愛》和《五星級大飯店》分別斬獲大眾電視雙十佳最佳導演獎和新浪年度電視劇獎</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has exclusive rights to invest in at least three films directed by Mr. Liu 在六年合作期內，本集團獲取其所執導最少三部電影作品的獨家投資權</li> <li>The Group has exclusive right to broadcast on and re-sell to new media platforms worldwide of the productions it invested in 本集團享有其投資的作品在全球各新媒體平台獨家播放權及轉售權</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

### BUSINESS AND OPERATION REVIEW

2017 was a year of cultivation for Huanxi Media. The Group continued to implement its “content is king” strategy to bring a wide variety of entertainment to different audiences. The Group as main investor and producer of numbers of core films were completed during the year. The Group also ventured into and invested in internet drama series and filming have been started. These drama series are expected to be released in coming two years with promising results.

### INVESTMENT IN FILM AND TV RIGHTS BUSINESS

For the year ended 31 December 2017, investment in film and TV rights business generated revenue of HK\$52,772,000 (2016: HK\$5,073,000), which included the revenue from new media broadcasting right of *Brotherhood of Blades II: The Infernal Battlefield* (繡春刀II • 修羅戰場). Segmental loss decreased from HK\$1,191,294,000 in 2016 to HK\$18,716,000 during the year under review. The decrease of segmental loss was mainly because the absence of share-based payments during the year under review (2016: HK\$1,120,472,000).

During the year under review, the films in production stage included *Nice to Meet You* (遇見你真好), directed by Mr. Gu Changwei; *Us and Them* (後來的我們), the directorial debut of famous Taiwanese singer Ms. Rene Liu; *Ash Is Purest White* (江湖兒女) directed by Mr. Jia Zhangke; *Wizards in the Royal Palace* (精靈 • 格格), directed by Mr. Manfred Wong; *Dying to Survive* (我不是藥神), which co-produced by Mr. Xu Zheng and Mr. Ning Hao, featuring Mr. Xu Zheng in the leading role and directed by Mr. Wen Muye; and *Crazy Alien* (瘋狂的外星人) directed by Mr. Ning Hao. The Group expects them generating handsome returns subsequently.

In addition, several internet drama series are currently under production. The 13-episode internet drama series *Sex and Stocks* (股色股香), directed by Mr. Gu Changwei, will be broadcasted in the second half of this year or first half of next year. The internet drama series directed by Mr. Zhang Yibai, Mr. Jia Zhangke and Mr. Wong Kar Wai individually are likely to greet audiences in the second half of this year.

### 業務回顧及營運回顧

二零一七年是歡喜傳媒耕耘之年，本集團繼續延續以「內容為王」的戰略路線，旨在為觀眾帶來豐富的視聽盛宴。年內，本集團作為主要投資人及出品人的大電影相繼殺青，亦涉足網絡劇集的投資，開拍多部網絡劇集，預計作品未來一、兩年陸續問世，收穫令人期待。

### 電影及電視劇版權投資業務

截至二零一七年十二月三十一日止年度，電影及電視劇版權投資業務錄得收益為港幣52,772,000元（二零一六年：港幣5,073,000元），包括來自《繡春刀II • 修羅戰場》新媒體播映權的收益。由於回顧年內並無以股份為基礎之付款（二零一六年：港幣1,120,472,000元），故分部虧損由二零一六年的港幣1,191,294,000元收窄至回顧年內的港幣18,716,000元。

電影方面，顧長衛導演的《遇見你真好》、台灣著名女歌手劉若英導演之處女作《後來的我們》、由賈樟柯導演的《江湖兒女》、文雋導演的《精靈 • 格格》、由徐崢及寧浩聯合監製、徐崢主演及文牧野導演的《我不是藥神》、寧浩執導的《瘋狂的外星人》均在回顧年內進入製作階段，隨後為本集團提供的盈利貢獻可期。

此外，網劇製作如火如荼。今年下半年或明年上半年，顧長衛導演操刀的13集網絡系列影視劇《股色股香》將和觀眾見面；張一白導演、賈樟柯導演、王家衛導演的網絡系列影視劇亦期望於今年下半年推出。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The Group continued to explore opportunities to cooperate with internationally famed directors during the year. The Group signed a cooperation agreement with prominent Chinese film director Mr. Wang Xiaoshuai and Dongchun Films Co., Limited, pursuant to which the Group is given priority right during the six-year cooperation period to invest in and globally distribute two productions (including film and internet film and drama series) directed or produced by Mr. Wang. In addition, the Group also has exclusive rights to distribute and resell the new productions to global new media platforms.

The Group also made certain progress on the new media online video platform. The new media online video platform “huanxi.com” (歡喜首映), which was developed by the Group by taking reference of its partners’ business model, is in trial run stage and currently has close to 200,000 registered users. Distinguished from conventional database-supported online platforms in the market, “huanxi.com” (歡喜首映) offers selected movies on a membership basis. It selects and recommends quality movies to members. The platform is expected to be officially launched in the second half of this year.

### PROPERTY AGENCY BUSINESS

For the year ended 31 December 2017, the Group’s property agency business recorded revenue of HK\$437,000 (2016: HK\$11,039,000) and segmental loss of HK\$143,000 (2016: HK\$1,193,000). The segment shrank mainly because the management has allocated more resources to media, entertainment and related businesses, which are the Group’s major future growth drivers.

### SECURITIES TRADING AND INVESTMENTS BUSINESS

For the year ended 31 December 2017, the Group’s securities trading and investments business recorded a segmental profit of HK\$4,182,000 (2016: segmental loss of HK\$2,816,000) which was generated from the gain on disposal of securities and investments.

本集團於年內繼續物色與國際知名導演合作的機會。本集團與中國著名導演王小帥及冬春(上海)影業有限公司簽訂合作協議，本集團將在六年合作期內，獲得由王小帥導演執導或監製之兩部影視作品(包括電影、網絡系列影視劇)的優先投資權和全球優先發行權。同時，本集團將享有新作品在全球各新媒體平台獨家發行權及轉售權。

本集團於新媒體在線視頻平台方面亦取得階段性成果。由本集團取經自合作夥伴而開發的新媒體在線視頻平台「歡喜首映」處於試運行階段，截至目前，已經擁有接近20萬用戶基礎。有別於市面上傳統的資源庫型視頻播放平台，「歡喜首映」主打精選電影和全會員制，專為用戶篩選和推薦優質的電影作品。預計平台今年下半年將正式與廣大用戶見面。

### 物業代理業務

截至二零一七年十二月三十一日止年度，本集團的物業代理業務錄得收益及分部虧損分別為港幣437,000元(二零一六年：港幣11,039,000元)及港幣143,000元(二零一六年：港幣1,193,000元)。此業務規模減少主要由於管理層相信媒體、娛樂及相關業務將是本集團的未來增長動力，故調撥了更多資源於該等業務上。

### 證券買賣及投資業務

截至二零一七年十二月三十一日止年度，本集團的證券買賣及投資業務錄得分部溢利為港幣4,182,000元(二零一六年：分部虧損港幣2,816,000元)，主要由於出售證券及投資之收益所致。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### FINANCIAL REVIEW

##### Review of Results

For the year ended 31 December 2017, the Group recorded revenue of HK\$53,209,000 (2016: HK\$16,112,000) and net loss attributable to owners of the Company of HK\$95,159,000 (2016: HK\$1,253,745,000). The loss was principally due to the absence of prominent movie release to generate sufficient revenue to cover the costs and expenses.

For the year ended 31 December 2017, selling and distribution costs were HK\$549,000 (2016: HK\$12,112,000). The decrease was mainly due to the absence of expenses incurred in relation to planning and promotion of significant film and TV business.

Administrative expenses were HK\$97,914,000 for the year ended 31 December 2017 (2016: HK\$110,332,000). The decrease was primarily due to the decrease of legal and professional fee.

For the year ended 31 December 2017, loss per share of the Group amounted to HK\$0.03 (2016: HK\$0.51) and net asset value per share attributable to owners of the Company was HK\$0.29 (2016: HK\$0.30).

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations and borrowings. As at 31 December 2017, the Group had net current assets of HK\$329,083,000 (2016: HK\$575,603,000), with bank balances and cash of HK\$39,169,000 (2016: HK\$309,062,000). As at 31 December 2017, the total equity of the Company amounted to HK\$792,167,000 (2016: HK\$826,911,000) with total borrowings of HK\$197,500,000 (2016: nil). The Group's gearing ratio, expressed as the percentage of total borrowings over total capital, was 0.20 (2016: zero) as at 31 December 2017. Total capital is calculated as total equity plus total borrowings.

#### 財務回顧

##### 業績回顧

截至二零一七年十二月三十一日止年度，本集團錄得收益為港幣53,209,000元（二零一六年：港幣16,112,000元），以及本公司擁有人應佔淨虧損為港幣95,159,000元（二零一六年：港幣1,253,745,000元）。年內虧損主要由於未有重大的電影上映，電影收益未能彌補相關成本及開支所致。

截至二零一七年十二月三十一日止年度，銷售及分銷成本為港幣549,000元（二零一六年：港幣12,112,000元）。有關減少主要由於期內未有重大的影視業務之策劃及推廣費用所致。

截至二零一七年十二月三十一日止年度，行政開支為港幣97,914,000元（二零一六年：港幣110,332,000元），有關降幅主要由於法律及專業費用減少所致。

截至二零一七年十二月三十一日止年度，本集團之每股虧損為港幣0.03元（二零一六年：港幣0.51元）和本公司擁有人應佔每股資產淨值為港幣0.29元（二零一六年：港幣0.30元）。

#### 流動資金及財務來源

本集團資本支出、日常營運及投資資金主要來自其營運產生的現金及借款。於二零一七年十二月三十一日，本集團的流動資產淨值為港幣329,083,000元（二零一六年：港幣575,603,000元），銀行結餘及現金為港幣39,169,000元（二零一六年：港幣309,062,000元）。於二零一七年十二月三十一日，本公司權益總額為港幣792,167,000元（二零一六年：港幣826,911,000元），借貸總額為港幣197,500,000元（二零一六年：無）。截至二零一七年十二月三十一日，本集團的資本與負債率（即借貸總額對資本總額的百分比）為0.20（二零一六年：零）。資本總額按權益總額加借貸總額計算。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### CAPITAL STRUCTURE

As at 31 December 2017 and 31 December 2016, the Company had 2,768,055,408 ordinary shares of HK\$0.01 each in issue (the "Share" or "Shares").

#### CHARGES ON ASSETS

As at 31 December 2017, the Group did not have any charge of assets (2016: the Group's short-term payable of RMB100,000,000 (equivalent approximately to HK\$111,161,000) was secured by a deposit of HK\$111,161,000).

#### FOREIGN EXCHANGE EXPOSURE

The Group's cash flow from operations, cash on hand and assets are denominated mainly in Hong Kong dollars, US dollars and Renminbi. Although most of the production costs and management fees are denominated in Renminbi, foreign currencies are needed for many investment opportunities and cooperation plans with mainland China and overseas film companies. The Group will continue to monitor its capital needs closely and take appropriate measures to minimize any adverse impact of exchange rate fluctuation on its overall financial status and lower the Group's financial risks.

#### RISK MANAGEMENT

During the year under review, the Group regularly reviewed the risk and credit control systems of its profit centers to improve those systems overall and mitigate credit risk. There have been no significant changes in the Group's risk management policy since the year-end date last year.

#### 資本架構

於二零一七年十二月三十一日及二零一六年十二月三十一日，本公司有2,768,055,408股每股面值港幣0.01元的已發行普通股股份（「股份」）。

#### 抵押資產

於二零一七年十二月三十一日，本集團並無任何抵押資產（二零一六年：本集團之短期應付款人民幣100,000,000元（相當於約港幣111,161,000元）由一筆港幣111,161,000元之按金作抵押）。

#### 匯率風險

本集團所經營業務的現金流、持有的現金及資產主要以港幣、美元及人民幣計值。雖然大部分製作成本和和管理費以人民幣計算，但很多投資機會和與中國內地及海外地區片商的合作計劃仍需要使用外幣。本集團會繼續密切監察資本需要，並致力緩和匯率波動對整體財務狀況的影響以及降低本集團的財務風險。

#### 風險管理

於回顧年內，本集團不斷定期檢討利潤中心的風險及信貸監控制度，以改善整體監控制度並減低信貸風險。自去年年結日後，本集團的風險管理政策並無重大的變動。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

### CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities (2016: a litigation which the decision was issued by the court in November 2016 and recoverable amount of RMB10,875,000 (equivalent to approximately HK\$12,089,000) was received by the Group in January 2017).

### EMPLOYEES AND REMUNERATION POLICIES

The Group firmly believes high-caliber people are the most valuable asset of a corporation. The Group thus places great attention on attracting and nurturing talent. It has kept optimizing its staff structure to match its development strategy and business needs. As at 31 December 2017, the Group had 73 employees (2016: 55) and 1 agent (2016: 3). It hired more employees during the year under review to support the expanding of its media, entertainment and related businesses, and the decrease in number of agents was from downsizing of property agency business, as well as the Group shifting in focus on the high-growth media and entertainment market. The Group has in place well-designed remuneration management and incentive mechanisms, with employees remunerated based on their positions and work performance, along with industry trends.

### MATERIAL INVESTMENTS

Saved as the investments to the film and TV rights set out in note 20 to the consolidated financial statements, the Group had no material investments during the year under review.

### FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group is seeking for investment opportunities, including but not limited to, in the media and entertainment and related businesses in order to expand the source of income and prospects of the Group.

### 或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債(二零一六年：法院於二零一六年十一月作出裁決之一項訴訟，本集團於二零一七年一月收到可收回金額人民幣10,875,000元(相當於約港幣12,089,000元))。

### 僱員和薪酬政策

本集團一直堅信優秀人才是企業最寶貴的資產，本集團重視吸納和培養人才，根據發展戰略和業務的需要，持續優化人才結構。於二零一七年十二月三十一日，本集團僱用73名僱員(二零一六年：55名)及1名代理(二零一六年：3名)。於回顧年內，本集團僱用更多人才以發展媒體、娛樂及相關業務，而代理數目減少則由於物業代理業務規模縮減及本集團把業務發展重心轉移至高增長的媒體及娛樂市場上所致。本集團建立了完善的薪酬管理和激勵機制，僱員的薪酬乃根據其崗位價值、工作表現及行業趨勢而釐定。

### 重大投資

除綜合財務報表附註20所載之電影及電視劇版權之投資外，本集團於回顧年內並無重大投資。

### 重大投資之日後計劃

本集團正物色投資機會(包括但不限於媒體及娛樂及相關業務方面)，以擴闊本集團收入來源及本集團的前景。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Set out below are the biographical details of the directors of the Company (the "Directors") as at the date of this annual report:

### EXECUTIVE DIRECTORS

#### Mr. Dong Ping ("Mr. Dong")

Mr. Dong, aged 56, was appointed as an executive Director on 2 September 2015, redesignated as the chairman (the "Chairman") of the board of Directors (the "Board") on 15 January 2016 and is also a member of remuneration committee and a member of nomination committee of the Company. Mr. Dong is also director of a number of subsidiaries of the Company. Mr. Dong has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields and was the former chairman of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger Hidden Dragon* 《臥虎藏龍》(directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* 《鬼子來了》(directed by Mr. Jiang Wen (姜文)), *Peacock* 《孔雀》(directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* 《讓子彈飛》(directed by Mr. Jiang Wen (姜文)), *Journey to the West: Conquering the Demons* 《西遊·降魔篇》(directed by Mr. Stephen Chow (周星馳)), *Dearest* 《親愛的》(directed by Mr. Chan Ho Sun Peter (陳可辛)) and *Breakup Buddies* 《心花路放》(directed by Mr. Ning Hao). Some of these films have won numerous major awards in both domestic and overseas film festival. From August 2003 to April 2005, Mr. Dong was the president of Asian Union Film and Media. Between 31 May 2005 and 11 January 2008, Mr. Dong was appointed as an executive director of Asian Union New Media (Group) Limited (now known as Huayi Tencent Entertainment Co. Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors from 12 May 2006 to 11 January 2008.

於本年報日期，本公司董事（「董事」）之詳細履歷載列如下：

### 執行董事

#### 董平先生（「董先生」）

董先生，56歲，於二零一五年九月二日獲委任為執行董事，並於二零一六年一月十五日獲調任為董事會（「董事會」）主席（「主席」），兼任本公司薪酬委員會及提名委員會成員。董先生亦為本公司若干附屬公司之董事。董先生於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，曾任香港聯合交易所有限公司（「聯交所」）主板上市公司文化中國傳播集團有限公司（現稱阿里巴巴影業集團有限公司）（股份代號：1060）主席。董先生為多部國際知名電影之主要投資者、監製及聯合監製，包括《臥虎藏龍》（由李安先生執導）、《鬼子來了》（由姜文先生執導）、《孔雀》（由顧長衛先生執導）、《讓子彈飛》（由姜文先生執導）、《西遊·降魔篇》（由周星馳先生執導）、《親愛的》（由陳可辛先生執導）及《心花路放》（由寧浩先生執導）。該等電影部分於國內外電影節奪得多項重要獎項。董先生於二零零三年八月至二零零五年四月出任北京保利華億傳媒文化有限公司董事長。董先生於二零零五年五月三十一日至二零零八年一月十一日獲委任為聯交所主板上市公司華億新媒體（集團）有限公司（現稱華誼騰訊娛樂有限公司）（股份代號：419）執行董事及於二零零六年五月十二日至二零零八年一月十一日出任該公司董事會主席。



## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

As at the date of this report, Mr. Dong was deemed to be interested in 1,435,794,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited (“Newwood”), 92,342,216 Shares held by Numerous Joy Limited (“Numerous Joy”), 4,490,000 Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits Limited (“Pacific Wits”) and 438,625,528 Shares held by Tairong Holdings Limited (“Tairong”)) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

### Mr. Xiang Shaokun, Steven (“Mr. Xiang”)

Mr. Xiang, aged 55, was appointed as an executive Director on 2 September 2015 and the Chief Executive Officer of the Group on 18 September 2015. Mr. Xiang is also director of a number of subsidiaries of the Group. Mr. Xiang was a partner of Weil, Gotshal & Manges LLP, an international law firm, where he has led its China practice since 2004. Previously, Mr. Xiang was a partner in the Shanghai office of Clifford Chance, an international law firm from 2002 to 2004. A specialist in mergers and acquisitions, Mr. Xiang has acted as the principal counsel in many significant transactions including representing Lenovo Group Limited in its acquisition of IBM’s global personal computer business. He holds a degree of juris doctor from Vanderbilt University School of Law, U.S.A. and a Bachelor of Arts from Beijing University of International Relations. Mr. Xiang is licensed to practice law in New York and in Hong Kong. Mr. Xiang has been consistently ranked as one of the top mergers and acquisitions lawyers by Chambers.

於本報告日期，董先生被視為於1,435,794,354股股份（即由Newwood Investments Limited（「Newwood」）持有之461,711,082股股份、多樂有限公司（「多樂」）持有之92,342,216股股份、董先生持有之4,490,000股股份、泰穎有限公司（「泰穎」）持有之438,625,528股股份及泰嶸控股有限公司（「泰嶸」）持有之438,625,528股股份）中擁有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

### 項紹琨先生（「項先生」）

項先生，55歲，於二零一五年九月二日獲委任為執行董事，並於二零一五年九月十八日獲委任為本集團行政總裁。項先生亦為本集團若干附屬公司之董事。項先生曾為國際律師事務所威嘉國際律師事務所之合夥人，自二零零四年起掌管中國業務。此前，項先生於二零零二年至二零零四年為國際律師事務所英國高偉紳律師事務所上海代表處之合夥人。作為併購專家，項先生於多項重大交易中擔任主要法律顧問，包括代表聯想集團有限公司收購IBM全球個人電腦業務。彼持有美國Vanderbilt University法律學院法律博士（Juris Doctor）學位及北京國際關係學院文學士學位。項先生為紐約及香港執業律師，長期獲Chambers評為最佳併購律師之一。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

### NON-EXECUTIVE DIRECTORS

#### Mr. Ning Hao ("Mr. Ning")

Mr. Ning, aged 40, was appointed as a non-executive Director on 2 September 2015. Mr. Ning majored in photography and obtained a bachelor degree from Beijing Film Academy (北京電影學院), PRC, in 2003. Mr. Ning is a film director and screenwriter who has directed seven films between 2003 and 2014, which were engraved with his unique personal style and won international acclaim. All of Mr. Ning's films have achieved strong investment returns. His directorial debut *Incense* 《香火》(2003) and his second film *Mongolian Ping Pong* 《綠草地》(2004) were nominated in more than 50 international film festivals, including the Berlin Film Festival, Locarno Festival and the Hong Kong International Film Festival. Among these, *Incense* won the Grand Prize at the Fourth Tokyo FILMeX Festival in 2003 and the Golden Prize (Asian Digital Films) at the 28th Hong Kong International Film Festival in 2004. In 2006, Mr. Ning directed his small budget film *Crazy Stone* 《瘋狂的石頭》, which won the Taiwan Golden Horse Awards (台灣金馬獎) for the Best Original Screenplay. *Crazy Racer* 《瘋狂的賽車》(2009), which was wrote and directed by Mr. Ning, was produced for an investment of only RMB10 million and achieved over RMB100 million at the box office. In 2013, Mr. Ning directed *No Man's Land* 《無人區》, which won the Annual Tribute Movie by One Hundred Media (百家傳媒年度致敬電影) at the 14th Chinese Film Media Awards (華語電影傳媒大獎). Mr. Ning also directed the huge box office hit *Breakup Buddies* 《心花路放》(2014) which grossed RMB1,169 million at the PRC box office and became the highest grossing-domestic Chinese film of the year.

As at the date of this report, Mr. Ning was deemed to be interested in 1,435,794,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 4,490,000 Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

### 非執行董事

#### 寧浩先生(「寧先生」)

寧先生，40歲，於二零一五年九月二日獲委任為非執行董事。寧先生於二零零三年在中國北京電影學院取得學士學位，主修攝影。寧先生為電影導演及編劇，於二零零三年至二零一四年間執導七部電影，憑藉獨特個人風格享譽國際。寧先生全部電影均帶來豐碩投資回報，其首部執導電影《香火》(二零零三年)及第二部電影《綠草地》(二零零四年)於五十多個國際電影節獲提名，包括柏林電影節、洛迦諾電影節及香港國際電影節。其中，《香火》先後於二零零三年及二零零四年獲得第四屆東京銀座電影節大獎及第二十八屆香港國際電影節金獎(亞洲數碼錄像)。寧先生於二零零六年執導小本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導投資監製成本僅人民幣10,000,000元之《瘋狂的賽車》(二零零九年)，票房突破人民幣100,000,000元。寧先生於二零一三年執導《無人區》，榮獲第十四屆華語電影傳媒大獎百家傳媒年度致敬電影。寧先生另執導賣座電影《心花路放》(二零一四年)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影。

於本報告日期，寧先生被視為於1,435,794,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、董先生持有之4,490,000股股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

### Mr. Xu Zheng (“Mr. Xu”)

Mr. Xu, aged 45, was appointed as a non-executive Director on 2 September 2015. Mr. Xu graduated with a bachelor degree from Shanghai Theatre Academy (上海戲劇學院), PRC, in 1994. Mr. Xu is an actor, director, screenwriter and producer. He started his career as an actor in the 1990s. Mr. Xu rose to national stardom in 2000 with the TV series *Sunny Piggy*《春光燦爛豬八戒》, followed by other successful TV dramas such as *Li Wei the Magistrate*《李衛當官》(2002). Mr. Xu then focused more on films, starring in comedies *Call for Love*《愛情呼叫轉移》(2007) and *Call for Love II*《愛情呼叫轉移2》(2008), *Lost on Journey*《人在囧途》(2010), *No Man's Land*《無人區》(2013) (for which he was awarded the best lead actor by the China Film Directors' Guild (中國電影導演協會) in 2014) and the huge box office hit *Breakup Buddies*《心花路放》(2014) and *Lost in Hong Kong*《港囧》(2015). In 2012, his directorial debut *Lost in Thailand*《人再囧途之泰囧》(a road trip comedy) which he also wrote, produced and starred in, earned over USD200 million and became the highest-grossing domestic Chinese film ever. In 2014, he produced and starred in *The Great Hypnotist*《催眠大師》(a suspense thriller film), which achieved groundbreaking box-office success and a great reputation in the Chinese suspense thriller film market.

As at the date of this report, Mr. Xu was deemed to be interested in 1,435,794,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 4,490,000 Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

### 徐崢先生(「徐先生」)

徐先生，45歲，於二零一五年九月二日獲委任為非執行董事。徐先生於一九九四年畢業於中國上海戲劇學院，取得學士學位。徐先生為演員、導演、編劇及監製，於一九九零年代開展演員生涯。徐先生於二零零零年憑藉電視劇《春光燦爛豬八戒》晉身為全國明星，其後陸續出演其他成功電視劇作品，如《李衛當官》(二零零二年)。徐先生其後專注電影發展，先後主演喜劇《愛情呼叫轉移》(二零零七年)、《愛情呼叫轉移2》(二零零八年)、《人在囧途》(二零一零年)、《無人區》(二零一三年)(彼憑藉此電影於二零一四年獲中國電影導演協會評為年度男演員)以及票房奇葩《心花路放》(二零一四年)及《港囧》(二零一五年)。於二零一二年，徐先生首次自編自導自演兼監製公路喜劇《人再囧途之泰囧》，票房突破美金200,000,000元，成為中國有史以來最賣座華語電影。於二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，不但創造票房神話，更成為華語驚悚懸疑電影市場經典。

於本報告日期，徐先生被視為於1,435,794,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、董先生持有之4,490,000股股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

### Mr. Gao Zhikai (“Mr. Gao”)

Mr. Gao, aged 56, was appointed as a non-executive Director on 2 September 2015. Mr. Gao was appointed as a member of the audit committee of the Company on 30 September 2016. Mr. Gao is the vice chairman of Sino-Europe United Investment Corporation. Mr. Gao has extensive experience, knowledge and professional expertise in law, investment banking, venture capital and private equity, and corporate management. In the 1980s, Mr. Gao was an English interpreter for the Second Generation of Chinese leaders, including Mr. Deng Xiaoping, and also worked with the United Nations Secretariat in New York City. Mr. Gao's main working experience since graduating from Yale Law School in 1993 with a Juris Doctor degree included working as a lawyer with the New York City-headquartered law firm, Milbank, Tweed, Hadley & McCloy, as an investment banker with Morgan Stanley and its joint venture investment bank in China, China International Capital Corporation, as the China Policy Advisor with the Securities and Futures Commission, and with major corporations including PCCW Limited, Henderson Land Development Company Limited and China National Offshore Oil Corporation (“CNOOC”). At CNOOC, Mr. Gao was a senior vice president, general counsel, company secretary, and a member of the CNOOC's Investment Committee, and a director of CNOOC International, the holding company for all the overseas operating assets of CNOOC. Mr. Gao was the first secretary general of China Private Equity Association (which was subsequently renamed China Association of Private Equity). Mr. Gao was also an executive vice president, managing director and co-chairman of China at Daiwa Capital Markets Hong Kong Limited. Over the past two decades, Mr. Gao has extensive experience as a director and/or advisor to major corporations, both in China and internationally, including a number of Fortune 500 companies. At present, Mr. Gao is a member of the Global Council of Asia Society, a member of the International Advisory Board of the Brookings Doha Energy Forum, a member of the International Advisory Board of the Energy Intelligence Group, the chairman of China Energy Security Institute, and a member or an advisor at a number of other non-profit and charity organizations. Mr. Gao has a Bachelor of Arts degree in English Literature from Soochow University, a Master of Arts degree in English Literature from Beijing Foreign Studies University, a Master of Arts degree in Political Science from the Graduate School of Yale University, and a Juris Doctor degree from Yale Law School. Mr. Gao is licensed as an attorney-at-law in the State of New York of the United States of America.

### 高志凱先生（「高先生」）

高先生，56歲，於二零一五年九月二日獲委任為非執行董事。高先生於二零一六年九月三十日獲委任為本公司審核委員會成員。高先生為中歐聯合投資有限公司副主席。高先生於法律、投資銀行、創投資金、私募資本及企業管理方面擁有豐富經驗、認識及專業知識。於一九八零年代，高先生曾為鄧小平先生等中國第二代領導人擔任英語傳譯員，並曾於紐約聯合國秘書處工作。高先生於一九九三年畢業於耶魯法學院並取得法律博士(Juris Doctor)學位，其後彼之主要工作經驗包括曾於總部設於紐約之律師事務所Milbank, Tweed, Hadley & McCloy擔任律師、於摩根士丹利及其中國合營投資銀行中國國際金融有限公司擔任投資銀行家，以及於證券及期貨事務監察委員會擔任中國事務顧問。彼亦曾為電訊盈科有限公司、恒基兆業地產有限公司及中國海洋石油總公司（「中國海油」）等大型企業效力。於中國海油任職時，高先生擔任高級副總裁、法律顧問、公司秘書及中國海油投資委員會成員，並為中國海洋石油國際有限公司（中國海油全部海外營運資產之控股公司）董事。高先生為天津股權投資基金協會（其後易名為中國股權投資基金協會）首名總書記。高先生亦曾任大和資本市場香港有限公司之執行副總裁、董事總經理及中國區聯席主席。於過去二十年，高先生於中國及國際大型企業出任董事及／或顧問並累積豐富經驗，當中包括多家財富雜誌500強企業。現時，高先生為亞洲社區全球理事會(Global Council of Asia Society)成員、布魯金斯多哈能源論壇(Brookings Doha Energy Forum)國際諮詢委員會成員、能源資訊集團(Energy Intelligence Group)國際諮詢委員會成員、中國能源安全組織(China Energy Security Institute)主席，以及多個其他非牟利及慈善組織之成員或顧問。高先生持有蘇州大學英國文學學士學位、北京外國語大學英國文學碩士學位、耶魯大學研究生院政治學文學碩士學位及耶魯法學院法律博士(Juris Doctor)學位。高先生為美國紐約州註冊律師。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

With effect from 31 May 2017, Mr. Gao has been appointed as an independent non-executive director of Baytacare Pharmaceutical Co., Ltd., the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8197). With effect from 18 July 2016, Mr. Gao has been appointed as an independent non-executive director of E-Commodities Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 1733).

As at the date of this report, Mr. Gao was deemed to be interested in 46,171,108 Shares (being 46,171,108 Shares held by Dayunmony Investment Corporation) within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Mr. Su Tuong Sing, David ("Mr. Su")

Mr. Su, aged 46, was appointed as an independent non-executive Director on 2 September 2015. Mr. Su is also the chairman of the remuneration committee, the chairman of the nomination committee and a member of the audit committee of the Company. Mr. Su is a managing partner at Matrix Partners China, a venture capital firm specializing in early and growth stage investments and focused primarily on internet, mobile, software and medical technology investments. Mr. Su, through Matrix Partners China and other investment vehicles, has been investing in China for the past 15 years and his investments include Baidu Inc. (NASDAQ Symbol: BIDU), China Kanghui Holdings Inc. (NYSE Symbol: KH), AAC Technologies Holdings Inc. (stock code: 2018), Bona Film Group Limited (NASDAQ Symbol: BONA), DiDi-Kuaidi, Shanghai Kingnet Technology Co. Ltd, and Reach Surgical, Inc.. Prior to joining Matrix Partners China, Mr. Su was a co-founder and general partner of TDF Capital and KPCB China Fund, both of which are venture capital firms specializing in early and growth stage investments. Prior to joining the venture capital industry, Mr. Su worked at Lotus Development, IBM Software Company for seven years and he had made significant contributions to Lotus's overall software and services business in the Greater China region. Mr. Su started his career at Port of Singapore Authority, responsible for information system development and management. Mr. Su graduated from Nanyang Technological University with a Bachelor Degree in Computer Engineering.

高先生自二零一七年五月三十一日起獲委任為北斗嘉藥業股份有限公司之獨立非執行董事，該公司之股份於聯交所創業板上市（股份代號：8197）。自二零一六年七月十八日起，高先生亦獲委任為易大宗控股有限公司之獨立非執行董事，該公司之股份於聯交所主板上市（股份代號：1733）。

於本報告日期，高先生被視為於46,171,108股股份（即由Dayunmony Investment Corporation持有之46,171,108股股份）中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

### 獨立非執行董事

#### 徐傳陞先生（「徐先生」）

徐先生，46歲，於二零一五年九月二日獲委任為獨立非執行董事。徐先生亦為本公司薪酬委員會主席、提名委員會主席及審核委員會成員。徐先生為經緯中國之管理合夥人。經緯中國為創投資金管理公司，針對早期及發展階段進行投資，主力投資範圍包括網絡、移動、軟件及醫療技術。過去15年，徐先生一直透過經緯中國及其他投資工具於中國進行投資，包括百度（納斯達克代碼：BIDU）、China Kanghui Holdings Inc.（紐交所代碼：KH）、瑞聲科技控股有限公司（股份代號：2018）、博納影業集團（納斯達克代碼：BONA）、滴滴快的、上海愷英網絡科技有限公司及瑞奇外科器械（中國）有限公司。加入經緯中國前，彼為華盈基金及凱鵬華盈中國基金之聯合創辦人及普通合夥人，該兩間公司均為創投資金管理公司，專注初期及發展階段之投資。投身創投行業前，徐先生曾於Lotus Development, IBM Software Company任職七年，為Lotus於大中華地區之整體軟件及服務業務作出莫大貢獻。徐先生於新加坡港務局開展事業，負責資訊系統發展及管理。徐先生畢業於南洋理工大學，取得計算機工程學士學位。

## BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

### Mr. Li Xiaolong (“Mr. Li”)

Mr. Li, aged 52, was appointed as an independent non-executive Director on 2 September 2015. Mr. Li is a member of the remuneration committee and a member of the nomination committee of the Company. Mr. Li has more than 20 years of experience in the industry of information technology and telecommunications. He is the founder and chairman of Net 263 Ltd. (Shenzhen Stock Exchange Code: 002467), a company based in Beijing and which provides integrated communication services for medium-and small-sized enterprises and professionals. Since September 2004, Mr. Li was the director and general manager of Net 263 Ltd., and since August 2006, the director of Net 263 Ltd. He was an independent director at E-Commerce China Dangdang Inc. (NYSE Symbol: DANG) from December 2010 to October 2016, and an independent director at Kongzhong Corp. (NASDAQ Symbol: KZ) from 2012 to May 2017. Mr. Li studied Computer Science at Beijing Industry University. Mr. Li attended the undergraduate program in software engineering in Beijing University of Technology. In January 2013, Mr. Li was appointed as a committee member of the telecommunications and economic experts of the Ministry of Industry and Information Technology.

### Mr. Wong Tak Chuen (“Mr. Wong”)

Mr. Wong, aged 53, joined the Company as an independent non-executive director on 10 April 2014. Mr. Wong is the chairman of the audit committee. Mr. Wong is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales. He has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently the chief financial officer of a public company in Hong Kong and a company listed on the GEM Board of the Stock Exchange. Mr. Wong has been (i) an independent non-executive director of Eternity Investment Limited (stock code: 764, a company listed on the Main Board of the Stock Exchange) since 7 November 2011; (ii) an independent non-executive director of Man Sang International Limited (stock code: 938, a company listed on the Main Board of the Stock Exchange) since 12 July 2016; and (iii) an independent non-executive director of China Healthwise Holdings Limited (stock code: 348, a company listed on the Main Board of the Stock Exchange) since 11 October 2016.

### 李小龍先生 (「李先生」)

李先生，52歲，於二零一五年九月二日獲委任為獨立非執行董事。李先生為本公司薪酬委員會及提名委員會成員。李先生於資訊科技及電信業積逾20年經驗。彼為二六三網絡通信股份有限公司(深圳證券交易所代碼：002467)之創辦人及主席，該公司位於北京，為中小企及專業人士提供綜合通訊服務。自二零零四年九月起，李先生擔任二六三網絡通信股份有限公司之董事兼總經理，並自二零零六年八月起擔任二六三網絡通信股份有限公司之董事。自二零一零年十二月至二零一六年十月及自二零一二年至二零一七年五月，彼分別出任E-Commerce China Dangdang Inc. (紐交所代碼：DANG)及Kongzhong Corp. (納斯達克代碼：KZ)之獨立董事。李先生曾於Beijing Industry University修讀計算機科學，並曾修讀北京工業大學軟件工程本科課程。於二零一三年一月，李先生獲委任為工業和信息化部電信經濟專家委員會成員。

### 黃德銓先生 (「黃先生」)

黃先生，53歲，於二零一四年四月十日加入本公司，擔任獨立非執行董事。黃先生為審核委員會主席。黃先生為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭和威爾斯特許會計師協會會員，擁有超過20年審計、財務管理、合併與收購經驗，曾在香港一家國際會計師行、香港多家上市公司及一家美國上市公司擔任高級財務相關職位。黃先生現任一家香港公眾公司及一家在聯交所創業板上市的公司的財務總監。黃先生(i)自二零一一年十一月七日起擔任永恒策略投資有限公司(股份代號：764，一家在聯交所主板上市的公司)的獨立非執行董事；(ii)自二零一六年七月十二日起擔任民生國際有限公司(股份代號：938，一家在聯交所主板上市的公司)的獨立非執行董事；及(iii)自二零一六年十月十一日起擔任中國智能健康控股有限公司(股份代號：348，一家在聯交所主板上市的公司)的獨立非執行董事。

## DIRECTORS' REPORT

### 董事報告

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2017.

董事謹此提呈董事報告以及本集團截至二零一七年十二月三十一日止年度之經審核財務報表。

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in media and entertainment and related businesses, provision of property agency and related services, and securities trading and investments.

### 主要業務

本公司乃一間投資控股公司，其附屬公司主要從事媒體及娛樂及相關業務、提供物業代理及相關服務以及證券買賣及投資。

Details of the activities of the principal subsidiaries are set out in note 42 to the consolidated financial statements. An analysis of revenue and results by principal activities of the Group are set out in note 7 to the consolidated financial statements.

各主要附屬公司之業務詳情載於綜合財務報表附註42。按本集團主要業務劃分之收益及業績分析載於綜合財務報表附註7。

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report on page 86.

### 業績及股息

本集團截至二零一七年十二月三十一日止年度之業績載於本年報第86頁之綜合損益及其他全面收益表。

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017.

董事不建議派付截至二零一七年十二月三十一日止年度之末期股息。

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 192 of the annual report. This summary does not form part of the audited consolidated financial statements.

### 財務概要

本集團於過往五年之業績、資產及負債概要載於年報第192頁。該概要並非經審核綜合財務報表的組成部分。

### SHARE CAPITAL OF THE COMPANY

Details of the ordinary shares issued by the Company in 2017 and details of movement in the share capital of the Company in 2017 are set out in note 30 to the consolidated financial statements.

