



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

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

*Stock Code 股份代號 : 8368*

**第三季度報告 2018**  
**Third Quarterly Report**

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

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

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

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

### **香港聯合交易所有限公司 (「聯交所」) GEM (「GEM」) 的特色**

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

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

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

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 30 September 2018, together with the unaudited comparative figures for the corresponding periods in 2017, as follows:

本公司之董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱為「本集團」)截至二零一八年九月三十日止三個月及九個月之未經審核簡明綜合業績連同二零一七年同期之未經審核比較數字如下：

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT 未經審核簡明綜合損益表

For the three months and nine months ended 30 September 2018  
截至二零一八年九月三十日止三個月及九個月

		Notes 附註	Three months ended 30 September 截至九月三十日止三個月		Nine months ended 30 September 截至九月三十日止九個月	
			2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Turnover	營業額	3	9,029	12,013	16,773	18,298
Direct costs	直接成本		(13,993)	(17,606)	(55,705)	(43,676)
Gross loss	毛損		(4,964)	(5,593)	(38,932)	(25,378)
Other revenue	其他收益		4	18	93	117
Other gains and losses	其他收益及虧損		(71)	2,813	491	3,196
Selling and distribution costs	銷售及分銷成本		(4,018)	(3,561)	(11,056)	(11,977)
Administrative expenses	行政開支		(6,698)	(8,418)	(18,645)	(22,428)
Loss before income tax	除所得稅前虧損		(15,747)	(14,741)	(68,049)	(56,470)
Income tax credit	所得稅抵免	4	56	56	167	167
Loss for the period	期內虧損		(15,691)	(14,685)	(67,882)	(56,303)
<b>Attributable to:</b>	<b>應佔：</b>					
Owners of the Company	本公司擁有人		(13,780)	(12,595)	(62,604)	(51,058)
Non-controlling interests	非控股權益		(1,911)	(2,090)	(5,278)	(5,245)
			(15,691)	(14,685)	(67,882)	(56,303)
Loss per share:	每股虧損					
- Basic and diluted (RMB cents)	- 基本及攤薄(人民幣分)	6	(0.9680)	(0.8950)	(4.3979)	(3.6606)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 未經審核簡明綜合全面收益表

For the three months and nine months ended 30 September 2018  
截至二零一八年九月三十日止三個月及九個月

		Three months ended 30 September		Nine months ended 30 September	
		截至九月三十日止三個月		截至九月三十日止九個月	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Loss for the period	期內虧損	(15,691)	(14,685)	(67,882)	(56,303)
<b>Other comprehensive income for the period, net of tax:</b>	<b>期內其他全面收益，扣除稅項：</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>				
Currency translation differences	外幣折算差額	(159)	-	(159)	-
Total comprehensive loss for the period	期內全面虧損總額	(15,850)	(14,685)	(68,041)	(56,303)
<b>Attributable to:</b>	<b>應佔：</b>				
Owners of the Company	本公司擁有人	(13,924)	(12,595)	(62,748)	(51,058)
Non-controlling interests	非控股權益	(1,926)	(2,096)	(5,293)	(5,245)
		(15,850)	(14,685)	(68,041)	(56,303)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 未經審核簡明綜合權益變動表

For the nine months ended 30 September 2018  
截至二零一八年九月三十日止九個月

		Reserves 儲備					Equity attributable			Total 總計
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	to the owners of the Company 本公司 擁有人 應佔權益 RMB'000 人民幣千元	Non- controlling interests 非控股權益 RMB'000 人民幣千元	
Balance at 1 January 2018 (audited)	於二零一八年一月一日 的結餘(已審核)	11,788	158,096	5,362	9,300	-	(82,149)	102,397	3,179	105,576
Disposal of partial interest in a subsidiary	出售一間附屬公司股份 權益	-	-	-	-	-	10,827	10,827	7,173	18,000
Transaction with owners	與擁有人進行的交易	-	-	-	-	-	10,827	10,827	7,173	18,000
Loss for the period	期內虧損	-	-	-	-	-	(82,604)	(82,604)	(5,278)	(67,882)
Other comprehensive income for the period, net of tax	期內其他全面收益， 扣除稅項：	-	-	-	-	-	-	-	-	-
Currency translation difference	外幣折算差額	-	-	-	-	(144)	-	(144)	(15)	(159)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(144)	(82,604)	(82,748)	(5,293)	(88,041)
Balance at 30 September 2018 (unaudited)	於二零一八年九月三十日 的結餘(未經審核)	11,788	158,096	5,362	9,300	(144)	(133,926)	50,476	5,059	55,535
Balance at 1 January 2017 (audited)	於二零一七年一月一日 的結餘(已審核)	9,884	112,313	5,362	9,300	-	(7,922)	128,937	9,682	138,619
Issue of shares under placing (note 6(i))	根據配售發行股份(附註6(i))	1,767	43,183	-	-	-	-	44,950	-	44,950
Acquisition of additional interests in a subsidiary	收購一家附屬公司 之額外權益	-	-	-	-	-	(746)	(746)	(4)	(750)
Transaction with owners	與擁有人進行的交易	1,767	43,183	-	-	-	(746)	44,204	(4)	44,200
Loss and total comprehensive loss for the period	期內虧損及全面虧損總額	-	-	-	-	-	(51,058)	(51,058)	(5,245)	(56,303)
Balance at 30 September 2017 (unaudited)	於二零一七年九月三十日 的結餘(未經審核)	11,651	155,496	5,362	9,300	-	(59,726)	122,083	4,433	126,516

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 未經審核簡明綜合財務報表附註

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 1 November 2013. The address of its registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business is located at Building C9-A, Universal Creative Park, 9 Jiuxianqiao North Road, Chaoyang District, Beijing, the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the provision of program production services, event organisation services, mobile live broadcasting and e-commerce services; entertainment contents on demand system services and artist management.