### 公司股本

本公司於二零一七年已發行之普通股及本公司於二零一七年股本變動之詳情載於綜合財務報表附註30。

## DIRECTORS' REPORT

### 董事報告

#### SHARE OPTIONS

Pursuant to a resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved adoption of a share option scheme which will remain in force for a period of 10 years from the effective date of its adoption.

Particulars of the share option scheme of the Company are set out in note 38 to the consolidated financial statements. There were no outstanding share options as at 31 December 2016 and 31 December 2017 and no share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2017.

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

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

#### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

#### RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 88 and note 31 to the consolidated financial statements of this annual report respectively.

#### DISTRIBUTABLE RESERVE

Details of the distributable reserve of the Company as at 31 December 2017 are set out in note 31 to the consolidated financial statements.

As at 31 December 2017, the Company did not have distributable profit to shareholders (2016: nil).

#### 購股權

根據於二零一四年六月十七日舉行的股東週年大會上通過的一項決議案，本公司股東批准採納一項購股權計劃。該購股權計劃將自其採納的生效日期起於十年內有效。

本公司購股權計劃之詳情載於綜合財務報表附註38。於二零一六年十二月三十一日及二零一七年十二月三十一日，並無尚未行使之購股權，截至二零一七年十二月三十一日止年度亦無購股權獲授出、行使、註銷或失效。

#### 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於回顧年度內並無購買、出售或贖回本公司任何上市證券。

#### 優先購買權

本公司之公司細則（「公司細則」）或百慕達法例均無有關優先購買權（即規定本公司須按比例向現有股東發售新股份）之條款。

#### 儲備

本集團及本公司年內儲備變動之詳情分別載於本年報第88頁綜合權益變動表及綜合財務報表附註31。

#### 可供分派儲備

本公司於二零一七年十二月三十一日之可供分派儲備之詳情載於綜合財務報表附註31。

於二零一七年十二月三十一日，本公司並無可供分派予股東的溢利（二零一六年：無）。



## DIRECTORS' REPORT

### 董事報告

#### BUSINESS REVIEW

A review of the business performance of the Group during 2017 using financial key performance indicators and discussion on the important events affecting the Group since the end of 2017 and the Group's future business development that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis of this annual report, the discussions thereof form part of this Directors' Report.

Discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have significant impact on the Group are set out below in the Directors' Report of this annual report. Please also refer to the Environmental, Social and Governance Report for the Group's policies in this regard.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Group as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis of this annual report.

##### 1. OPERATIONAL RISK

In respect of the risk factor relating to the Group's media and entertainment businesses, as set out in the Company's circular dated 5 August 2015, given that the Company will invest in a limited number of films, the success or failure of these films could have a significant impact on the Company's results of operations in both the year of release and in the future. Besides, the film industry is fragmented and highly competitive, the number of films invested by competitors may create an oversupply of films in the market. Further, unauthorised copying and piracy are prevalent in the PRC and other countries in Asia, whose legal systems may make it difficult for the Company to enforce its intellectual property rights.

#### 業務回顧

有關使用財務關鍵表現指標對本集團於二零一七年業務表現進行之審閱以及自二零一七年終起影響本集團的重要事項及本集團未來業務發展之討論載於本年報之主席報告書及管理層討論與分析，有關討論構成本董事報告的一部分。

有關本集團之環境政策、與其主要利益相關者之關係及遵守對本集團有重大影響之相關法律及規例之討論載於下文本年報之董事報告。有關本集團的相關政策，另請參閱環境、社會及管治報告。

#### 主要風險及不明朗因素

除本年報主席報告書及管理層討論與分析提述事宜以外，本集團根據公司條例（香港法例第622章）須予披露所面對的主要風險及不明朗因素如下。

##### 1. 運營風險

有關本集團媒體及娛樂業務之風險因素載於本公司日期為二零一五年八月五日之通函內。由於本公司將投資之電影數目有限，其成敗可能對本公司於發行年度及未來之營運業績造成重大影響。此外，電影行業高度分散且競爭激烈，競爭對手所投資電影數目可能導致電影市場供過於求。而且，未經授權複製及盜版在中國及亞洲其他國家尤其猖獗，而當地法律制度可能令本公司難以執行其知識產權。

## DIRECTORS' REPORT

### 董事報告

In 2015, the Group signed several agreements to invest in films, including two exclusive service agreements with renowned directors, Mr. Ning Hao ("Mr. Ning") and Mr. Xu Zheng ("Mr. Xu"), who became the Company's shareholders and non-executive Directors. Under the terms of the service agreements, they are required to produce one to two films every three years by 31 December 2020, which can considerably enhance the Group's capabilities in film content creation and development. Mr. Dong Ping ("Mr. Dong"), Mr. Ning and Mr. Xu have extensive experience, strong expertise and a wide business network in the media and entertainment industry. Mr. Dong, the Company's substantial shareholder and the Chairman of the Board, has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields, whilst Mr. Ning and Mr. Xu are prestigious and successful directors and actors in the PRC movie industry. Please refer to "Biographical Details of Directors" in this annual report for the biographical details of Mr. Dong, Mr. Ning and Mr. Xu.

On 1 June 2016, the Group entered into two cooperation agreements with Mr. Chan Ho Sun Peter and Master China Films Limited (a company indirectly wholly-owned by Mr. Wong Kar Wai) respectively, pursuant to which each of Mr. Chan Ho Sun Peter and Master China Films Limited has conditionally agreed to provide to the Group with certain services, and investment and other rights, relating to film and media productions as set forth in the relevant agreements. Further, on 6 December 2016, the Group entered into two cooperation agreements with Mr. Gu Changwei and Mr. Zhang Xiaoling (also known as Zhang Yibai) respectively, pursuant to which each of Mr. Gu Changwei and Mr. Zhang Xiaoling has conditionally agreed to provide to the Group with certain services, and investment and other rights, relating to film and internet drama series productions as set forth in the relevant agreements.

Given the above, the Directors are of the view that the participation of Mr. Dong, Mr. Ning, Mr. Xu, Mr. Chan Ho Sun Peter, Mr. Wong Kar Wai, Mr. Gu Changwei and Mr. Zhang Xiaoling in the Group and through cooperation with them would be instrumental in the Company's development in the media and entertainment industry and could migrate the risk.

於二零一五年，本集團已簽訂多份協議，積極投資電影作品。其中，本集團與兩位重量級導演（成為本公司股東兼非執行董事）—寧浩先生（「寧先生」）及徐崢先生（「徐先生」）簽訂了獨家服務協議，截至二零二零年十二月三十一日止期間，兩位股東導演將根據服務協議條款為本集團每三年導演一至兩部電影作品，大大提升了本集團在影視內容開發及創作方面的能力。董平先生（「董先生」）、寧先生及徐先生於媒體及娛樂行業具備豐富經驗、強大專業知識及廣闊商業脈絡。董先生為本公司主要股東及董事會主席，於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，而寧先生及徐先生為中國電影界當時得令之導演及演員。有關董先生、寧先生及徐先生之履歷詳情，請參閱本年報之「董事履歷」。

於二零一六年六月一日，本集團分別與陳可辛先生及Master China Films Limited（一間由王家衛先生間接全資擁有之公司）訂立合作協議，據此，陳可辛先生及Master China Films Limited各自有條件同意向本集團提供與相關協議所載之電影及媒體製作相關之若干服務、投資及其他權利。此外，於二零一六年十二月六日，本集團分別與顧長衛先生及張曉陵先生（又名張一白）訂立合作協議，據此，顧長衛先生及張曉陵先生各自有條件同意向本集團提供與相關協議所載之電影及網絡系列影視劇製作相關之若干服務、投資及其他權利。

因此，董事認為，得到董先生、寧先生、徐先生、陳可辛先生、王家衛先生、顧長衛先生及張曉陵先生加盟本集團，加上與彼等之合作，對本公司發展媒體及娛樂事業攸關重要，並有助於轉移風險。

## DIRECTORS' REPORT

### 董事報告

#### 2. FINANCIAL RISKS

Details of the Group's financial risks relating to the operations of the Group include market risk (including foreign currency risk, interest rate risk and equity and other price risk), credit risk and liquidity risk are set out in note 33 to the consolidated financial statements.

#### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

#### BOARD OF DIRECTORS

The Directors during 2017 and up to the date of the annual report were:

##### **Executive Directors**

Mr. Dong Ping (*Chairman*)

Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

##### **Non-executive Directors**

Mr. Ning Hao

Mr. Xu Zheng

Mr. Gao Zhikai

##### **Independent non-executive Directors**

Mr. Su Tuong Sing, David

Mr. Li Xiaolong

Mr. Wong Tak Chuen

In accordance with bye-law 99 of the Bye-laws, Mr. Su Tuong Sing, David, Mr. Li Xiaolong and Mr. Wong Tak Chuen shall retire by rotation at the forthcoming annual general meeting. Each of them, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Brief biographical particulars of the existing Directors are set out in the "Biographical Details of Directors" of this annual report. Directors' other particulars are contained in this report and elsewhere in this annual report.

#### 2. 財務風險

有關本集團經營之財務風險包括市場風險(包括外幣風險、利率風險及股本及其他價格風險)、信貸風險及流動資金風險,詳情載列於綜合財務報表附註33。

#### 物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於綜合財務報表附註17。

#### 董事會

於二零一七年內及截至本年報日期止之董事如下:

##### **執行董事**

董平先生(主席)

項紹琨先生(行政總裁)

##### **非執行董事**

寧浩先生

徐崢先生

高志凱先生

##### **獨立非執行董事**

徐傳陞先生

李小龍先生

黃德銓先生

按照公司細則第99條,徐傳陞先生、李小龍先生及黃德銓先生須於應屆股東週年大會上輪席告退。彼等均符合資格並將於應屆股東週年大會上膺選連任。

現任董事之履歷簡介載於本年報之「董事履歷」。董事之其他詳情載於本報告及本年報其他部份。

## DIRECTORS' REPORT

### 董事報告

#### DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

The existing Directors including the executive Directors, the non-executive Directors and independent non-executive Directors are for a term of 2 years (except Mr. Xiang Shaokun, Steven, an executive Director and the Chief Executive Officer of the Group, there is no specific term or proposed length of services for Mr. Xiang's appointment). All of the existing Directors shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

#### PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

#### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive Directors are independent.

#### 董事之服務合約

擬於本公司之應屆股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂有僱傭公司於一年內不作賠償(法定賠償除外)即不可終止之服務合約。

現任董事(包括執行董事、非執行董事及獨立非執行董事)之委任年期均為兩年(本集團執行董事兼行政總裁項紹琨先生除外,項先生之委任並無特定任期或擬訂定之服務年期)。所有現任董事須根據公司細則及聯交所證券上市規則(「上市規則」)輪席告退及膺選連任。

#### 獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟,為董事及行政人員之職責作適當之投保安排。當董事編製之董事報告根據公司條例(香港法例第622章)第391(1)(a)條獲批准時,按公司條例第470條規定基於董事利益的獲准許彌償條文生效。

#### 獨立非執行董事之獨立性

本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認函,並認為各獨立非執行董事皆屬獨立人士。

## DIRECTORS' REPORT

### 董事報告

#### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2017, the interests and short positions of each Director and chief executive 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), 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 Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules, or known to the Company, were as follows:

#### Long Positions in the Ordinary Shares of HK\$0.01 Each of the Company

Name of Directors	董事姓名	Number of Shares 股份數目	Approximate percentage of the issued Shares 佔已發行股份概約百分比
Mr. Dong Ping	董平先生	1,435,794,354 (Note 1) (附註1)	51.87%
Mr. Ning Hao	寧浩先生	1,435,794,354 (Note 2) (附註2)	51.87%
Mr. Xu Zheng	徐崢先生	1,435,794,354 (Note 3) (附註3)	51.87%
Mr. Gao Zhikai	高志凱先生	46,171,108 (Note 4) (附註4)	1.67%

Notes:

1. These Shares include Shares held by Newwood Investments Limited ("Newwood") as to 461,711,082 Shares and Numerous Joy Limited ("Numerous Joy") as to 92,342,216 Shares, both of which are companies incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Dong Ping. Mr. Dong Ping also personally holds 4,490,000 Shares. On 14 April 2015, Mr. Dong Ping, Newwood, Pacific Wits Limited ("Pacific Wits"), Mr. Ning Hao, Tairong Holdings Limited ("Tairong") and Mr. Xu Zheng entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the subscription for new shares in the Company pursuant to a subscription agreement dated 14 April 2015, details of which are set out in the Company's circular dated 5 August 2015. As Mr. Dong Ping and Newwood are parties to the Shareholders Agreement, Mr. Dong Ping is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO and Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.

#### 董事之證券權益

於二零一七年十二月三十一日，各董事及行政總裁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）之股份、相關股份及債權證中，擁有本公司記錄於根據證券及期貨條例第352條備存之登記冊之權益及淡倉，或根據證券及期貨條例第XV部或上市規則之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所或本公司已知悉之權益及淡倉如下：

#### 本公司每股面值港幣0.01元之普通股之好倉

Name of Directors	董事姓名	Number of Shares 股份數目	Approximate percentage of the issued Shares 佔已發行股份概約百分比
Mr. Dong Ping	董平先生	1,435,794,354 (Note 1) (附註1)	51.87%
Mr. Ning Hao	寧浩先生	1,435,794,354 (Note 2) (附註2)	51.87%
Mr. Xu Zheng	徐崢先生	1,435,794,354 (Note 3) (附註3)	51.87%
Mr. Gao Zhikai	高志凱先生	46,171,108 (Note 4) (附註4)	1.67%

附註：

1. 該等股份包括由Newwood Investments Limited（「Newwood」）及多樂有限公司（「多樂」）（均為於英屬處女群島註冊成立之有限公司，由董平先生最終全資擁有）分別持有的461,711,082股股份及92,342,216股股份。董平先生個人亦持有4,490,000股股份。於二零一五年四月十四日，董平先生、Newwood、泰穎有限公司（「泰穎」）、寧浩先生、泰嶸控股有限公司（「泰嶸」）及徐崢先生訂立股東協議（「股東協議」），其中載有根據日期為二零一五年四月十四日之認購協議，完成認購本公司新股份後，訂約各方對管治本公司之若干權利與義務，有關詳情載於本公司日期為二零一五年八月五日之通函。由於董平先生及Newwood為股東協議之訂約方，故根據證券及期貨條例第317條，董平先生被視作於Newwood、泰穎及泰嶸所持的全部股份中擁有權益，而根據證券及期貨條例第317條，Newwood被視作於董平先生、泰穎及泰嶸所持的全部股份中擁有權益。

## DIRECTORS' REPORT

### 董事報告

- These Shares include 438,625,528 Shares held by Pacific Wits, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Ning Hao. Mr. Ning Hao and Pacific Wits are parties to the Shareholders Agreement, and are therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Newwood and Tairong are interested by virtue of section 317 of the SFO.
- These Shares include 438,625,528 Shares held by Tairong, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Xu Zheng. Mr. Xu Zheng and Tairong are parties to the Shareholders Agreement, and are therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.
- These Shares are held by Dayunmony Investment Corporation, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Gao Zhikai.

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during 2017 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 40 to the financial statements headed "Related Party Disclosures" and the section headed "Directors' Interests in Competing Business" of the Directors' Report and elsewhere in this annual report, no Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during 2017.

- 該等股份包括由泰穎(於英屬處女群島註冊成立之有限公司,由寧浩先生最終全資擁有)持有之438,625,528股股份。寧浩先生及泰穎為股東協議訂約方,因此根據證券及期貨條例第317條,彼等將視作於董平先生、Newwood及泰嶸所持的全部股份中擁有權益。
- 該等股份包括由泰嶸(於英屬處女群島註冊成立之有限公司,由徐崢先生最終全資擁有)持有之438,625,528股股份。徐崢先生及泰嶸為股東協議訂約方,因此根據證券及期貨條例第317條,彼等將視作於董平先生、Newwood及泰穎所持的全部股份中擁有權益。
- 該等股份由Dayunmony Investment Corporation(於英屬處女群島註冊成立之有限公司,由高志凱先生最終全資擁有)持有。

除上文披露者外,於二零一七年十二月三十一日,本公司董事、行政總裁或彼等各各自之聯繫人士於本公司或其任何相聯法團之股份、相關股份及債權證中,概無擁有本公司記錄於根據證券及期貨條例第352條備存之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

於二零一七年內任何時間,本公司或其任何附屬公司概無訂立任何安排,致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

### 董事於交易、安排或合約之權益

除財務報表附註40「關連人士披露」及董事報告「董事於競爭業務之權益」一節及本年報其他部分所披露者外,於二零一七年,概無董事於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重大之交易、安排或合約中直接或間接擁有重大權益。

## DIRECTORS' REPORT

### 董事報告

#### SUBSTANTIAL SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in note 40 to the financial statements headed "Related Party Disclosures" and the section headed "Directors' Interests in Competing Business" of the Directors' Report and elsewhere in this annual report, at no time during 2017 had the Company or any of its subsidiaries, and the substantial shareholder (as defined in the Listing Rules) or any of its subsidiaries entered into any contracts of significance or any contract of significance for the provision of services by the substantial shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

#### COMPANY CONTRACT OF SIGNIFICANCE/ CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION

##### The Service Agreements – continuing connected transactions

On 14 April 2015 (after trading hours), the Company entered into the service agreements (the "Service Agreements") with each of Mr. Ning Hao and Mr. Xu Zheng (the "Shareholder Directors" and each a non-executive Director and a substantial shareholder of the Company). Pursuant to the Service Agreements:

- (a) the Company shall have exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning Hao and Mr. Xu Zheng (the "Shareholder Directors' Productions"), i.e. the Company shall be the sole investor to such productions;
- (b) the Company shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting and network dissemination etc.) to the Shareholder Directors' Productions in the PRC, Hong Kong, Taiwan and Macau Special Administrative Region of the PRC;

#### 主要股東於重大合約之權益

除財務報表附註40「關連人士披露」及董事報告「董事於競爭業務之權益」一節及本年報其他部分所披露者外，於二零一七年內任何時間，本公司或其任何附屬公司概無與主要股東（定義見上市規則）或其任何附屬公司訂立任何重大合約，亦無就主要股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重大合約。

#### 公司之重大合約／關連交易／持續關連交易

##### 服務協議－持續關連交易

於二零一五年四月十四日（交易時段後），本公司分別與寧浩先生及徐崢先生（「股東導演」，均為本公司非執行董事及主要股東）訂立服務協議（「服務協議」）。根據服務協議：

- (a) 本公司將擁有任何由寧浩先生及徐崢先生構思及執導之電影及節目（「股東導演作品」）之排他投資權及製作權，即本公司將為有關作品之唯一投資者；
- (b) 本公司將擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等；

## DIRECTORS' REPORT

### 董事報告

- (c) each of the Shareholder Directors shall direct one to two films (being films that shall be publicly released) every three years in respect of which the Company shall have the exclusive investment and production rights, and the priority distribution rights set out in paragraphs (a) and (b) above. For the avoidance of doubt, the Company shall not have such rights in any Shareholder Directors' Productions in which the Company decides not to invest;
- (d) the Shareholder Directors shall use their best endeavours to provide the Company with the priority investment, production and distribution rights for films and programmes (including films, television drama series, online drama series and other television programmes) which are not developed and directed by any of the Shareholder Directors and the Shareholder Directors are either producer, screenwriter, lead actor or other creative member (the "Non-Shareholder Directors' Productions"); and
- (e) the Shareholder Directors shall actively participate in the promotional activities of other films and programmes invested or produced by the Company according to the requirements of the Company.
- (c) 各股東導演將每三年導演一至兩部電影作品(以作品正式公開上映為準)，而本公司將如上文(a)及(b)段所載擁有該等電影作品之排他投資權及製作權以及優先發行權。為免疑慮，倘本公司決定不投資於某股東導演作品，則本公司將不會就該作品擁有該等權利；
- (d) 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目(包括電影、電視劇、網絡自製劇及其他電視節目)(「非股東導演作品」)向本公司提供優先投資權、製作權及發行權；及
- (e) 股東導演將根據本公司要求積極參與本公司投資或製作之其他影視作品及節目之宣傳活動。

### Shareholder Directors' Proposal

During a term of six years from the date of completion of the Subscription Agreement (i.e. 2 September 2015) (the "Service Period"), each Shareholder Director shall, with respect to each proposed Shareholder Directors' Production, submit to the Company a written proposal, which contents shall include such production's (i) plot or storyline, (ii) total budget and the basis for determining the same, (iii) production and distribution budget, (iv) production plan and timeline, and (v) the proposed screenwriter, producer and casting for such production.

The Board or a designated board committee shall, within 30 business days of receiving the foregoing written proposal, consider and discuss such proposal with respect to its investment, production and distribution, and shall also make a determination as to whether the Company will invest in such proposed Shareholder Directors' Production.

### 股東導演建議

自認購協議完成日期(即二零一五年九月二日)起計六年(「服務期」)內，各股東導演須就每部建議股東導演作品向本公司提交建議書，當中載列有關作品之(i)情節或故事大綱；(ii)總預算及其釐定基準；(iii)製作及發行預算；(iv)製作計劃及時間表；及(v)建議編劇、監製及演員陣容。

董事會或指定董事委員會將於接獲上述建議書後30個營業日內審議及討論有關建議之投資、製作及發行事宜，並釐定本公司會否投資有關建議股東導演作品。



## DIRECTORS' REPORT

### 董事報告

#### Service fees

No service fee shall be payable by the Company to the Shareholder Directors in consideration of entering into the Service Agreements or the transactions contemplated thereunder, subject to the Shareholder Directors' rights to the following benefits and rewards:

- (a) each of the Shareholder Directors shall be entitled to receive film director fees or creative member fees in respect of the Shareholder Directors' Productions and the Non-Shareholder Directors' Productions that the Company invests in with reference to the prevailing market rates for similar productions, subject to a maximum amount of HK\$30 million per annum; and
- (b) the Shareholder Directors shall be entitled to receive dividends in respect of any Shares held by them, if any, to be declared by the Company.

#### Proposed annual caps

Annual caps for the film director fees or creative member fees payable to the Shareholder Directors under the Service Agreements of HK\$30 million for each Shareholder Director for each of the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020. The annual caps were determined with reference to the prevailing market rates payable to independent third party film directors who are of similar calibre, status, standing and reputation and who have similar track records of successful and profitable movies and other media productions.

As set out in the circular of the Company dated 5 August 2015, Mr. Ning Hao and Mr. Xu Zheng are prestigious and successful directors and actors in the PRC movie industry. The Directors are of the view that the participation of Mr. Ning Hao and Mr. Xu Zheng in the Company and through the services they would provide under the Service Agreements would be instrumental in the Company's development in the media and entertainment industry.

#### 服務費

本公司毋須向股東導演支付任何服務費作為訂立服務協議或其項下擬進行交易之代價，惟股東導演有權享有下列利益及報酬：

- (a) 各股東導演有權就本公司所投資之股東導演作品及非股東導演作品收取電影導演費或創作人員費，當中參考同類製作之現行市場收費，惟每年金額上限為港幣30,000,000元；及
- (b) 股東導演有權收取本公司就彼等所持任何股份（如有）宣派之股息。

#### 建議年度上限

截至二零一五年、二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日止各年度根據服務協議應付股東導演之電影導演費或創作人員費設定年度上限為每名股東導演港幣30,000,000元。年度上限乃經參考應付獨立第三方電影導演（具有相若之才幹、地位及聲譽，且在執導賣座電影方面之往績相若及具備其他媒體製作經驗）之現行市場收費後釐定。

誠如本公司日期為二零一五年八月五日之通函所載，寧浩先生及徐崢先生為中國電影界當時得令之導演及演員。董事認為，得到寧浩先生及徐崢先生參與發展本公司，加上彼等根據服務協議提供之服務，對本公司在媒體及娛樂事業上的發展定能作出莫大貢獻。

## DIRECTORS' REPORT

### 董事報告

After completion of the Subscription Agreement, each of Pacific Wits Limited (a company incorporated in the British Virgins Islands with limited liabilities and wholly owned by Mr. Ning Hao) and Tairong Holdings Limited (a company incorporated in the British Virgins Islands with limited liabilities and wholly owned by Mr. Xu Zheng) had become a substantial shareholder of the Company. Besides, each of Mr. Ning Hao and Mr. Xu Zheng are non-executive Director and thus a connected person of the Company. Accordingly, the Service Agreements and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Service Agreements and the transactions contemplated thereunder are non-exempt continuing connected transactions and are subject to the requirements under Chapter 14A of the Listing Rules. The Service Agreements and annual caps for each of the six financial years ending 31 December 2020 in relation to the transactions contemplated under the Service Agreements were approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 August 2015.

For the year ended 31 December 2017, the actual fee paid by the Group under the Service Agreements to each of Mr. Ning Hao and Mr. Xu Zheng is approximately RMB16,123,000 (equivalent to approximately HK\$18,639,000) (2016: nil) and RMB10,518,000 (equivalent to approximately HK\$12,612,000) (2016: nil) respectively.

完成認購協議後，泰穎有限公司（於英屬處女群島註冊成立之有限公司並由寧浩先生全資擁有）及泰嶸控股有限公司（於英屬處女群島註冊成立之有限公司並由徐崢先生全資擁有）已各自成為本公司主要股東。此外，寧浩先生及徐崢先生均為非執行董事，因而屬本公司之關連人士，故服務協議及其項下擬進行交易構成本公司於上市規則第14A章項下之持續關連交易。

服務協議及其項下擬進行交易構成不獲豁免持續關連交易，故須遵守上市規則第14A章之規定。本公司獨立股東已於本公司於二零一五年八月二十八日舉行之股東特別大會上批准服務協議及服務協議項下擬進行交易所涉及截至二零二零年十二月三十一日止六個財政年度各年之年度上限。

截至二零一七年十二月三十一日止年度，本集團根據服務協議向寧浩先生及徐崢先生支付的實際費用分別約為人民幣16,123,000元（相當於約港幣18,639,000元）（二零一六年：無）及人民幣10,518,000元（相當於約港幣12,612,000元）（二零一六年：無）。

## DIRECTORS' REPORT

### 董事報告

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- in the ordinary and usual course of business of the Group's business;
- on normal commercial terms or better; and
- according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's Auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. The Company has provided a signed copy of the said letter to the Stock Exchange.

獨立非執行董事已審閱上述持續關連交易，並確認有關交易乃：

- 於本集團之日常及一般業務過程中訂立；
- 按正常或更優商業條款訂立；及
- 根據相關協議之條款進行，而條款屬公平合理，且符合本公司股東之整體利益。

本公司核數師根據《香港鑒證業務準則》第3000號（經修訂）「歷史財務資料審計或審閱以外的鑒證業務」並參照由香港會計師公會頒佈的《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.56條發出載有有關本集團於本年度報告所披露的持續關連交易的發現及結論的無保留意見函件。本公司已向聯交所提供上述函件的簽署副本。

## DIRECTORS' REPORT

### 董事報告

#### DIRECTORS' INTERESTS IN COMPETING BUSINESS

#### 董事於競爭業務之權益

Interests of the Directors in competing businesses to the Group as at 31 December 2017 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:

於二零一七年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

Directors	Companies which Directors held interests	Nature of business	Nature of interest (including close associate's interest, if any) 權益性質 (包括緊密聯繫人士之權益，如有)
董事	董事持有權益之公司	業務性質	
Mr. Ning Hao 寧浩先生	天津壞猴子影業有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	INJO Films Co. Ltd. 東陽映月影視文化傳播有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	北京壞猴子文化產業發展有限公司	TV Production and Distribution 電視節目製作及發行	Ultimate Shareholder 最終股東
	霍爾果斯壞猴子影視文化傳播有限公司	TV Production and Distribution 電視節目製作及發行	Ultimate Shareholder 最終股東
	花滿山(上海)影業有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	東陽壞猴子影視文化傳播有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	壞猴子(上海)文化傳播有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	北京年年歡易戲劇藝術發展有限公司	TV and Movie Production and Distribution 電視節目及電影製作及發行	Close associate's interest 緊密聯繫人士之權益
	霍爾果斯年年歡易影視傳媒有限公司	TV and Movie Production 電視節目及電影製作	Close associate's interest 緊密聯繫人士之權益
Mr. Xu Zheng 徐崢先生	Beijing Joy Leader Culture Communication Co. Ltd. 北京真樂道文化傳播有限公司	Movie production 電影製作	Ultimate Shareholder 最終股東

## DIRECTORS' REPORT

### 董事報告

The Group is principally engaged in the media and entertainment and related businesses, the provision of property agency and related services, and securities trading and investments. The media and entertainment and related businesses include, among others, development and/or investment in films and television drama series.

Mr. Ning Hao, together with his family, is the ultimate shareholder of the above companies (together "Mr. Ning's Companies"). Mr. Ning's companies are principally engaged in the TV and movie production and distribution in the PRC. As at 31 December 2017, none of Mr. Ning Hao or his close associates was interested in any business in respect of film production, apart from his and/or his family's interests in Mr. Ning's Companies.

Mr. Xu Zheng is the ultimate shareholder of Beijing Joy Leader Culture Communication Co. Ltd. ("BJ Joy Leader"). BJ Joy Leader is principally engaged in the production of films in the PRC. As at 31 December 2017, none of Mr. Xu Zheng or his close associates was interested in any business in respect of film production, apart from his interests in BJ Joy Leader.

本集團主要從事媒體及娛樂及相關業務、提供物業代理及相關服務以及證券買賣及投資。媒體及娛樂及相關業務包括(其中包括)開發及/或投資電影及電視連續劇。

寧浩先生連同其家族為上述公司之最終股東(統稱「寧先生之公司」)。寧先生之公司均主要於中國從事電視節目及電影製作及發行。於二零一七年十二月三十一日,除寧浩先生及/或其家族於寧先生之公司之權益外,彼或其緊密聯繫人士並無於任何有關電影製作的業務中擁有權益。

徐崢先生為北京真樂道文化傳播有限公司(「北京真樂道」)之最終股東。北京真樂道主要於中國從事製作電影。於二零一七年十二月三十一日,除徐崢先生於北京真樂道之權益外,彼或其緊密聯繫人士並無於任何有關電影製作的業務中擁有權益。

## DIRECTORS' REPORT

### 董事報告

The Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from, the movie business of (i) Mr. Ning's Companies and (ii) BJ Joy Leader ((i) and (ii) together, the "Other Companies") as (i) there is a clear separation between the Group's businesses and those of the Other Companies; (ii) the Group is not operationally or financially dependent on any of the Other Companies, or vice versa; and (iii) the Board operates independently from the boards of the Other Companies. The Board consists of eight members, comprising of two executive Directors, three non-executive Directors and three independent non-executive Directors. All of the Directors are aware of their fiduciary duties as a Director of the Company which require, among other things, that they act for the benefit and in the best interests of the Company and do not allow any conflict between their duties as a Director and their personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of the Company in respect of such transactions and shall not be counted in the quorum.

From time to time, the Group may consider possible co-investment opportunities with Mr. Ning's Companies and/or BJ Joy Leader in film or other projects. Any such investments and the definitive terms thereof would be subject to further negotiations at arm's length between the relevant parties. If any co-investment arrangement between the Group and Mr. Ning's Companies or BJ Joy Leader were to materialise, it could constitute a connected transaction of the Company under the Listing Rules. Further announcement(s) in relation to any such investments will be made as and when appropriate in compliance with the Listing Rules.

The Company has entered into the service agreements dated 14 April 2015 (the "Service Agreements") with each of Mr. Ning Hao and Mr. Xu Zheng. The details of the Service Agreements are disclosed under the section headed "Company Contract of Significance / Connected Transaction / Continuing Connected Transaction" in this Directors' Report. The Service Agreements and the relevant annual caps have been approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 August 2015.

董事認為，本集團有能力以獨立於(i)寧先生之公司及(ii)北京真樂道((i)及(ii)統稱為「其他公司」)之電影業務之方式按公平原則進行其業務，原因是(i)本集團業務與其他公司之業務有清晰區分；(ii)本集團在營運上或財政上並非依賴任何其他公司，反之亦然；及(iii)董事會獨立於其他公司之董事會運作。董事會由八位成員組成，包括兩位執行董事、三位非執行董事及三位獨立非執行董事。全體董事均知悉彼等作為本公司董事之受信責任，要求(其中包括)彼等為本公司之利益及最佳權益行事，且不容許彼等作為董事之職責與彼等個人權益出現任何衝突。倘在本集團與董事或彼等各自之聯繫人士將予訂立之任何交易出現任何潛在利益衝突，則有利害關係之董事須於本公司相關董事會會議上就有關交易放棄投票，且不得計入法定人數之中。

本集團可不時考慮與寧先生之公司及／或北京真樂道在電影或其他項目上之可能合資機會。任何該等投資及其最終條款將須待有關訂約方進一步公平磋商後，方可作實。倘本集團及寧先生之公司或北京真樂道落實任何合資安排，根據上市規則，可構成本公司之關連交易。本公司將遵照上市規則適時就任何該等投資另作公佈。

本公司分別與寧浩先生及徐崢先生訂立日期為二零一五年四月十四日之服務協議(「服務協議」)。服務協議詳情於本董事報告「公司之重大合約／關連交易／持續關連交易」一節披露。服務協議及有關年度上限已於本公司於二零一五年八月二十八日舉行之股東特別大會上獲本公司獨立股東批准。

## DIRECTORS' REPORT

### 董事報告

To avoid any potential direct or indirect competition with the Group, during the terms of the Service Agreements, save for the activities and transactions contemplated under the Service Agreements, unless with the written consent of the Company, Mr. Ning Hao and Mr. Xu Zheng shall not, directly or indirectly entrust or authorise any third party to undertake any of the following activities:

- (a) directly or indirectly (regardless of whether acting in the capacity of a shareholder, director, employee, partner, consultant or agent) undertake or participate or benefit from any business which is the same as, similar or competes with the business of the Company, including providing any services that are the same as or similar to the services to be provided under the Service Agreements;
- (b) seize any business opportunity of the Company or solicit any clients or potential clients of the Company, or interfere or damage any relationship or contracts between the Company and any clients or potential clients of the Company; or
- (c) assist or support any third person to undertake the activities set forth in paragraphs (a) and (b) above.

Notwithstanding the above non-compete obligations of Mr. Ning Hao and Mr. Xu Zheng, Mr. Ning Hao and Mr. Xu Zheng shall, through companies controlled by them, have the right to:

- (a) contract to produce the Shareholder Directors' Productions which the Company invests in;
- (b) operate the Non-Shareholder Directors' Productions;
- (c) operate the Shareholder Directors' Productions that the Company does not invest in;
- (d) operate projects that have already commenced operations by the companies controlled by Mr. Ning Hao and Mr. Xu Zheng as at the date of the Service Agreements,

in each case, subject to compliance with any applicable connected transaction requirements under Chapter 14A of the Listing Rules.

為避免與本集團產生任何潛在直接或間接競爭，於服務協議之年期內，除根據服務協議擬進行之活動及交易外，除非獲得本公司之書面同意，寧浩先生及徐崢先生不得直接或間接委託或授權任何第三方進行下列任何活動：

- (a) 直接或間接（不論以股東、董事、僱員、合夥人、顧問或代理人身份）承辦或參與或受惠於任何與本公司業務相同、相若或對其構成競爭之業務，包括提供任何與根據服務協議所提供服務相同或相若之服務；
- (b) 篡奪本公司任何商機或引誘本公司任何客戶或潛在客戶、或干擾或損害本公司與其任何客戶或潛在客戶之關係或合約；或
- (c) 協助或支持任何第三方承辦上文(a)及(b)段所列活動。

儘管寧浩先生及徐崢先生負有上述不競爭責任，惟寧浩先生及徐崢先生仍有權透過彼等控制之公司：

- (a) 就製作本公司所投資之股東導演作品訂立合約；
- (b) 營運非股東導演作品；
- (c) 營運並非本公司投資之股東導演作品；
- (d) 營運由寧浩先生及徐崢先生控制之公司於服務協議日期已展開之項目，

而在各項情況下均須遵守上市規則第14A章項下任何適用於關連交易之規定。

## DIRECTORS' REPORT

### 董事報告

The Board will consider allowing Mr. Ning Hao and Mr. Xu Zheng to engage in the activities mentioned in this section if, (a) Mr. Ning Hao and Mr. Xu Zheng have completed their obligations under their respective Service Agreements, and/or (b) in the view of the Board, the productions which Mr. Ning Hao and Mr. Xu Zheng wish to undertake would not be profitable or would otherwise not be suitable for the Company to undertake in light of the strategic direction of the Company, taking into account the factors such as (i) the projected cost of the relevant production; (ii) the lead actors or actresses who will participate in the relevant production; (iii) the projected length of film shooting of the relevant production; (iv) the estimated box office and popularity of the relevant production; (v) the genre of the film; (vi) the plot of the film; (vii) whether undertaking such a production could lead to other investment opportunities for the Company, such as exposure to and contact with other reputable and renowned players in the industry (including actors, actresses, screenwriters, directors, costume designers, film editors, makeup artists, visual effect and sound editors and other relevant personnel of the production team); and (viii) any other fair and reasonable considerations which the Board may take into account at the time of consideration of the relevant production.

倘(a)寧浩先生及徐崢先生已完成彼等於各自服務協議項下之責任，及／或(b)董事會認為寧浩先生及徐崢先生欲承接之製作無利可圖或與本公司策略方向有別而不適合本公司(當中考慮到(i)相關製作預計所需成本；(ii)參演相關製作之主要演員；(iii)相關製作預計所需電影拍攝長度；(iv)相關製作之估計票房及受歡迎程度；(v)電影類型；(vi)電影情節；(vii)承接有關製作可否為本公司帶來其他投資機會，例如接觸業內其他知名人士(包括男演員、女演員、編劇、導演、服裝設計、剪片師、化妝師、視效及音效師以及製作團隊其他相關人員)；及(viii)董事會於考慮相關製作時可能計及之任何其他公平合理考慮因素)，則董事會將考慮允許寧浩先生及徐崢先生進行本節所述之活動。



## DIRECTORS' REPORT

### 董事報告

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2017, save as disclosed under the section "Directors' Interests in Securities" in this Director's Report of the annual report, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital under Section 336 of the SFO.

#### 主要股東權益

於二零一七年十二月三十一日，除本年報董事報告之「董事之證券權益」一節所披露者外，本公司獲知會下列主要股東權益，即根據證券及期貨條例第336條本公司已發行股本中5%或以上之權益。

Name of Shareholders 股東名稱	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Newwood Investments Limited ("Newwood") Newwood Investments Limited (「Newwood」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1 to 2) (附註1至2)	51.87%
Numerous Joy Limited ("Numerous Joy") 多樂有限公司(「多樂」)	Beneficial owner 實益擁有人	92,342,216 (Notes 1 & 3) (附註1及3)	3.34%
Dong Ping ("Mr. Dong") 董平(「董先生」)	Beneficial owner, interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人、受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1 to 3) (附註1至3)	51.87%
Pacific Wits Limited ("Pacific Wits") 泰穎有限公司(「泰穎」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1, 2 & 4) (附註1、2及4)	51.87%
Ning Hao ("Mr. Ning") 寧浩(「寧先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1, 2 & 4) (附註1、2及4)	51.87%
Tairong Holdings Limited ("Tairong") 泰嶸控股有限公司(「泰嶸」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1, 2 & 5) (附註1、2及5)	51.87%
Xu Zheng ("Mr. Xu") 徐崢(「徐先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,435,794,354 (Notes 1, 2 & 5) (附註1、2及5)	51.87%
Zhang Xiaoling 張曉陵	Beneficial owner 實益擁有人	140,000,000	5.06%

## DIRECTORS' REPORT

### 董事報告

#### Notes:

- On 14 April 2015, the Company and nine subscribers, namely Newwood, Numerous Joy, Pacific Wits, Tairong, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited (the "Subscribers") entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 1,701,416,556 new Shares (the "Subscription Shares") at an issue price of HK\$0.4 per Share (the "Subscription"). Details in relation to the Subscription are set out in the Company's circular dated 5 August 2015. The Subscription had been approved by the independent shareholders of the Company at the Company's special general meeting held on 28 August 2015 and the Subscription Shares were allotted to the Subscribers on 2 September 2015.
- On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning, Tairong and Mr. Xu entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the Subscription. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
- Newwood and Numerous Joy are wholly owned by Mr. Dong. Pursuant to the Subscription Agreement, Newwood and Numerous Joy subscribed for 461,711,082 and 92,342,216 new Shares respectively upon completion of the Subscription. Mr. Dong also holds 4,490,000 Shares. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
- Pacific Wits is wholly owned by Mr. Ning. Pursuant to the Subscription Agreement, Pacific Wits subscribed for 438,625,528 new Shares upon completion of the Subscription. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.
- Tairong is wholly owned by Mr. Xu. Pursuant to the Subscription Agreement, Tairong subscribed for 438,625,528 new Shares upon completion of the Subscription. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.

Save as disclosed above, as at 31 December 2017, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

#### 附註：

- 二零一五年四月十四日，本公司與九名認購方 (Newwood、多樂、泰穎、泰嶸、騰龍國際有限公司、金耀投資有限公司、Dayunmony Investment Corporation、Concept Best Limited及瑞東環球有限公司，統稱為「認購方」) 訂立認購協議 (「認購協議」)，據此，本公司有條件同意配發及發行，而認購方則有條件同意認購合共1,701,416,556股新股份 (「認購股份」)，每股股份之發行價為港幣0.4元 (「認購事項」)。有關認購事項的詳情載於本公司日期為二零一五年八月五日的通函。認購事項已於二零一五年八月二十八日本公司舉行的股東特別大會上經本公司獨立股東批准，而認購股份已於二零一五年九月二日配發予認購方。
- 二零一五年四月十四日，董先生、Newwood、泰穎、寧先生、泰嶸及徐先生訂立股東協議 (「股東協議」)。該協議列明認購事項完成後協議各方就本公司管治的若干權利及責任。因此，根據證券及期貨條例第317條，Newwood視作於董先生、泰穎及泰嶸所持的全部股份中擁有權益。
- Newwood及多樂由董先生全資擁有。根據認購協議，認購事項完成後，Newwood及多樂分別認購461,711,082股及92,342,216股新股份。董先生亦持有4,490,000股股份。董先生亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，董先生視作於Newwood、泰穎及泰嶸所持的全部股份中擁有權益。
- 泰穎由寧先生全資擁有。根據認購協議，認購事項完成後，泰穎認購438,625,528股新股份。寧先生及泰穎亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，寧先生及泰穎視作於董先生、Newwood及泰嶸所持的全部股份中擁有權益。
- 泰嶸由徐先生全資擁有。根據認購協議，認購事項完成後，泰嶸認購438,625,528股新股份。徐先生及泰嶸亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，徐先生及泰嶸視作於董先生、Newwood及泰穎所持的全部股份中擁有權益。

除上文所披露者外，於二零一七年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露或本公司記錄於根據證據及期貨條例第336條備存之登記冊之權益或淡倉。

## DIRECTORS' REPORT

### 董事報告

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of business of the Company were entered into or exist during the year ended 31 December 2017.

#### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2017, the percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 98.01% and 98.40% respectively.

For the year ended 31 December 2017, the percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 86.91% and 99.45% respectively.

As at 31 December 2017, none of the directors, their associates or shareholders (which to the knowledge of the directors own more than five percent of the Company's share capital) had any interest in the five largest suppliers or customers of the Group.

#### RELATIONSHIP WITH KEY STAKEHOLDERS

Our staff is regarded as the most important resource of the Group. Hence, the Group has been endeavouring to provide our staff with a fair and harmonious workplace where individuals with diverse cultural backgrounds are treated equally. We offer a competitive remuneration package and great opportunities for career advancement based on employees' performance.

#### 管理合約

於截至二零一七年十二月三十一日止年度，本公司並無簽訂或存有有關本公司全部或任何主要部分業務之管理及行政合約。

#### 主要客戶及供應商

截至二零一七年十二月三十一日止年度，本集團最大供應商佔及五大供應商合共佔本集團採購額分別為98.01%及98.40%。

截至二零一七年十二月三十一日止年度，本集團最大客戶佔及五大客戶合共佔本集團營業額分別為86.91%及99.45%。

於二零一七年十二月三十一日，概無董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東於本集團五大供應商或五大客戶中擁有任何權益。

#### 主要持份者關係

本集團視員工為最重要的資源，因此一直努力為員工營造公平及和諧的工作環境，平等對待文化背景不同的員工。我們提供具競爭力的薪酬待遇，並按照僱員的表現，提供大量晉升機會。

## DIRECTORS' REPORT

### 董事報告

In respect of the media and entertainment and related businesses of the Group, the film industry is fragmented and highly competitive. Following years of rapid development, there is a vast number of independent service providers providing various film and television production and distribution services and there is a number of reputable and reliable independent service providers who have been engaged by Hong Kong and overseas film companies for producing and distributing films and television drama series in the PRC. Mr. Dong Ping, the Chairman of the Board and an executive Director, Mr. Ning Hao and Mr. Xu Zheng, both non-executive Directors, have extensive experience, expertise and connections in the media and entertainment industries and each of them has noteworthy background, experience, social status, personal and/or professional achievements and connections with business partners in the film industry, their collective knowledge and experience would enhance the Group to identify appropriate and reliable third party service providers and negotiate suitable commercial arrangements with such providers to provide the necessary services to the Company.

The Group also places effort to maintain good relationships with financial institutions and professional advisers to maintain its continuous growth and operation needs.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Board paid attention to the Group's policies and practices on compliance with legal and regulatory requirements. External compliance and legal advisers are engaged to ensure transactions and business performed by the Group are within the applicable law framework. Besides, the Group always maintains a safe working environment for staff in accordance with relevant safety policies. There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Company during 2017.

## ENVIRONMENTAL PROTECTION

The Group encourages staff to save energy, minimize the use of natural resources and paper products. The existing businesses of the Group are not expected to create material damages to the environment. We will continue to take into account the environmental protection factor in the future when planning business activities ahead. Please also refer to the Environmental, Social and Governance Report of this annual report for details.

就本集團的媒體及娛樂及相關業務而言，電影行業高度分散且競爭激烈。經過多年迅速發展，一眾獨立服務供應商紛紛冒起，提供各種電影及電視製作與發行服務，其中部分信譽可靠之獨立服務供應商獲香港及海外電影公司委聘於中國製作及發行電影及電視劇。董事會主席兼執行董事董平先生以及非執行董事寧浩先生及徐崢先生於媒體及娛樂行業累積廣泛經驗、專業知識及脈絡，且彼等各自擁有顯赫背景、經驗、社會地位、個人及／或專業成就，以及於電影行業與業務夥伴之脈絡，彼等之知識及經驗有助於本集團物色合適而可靠之第三方服務供應商，並與有關供應商磋商適當商業安排以為本公司提供所需服務。

本集團亦致力與金融機構及專業顧問維持良好的關係，以維持持續增長及滿足營運所需。

## 遵守法律及法規

董事會關注本集團有關遵守法律及監管規定方面之政策及常規。我們已聘用外部合規及法律顧問，確保本集團之交易及業務符合適用的法律框架。另外，本集團一直按照相關安全政策，為員工提供安全工作環境。於二零一七年，並無發生已對本公司產生重大影響之違反相關法例及法規之事宜。

## 環境保護

本集團鼓勵員工節約能源，盡量減少使用天然資源及紙品。本集團預期現有業務不會對環境造成嚴重破壞。本集團於日後進行未來業務活動規劃時將繼續考慮環保因素。詳情另請參閱本年報內的環境、社會及管治報告。

## DIRECTORS' REPORT

### 董事報告

#### REVIEW OF THE RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including the consolidated financial statements for the year ended 31 December 2017.

#### CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

#### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report the Company has maintained sufficient public float as required under the Listing Rules.

#### EVENTS AFTER THE REPORTING PERIOD

##### Contractual Arrangements

According to existing PRC laws and regulations, foreign investors are generally restricted to invest in provision of internet audio-visual programmes services in the PRC.

In January 2018, the Company, through its wholly-owned subsidiary, Beijing Huan Sheng Xiao Yu Culture Media Company Limited ("北京歡聲笑語文化傳媒有限公司" or "Beijing Subsidiary") entered into certain contractual arrangements (the "Contractual Arrangements") with Beijing Hua Hua Duo Duo Culture Company Limited ("北京花花朵朵文化有限公司" or the "Target") and its subsidiary ("北京漢高華網絡科技有限公司") (the Target and its subsidiary collectively the "Target Group"), and the Target's equity holders who are independent third party individuals in the PRC. The Target Group is principally involved in the movie production and distribution and the provision of internet audio-visual programmes services in the PRC.

#### 審閱業績

本公司之審核委員會已聯同管理層審閱本集團所採納之會計原則及慣例，並討論內部控制、風險管理及財務報告事宜（包括截至二零一七年十二月三十一日止年度之綜合財務報表）。

#### 企業管治

本公司之企業管治常規詳情載於本年報之企業管治報告內。

#### 公眾持股量

根據本公司獲得之公開資料及董事所知，於本年報日期本公司一直保持上市規則所規定之充足公眾持股量。

#### 報告期後事項

##### 合約安排

根據中國現行法律及法規，外國投資者在中國投資提供網絡視聽節目服務方面通常會受到限制。

於二零一八年一月，本公司透過其全資附屬公司北京歡聲笑語文化傳媒有限公司（「北京附屬公司」）與北京花花朵朵文化有限公司（「目標公司」）及其附屬公司北京漢高華網絡科技有限公司（目標公司及其附屬公司統稱為「目標集團」）訂立若干合約安排（「合約安排」）。目標公司之股權持有人為中國獨立第三方人士。目標集團主要於中國從事電影製作及發行以及提供網絡視聽節目服務。

## DIRECTORS' REPORT

### 董事報告

Through the Contractual Arrangements, the Group will receive economic benefits generated by, and obtain effective financial and operational control and equity holders' voting rights over the Target Group in order to indirectly engage in the movie production and distribution and provision of internet audio-visual programmes services in the PRC. The Target Group hold some permits including the License for Publication of Audio-Visual Programmes through Information Network (信息網絡傳播視聽節目許可證) and Telecommunication and Information Service Business Operation Permit (電信與信息服務業務經營許可證). Based on the advice of the Company's PRC legal advisers, the Board consider that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

The financial position and results of operations of the Target Group will be consolidated into the Group's financial statements with effect from 19 January 2018 (after the effectiveness of the Contractual Arrangements) as the Target Group are regarded as indirect subsidiaries of the Group under HKFRS 10.

As at the date of this report, particulars of the Target Group are as follows:

透過合約安排，本集團將收取由目標集團產生之經濟利益，並取得對目標集團之有效財務和營運控制及股權持有人投票權，以便在中國間接從事電影製作及發行以及提供網絡視聽節目服務。目標集團持有若干許可證，包括信息網絡傳播視聽節目許可證及電信與信息服務業務經營許可證。根據本公司中國法律顧問之意見，董事會認為合約安排符合中國相關法律及法規，並具法律約束力及可強制執行。

根據香港財務報告準則第10號，目標集團被視為本集團之間接附屬公司，因此目標集團之財務狀況及經營業績將併入本集團之財務報表，自二零一八年一月十九日(合約安排生效後)起生效。

於本報告日期，目標集團之詳情如下：

Company name 公司名稱	Registered capital 註冊資本	Principal activities 主要業務
Beijing Hua Hua Duo Duo Culture Company Limited 北京花花朵朵文化有限公司	RMB10,000,000 人民幣10,000,000元	Movie production and distribution 電影製作及發行
北京漢高華網絡科技有限公司	RMB10,000,000 人民幣10,000,000元	Provision of internet audio-visual programmes services 提供網絡視聽節目服務

## DIRECTORS' REPORT

### 董事報告

The major terms of the Contractual Arrangements are summarised as below:

(1) *Exclusive Services Agreement (獨家業務合作協議)*

According to the Exclusive Services Agreement, the Target agreed to engage the Beijing Subsidiary as its exclusive provider of technical support and consultancy services requested by the Target from time to time with a service fee equaled to the net profit of the Target.

(2) *Loan Agreement (借款協議)*

According to the Loan Agreement, the Beijing Subsidiary agreed to provide interest-free loans to the registered owners of the Target as capital contribution to the Target. The registered owners of the Target, in return for the provision of loans, agreed to enter into an Equity Interest Pledge Agreement with the Beijing Subsidiary to pledge all of their equity interest in the Target as security.

(3) *Equity Interest Pledge Agreement (股權質押協議)*

According to the Equity Interest Pledge Agreement, each of the registered owners of the Target agreed to pledge all their respective equity interests in the Target to the Beijing Subsidiary, as a security interest to guarantee the performance of contractual obligations and the payment of outstanding loans of the registered owner of the Target.

(4) *Powers of Attorney (授權委託書)*

According to the Powers of Attorney, each of the registered owners of the Target irrevocably appointed designee of the Beijing Subsidiary to act as their attorney on their behalf to exercise all rights in connection with matters concerning their rights as shareholders of the Target.

合約安排之主要條款概述如下：

(1) *獨家業務合作協議*

根據獨家業務合作協議，目標公司同意就其不時要求之技術支持及諮詢服務委聘北京附屬公司作為其獨家供應商，服務費相等於目標公司之淨溢利。

(2) *借款協議*

根據借款協議，北京附屬公司同意向目標公司之登記擁有人提供免息借款，作為對目標公司之注資。作為對獲提供借款之回報，目標公司之登記擁有人同意與北京附屬公司訂立股權質押協議，以質押彼等於目標公司之全部股權作為擔保。

(3) *股權質押協議*

根據股權質押協議，目標公司之登記擁有人各自同意將彼等各自於目標公司之全部股權質押予北京附屬公司作為擔保權益，以保證目標公司之登記擁有人履行合約義務及支付未償還借款。

(4) *授權委託書*

根據授權委託書，目標公司之登記擁有人各自不可撤回地委託北京附屬公司之指定人士作為彼等之受託人，代彼等行使一切權利處理與彼等作為目標公司股東之權利有關之事宜。

## DIRECTORS' REPORT

### 董事報告

#### (5) Exclusive Option Contract (獨家購買權合同)

According to the Exclusive Option Contract, each of the registered owners of the Target agreed to irrevocably, unconditionally and exclusively grant an exclusive option to the Beijing Subsidiary to purchase the equity interests in the Target from the registered owners of the Target, when it is permitted by the then applicable PRC laws.

The Group realised that there are regulatory risks associated with the Contractual Arrangements. The Group will follow on the latest developments with regards to the relevant PRC laws, rules and regulations and seek professional legal advice when necessary.

Details of the significant events of the Group after the reporting period are set out in note 41 to the consolidated financial statements.

#### AUDITOR

The consolidated financial statements for the year ended 31 December 2017 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

#### (5) 獨家購買權合同

根據獨家購買權合同，目標公司之登記擁有人各自同意不可撤回地、無條件及獨家授予北京附屬公司獨家購買權，以在當時適用之中國法律允許之範圍內向目標公司登記擁有人購買目標公司之股權。

本集團明白合約安排涉及監管風險。本集團將密切留意中國相關法律、規則及法規方面之最新發展，並於必要時尋求專業法律意見。

本集團報告期後重大事項詳情載於綜合財務報表附註41。

#### 核數師

截至二零一七年十二月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行審核。於本公司應屆股東週年大會上將提呈一項決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

On behalf of the Board

**Dong Ping**  
Chairman

代表董事會

主席  
董平

Hong Kong, 29 March 2018

香港，二零一八年三月二十九日



## CORPORATE GOVERNANCE REPORT 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Board considers that maintaining corporate governance at high standard is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. Therefore, the Company is committed to good corporate governance practices for corporate sustainability and business growth.

Throughout the year ended 31 December 2017, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as listed out in Appendix 14 to the Listing Rules except for the deviations from Code A.6.7 and E.1.2 details of which are described in this Corporate Governance Report.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the financial year 2017, Mr. Dong Ping acted as the chairman of the Board (the “Chairman”) and Mr. Xiang Shaokun, Steven acted as the Chief Executive Officer.

Mr. Dong Ping focuses on the leadership role in the Board to ensure that the Board works effectively in discharging its responsibilities whilst Mr. Xiang Shaokun, Steven focuses on day-to-day corporate management matters of the Group. The Board considers that the segregation of responsibilities among the Board members meets the requirements under the CG Code. The roles of the Chairman and chief executive officer are separate and exercised by different individuals, Code provision A.2.1 of the CG Code has been complied.

### 企業管治常規

董事會認為維持高水準之企業管治對提升公司對投資大眾及其他利益相關者之間責性及透明度至關重要。故此，本公司致力為公司的持續發展及業務增長實施良好企業管治。

本公司於截至二零一七年十二月三十一日止年度貫徹應用上市規則附錄十四所載《企業管治守則》及《企業管治報告》(「企管守則」)之原則且一直遵守守則條文，惟存在偏離守則第A.6.7條及第E.1.2條之事項，詳情載於本企業管治報告。

### 主席及行政總裁

根據企管守則條文第A.2.1條，主席及行政總裁之角色應分設並且不應由同一人兼任。於二零一七年財政年度，董平先生擔任董事會主席(「主席」)及項紹琨先生擔任行政總裁。

董平先生主要負責領導董事會之職務，以確保董事會有效履行職責，而項紹琨先生則主要負責本集團之日常企業管理事務。董事會認為董事會成員內的職責分工符合企管守則的要求。主席職務及行政總裁職務分開由不同人士履行，故本集團已遵守企管守則第A.2.1條。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### BOARD OF DIRECTORS

The Board is vested with the key roles of formulating the Group's corporate strategic directions and policies; monitoring the financial performance and internal control system of the Group and overseeing the performance of management, which is delegated with the responsibilities of executing the Board's decision and in-charging day-to-day operation.

The Directors acknowledge their responsibility for preparing the financial statements of the Company. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of the annual report.

Code Provision A.4.1 requires non-executive directors should be appointed for a specific term and subject to re-election. The existing Directors including the executive Directors, the non-executive Directors and independent non-executive Directors are for a term of 2 years (except Mr. Xiang Shaokun, Steven, an executive Director and the Chief Executive Officer of the Group, there is no specific term or proposed length of services for Mr. Xiang's appointment). All of the existing Directors shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules.

Throughout the year ended 31 December 2017, the Company complied with rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise, and a sufficient number of independent non-executive Directors representing at least one-third of the board, respectively.

### BOARD COMPOSITION

The Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, whose biographies are set out in the Biographical Details of Directors of the annual report. All the Directors are high caliber executives with diversified industry expertise and bring a wide range of skills and experience to the Group.

The Company has received, from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive Directors are independent.

### 董事會

董事會之主要角色為規劃本集團之企業策略方向及政策，監察本集團之財務表現及內部監控系統，並監督管理人員在執行董事會決策及處理日常營運時之表現。

董事確認其編製本公司財務報表之責任。本公司核數師有關其對財務報表申報責任的聲明載於本年報的獨立核數師報告。

守則條文第A.4.1條規定非執行董事之委任應有指定任期並須接受重新選舉。現任董事（包括執行董事、非執行董事及獨立非執行董事）之委任年期均為兩年（本集團執行董事兼行政總裁項紹琨先生除外，項先生之委任並無特定任期或擬訂定之服務年期）。所有現任董事須根據公司細則及上市規則輪席告退及膺選連任。

於截至二零一七年十二月三十一日止年度，就委任至少三名獨立非執行董事；至少一名獨立非執行董事具備適當的專業資格，或具備適當的會計或相關財務管理專業知識；以及獨立非執行董事人數充足，至少佔董事會席位的三分之一，本公司分別遵守上市規則第3.10(1)、第3.10(2)及第3.10A條。

### 董事會組成

董事會現由兩名執行董事、三名非執行董事及三名獨立非執行董事組成，董事履歷載於本年報董事履歷一節。全體董事均為才幹超群之行政人員，具備不同行業專長，為本集團帶來各種技術與經驗。

本公司已收到各獨立非執行董事根據上市規則第3.13條作出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### CHANGE IN INFORMATION OF DIRECTORS

With effect from 31 May 2017, Mr. Gao Zhikai, a non-executive Director, has been appointed as an independent non-executive director of Baytacare Pharmaceutical Co., Ltd., the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8197).

With effect from May 2017, Mr. Li Xiaolong has ceased to act as an independent director of Kongzhong Corp. (NASDAQ Symbol: KZ).

Save for above, there is no change in Directors' information for the year ended 31 December 2017, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The composition of the Board and their respective attendance in the general meetings, Board meetings and other committee meetings during the year ended 31 December 2017 are as follows:

### 董事資料變動

非執行董事高志凱先生獲委任為北斗嘉藥業股份有限公司之獨立非執行董事，自二零一七年五月三十一日起生效。該公司的股份於聯交所創業板上上市（股份代號：8197）。

李小龍先生不再擔任Kongzhong Corp.（納斯達克代碼：KZ）之獨立董事，自二零一七年五月起生效。

除上述者外，截至二零一七年十二月三十一日止年度，董事資料概無任何須根據上市規則第13.51B(1)條予以披露的變動。

截至二零一七年十二月三十一日止年度，董事會之組成及各董事於股東大會、董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended/eligible to attend 出席/符合資格出席會議次數				
		General Meeting 股東大會 (Notes 1 and 2) (附註1及2)	Regular full board meetings 董事會全體成員例會	Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議	Nomination Committee meetings 提名委員會會議
Number of meetings	會議次數	1	4	2	1	1
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Dong Ping (Chairman)	董平先生(主席)	0/1	4/4	N/A不適用	1/1	1/1
Mr. Xiang Shaokun, Steven (Chief Executive Officer)	項紹琨先生(行政總裁)	1/1	4/4	N/A不適用	N/A不適用	N/A不適用
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Mr. Ning Hao	寧浩先生	0/1	2/4	N/A不適用	N/A不適用	N/A不適用
Mr. Xu Zheng	徐暉先生	0/1	0/4	N/A不適用	N/A不適用	N/A不適用
Mr. Gao Zhikai	高志凱先生	0/1	3/4	2/2	N/A不適用	N/A不適用
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Su Tuong Sing, David	徐傳陞先生	0/1	2/4	1/2	0/1	0/1
Mr. Li Xiaolong	李小龍先生	0/1	2/4	N/A不適用	1/1	1/1
Mr. Wong Tak Chuen	黃德銓先生	1/1	4/4	2/2	N/A不適用	N/A不適用

## CORPORATE GOVERNANCE REPORT 企業管治報告

Note 1: Pursuant to Code A.6.7 of the CG Code, independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Mr. Ning Hao, Mr. Xu Zheng and Mr. Gao Zhikai (non-executive Directors) and Mr. Li Xiaolong and Mr. Su Tuong Sing, David (independent non-executive Directors), were unable to attend the annual general meeting of the Company held on 2 June 2017 due to their respective engagements.

Note 2: Pursuant to Code E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Dong Ping, was unable to attend the annual general meeting of the Company held on 2 June 2017 due to his other engagement. However, the Chief Executive Officer and executive Director of the Company, Mr. Xiang Shaokun, Steven, was present at the annual general meeting and took the chair of the meeting. The chairman of the audit committee of the Company was also present at the annual general meeting.

附註1：根據企管守則第A.6.7條，獨立非執行董事及非執行董事須出席本公司股東大會。寧浩先生、徐崢先生及高志凱先生（非執行董事）以及李小龍先生及徐傳陸先生（獨立非執行董事）均因彼等各自之事務未能出席本公司於二零一七年六月二日舉行之股東週年大會。

附註2：根據企管守則第E.1.2條，董事會主席須出席股東週年大會。董事會主席董平先生因彼之其他事務未能出席本公司於二零一七年六月二日舉行之股東週年大會。然而，本公司行政總裁兼執行董事項紹琨先生已出席該股東週年大會並擔任大會主席。本公司審核委員會主席亦有出席該股東週年大會。

### CORPORATE GOVERNANCE FUNCTION

The Board has undertaken to perform corporate governance duties and adopted the terms of reference on corporate governance functions on 27 March 2012 for better management of the business and affairs of the Group.

The duties of the Board in respect of corporate governance functions shall be:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (v) to review the Company's compliance with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules on the Stock Exchange and its disclosure requirements in the Corporate Governance Report.

### 企業管治職能

為更妥善管理本集團業務及事宜，董事會已履行企業管治職責並於二零一二年三月二十七日採納企業管治職能之職權範圍。

董事會有關企業管治職能的職責為：

- (i) 制定及審閱本公司政策及企業管治常規；
- (ii) 審閱及監控董事及高級管理層的培訓及持續專業發展；
- (iii) 審閱及監控本公司的政策及慣例符合法律及監管規定；
- (iv) 制定、審閱及監管適用於僱員及董事的行為守則及合規手冊（如有）；及
- (v) 審閱本公司是否遵守聯交所上市規則附錄十四所載企管守則之守則條文以及企業管治報告之披露規定。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### BOARD COMMITTEES

The Board has established 3 Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspect of the Group's affair. Each of the committees had defined terms of reference setting out its duty, power and functions. The committees report to the Board and, where appropriate, make recommendations on matters discussed.

### AUDIT COMMITTEE

During 2017, the audit committee comprises three members, namely, Mr. Wong Tak Chuen (committee chairman and independent non-executive Director), Mr. Gao Zhikai (non-executive Director) and Mr. Su Tuong Sing, David (independent non-executive Director). During 2017, the main role and functions of the audit committee are to review the financial information of the Company, to oversee the Company's financial reporting system, risk management and internal control procedures and maintain relations with the auditors of the Company.

Under the terms of reference of the audit committee, the audit committee shall, among others, to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective risk management and internal control systems. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

In 2017, the audit committee had held 2 meetings. During one of the meetings, annual results of the Group for the year ended 31 December 2016 was reviewed with the auditor of the Company. The audit committee also reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. Another meeting was also held during 2017 that interim results of the Group for the six months ended 30 June 2017 was discussed. The audit committee also reviewed the accounting principles and practices adopted by the Group and financial reporting matters with the management team of the Company.

### 董事會委員會

董事會已成立審核委員會、薪酬委員會及提名委員會三個董事會委員會監察本集團特定範疇之事務。各委員會已確定職權範圍，列明各自的職務、權力及職能。各委員會向董事會匯報並視情況就所討論事宜提供建議。

### 審核委員會

於二零一七年，審核委員會由三名成員組成，分別為黃德銓先生（委員會主席兼獨立非執行董事）、高志凱先生（非執行董事）及徐傳陞先生（獨立非執行董事）。於二零一七年，審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統、風險管理及內部監控程序，並與本公司核數師維持良好關係。

根據審核委員會的職權範圍，審核委員會須（其中包括）監察本公司的財務報表以及年度報告及賬目、半年度報告的完整性，與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的風險管理及內部監控系統。書面職權範圍已於本公司及聯交所網站上發佈。

二零一七年，審核委員會舉行2次會議。於其中一次會議上，本公司核數師審閱本集團截至二零一六年十二月三十一日止年度之全年業績。審核委員會亦審閱了本集團所採納之會計原則及慣例，並與本公司管理團隊就內部控制及財務報告事宜進行討論。另一次會議亦已於二零一七年舉行，討論本集團截至二零一七年六月三十日止六個月之中期業績。審核委員會亦與本公司管理團隊審閱了本集團所採納之會計原則及慣例，以及財務報告事宜。

## CORPORATE GOVERNANCE REPORT 企業管治報告

Besides, the audit committee, with the assistance of the management and an external internal control and risk management consultant (the “Consultant”), has conducted annual review on the effectiveness of risk management and internal control systems of the Group for 2017 and considered the Group has operated an effective and adequate risk management and internal control systems (based on discussion between the audit committee and the Consultant and the findings of the Consultants’ internal control review report).

Please refer to the section “Internal Control and Risk Management” in this Corporate Governance Report for the details on the review by the audit committee on the Group’s internal control and risk management for 2017.

The audit committee is also responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code for the year 2017. The audit committee reviewed the Consultant’s report on the Company’s corporate governance policies and practices, the Company’s policies and practices on compliance with legal and regulatory requirements and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

### NOMINATION COMMITTEE

The nomination committee of the Company was set up with key responsibilities for considering and approving the appointment of members of the Board and will meet to discuss when nomination of new director(s) is received or when circumstances require. In considering the suitability of a candidate for directorship, the Board will take into account the candidate’s qualification, experience, expertise and knowledge as well as the prevailing composition, structure and size of the Board and the requirements under the Listing Rules.

Under the terms of reference of the nomination committee, the nomination committee shall, among others, identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; the candidates for directorship will be selected taken into account a wide range of factors, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and service term. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

另外，在管理層及一名外聘的內部監控及風險管理顧問（「該顧問」）的協助下，審核委員會已對本集團二零一七年風險管理及內部監控系統之效力作出年度檢討，並且委員會認為本集團已設有高效及適當之風險管理及內部監控系統（其依據是審核委員會與該顧問的討論及該顧問編製的內部監控檢討報告的調查結果）。

就有關審核委員會審核本集團於二零一七年之內部監控及風險管理的詳情，請參閱本企業管治報告「內部監控及風險管理」一節。

二零一七年，審核委員會亦負責履行企管守則第D.3.1條所載之企業管治職能。審核委員會已審閱該顧問的報告，有關本公司企業管治政策及常規、本公司的政策及常規是否符合法律及監管規定及本公司遵守企管守則以及企業管治報告之披露規定的情況。

### 提名委員會

本公司提名委員會成立之主要職責為考慮及批准董事會成員的委任並於接獲新董事提名或有需要時開會討論。考慮董事候選人是否合適時，董事會將考慮候選人的資歷、經驗、專業技能及知識，以及董事會當時的組成、架構及人數及上市規則的規定。

根據提名委員會的職權範圍，提名委員會須（其中包括）物色具備合資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；在挑選董事候選人時，會考慮一系列的因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。書面職權範圍已於本公司及聯交所網站上發佈。

## CORPORATE GOVERNANCE REPORT 企業管治報告

During 2017, the nomination committee composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (executive Director and Chairman of the Board) and Mr. Li Xiaolong (independent non-executive Director). The committee member met once in the year ended 31 December 2017. A meeting was held to discuss the re-election of Directors at the annual general meeting held on 2 June 2017.

### REMUNERATION COMMITTEE

The remuneration committee of the Company was set up with key responsibilities of recommending to the Board (i) the policy and structure for remuneration of Directors and senior management; and (ii) the remuneration package of executive directors and senior management. The Board retains the final authority to approve the remuneration packages.

Under the terms of reference of the remuneration committee, the remuneration committee shall, among others, make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The remuneration committee also make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

During 2017, the remuneration committee was composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (executive Director and Chairman of the Board) and Mr. Li Xiaolong (independent non-executive Director). The committee members met once in the year ended 31 December 2017. A meeting was held to review the remuneration packages of the retiring Directors.

於二零一七年，提名委員會由徐傳陞先生(委員會主席兼獨立非執行董事)、董平先生(執行董事兼董事會主席)及李小龍先生(獨立非執行董事)組成。截至二零一七年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在商討二零一七年六月二日舉行的股東週年大會上關於重選董事的事宜。

### 薪酬委員會

本公司薪酬委員會成立之主要職責為(i)就董事及高級管理層之薪酬政策及架構；及(ii)執行董事及高級管理層之薪酬待遇向董事會提供建議。董事會保留有關薪酬待遇之最終審批權力。

根據薪酬委員會的職權範圍，薪酬委員會須(其中包括)就本公司全體董事及高級管理層的薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議。薪酬委員會亦向董事會建議個別執行董事及高級管理人員的薪酬待遇。此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)。書面職權範圍已於本公司及聯交所網站上發佈。

於二零一七年，薪酬委員會由徐傳陞先生(委員會主席兼獨立非執行董事)、董平先生(執行董事兼董事會主席)及李小龍先生(獨立非執行董事)組成。截至二零一七年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在檢討退任董事的薪酬待遇事宜。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### COMPANY SECRETARY

On 10 July 2017, Mr. Tai Kwok Hung was appointed as the company secretary of the Company in place of Ms. Chow Fuk Wai.

On 31 January 2018, Mr. Choi Wing Koon was appointed as the company secretary of the Company in place of Mr. Tai Kwok Hung.

Mr. Tai Kwok Hung and Mr. Choi Wing Koon have undertaken no less than the required hours of relevant professional training respectively for the year ended 31 December 2017.

### AUDITOR'S REMUNERATION

During the year ended 31 December 2017, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group are approximately HK\$3,664,000 (2016: HK\$1,726,000) and HK\$702,000 (2016: HK\$690,000) respectively.

### INTERNAL CONTROL AND RISK MANAGEMENT

Risk management and internal control are essential parts of corporate governance. The Directors have the overall responsibility for internal control and risk management systems, and review their effectiveness. The Group has established policies and procedures for risk management and internal control to ensure the proper monitoring and control of major risks arising from the Group's activities. The Group has engaged an external internal control and risk management consultant (i.e. the Consultant) to perform the Group's internal audit function, to review and improve the effectiveness of the Group's risk management and internal control systems. The Company has put in place risk management and internal control systems which enable the Group to respond appropriately to significant business, operational, financial, compliance and other risks. Furthermore, they help ensure the quality of internal and external reporting within the Group and the compliance with applicable laws and regulations, and also internal policies with respect to the conduct of businesses of the Group.

### 公司秘書

於二零一七年七月十日，戴國洪先生獲委任為本公司之公司秘書以取代周福慧女士。

於二零一八年一月三十一日，蔡永冠先生獲委任為本公司之公司秘書以取代戴國洪先生。

截至二零一七年十二月三十一日止年度，戴國洪先生及蔡永冠先生分別已接受相關職業培訓不少於所規定的時間。

### 核數師酬金

截至二零一七年十二月三十一日止年度，本公司核數師向本集團提供審核及非審核服務之酬金分別約為港幣3,664,000元（二零一六年：港幣1,726,000元）及港幣702,000元（二零一六年：港幣690,000元）。

### 內部監控及風險管理

風險管理及內部監控乃企業管治的基本組成部分。董事對內部監控及風險管理系統負整體責任，並負責檢討內部監控及風險管理系統的效力。本集團已就風險管理及內部監控設訂政策及程序，以確保妥善監察及控制由本集團業務產生的主要風險。本集團已從外部委聘一名內部監控及風險管理顧問（即該顧問）履行本集團內部審核職能、檢討及改進本集團風險管理及內部監控系統之效力。本公司風險管理及內部監控系統已落實到位，令本集團可就重大業務、營運、財務、合規及其他風險作出適當應對，而且有助於確保本集團內部及外部匯報之質素，以及有助於確保遵守相關法律法規及本集團有關業務經營的內部政策。



## CORPORATE GOVERNANCE REPORT 企業管治報告

The Board, through the audit committee and with the assistance of the Consultant, have conducted reviews on the effectiveness of risk management and internal control systems of the Group for 2017 and considered the Group has operated an effective, appropriate, and adequate risk management and internal control systems (based on the findings of the Consultants' internal control review reports and discussion with the Consultant). In respect of the Group's internal control systems, it aims at safeguarding assets from inappropriate use, maintaining proper accounts and ensuring compliance with regulations. The management is primarily responsible for the design, implementation and maintenance of the internal control system. The internal control and risk management systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage, rather than eliminate, risks of failure to achieve business objectives.

Along with the internal control review, the Consultant has prepared annual review report on overall effectiveness of the Group's system of internal control over various aspect including financial, operational and compliance issues, in particular, the processes of (i) financial reporting and disclosure, (ii) environmental, social & governance and (iii) corporate governance were reviewed for the year ended 31 December 2017. Along with the risk management review, the Board, through the audit committee and with the assistance of the Consultant, have, among others, identified, evaluated and assessed the key risk factors affecting the Group's business and operation in the Group's media and entertainment business and property agency business. During the risk assessment process, the management of the Company has reviewed aspects including operation, compliance and strategic areas. High-priority risks identified included strategic risk of investing in entertainment industry, operation risks such as uncertainties in production quality of media projects, credit risk in relation to distributors and risks involved in compliance with various censorship regulations, listing rules compliance, and financial data reporting standards. Management would from time to time review the key risks identified and determine their responses to high-priority risks and where necessary, report on significant changes and effectiveness of the systems of risk management.

The Board had adopted a whistle blowing policy including procedures for employees to report any irregularities on the affairs of the Company.

透過審核委員會及在該顧問的協助下，董事會已就本集團二零一七年風險管理及內部監控系統之效力作出檢討，並且董事會認為本集團已設有高效、合宜及適當之風險管理及內部監控系統（其依據是該顧問編製的內部監控檢討報告的調查結果及與該顧問的討論）。就本集團內部監控系統而言，其旨在保障資產免被不當挪用、維持妥善賬目及確保遵守各項法規。管理層主要負責內部監控系統之設計、實施及維護。內部監控及風險管理系統的目的旨在對重大錯報或損失提供合理而非絕對的保證，並管理而非消除未能達致業務目標的風險。

就內部監控檢討，該顧問亦就本集團內部監控系統之整體效力編製年度檢討報告，涵蓋財務、營運及合規問題等多個方面，特別是截至二零一七年十二月三十一日止年度亦審閱了(i)財務報告及披露，(ii)環境、社會及管治，以及(iii)企業管治的流程。就風險管理檢討，董事會亦透過審核委員會及在該顧問的協助下對影響本集團在其媒體及娛樂業務與物業代理業務方面經營的主要風險因素進行識別、評估及評定等工作。於風險評估過程中，本公司管理層已對營運、合規及策略等方面作出檢討。經識別重要風險包括娛樂行業投資策略風險、媒介項目製作質素不穩等營運風險、與發行商相關的信貸風險，還有在各種審查合規、公司上市規則合規以及財務資料報告標準中涉及的風險。管理層會不時檢討獲識別的主要風險及釐定對高優先級別風險之應對措施，而且在必要時就風險管理系統的重大變動及效力進行匯報。

董事會已採納舉報政策，當中載有僱員上報有關本公司事宜之違規行為之程序。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout 2017.