### 2. BASIS OF PRESENTATION

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

### 1. 公司資料

本公司乃於二零一三年十一月一日在開曼群島註冊成立的有限公司。註冊辦事處地址為Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其主要業務地址位於中華人民共和國(「中國」)北京朝陽區酒仙橋北路9號恒通國際創新園C9樓A座。

本公司主要活動為投資控股，而其附屬公司主要從事提供節目製作服務、活動籌辦服務、移動直播及電商服務、娛樂內容付費點播系統服務及經營藝人經紀業務。

### 2. 呈列基準

未經審核簡明綜合財務業績已根據所有適用香港會計師公會頒佈的香港財務報告準則、香港會計準則詮釋(以下統稱為「香港財務報告準則」)及香港公司條例之披露規定而編製。

## 2. BASIS OF PRESENTATION (CONTINUED)

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

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

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

The accounting policies applied in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2017, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the period under review. The adoption of these new or revised HKFRSs had no change in significant accounting policies and no significant effect on the financial results of the current period. Also, no prior period adjustment is required.

## 2. 呈列基準 (續)

此外，未經審核簡明綜合財務報表亦載列 GEM 上市規則所規定之適用披露事項。

未經審核簡明綜合業績已按歷史成本的基準編製。

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

編製未經審核簡明綜合業績所應用之會計政策與編製本集團截至二零一七年十二月三十一日止年度之年度綜合財務報表時所採納者一致，惟本集團已採納多項於回顧期內新生效之新訂或經修訂香港財務報告準則。採納該等新訂或經修訂香港財務報告準則毋須對重要會計政策作出變更及對本期間的財務業績並無重大影響。同時，毋須對過往期間作出調整。

## 2. BASIS OF PRESENTATION (CONTINUED)

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

The unaudited condensed consolidated results have not been reviewed nor audited by the Company's auditor, but have been reviewed by the audit committee of the Board.

## 2. 呈列基準 (續)

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

未經審核簡明綜合業績並未經本公司核數師審閱及審核，惟已由董事會之審核委員會審閱。



### 3. TURNOVER

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

### 3. 營業額

本集團營業額指(i)節目製作及相關服務；(ii)活動籌辦及相關服務；(iii)移動直播及電商及相關服務；(iv)娛樂內容付費系統及相關服務；及(v)藝人經紀業務產生之相關收益。於期內在營業額確認的各主要收益類別的款額如下：

	Three months ended 30 September		Nine months ended 30 September		
	截至九月三十日止三個月		截至九月三十日止九個月		
	2018	2017	2018	2017	
	二零一八年	二零一七年	二零一八年	二零一七年	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
Program production and related income	節目製作及相關收入	-	477	-	2,928
Event organisation and related income	活動籌辦及相關收入	7,681	-	12,760	1,382
Mobile live broadcasting and e-commerce and related income	移動直播及電商及相關收入	-	11,348	1,142	11,498
Entertainment contents on demand system and related income	娛樂內容付費點播系統及相關收入	1,270	188	2,793	2,490
Artist management and related income	藝人經紀業務相關收入	78	-	78	-
		<b>9,029</b>	12,013	<b>16,773</b>	18,298

#### 4. INCOME TAX CREDIT

		Three months ended 30 September		Nine months ended 30 September	
		截至九月三十日止三個月		截至九月三十日止九個月	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Current tax – Hong Kong	即期稅項 – 香港				
– provision for the period	– 期內撥備	-	-	-	-
Current tax – the PRC	即期稅項 – 中國				
– provision for the period	– 期內撥備	-	-	-	-
Deferred tax	遞延稅項	56	56	167	167
Income tax credit	所得稅抵免	56	56	167	167

Hong Kong profits tax is calculated at 16.5% (for the nine months ended 30 September 2017: 16.5%) on the estimated assessable profits of the subsidiaries incorporated in Hong Kong for the period. PRC enterprise income tax is calculated at 25% (for the nine months ended 30 September 2017: 25%) on the estimated assessable profits of the subsidiaries incorporated in the PRC for the period.

#### 5. DIVIDEND

The directors do not recommend the payment of any dividend for the three and nine months ended 30 September 2018 (for the three and nine months ended 30 September 2017: Nil).