### 證券交易守則

本公司已採納上市規則附錄十所載標準守則，其條款之嚴格程度不遜於標準守則所載者。經特定查詢後，全體董事確認於二零一七年度已充分遵守標準守則。

### DIRECTORS' TRAINING

The Company has from time to time provided Directors with materials relating to the business and operations of the Group, latest developments regarding the Listing Rules and their responsibilities under the Listing Rules, legal and other regulatory requirements.

### 董事培訓

本公司不時根據上市規則、法律及其他監管規定向董事提供有關本集團業務及經營、上市規則最新發展以及彼等職責的資料。

During the year ended 31 December 2017, all existing Directors have received the following trainings:

截至二零一七年十二月三十一日止年度，所有現任董事已經參與下列培訓：

**Training on corporate governance, regulatory development and other relevant topics**  
有關企業管治、監管發展及其他相關課題之培訓

#### Directors

#### 董事

#### Executive Directors

Mr. Dong Ping (*Chairman*)  
Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

#### 執行董事

董平先生 (*主席*)  
項紹琨先生 (*行政總裁*)

#### Non-Executive Directors

Mr. Ning Hao  
Mr. Xu Zheng  
Mr. Gao Zhikai

#### 非執行董事

寧浩先生  
徐崢先生  
高志凱先生

#### Independent Non-Executive Directors

Mr. Su Tuong Sing, David  
Mr. Li Xiaolong  
Mr. Wong Tak Chuen

#### 獨立非執行董事

徐傳陞先生  
李小龍先生  
黃德銓先生

✓  
✓  
✓  
✓  
✓  
✓  
✓  
✓

## CORPORATE GOVERNANCE REPORT 企業管治報告

### DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for liabilities in respect of legal actions against Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under Code A.1.8 of the CG Code.

### DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determined by the employing company within one year without payment of compensation (other than statutory compensation).

### INSIDE INFORMATION POLICY

Pursuant to the statutory regime for disclosure of inside information sets out in Part XIVA of the SFO with effect from 1 January 2013, the Board has adopted an inside information policy in 27 August 2013 which sets out the guidelines to the Directors, officers and all relevant employees of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulations, which includes, among others, all inside information must be treated strictly confidential and disclosure of inside information must be made in a manner that provides the public with an equal, timely and effective access to the information, such as through the electronic publication system operated by the Stock Exchange. Generally, no employee or Director may disclose, discuss or share with outside parties (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, and other categories of persons as allowed under the Part XIVA of the SFO) the information of price-sensitive nature about the Company that has not been released to the public. Please refer to the website of the Company [www.huanximedia.com](http://www.huanximedia.com) under the section "Corporate Governance" for the Company's inside information policy.

### SHAREHOLDERS' RIGHTS

Shareholders' communication policy was adopted by the Board on 27 March 2012. Shareholders' communication policy and shareholder's rights are published on the designated website of the Company.

### 董事及高級職員之責任保險

本公司已根據企管守則第A.1.8條為本公司及其附屬公司董事及高級職員因本集團的企業業務而可能面對的法律訴訟之相關責任安排購買適當的保險。

### 董事之服務合約

擬於本公司之應屆股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂有僱傭公司於一年內不作賠償(法定賠償除外)即不可終止之服務合約。

### 內幕消息政策

根據自二零一三年一月一日起生效的證券及期貨條例第XIVA部所載披露內幕消息之法律制度，董事會於二零一三年八月二十七日採納內幕消息政策，該政策載列對本集團董事、高級職員及所有相關僱員的指引，以確保根據適當的法律法規公平及時地向公眾發佈本集團之內幕消息，包括(其中包括)所有內幕消息均須嚴格保密且內幕消息之披露方式須使公眾平等、適時及有效地取得消息，如於聯交所之電子登載系統刊登。一般而言，僱員或董事不可與外界人士披露、商討或分享(惟與負有保密責任之本集團顧問(例如：律師)及證券及期貨條例第XIVA部所容許之其他類別人士溝通則除外)有關並未被公開之本公司股價敏感資料。有關本公司的內幕消息政策，請參閱本公司網站 [www.huanximedia.com](http://www.huanximedia.com) 「企業管治」界面。

### 股東權利

董事會於二零一二年三月二十七日採納股東通訊政策。股東通訊政策及股東權利公佈於本公司指定網站。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders may direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Enquiries other than shareholdings may be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information of this annual report for the attention of the Company Secretary.

### RIGHT TO CONVENE SPECIAL GENERAL MEETING

Pursuant to Section 74(1) of the Bermuda Companies Act and the bye-law 62 of the Bye-Laws, the shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

### 向董事會查詢的權利

股東可向本公司香港股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)查詢其股權。有關股權以外事項的查詢，可寄往本年報之公司資料所載本公司香港總辦事處及主要營業地點向本公司之公司秘書提出。

### 召開股東特別大會的權利

根據百慕達公司法第74(1)條及公司細則第62條，於提呈請求當日持有不少於十分之一之本公司繳足股本(於提呈當日附有於本公司股東大會上表決之權利者)的本公司股東可請求董事會召開股東特別大會。

請求須列明會議目的、經請求人簽署及寄往本公司註冊辦事處(地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda)向本公司之公司秘書提出，請求可由多份由一名或多名請求人各自簽署的格式相同的文件組成。

倘董事未於請求呈交日期起計二十一日內正式召開會議，則請求人或持有彼等全體總投票權半數以上之請求人可自行於上述日期起計三個月屆滿當日前召開會議。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

On the requisition in writing of either (i) any number of shareholder of the Company representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders, the Company shall, at the expense of the requisitionists:

- (a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda for the attention of the Company Secretary.

### RIGHT TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

According to the Bye-laws, no person other than a retiring Director shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless a notice in writing signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a director and also a notice in writing by that person of his willingness to be elected (including that person's biographical details as required by Rule 13.51(2) of the Listing Rules) shall be lodged with the Company Secretary at the Company's principal place of business in Hong Kong or the Share Registrar's place of business in Hong Kong provided that the minimum length of the period, during which such notice(s)

### 於股東大會提出議案之權利

在(i)於遞交請求當日持有不少於全體股東總投票權(附有可於請求有關的股東大會上投票之權利)二十分之一之任何數目本公司股東;或(ii)不少於100名股東以書面方式提出請求下,本公司須(有關費用由請求人承擔):

- (a) 向有權接收下一屆股東週年大會通告之本公司股東發出通知,告知任何可能於該會上正式動議及擬於會上動議之決議案;及
- (b) 向有權接收任何股東大會通告之股東寄發不超過一千字之聲明,告知該會上提呈之決議案所述事宜或將處理之事項。

有關請求須由請求人簽署,送交本公司之註冊辦事處(地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda),並註明收件人為本公司之公司秘書。

### 股東提名候選董事的權利

根據公司細則,除退任董事外,任何未獲董事推薦參選之人士皆不具資格於任何股東大會上參選董事,除非獲正式合資格出席大會及可於會上投票之股東(並非擬參選人士)簽署書面通知,其內表明建議提名該人士參選董事之意向,及亦由獲提名人士簽署書面通知,表明願意參選(包括列載按照上市規則第13.51(2)條要求之該人士之履歷詳情),該等書面通知必須呈交至本公司之香港主要營業地點交予公司秘書或呈交至其股份登記處之香港營業地點,惟該等書面通知之最短通知期限為至少七日,而(倘該等書面通知於寄發有關選舉所召開股

## CORPORATE GOVERNANCE REPORT 企業管治報告

are given, shall be at least seven days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

If such notice(s) are received less than ten business days prior to the date of such general meeting, the Company will need to consider the adjournment of such general meeting in order to allow the Shareholders fourteen clear days' notice of the proposal.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

### INVESTOR RELATIONS

The Company maintains websites at [www.huanximedia.com](http://www.huanximedia.com) and [www.irasia.com/listco/hk/huanximedia](http://www.irasia.com/listco/hk/huanximedia) where information and updates on the list of directors and their roles and functions, terms of reference of the Board committees, procedures for nomination of directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted.

The Company's constitutional documents are available on the websites of the Stock Exchange and the Company.

東大會之通告後才呈交)該等書面通知須於寄發有關選舉之股東大會通告後翌日起至舉行該股東大會日期前七日止期間內呈交。

倘於該股東大會舉行日期前少於十個營業日收到該等書面通知，為了讓股東就有關提案獲十四個足日通知，本公司將需考慮延期舉行該股東大會。

### 以投票方式表決

根據上市規則第13.39(4)條的規定，股東於股東大會上的任何表決均須以投票方式進行，惟股東大會主席基於誠信原則作出決定，允許純粹有關程序或行政事宜的決議案以舉手方式表決者除外。

### 投資者關係

本公司網站為 [www.huanximedia.com](http://www.huanximedia.com) 及 [www.irasia.com/listco/hk/huanximedia](http://www.irasia.com/listco/hk/huanximedia)，發佈有關董事名單及彼等的職務及職責、董事會委員會職權範圍、提名候選董事的程序，刊登於聯交所之公告、通函及報告以及其他資料的最新信息。

本公司之章程文件可於聯交所及本公司之網站上查閱。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

The Company is pleased to present the environmental, social and governance report (“ESG Report”) to our stakeholders for providing an overview of the Group’s efforts in eliminating the environmental, social and governance (“ESG”) impacts arising from our daily operations.

The content of this ESG Report is prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Listing Rules to make relevant disclosure of sustainability performance in material aspects of the guide, covering the whole range of our business, including media and entertainment and related businesses, the provision of property agency and related services, and securities trading and investments. The reporting period of this report shall cover the period from 1 January 2017 to 31 December 2017.

## ENVIRONMENTAL

### Emissions

The Group has made efforts to integrate environmental protection into our daily business operation. It is reflected by our promotion of pollution prevention, waste reduction and recycling. For all of our investment decision-making process, as one of the key assessment criteria, we perform comprehensive assessments and give due consideration to minimize the potential impact on the environment.

Throughout the reporting period, the Group complied with laws and regulations related to air pollution and waste handling including relevant regulations in the PRC.

The Group emitted from vehicles 11,452 g of nitrogen oxides (NOx), 351 g of sulphur oxides (SOx) and 843 g of particulate matter during the reporting period of 2017.

#### Scope of Greenhouse Gas Emission

溫室氣體排放範圍

Scope 1  
Scope 2  
Scope 3

範圍1  
範圍2  
範圍3

Total

總量

#### Emission (in tonnes)

排放量(噸)

65  
107  
56

228

本公司欣然向我們的利益相關者提呈環境、社會及管治報告，以概述本集團為減低因我們的日常運營產生的環境、社會及管治影響而作出的努力。

本環境、社會及管治報告根據上市規則附錄二十七所載之環境、社會及管治報告指引編製，對該指引主要層面的可持續發展的表現作出相關披露，內容涵蓋我們的整個業務，包括媒體及娛樂及相關業務、提供物業代理及相關服務以及證券買賣及投資。本報告的報告期間應涵蓋二零一七年一月一日至二零一七年十二月三十一日期間。

## 環境

### 排放物

本集團一直致力將環保融入日常業務營運中，這從我們在防止污染、減少廢物及回收方面的推廣反映出來。作為整個投資決策過程中的主要評估標準之一，我們進行全面評估並適當考慮，盡量減少對環境造成潛在影響。

於整個報告期內，本集團已遵守有關空氣污染及廢物處理的法律及規定，包括中國的有關法規。

於二零一七年報告期內，本集團車輛排放11,452克氮氧化物、351克硫氧化物及843克顆粒物。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

During the reporting period, total greenhouse gas (“GHG”) emissions included emissions of carbon dioxide, methane and nitrous oxide, where methane and nitrous oxide emissions were converted to carbon dioxide emissions based on global warming potential (GWP). Therefore, the total amount of GHG emissions is the total amount of carbon dioxide emissions equivalent. Scope 1 calculated direct GHG emissions from combustion of fuels in mobile sources (e.g. vehicles) controlled by the Group, scope 2 calculated indirect GHG emissions of electricity purchased from power companies and scope 3 calculated the indirect GHG emissions of disposal of paper waste at landfill in Hong Kong and business travel by employees.

For non-hazardous waste, the Group discharged 524 kg of wasted paper. The Group adopts double-sided printing for internal documents and reuses used paper to minimize wasted paper.

The Group has not identified any hazardous waste that were produced in the core business and there are no reducing initiatives at the moment.

The Group promotes green operations and encourages employees to turn off unnecessary lighting and air-conditioning. The Group takes advantage of teleconferencing to eliminate unnecessary business trips for Directors and employees.

### Use of Resources

Considering the nature of our businesses with the amounts of waste produced in the course of operations, the efforts that we can make should not be taken lightly. We from time to time convey the concept of green office to our employees. For instance, we remind our staff the advantages of double-sided printing and energy saving by switching off idle lighting.

The direct and indirect energy consumption by electricity and petrol are 115,698 kWh and 23,854 L respectively.

Payment for water usage has been included in the management fee to the landlord, thus related consumption data cannot be obtained. Meanwhile, the Group did not have problems on shortage of water supply and use of packaging material is not applicable to our core business.

於報告期內，溫室氣體排放總量包括二氧化碳、甲烷及氧化亞氮的排放量，當中甲烷及氧化亞氮的排放量根據全球變暖潛勢 (global warming potential) 換算為二氧化碳排放量。因此，溫室氣體排放總量為二氧化碳當量總量。範圍1計算由本集團旗下控制的流動源 (例如車輛) 燃燒燃料直接產生的溫室氣體排放量，範圍2計算從電力公司採購電力間接產生的溫室氣體排放量，以及範圍3計算由香港堆填區處置廢紙及由僱員商旅間接產生的溫室氣體排放量。

無害廢物方面，本集團產生524千克廢紙。本集團對內部文件均採用雙面打印，並循環利用使用過的紙張，從而盡量減少廢紙。

本集團並無發現核心業務有產生任何有害廢物，現時亦並無制訂減排措施。

本集團提倡綠色行動，鼓勵僱員關掉不需要的電燈和空調。本集團亦善用電話會議設施，減少董事及僱員不必要的商務旅程。

### 資源使用

鑒於我們的業務性質及於日常營運中產生的廢物量，我們在這方面作出的努力不容忽視。我們不時向僱員宣揚環保辦公室的概念。舉例而言，我們提醒員工雙面影印及關掉閒置燈光節能的好處。

電力與汽油的直接及間接能源耗量分別為115,698千瓦時及23,854升。

水費已計入業主的管理費內，因此無法獲取相關消耗數據。與此同時，本集團不存在供水短缺的問題，核心業務亦無使用包裝材料。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### The Environment and Natural Resources

The existing business operations of the Group are not expected to pose a material impact on the environment. However, the management had nonetheless incorporated the factor of the potential impact on the environment and natural resources in business operations planning. The Group hopes that continuous improvement will make a contribution to the global ecological environment.

Although the Group's impacts on environment are insignificant and the Group seldom use natural resources directly, we still encourage our employees to reduce the use of natural resources and recycle as much as possible.

#### SOCIAL – EMPLOYMENT

#### EMPLOYMENT AND LABOUR PRACTICES

##### Recruitment

It is the objective of the Group to provide employees with a respectful and fair working environment. We have established a sound system of human resources management covering the various aspects such as recruitment and remuneration.

We hire employees based on consideration of experience, qualifications and knowledge. An employment contract is required to be signed by the employee prior to employment to ensure job title, job duties, working hours, holidays, remuneration, termination process, and benefits are agreed.

##### Promotion, compensation, and dismissal

The Group motivates employees by promotion and salary increment based on results of annual performance appraisal. We will keep optimizing the remuneration and promotion mechanism that enables the employees to share the fruitful achievement with us. Dismissal is based on the Employment Ordinance, relevant regulations in the PRC including, Labour Law of the People's Republic of China and Labour Contract Law of the People's Republic of China and the requirements as stipulated in the employment contract.

#### 環境及天然資源

預期本集團現有的業務營運不會對環境造成重大影響。然而，管理層規劃業務營運時已計及對環境及自然資源潛在影響的因素。本集團期望持續改善可為全球生態環境帶來貢獻。

儘管本集團對環境的影響不足為患，而且本集團很少直接使用天然資源，但本集團仍然鼓勵僱員減少使用天然資源，盡可能地回收利用。

#### 社會－僱傭

#### 僱用及員工常規

##### 招聘

本集團旨在為僱員提供受尊重及公平的工作環境。我們設立完善的人力資源管理系統，涵蓋招聘及薪酬等多個方面。

我們根據經驗、資歷及學識招聘僱員。於僱用前，僱員須簽署僱用合約，以確保職銜、職責、工作時間、假期、薪酬、終止僱用流程及福利已獲雙方同意。

##### 晉升、補償及解僱

本集團根據年度表現評估晉升及加薪以激勵僱員。我們將繼續優化薪酬及晉升機制，讓僱員分享我們的豐碩成果。解僱程序符合《僱傭條例》、相關中國法規，包括《中華人民共和國勞動法》及《中華人民共和國勞動合同法》及僱用合約列明的規定。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### Working hours, rest periods and benefits

Five-day workweek arrangement is adopted to facilitate work-life balance. In addition to all public holidays (including Sundays) as specified in the General Holidays Ordinance, employees are entitled to annual leaves, and other paid leaves such as maternity leaves, paternity leave, compensation leave, wedding leave, examination leave.

Employees enjoy medical benefits, provident fund scheme (if applicable) and other benefits subject to the Group's policies.

#### Equal opportunity and anti-discrimination

The Group strove to optimize the system of human resources management to promote fairness and equality within the workplace, human resources policy has been established to ensure there is no discrimination on the grounds of age, gender, marital status, family status, sexual orientation, disability, ethnic group, nationality or religion. In accordance with our human resource policy, the above factors are not considered in the decision-making process of employment, remuneration, and promotion.

The Group would ensure strict compliance with all relevant regulatory standards, particularly the Hong Kong Employment Ordinance and Employees' Compensation Ordinance and the relevant regulations in the PRC including Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, and Implementation Regulations for the Labour Contract Law of the People's Republic of China.

Details of remuneration policy of the Group are also set out in the "Employees and Remuneration Policies" section in the Management Discussion and Analysis on page 22.

#### Health and safety

We believe that safe working does not only uphold the adherence to people-oriented principles but also preserve our talents from exposure to occupational diseases or injuries, no matter severe or minor.

#### 工作時間、休息時間及福利

本集團採取每星期工作五天的安排，以促進工作與生活之間的平衡。除《公眾假期條例》列明的所有公眾假期(包括星期日)外，僱員有權放取年假及其他有薪假期，如產假、侍產假、補休假、婚假及考試假。

根據本集團政策，僱員享有醫療福利、公積金計劃(如適用)及其他福利。

#### 平等機會及反歧視

本集團致力優化人力資源管理系統，以宣揚工作環境的公平及平等精神，並已訂立人力資源政策，確保消除年齡、性別、婚姻狀況、家庭狀況、性取向、殘疾、種族、國籍或宗教歧視。根據我們的人力資源政策，在僱用、薪酬及晉升的決策過程中不會考慮上述因素。

本集團將確保嚴格遵守所有相關監管標準，尤其是香港《僱傭條例》及《僱員補償條例》及中國的有關法規包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國勞動合同法實施條例》。

本集團薪酬政策詳情亦載於第22頁管理層討論與分析「僱員和薪酬政策」一節內。

#### 健康及安全

我們相信，安全工作不僅符合以人為本的原則，亦保護我們的人才免受各種大小的職業疾病或傷患侵害。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

Safety guides in respect of reducing occupational hazards in the office working environment were circulated to employee to advise employees to address more attention to health and safety issues.

The Group adopts a five-day workweek and motivates our staff to keep a practical and reasonable work-life balance.

In the meantime, we support our contractors and business partners placing high emphasis on health and safety issues, in terms of occupational hazards.

There is a full compliance towards Occupational Safety and Health Ordinance and relevant regulations that protected employees from occupation hazards. The Group also complied with Labour Law of the People's Republic of China and Law of People's Republic of China on the Prevention & Control of Occupational Diseases. The Group did not experience any lost days due to injury or work-related fatalities during the reporting period.

### Development and training

Apart from providing training materials for Directors as stated in the Corporate Governance Report, in the face of the dynamic business environment, employees are strongly recommended to equip themselves with different branches of knowledge. Subsidies of HK\$4,800 were given to employees for participation in training courses of 32.5 hours in 2017 which aim at enhancing their job skills. The training covered the management skill and leadership improvement, company's organization strategy and corporate culture, employee's business knowledge, orientation and other specific training.

In addition to the professional training courses, we do not neglect the opportunities of providing our employees with learning experience gained through work assignments so as to build up their on-going job skills which benefit career development of our staff.

### Labour standards

Child labor and forced labor are strictly prohibited within the Group. In accordance with our Human Resources Policy, background check and reference check are conducted by Human Resources Department based on the information provided by applicants before hiring, among other sources. Applicants who do not meet the legal requirements would not be hired.

我們已向僱員提供安全指引，以減少工作環境的職業危害，提醒僱員多關注健康及安全問題。

本集團採取每星期工作五天的安排，鼓勵僱員保持實際而合理的工作與生活平衡。

同時，我們支持承辦商及業務夥伴高度重視職業危害方面的健康及安全問題。

本集團全面遵守《職業安全及健康條例》及相關法規，以保護僱員免受職業危害風險，本集團亦遵守《中華人民共和國勞動法》及《中華人民共和國職業病防治法》。於報告期內，本集團未曾因發生人員傷害或工業意外傷亡造成損失工作日的情況。

### 發展及培訓

除按企業管治報告所述為董事提供培訓資料外，我們亦強烈建議僱員在變化不定的業務環境下掌握各方面知識。二零一七年，我們為參與32.5小時的提升工作技術培訓課程的僱員提供港幣4,800元資助，培訓涵蓋管理技能及領導力的改善、公司組織策略及企業文化、僱員業務知識、導向及其他專項培訓。

除專業培訓課程外，我們亦著重分工，為僱員提供學習機會，以提高在職技能，對我們僱員的事業發展有所裨益。

### 勞工標準

本集團嚴禁童工及強制勞工。根據我們的人力資源政策，人力資源部於聘用前會根據申請人提供的資料及其他資料，進行背景調查及徵信調查。違反法律規定的申請人不會獲聘用。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

There is full compliance towards relevant national and local regulations that prohibits child or forced labor. During the reporting period, we did not receive any complaints or reporting of child labor or forced labor.

本集團全面遵守有關嚴禁童工或強制勞工的國家及地區法規。於報告期內，我們並未收過任何童工或強制勞工方面的投訴或舉報。

## SOCIAL – OPERATING PRACTICES

## 社會 – 營運常規

### Supply chain management

### 供應鏈管理

Business contract management is of fundamental concern to us. We do encourage and expect our contractors and business partners (i.e. film production companies, film directors and producers, etc) to uphold a high standard of morality that is similar to our own. To facilitate the cooperation, thorough assessment based on a variety of criteria, including but not limited to attitude towards environmental and social issues, is conducted to evaluate the quality as well as its moral standards of our business partners and contractors prior to stepping into contracting stage.

我們非常重視業務合約管理。我們鼓勵並期望承辦商及業務夥伴(即電影製作公司、導演及監製等)與我們一樣遵守嚴格的道德標準。為促進合作，在進入承辦階段前，我們會根據各種標準(包括但不限於環境及社會問題的觀點)，對業務夥伴及承辦商的質素及其道德標準作全面評估。

### Product responsibility

### 產品責任

The Group engages in the media, entertainment businesses as well as film investments. It recognizes that proper advertising of services and products (e.g. films and internet drama series) provided as well as a timely response is of great importance to the long-term business development. The Group makes every endeavor to comply with the relevant legislation.

本集團從事媒體、娛樂業務及電影投資，明白適當提供服務及產品(如電影及網絡系列影視劇)廣告宣傳及適時的應對，對長期業務發展至關重要。本集團一直致力遵守相關法例。

Being an investor in the media and entertainment field, the Group has always placed utmost importance to the safeguard and protection of intellectual property rights, encompassing the management of the confidentiality and information sharing. Clauses are included in the media investment agreements and other related cooperation agreements to protect the Group's interests in the films and/or internet drama series which it invested in, such as the Group's income rights, distribution rights and copyrights in the productions.

作為媒體及娛樂行業的投資者，本集團一直非常重視知識產權的維護及保障，包括保密及資訊分享管理。我們在媒體投資協議及其他相關合作協議加入條款，旨在保護本集團於其所投資電影及／或網絡系列影視劇中的權益，例如本集團於相關作品中的收益權、發行權及版權。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

### Anti-corruption

The Group is committed to preventing bribes, extortion, fraud and money laundering. A whistle-blowing reporting channel has been established for employees to report any suspected fraud, malpractice, corruption, or any other unethical actions. We aim to maintain high moral standards in the conduct of our business.

The Group has strictly adhered to relevant laws and regulations, including the Prevention of Bribery Ordinance and the relevant regulations in the PRC. During the year 2017, there was no legal case or dispute in respect of bribery, extortion, fraud or money laundering against our employees and the Group.

### SOCIAL – COMMUNITY

#### Community investment

The Group facilitates opportunities for employees to be a part of our communities. We encourage assistance in and participation in conventions, conferences, exhibitions and events held by business communities relevant to our business, with a particular focus on organizations promoting the development of media industries and community partnership.

### 反貪污

本集團致力防止賄賂、勒索、欺詐及洗錢。我們已為僱員設立舉報途徑，以舉報任何疑似欺詐、不當行為、貪污或任何其他違反職業操守的行為。我們旨在維持嚴格的業務操守標準。

本集團一直嚴格遵守相關法例及規定，包括《防止賄賂條例》以及中國的有關法規。於二零一七年，概無發生任何針對我們的僱員及本集團的賄賂、勒索、欺詐或洗錢的案件或爭議。

### 社會 – 社區

#### 社區投資

本集團致力讓僱員成為社區一分子。我們鼓勵僱員協助及參加與我們業務相關的商界（尤其是注重推動媒體行業及社區合作關係的組織）舉辦的大會、會議、展覽及活動。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

# Deloitte.

# 德勤

**TO THE SHAREHOLDERS OF HUANXI MEDIA GROUP LIMITED**  
(incorporated in Bermuda with limited liability)

致歡喜傳媒集團有限公司全體股東  
(於百慕達註冊成立之有限公司)

### OPINION

### 意見

We have audited the consolidated financial statements of Huanxi Media Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 86 to 191, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)已審計列載於86至191頁的歡喜傳媒集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，該等財務報表包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

### BASIS FOR OPINION

### 意見的基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已根據守則履行其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
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*Impairment of film and TV rights under production*

We identified the impairment of film and TV rights under production as a key audit matter due to the significance of the Group's film and TV rights under production to the consolidated financial statements and the judgement and estimation uncertainty involved in the management's impairment assessment of the film and TV rights under production.

Our procedures in relation to the impairment of film and TV rights under production included:

- Obtaining an understanding on the management's process of impairment assessment in regards of film and TV rights under production;
- Evaluating the appropriateness of the methodology used by the management in determining the recoverable amounts of the film and TV rights under production;

#### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

<b>關鍵審計事項</b>	<b>我們的審計如何對關鍵審計事項進行處理</b>
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*製作中之電影及電視劇版權減值*

本核數師認為製作中之電影及電視劇版權減值為關鍵審計事項，原因為貴集團製作中之電影及電視劇版權對於綜合財務報表之重要性及管理層有關製作中之電影及電視劇版權之減值評估涉及判斷及估計的不確定性。

本核數師有關製作中之電影及電視劇版權減值之程序包括：

- 了解管理層有關製作中之電影及電視劇版權減值評估的過程；
- 評估管理層於釐定製作中之電影及電視劇版權之可收回金額時所採用方法之適當性；

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key audit matter	How our audit addressed the key audit matter	關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
<i>Impairment of film and TV rights under production (Continued)</i>		<i>製作中之電影及電視劇版權減值 (續)</i>	
<p>As at 31 December 2017, the carrying amount of film and TV rights under production amounted to HK\$384,331,000, which represented approximately 37% of the Group's total assets. In determining whether impairment on film and TV rights under production is required, the Group takes into consideration the current market environment to project cash flows expected to be received through distribution and licensing income and the existing offers from potential investors in respect of the distribution and license agreements to be entered into by the Group, if any. As disclosed in note 20 to the consolidated financial statements, the management of the Group assessed that there is no impairment of film and TV rights under production.</p>	<ul style="list-style-type: none"> <li>Assessing the reasonableness of the key assumptions made by the management in the cash flow forecasts, including assessing the expected revenue to be generated by film and TV rights through checking the film budget summary, evaluating the reasonableness of the budgeted production, distribution and other costs through comparison with historical costs incurred in comparable films, and comparing the estimated film box office receipts to the historical trend of similar film release; and</li> <li>Examining the relevant correspondences and progress report to evaluate the status and progress of the film and TV rights under production.</li> </ul>	<p>於二零一七年十二月三十一日，製作中之電影及電視劇版權之賬面值達港幣384,331,000元，佔貴集團資產總值約37%。在釐定是否須就製作中之電影及電視劇版權作出減值時，貴集團會計及現時市場環境，預測透過發行及授權收入以及潛在投資者有關貴集團將訂立之發行及授權協議（如有）之現有報價預期將收取之現金流量。誠如綜合財務報表附註20所披露，貴集團管理層評估認為製作中之電影及電視劇版權並不存在任何減值情況。</p>	<ul style="list-style-type: none"> <li>評估管理層於預測現金流量時所作主要假設之合理性，包括透過審查電影預算概要評估電影及電視劇版權將產生之預期收入、透過比較過往可比較電影產生的成本評估製作成本預算、發行及其他成本之合理性以及透過票房預計收益與過往類似電影票房趨勢作比較；及</li> <li>審核相關信函及進度報告以評估製作中之電影及電視劇版權之狀況及進度。</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
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##### *Impairment of prepayment for film and TV rights*

We identified the impairment of prepayment for film and TV rights as a key audit matter due to the significance of the Group's prepayment for film and TV rights to the consolidated financial statements and the management significant judgements involved in assessing the recoverability of the prepayment.

As set out in note 19 to the consolidated financial statements, prepayment for film and TV rights of HK\$407,917,000, which represented approximately 39% of the Group's total assets, was made under the agreement with film directors for the production of proposed films and drama series or internet films and drama series, whereby such prepayment would form part of the contribution by the Group for the production cost of the proposed films and drama series or internet films and drama series. The management performed assessment of the recoverability of the prepayment based on the contract terms on agreements, status of film and TV rights investment plans, and the progress of utilisation of the prepayment.

Our procedures in relation to the impairment of prepayment for film and TV rights included:

- Assessing the appropriateness of the management's recognition of prepayments by reference to agreements and correspondences;
- Obtaining an understanding on the Group's key control over initiation of the prepayment and monitoring of the progress of utilisation of the prepayment, as well as assessment of the recoverability of the prepayment;
- Discussing with the management on the status of film and TV rights investment plan with film directors and assessing the management's basis in evaluating the recoverability of the prepayment;
- Assessing the progress of utilisation of the prepayment; and
- Obtaining confirmations from counterparties as to the balance of prepayment as at 31 December 2017 and utilisation of the prepayment during the year.

#### 關鍵審計事項 (續)

關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
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##### *電影及電視劇版權預付款的減值*

本核數師認為電影及電視劇版權預付款的減值為關鍵審計事項，原因為貴集團之電影及電視劇版權預付款對綜合財務報表的重要性及預付款可收回性評估涉及管理層重大判斷。

誠如綜合財務報表附註19所披露，電影及電視劇版權預付款港幣407,917,000元（佔貴集團資產總值約39%）乃根據與電影導演就製作擬定電影及影視劇或網絡電影及系列影視劇所訂立之協議而釐定。因此相關預付款將構成貴集團對擬定電影及影視劇或網絡電影及系列影視劇製作成本之部分出資。基於協議之合約條款、電影及電視劇版權投資計劃的狀況及預付款之使用進度，管理層對相關預付款之可收回性進行評估。

本核數師有關電影及電視劇版權預付款的減值之程序包括：

- 參照相關協議及信函而評估管理層確認預付款之適當性；
- 了解貴集團對預付款的初始使用情況及監督預付款的使用進度所採納之主要監控，以及評估預付款之可收回性；
- 與管理層討論與電影導演之間的電影及電視劇版權投資計劃的狀況並評估管理層在估計預付款之可收回性時所採納之基準；
- 評估預付款的使用進度；及
- 獲取交易對手就於二零一七年十二月三十一日之預付款結餘及年內預付款使用情況之確認書。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key audit matter	How our audit addressed the key audit matter	關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
<i>Going concern basis</i>	Our procedures in relation to the going concern basis of the Group included:	<i>持續經營基準</i>	本核數師有關 貴集團持續經營基準之程序包括：
We identified the going concern basis as a key audit matter due to the involvement of a significant degree of management estimation in preparing the cash flow forecasts.	<ul style="list-style-type: none"> <li>• Obtaining an understanding on the Group's cash flow forecast preparation process;</li> <li>• Challenging the reasonableness of key assumptions made in the management's cash flow forecast;</li> <li>• Challenging the management's plans for mitigating any identified exposures, including their ability to amend the terms of their existing financing arrangements;</li> <li>• Obtaining and reviewing a letter from its major shareholder which confirmed that he will not demand for repayment until the Group is able to repay without affecting its liquidity and going concern;</li> <li>• Agreeing the Group's additional sources of financing to supporting documents;</li> <li>• Evaluating the accuracy of the management estimation in preparing cash flow forecasts against historical performance; and</li> <li>• Assessing the appropriateness of the going concern basis of accounting and disclosures included in note 2 to the consolidated financial statements.</li> </ul>	本核數師認為持續經營基準為關鍵審計事項，原因為編製現金流量預測很大程度上涉及管理層估計。	<ul style="list-style-type: none"> <li>• 了解 貴集團現金流量預測編製過程；</li> <li>• 質疑管理層於現金流量預測中所作主要假設之合理性；</li> <li>• 質疑管理層對紓緩任何已識別風險的計劃，包括其修訂轄下現有財務安排條款的能力；</li> <li>• 獲取並審閱其主要股東之確認函件，確認其不會提出還款，直至 貴集團有能力還款而不影響其流動資金及持續經營能力為止；</li> <li>• 貴集團的額外資金來源與證明文件對應一致；</li> <li>• 評估管理層針對過往表現編製現金流量預測時所作估計的準確性；及</li> <li>• 評估綜合財務報表附註2所載持續經營會計基準及披露之適當性。</li> </ul>
As set out in note 2 to the consolidated financial statements, the Group incurred a loss of HK\$95,159,000 for the year ended 31 December 2017, and had bank balances and cash of HK\$39,169,000, advance from related party of HK\$120,000,000 and short term borrowing of HK\$77,500,000 with maturity within 12 months from 31 December 2017.		誠如綜合財務報表附註2所載，貴集團於截至二零一七年十二月三十一日止年度產生虧損港幣95,159,000元，並擁有銀行結餘及現金港幣39,169,000元、來自關連人士之墊款港幣120,000,000元及短期借款港幣77,500,000元（於自二零一七年十二月三十一日起十二個月內到期）。	
The Group currently has various funding options available to it should the need arise, including the support from its major shareholder.		貴集團現時擁有各種於有需要時可供選擇的籌資方式，包括來自 貴集團主要股東的支持。	

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### 其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

#### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督 貴集團的財務報告過程。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照《百慕達公司法》第90條的規定僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### 核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Mr. Lau King Pak.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
29 March 2018

### 核數師就審計綜合財務報表承擔的責任 (續)

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計專案合夥人是劉勁柏先生。

**德勤•關黃陳方會計師行**  
*執業會計師*

香港  
二零一八年三月二十九日

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收益	6	53,209	16,112
Cost of sales and service rendered	銷售及提供服務成本		(59,072)	(20,565)
Gross loss	毛損		(5,863)	(4,453)
Other income	其他收入	8	6,233	4,947
Other gains and losses	其他收益及虧損	9	3,088	(11,323)
Selling and distribution costs	銷售及分銷成本		(549)	(12,112)
Administrative expenses	行政開支		(97,914)	(110,332)
Share-based payments	以股份為基礎之付款	30	–	(1,120,472)
Finance costs	財務費用	10	(154)	–
Loss before tax	除稅前虧損		(95,159)	(1,253,745)
Income tax expense	所得稅開支	11	–	–
Loss for the year	本年度虧損	12	(95,159)	(1,253,745)
<b>Other comprehensive income (expense)</b>	<b>其他全面收入(開支)</b>			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目:</i>			
Exchange differences arising on translation of functional currency to presentation currency	將功能貨幣換算為呈報貨幣產生之匯兌差額		60,415	6,872
<i>Item that may be subsequently reclassified to profit or loss:</i>	<i>其後可能會重新分類至損益之項目:</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		–	(8,132)
			60,415	(1,260)
Total comprehensive expense for the year	本年度全面開支總額		(34,744)	(1,255,005)
Loss for the year attributable to owners of the Company	本公司擁有人應佔本年度虧損		(95,159)	(1,253,745)
Total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔本年度全面開支總額		(34,744)	(1,255,005)
Loss per share	每股虧損			
Basic (HK dollar)	基本(港幣)	16	(0.03)	(0.51)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況報表

AT 31 DECEMBER 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	5,917	4,942
Intangible assets	無形資產	18	21,017	–
Art work	藝術品	21	–	20,000
Rental deposits	租賃按金	23	5,490	5,344
Prepayment for film and TV rights	電影及電視劇版權預付款	19	407,917	220,814
Film and TV rights	電影及電視劇版權	20	22,743	–
Available-for-sale investment	可供出售投資	22	–	208
			<b>463,084</b>	251,308
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Film and TV rights	電影及電視劇版權	20	491,090	250,958
Trade and other receivables, deposits and prepayments	應收賬款及其他應收款項、 按金及預付款	23	53,184	147,459
Investments held for trading	持作買賣投資	24	–	52,768
Bank balances and cash	銀行結餘及現金	25	39,169	309,062
			<b>583,443</b>	760,247
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	26	54,084	175,544
Amount due to a related party	應付一名關連人士款項	27	120,000	–
Borrowing	借款	28	77,500	–
Tax payable	應付稅項		2,776	9,100
			<b>254,360</b>	184,644
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>329,083</b>	575,603
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>792,167</b>	826,911
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>			
Share capital	股本	30	27,681	27,681
Reserves	儲備		764,486	799,230
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>792,167</b>	826,911

The consolidated financial statements on pages 86 to 191 were approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

第86頁至191頁之綜合財務報表已於二零一八年三月二十九日獲董事會批准及授權發佈，並由下列董事代表董事會簽署：

**Dong Ping**  
董平  
DIRECTOR  
董事

**Xiang Shaokun, Steven**  
項紹琨  
DIRECTOR  
董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

		Share capital 股本 HK\$' 000 港幣千元	Share premium 股份溢價 HK\$' 000 港幣千元	Capital reserve 資本儲備 HK\$' 000 港幣千元 Note (a) 附註(a)	Contributed surplus 實繳盈餘 HK\$' 000 港幣千元 Note (b) 附註(b)	Translation reserve 匯兌儲備 HK\$' 000 港幣千元	Accumulated losses 累計虧損 HK\$' 000 港幣千元	Total 總額 HK\$' 000 港幣千元
At 1 January 2016	於二零一六年一月一日	23,086	887,788	2,099	199,168	(1,779)	(120,246)	990,116
Loss for the year	本年度虧損	-	-	-	-	-	(1,253,745)	(1,253,745)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	-	(1,260)	-	(1,260)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	(1,260)	(1,253,745)	(1,255,005)
Issue of shares to film directors (note 30)	向電影導演發行股份(附註30)	4,595	1,087,205	-	-	-	-	1,091,800
At 31 December 2016	於二零一六年十二月三十一日	27,681	1,974,993	2,099	199,168	(3,039)	(1,373,991)	826,911
Loss for the year	本年度虧損	-	-	-	-	-	(95,159)	(95,159)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	60,415	-	60,415
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	-	60,415	(95,159)	(34,744)
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>27,681</b>	<b>1,974,993</b>	<b>2,099</b>	<b>199,168</b>	<b>57,376</b>	<b>(1,469,150)</b>	<b>792,167</b>

Notes:

- (a) The capital reserve arising from the group reorganisation represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate nominal values of the share capital of the subsidiaries.
- (b) The contributed surplus represents the aggregate amounts of capital reduction and share premium cancellation attributable to the capital restructuring and the capital reorganisation of the Company during prior years.