#### 4. 所得稅抵免

		Three months ended 30 September		Nine months ended 30 September	
		截至九月三十日止三個月		截至九月三十日止九個月	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Current tax – Hong Kong	即期稅項 – 香港				
– provision for the period	– 期內撥備	-	-	-	-
Current tax – the PRC	即期稅項 – 中國				
– provision for the period	– 期內撥備	-	-	-	-
Deferred tax	遞延稅項	56	56	167	167
Income tax credit	所得稅抵免	56	56	167	167

香港利得稅以期內於香港註冊成立之附屬公司之估計應課稅溢利按16.5% (截至二零一七年九月三十日止九個月：16.5%) 計算。中國企業所得稅乃以期內於中國註冊成立之附屬公司之估計應課稅溢利按25% (截至二零一七年九月三十日止九個月：25%) 計算。

#### 5. 股息

董事不建議就截至二零一八年九月三十日止三個月及九個月派發任何股息 (截至二零一七年九月三十日止三個月及九個月：無)。

## 6. LOSS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	截至九月三十日止三個月 2018	2017	截至九月三十日止九個月 2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Loss	虧損			
Loss for the purposes of basic loss per share	就每股基本虧損而言之虧損			
	<b>(13,780)</b>	(12,595)	<b>(62,604)</b>	(51,058)

	Three months ended 30 September		Nine months ended 30 September	
	截至九月三十日止三個月 2018	2017	截至九月三十日止九個月 2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	'000	'000	'000	'000
	千股	千股	千股	千股
Number of shares	股份數目			
Issued ordinary shares at beginning of period	於期初的已發行普通股			
	<b>1,423,513</b>	1,423,513	<b>1,423,513</b>	1,223,513
Less: Consideration shares which are subject to adjustment (note (i))	減：可予調整的代價股份(附註(i))			
	-	(16,267)	-	(16,267)
	<b>1,423,513</b>	1,407,246	<b>1,423,513</b>	1,207,246
Effect of issuance of shares under placing (note (ii))	根據配售發行股份之影響(附註(ii))			
	-	-	-	187,546
Weighted average number of ordinary shares (note (iii))	普通股加權平均數(附註(iii))			
	<b>1,423,513</b>	1,407,246	<b>1,423,513</b>	1,394,792

## 6. 每股虧損

本公司普通股權持有人應佔每股基本及攤薄虧損乃根據以下數據計算：

	Three months ended 30 September		Nine months ended 30 September	
	截至九月三十日止三個月 2018	2017	截至九月三十日止九個月 2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Loss	虧損			
Loss for the purposes of basic loss per share	就每股基本虧損而言之虧損			
	<b>(13,780)</b>	(12,595)	<b>(62,604)</b>	(51,058)

	Three months ended 30 September		Nine months ended 30 September	
	截至九月三十日止三個月 2018	2017	截至九月三十日止九個月 2018	2017
	二零一八年	二零一七年	二零一八年	二零一七年
	'000	'000	'000	'000
	千股	千股	千股	千股
Number of shares	股份數目			
Issued ordinary shares at beginning of period	於期初的已發行普通股			
	<b>1,423,513</b>	1,423,513	<b>1,423,513</b>	1,223,513
Less: Consideration shares which are subject to adjustment (note (i))	減：可予調整的代價股份(附註(i))			
	-	(16,267)	-	(16,267)
	<b>1,423,513</b>	1,407,246	<b>1,423,513</b>	1,207,246
Effect of issuance of shares under placing (note (ii))	根據配售發行股份之影響(附註(ii))			
	-	-	-	187,546
Weighted average number of ordinary shares (note (iii))	普通股加權平均數(附註(iii))			
	<b>1,423,513</b>	1,407,246	<b>1,423,513</b>	1,394,792

## 6. LOSS PER SHARE (CONTINUED)

Notes:

- (i) Included in the shares issued on 15 November 2016 for acquisition of Capital Land Digital Entertainment Co., Ltd. ("Capital Land") were 16,266,667 shares (the "Consideration Shares") which are subject to lock-up and dealing restrictions and adjustments pursuant to certain financial performance targets (the "Performance Targets") of Capital Land. The Consideration Shares were classified as financial liabilities and deemed have not yet been issued until the date when the relevant restrictions are released. Capital Land failed to meet the Performance Targets for the year ended 30 September 2017 and the Consideration Shares were recalled by the Company and all sold to an independent third party at a price of HK\$0.199 per share for cash on 19 December 2017. Details of the Performance Targets and the recall of the Consideration Shares can reference to the note 24 of the consolidated financial statements for the year ended 31 December 2017 in the Company's annual report 2017 dated 22 February 2018 ("Annual Report 2017").
- (ii) On 18 January 2017, the Company had completed the placing of 200,000,000 new ordinary shares of the Company (with aggregate nominal value of HK\$2,000,000) (the "Placing Share(s)") to not less than six placees at the placing price of HK\$0.265 (the "Placing Price") per Placing Share (the "2017 Placing"). The Placing Price was agreed with the placing agent in the placing agreement dated 13 December 2016 and the closing price quoted on the Stock Exchange per ordinary share of the Company as at that date was HK\$0.295. The gross proceeds from the 2017 Placing is HK\$53,000,000 and the net proceeds is approximately HK\$50,700,000 after deducting the placing commission and other related expenses. The net issue price was approximately HK\$0.25 per Placing Share. Each of the placees and its ultimate beneficial owners (where applicable) is an independent third party and none of the placees has become a substantial shareholder (as defined in the GEM Listing Rules) after the completion of the 2017 Placing. The Group intends to use the net proceeds from the 2017 Placing for the general working capital. The 2017 Placing was a good opportunity to raise additional funds as working capital of the Group without any interest burden and can broaden the Company's capital base and shareholders base. As at 30 June 2018, the Group had utilised the entire net proceeds from 2017 Placing for the general working capital.
- (iii) Diluted loss per share was the same as basic loss per share as there were no potential dilutive ordinary shares outstanding for the three and nine months ended 30 September 2018 and 2017.