附註：

- (a) 集團重組產生之資本儲備乃指本公司為交換附屬公司股本所發行之股本之面值與有關附屬公司股本總面值之差額。
- (b) 實繳盈餘指本公司於過往年度因股本重整及股本重組產生之資本削減及股份溢價註銷的總金額。

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

	NOTE 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
<b>OPERATING ACTIVITIES</b>			
Loss before tax		(95,159)	(1,253,745)
Adjustments for:			
Depreciation of property, plant and equipment		2,237	1,012
Amortisation of film and TV rights		56,640	13,723
Dividend income		(588)	(1,433)
Impairment loss on trade receivables		-	30
Impairment loss on available-for-sale investment		208	15,333
Amortisation of intangible assets		2,251	-
Share-based payments		-	1,120,472
Reversal of impairment loss on trade receivables		(34)	(268)
Gain on disposal of subsidiaries	35	-	(797)
Finance costs		154	-
Loss on disposal of property, plant and equipment		10	606
Gain on disposal of art work		(2,000)	-
(Gain)loss on change in fair value of investments held for trading		(3,747)	4,236
Interest income		(152)	(929)
Operating cash flows before movements in working capital		(40,180)	(101,760)
Decrease in trade and other receivables		121,943	95,355
Increase in film and TV rights		(267,988)	(190,442)
Increase in prepayments of film and TV rights		(204,068)	(225,877)
Decrease (increase) in investments held for trading		56,515	(1,424)
(Decrease) increase in trade and other payables		(131,860)	57,137
Cash used in operations		(465,638)	(367,011)
Income taxes paid		(6,913)	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(472,551)</b>	<b>(367,011)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

	NOTE 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of artwork		7,000	–
Dividend income received		588	1,433
Interest received		152	929
Proceeds from disposal of property, plant and equipment		5	26
Software development costs paid		(8,515)	–
Purchase of property, plant and equipment		(3,040)	(4,970)
Proceeds from loan receivable		–	3,000
Net cash inflow on disposal of subsidiaries	35	–	1,442
Purchase of art work		–	(20,000)
Purchase of available-for-sale investment		–	(15,541)
Addition of loan receivable		–	(3,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,810)</b>	<b>(36,681)</b>
<b>FINANCING ACTIVITIES</b>			
Advance from a related party		120,000	–
New borrowing raised		77,500	–
<b>CASH FROM FINANCING ACTIVITIES</b>		<b>197,500</b>	<b>–</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(278,861)</b>	<b>(403,692)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>309,062</b>	<b>726,598</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>8,968</b>	<b>(13,844)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH</b>		<b>39,169</b>	<b>309,062</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 1. GENERAL

Huanxi Media Group Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in the annual report.

The Company is an investment holding company and its subsidiaries are principally engaged in media and entertainment and related businesses, provision of property agency and related services, and securities trading and investments. The activities of its principal subsidiaries are set out in note 42.

Items included in the consolidated financial statements of each of the Company and its subsidiaries (collectively referred to as the "Group") are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Company is Renminbi ("RMB") while the consolidated financial statements of the Company are presented in Hong Kong dollars ("HK\$"), which the management of the Group considers that it is more convenient to the shareholders as the Company is a listed company in Hong Kong.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the Group's consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in view of that the Group had bank balances and cash balance as at 31 December 2017 of HK\$39,169,000, amount due to a related party of HK\$120,000,000 and short term borrowing of USD10,000,000 (equivalent to approximately HK\$77,500,000), and the Group had net cash used in operating activities for the year ended 31 December 2017 of HK\$472,551,000 and loss for the year attributable to owners of the Company of HK\$95,159,000. The directors of the Company have reviewed the Group's cash flow forecast which cover a period of not less than twelve months from 31 December 2017 and are of the opinion that the Group will have sufficient working capital to meet its financial obligations that will be due in the coming twelve months from 31 December 2017 on the basis that:

### 1. 一般資料

歡喜傳媒集團有限公司(「本公司」)為一家於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點於年報「公司資料」一節內披露。

本公司乃一間投資控股公司，其附屬公司主要從事媒體及娛樂及相關業務、提供物業代理及相關服務以及證券買賣及投資。其主要附屬公司之業務乃於附註42載列。

本公司及其附屬公司(統稱為「本集團」)各自的綜合財務報表內之項目均以該實體營運所在主要經濟環境通行之貨幣(「功能貨幣」)計量。

本公司之功能貨幣為人民幣(「人民幣」)，而本公司之綜合財務報表以港幣(「港幣」)呈列。本集團管理層認為，由於本公司為香港上市公司，故以港幣呈列對股東而言更為便利。

### 2. 編製綜合財務報表之基準

於編製本集團之綜合財務報表時，鑒於本集團擁有於二零一七年十二月三十一日之銀行結餘及現金結餘港幣39,169,000元、應付一名關連人士款項港幣120,000,000元及短期借款美金10,000,000元(相當於約港幣77,500,000元)，且本集團擁有於截至二零一七年十二月三十一日止年度經營活動所耗用之現金淨額港幣472,551,000元及本公司擁有人應佔本年度虧損港幣95,159,000元，本公司董事已審慎考慮本集團日後之流動資金情況。本公司董事已審閱本集團自二零一七年十二月三十一日起不少於12個月期間之預測現金流量，並認為在以下各項前提下，本集團將有充足營運資金以支付其將自二零一七年十二月三十一日起未來12個月期間到期之財務責任：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (i) In March 2018, the Group obtained additional loan financing of USD6,330,000 (equivalent to approximately HK\$47,962,000) from an independent third party and a loan facility of HK\$100,000,000 (note 41) from Mr. Dong Ping ("Mr. Dong"), the chairman, the executive director and a substantial shareholder of the Company, and the directors of the Company considered that the Group is in a good position to obtain further financing from either independent third parties or Mr. Dong;
- (ii) The Group is in the process of discussion with potential investors for the possibility of new shares issuance with an estimated net proceed of above HK\$700,000,000;
- (iii) The Group is in the process of negotiation with a potential investor in respect of an offer for a guaranteed minimum distribution income to the Group of RMB700,000,000 from the distribution of a film. The related film is currently under production by the Group and the theatrical distribution of the film is tentatively scheduled to be in the first quarter of 2019;
- (iv) The possibility of restructuring existing short term borrowing of USD10,000,000 (equivalent to approximately HK\$77,500,000) to long-term financing or equity; and
- (v) Mr. Dong agreed not to demand for the repayment of the amount due to him of HK\$120,000,000 as at 31 December 2017 until the Group is able to repay without affecting its liquidity and going concern.

#### 2. 編製綜合財務報表之基準(續)

- (i) 於二零一八年三月，本集團分別取得來自一名獨立第三方及董平先生（「董先生」）（本集團之主席、執行董事及主要股東）之額外貸款融資美金6,330,000元（相當於約港幣47,962,000元）及貸款融資港幣100,000,000元（附註41），本公司董事認為本集團能夠取得來自獨立第三方或董先生之進一步融資；
- (ii) 本集團現正與潛在投資者就預計所得款項淨額逾港幣700,000,000元之發行新股之可能性展開討論；
- (iii) 本集團現正與一名潛在投資者就發行一部電影向本集團提供保證最低發行收入人民幣700,000,000元之要約進行磋商。本集團正製作相關電影，而該電影之院線發行暫定於二零一九年第一季度進行；
- (iv) 將美金10,000,000元（相當於約港幣77,500,000元）之現有短期借款重組為長期融資或股權之可能性；及
- (v) 董先生同意，在本集團能夠償還於二零一七年十二月三十一日應付彼之款項港幣120,000,000元而不影響其流動資金及持續經營能力之前，不要求償還該筆款項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Based on the aforesaid factors together with the internally generated funds in the coming twelve months, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

#### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

##### **Amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 2. 編製綜合財務報表之基準 (續)

基於上述因素連同未來12個月內部產生之資金，本公司董事信納本集團將有充足財務資源以悉數支付其將於可見未來到期之財務責任。因此，綜合財務報表乃按持續經營基準編製。

#### 3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

##### **於本年度起強制生效之香港財務報告準則之修訂**

於本年度，本集團已首次應用下列由香港會計師公會 (「香港會計師公會」) 頒佈之香港財務報告準則之修訂：

香港會計準則第7號之修訂	披露主動性
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號之修訂	作為部分對香港財務報告準則二零一四年至二零一六年週期之年度改進

除下文所述外，於本年度應用香港財務報告準則之修訂對本集團本年度及過往年度之表現與財務狀況及／或該等綜合財務報表所載之披露並無重大影響。

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### 綜合財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Amendments to HKAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 34. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 34, the application of these amendments has had no impact on the Group’s consolidated financial statements.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港會計準則第7號之修訂「披露主動性」

於本年度，本集團已首次應用相關修訂。該等修訂要求實體提供披露，讓財務報表使用者能夠評估融資活動產生之負債變動，包括現金及非現金變動。此外，倘相關財務資產之現金流量曾計入或未來現金流量將計入融資活動所產生之現金流量，則該等修訂亦要求披露財務資產變動。

具體而言，該等修訂要求須予披露以下變動：(i)融資現金流量變動；(ii)獲取或失去附屬公司或其他業務之控制權所產生之變動；(iii)外匯匯率變動影響；(iv)公平值變動；及(v)其他變動。

該等項目之期初及期末結餘對賬載於附註34。根據該等修訂之過渡條文，本集團並無披露上年度之比較資料。除附註34中之額外披露外，應用該等修訂並無對本集團之綜合財務報表產生影響。

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### 綜合財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (Continued)

#### New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the Related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts" <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021

### 3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

#### 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提前應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	客戶合同收入及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>4</sup>
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 <sup>1</sup>
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理之不確定性 <sup>2</sup>
香港財務報告準則第2號之修訂	以股份為基礎之付款交易的分類及計量 <sup>1</sup>
香港財務報告準則第4號之修訂	應用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「金融工具」 <sup>1</sup>
香港財務報告準則第9號之修訂	具有負補償之提前還款特點 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間銷售或注入資產 <sup>3</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 <sup>2</sup>
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分 <sup>1</sup>
香港會計準則第40號之修訂	轉讓投資物業 <sup>1</sup>
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進 <sup>2</sup>

<sup>1</sup> 自二零一八年一月一日或之後開始之年度期間生效

<sup>2</sup> 自二零一九年一月一日或之後開始之年度期間生效

<sup>3</sup> 於待定日期或之後開始之年度期間生效

<sup>4</sup> 自二零二一年一月一日或之後開始之年度期間生效



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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (Continued)

#### HKFRS 9 “Financial Instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入就財務資產、財務負債、一般對沖會計及財務資產減值要求之分類及計量的新規定。

適用於本集團之香港財務報告準則第9號之主要規定如下：

- 香港財務報告準則第9號範圍內之所有已確認財務資產其後須按攤銷成本或公平值計量，特別是，按目標為收取合約現金流之業務模式所持有之債務投資及合約現金流僅為支付尚未償還本金及其利息之債務投資，一般於後續會計期間結束時按攤銷成本計量。按目標為同時收取合約現金流及銷售財務資產之業務模式所持有之債務工具，以及按合約條款指定日期以現金流僅為支付尚未償還本金及其利息之債務工具，均一般按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量。所有其他債務投資及股權投資均於後續會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回的選擇於其他全面收益呈報股權投資（並非持作買賣者）之其後公平值變動，一般只有股息收入於損益內確認。

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### 綜合財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

#### HKFRS 9 "Financial Instruments" (Continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

#### Classification and measurement:

- Equity securities classified as available-for-sale investment carried at cost less impairment as disclosed in note 22. These securities qualified for designation as measured at FVTOCI under HKFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investments revaluation reserve; and
- Except for financial assets that are subject to expected credit loss measurement, all other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第9號「金融工具」(續)

- 香港財務報告準則第9號規定財務資產減值按預期信用損失模型計算，有別於香港會計準則第39號按已產生信用損失模型計算。預期信用損失模型規定實體須按其預期信用損失及各報告日期的預期信用損失變化入賬，以反映初始確認後的信用風險變化。換言之，毋須再待發生信貸事件方確認信用虧損。

基於本集團於二零一七年十二月三十一日之金融工具及風險管理政策，本公司董事預期首次應用香港財務報告準則第9號可能產生以下影響：

#### 分類及計量：

- 分類為可供出售投資之股本證券乃按成本減去減值列賬(於附註22披露)。根據香港財務報告準則第9號，該等證券合資格指定為按公平值計入其他全面收益計量，而本集團將於後續會計期間結束時按公平值計量該等證券，且公平值損益將確認為其他全面收益並於投資重估儲備中累計；及
- 除按預期信用損失計量之財務資產外，所有其他財務資產及財務負債將繼續按現時所根據之香港會計準則第39號之相同基準計量。

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### 綜合財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (Continued)

#### HKFRS 9 “Financial Instruments” (Continued)

##### Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model was to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would have no material change as compared to the accumulated amount recognised under HKAS 39.

#### HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第9號「金融工具」（續）

##### 減值

一般而言，本公司董事預期應用香港財務報告準則第9號之預期信用損失模型將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量之財務資產以及其他須作出減值撥備的項目之尚未產生信用損失作出提前撥備。

基於本公司董事之評估，倘本集團應用預期信用損失模型，本集團會於二零一八年一月一日確認之減值虧損累計金額會與根據香港會計準則第39號確認之累計金額並無重大差異。

#### 香港財務報告準則第15號「客戶合同收入」

香港財務報告準則第15號已頒佈，並制定一項單一全面模式供實體用作將自客戶合同所產生之收益會計入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

#### HKFRS 15 "Revenue from Contracts with Customers" (Continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 香港財務報告準則第15號「客戶合同收入」(續)

香港財務報告準則第15號之核心原則為實體須以向客戶轉讓承諾貨品或服務所產生之金額確認為收益，該金額應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

- 第一步：識別與客戶訂立之合同
- 第二步：識別合同中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合同之履約責任
- 第五步：於實體完成履約責任時(或就此)確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號的澄清，內容有關識別履約責任、主體對代理代價及發牌的應用指引。

本公司董事預期，於未來應用香港財務報告準則第15號可能導致作出更多披露，但本公司董事預期，應用香港財務報告準則第15號將不會對相關報告期間已確認的收入時間及金額產生重大影響。

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

#### HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Furthermore, extensive disclosures are required by HKFRS 16.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關之詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初步按成本計量，隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債之任何重新計量而作出調整。租賃負債初步按租賃款項（非當日支付）之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂之影響作出調整。就現金流量分類而言，本集團目前將經營租賃款項呈列為經營現金流量。於應用香港財務報告準則第16號後，本集團將有關租賃負債之租賃款項分配至本金及利息部分，並以融資現金流量呈列。

此外，香港財務報告準則第16號要求廣泛披露。

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### 綜合財務報表附註

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### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (Continued)

#### HKFRS 16 "Leases" (Continued)

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$20,157,000 as disclosed in note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$5,490,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

The directors of the Company anticipate that the application of other new and revised HKFRSSs will not have a material effect on the consolidated financial statements in the foreseeable future.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號「租賃」（續）

於二零一七年十二月三十一日，本集團有不可撤銷之經營租賃承擔港幣20,157,000元（於附註36披露）。初步評估表明該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，本集團將就全部該等租賃確認一項使用權資產及一項相應負債，除非其符合低值或短期租賃定義。

此外，本集團目前將已支付之可退還租賃按金港幣5,490,000元視為香港會計準則第17號適用之租賃下之權利。根據香港財務報告準則第16號下租賃款項之定義，有關按金並非與相關資產使用權有關之款項，因此，該等按金之賬面值可能會調整為攤銷成本，有關調整被視為額外租賃款項。對已支付之可退還租賃按金作出之調整將計入使用權資產之賬面值中。

此外，應用新規定可能導致計量、呈列及披露會出現如上所述之變動。

本公司董事預計應用其他新訂及經修訂香港財務報告準則於可預見未來將不會對綜合財務報表有重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

#### 4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露事項。

除於各報告期末按公平值計量之若干金融工具外，綜合財務報表乃根據歷史成本法編製，計量基準於下列會計政策內說明。

歷史成本一般乃根據交易貨品及服務時所付出代價之公平值計量。

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。此等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份為基礎之付款」範圍的以股份付款的交易、屬於香港會計準則第17號範圍內的租賃交易，以及與公平值有部分相若地方但並非公平值的計量，譬如香港會計準則第2號「存貨」內的可變現淨額或香港會計準則第36號「資產減值」的使用價值除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

#### 4. 主要會計政策 (續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制實體之財務報表。當本公司符合以下條件時，即取得控制權：

- 可對被投資方行使權力；
- 因參與被投資方業務而承擔浮動回報之風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

##### Revenue from licensing or sublicensing of film and TV rights

Revenue from licensing or sublicensing of film and TV rights for a fixed fee or non-refundable guarantee is recognised when (i) an agreement has been signed with a customer; (ii) master tapes and materials have been delivered in accordance with the terms of the underlying agreements, provided that there is no further obligation to be performed or fulfilled; and (iii) it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

#### 4. 主要會計政策 (續)

##### 綜合基準 (續)

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

必要時，會對附屬公司之財務報表作出調整，以使彼等之會計政策與本集團會計政策一致。

有關本集團成員之間交易的所有集團內公司間之資產及負債、權益、收入、開支及現金流量於綜合賬目時悉數對銷。

##### 收益確認

收益乃按已收或應收代價之公平值計量。

當收益金額能可靠計量、未來經濟利益很有可能流入本集團，而本集團每項活動均符合具體條件時（如下文所述），本集團即確認收益。

##### 來自特許或分授電影及電視劇版權之收益

來自特許或分授電影及電視劇版權之收益的固定費用或不可退還擔保於符合以下條件時確認：(i)已與客戶簽訂協議；(ii)已根據相關協議之條款交付母帶及材料，前提是無需履行進一步責任；及(iii)經濟利益很有可能流入本集團且收益金額能可靠計量。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition (Continued)

###### Film right investment income

Film right investment income represents the Group's share of box office sales from films exhibited in movie theatres, after the payment of taxes and other governmental charges by the movie theatres, the deductions by movie theatres and the monies payable to National Film Industry Development Special Fund. The Group's share of profit is determined in accordance with the profit sharing ratio set out in the respective film right investments agreements.

Film right investment income is recognised when (i) the films are exhibited in movie theatres over the period, (ii) the amount of revenue can be measured reliably and (iii) the collectability of the entitled proceeds is reasonably assured.

Agency commission and service income from property agency is recognised in the accounting period in which the services are rendered, which is generally the time when a formal agreement among the transacted parties is established.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 4. 主要會計政策 (續)

##### 收益確認 (續)

###### 電影版權投資收入

電影版權投資收入指在電影院放映之電影票房銷售額，並扣除電影院支付之稅項及其他政府收費、電影院之扣費以及應付國家電影事業發展專項資金之款項後本集團所佔份額。本集團應佔溢利按相關電影版權投資協議所載溢利分成比率釐定。

電影版權投資收入於符合以下條件時確認：(i)電影已於期內在電影院放映；(ii)收益金額能可靠計量及(iii)應享所得款項之可收回性能合理確定。

物業代理之佣金及服務收入於提供服務之會計期間確認，一般為相關交易方訂立正式協議之時。

來自投資之股息收入於股東收取款項之權利確立時予以確認。

利息收入乃參照未償還本金按適用之實際利率按時間比例計算（適用之實際利率即準確貼現財務資產預計年內估計未來現金收入至資產於初始確認時之賬面淨值之利率）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

#### 4. 主要會計政策 (續)

##### 租賃

倘租賃條款使擁有權之絕大部分風險和回報轉移至承租人，有關租賃乃分類為融資租賃。所有其他租賃則分類為經營租賃。

##### *本集團作為承租人*

經營租賃款項於租期按直線法確認為開支。

##### 外幣

於編製集團各個別實體財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易，乃按於交易日之通行匯率確認。於報告期末，以外幣定值之貨幣項目乃按當日之通行匯率重新換算。按公平值列賬且以外幣定值之非貨幣項目乃按釐定公平值當日之通行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算產生之匯兌差額，乃於該等匯兌差額產生之期間在損益內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, (i) the assets and liabilities of the Group's foreign operations are translated into RMB; and (ii) the assets and liabilities of the Group denominated or translated in RMB are then translated into the presentation currency of the Group (i.e. Hong Kong dollars), using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve. Exchange differences relating to the foreign operations are reclassified to profit or loss when the foreign operations are disposal of.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 4. 主要會計政策 (續)

#### 外幣 (續)

就呈報綜合財務報表而言，(i)本集團海外業務之資產及負債乃換算為人民幣；及(ii)本集團以人民幣計值或換算為人民幣之資產及負債隨後按各報告期末之通行匯率換算為本集團之呈報貨幣(即港幣)。收入及開支項目則按本年度之平均匯率換算，惟倘年內匯率顯著波動則除外，於該情況下，則採用交易日期之通行匯率。所產生之匯兌差額(如有)將於其他全面收益中確認並於匯兌儲備下的權益中累計。與海外業務相關之匯兌差額於海外業務出售時重新分類至損益。

#### 借貸成本

收購、建設或生產合資格資產(指需要用上大量時間準備就緒以供擬定用途或銷售之資產)直接應佔之借貸成本乃計入該等資產之成本，直至該等資產差不多已準備就緒以供擬定用途或銷售為止。

若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入自合資格作資本化之借貸成本扣除。

所有其他借貸成本於產生期間於損益內確認。

#### 政府補助

應收作補償已產生之開支或虧損或向本集團提供即時財務支援而無未來相關成本之政府補助於成為應收款項的期間於損益內確認。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the “MPF Scheme”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group’s obligations under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

##### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

##### Share-based payment transactions

###### Equity-settled share-based payment transactions

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received. The fair values of the goods or services received are recognised as expenses unless the goods or services qualify for recognition as assets.

#### 4. 主要會計政策 (續)

##### 退休福利成本

就國家管理退休福利計劃及強制性公積金計劃(「強積金計劃」)作出之付款於僱員提供可獲取該等供款之服務時確認為開支。

倘本集團根據國家管理退休福利計劃須履行的責任相當於特定供款的退休福利計劃的責任，則就該計劃作出之付款視作為特定供款計劃的供款。

##### 短期僱員福利

短期僱員福利按預期將於有關僱員提供服務時支付之福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非香港財務報告準則的其他準則要求或允許將該等福利計入資產成本。

僱員應計福利(如工資及薪金、年假及病假)扣除任何已支付金額後確認為負債。

##### 以股份為基礎之付款交易

###### 以權益結算並以股份為基礎之付款交易

與僱員以外之人士進行之以權益結算並以股份為基礎之付款交易按已收取貨物或服務之公平值計量。除非貨物或服務符合資產確認資格，否則已收取貨物或服務之公平值確認為開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

##### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit or loss before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

#### 4. 主要會計政策 (續)

##### 稅項

所得稅支出指本期應付稅項及遞延稅項之和。

本期應付稅項乃按年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所報除稅前溢利或虧損不同，此乃由於其他年度應課稅或可扣減之收入或支出項目及永不課稅或扣減之項目。本集團之本期稅項負債乃使用於報告期末已制訂或實質上已制訂之稅率計算。

遞延稅項乃按於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之臨時差額確認。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產則通常限於日後之應課稅溢利頗有可能足以抵銷全部可扣減臨時差額確認。若臨時差額因於一項既不影響應課稅溢利亦不影響會計溢利之交易（不包括業務合併）中初步確認資產及負債而引致，則不會確認該等遞延稅項資產及負債。

遞延稅項負債就與附屬公司有關投資產生之應課稅臨時差額確認，惟倘本集團能控制臨時差額撥回且臨時差額於可見未來有可能不會撥回則作別論。與該等投資相關之可抵扣臨時差額所產生之遞延稅項資產僅在動用臨時差額利益時可能有足夠之應課稅溢利且預期在可見將來其將被撥回時，方可確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 4. 主要會計政策 (續)

##### 稅項 (續)

遞延稅項資產之賬面值會於各報告期末作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債以負債被清償或資產被變現之期間預期適用之稅率衡量，並根據於報告期末已制訂或實際上已制訂之稅率（和稅務法例）計算。

遞延稅項負債及資產之計量反映隨本集團預期於報告期末收回或償還資產及負債賬面值所產生之稅務後果。

本期及遞延稅項於損益內確認，惟當與於其他全面收益或直接於權益確認之項目有關之情況下，本期及遞延稅項則同樣分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計方法產生本期稅項或遞延稅項，有關稅務影響將計入業務合併之會計。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 4. 主要會計政策 (續)

#### 物業、廠房及設備

物業、廠房及設備乃按成本減其後累計折舊及累計減值虧損(如有)列於綜合財務狀況報表。

物業、廠房及設備項目之折舊按直線法於其估計使用年期確認以撇銷成本(經扣除剩餘價值)。估計使用年期、剩餘價值及折舊方法於各報告期末進行檢討,任何估計變動產生之影響按提前基準入賬。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目所得之任何收益或虧損,按銷售所得款項與資產賬面值之差額釐定,並於損益內確認。



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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Intangible assets

##### Internally-generated intangible assets – software development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### 4. 主要會計政策 (續)

##### 無形資產

##### 內部產生之無形資產－軟件開發成本

研發活動開支於其產生期間確認為開支。

當且僅當以下所有各項得到證明時，源自開發活動（或內部項目之開發階段）由內部產生之無形資產方會予以確認：

- 技術上可完成無形資產以供使用或出售；
- 有意完成及使用或出售無形資產；
- 能夠使用或出售無形資產；
- 無形資產將如何產生可能的未來經濟利益；
- 具有足夠技術、財務及其他資源可完成開發並使用或出售無形資產；及
- 能夠可靠地計量無形資產在開發階段應佔之開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Intangible assets (Continued)

#### Internally-generated intangible assets – software development costs (Continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 4. 主要會計政策 (續)

#### 無形資產 (續)

#### 內部產生之無形資產 – 軟件開發成本 (續)

內部產生之無形資產之初始確認金額為該無形資產首次符合上述確認標準當日起所產生開支之總額。倘並無內部產生之無形資產可予確認，則開發開支將於產生期間於損益內確認。

在初始確認後，內部產生之無形資產按成本減累計攤銷及累計減值虧損(如有)呈報。使用年期有限之無形資產之攤銷於其估計可使用年內按直線法確認。估計可使用年期及攤銷法於各報告期末進行檢討，任何估計變動產生之影響按提前基準入賬。

無形資產於出售或當預期使用或出售均不會產生未來經濟利益時終止確認。終止確認無形資產時產生之收益及虧損按出售所得款項淨額與資產賬面值間之差額釐定，並在終止確認資產時於損益內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Film and TV rights

###### *Film and TV rights under production*

Film and TV rights under production are carried at cost, less any identified impairment loss. Cost includes all direct costs associated with the production of films and TV rights including production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of films or TV programmes as well as rental of camera, equipment and other facilities.

Film and TV rights under production are transferred to "Film and TV rights completed" upon completion of production.

###### *Film and TV rights completed*

Film and TV rights are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. Amortisation for these film and TV rights is charged so as to write off the cost of the asset based on usage by way of release the films and programmes through various distribution channels, such as theatrical release, television release or internet release, and other licensing arrangement.

#### 4. 主要會計政策 (續)

##### 電影及電視劇版權

###### *製作中之電影及電視劇版權*

製作中之電影及電視劇版權按成本減任何可資識別減值虧損入賬。成本包括與製作電影及電視劇版權相關之所有直接成本，包括製作成本、服務成本、直接勞工成本、創作電影或電視節目的過程中耗用之設施及原材料，以及攝影機、設備及其他設施之租金。

製作中之電影及電視劇版權於製作完成時轉撥至「已完成之電影及電視劇版權」。

###### *已完成之電影及電視劇版權*

電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。該等電影及電視劇版權之攤銷將予扣除，以根據用途按各種分銷渠道發行電影及節目(如院線發行、電視發行或互聯網發行)及其他特許安排撇銷資產成本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Film and TV rights (Continued)

##### Film right investments

Film right investments are the Group's investments in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the proportion of investment amounts as specified in respective film right investment agreements.

Film right investments are stated at cost, less any identified impairment loss. The costs of film right investments are recognised as expenses in cost of sales upon the entitlement of income in accordance with respective film right investment agreements.

##### Licensed film and TV rights

Licensed film and TV rights represent the Group's investments in film and TV right licenses. The Group acquired or licensed rights from outsiders for broadcasting of films or TV drama series on its online video platform or sublicensing the license rights to other parties. Licensed film and TV rights are stated at cost, less accumulated amortisation and accumulated impairment losses, if any.

Licensed film and TV rights are amortised on a straight-line basis over their estimated useful lives of one to two years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimation being accounted for on a prospective basis.

### 4. 主要會計政策 (續)

#### 電影及電視劇版權 (續)

##### 電影版權投資

電影版權投資是指本集團於電影製作項目之投資，本集團有權根據相應電影版權投資協議所指明之投資金額比例，按一定百分比享有將來電影產生之收入。

電影版權投資按成本，減任何可資識別減值虧損後列賬。電影版權投資之成本均根據相應電影版權投資協議於有權享有收入時確認列作銷售成本開支。

##### 獲授權之電影及電視劇版權

獲授權之電影及電視劇版權是指本集團投資之電影及電視劇版權許可。本集團從外界購買或獲得許可授權以在其在線視頻平台播放電影或電視劇，或向其他人士分授許可授權。獲授權之電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。

獲授權之電影及電視劇版權於其估計可使用年期(一至兩年)內按直線法攤銷。估計可使用年期及攤銷法於各報告期末進行檢討，任何估計變動產生之影響按提前基準入賬。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Film and TV rights (Continued)

###### Derecognition

Film and TV rights are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of film and TV rights, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

###### Art work

Art work is shown at historical cost less any identified impairment loss.

##### Impairment losses on tangible assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

#### 4. 主要會計政策 (續)

##### 電影及電視劇版權 (續)

###### 終止確認

電影及電視劇版權於出售或當預期使用或出售均不會產生未來經濟利益時終止確認。終止確認電影及電視劇版權時產生之收益及虧損按出售所得款項淨額與資產賬面值間之差額釐定，並在終止確認資產時於損益內確認。

###### 藝術品

藝術品按歷史成本減任何可資識別減值虧損入賬。

##### 有形資產及無形資產(商譽除外)之減值虧損

本集團於報告期末檢討有限可使用年期之有形及無形資產的賬面值，以確定有否跡象顯示該等資產出現減值虧損。如存在任何該等跡象，則估計相關資產之可收回金額以確定減值虧損(如有)程度。

倘無法估計單項資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。倘可識別分配之合理一致基準，則公司資產亦分配至獨立現金產生單位或以其他方式分配至可識別合理一致分配基準之現金產生單位最小組別。

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### 4. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### Impairment losses on tangible assets and intangible assets other than goodwill

*(Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 4. 主要會計政策 (續)

#### 有形資產及無形資產 (商譽除外) 之減值虧損 (續)

可收回金額為公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時間值及未調整未來現金流量估計之資產 (或現金產生單位) 特定風險的評估的稅前貼現率，貼現至其現值。

倘資產 (或現金產生單位) 之可收回金額估計低於其賬面值，則該資產 (或現金產生單位) 之賬面值減至其可收回金額，而減值虧損即時於損益內確認。

倘減值虧損於日後撥回，則資產 (或現金產生單位) 之賬面值增至其重新估計可收回金額，惟增加後的賬面值不得高於假設過往年度並無就資產 (或現金產生單位) 確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益內確認。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### 4. 主要會計政策(續)

##### 金融工具

財務資產及財務負債乃於一間集團實體成為工具合約條文之一方時確認。

財務資產及財務負債乃初步按公平值計量。收購或發行財務資產及財務負債(按公平值計入損益之財務資產及財務負債除外)直接應佔之交易成本於初步確認時計入或自財務資產或財務負債之公平值(以合適者為準)扣除。收購按公平值計入損益之財務資產或財務負債直接應佔之交易成本即時於損益內確認。

##### 財務資產

財務資產分為以下指定類別：按公平值計入損益(「按公平值計入損益」)之財務資產、可供出售(「可供出售」)財務資產以及貸款及應收款項。分類乃基於財務資產之性質及目的，並於初步確認時予以釐定。所有以正規途徑購買或銷售之財務資產乃按交易日期基準確認及終止確認。正規途徑買賣乃要求於市場法規或慣例所確定之時間框架內交付資產之財務資產買賣。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

##### Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

### 4. 主要會計政策 (續)

#### 金融工具 (續)

##### 財務資產 (續)

##### 實際利率法

實際利率法為計算一項債務工具之攤銷成本及按有關期間分配利息收入之方法。實際利率為按債務工具之預期可使用年期或(倘合適)較短期間，實際折讓估計未來現金收入(包括構成實際利率之組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)至初步確認時之賬面淨值所採用的利率。

債務工具之利息收入乃按實際利息基準確認。

##### 按公平值計入損益之財務資產

當財務資產為持作買賣或指定為按公平值計入損益時，則該財務資產分類為按公平值計入損益。

財務資產會被列為持作買賣，倘：

- 購入主要為於不久將來銷售；或
- 於初步確認時構成本集團合併管理之可資識別金融工具之組合之一部分及具有最近實際短期獲利模式；或
- 財務資產為未被指定之衍生工具及可有效作為對沖工具。



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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

##### Financial assets at FVTPL (Continued)

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other gains and losses line item.

##### AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

#### 4. 主要會計政策 (續)

##### 金融工具 (續)

##### 財務資產 (續)

##### 按公平值計入損益之財務資產 (續)

按公平值計入損益之財務資產乃按公平值計量，而重新計量產生之任何收益或虧損均於損益內確認。於損益內確認之淨收益或虧損不包括財務資產所賺取之任何股息或利息，並計入其他收益及虧損項目中。

##### 可供出售財務資產

可供出售財務資產乃指定為可供出售或並非分類為(a)貸款及應收款項、(b)持有至到期投資或(c)按公平值計入損益之財務資產的非衍生工具。

於活躍市場上並無市場報價且其公平值不能可靠計量之可供出售股權投資，於各報告期末按成本減任何可資識別減值虧損計量。

##### 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生財務資產，該等資產於活躍市場上並無報價。於初步確認後，貸款及應收款項(包括應收賬款及其他應收款項及銀行結餘及現金)乃使用實際利率法按攤銷成本，減任何可資識別減值虧損列賬。

利息收入採用實際利率確認，惟倘確認之利息微乎其微，則短期應收款項除外。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments (Continued)

##### Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

#### 4. 主要會計政策 (續)

##### 金融工具 (續)

##### 財務資產之減值

於各報告期末須評估財務資產(按公平值計入損益之財務資產除外)是否有減值跡象。倘有任何客觀證據,證明財務資產之估計未來現金流量由於一個或多個於初步確認財務資產後發生之事項而受到影響,則財務資產將視為已減值。

減值之客觀證據可包括:

- 發行人或交易對手遭遇重大財務困難; 或
- 違反合約,如拖欠或逾期交付利息或本金; 或
- 借款人有可能面臨破產或進行財務重組。

應收款項組合出現減值之客觀證據可能包括本集團過往收款記錄、組合內延遲付款超過平均信貸期之數目增加以及導致應收款項違約之全國或地方經濟狀況明顯變動。

就按攤銷成本列賬之財務資產而言,已確認減值虧損金額為該資產之賬面值與估計未來現金流量以財務資產之原實際利率貼現之現值間之差額。

就按成本列賬之財務資產而言,減值虧損金額按該資產之賬面值與估計未來現金流量以類似財務資產之目前市場回報率貼現之現值間之差額計量。該減值虧損將不會於隨後期間撥回。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments (Continued)

##### Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

#### 4. 主要會計政策 (續)

##### 金融工具 (續)

##### 財務資產之減值 (續)

除應收賬款透過使用撥備賬扣減賬面值外，所有財務資產之減值虧損將直接於財務資產之賬面值中扣減。撥備賬之賬面值變動會於損益內確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。早前已撇銷款項如其後收回，將計入損益。

就按攤銷成本計量之財務資產而言，在其後期間，倘減值虧損金額減少，而有關減少客觀上與確認減值虧損之後發生之事項有聯繫，則先前確認之減值虧損會透過損益撥回，但該撥回不應導致該資產在減值撥回日期之賬面值超過不確認減值情況下之攤銷成本。

就可供出售項目股權投資而言，先前於損益確認之減值虧損不會透過損益撥回。減值虧損後，倘公平值增加，則於其他全面收益確認。

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### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

##### Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, amount due to a related party and borrowing) are subsequently measured at amortised cost using the effective interest method.