## 6. 每股虧損 (續)

附註：

- (i) 為收購京江南數娛(北京)科技有限公司(「京江南」)而於二零一六年十一月十五日發行之股份包括16,266,667股被遭禁售及買賣限制和根據若干京江南的財務表現目標(「財務表現目標」)而可予調整收回之股份(「代價股份」)。代價股份分類為金融負債及乃視作為未發行，直至相關限制解除日期為止。於截至二零一七年九月三十日止年度，京江南未能滿足財務表現目標。於二零一七年十二月十九日，代價股份已由本公司收回，並按每股0.199港元的價格全部售予獨立第三方以換取現金。有關財務表現目標及收回代價股份之詳細敘述可參考本公司日期為二零一八年二月二十二日之二零一七年年報(「二零一七年年報」)內的截至二零一七年十二月三十一日止年度綜合財務報表附註24。
- (ii) 於二零一七年一月十八日，本公司完成了按0.265港元的配售價(「配售價」)配售200,000,000股總面值為2,000,000港元的本公司新普通股(「配售股份」)予不少於六名承配人(「二零一七配售價事項」)。配售價已於日期為二零一六年十二月十三日之配售協議與配售代理協商確定，該日本公司普通股在聯交所所報之收市價為0.295港元。二零一七配售價事項之所得款項總額為53,000,000港元，經扣除配售佣金及其他相關開支後，配售價事項之所得款項淨額約為50,700,000港元。每股配售股份的淨發行價約0.25港元。各承配人及其最終實益擁有人(倘適用)為獨立第三方，並於完成交易後，概無承配人成為主要股東(定義見GEM上市規則)。本集團擬將二零一七配售價事項所得款項淨額用於一般營運資金。二零一七配售價事項乃籌集額外資金用作本集團營運資金的良機，而且不會產生任何利息負擔及可以擴大本公司之資本基礎及股東基礎。於二零一八年六月三十日，本集團已動用了全部的二零一七配售價事項所得款項淨額於一般營運資金。
- (iii) 每股攤薄虧損與每股基本虧損相同，因截至二零一八年及二零一七年九月三十日止三個月及九個月均無發行在外之潛在攤薄普通股。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Turnover

Turnover for the nine months ended 30 September 2018 amounted to approximately RMB16.8 million, representing a decrease of approximately 8.3% as compared to that recorded for the corresponding period in 2017 of approximately RMB18.3 million. The decrease in turnover mainly because “Great Star”, the mobile live broadcasting platform of the Group, provided production services of online entertainment videos and recorded revenue of approximately RMB11.3 million during the nine months ended 30 September 2017 while there was no such production services provided by “Great Star” during the nine months ended 30 September 2018.

As compared to the nine months ended 30 September 2017, the turnover from event organisation for the nine months ended 30 September 2018 was significantly increased from approximately RMB1.4 million to approximately RMB12.8 million, which was mainly due to the Group had organised several concerts in Hong Kong and Southeast Asia during the period.

#### 財務回顧

#### 營業額

截至二零一八年九月三十日止九個月錄得約人民幣16.8百萬元之營業額，較截至二零一七年同期的約人民幣18.3百萬元減少約8.3%。營業額減少主要因為於截至二零一七年九月三十日止九個月本集團旗下的移動直播平台「全聚星」提供了有關線上娛樂內容視頻的製作服務並錄得約人民幣11.3百萬元的收入，而於截至二零一八年九月三十日止九個月「全聚星」並沒有提供過此等的服務。

與截至二零一七年九月三十日止九個月比較，截至二零一八年九月三十日止九個月來自活動籌辦的營業額由約人民幣1.4百萬元大幅增加至約人民幣12.8百萬元，其主要原因為本集團於期內籌辦了數個於香港及東南亞地區舉行的演唱會。

## FINANCIAL REVIEW (CONTINUED)

### Turnover (Continued)

Furthermore, the coverage of “Fengtingxun” (the entertainment contents on demand system operated by the Group) is continuously improving. During the nine months ended 30 September 2018, the Group recorded turnover of approximately of RMB2.8 million from entertainment contents on demand system business. During the nine months ended 30 September 2017, Fengtingxun had provided “one-stop” service to a customer for the integration business plan for the entertainment on demand business and recorded revenue of approximately RMB1.9 million. There are no such “one-off” income recorded during the nine months ended 30 September 2018. If this “one-off” service income was not considered, the turnover from the entertainment contents on demand system business was actually increased by approximately RMB2.2 million as compared to the corresponding period in 2017.

On the other hand, as the Group did not provide any production services for recurring programs during the nine months ended 30 September 2018 as compared to the corresponding period in last year, therefore no turnover from program production had been recognised during the nine months ended 30 September 2018.

### Gross loss

The gross loss for the nine months ended 30 September 2018 amounted to approximately RMB38.9 million, which had been increased by approximately 53.4% as compared to that recorded for the nine months ended 30 September 2017 of approximately RMB25.4 million. The increase in gross loss is mainly due to the higher content production costs recognised for the mobile live broadcasting and e-commerce business as compared to the corresponding period in 2017.

## 財務回顧(續)

### 營業額(續)

除此之外,「風霆迅」(本集團旗下娛樂內容付費點播系統)之覆蓋率亦正不斷增加。截至二零一八年九月三十日止九個月,本集團在娛樂內容付費點播系統業務錄得了約人民幣2.8百萬元的營業額。於截至二零一七年九月三十日止九個月,「風霆迅」為一名客戶提供了一站式的娛樂點播業務整合方案服務,並錄得了約人民幣1.9百萬元的收入。截至二零一八年九月三十日止九個月,本集團並沒有類似的一次性收入。若不考慮此一次性的服務收入,來自娛樂內容付費點播系統業務之營業額實際上較二零一七年同期增加了約人民幣2.2百萬元。

另一方面,由於本集團於截至二零一八年九月三十日止九個月未有提供去年同期有提供的常規節目製作服務,因此於截至二零一八年九月三十日止九個月未有確認節目製作的相關營業額。

### 毛損

截至二零一八年九月三十日止九個月錄得約人民幣38.9百萬元之毛損,較截至二零一七年九月三十日止九個月的約人民幣25.4百萬元增加約53.4%。毛損增加的主要原因為截至二零一八年九月三十日止九個月有關移動直播及電商業務確認的內容製作成本較二零一七年同期為高。

## FINANCIAL REVIEW (CONTINUED)

### Expenses

Selling and distribution costs for the nine months ended 30 September 2018 was approximately RMB11.1 million, representing a slight decrease of approximately RMB0.9 million as compared to the corresponding period in 2017. The selling and distribution costs incurred for the nine months ended 30 September 2018 were mainly for the promotion for the mobile live broadcasting and e-commerce business and entertainment contents on demand system business. As "Great Star" and "Fengtingxun" has established certain popularities after active promotions during the last year, thus the promotion cost for them were slightly lower than the corresponding period in last year.

Administrative expenses for the nine months ended 30 September 2018 amounted to approximately RMB18.6 million (nine months ended 30 September 2017: approximately RMB22.4 million), which was decreased by approximately 16.9% as compared to the corresponding period in 2017 which was mainly due to the decrease in staff costs for general administrative staffs.

### Income tax credit

The Group had an income tax credit for the nine months ended 30 September 2018 of approximately RMB167,000, which is same as that recorded for nine months ended 30 September 2017 and was also due to the deferred tax. There are no provision of Hong Kong profits tax and PRC enterprise income tax for the nine months ended 30 September 2018 and 2017 as no subsidiaries of the Company located in Hong Kong and the PRC have recorded taxable profit during both periods. PRC enterprise income tax for the subsidiaries incorporated in the PRC and Hong Kong profits tax for the subsidiaries incorporated in Hong Kong is calculated at 25% and 16.5% respectively on taxable profit of relevant period in accordance with the relevant laws and regulations.

## 財務回顧(續)

### 開支

截至二零一八年九月三十日止九個月，銷售及分銷成本約為人民幣11.1百萬元，較二零一七年同期輕微減少約人民幣0.9百萬元。截至二零一八年九月三十日止九個月產生的銷售及分銷成本主要為移動直播及電商業務及娛樂內容付費點播系統業務的推廣。由於「全聚星」及「風霆迅」在去年的積極推廣下已建立一定的知名度，因此其推廣的成本較去年同期輕微減少。

截至二零一八年九月三十日止九個月的行政開支約人民幣18.6百萬元(截至二零一七年九月三十日止九個月：人民幣22.4百萬元)，較二零一七年同期減少約16.9%。這主要因為一般行政人員的員工成本減少。

### 所得稅抵免

本集團於截至二零一八年九月三十日止九個月錄得所得稅抵免約為人民幣167,000元，跟截至二零一七年九月三十日止九個月相同，並同樣來自遞延稅項。由於沒有本公司位於香港及中國的附屬公司錄得應課稅溢利，因此截至二零一八年及二零一七年九月三十日止九個月均無任何香港利得稅及中國企業所得稅的撥備。於中國註冊成立的附屬公司的中國企業所得稅及於香港註冊成立的附屬公司的香港利得稅乃根據相關法律及法規按有關期間之應課稅溢利分別按25%及16.5%計算。

## FINANCIAL REVIEW (CONTINUED)

### Loss for the period

Loss for the nine months ended 30 September 2018 was approximately RMB67.9 million (nine months ended 30 September 2017: RMB56.3 million). The increase in net loss after tax was mainly due to the higher content production costs recognised for the mobile live broadcasting and e-commerce business as compared to the corresponding period in 2017 as mentioned in the paragraph headed "Gross loss" above.

## BUSINESS REVIEW

The Group is principally engaged in the businesses of (i) program production, (ii) event organisation, (iii) mobile live broadcasting and e-commerce; (iv) entertainment contents on demand system and (v) artist management.

For the event organisation business, the Group had provided organisation services for a commercial event and organised certain concerts in Taiwan, Hong Kong and Malaysia during the nine months ended 30 September 2018. In this case, the Group recorded turnover of approximately RMB12.8 million from the event organisation segment, which represented an increase of more than 8 times as compared to the corresponding period of last year. The reason of such significantly increase is the Group started to organise number of concerts and recognised relevant income since the second half of current year.