### 4. 主要會計政策 (續)

#### 金融工具 (續)

##### 財務負債及權益工具

集團實體發行之債務及權益工具乃根據合約安排之內容與財務負債及權益工具之定義分類為財務負債或權益。

##### 權益工具

權益工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。本公司發行之權益工具以扣減直接發行成本後所收取之所得款項確認。

##### 實際利率法

實際利率法為計算財務負債之攤銷成本及按有關期間分配利息費用之方法。實際利率為按財務負債之預期可使用年期或(倘合適)較短期間，實際折讓估計未來現金付款(包括構成實際利率之組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)至初步確認時之賬面淨值所採用的利率。

利息開支按實際利率基準確認。

##### 按攤銷成本計量之財務負債

財務負債(包括應付賬款及其他應付款項、應付一名關連人士款項及借款)其後須使用實際利率法按攤銷成本計量。

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments (Continued)

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4. 主要會計政策 (續)

##### 金融工具 (續)

##### 終止確認

惟倘資產現金流量之合約權利屆滿時，或將其財務資產或該資產所有權之絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認財務資產。

於終止確認財務資產時，該項資產賬面值與已收及應收代價之差額在損益內確認。

本集團於且僅於其責任已被解除、註銷或屆滿時方會終止確認財務負債。終止確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。

#### 5. 重大會計判斷及估計不確定性之 主要來源

在應用本集團會計政策(於附註4載述)時，本公司董事須就無法從其他渠道可靠獲得依據之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃基於歷史經驗及其他被視為相關之因素而作出。實際結果或會有別於該等估計。

估計及相關假設乃持續檢討。倘會計估計之修訂僅影響作出修訂之期間，則有關修訂會在該期間確認，或倘修訂對現時及未來期間均有影響，則須在作出修訂之期間及未來期間確認。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### *Revenue recognition on revenue from licensing or sublicensing of film and TV rights*

The directors of the Company considered whether it was appropriate to recognise the revenue from licensing or sublicensing of film and TV rights of HK\$52,772,000 (2016: nil) in the current year, which is in line with the Group's general policy of recognising revenue from licensing or sublicensing of film and TV rights when master tapes and materials have been delivered in accordance with the terms of the underlying agreements or whether it was more appropriate to defer revenue recognition throughout the license period.

In making the judgement, the directors of the Company considered the detailed criteria for the recognition of revenue from film and TV rights set out in HKAS 18 and whether there is no further obligation to be performed or fulfilled. Following the detail analysis of the Group's obligation to be performed or fulfilled, the directors of the Company are satisfied that recognition of the revenue in the current year is appropriate.

##### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 5. 重大會計判斷及估計不確定性之主要來源 (續)

##### 應用會計政策之重要判斷

下列為董事於應用本集團會計政策的過程中所作出且對於綜合財務報表中確認的金額具有最重大影響的關鍵判斷(涉及估計者除外(見下文))。

##### *來自特許或分授電影及電視劇版權之收益之收益確認*

本公司董事考慮於本年度確認來自特許或分授電影及電視劇版權之收益港幣52,772,000元(二零一六年:無)是否適當,此舉符合本集團關於確認來自特許或分授電影及電視劇版權之收益的一般政策,即當已根據相關協議之條款交付母帶及資料時確認收益,或考慮於特許期內遞延收入確認是否更為適當。

於作出判斷時,本公司董事考慮香港會計準則第18號所載電影及電視劇版權之收益確認之詳盡標準,以及判斷是否並無進一步責任須予履行或達成。經過對本集團待履行或達成責任之詳細分析之後,本公司董事信納於本年度確認收入乃屬適當。

##### 估計不確定性之主要來源

以下列載於報告期末就未來和其他估計不確定性之主要來源所作出之主要假設,而彼等足以致使下一個財政年度之資產及負債賬面值發生重大調整之重大風險。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty (Continued)

###### Estimated impairment of film and TV rights

At the end of the reporting period, the management of the Group assesses any impairment on film and TV rights with reference to its recoverable amount. The assessment was made on a film-by-film basis. The recoverable amount of the film and TV rights was determined based on the present value of the expected future revenue generated from the film less future cost of sales and service rendered. If the recoverable amount is lower than the carrying amount, the carrying amount of the film and TV rights will be written down to its recoverable amount. The Group's estimation of recoverable amount of film and TV rights reflects the management's best estimate of future cash flows expected to be generated from the film and TV rights.

In determining recoverable amount of film and TV rights, the Group takes into consideration the film right investment agreements and distribution and licensing agreements entered into or in discussion by the Group, along with the current market environment to project cash flows expected to be received through share of profit from film right investments and distribution or licensing income.

As at 31 December 2017, the carrying amount of film and TV rights under production amounted to HK\$384,331,000, which represented approximately 37% of the Group's total assets. In assessing the impairment on film and TV rights under production, the directors of the Company are required to make greater extent of estimates and assumptions in regards of the carrying amount of film and TV rights under production since the production of film and TV rights was still in progress and the results would be more uncertain as comparing to other film and TV rights.

Based on the management assessment's on the impairment of film and TV rights, the directors of the Company determined that no impairment provision to be charged to film and TV rights during the year ended 31 December 2017 (2016: nil).

#### 5. 重大會計判斷及估計不確定性之主要來源 (續)

##### 估計不確定性之主要來源 (續)

###### 電影及電視劇版權之估計減值

於報告期末，本集團管理層參照電影及電視劇版權之可收回金額評估其任何減值。評估按單部電影基準進行。電影及電視劇版權之可收回金額乃根據電影產生之預期未來收益減未來銷售及所提供服務成本之現值計算。倘可收回金額低於賬面值，則電影及電視劇版權之賬面值將撇減至其可收回金額。本集團對電影及電視劇版權可收回金額之估計反映管理層就電影及電視劇版權預期產生之未來現金流量之最佳估計。

釐定電影及電視劇版權可收回金額時，本集團考慮其已訂立或正在洽談中之電影版權投資協議及發行及特許權協議，以及現時市場環境，從而透過應佔電影版權投資溢利及分配或特許權收入預測預期將收取之現金流量。

於二零一七年十二月三十一日，製作中之電影及電視劇版權之賬面值達港幣384,331,000元，佔本集團資產總值約37%。在評估製作中之電影及電視劇版權之減值時，由於電影及電視劇版權之製作仍在進行，而且與其他電影及電視劇版權相比，其結果之不確定性更高，故本公司董事須就製作中之電影及電視劇版權的賬面值作出更多估計及假設。

根據管理層就電影及電視劇版權減值之評估，本公司董事認為，於截至二零一七年十二月三十一日止年度並無減值撥備將計入電影及電視劇版權(二零一六年：無)。

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#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty (Continued)

##### Estimated impairment of prepayment for film and TV rights

At the end of the reporting period, the management of the Group assesses the recoverability of prepayment for film and TV rights based on the contract terms on agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.

Based on the management's assessment on the recoverability of prepayment of film and TV rights, the directors of the Company determined that no impairment provision to be charged to prepayment of film and TV rights during the year ended 31 December 2017 (2016: nil).

#### 6. REVENUE

An analysis of the Group's revenue for the year, net of sales related tax, is as follows:

#### 5. 重大會計判斷及估計不確定性之主要來源 (續)

##### 估計不確定性之主要來源 (續)

##### 電影及電視劇版權預付款的估計減值

於報告期末，本集團管理層基於協議之合約條款、擬定製作之估計預算及電影及電視劇版權預付款之使用情況，對相關預付款之可收回性進行評估。

根據管理層就電影及電視劇版權預付款可收回性之評估，本公司董事認為，於截至二零一七年十二月三十一日止年度並無減值撥備將計入電影及電視劇版權預付款（二零一六年：無）。

#### 6. 收益

年內，本集團的收益（扣除銷售相關稅項）分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Sublicensing of film and TV rights (Note a)	電影及電視劇版權分授(附註a)	52,772	-
Film right investment income (Note b)	電影版權投資收入(附註b)	-	5,073
Property agency commission and service income in Hong Kong	於香港的物業代理佣金及服務收入	437	11,039
		<b>53,209</b>	<b>16,112</b>



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#### 6. REVENUE (Continued)

Notes:

- (a) For the year ended 31 December 2017, the Group recognised revenue of HK\$52,772,000 from sublicensing of certain film and TV right of a film in different regions for various channels to certain independent third parties.
- (b) During the year ended 31 December 2015, the Group entered into agreements with 東陽映月影視文化傳播有限公司 (“東陽映月”), a company in which Mr. Ning Hao (“Mr. Ning”), a non-executive director of the Company, has beneficial interest, to invest in a film at a consideration of RMB11,800,000 (equivalent to approximately HK\$13,723,000 (note 40(a)), whereby the Group can share 20% of net income comprising of box office sales income from exhibition in movie theatres less taxes and other governmental charges, deduction by movie theatres, payment for industrial development fund as well as other payment in relation to production and distribution of the film, royalty income on copyright on the internet, royalty income on copyright on game of using the content and income from placement marketing. During the year ended 31 December 2016, the film was released and the carrying amount of the related film and TV rights was recognised as cost of sales, while the film right investment income of HK\$5,073,000 (note 40(a)) was recognised as revenue accordingly.

#### 7. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments, based on information provided to the chief operating decision maker (“CODM”) representing the executive directors of the Company, for the purpose of resource allocation and assessment of performance on different business units. This is also the basis upon which the Group is arranged and organised.

The Group's operations are currently organised into three operating and reportable segments as follows:

Investment in film and TV rights	– Investment in film and TV rights
Property agency in Hong Kong	– Provision of property agency and related services in Hong Kong
Securities trading and investments	– Securities trading and investments

#### 6. 收益 (續)

附註：

- (a) 於截至二零一七年十二月三十一日止年度，本集團就不同渠道向若干獨立第三方分授一部電影於不同地區之特定電影及電視劇版權而確認收入港幣52,772,000元。
- (b) 於截至二零一五年十二月三十一日止年度，本集團與由本公司非執行董事寧浩先生（「寧先生」）實益擁有的東陽映月影視文化傳播有限公司（「東陽映月」）訂立協議，以代價人民幣11,800,000元（相當於約港幣13,723,000元）（附註40(a)）投資一部電影，據此，本集團可從電影院放映所得票房銷售收入（經扣減稅項及其他政府收費、電影院扣費、行業發展基金付費及與電影製作及發行相關的其他費用、互聯網版權特許費收入、遊戲使用內容版權特許費收入、植入式市場推廣收入後）中分佔收入淨額的20%。於截至二零一六年十二月三十一日止年度，該電影已發行，故相關電影及電視劇版權賬面值已確認為銷售成本，電影版權投資收入港幣5,073,000元（附註40(a)）已相應地確認為收益。

#### 7. 分部資料

以下為按經營及可呈報分部而劃分之本集團收益及業績分析，此分析乃基於就資源分配及評估不同業務單位之表現而向主要經營決策者（「主要經營決策者」，即本公司之執行董事）提供之資料。此亦為本集團部署及組織之基礎。

本集團之業務現時分為三個經營及可呈報分部，詳情如下：

電影及電視劇版權投資	– 電影及電視劇版權投資
香港之物業代理	– 於香港提供物業代理及相關服務
證券買賣及投資	– 證券買賣及投資

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### 7. SEGMENT INFORMATION (Continued)

### 7. 分部資料(續)

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

本集團按經營及可呈報分部而劃分之收益及業績分析如下：

		Investment in film and TV rights 電影及電視劇版權投資		Property agency in Hong Kong 香港之物業代理		Securities trading and investments 證券買賣及投資		Consolidated 綜合	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Segment revenue	分部收益								
- External sales net of tax	- 外部銷售(扣除稅項)	52,772	5,073	437	11,039	-	-	53,209	16,112
Segment (loss) profit	分部(虧損)溢利	(18,716)	(1,191,294)	(143)	(1,193)	4,182	(2,816)	(14,677)	(1,195,303)
Unallocated corporate income	未分配之企業收入							2,049	9,211
Unallocated corporate expenses	未分配之企業開支							(82,377)	(67,653)
Finance costs	財務費用							(154)	-
Loss before tax	除稅前虧損							(95,159)	(1,253,745)
<b>Other information (included in measure of segment (loss) profit)</b>	<b>其他資料(計入分部(虧損)溢利)</b>								
Gain (loss) on change in fair value of investments held for trading	持作買賣投資之公平值變動之收益(虧損)	-	-	-	-	3,747	(4,236)	3,747	(4,236)
Other income	其他收入	4,769	2,674	827	44	588	1,433	6,184	4,151
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,056	359	4	89	-	-	1,060	448
Amortisation of intangible assets	無形資產之攤銷	2,251	-	-	-	-	-	2,251	-
Amortisation of film and TV rights	電影及電視劇版權之攤銷	56,640	13,723	-	-	-	-	56,640	13,723
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	-	-	23	-	-	-	23
Impairment loss on available-for-sale investment	可供出售投資之減值虧損	208	15,333	-	-	-	-	208	15,333
Impairment loss on trade receivables	應收賬款之減值虧損	-	-	-	30	-	-	-	30
Reversal of impairment loss on trade receivables	應收賬款之減值虧損撥回	-	-	34	268	-	-	34	268
Share-based payments to film directors	向電影導演以股份為基礎之付款	-	1,120,472	-	-	-	-	-	1,120,472

During the year ended 31 December 2016, all of the segment revenue net of tax on film right investments above was derived from a related party, details of which were set out in note 40(a).

於截至二零一六年十二月三十一日止年度，上述電影版權投資之所有分部收益(扣除稅項)均來自一名關連人士，有關詳情載於附註40(a)。

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#### 7. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment (loss) profit represents the (loss) profit from each segment without allocation of unallocated corporate income (which mainly includes certain bank interest income, gain on disposal of art work and certain sundry income), unallocated corporate expenses (which mainly include certain administrative expenses and exchange gain (loss)) and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

#### 7. 分部資料(續)

經營分部所用之會計政策與附註4所述本集團之會計政策相同。分部(虧損)溢利指各分部的(虧損)溢利，但並無分配未分配企業收入(主要包括若干銀行利息收入、出售藝術品之收益及若干雜項收入)、未分配企業開支(主要包括若干行政開支及匯兌收益(虧損))及財務費用。此乃為就資源分配及評估表現而向主要經營決策者匯報的計量指標。

#### 分部資產及負債

按經營及可呈報分部劃分之本集團資產及負債分析如下：

		Investment in film and TV rights 電影及電視劇版權投資		Property agency in Hong Kong 香港之物業代理		Securities trading and investments 證券買賣及投資		Consolidated 綜合	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
ASSETS	資產								
Segment assets	分部資產	998,411	734,966	399	8,015	-	52,768	998,810	795,749
Unallocated assets	未分配資產							47,717	215,806
Consolidated total assets	綜合資產總值							1,046,527	1,011,555
LIABILITIES	負債								
Segment liabilities	分部負債	41,650	165,624	2,026	9,492	1,628	1,628	45,304	176,744
Unallocated liabilities	未分配負債							209,056	7,900
Consolidated total liabilities	綜合負債總額							254,360	184,644

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 7. SEGMENT INFORMATION (Continued)

#### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, art work, certain other receivables and certain bank balances and cash; and
- all liabilities are allocated to operating and reportable segments other than certain other payables, amount due to a related party, borrowing and certain tax payable.

#### Entity-wide disclosures

##### Geographical information

The Group's current operations are mainly located in the People's Republic of China (the "PRC") and Hong Kong.

Information about the Group's revenue net of tax is presented based on the location of the operations of the relevant business units. Information about the Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

### 7. 分部資料(續)

#### 分部資產及負債(續)

為監察分部表現及在分部間分配資源：

- 所有資產分配至經營及可呈報分部，惟若干物業、廠房及設備、藝術品、若干其他應收款項及若干銀行結餘及現金除外；及
- 所有負債分配至經營及可呈報分部，惟若干其他應付款項、應付一名關連人士款項、借款及若干應付稅項除外。

#### 實體範圍內披露

##### 地區資料

本集團現時的業務主要位於中華人民共和國（「中國」）及香港。

本集團之收益（扣除稅項）資料按相關業務單位之業務地點呈列。按資產所在地劃分之本集團非流動資產（不包括金融工具）資料詳情如下：

		Revenue 收益		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Hong Kong	香港	437	10,288	127,071	125,689
The PRC	中國	52,772	5,824	336,013	125,411
		<b>53,209</b>	16,112	<b>463,084</b>	251,100

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 7. SEGMENT INFORMATION (Continued)

##### Information about major customers

For the years ended 31 December 2017 and 2016, revenue from customers of the corresponding years contributing over 10% of the total revenue net of tax of the Group are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Customer A <sup>1</sup>	客戶A <sup>1</sup>	46,243	–
Customer B <sup>1</sup>	客戶B <sup>1</sup>	5,759	–
Customer C <sup>2</sup>	客戶C <sup>2</sup>	–	5,756
Customer D <sup>1</sup>	客戶D <sup>1</sup>	–	5,073

<sup>1</sup> The revenue was derived from investment in film and TV rights in the PRC.

<sup>2</sup> The revenue was derived from property agency in Hong Kong.

#### 7. 分部資料(續)

##### 主要客戶資料

截至二零一七年及二零一六年十二月三十一日止年度，於相應年度客戶對本集團總收益(扣除稅項)的貢獻逾10%之收益如下：

<sup>1</sup> 收益來自中國電影及電視劇版權投資。

<sup>2</sup> 收益來自香港物業代理。

#### 8. OTHER INCOME

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest on bank deposits	銀行存款利息	152	907
Interest on loan receivable	應收貸款利息	–	22
Dividend income	股息收入	588	1,433
Government grant (Note)	政府補助(附註)	2,635	2,245
Sundry income	雜項收入	2,858	340
		<b>6,233</b>	<b>4,947</b>

Note: Government grant of RMB2,279,000 (equivalent to approximately HK\$2,635,000) (2016: RMB1,931,000 (equivalent to approximately HK\$2,245,000)) was received from Tianjin Government for the purpose of enhancing the economic development of Tianjin. There was no condition attached to such government grant.

附註：天津政府授出之政府補助人民幣2,279,000元(相當於約港幣2,635,000元)(二零一六年：人民幣1,931,000元(相當於約港幣2,245,000元))，以促進天津經濟發展。該等政府補助無附帶任何條件。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 9. OTHER GAINS AND LOSSES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Gain (loss) on change in fair value of investments held for trading	持作買賣投資之公平值變動收益 (虧損)	3,747	(4,236)
Gain on disposal of subsidiaries (note 35)	出售附屬公司之收益(附註35)	-	797
Gain on disposal of art work	出售藝術品之收益	2,000	-
Impairment loss on trade receivables	應收賬款之減值虧損	-	(30)
Impairment loss on available-for-sale investment	可供出售投資之減值虧損	(208)	(15,333)
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	34	268
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(10)	(606)
Exchange (loss) gain, net	匯兌(虧損)收益, 淨額	(2,475)	7,817
		<b>3,088</b>	<b>(11,323)</b>

#### 9. 其他收益及虧損

#### 10. FINANCE COSTS

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest on borrowing	借款利息	154	-

#### 10. 財務費用

#### 11. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the relevant group entities incurred tax losses.

#### 11. 所得稅開支

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例,自二零零八年一月一日起,中國附屬公司之稅率為25%。

兩個年度之香港利得稅均按估計應課稅溢利以稅率16.5%計算。由於相關集團實體產生稅項虧損,故並無於綜合財務報表內就香港利得稅作出撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

#### 11. 所得稅開支 (續)

本年度之所得稅開支與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Loss before tax	除稅前虧損	<b>(95,159)</b>	(1,253,745)
Tax at the applicable rate of 25% (2016: 25%)	按適用稅率25%計算之稅項 (二零一六年：25%)	<b>(23,790)</b>	(313,436)
Tax effect of expenses not deductible for tax purpose	不可用作扣稅開支之稅務影響	<b>14,759</b>	190,568
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(3,896)</b>	(7,343)
Tax effect of temporary difference not recognised	未確認臨時差額之稅務影響	<b>(398)</b>	(183)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	<b>2,639</b>	26,759
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法管轄權區經營之 附屬公司不同稅率之影響	<b>10,686</b>	103,635
Income tax expense for the year	本年度所得稅開支	-	-

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 12. LOSS FOR THE YEAR

#### 12. 本年度虧損

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Loss for the year has been arrived at after charging:	本年度虧損經扣除下列各項：		
Directors' remuneration, including retirement benefits scheme contributions (note 13)	董事酬金 (包括退休福利計劃供款) (附註13)	19,033	18,054
Other staff costs	其他員工成本	29,814	23,501
Other staff's retirement benefits scheme contributions	其他員工之退休福利計劃供款	3,597	1,941
Total staff costs	員工成本總額	52,444	43,496
Auditor's remuneration	核數師酬金	3,664	1,726
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,237	1,012
Amortisation of intangible assets (included in cost of sales)	無形資產之攤銷 (計入銷售成本)	2,251	-
Amortisation of film and TV rights (included in cost of sales)	電影及電視劇版權之攤銷 (計入銷售成本)	56,640	13,723
Commission expense on property agency (included in cost of sales)	物業代理佣金之開支 (計入銷售成本)	181	6,842
Operating lease charges-minimum lease payments in respect of office premises, shops and photocopying machines	辦公室物業、商舖及 複印機經營租賃費用 —最低租賃付款額	14,953	13,629



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 13. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year, disclosed pursuant to the applicable Listing Rules and CO, are as follows:

##### For the year ended 31 December 2017

#### 13. 董事酬金

根據適用上市規則及公司條例披露之本年度董事之酬金如下：

##### 截至二零一七年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Retirement benefits scheme contributions	Total emoluments
		袍金	薪金及其他福利	按表現發放之花紅	退休福利計劃供款	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
				(Note a)		
				(附註a)		
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Dong	董先生	262	1,464	2,430	-	4,156
Mr. Xiang Shaokun, Steven ("Mr. Xiang") (Note b)	項紹琨先生(「項先生」)(附註b)	-	10,989	2,430	18	13,437
Sub-total	小計	262	12,453	4,860	18	17,593
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Mr. Ning	寧先生	240	-	-	-	240
Mr. Gao Zhikai	高志凱先生	240	-	-	-	240
Mr. Xu Zheng ("Mr. Xu")	徐曄先生(「徐先生」)	240	-	-	-	240
Sub-total	小計	720	-	-	-	720
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Li Xiaolong	李小龍先生	240	-	-	-	240
Mr. Su Tuong Sing, David	徐傳陞先生	240	-	-	-	240
Mr. Wong Tak Chuen	黃德銓先生	240	-	-	-	240
Sub-total	小計	720	-	-	-	720
Total	總計	1,702	12,453	4,860	18	19,033

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## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 13. DIRECTORS' EMOLUMENTS (Continued)

For the year ended 31 December 2016

### 13. 董事酬金 (續)

截至二零一六年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Retirement benefits scheme contributions	Total emoluments
		袍金	薪金及其他福利	按表現發放之花紅	退休福利計劃供款	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
				(Note a)		
				(附註a)		
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Dong	董先生	262	1,452	2,510	-	4,224
Mr. Xiang (Note b)	項先生(附註b)	-	9,664	2,510	18	12,192
Sub-total	小計	262	11,116	5,020	18	16,416
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Mr. Ning	寧先生	243	-	-	-	243
Mr. So Chak Kwong (Note c)	蘇澤光先生(附註c)	180	-	-	-	180
Mr. Gao Zhikai	高志凱先生	243	-	-	-	243
Mr. Xu	徐先生	243	-	-	-	243
Sub-total	小計	909	-	-	-	909
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Li Xiaolong	李小龍先生	243	-	-	-	243
Mr. Su Tuong Sing, David	徐傳陞先生	243	-	-	-	243
Mr. Wong Tak Chuen	黃德銓先生	243	-	-	-	243
Sub-total	小計	729	-	-	-	729
Total	總計	1,900	11,116	5,020	18	18,054

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 13. DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (a) The performance related bonus is determined by reference to individual performance of the directors and approved by the remuneration committee of the Company (the "Remuneration Committee").
- (b) Mr. Xiang is the chief executive officer of the Company and his emoluments disclosed above included these services rendered by him as the chief executive officer.
- (c) Mr. So Chak Kwong has resigned as a director of the Company on 30 September 2016.

For years ended 31 December 2017 and 2016, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for both years ended 31 December 2017 and 2016.

#### 13. 董事酬金 (續)

附註：

- (a) 按表現發放之花紅乃根據董事個人表現釐定，且經本公司薪酬委員會（「薪酬委員會」）批准。
- (b) 項先生為本公司行政總裁，上文所披露之酬金已包括其擔任行政總裁所提供服務而獲支付之酬金。
- (c) 蘇澤光先生已於二零一六年九月三十日辭任本公司董事。

截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向任何董事支付任何酬金以作為加入本集團或加入本集團後之獎勵或作為離職補償。截至二零一七年及二零一六年十二月三十一日止兩個年度均無董事放棄任何酬金。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two (2016: two) directors of the Company, details of whose emoluments are included in note 13 above. Details of the remuneration for the year of the remaining three employees (2016: three employees) with highest paid are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	6,181	5,852
Performance related bonus	按表現發放之花紅	515	496
Retirement benefits	退休福利	27	21
		<b>6,723</b>	<b>6,369</b>

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands are as follows:

		Number of employees 僱員人數	
		2017 二零一七年	2016 二零一六年
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至 港幣2,000,000元	1	1
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至 港幣2,500,000元	1	1
HK\$2,500,001 to HK\$3,000,000	港幣2,500,001元至 港幣3,000,000元	1	1
		<b>3</b>	<b>3</b>

#### 14. 五名最高酬金僱員

年內，本集團五名最高酬金僱員包括兩名（二零一六年：兩名）本公司董事，其酬金詳情載於上文附註13。年內其餘三名（二零一六年：三名僱員）最高酬金僱員之薪金詳情如下：

薪酬介乎以下範圍的最高酬金僱員（非本公司董事）人數如下：

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 15. DIVIDENDS

Neither dividends were paid, declared or proposed for the years ended 31 December 2017 and 2016, nor has any dividend been proposed since the end of both reporting periods.

#### 16. LOSS PER SHARE

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

#### 15. 股息

截至二零一七年及二零一六年十二月三十一日止年度，並無派付、宣派或建議派付任何股息，而自該兩段報告期結束後，亦無建議派付任何股息。

#### 16. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之 本公司擁有人應佔本年度虧損	(95,159)	(1,253,745)
		<b>Number of ordinary shares 普通股數目</b>	
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之 普通股加權平均數	2,768,055	2,451,399

No diluted loss per share is presented in both years, as there were no potential ordinary shares outstanding during the years ended 31 December 2017 and 2016.

由於截至二零一七年及二零一六年十二月三十一日止年度並無已發行之潛在普通股，因此並無呈列兩個年度之每股攤薄虧損。

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## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furnitures, fixtures and equipment 傢俱、裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>COST</b>	<b>成本</b>				
At 1 January 2016	於二零一六年一月一日	2,485	679	1,439	4,603
Additions	增購	3,343	1,107	520	4,970
Disposals	出售	(864)	(140)	-	(1,004)
Disposal of subsidiaries (note 35(b))	出售附屬公司(附註35(b))	(1,066)	(82)	(560)	(1,708)
Exchange realignment	外匯調整	(118)	(46)	-	(164)
At 31 December 2016	於二零一六年十二月三十一日	3,780	1,518	1,399	6,697
Additions	增購	56	449	2,535	3,040
Disposals	出售	-	(27)	-	(27)
Exchange realignment	外匯調整	190	84	-	274
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>4,026</b>	<b>2,024</b>	<b>3,934</b>	<b>9,984</b>
<b>DEPRECIATION</b>	<b>折舊</b>				
At 1 January 2016	於二零一六年一月一日	1,750	424	603	2,777
Provided for the year	本年度撥備	551	180	281	1,012
Eliminated on disposals	出售時對銷	(255)	(117)	-	(372)
Disposal of subsidiaries (note 35(b))	出售附屬公司(附註35(b))	(1,020)	(43)	(560)	(1,623)
Exchange realignment	外匯調整	(24)	(15)	-	(39)
At 31 December 2016	於二零一六年十二月三十一日	1,002	429	324	1,755
Provided for the year	本年度撥備	1,103	347	787	2,237
Eliminated on disposals	出售時對銷	-	(12)	-	(12)
Exchange realignment	外匯調整	55	32	-	87
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>2,160</b>	<b>796</b>	<b>1,111</b>	<b>4,067</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>				
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>1,866</b>	<b>1,228</b>	<b>2,823</b>	<b>5,917</b>
At 31 December 2016	於二零一六年十二月三十一日	2,778	1,089	1,075	4,942

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

上述物業、廠房及設備項目採用直線法按以下年率折舊：

Leasehold improvements	33% or the term of the lease, if shorter	租賃物業裝修	33%或租賃期限(以較短者為準)
Furniture, fixtures and equipment	20% – 33%	傢俱、裝置及設備	20% – 33%
Motor vehicles	20%	汽車	20%

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#### 18. INTANGIBLE ASSETS

#### 18. 無形資產

		Software development costs 軟件開 發成本 HK\$'000 港幣千元
<hr/>		
COST	成本	
At 1 January 2017	於二零一七年一月一日	–
Additions	增購	22,515
Exchange realignment	外匯調整	837
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	23,352
<hr/>		
AMORTISATION	攤銷	
At 1 January 2017	於二零一七年一月一日	–
Provided for the year	本年度撥備	2,251
Exchange realignment	外匯調整	84
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	2,335
<hr/>		
CARRYING VALUES	賬面值	
At 31 December 2017	於二零一七年十二月三十一日	21,017
		<hr/>

The intangible assets represented software development costs incurred for the Group's online video platform. It is amortised on a straight-line basis over five years.

無形資產指用於本集團在線視頻平台產生之軟件開發成本。其於五年內按直線法攤銷。

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### 19. PREPAYMENT FOR FILM AND TV RIGHTS 19. 電影及電視劇版權預付款

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Master China Films Limited ("Master China") (Note a)	Master China Films Limited (「Master China」)(附註a)	<b>119,904</b>	111,161
Mr. Chan Ho Sun Peter ("Mr. Chan") (Note b)	陳可辛先生(「陳先生」) (附註b)	<b>107,866</b>	100,000
Rui Zhi Workshop Company Limited ("Rui Zhi") (Note c)	睿智工作坊有限公司(「睿智」) (附註c)	<b>5,197</b>	9,653
Mr. Gu Changwei ("Mr. Gu") (Note d)	顧長衛先生(「顧先生」)(附註d)	<b>35,240</b>	-
Mr. Zhang Xiaoling (also known as Zhang Yibai) ("Mr. Zhang") (Note e)	張曉陵先生(又名張一白· 「張先生」)(附註e)	<b>64,748</b>	-
Mr. Chen Daming (Note f)	陳大明先生(附註f)	<b>14,388</b>	-
Dongchun Films Co., Limited ("Dongchun") (Note g)	冬春(上海)影業有限公司 (「冬春」)(附註g)	<b>23,981</b>	-
Xstream Pictures (Beijing) Limited ("Xstream") (Note h)	北京西河星匯影業有限公司 (「西河星匯」)(附註h)	<b>11,991</b>	-
Mr. Xu Zheng ("Mr. Xu") (Note i)	徐崢先生(「徐先生」)(附註i)	<b>12,612</b>	-
Shanghai Shigu Film Co., Limited ("Shigu") (Note j)	上海拾谷影業有限公司 (「拾谷」)(附註j)	<b>11,990</b>	-
		<b>407,917</b>	220,814



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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

- (a) During the year ended 31 December 2016, the Group entered into an agreement with Master China, pursuant to which Mr. Wong Kar Wai ("Mr. Wong") will provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be produced by Master China as well as partially directed by Mr. Wong for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform will be entitled by the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost and such terms will be subject to another agreement to be further entered. The Group prepaid an amount of RMB100,000,000 (equivalent to approximately HK\$111,161,000) during the year ended 31 December 2016 in relation to the production of the proposed internet drama series. The prepayment will form part of the contribution by the Group for the production cost of the proposed internet drama series (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

In the current year, the Group agreed to invest in an internet drama series to be produced by Master China with a budgeted production cost of RMB23,000,000 (equivalent to approximately HK\$27,578,000). As at the date of this report, the Group is yet to finalise the relevant film investment agreement.

#### 19. 電影及電視劇版權預付款 (續)

- (a) 於截至二零一六年十二月三十一日止年度，本集團與Master China訂立協議，據此，王家衛先生（「王先生」）將於六年期間內向本集團獨家提供由Master China製作及部分由王先生執導之總共兩季網絡系列影視劇的建議書，以供本集團考慮投資製作該等網絡系列影視劇，而本集團於決定投資該等網絡系列影視劇後，將有權獲得於新媒體平台之獨家互聯網發行權。倘本集團決定投資該等網絡系列影視劇，本集團則須出資承擔全部製作成本，而有關條款將待進一步訂立另一項協議後釐定。截至二零一六年十二月三十一日止年度，本集團已就製作建議網絡系列影視劇預付人民幣100,000,000元（相當於約港幣111,161,000元）。該預付款將成為本集團對建議網絡系列影視劇（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

本年度內，本集團同意投資一部將由Master China製作之網絡系列影視劇，製作成本之預算為人民幣23,000,000元（相當於約港幣27,578,000元）。於本報告日期，本集團尚未最終落實相關電影投資協議。

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### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

- (b) During the year ended 31 December 2016, the Group entered into an agreement with Mr. Chan, pursuant to which Mr. Chan will provide exclusively to the Group within a period of 6 years proposals for at least two films to be directed or co-directed by Mr. Chan for the Group to invest (not more than 60% interest) in the production of such proposed films, and the Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment in the films) and such terms will be subject to another agreement to be further entered. The Group prepaid an amount of RMB89,960,000 (equivalent to approximately HK\$100,000,000) during the year ended 31 December 2016 in relation to the production of the proposed films. The prepayment will form part of the contribution by the Group for the production cost of the proposed films (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

As at 31 December 2017 and the date of this report, the Group is in the process of discussion with Mr. Chan for the film and TV rights investment plan and there is no acceptance for any investment in film production.

### 19. 電影及電視劇版權預付款 (續)

- (b) 於截至二零一六年十二月三十一日止年度，本集團與陳先生訂立協議，據此，陳先生將於六年期間內向本集團獨家提供至少兩部由陳先生執導或聯合執導之電影的建議書，以供本集團投資（不超過60%權益）製作該等建議電影，而本集團將有權購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影，本集團則須出資承擔其應佔之製作成本（按其對各部電影的投資百分比計算），而有關條款將待進一步訂立另一項協議後釐定。截至二零一六年十二月三十一日止年度，本集團已就製作建議電影預付人民幣89,960,000元（相當於約港幣100,000,000元）。該預付款將成為本集團對建議電影（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

於二零一七年十二月三十一日及本報告日期，本集團與陳先生的電影及電視劇版權投資計劃仍在洽談中，且並無接納任何電影製作投資。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

- (c) During the year ended 31 December 2016, the Group entered into an agreement with Rui Zhi, pursuant to which Rui Zhi will provide exclusively to the Group within a period of 3 years proposals for at least four films to be produced by Rui Zhi for the Group to invest (not less than 60% interest) in the production of such proposed films and a prepayment of HK\$10,000,000 in relation to the development for the production is required to be paid in advance by the Group to Rui Zhi. The Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films at a consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment in the films) and such terms will be subject to another agreement to be further entered. The Group prepaid an amount of RMB8,685,000 (equivalent to approximately HK\$9,653,000) during the year ended 31 December 2016 in relation to the production of the proposed films. The prepayment will form part of the contribution by the Group for the production cost of the proposed films (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

In the current year, the Group agreed to invest in a film to be produced by Rui Zhi and an amount of RMB4,350,000 (equivalent to approximately HK\$5,029,000) was transferred to film and TV rights after the Group entered into the relevant film investment agreement. In addition, the Group agreed to invest in a film and development cost amounted to HK\$2,410,000 was incurred up to 31 December 2017. As at the date of this report, the Group is yet to finalise the relevant film investment agreement.

#### 19. 電影及電視劇版權預付款 (續)

- (c) 於截至二零一六年十二月三十一日止年度，本集團與睿智訂立協議，據此，睿智將於三年期間內向本集團獨家提供至少四部由睿智製作之電影的建議書，以供本集團投資（不低於60%權益）製作該等建議電影，而本集團須向睿智墊付製作開發的相關預付款港幣10,000,000元。本集團將有權購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影，本集團則須出資承擔其應佔之製作成本（按其對各部電影的投資百分比計算），而有關條款將待進一步訂立另一項協議後釐定。截至二零一六年十二月三十一日止年度，本集團已就製作建議電影預付人民幣8,685,000元（相當於約港幣9,653,000元）。該預付款將成為本集團對建議電影（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

本年度內，本集團同意投資一部將由睿智製作之電影，而人民幣4,350,000元（相當於約港幣5,029,000元）已於本集團訂立相關電影投資協議後被轉撥至電影及電視劇版權。此外，本集團同意投資一部電影，截至二零一七年十二月三十一日已產生開發成本港幣2,410,000元。於本報告日期，本集團尚未最終落實相關電影投資協議。

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### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

- (d) During the year ended 31 December 2016, the Group entered into an agreement with Mr. Gu, pursuant to which Mr. Gu will provide exclusively to the Group within a period of 6 years proposals for at least two films to be directed by Mr. Gu for the Group to invest in the production of such proposed films and the Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. Mr. Gu will use his best endeavours to provide the Group with priority rights to invest in his productions. The exact investment amount in each of his productions is to be agreed between the Group and Mr. Gu. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment in the films) and such terms will be subject to another agreement to be further entered.

Furthermore, Mr. Gu will provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be directed or co-directed by Mr. Gu for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform will be granted to the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost and such terms will be subject to another agreement to be further entered.

In the current year, the Group prepaid an amount of RMB50,000,000 (equivalent to approximately HK\$59,952,000) in relation to the production of the proposed films and internet drama series. The prepayment will form part of the contribution by the Group for the production cost of the proposed films and internet drama series (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

### 19. 電影及電視劇版權預付款(續)

- (d) 於截至二零一六年十二月三十一日止年度，本集團與顧先生訂立協議，據此，顧先生將於六年期間內向本集團獨家提供至少兩部由顧先生執導之電影的建議書，以供本集團投資製作該等建議電影。本集團將有權購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。顧先生將盡最大努力向本集團提供其作品之優先投資權。顧先生每部作品的具體投資金額將由本集團與顧先生共同商定。倘本集團決定投資建議電影，本集團則須出資承擔其應佔之製作成本(按其對各部電影的投資百分比計算)，而有關條款將待進一步訂立另一項協議後釐定。

此外，顧先生將於六年期間內向本集團獨家提供由顧先生執導或聯合執導總共兩季之網絡系列影視劇的建議書，以供本集團考慮投資製作該等網絡系列影視劇，而本集團於決定投資該等網絡系列影視劇後，將有權獲得於新媒體平台之獨家互聯網發行權。倘本集團決定投資該等網絡系列影視劇，本集團則須出資承擔全部製作成本，而有關條款將待進一步訂立另一項協議後釐定。

本年度內，本集團已就製作建議電影及網絡系列影視劇預付人民幣50,000,000元(相當於約港幣59,952,000元)。該預付款將成為本集團對建議電影及網絡系列影視劇(須於投資前獲本集團接納)製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

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#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(d) (Continued)

In the current year, an amount of RMB20,610,000 (equivalent to approximately HK\$23,827,000) was transferred from prepayment to film and TV rights after the Group entered into the relevant film investment agreement. In addition, the Group agreed to invest in a film and development cost amounted to RMB2,311,000 (equivalent to approximately HK2,771,000) was incurred up to 31 December 2017. As at the date of this report, the Group is yet to finalise the relevant film investment agreement.