The Company and Asia Media Holdings Limited\* ("Asia Media") entered into a three-year cooperation agreement (the "Cooperation Agreement"). Pursuant to the Cooperation Agreement, the Company and Asia Media shall jointly cultivate the development of performance event projects and form the production teams for such performance events. According to the terms of the Cooperation Agreement, the Company and Asia Media agreed to organise performance events of certain famous Korean artists in Taiwan, Macau, Hong Kong and Southeast Asia. Details of the Cooperation Agreement can be referred to the Company's announcements dated 25 April 2018.

\* For identification only

## 財務回顧(續)

### 期內虧損

截至二零一八年九月三十日止九個月的期內虧損約人民幣67.9百萬元(截至二零一七年九月三十日止九個月:人民幣56.3百萬元)。除稅後淨虧損增加的原因如以上「毛損」一段所述,主要由於有關移動直播及電商業務確認的內容製作成本較二零一七年同期為高。

### 業務回顧

本集團主要在從事(i)節目製作、(ii)活動籌辦、(iii)移動直播及電商、(iv)娛樂內容付費點播系統及(v)藝人經紀業務。

活動籌辦業務方面,本集團於截至二零一八年九月三十日止九個月為客戶提供了商業活動的籌辦服務及籌辦了一些在台灣、香港及馬來西亞舉行的演唱會,令活動籌辦分部錄得了約人民幣12.8百萬元的營業額,較去年同期增加超過8倍。該大幅增加的原因是本集團於本年度下半年開始籌辦數個演唱會並錄得了相關的收入。

本公司與亞士影業股份有限公司(「亞士影業」)已訂立一項為期三年的合作協議(「合作協議」)。根據合作協議,本公司及亞士影業將共同開發演出活動的項目,並共同組建製作演出活動的團隊。本公司及亞士影業已同意將就多位著名韓國藝人於台灣、澳門、香港及東南亞地區進行的演出活動展開合作。有關合作協議之詳細敘述可參考本公司日期為二零一八年四月二十五日之公告。



## BUSINESS REVIEW (CONTINUED)

For the nine months ended 30 September 2018, the Group had already organised several concerts in Hong Kong and Southeast Asia, including “2018 BEST OF THE BEST IN TAIPEI” held in Taiwan, “2018 SEVENTEEN CONCERT ‘IDEAL CUT’ IN HONG KONG”, “NU’EST W CONCERT DOUBLE U-ENCORE IN HONG KONG” held in Hong Kong and “2018 APINK ASIA TOUR IN MALAYSIA” held in Malaysia. Many famous Korean artists had performed in the above concerts, namely Taeyeon, BTOB, SEVENTEEN, NU’EST W and APINK etc.. The above concerts was held successfully with warm response, which established a great start for the Group to enter into the concert market in Southeast Asia.

The Korean entertainment industrial model has been the main stream of the culture and entertainment market in the Asia region and creates significant impacts to the global culture and entertainment market. The culture of Korean artist performance events has been drawing high audiences’ attention, it stimulates the development and brings economic benefits to the entire culture of the entertainment market in the Asia region. Based on this trend and the Group’s performance of concert organisation during the nine months ended 30 September 2018, the Group believes the organisation of the Korean artist’s concerts and events would be the new growth point of the Group’s business.

## 業務回顧(續)

於截至二零一八年九月三十日止九個月，本集團已經籌辦了數個於香港及東南亞地區舉行的演唱會，包括在台灣舉行的「2018 BEST OF THE BEST IN TAIPEI」、在香港舉行的「2018 SEVENTEEN CONCERT ‘IDEAL CUT’ IN HONG KONG」、 「NU’EST W CONCERT DOUBLE U-ENCORE IN HONG KONG」及在馬來西亞舉行的「2018 APINK ASIA TOUR IN MALAYSIA」。在以上演唱會演出的均為著名的韓國藝人及樂團，包括太妍、BTOB、SEVENTEEN、NU’EST W及APINK等。以上演唱會均成功地舉行，並且反應熱烈，為本集團進軍東南亞的演唱會市場建立了一個好的開始。

近年來，韓國的娛樂產業模式成為了亞洲地區文化娛樂市場的主流，甚至全世界的文化娛樂市場亦有相當大的影響。大部分韓國藝人的演出活動都甚受觀眾注目，因此韓國的文化亦刺激著整個亞洲地區的文化娛樂市場的發展及經濟效益。基於這個趨勢及本集團在截至二零一八年九月三十日止九個月於演唱會籌辦的表現，本集團相信籌辦韓國藝人的演唱會及活動將會是本集團業務的一個新增長點。

## BUSINESS REVIEW (CONTINUED)

For the mobile live broadcasting and e-commerce business, as mentioned in Annual Report 2017, the Group continues to develop our unique business model of “entertainment contents + social media + e-commerce” and can help “Great Star” to promote through the strong penetration of mobile internet and social media. Although the Group cannot drastically realise the potential revenue from this business model in short-term, the Group believes that the development plan has great potential. In the highly competitive PRC e-commerce market, the Group is still continuing to optimise “Great Star” to cater the demand of the market and aims for establishing a good market position for “Great Star”. Therefore, there are still no significant turnover had been recognised from this business model yet. However, our online platform team provided the promotion service to a customer and generated turnover of approximately RMB1.1 million during the nine months ended 30 September 2018. On the other hand, the Group has put more resources on content productions for “Great Star” during the nine months ended 30 September 2018 to develop a platform with attractive entertainment contents and draw more attention from potential users. Therefore the relevant direct costs recognised during the period was higher than the corresponding period in last year.

Furthermore, the Group has begun to improve the connection between the event organisation and mobile live broadcasting businesses by trying to live broadcast the highlights of the concerts organised by the Group in “Great Star”. It can help “Great Star” to promote by utilising the influence of Korean artists.

## 業務回顧 (續)

有關移動直播及電商業務，如二零一七年年報所述，本集團繼續利用獨有的「娛樂內容+社交+電商」的營運模式發展。縱使這個營運模式令「全聚星」可透過移動網絡及社交媒體的強大滲透力推廣，本集團認為是個有潛力的發展方向，不過由於現時中國的電商市場競爭激烈，為確立「全聚星」的市場地位，本集團仍然需要不斷的優化改良「全聚星」以迎合市場的需求，並預期未可在短期內將這營運模式的潛在收入大幅實現，因此這營運模式暫時尚未為本集團產生重大的移動直播及電商的相關營業額。不過，本集團的網絡平台團隊於截至二零一八年九月三十日止九個月為客戶提供了推廣的服務錄得了約人民幣1.1百萬元的營業額。另一方面，由於本集團需要建立一個具吸引力娛樂內容的平台以吸引更多潛在用家的注意，本集團於截至二零一八年九月三十日止九個月投入了更多的資源於「全聚星」上的內容製作，以致於期內確認的相關直接成本較去年同期上升。

另外，本集團已經開始加強活動籌辦及移動直播業務的聯繫，嘗試將部分由本集團籌辦的演唱會的部分精彩片段在「全聚星」上進行直播，這有助「全聚星」利用韓國藝人的影響力作進一步的推廣。

## BUSINESS REVIEW (CONTINUED)

“Fengtingxun” has continuously to be installed in various entertainment outlets in the PRC and the bundling sales model of digital equipment and entertainment contents has gradually improved penetration of “Fengtingxun”. In this case, the turnover from entertainment contents on demand system business increased by approximately 12.2%. In addition, The Group completed the disposal of approximately 14.17% and 11.33% equity interest in Capital Land to two independent third parties respectively during the nine months ended 30 September 2018 and Capital Land remains as a subsidiary of the Group after the completion of these disposals pursuant to a shareholders voting agreement entered into with certain shareholders of Capital Land. Such disposals represent a partial return from the investment in the entertainment contents on demand system business at a reasonable price and can have more cash resources for the development of the businesses of the Group.

The Group did not record any turnover from program production services during the nine months ended 30 September 2018, which is mainly because a customer of the Group continues to execute its self-production business strategy which was started since 2017. In this case, that customer has self-produced the recurring television programs which had been produced by the Group before.

## 業務回顧(續)

「風霆迅」正在不斷於中國的不同娛樂場所內的點播系統植入，另外本集團去年開始的電子播放系統設備與娛樂內容的捆綁式銷售模式亦正在加強「風霆迅」的滲透率，因此來自娛樂內容付費點播系統業務的營業額較去年同期增加了約12.2%。此外，本集團於截至二零一八年九月三十日止九個月分別完成了出售京江南約14.17%權益及約11.33%權益予兩個獨立第三方，而透過與部份京江南股東簽訂的股東投票協議，京江南於本集團完成出售上述權益後仍為本集團之附屬公司。這出售事項令本公司可以合理價格獲取其部分於娛樂內容付費點播系統業務之投資回報及獲得更多資金用於發展本集團之多項業務。

於截至二零一八年九月三十日止九個月，本集團未有錄得任何來自節目製作服務的營業額，其主要原因為本集團的客戶繼續他們自二零一七年開始執行的自行製作的業務策略，把之前由本集團提供製作服務的常規電視節目都轉為由他們自行進行製作。

## PROSPECTS

The Group recorded turnover of approximately RMB12.8 million for the nine months ended 30 September 2018 in the event organisation segment, representing a drastically improvement as compared to the corresponding period in last year.

As mentioned in "Business Review", the Group organised certain concerts of Korean artists in Hong Kong and Southeast Asia during the nine months ended 30 September 2018. Apart from establishing the reputation of the Group in concert market in Southeast Asia, it also provide a new growth point for the development of the Group. The success of the organisation of concerts can strengthen the Group's cooperation with different media and entertainment companies and boost the Group's confidence to explore more opportunities of organising medium to large concerts. The Group believes the enormous influence of Korean artist can provide considerable income to the Group. At the same time, the Group would strive for expanding the foundation of artists in order to organise various performance events for artists from different nations and regions.

As the Group foresees that it would be more business opportunities in concert organisation, the Group has established a team to be specialised for this business and certain experienced professionals in concert production have joined the Group in order to build a good foundation for future development.