(e) During the year ended 31 December 2016, the Group entered into another agreement with Mr. Zhang, pursuant to which Mr. Zhang will provide exclusively to the Group within a period of 6 years proposals for at least two films to be directed by Mr. Zhang for the Group to invest (not less than 55% interest) in the production of such proposed films.

The Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films) and such terms will be subject to another agreement to be further entered.

Furthermore, Mr. Zhang will provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be directed or co-directed by Mr. Zhang for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform will be granted to the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost and such terms will be subject to another agreement to be further entered.

#### 19. 電影及電視劇版權預付款 (續)

(d) (續)

本年度內，本集團訂立相關電影投資協議後，人民幣20,610,000元（相當於約港幣23,827,000元）已從預付款中轉撥至電影及電視劇版權。此外，本集團同意投資一部電影，截至二零一七年十二月三十一日已產生開發成本人民幣2,311,000元（相當於約港幣2,771,000元）。於本報告日期，本集團尚未最終落實相關電影投資協議。

(e) 於截至二零一六年十二月三十一日止年度，本集團與張先生訂立另一份協議，據此，張先生將於六年期間內向本集團獨家提供至少兩部由張先生執導之電影的建議書，以供本集團投資（不低於55%權益）製作該等建議電影。

本集團將有權購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影，本集團則須出資承擔其應佔之製作成本（按其對各部電影的投資百分比計算），而有關條款將待進一步訂立另一項協議後釐定。

此外，張先生將於六年期間內向本集團獨家提供由張先生執導或聯合執導之總共兩季網絡系列影視劇的建議書，以供本集團考慮投資製作該等網絡系列影視劇，而本集團於決定投資該等網絡系列影視劇後，將獲得於新媒體平台之獨家互聯網發行權。倘本集團決定投資該等網絡系列影視劇，本集團則須出資承擔全部製作成本，而有關條款將待進一步訂立另一項協議後釐定。

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FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(e) (Continued)

In the current year, the Group prepaid an amount of RMB54,000,000 (equivalent to approximately HK\$64,748,000) in relation to the production of the proposed films and internet drama series. The prepayment will form part of the contribution by the Group for the production cost of the proposed films and internet drama series (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

In the current year, the Group agreed to invest in certain internet drama series to be produced by Mr. Zhang and development cost amounted to RMB3,384,000 (equivalent to approximately HK\$4,057,000) was incurred up to 31 December 2017. As at the date of this report, the Group is yet to finalise the relevant film investment agreement.

(f) During the year ended 31 December 2016, the Group entered into an agreement with Mr. Chen Daming, pursuant to which Mr. Chen Daming will provide exclusively to the Group within a period of 6 years proposals for at least three films and two seasons of internet drama series to be directed or co-directed by Mr. Chen Daming for the Group to invest (not less than 55% interest in films and 100% interest in internet drama series) in the production of such proposed films and internet drama series and a prepayment of RMB12,000,000 (equivalent to approximately HK\$13,793,000) in relation to the development for the production was required to be paid in advance by the Group to Mr. Chen Daming.

The Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films and internet drama series at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films and internet drama series, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films and internet drama series) and such terms will be subject to another agreement to be further entered.

#### 19. 電影及電視劇版權預付款 (續)

(e) (續)

本年度內，本集團已就製作建議電影及網絡系列影視劇預付人民幣54,000,000元（相當於約港幣64,748,000元）。該預付款將成為本集團對建議電影及網絡系列影視劇（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

本年度內，本集團同意投資若干部將由張先生製作之網絡系列影視劇，截至二零一七年十二月三十一日已產生開發成本人民幣3,384,000元（相當於約港幣4,057,000元）。於本報告日期，本集團尚未最終落實相關電影投資協議。

(f) 於截至二零一六年十二月三十一日止年度，本集團與陳大明先生訂立協議，據此，陳大明先生將於六年期間內向本集團獨家提供由陳大明先生執導或聯合執導之至少三部電影及總共兩季網絡系列影視劇的建議書，以供本集團投資製作該等建議電影及網絡系列影視劇（不低於55%電影權益及100%網絡系列影視劇權益），而本集團須向陳大明先生墊付製作開發的相關預付款人民幣12,000,000元（相當於約港幣13,793,000元）。

本集團將有權購買建議電影及網絡系列影視劇於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影及網絡系列影視劇，本集團則須出資承擔其應佔之製作成本（按其對各部電影及對該網絡系列影視劇的投資百分比計算），而有關條款將待進一步訂立另一項協議後釐定。

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#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(f) (Continued)

In the current year, the Group prepaid an amount of RMB12,000,000 (equivalent to approximately HK\$14,388,000) in relation to the production of proposed films and internet drama series. The prepayment will form part of the contribution by the Group for the production cost of the proposed films and internet drama series (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

As at 31 December 2017, the Group is still negotiating with Mr. Chen Daming for the film and TV rights investment plan and there is no acceptance for any investment in film and internet drama series production.

(g) During the current year, the Group entered into an agreement with Dongchun, a company which is 50% owned by Mr. Wang Xiaoshuai, a film director. Pursuant to the agreement, Dongchun will provide exclusively to the Group within a period of 6 years proposals for at least (i) two films, (ii) two seasons of internet drama series or (iii) one film and one season of internet drama series to be directed or co-directed by Mr. Wang Xiaoshuai for the Group to invest (51% to 100% interest in film and 100% interest in internet drama series) in the production of such proposed films and internet drama series and a prepayment of RMB20,000,000 (equivalent to approximately HK\$23,981,000) in relation to the development for the production was required to be paid in advance by the Group to Dongchun.

The Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films and internet drama series at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films and internet drama series, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films and internet drama series), and such terms will be subject to another agreement to be further entered.

#### 19. 電影及電視劇版權預付款 (續)

(f) (續)

本年度內，本集團已就製作建議電影及網絡系列影視劇預付人民幣12,000,000元（相當於約港幣14,388,000元）。該預付款將成為本集團對建議電影及網絡系列影視劇（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

於二零一七年十二月三十一日，本集團與陳大明先生的電影及電視劇版權投資計劃仍在洽談中，且並無接納任何電影及網絡系列影視劇製作投資。

(g) 本年度內，本集團與冬春（電影導演王小帥先生持有50%股權之公司）訂立協議。根據該協議，冬春將於六年期間內向本集團獨家提供由王小帥先生執導或聯合執導之至少(i)兩部電影，(ii)總共兩季網絡系列影視劇或(iii)一部電影及一季網絡系列影視劇的建議書，以供本集團投資製作該等建議電影及網絡系列影視劇（佔51%至100%電影權益及100%網絡系列影視劇權益），而本集團須向冬春墊付製作開發的相關預付款人民幣20,000,000元（相當於約港幣23,981,000元）。

本集團將有權購買建議電影及網絡系列影視劇於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影及網絡系列影視劇，本集團則須出資承擔其應佔之製作成本（按其對各部電影及對該網絡系列影視劇的投資百分比計算），並就相關條款另訂協議。

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### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(g) (Continued)

The Group prepaid an amount of RMB20,000,000 (equivalent to approximately HK\$23,981,000) during the current year in relation to the production of proposed films and internet drama series. The prepayment will form part of the contribution by the Group for the production cost of the proposed films and internet drama series (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

In the current year, the Group agreed to invest in an internet drama series and development cost amounted to RMB2,263,000 (equivalent to approximately HK\$2,713,000) was incurred up to 31 December 2017. As at the date of this report, the Group is yet to finalise the relevant film investment agreement.

(h) During the current year, the Group entered into an agreement with Xstream, a company which is 60% owned by Mr. Jia Zhangke ("Mr. Jia"). Pursuant to the agreement, Xstream will provide exclusively to the Group within a period of 6 years proposals for at least three films to be directed by Mr. Jia for the Group to invest (51% to 100% interest) in the production of such proposed films and a prepayment of RMB20,000,000 (equivalent to approximately HK\$23,981,000) in relation to the development for the production was required to be paid in advance by the Group to Xstream. The Group will be entitled to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment in the films) and such terms will be subject to another agreement to be further entered.

### 19. 電影及電視劇版權預付款 (續)

(g) (續)

本年度內，本集團已就製作建議電影及網絡系列影視劇預付人民幣20,000,000元（相當於約港幣23,981,000元）。該預付款將成為本集團對建議電影及網絡系列影視劇（須於投資前獲本集團接納）製作成本之部分出資。製作成本之預算將提供予本集團，而該製作成本之相關支付條款將由各方進一步商定。

本年度內，本集團同意投資一部網絡系列影視劇，截至二零一七年十二月三十一日已產生開發成本人民幣2,263,000元（相當於約港幣2,713,000元）。於本報告日期，本集團尚未最終落實相關電影投資協議。

(h) 本年度內，本集團與西河星匯（賈樟柯先生（「賈先生」）持有60%股權之公司）訂立協議。根據該協議，西河星匯將於六年期間內向本集團獨家提供至少三部由賈先生執導之電影的建議書，以供本集團投資製作該等建議電影（佔51%至100%權益），而本集團須向西河星匯墊付製作開發的相關預付款人民幣20,000,000元（相當於約港幣23,981,000元）。本集團將有權購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。倘本集團決定投資建議電影，本集團則須出資承擔其應佔之製作成本（按其對各部電影的投資百分比計算），而有關條款將待進一步訂立另一項協議後釐定。



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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 19. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(h) (Continued)

In the current year, the Group prepaid an amount of RMB20,000,000 (equivalent to approximately HK\$23,981,000) in relation to the development of proposed films and the Group agreed to invest in a film to be produced by Xstream. The prepayment will form part of the contribution by the Group for the production cost of the proposed films (which is subject to acceptance by the Group before investment). The budgeted production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

In the current year, an amount of RMB10,000,000 (equivalent to approximately HK\$11,561,000) was transferred from prepayment to film and TV rights after the Group entered into the relevant film investment agreement.

- (i) During the current year, the Group agreed to invest in a film to be directed by Mr. Xu, a non-executive director of the Company, and the Group made a prepayment of film director's fee of RMB10,518,000 (equivalent to approximately HK\$12,612,000) to Mr. Xu for development of the proposed film. Other terms of the film production will be further agreed between the Group and respective parties.
- (j) During the current year, the Group agreed to invest in a film to be produced by Shigu, and the Group made a prepayment of RMB10,000,000 (equivalent to approximately HK\$11,990,000). The prepayment will form part of the production cost of the proposed film and other terms of the film production will be further agreed between the Group and respective parties.

#### 19. 電影及電視劇版權預付款 (續)

(h) (續)

本年度內，本集團已就開發建議電影預付人民幣20,000,000元（相當於約港幣23,981,000元），且本集團同意投資一部將由西河星匯製作之電影。該預付款將成為本集團對建議電影（須於投資前獲本集團接納）製作成本之部分出資，其製作成本之預算將提供予本集團。製作成本之相關支付條款將由各方進一步商定。

本年度內，本集團訂立相關電影投資協議後，人民幣10,000,000元（相當於約港幣11,561,000元）已從預付款中轉撥至電影及電視劇版權。

- (i) 本年度內，本集團同意投資一部將由本公司一名非執行董事徐先生執導的電影。同時，本集團已向徐先生預先支付電影導演費人民幣10,518,000元（相當於約港幣12,612,000元）用於開發建議電影。電影製作的其他條款則待本集團與各方進一步商定。
- (j) 本年度內，本集團同意投資一部將由拾谷製作之電影。同時，本集團已預先支付人民幣10,000,000元（相當於約港幣11,990,000元），該預付款將成為建議電影之部分製作成本，而電影製作的其他條款則待本集團與各方進一步商定。

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#### 20. FILM AND TV RIGHTS

#### 20. 電影及電視劇版權

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Film and TV rights completed (Note a)	已完成之電影及電視劇版權 (附註a)	10,779	-
Film and TV rights under production (Note a)	製作中之電影及電視劇版權 (附註a)	384,331	122,985
Film right investments (Note b)	電影版權投資(附註b)	95,980	81,286
Licensed film and TV rights (Note c)	獲授權之電影及電視劇版權 (附註c)	22,743	46,687
		<b>513,833</b>	250,958
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Analysed for reporting purposes as:	為呈報目的所作之分析：		
- Current assets	- 流動資產	491,090	250,958
- Non-current assets	- 非流動資產	22,743	-
		<b>513,833</b>	250,958

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#### 20. FILM AND TV RIGHTS (Continued)

#### 20. 電影及電視劇版權(續)

		Film and TV rights 電影及電視劇版權				Total
		completed	under production	Film right investments	Licensed film and TV rights	
		已完成	製作中	電影 版權投資	獲授權之電影 及電視劇版權	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>COST</b>	<b>成本</b>					
As at 1 January 2016	於二零一六年一月一日	-	-	13,925	-	13,925
Additions	增購	-	128,662	85,039	48,843	262,544
Amortisation	攤銷	-	-	(13,723)	-	(13,723)
Exchange realignment	外匯調整	-	(5,677)	(3,955)	(2,156)	(11,788)
<b>As at 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>-</b>	<b>122,985</b>	<b>81,286</b>	<b>46,687</b>	<b>250,958</b>
Additions	增購	-	<b>253,047</b>	<b>83,147</b>	<b>30,013</b>	<b>366,207</b>
Transfer	轉撥	<b>10,393</b>	<b>(10,393)</b>	-	-	-
Amortisation	攤銷	-	-	-	<b>(56,640)</b>	<b>(56,640)</b>
Disposal (Note d)	出售(附註d)	-	-	<b>(75,145)</b>	-	<b>(75,145)</b>
Exchange realignment	外匯調整	<b>386</b>	<b>18,692</b>	<b>6,692</b>	<b>2,683</b>	<b>28,453</b>
As at 31 December 2017	於二零一七年十二月三十一日	<b>10,779</b>	<b>384,331</b>	<b>95,980</b>	<b>22,743</b>	<b>513,833</b>

Notes:

- (a) The balance of film and TV rights under production represented costs associated with the production of films including remuneration for the film director, casts and production crew, costumes, insurance, makeup and hairdressing as well as rental of camera and lighting equipment. Film and TV rights under production were transferred to film and TV right completed upon completion of production.

附註：

- (a) 製作中之電影及電視劇版權結餘指電影製作相關的成本，包括電影導演、演員及製作人員的薪酬、服裝、保險、化妝及造型，以及攝影機及燈光設備租賃。製作中之電影及電視劇版權於製作完成時轉撥至已完成之電影及電視劇版權。

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### 20. FILM AND TV RIGHTS (Continued)

Notes: (Continued)

(a) (Continued)

Included in the film and TV rights under production as at 31 December 2017, there was a film right with incurred production cost of HK\$373,540,000 (2016: HK\$122,985,000) in respect of the production of a film (“瘋狂的外星人”) in the PRC. On 30 December 2016, the Group entered into an agreement with a company established in the PRC, 霍爾果斯甲壹影視文化傳播有限公司 (“甲壹影視” or “Jiayi Movie”), as a production house, to produce the above-mentioned film at a budgeted cost of RMB400,000,000 (equivalent to approximately HK\$479,616,000), including the service fee to Jiayi Movie which is chargeable based on 5% of the total production cost of the film and film director’s fee to Mr. Ning, the non-executive director of the Company, of RMB30,000,000 (equivalent to approximately HK\$35,971,000). In the opinion of the directors of the Company, Jiayi Movie is an independent third party and Mr. Ning does not have any interests in the contracts or transactions in connection with the production of such a film other than his role as a film director. An amount of HK\$18,639,000 (note 40(a)) was paid by the Group to Mr. Ning as the aforementioned film director’s fee and was recognised as film and TV rights under production during the year ended 31 December 2017.

- (b) The balance represented the Group’s investments in film productions which entitled the Group to share certain percentage of income to be generated from the films based on the proportion of investment amounts as specified in respective film right investment agreements.
- (c) The balance represented the Group’s investments in film and TV right licenses. The Group acquired license rights from independent third parties for broadcasting licensed films or TV drama series on its online video platform (note 18) or sublicensing the license rights to other independent third parties.
- (d) During the year ended 31 December 2017, the Group disposed certain film right investments, at cost, of HK\$75,145,000 to a PRC entity (“北京郁郁葱葱文化有限公司”), which is an independent third party, and there was no gain or loss arising from this transaction.

As at 31 December 2017, the management of the Group considered that the carrying amounts of the film and TV rights are recoverable from expected future income of related film and TV rights. Accordingly, no impairment loss was recognised.

### 20. 電影及電視劇版權 (續)

附註：(續)

(a) (續)

截至二零一七年十二月三十一日，與在中國製作之電影「瘋狂的外星人」相關的電影版權製作成本港幣373,540,000元（二零一六年：港幣122,985,000元）計入製作中之電影及電視劇版權。於二零一六年十二月三十日，本集團與一間於中國成立的公司霍爾果斯甲壹影視文化傳播有限公司（「甲壹影視」或「甲壹電影」）（作為製作公司）訂立協議以製作上述電影，成本預算為人民幣400,000,000元（相當於約港幣479,616,000元），包括向甲壹電影支付之服務費（按電影總製作成本之5%計算）及向本公司之非執行董事寧先生支付之電影導演費人民幣30,000,000元（相當於約港幣35,971,000元）。本公司董事認為，甲壹電影為獨立第三方，而寧先生除作為電影導演外，於製作該電影相關之合約或交易中並無任何利益。本集團已向寧先生支付港幣18,639,000元（附註40(a)）作為上文所述之電影導演費，該筆金額於截至二零一七年十二月三十一日止年度確認為製作中之電影及電視劇版權。

- (b) 該結餘指本集團於電影製作之投資，根據相應電影版權投資協議所指明之投資金額比例，本集團有權按一定百分比享有電影將來產生之收入。
- (c) 該結餘指本集團於電影及電視劇版權許可的投資。本集團從獨立第三方處購買許可授權以在其在線視頻平台（附註18）播放獲授權之電影或電視劇，或向其他獨立第三方授許可授權。
- (d) 本集團於截至二零一七年十二月三十一日止年度按成本港幣75,145,000元向一間中國實體（「北京郁郁葱葱文化有限公司」，為獨立第三方）出售若干電影版權投資，是次交易並無產生任何損益。

於二零一七年十二月三十一日，本集團管理層認為，電影及電視劇版權之賬面值可從相關電影及電視劇版權之預期未來收入中收回，故並無確認減值虧損。

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#### 21. ART WORK

During the year ended 31 December 2016, the Group acquired certain art work for a cash consideration of HK\$20,000,000. In the opinion of the directors, having considered that substantial portion of art work was purchased during the year from sizable auction houses and the positive result of the valuation of art work assessed by another sizable auction house, there was no indication of impairment as at 31 December 2016.

During the year ended 31 December 2017, the Group disposed of the art work for a cash consideration of HK\$22,000,000, resulting in a gain on disposal of HK\$2,000,000.

#### 21. 藝術品

截至二零一六年十二月三十一日止年度，本集團以現金代價港幣20,000,000元添置若干藝術品。董事認為，鑒於大部份藝術品均於年內購自大型拍賣行，而且另一間大型拍賣行對藝術品的評估結果正面，故於二零一六年十二月三十一日，藝術品並無減值跡象。

截至二零一七年十二月三十一日止年度，本集團以現金代價港幣22,000,000元出售藝術品，因而錄得出售收益港幣2,000,000元。

#### 22. AVAILABLE-FOR-SALE INVESTMENT

#### 22. 可供出售投資

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cost of AFS	可供出售項目之成本	15,541	15,541
Loss: impairment loss on AFS	減：可供出售項目之減值虧損	(15,541)	(15,333)
		-	208

During the year ended 31 December 2016, the management of the Group decided to invest in a private entity located in the United States of America for obtaining the technical know-how for developing an online video platform at the amounting of USD2,000,000 (equivalent to approximately to HK\$15,541,000). During the year ended 31 December 2017, an impairment loss of HK\$208,000 (2016: HK\$15,333,000) was recognised in profit or loss to write down the carrying amounts of the investment to its recoverable amount for the year ended 31 December 2017.

截至二零一六年十二月三十一日止年度，本集團管理層決定投資於一間位於美國的一個私營實體，以獲得開發在線視頻平台的技術知識，投資款項為美金2,000,000元（相當於約港幣15,541,000元），截至二零一七年十二月三十一日止年度於損益中確認減值虧損港幣208,000元（二零一六年：港幣15,333,000）以將投資賬面值減記至其截至二零一七年十二月三十一日止年度之可收回金額。

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#### 23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

#### 23. 應收賬款及其他應收款項、按金及預付款

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade receivables	應收賬款	4,216	8,477
Less: Allowance for doubtful debts	減：呆賬撥備	(2,175)	(2,278)
		<b>2,041</b>	6,199
Prepayment on film script fee	電影劇本費用之預付款	15,272	2,440
Other deposits paid	已支付之其他按金	556	500
Rental deposits paid – non-current	已支付之租金按金 – 非流動	5,490	5,344
Prepayments	預付款	1,656	14,981
Other receivables	其他應收款項	33,659	12,178
Secured deposit	有抵押按金	–	111,161
		<b>58,674</b>	152,803
Less: Amounts due within one year shown under current assets	減：列作一年內到期的流動資產之金額	(53,184)	(147,459)
Amounts shown under non-current assets	列作非流動資產之金額	5,490	5,344

Trade receivables from sublicensing of film and TV rights are usually received within 180 days from the date of delivery of the master copy or materials.

分授電影及電視劇版權之應收賬款通常自交付底本或材料之日起180日內收取。

Trade receivables from film and TV rights investment income are usually received within 60 days after the completion of release of the film in movie theatres according to the timing for settlement schedule stipulated in the investment agreement.

電影及電視劇版權投資收入之應收賬款通常根據投資協議中訂明的結算時間表於電影院完成電影放映後60日內收取。

For property agency segment in Hong Kong, the Group allows an average credit period of 60 to 90 days to property developers upon completion date of relevant agreements whilst the individual customers are obliged to settle the amounts upon completion of the relevant agreements and generally no credit terms are granted.

香港物業代理分部方面，本集團於相關協議完成日期後給予物業發展商之信貸期平均為60至90日，而個人客戶則須於相關協議完成時清償款項，故一般不獲授予信貸期。

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#### 23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date of revenue recognition at the end of the reporting period is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade receivables	應收賬款		
0 - 30 days	0至30日	112	76
31 - 60 days	31至60日	-	29
61 - 90 days	61至90日	1,792	60
91 - 180 days	91至180日	11	3,805
Over 180 days	180日以上	126	2,229
		<b>2,041</b>	<b>6,199</b>

The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Before accepting any new customer, the Group will assess and understand the potential customer's credit quality and defines its credit limits. Credit limits attributed to each customer are reviewed regularly. All of the accounts receivables that are neither past due nor impaired have no default payment history.

#### 23. 應收賬款及其他應收款項、按金 及預付款(續)

應收賬款(扣除呆賬撥備)於報告期末按收益確認之發票日呈列之賬齡分析如下:

管理層相信，毋須就該等結餘作出減值撥備，原因是信貸風險並無重大改變，故該等結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。

本集團接納任何新客戶前，將會評估及了解潛在客戶之信貸質素及釐定其信貸限額。每名客戶之信貸限額均會定期檢討。所有並無逾期或減值之應收賬款均無欠款記錄。

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### 綜合財務報表附註

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#### 23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

As at 31 December 2017, the Group's trade receivable balance included debtors with aggregate carrying amount of HK\$1,892,000 (2016: HK\$254,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The directors of the Company considered that trade receivables which are neither past due nor impaired are of good credit quality given the continuous subsequent settlements from customers.

#### Aging of trade receivables which are past due but not impaired

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Overdue by:	逾期：		
1 – 90 days	1至90日	1,797	96
91 – 180 days	91日至180日	14	29
Over 180 days	180日以上	81	129
		<b>1,892</b>	<b>254</b>

#### Movements in the allowance for doubtful debts

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At 1 January	於一月一日	2,278	7,557
Impairment losses recognised on receivables	確認應收款項之減值虧損	-	30
Amounts written off during the year as uncollectible	年內列作無法收回之撇銷金額	(69)	(5,041)
Amounts recovered during the year	年內收回金額	(34)	(268)
At 31 December	於十二月三十一日	<b>2,175</b>	<b>2,278</b>

#### 23. 應收賬款及其他應收款項、按金及預付款 (續)

於二零一七年十二月三十一日，本集團之應收賬款結餘包括於報告日期已逾期總賬面值港幣1,892,000元（二零一六年：港幣254,000元）之應收賬款，本集團並無就此作出減值虧損撥備。鑒於客戶其後持續進行結算，故本公司董事認為並未逾期或減值之應收賬款具有良好的信貸質素。

#### 已逾期但無減值之應收賬款之賬齡

#### 呆賬撥備變動



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#### 23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

##### Movements in the allowance for doubtful debts (Continued)

For the year ended 31 December 2017, the allowance for doubtful debts included individually impaired trade receivables with an aggregate balance of HK\$2,175,000 (2016: HK\$2,278,000). The Group does not hold any collateral over these balances.

As at 31 December 2016, secured deposit represented the deposit paid to third parties to secure a short-term cash advance from other third parties of RMB100,000,000 (equivalent approximately to HK\$111,161,000) for the movie investment activities in the PRC which was settled in 2017 (note 26). The secured deposit was released upon the repayment of the short-term cash advance in 2017.

#### 24. INVESTMENTS HELD FOR TRADING

Investments held for trading at the end of the reporting period included:

Listed securities:  
Equity securities listed  
in Hong Kong (Note)

上市證券：  
於香港上市之股本證券(附註)

Note: As at 31 December 2016, the investments held for trading represented the investments in shares of Hong Kong Exchanges and Clearing Limited which is listed in Hong Kong. During the year ended 31 December 2017, the investments held for trading was disposed and resulted in a gain of HK\$3,747,000.

The fair value was based on the quoted prices of the security in an active market (level 1 of fair value hierarchy).

#### 23. 應收賬款及其他應收款項、按金及預付款(續)

##### 呆賬撥備變動(續)

截至二零一七年十二月三十一日止年度，呆賬撥備包括個別已減值應收賬款，其結餘總額為港幣2,175,000元(二零一六年：港幣2,278,000元)。本集團並無就該等結餘持有任何抵押品。

於二零一六年十二月三十一日，有抵押按金指向第三方支付之按金，以就用作於中國電影投資活動之來自其他第三方的短期現金墊款人民幣100,000,000元(相當於約港幣111,161,000元)提供擔保，有關款項已於二零一七年清償(附註26)。有抵押按金已於二零一七年償還短期現金墊款後解除。

#### 24. 持作買賣投資

於報告期末持作買賣投資包括：

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
-	52,768

附註：於二零一六年十二月三十一日，持作買賣投資指於香港交易及結算所有限公司(於香港上市)之股份投資。截至二零一七年十二月三十一日止年度，持作買賣投資均已出售並錄得收益港幣3,747,000元。

公平值乃根據證券於活躍市場之報價(公平值架構級別第一級)計算。

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### 25. BANK BALANCES AND CASH

Bank balances and cash comprised of cash held by the Group and short-term bank deposits that are interest-bearing ranging from 0.01% to 0.30% (2016: 0.01% to 0.30%) per annum and have original maturity of three months or less.

### 25. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及按介乎0.01%至0.30%（二零一六年：0.01%至0.30%）之年利率計息且原到期日為三個月或以內之短期銀行存款。

### 26. TRADE AND OTHER PAYABLES

### 26. 應付賬款及其他應付款項

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade payables	應付賬款	1,701	41,461
Other payables	其他應付款項	29,997	14,408
Accruals	應計費用	10,408	8,514
Short-term payable (note 23)	短期應付款（附註23）	-	111,161
Film and TV rights investment payable	應付電影及電視劇版權投資	11,978	-
		<b>54,084</b>	<b>175,544</b>

As at 31 December 2017, trade payables of HK\$1,701,000 (2016: HK\$8,112,000) represented mainly the commissions payables to property consultants and cooperative estate agents. As at 31 December 2016, trade payables of HK\$33,349,000 (2017: nil) represented the internet income rights payable to an independent third party within 180 days upon delivery of the materials for a film directed by Mr. Lu Yang.

於二零一七年十二月三十一日，應付賬款主要指應付物業顧問及合作地產代理之佣金為港幣1,701,000元（二零一六年：港幣8,112,000元）。於二零一六年十二月三十一日，應付賬款港幣33,349,000元（二零一七年：無）指就一部由路陽先生執導之電影於有關材料交付後180日內應付予一名獨立第三方之網絡收益權。

As at 31 December 2017, other payables mainly comprised of receipts in advance, service fee payable for developing an online video platform, accrued directors' and staff costs and other sundry creditors.

於二零一七年十二月三十一日，其他應付款項主要包括預收款項、應付在線視頻平台開發服務費用、董事及員工的應計成本，以及其他雜項應付賬款。

As at 31 December 2016, short-term payable represented advances from third parties of RMB100,000,000 (equivalent to approximately HK\$111,161,000) for the movie investment activities in the PRC which was settled in year 2017. The advance was secured by a deposit of HK\$111,161,000 paid by the Group to the third parties (note 23).

於二零一六年十二月三十一日，短期應付款指用作於中國電影投資活動之來自第三方之墊款人民幣100,000,000元（相當於約港幣111,161,000元），其已於二零一七年清償。該墊款乃以本集團支付予該等第三方之按金港幣111,161,000元作抵押（附註23）。

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#### 27. AMOUNT DUE TO A RELATED PARTY

During the year ended 31 December 2017, Mr. Dong, an executive director and a substantial shareholder of the Company, made an advancement of HK\$120,000,000 (the "Advancement") to the Company to strengthen the Group's general working capital. The Advancement is unsecured, repayable in 6 months and non-interest bearing. As further disclosed in note 2, Mr. Dong agreed not to demand for the repayment of the Advancement until the Group is able to repay without affecting its liquidity and going concern.

#### 28. BORROWING

As at 31 December 2017, the borrowing represents an amount of USD10,000,000 (equivalent to approximately HK\$77,500,000) borrowed from an independent third party, which is repayable within one year, unsecured and carries interest at a fixed rate of 3.0% per annum.

#### 29. DEFERRED TAX

At the end of the reporting period, the Group has unused tax losses of HK\$228,618,000 (2016: HK\$227,007,000) available for offset against future profits of which the amount of HK\$188,702,000 may be carried forward indefinitely and the amount of HK\$39,916,000 will be expire in five years from the year of assessment. No deferred tax asset has been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred taxation has not been provided in respect of undistributed earnings of the Company's PRC subsidiaries arising after 1 January 2008, because the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

#### 27. 應付一名關連人士款項

於截至二零一七年十二月三十一日止年度，本公司執行董事兼主要股東董先生向本公司墊付港幣120,000,000元（「該筆墊款」），用以鞏固本集團之一般營運資金。該筆墊款並無抵押、須於六個月內償還且不計利息。誠如附註2所進一步披露，董先生已同意不要求償還該筆墊款，直至本集團有能力還款而不影響其資金流動性及持續經營能力為止。

#### 28. 借款

於二零一七年十二月三十一日，借款指向一名獨立第三方所借之美金10,000,000元（相當於約港幣77,500,000元），該筆金額須於一年內償還、無抵押並按固定年利率3.0%計息。

#### 29. 遞延稅項

於報告期末，本集團可供抵銷將來溢利之未使用稅項虧損為港幣228,618,000元（二零一六年：港幣227,007,000元），該等稅項虧損中為數港幣188,702,000元可無限期結轉及為數港幣39,916,000元將自評稅年度起計五年內屆滿。由於該等稅項虧損產生自己虧損一段時間的附屬公司，且目前認為日後應不可能產生應課稅溢利可抵銷稅項虧損，故並無就該等稅項虧損確認遞延稅項資產。

本公司中國附屬公司於二零零八年一月一日後產生之未經分配盈利並無計提遞延稅項撥備，此乃由於本集團能夠控制撥回臨時差額之時間且臨時差額於可見未來有可能不會撥回。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 30. SHARE CAPITAL

### 30. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Authorised:	法定：		
Ordinary shares	普通股		
At 1 January 2016, 31 December 2016 and 31 December 2017, at HK\$0.01 each	於二零一六年一月一日、二零一六年十二月三十一日及二零一七年十二月三十一日，每股面值港幣0.01元	<b>50,000,000,000</b>	<b>500,000</b>
Issued and fully paid:	已發行及繳足：		
At 1 January 2016	於二零一六年一月一日	2,308,555,408	23,086
Issue of shares to film directors (Note)	向電影導演發行股份(附註)	459,500,000	4,595
<b>At 31 December 2016 and 2017</b>	<b>於二零一六年及二零一七年十二月三十一日</b>	<b>2,768,055,408</b>	<b>27,681</b>

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 30. SHARE CAPITAL (Continued)

Notes:

- (a) During the year ended 31 December 2016, the Group entered into an agreement ("Agreement 1") with Master China, whereby the Company issued 100,000,000 ordinary shares to Mr. Wong, Mr. Wong would provide exclusively to the Group, within a period of 6 years, proposals for internet drama series with two seasons to be produced by Master China as well as partially directed by Mr. Wong for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. The relevant film director's fee payable to Mr. Wong will be determined based on the prevailing market rates payable to independent third party film directors.

The 100,000,000 ordinary shares were issued on 17 June 2016 at HK\$2.10 (being the fair value on the date of issuance, with a total value of HK\$210,000,000). According to the Agreement 1, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year ended 31 December 2016.

- (b) During the year ended 31 December 2016, the Group entered into another agreement ("Agreement 2") with Mr. Chan, whereby the Company issued 144,500,000 ordinary shares to Mr. Chan, Mr. Chan would provide exclusively to the Group, within a period of 6 years, proposals for at least 2 films to be directed or co-directed by Mr. Chan for the Group to invest (not more than 60% interest) in the production of such proposed films, and the Group would be granted a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. The relevant film director's fee payable to Mr. Chan will be determined based on the prevailing market rates payable to independent third party film directors.

The 144,500,000 ordinary shares were issued on 17 June 2016 at HK\$2.10 (being the fair value on the date of issuance, with a total value of HK\$303,450,000). According to the Agreement 2, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year ended 31 December 2016.

#### 30. 股本 (續)

附註：

- (a) 於截至二零一六年十二月三十一日止年度，本集團與Master China訂立協議（「協議1」），據此，本公司已向王先生發行100,000,000股普通股，而王先生將於六年內就由Master China製作及部分由王先生執導的總共兩季的網絡系列影視劇的建議書向本集團提供獨家權利，以供本集團考慮投資於有關網絡系列影視劇製作。本集團將於確定投資有關網絡系列影視劇後，獲授予於新媒體平台之獨家互聯網發行權。應付王先生之相關電影導演費將根據應付獨立第三方電影導演之現行市場收費釐定。

100,000,000股普通股已於二零一六年六月十七日以每股港幣2.10元（即於發行日期之公平值，總價值為港幣210,000,000元）之價格發行。根據協議1，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於截至二零一六年十二月三十一日止年度在損益中確認為以股份為基礎之付款。

- (b) 於截至二零一六年十二月三十一日止年度，本集團與陳先生訂立另一項協議（「協議2」），據此，本公司已向陳先生發行144,500,000股普通股，而陳先生將於六年期間內向本集團獨家提供至少兩部由陳先生執導或聯合執導之電影的建議書，以供本集團投資（不超過60%權益）製作該等建議電影，而本集團將獲授權以購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。應付陳先生之相關電影導演費將根據應付獨立第三方電影導演之現行市場收費釐定。

144,500,000股普通股已於二零一六年六月十七日以每股港幣2.10元（即於發行日期之公平值，總價值為港幣303,450,000元）之價格發行。根據協議2，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於截至二零一六年十二月三十一日止年度在損益中確認為以股份為基礎之付款。

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## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 30. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) During the year ended 31 December 2016, the Group entered into another agreement ("Agreement 3") with Mr. Gu, whereby the Company issued 75,000,000 ordinary shares to Mr. Gu. Mr. Gu would provide exclusively to the Group, within a period of 6 years, proposals for at least 2 films to be directed by Mr. Gu for the Group to grant a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. Mr. Gu will use his best endeavours to provide the Group with priority rights to invest in his productions. The exact investment amount in each of his productions is to be agreed between the Group and Mr. Gu. Furthermore, Mr. Gu would provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be directed or co-directed by Mr. Gu for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. The relevant film director's fee payable to Mr. Gu will be determined based on the prevailing market rates payable to independent third party film directors.

The 75,000,000 ordinary shares were issued on 14 December 2016 at HK\$2.69 (being the fair value on the date of issuance, with a total value of HK\$201,750,000). According to the Agreement 3, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year ended 31 December 2016.

- (d) During the year ended 31 December 2016, the Group entered into another agreement ("Agreement 4") with Mr. Zhang, whereby the Company issued 140,000,000 ordinary shares to Mr. Zhang. Mr. Zhang would provide exclusively to the Group, within a period of 6 years, proposals for at least 2 films to be directed by Mr. Zhang for the Group to invest (not less than 55% interest) in the production of such (i) proposed films and (ii) two seasons of internet drama series. The Group would be granted a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. Furthermore, Mr. Zhang would provide exclusively to the Group, within a period of 6 years, proposals for internet drama series with two seasons to be directed or co-directed by Mr. Zhang for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution right through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. The relevant film director's fee payable to Mr. Zhang will be determined based on the prevailing market rates payable to independent third party film directors.

The 140,000,000 ordinary shares were issued on 14 December 2016 at HK\$2.69 (being the fair value on the date of issuance, with a total value of HK\$376,600,000). According to the Agreement 4, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year ended 31 December 2016.

### 30. 股本 (續)

附註：(續)

- (c) 於截至二零一六年十二月三十一日止年度，本集團與顧先生訂立另一項協議（「協議3」），據此，本公司已向顧先生發行75,000,000股普通股，而顧先生將於六年期間內向本集團獨家提供至少兩部由顧先生執導之電影的建議書，而本集團將獲授權以購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。顧先生將盡最大努力向本集團提供其作品之優先投資權。顧先生每部作品的具體投資金額將由本集團與顧先生共同商定。此外，顧先生將於六年期間內向本集團獨家提供由顧先生執導或聯合執導總共兩季之網絡系列影視劇的建議書，以供本集團考慮投資製作該等網絡系列影視劇，而本集團於決定投資該等網絡系列影視劇後，將有權獲得於新媒體平台之獨家互聯網發行權。應付顧先生之相關電影導演費將根據應付獨立第三方電影導演之現行市場收費釐定。

75,000,000股普通股已於二零一六年十二月十四日以每股港幣2.69元（即於發行日期之公平值，總價值為港幣201,750,000元）之價格發行。根據協議3，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於截至二零一六年十二月三十一日止年度在損益中確認為以股份為基礎之付款。

- (d) 於截至二零一六年十二月三十一日止年度，本集團與張先生訂立另一項協議（「協議4」），據此，本公司已向張先生發行140,000,000股普通股，而張先生將於六年期間內向本集團獨家提供至少兩部由張先生執導之電影的建議書，以供本集團投資（不少於55%權益）製作該等(i)建議電影及(ii)總共兩季之網絡系列影視劇。本集團將獲授權以購買建議電影於新媒體平台之獨家發行權，代價將按公平市價進一步釐定。此外，張先生將於六年期間內向本集團獨家提供由張先生執導或聯合執導總共兩季之網絡系列影視劇的建議書，以供本集團考慮投資製作該等網絡系列影視劇，而本集團於決定投資該等網絡系列影視劇後，將有權獲得於新媒體平台之獨家互聯網發行權。應付張先生之相關電影導演費將根據應付獨立第三方電影導演之現行市場收費釐定。

140,000,000股普通股已於二零一六年十二月十四日以每股港幣2.69元（即於發行日期之公平值，總價值為港幣376,600,000元）之價格發行。根據協議4，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於截至二零一六年十二月三十一日止年度在損益中確認為以股份為基礎之付款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 31. 本公司之財務狀況報表

	Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
<b>NON-CURRENT ASSETS</b>			
Interests in subsidiaries		243,381	40,218
<b>CURRENT ASSETS</b>			
Other receivables		552	56,085
Amounts due from subsidiaries		246,237	46,255
Bank balances and cash		17,040	182,528
		263,829	284,868
<b>CURRENT LIABILITIES</b>			
Other payables		10,201	6,708
Amount due to a related party		120,000	–
Borrowings		77,500	–
		207,701	6,708
<b>NET CURRENT ASSETS</b>		56,128	278,160
<b>NET ASSETS</b>		299,509	318,378
<b>CAPITAL AND RESERVES</b>			
Share capital (note 30)		27,681	27,681
Reserves	(a)	271,828	290,697
<b>TOTAL EQUITY</b>		299,509	318,378

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

### 31. 本公司之財務狀況報表(續)

Notes:

(a) Reserves

		Share premium	Contributed surplus	Translation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	匯兌儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			(Note b)			
			(附註b)			
At 1 January 2016	於二零一六年一月一日	887,788	199,168	-	(236,487)	850,469
Total comprehensive income (expense) for the year	本年度全面收入(開支)總額	-	-	22,921	(1,669,898)	(1,646,977)
Issue of shares to film directors	向電影導演發行股份	1,087,205	-	-	-	1,087,205
At 31 December 2016	於二零一六年十二月三十一日	1,974,993	199,168	22,921	(1,906,385)	290,697
Total comprehensive income (expense) for the year	本年度全面收入(開支)總額	-	-	<b>23,468</b>	<b>(42,337)</b>	<b>(18,869)</b>
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>1,974,993</b>	<b>199,168</b>	<b>46,389</b>	<b>(1,948,722)</b>	<b>271,828</b>

附註：

(a) 儲備

(b) Contributed surplus

The contributed surplus represented reduction in issued share capital and share premium cancellation pursuant to a capital restructuring in 2004 and capital reorganisation in 2010, 2011 and 2012. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company shall not declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(b) 實繳盈餘

實繳盈餘指根據二零零四年股本重整與二零一零年、二零一一年及二零一二年股本重組時所削減之已發行股本及註銷之股份溢價。根據百慕達公司法，本公司之實繳盈餘可予分派。然而如有下列情況，本公司不得以實繳盈餘宣派或派付股息或作出分派：

- (i) 其現時不能或於派付後將無力償還到期負債；或
- (ii) 其資產之可變現價值將因而低於其負債及其已發行股本與股份溢價賬項之總和。



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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt which includes amount due to a related party, and borrowing in notes 27 and 28, respectively and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt or reduction in capital.

### 32. 資本風險管理

本集團管理其資本，以確保本集團之實體將能夠繼續持續經營，同時透過將債務及權益結餘優化，為股東帶來最大回報。本集團之整體策略維持與往年相同。

本集團之資本架構包括債務（包括分別載於附註27及28之應付一名關連人士款項及借款）及本公司擁有人應佔權益（包括已發行股本及各項儲備）。

本公司董事定期審閱資本架構。作為此審閱工作之一部分，董事考慮資本成本及各資本類別之相關風險。本集團將根據董事提出之建議，透過發行新股份及發行新債項或贖回現有債項或削減資本，平衡其整體資本架構。

### 33. FINANCIAL INSTRUMENTS

#### a. Categories of financial instruments

#### Financial assets

Loans and receivables (including cash and cash equivalents)  
Financial assets at fair value through profit or loss  
– Investment held for trading  
Available-for-sale investment

#### 財務資產

貸款及應收款項  
(包括現金及現金等值項目)  
按公平值計入損益之財務資產  
– 持作買賣投資  
可供出售投資

#### Financial liabilities

Amortised cost

#### 財務負債

攤銷成本

### 33. 金融工具

#### a. 金融工具類別

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
		<b>75,425</b>	327,439
		–	52,768
		–	208
		<b>75,425</b>	380,415
		<b>241,176</b>	167,030

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FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### b. Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

##### Market risk

##### Foreign currency risk management

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in RMB, the functional currency of relevant group entities.

The Group is mainly exposed to the fluctuation of HK\$ and United States Dollars ("USD"), arising from foreign currency trade and other receivables, bank balances, cash and trade and other payables, amount due to a related party and borrowing.

### 33. 金融工具(續)

#### b. 財務風險管理目標及政策

本集團管理層透過內部風險報告(該報告按風險之程度及級別作分析)監控及管理有關本集團經營之財務風險。該等財務風險包括市場風險(包括外幣風險及利率風險)、信貸風險及流動資金風險。

本集團金融工具面臨之風險類型或其管理及計量風險之方式並無改變。

##### 市場風險

##### 外幣風險管理

本集團在香港及中國經營業務，其大部分交易均以相關集團實體之功能貨幣人民幣列值和結算。

本集團主要承受港幣及美金(「美金」)波動之風險，其來自以外幣計值的應收賬款及其他應收款項、銀行結餘及現金、應付賬款及其他應付款項、應付一名關聯人士款項及借款。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Foreign currency risk management (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

		Liabilities		Assets	
		負債	資產	負債	資產
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
HK\$	港幣	(126,727)	(10,046)	40,251	234,098
USD	美金	(77,660)	-	1,080	483

##### Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease RMB against the above foreign currencies. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. A (negative) positive number below indicates an (increase) decrease in loss where the above foreign currencies strengthen 5% (2016: 5%) against RMB. For a 5% (2016: 5%) weakening of the above foreign currencies against RMB, there would be an equal and opposite impact on the loss for the year.

### 33. 金融工具 (續)

#### b. 財務風險管理目標及政策 (續)

##### 市場風險 (續)

##### 外幣風險管理 (續)

本集團於報告期末以外幣列值之貨幣資產及貨幣負債之賬面值如下：

		Liabilities		Assets	
		負債	資產	負債	資產
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
HK\$	港幣	(126,727)	(10,046)	40,251	234,098
USD	美金	(77,660)	-	1,080	483

##### 敏感度分析

下表詳列本集團就人民幣兌上述外幣匯率上升及下降5% (二零一六年：5%) 之敏感度。5% (二零一六年：5%) 乃向主要管理人員就外匯風險作內部報告時採用之敏感度比率，代表管理層就外匯匯率可能出現之合理變動而作出之評估。下表中 (負數) 正數表示當上述外幣兌人民幣升值5% (二零一六年：5%) 時虧損之 (增加) 減少。倘上述外幣兌人民幣貶值5% (二零一六年：5%)，則會對本年度虧損構成同等幅度之相反效果。

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FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Foreign currency risk management (Continued)

##### Sensitivity analysis (Continued)

(Increase) decrease in loss for the year 本年度虧損(增加)減少

##### Interest rate risk management

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances because these balances carry interest at prevailing rates and they are of short maturity.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowing (note 28). The directors consider that the fair value risk in relation to the fixed-rate borrowing is insignificant as the borrowing has a short maturity period.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the interest rate risk should the need arise.

### 33. 金融工具(續)

#### b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 外幣風險管理(續)

##### 敏感度分析(續)

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	<b>(6,115)</b>	8,420

##### 利率風險管理

本集團亦承受與浮息銀行結餘相關之現金流量利率風險，因為該等結餘以現行利率計息及於短期內到期。

本集團亦承受與固定利率借款相關之公平值利率風險(附註28)。董事認為，鑒於借款的屆滿期限短暫，故與固定利率借款相關之公平值風險並不重大。

本集團目前並無任何與公平值及現金流量利率風險相關的利率對沖政策。董事持續監控本集團風險，並將於有需要時考慮對沖利率風險。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### Interest rate risk management (Continued)

##### Sensitivity analysis

Regarding the cash flow interest rate risk, the sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank deposits, the analysis is prepared assuming the amount of the relevant asset outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2016: 50 basis points) increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2016: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2017 would have decreased/increased by HK\$93,000 (2016: HK\$1,268,000).

##### Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

### 33. 金融工具 (續)

#### b. 財務風險管理目標及政策 (續)

##### 市場風險 (續)

##### 利率風險管理 (續)

##### 敏感度分析

就現金流量利率風險而言，下文敏感度分析乃根據於報告期末所承受之非衍生工具利率風險而釐定。就浮息銀行存款而言，分析乃假設於報告期末之相關資產金額於整個年度內均存在而作出。增加或減少50個基點（二零一六年：50個基點）代表管理層所評估利率可能出現之合理變動。

倘利率增加／減少50個基點（二零一六年：50個基點），而所有其他變數維持不變，本集團截至二零一七年十二月三十一日止年度之虧損將減少／增加港幣93,000元（二零一六年：港幣1,268,000元）。

##### 信貸風險

於二零一七年十二月三十一日，本集團所面臨之最高信貸風險（因交易對手未能履行責任，其將導致本集團財務虧損）來自綜合財務狀況報表所列之各個已確認財務資產之賬面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

### 33. FINANCIAL INSTRUMENTS (Continued)

#### b. Financial risk management objectives and policies (Continued)

##### Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 88% (2016: 93%) of the total trade receivables was due from the Group's largest customer.

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

### 33. 金融工具(續)

#### b. 財務風險管理目標及政策(續)

##### 信貸風險(續)

為將信貸風險降至最低，本集團管理層已委派一團隊負責釐定信貸限額、信貸批准及其他監察程序，以確保採取跟進行動以收回逾期債務。此外，本集團於報告期末檢討各個別債項之可收回金額，以確保就無法收回之金額計提足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大為降低。

由於應收本集團最大客戶之款項佔應收賬款總額的88% (二零一六年：93%)，本集團存在集中信貸風險。

##### 流動資金風險

於管理流動資金風險方面，本集團監察及維持現金及現金等值於管理層認為適當之水平，以便為本集團之營運提供資金及減輕現金流量波動之影響。

下表根據協定償還條款載列本集團財務負債之餘下合約到期日。就非衍生財務負債而言，下表乃基於本集團於可能被要求作出還款之最早日期按財務負債之未貼現現金流量編製而成。下表包括利息及本金之現金流量。倘利率為浮動利率，則未貼現金額乃按報告期末之利率計算。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 33. FINANCIAL INSTRUMENTS (Continued)

#### 33. 金融工具 (續)

##### b. Financial risk management objectives and policies (Continued)

##### b. 財務風險管理目標及政策 (續)

###### Liquidity risk (Continued)

###### 流動資金風險 (續)

###### Liquidity tables

###### 流動資金表

	Weighted average interest rate	On demand or less than 1 month 須應要求 或至少 一個月	1 - 3 months 一至 三個月	3 months to 1 year 三個月 至一年	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount at 31.12.2017 於二零一七年 十二月 三十一日 之賬面值
	加權 平均利率 %	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>2017</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables		43,676	-	-	43,676	43,676
Amount due to a related party		-	-	120,000	120,000	120,000
Borrowing	3.0	-	-	78,663	78,663	77,500
		<b>43,676</b>	<b>-</b>	<b>198,663</b>	<b>242,339</b>	<b>241,176</b>
<b>2016</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables		167,030	-	-	167,030	167,030

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 33. FINANCIAL INSTRUMENTS (Continued)

##### c. Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table gives information about how the fair values of these financial assets are determined (in particular the revaluation technique(s) and inputs used), as well as the level of the fair value hierarchy into which fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

#### 33. 金融工具(續)

##### c. 金融工具之公平值計量

設有標準條款及條件，並於活躍流動市場買賣之財務資產及財務負債之公平值，乃分別參考市場買入價及賣出價之報價釐定。

其他財務資產及財務負債之公平值乃採用普遍採納之定價模式根據貼現現金流量分析釐定。

下表列示如何釐定該等財務資產公平值(尤其是所使用之估值方法及輸入數據)之資料，以及公平值計量根據其輸入數據之可觀察程度而分類歸入的公平值架構級別(第一至第三級)。

- 第一級公平值計量的輸入數據，均源自相同資產或負債於活躍市場之報價(未經調整)。
- 第二級公平值計量的輸入數據，均源自第一級報價以外的其他可直接觀察(如：價格本身)或間接觀察(如：源自價格)之資產或負債數據。
- 第三級公平值計量的輸入數據均源自估值方法，其資產或負債的輸入數據並非基於可觀察市場數據(無法觀察輸入數據)。

本公司董事認為，按攤銷成本於綜合財務報表入賬的其他財務資產及財務負債之賬面值接近其公平值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 33. FINANCIAL INSTRUMENTS (Continued)

#### 33. 金融工具 (續)

##### d. Fair value measurements recognised in the consolidated statement of financial position

##### d. 於綜合財務狀況報表確認之公平價值計量

As at 31 December 2016

於二零一六年十二月三十一日

	Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Financial assets				
Fair value through profit or loss – Investments held for trading				
財務資產 按公平值計入 損益 – 持作 買賣投資	52,768	-	-	52,768

There were no transfers between Level 1, 2 and 3 in the current and prior years.

於本年度及過往年度，第一級、第二級及第三級之間概無轉撥。

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

#### 34. 來自融資活動之負債對賬

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

下表詳列本集團因融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債指現金流量或未來現金流量均於本集團綜合現金流量報表中分類為融資活動之現金流量之負債。

		Interest payable included in other payables 計入其他應付款項之應付利息 HK\$'000 港幣千元	Borrowing 借款 HK\$'000 港幣千元 (note 28) (附註28)	Amount due to a related party 應付一名 關連人士款項 HK\$'000 港幣千元 (note 27) (附註27)	Total 總計 HK\$'000 港幣千元
At 1 January 2017	於二零一七年 一月一日	-	-	-	-
Financing cash flows	融資現金流量	-	77,500	120,000	197,500
Interest expenses	利息開支	154	-	-	154
Exchange realignment	外匯調整	6	-	-	6
At 31 December 2017	於二零一七年 十二月三十一日	160	77,500	120,000	197,660

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 35. DISPOSAL OF SUBSIDIARIES

- (a) During the year ended 31 December 2016, the Company entered into a sale and purchase agreement with Hong Kong Bridge Investments Group Limited ("HKBI") for the disposal of the entire equity interest in Huge Allied Development Limited ("Huge Allied") and the shareholder's loan due by Huge Allied of approximately HK\$833,000 at a consideration of HK\$10,000. Huge Allied was inactive. The disposal was completed on 5 January 2016, on which date control of Huge Allied was passed to HKBI.

The net liabilities of Huge Allied at the date of disposal were as follows:

#### Analysis of assets and liabilities over which control was lost:

Other receivables	其他應收款項	820
Shareholder's loan	股東貸款	(833)
Net liabilities disposed of	所出售負債淨額	(13)

#### Consideration received:

Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	10
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#### 35. 出售附屬公司

- (a) 截至二零一六年十二月三十一日止年度，本公司與港橋投資集團有限公司（「港橋投資」）訂立買賣協議，內容有關出售Huge Allied Development Limited（「Huge Allied」）之全部股權及Huge Allied結欠之股東貸款約港幣833,000元，代價為港幣10,000元。Huge Allied現無經營業務。出售事項已於二零一六年一月五日完成，Huge Allied之控制權於該日轉予港橋投資。

於出售當日，Huge Allied之負債淨額如下：

#### 失去控制權之資產及負債分析：

	2016 二零一六年 HK\$'000 港幣千元
Other receivables	820
Shareholder's loan	(833)
Net liabilities disposed of	(13)

#### 所收取之代價：

	2016 二零一六年 HK\$'000 港幣千元
Consideration received in cash and cash equivalents	10

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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### 35. DISPOSAL OF SUBSIDIARIES (Continued)

(a) (Continued)

#### Gain on disposal of a subsidiary:

		2016 二零一六年 HK\$'000 港幣千元
Total consideration	總代價	10
Net liabilities disposed of	所出售負債淨額	13
Waiver of remaining liabilities	豁免餘下負債	(13)
Gain on disposal	出售之收益	10

#### Cash flow on disposal of a subsidiary:

		2016 二零一六年 HK\$'000 港幣千元
Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	10

### 35. 出售附屬公司 (續)

(a) (續)

#### 出售一間附屬公司之收益：

		2016 二零一六年 HK\$'000 港幣千元
總代價		10
所出售負債淨額		13
豁免餘下負債		(13)
出售之收益		10

#### 出售一間附屬公司產生之現金流量：

		2016 二零一六年 HK\$'000 港幣千元
以現金及現金等價物收取之代價		10

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### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 35. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) During the year ended 31 December 2016, the Company entered into a sale and purchase agreement with Kwong Chi Fai, Gorman ("Gorman") for the disposal of the entire equity interest in Asset Expert Limited, 21 Group Limited and Richy Fame International Limited ("Disposed Companies") at a consideration of approximately HK\$1,825,000. Disposed Companies were investment holding companies and their subsidiaries were inactive. The disposal was completed on 21 July 2016, on which date control of Disposed Companies was passed to Gorman.

The net assets of Disposed Companies and their subsidiaries at the date of disposal were as follows:

#### Analysis of assets and liabilities over which control was lost:

Property, plant and equipment	物業、廠房及設備	85
Trade and other receivables	應收賬款及其他應收款項	2,110
Cash and cash equivalents	現金及現金等價物	393
Trade and other payables	應付賬款及其他應付款項	(375)
Tax payable	應付稅項	(374)
Net assets disposed of	所出售資產淨額	1,839

#### Consideration received:

Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	1,825
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#### 35. 出售附屬公司 (續)

- (b) 截至二零一六年十二月三十一日止年度，本公司與鄺志輝（「鄺志輝」）訂立買賣協議，內容有關出售Asset Expert Limited、21控股有限公司及Richy Fame International Limited（「所出售公司」）之全部股權，代價約為港幣1,825,000元。所出售公司均為投資控股公司，其附屬公司並無業務。出售事項已於二零一六年七月二十一日完成，所出售公司的控制權亦於該日轉予鄺志輝。

於出售當日，所出售公司及其附屬公司之資產淨額如下：

#### 失去控制權之資產及負債分析：

	2016 二零一六年 HK\$'000 港幣千元
Property, plant and equipment	85
Trade and other receivables	2,110
Cash and cash equivalents	393
Trade and other payables	(375)
Tax payable	(374)
Net assets disposed of	1,839

#### 所收取之代價：

	2016 二零一六年 HK\$'000 港幣千元
Consideration received in cash and cash equivalents	1,825

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### 35. DISPOSAL OF SUBSIDIARIES (Continued)

(b) (Continued)

#### Gain on disposal of subsidiaries:

		2016 二零一六年 HK\$'000 港幣千元
Total consideration	總代價	1,825
Net assets disposed of	所出售資產淨額	(1,839)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiaries	於失去附屬公司之控制權時由權益重新分類至損益之附屬公司資產淨額產生之累計匯兌差額	801
Gain on disposal	出售之收益	787

#### Cash flow on disposal of subsidiaries:

		2016 二零一六年 HK\$'000 港幣千元
Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	1,825
Less: Cash and cash equivalents disposed of	減：所出售現金及現金等價物	(393)
Net cash inflow	現金流入淨額	1,432

### 35. 出售附屬公司(續)

(b) (續)

#### 出售附屬公司之收益：

		2016 二零一六年 HK\$'000 港幣千元
總代價		1,825
所出售資產淨額		(1,839)
於失去附屬公司之控制權時由權益重新分類至損益之附屬公司資產淨額產生之累計匯兌差額		801
出售之收益		787

#### 出售附屬公司產生之現金流量：

		2016 二零一六年 HK\$'000 港幣千元
以現金及現金等價物收取之代價		1,825
減：所出售現金及現金等價物		(393)
現金流入淨額		1,432

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#### 36. OPERATING LEASES

##### The Group as lessee

The Group made minimum lease payments paid under operating leases in respect of office premises, shops and photocopying machines of approximately HK\$14,953,000 (2016: HK\$13,629,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	16,203	15,899
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	3,954	18,338
		<b>20,157</b>	<b>34,237</b>

Leases are negotiated and rentals are fixed for lease terms of one to five years (2016: one to five years).

#### 36. 經營租賃

##### 本集團為承租人

本集團就辦公室物業、商舖及複印機根據經營租賃之最低租約付款為約港幣14,953,000元(二零一六年：港幣13,629,000元)。

於報告期末，本集團就不可撤銷之經營租賃於下列期間到期應付之未來最低租約付款承擔如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	16,203	15,899
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	3,954	18,338
		<b>20,157</b>	<b>34,237</b>

租期均按一至五年(二零一六年：一至五年)進行磋商且租金於租期內固定不變。

#### 37. COMMITMENTS

Commitments in respect of the acquisition and production of film and TV rights contracted for but not provided in the consolidated financial statements

就購買及製作電影及電視劇版權所作之承擔(已訂約而未於綜合財務報表撥備)

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
		<b>229,207</b>	<b>697,291</b>

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#### 38. SHARE OPTION SCHEME

Pursuant to the resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved the adoption of a share option scheme (the "Scheme"). The Scheme became valid and effective for a period of 10 years commencing on 20 June 2014. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who have made or may make contribution to the Group. The eligible participants of the Scheme include the Company's or its subsidiaries' directors, employees, and any business consultants, agents, financial or legal advisers and any other persons whom the board of directors of the Company (the "Board") may determine, at its sole discretion, will contribute or have contributed to the Group.

The share options may be exercised in accordance with the terms of the Scheme at any time within the period commencing from the date of grant of the share options and expiring on the date determined by the Company's directors, but in any event such exercise period shall not be more than 10 years from the date of grant of the share options. The amount payable on the acceptance of a share option is HK\$1 (or such other nominal sum in any currency as the board of directors of the Company may determine).

The exercise price of the share options shall be determined by the board of directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

#### 38. 購股權計劃

根據於二零一四年六月十七日舉行之股東週年大會上通過之決議案，本公司股東批准採納一項購股權計劃（「該計劃」）。該計劃自二零一四年六月二十日起有效及生效，為期十年。本公司設立該計劃，以激勵並獎勵已經或可能會對本集團作出貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之董事、僱員，以及任何業務顧問、代理人、財務或法律顧問及本公司董事會（「董事會」）可全權酌情認為對本集團將作出貢獻或已作出貢獻之任何其他人士。

購股權可自授出購股權之日起至本公司董事釐定之日止期間內隨時可根據該計劃的條款予以行使，惟該行使期間在任何情況下不得超過授出相關購股權之日起計十年。接納購股權應付金額為港幣1元（或本公司董事會可能釐定之以其他任何貨幣計值之象征性金額）。

購股權之行使價由本公司董事會釐定，惟不得低於以下之較高者：(i)本公司股份於授出日期（必須為營業日）在聯交所日報表所載之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所載之平均收市價；及(iii)本公司股份之面值。



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#### 38. SHARE OPTION SCHEME (Continued)

The maximum number of shares in the Company in respect of which the share options may be granted under the Scheme and any other share option schemes of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme by the Company's shareholders (the "Scheme Mandate Limit"), or, if such 10% limit is refreshed, as at the date of approval of the renewal of the Scheme Mandate Limit by the Company's shareholders. Notwithstanding the foregoing, the maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the Company's shares in issue from time to time.

The total number of shares of the Company already issued and to be issued upon exercise of all the share options granted to each participant in any 12-month period up to and including the date such new grant is not permitted to exceed 1% of the total number of the Company's shares in issue as at the date of such grant. Any further grant of share options in excess of this 1% limit shall be subject to the approval of the Company's shareholders in general meeting. Each grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates in excess of 0.1% of the Company's shares in issue and with an aggregate value in excess of HK\$5,000,000 in any 12-month period up to and including the date of such grant must be approved in advance by the Company's shareholders.

As at the date of this report, a total of 230,855,540 shares of the Company (representing approximately 8.34% of the total number of issued shares of the Company) are available for issue under the Scheme. No share options were granted under the Scheme during both years or outstanding as at 31 December 2017 and 2016.

#### 38. 購股權計劃 (續)

根據該計劃及本公司任何其他購股權計劃可能授出之購股權涉及之本公司股份總數不得超過本公司股東於批准該計劃當日本公司已發行股本的10% (「計劃授權限額」)，或倘該10%限額經已更新，則不得超過本公司股東於批准更新計劃授權限額當日本公司已發行股本的10%。無論上文載有任何規定，根據該計劃及本公司任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時可予發行之本公司股份總數不得超過本公司不時已發行股份的30%。

倘於截至及包括有關新授出日期止任何12個月期間，向每名參與者授出的所有購股權獲行使時所發行及將予發行之本公司股份總數不得超過於該授出日期本公司已發行股份總數的1%。任何進一步授出超過該1%限額之購股權，須獲本公司股東於股東大會上批准。倘於截至及包括有關授出日期止任何12個月期間，向本公司一名主要股東或一名獨立非執行董事或彼等各自之任何聯繫人士授出之購股權超過本公司已發行股份的0.1%及其價值總額超過港幣5,000,000元，必須獲得本公司股東事先批准。

於本報告日期，根據該計劃項下可予發行的本公司股份總數為230,855,540股 (佔本公司已發行股份總數約8.34%)。兩個年度概無根據該計劃授出購股權，於二零一七年及二零一六年十二月三十一日亦無購股權未獲行使。

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#### 39. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK\$1,500 or 5% of relevant payroll costs to the scheme monthly, in which such contribution is matched with each employee.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute 20% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

#### 39. 退休福利計劃

本集團為所有香港合資格僱員安排參與強制性公積金計劃。該計劃之資產與本集團資產分開持有，存放於託管人所控制之基金內。本集團按港幣1,500元或僱員相關薪金成本5%之較低者按月向該計劃作出供款，每名僱員亦作出等額供款。

本集團於中國附屬公司之僱員為中國政府運作之國家退休福利計劃成員。有關附屬公司須向該退休福利計劃供款以作為福利資金，供款額為工資成本之20%。就該退休福利計劃而言，本集團之唯一責任為作出指定供款。

#### 40. RELATED PARTY DISCLOSURES

##### (a) Related party transactions

During the year, the Group entered into the following transactions with related parties:

#### 40. 關連人士披露

##### (a) 與關連人士之交易

年內，本集團與關連人士訂立以下交易事項：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Film director's fee to Mr. Ning (note 20(a))	向寧先生支付電影導演費 (附註20(a))	18,639	-
Prepayment of film director's fee to Mr. Xu (note 19(i))	向徐先生預付之電影導演費 (附註19(i))	12,612	-
Film and TV rights investment income from 東陽映月 (note 6(b))	從東陽映月收取之電影及電視劇 版權投資收入(附註6(b))	-	5,073
Film and TV rights investment cost to 東陽映月 (note 6(b))	支付予東陽映月之電影及電視劇 版權投資成本(附註6(b))	-	13,723

These transactions constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules.

上述交易均構成上市規則第14A章的持續關連交易。

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#### 40. RELATED PARTY DISCLOSURES

(Continued)

##### (b) Related party balances

Details of the Group's outstanding balances with related parties are set out in notes 19(i) and 27.

##### (c) Compensation of key management personnel

The remuneration of directors who were considered as key management personnel of the Group during the year is as follows:

#### 40. 關連人士披露 (續)

##### (b) 與關連人士之結餘

本集團與關連人士之間的未結清結餘載於附註19(i)及27。

##### (c) 主要管理人員薪酬

年內被視為本集團主要管理人員之董事酬金如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Short-term benefits	短期福利	19,015	18,036
Post-employment benefits	退休福利	18	18
		<b>19,033</b>	<b>18,054</b>

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

董事及主要行政人員之酬金乃由薪酬委員會視乎個人表現及市場趨勢而釐定。

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### 41. EVENTS AFTER THE REPORTING PERIOD

- (a) In January 2018, the Group's wholly-owned subsidiary, Beijing Huan Sheng Xiao Yu Culture Media Company Limited ("北京歡聲笑語文化傳媒有限公司") entered into certain contractual arrangements (the "Contractual Arrangements") with Beijing Hua Hua Duo Duo Culture Company Limited ("北京花花朵朵文化有限公司" or the "Target") and its subsidiary ("北京漢高華網絡科技有限公司") (the Target and its subsidiary collectively the "Target Group"), and the Target's equity holders who are independent third party individuals in the PRC. The Target Group is principally involved in the movie production and distribution and provision of internet audio-visual programmes services in the PRC.

Pursuant to these agreements, the Group will provide a loan of RMB18,000,000 to the Target's equity holders and who will in turn inject the same amount to the Target as capital or shareholders' loans. No other purchase consideration is required to be paid by the Group.

By virtue of the contractual arrangements, the Group has obtained control over and derived economic benefits from the Target Group with effect from 19 January 2018.

Up to the date of the approval of these consolidated financial statements for issuance, the Directors are still assessing the fair values of the Target's assets and liabilities to be recognised at the date of acquisition.

### 41. 報告期後事項

- (a) 於二零一八年一月，本集團全資附屬公司北京歡聲笑語文化傳媒有限公司與北京花花朵朵文化有限公司(「目標公司」)及其附屬公司北京漢高華網絡科技有限公司(目標公司及其附屬公司統稱為「目標集團」)訂立若干合約安排(「合約安排」)。目標公司之股權持有人為中國獨立第三方人士。目標集團主要於中國從事電影製作及發行以及提供網絡視聽節目服務。

根據該等協議，本集團將向目標公司之股權持有人提供為數人民幣18,000,000元之貸款，而目標公司之股權持有人將向目標公司作出同等金額之注資，作為股本或股東貸款。本集團毋須支付其他購買代價。

憑藉合約安排，本集團自二零一八年一月十九日起已取得對目標集團之控制權及其產生之經濟利益。

截至該等綜合財務報表獲批准刊發日期，董事仍在評估目標公司將於收購日期確認之資產及負債之公平值。

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#### 41. EVENTS AFTER THE REPORTING PERIOD (Continued)

- (b) On 16 March 2018, the Company, entered into a loan agreement with Heroic Legend Ventures Limited, a company incorporated in the BVI and an independent third party, for a loan facility in the amount of USD6,330,000. The loan is unsecured, bears interest at 3% per annum and is repayable on the six months from the date on which the advance is made. Pursuant to the loan agreement, the Group drew down USD6,330,000 on 19 March 2018.
- (c) On 9 March 2018, the Company and Mr. Dong, the chairman and executive director of the Company, entered into a loan agreement for a loan facility in the amount of HK\$100,000,000. The loan facility is unsecured, interest free and is available for a period of one year from 9 March 2018. The loan is provided to the Group for the purpose of working capital or investments in film rights or production.
- (d) On 26 March 2018, the Company and an independent third party entered into a conditional agreement in respect of an offer for a guaranteed distribution income to be received by the Group at a minimum amount of RMB700,000,000 from the distribution of a film under production by the Group. Pursuant to the proposed arrangements, the Group will be entitled to a guaranteed minimum distribution income of RMB700,000,000 if the box office receipts from the related film is less than RMB2,800,000,000. The Group will be entitled to share 30% and the counter party will be entitled to share 70% of the distribution income to the extent that the box office receipts from the related film is greater than RMB2,800,000,000. Pursuant to this agreement, the Group received a deposit of RMB50,000,000 and it is refundable to the counterparty if the two parties could not reach a final agreement within 90 days from 26 March 2018.

#### 41. 報告期後事項 (續)

- (b) 於二零一八年三月十六日，本公司與 Heroic Legend Ventures Limited (於英屬處女群島註冊成立之公司，為獨立第三方) 就一筆為數美金6,330,000元之貸款融通訂立借款協議。該筆貸款為無抵押、按年利率3%計息及須於作出墊款之日起計六個月內償還。根據該借款協議，本集團於二零一八年三月十九日已提取美金6,330,000元。
- (c) 於二零一八年三月九日，本公司與本公司主席兼執行董事董先生就一筆為數港幣100,000,000元之貸款融通訂立借款協議。該筆貸款融通為無抵押、免息及可於自二零一八年三月九日起計一年期間內動用。向本集團提供之該筆貸款乃用作營運資金或電影版權或製作投資。
- (d) 於二零一八年三月二十六日，本公司與一名獨立第三方訂立有條件協議，內容有關本集團就發行一部本集團製作中之電影而將收取最低金額為人民幣700,000,000元之保證發行收入之要約。根據建議安排，倘有關電影之票房低於人民幣2,800,000,000元，則本集團將有權收取保證最低發行收入人民幣700,000,000元。倘有關電影之票房高於人民幣2,800,000,000元，屆時本集團及對手方將分別有權享有發行收入之30%及70%。根據此項協議，本集團已收取按金人民幣50,000,000元，倘訂約雙方未能於自二零一八年三月二十六日起計90日內達成最終協議，該筆按金將退還予對手方。

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#### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

#### 42. 本公司主要附屬公司詳情

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊/ 經營地點	Particulars of issued share capital 已發行股本詳情	Percentage of ownership interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			本公司持有 擁有權百分比		本公司所持 投票權比例		
			2017 二零一七年	2016 二零一六年	Directly 直接	Indirectly 間接	
Beijing Huan Sheng Xiao Yu Culture Media Company Limited <sup>(1) &amp; (2)</sup> 北京歡聲笑語文化傳媒有限公司 <sup>(1)及(2)</sup>	The PRC 中國	RMB80,201,750 registered capital 人民幣80,201,750元 註冊資本	100%	100%	-	100%	Film and TV right investments 電影及電視劇版權投資
Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited <sup>(1) &amp; (2)</sup> 歡歡喜喜(天津)文化投資有限公司 <sup>(1)及(2)</sup>	The PRC 中國	RMB100,000,000 registered capital 人民幣100,000,000元 註冊資本	100%	100%	-	100%	Film and TV right investments 電影及電視劇版權投資
Taizhou Huanxi Culture Investment Company Limited <sup>(1) &amp; (2)</sup> 台州歡喜文化投資有限公司 <sup>(1)及(2)</sup>	The PRC 中國	USD29,899,965 registered capital 美金29,899,965元 註冊資本	100%	-	-	100%	Film and TV right investments 電影及電視劇版權投資
Guangdong Sinofocus Media Limited <sup>(1) &amp; (2)</sup> 廣東中觀傳媒有限公司 <sup>(1)及(2)</sup>	The PRC 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	100%	100%	-	100%	Film and TV right investments 電影及電視劇版權投資
Gain Flow Developments Limited 順盈發展有限公司	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	-	100%	Online platform development 網絡平台發展
Power Thought Investments Limited 力思投資有限公司	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	-	100%	Film and TV right investments 電影及電視劇版權投資
HX Investment (HK) Limited 歡喜投資(香港)有限公司	Hong Kong 香港	HK\$1 ordinary share 港幣1元普通股	100%	100%	-	100%	Film and TV right investments 電影及電視劇版權投資
Wiz Limited 慧師有限公司	Hong Kong 香港	HK\$1 ordinary share 港幣1元普通股	100%	100%	100%	-	Provision of management services to the Group and securities trading and investments 向本集團提供管理服務以及證券買賣及投資

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

#### 42. 本公司主要附屬公司詳情 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊/ 經營地點	Particulars of issued share capital 已發行股本詳情	Percentage of ownership interest held by the Company 本公司持有 擁有權百分比		Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			2017	2016	Directly	Indirectly	
			二零一七年	二零一六年	直接	間接	
Graceful View Holdings Limited	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	-	100%	Investment holding 投資控股
Sinofocus Media (Holdings) Limited 中觀傳媒(控股)有限公司	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	100%	-	Investment holding and management 投資控股及管理
Huanxi Entertainment (HK) Limited 歡喜娛樂(香港)有限公司	Hong Kong 香港	HK\$10,000 ordinary shares 港幣10,000元普通股	100%	100%	-	100%	Investment holding 投資控股
Huanxi Media Investment Limited 歡喜影視投資有限公司	Hong Kong 香港	HK\$1 ordinary share 港幣1元普通股	100%	100%	-	100%	Investment holding 投資控股
Joyful Sky Holdings Limited 喜天控股有限公司	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	-	100%	Investment holding 投資控股
Mansford Holdings Limited	BVI/Hong Kong 英屬維爾京群島/ 香港	USD1 ordinary share 美金1元普通股	100%	100%	100%	-	Investment holding 投資控股
Kingbox Investments Limited	BVI/Hong Kong 英屬維爾京群島/ 香港	USD48,137 ordinary shares 美金48,137元普通股	100%	100%	100%	-	Investment holding 投資控股
Century 21 (HK) Group Limited 世紀21(香港)集團有限公司	Hong Kong 香港	HK\$1 ordinary share 港幣1元普通股	100%	100%	-	100%	Investment holding 投資控股

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2017 截至二零一七年十二月三十一日止年度

#### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

#### 42. 本公司主要附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ operation 註冊/ 經營地點	Particulars of issued share capital 已發行股本詳情	Percentage of ownership interest held by the Company 本公司持有 擁有權百分比		Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			2017	2016	Directly	Indirectly	
			二零一七年	二零一六年	直接	間接	
Century 21 Property Agency Limited 世紀21物業有限公司	Hong Kong 香港	HK\$2 ordinary shares 港幣2元普通股	100%	100%	-	100%	Provision of property agency and related services in Hong Kong 在香港提供物業代理及有關服務
Century 21 Surveyors Limited 世紀21測量行有限公司	Hong Kong 香港	HK\$100 ordinary shares 港幣100元普通股	100%	100%	-	100%	Provision of property project consulting and related services 提供物業項目諮詢及有關服務

(1) These subsidiaries are registered as wholly-owned foreign enterprises under the PRC Law.

(2) The English names of these PRC companies are translation of their respective Chinese names for information only and are not their official names.

The above table lists the subsidiaries of the Company as at 31 December 2017 and 2016 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the Company's subsidiaries had issued any debt securities at the end of both years.

(1) 該等附屬公司根據中國法例註冊為外商獨資企業。

(2) 該等中國公司之英文名稱分別為其中文名稱之譯名，僅供參考，並非其正式名稱。

上表所列本公司於二零一七年及二零一六年十二月三十一日之附屬公司，均為董事認為對本集團之業績或資產具有主要影響的公司。若繼續羅列其他附屬公司詳情，董事認為會導致篇幅過於冗長。

概無本公司的附屬公司於兩個年度結束時發行任何債務證券。

#### 43. CHANGE IN PRESENTATION OF COMPARATIVES

Certain comparative figures of the consolidated financial statements were reclassified to conform with the current year's presentation.

#### 43. 變更呈列比較數字

綜合財務報表內若干比較數字均已重新分類以符合本年度之呈列方式。







歡喜傳媒集團有限公司\*  
HJANXI MEDIA GROUP LIMITED