## 前景

本集團於截至二零一八年九月三十日止九個月於活動籌辦業務錄得了約人民幣 12.8 百萬元的營業額，對比去年同期有著顯著的提升。

如「業務回顧」中所述，本集團於截至二零一八年九月三十日止九個月已在香港及東南亞地區籌辦了數個韓國藝人的演唱會，除了為本集團在東南亞地區的演唱會市場確立了知名度外，亦為本集團的業務發展增加了新的增長點。籌辦演唱會取得的成功有助本集團鞏固與不同的娛樂媒體公司的合作，同時令本集團更有信心去爭取於將來籌辦更多不同規模的演唱會。以韓國藝人目前在全世界的龐大影響力，本集團相信此業務可以帶來可觀的收入，同時本集團亦會爭取擴闊演出藝人的基礎，以承辦不同國家及地區的藝人的演出活動。

有見於未來的演唱會籌辦業務會日漸增多，本集團已成立了專門負責有關業務的團隊，並得到了在演唱會製作有豐富經驗的專業人員加入本集團，為將來的發展奠定良好的基礎。

## PROSPECTS (CONTINUED)

In addition, the Group has begun the artist management business and had already entered into agency agreements with certain artists. Certain professionals in artist management had joined the Group and formed an experienced team during the period. They are continuously searching artists with great potential in order to strengthen our artist lineup and strive for good job offers for our contracted artists. In the modern age where information explodes every minute, talents can use various platform to perform and show their fascination to the audience. Also, a strong and capable management team can arrange suitable opportunities for artists with great potential to show their talents and therefore the growth of artists can be more efficient accordingly.

Outstanding artists will also have more job offers from different aspects, including advertisement, movies and dramas etc. These offers can generate considerable show fee revenue for the artists and the Group can have reasonable share from such show fees. Thus, the Group believes that the newly developed team in artist management business can identify young artists with great potential to join the Group and help the artists to have more exposure by their valuable experience and network in entertainment industry, then the Group can enjoy the potential considerable income from the rapid growth of the artists.

For the mobile live broadcasting and e-commerce business, the Group expects with our expertise as program producer and event organiser, the cooperation with various pan-entertainment organisation will create more developing opportunities and higher values to "Great Star". The coordination of the traditional "offline" and innovative "online" business models can help each other to promote and increase the revenue of the Group. The Group has begun to test the live broadcasting of the highlights of the concerts organised by the Group, which is expected to enhance the development of "Great Star". The Group expects to lever the influence of stars from Cooperation Agreement to improve "Great Star" charisma.

## 前景(續)

另外，本集團已開展了藝人經紀業務及已和部分藝人訂立了藝人經紀合約。於期內，本集團成功邀請來自藝人經紀業務的專業人士加入本集團並組成了具有豐富經驗的團隊，這團隊正在積極地尋找具有優秀潛質的藝人以壯大本集團的藝人陣容及為已和本集團簽約的藝人爭取理想的演出機會。在現今資訊爆炸的年代，有優秀潛質的藝人可以利用不同的平台去表演及向觀眾展現個人的魅力，而一隊強大而且具有能力的團隊可以為具有優秀潛質的藝人安排合適的機會展示才華，令有優秀潛質的藝人的成長更加有效率。

優秀的藝人亦可獲得更多不同的演出機會，包括廣告、電影及電視劇等，這些演出都可以為藝人帶來可觀的演出費收入，而本集團亦可以從演出費中得到合理的分成。故此，本集團相信為藝人經紀業務新成立的團隊在娛樂行業的寶貴經驗及人脈可幫助本集團發掘出具有優秀潛質的年輕藝人加入本集團的藝人陣容及為藝人爭取更多的曝光機會，繼而本集團可以在藝人的快速成長當中獲得潛在的可觀收入。

有關移動直播及電商業務，本集團期待可以利用本集團作為節目製作人及活動籌辦人的專長，與各種泛娛樂機構合作的機會及價值將為「全聚星」創造更多的發展機遇及更高的價值。本集團相信傳統的「綫下」及創新的「綫上」商業模式的配合可以互相幫助、促進和增加本集團的收入。本集團已開始展開活動籌辦及移動直播業務的合作，嘗試將部分由本集團籌辦的演唱會的部分精彩片段在「全聚星」上進行直播，希望可以帶動「全聚星」的發展。本集團期望明星龐大的影響力可提升「全聚星」品牌的號召力。

## PROSPECTS (CONTINUED)

Apart from concert highlights live broadcasting, the Group is also actively exploring other potential development opportunities derived by the performance events cooperated with other media and entertainment companies. For example, “Great Star” has autonomous technology of mobile video live broadcasting, online transaction and payment and completing online transaction without switching the webpage while watching videos. In this case, the Group can try for putting the relevant videos or even providing live broadcasting of the performances events in “Great Star”, selling the peripheral products and exclusive souvenirs of the performance events in “Great Star”, which the Group can increase streams to generate revenue. Such potential business opportunities are consistent with the popular “Fan Economy”, which would be expected to generate considerable economic benefit to the Group.

Regarding to the entertainment on demand system business, as a legally authorised entertainment content provider, “Fengtingxun” is continuing to increase its popularity. The competitiveness of “Fengtingxun” is strengthened with the PRC government’s promulgation of a new policy that requires the retail entertainment outlets to use proper authorised contents and standardised copyright management system. This competitive advantage can be proved by the increase in turnover from the on demand system (Fengtingxun) (turnover for the three months ended 30 September 2018 was increased by approximately RMB0.3 million as compared to three months ended 30 June 2018). On the other hand, as the PRC government pays more and more attention to copyright and intellectual property rights, the Group expects that more specific implementation will be promulgated to regulate the broadcast contents used in entertainment outlets. This will help to promote and increase the application of “Fengtingxun”.

## 前景(續)

除直播演唱會的精彩片段外，本集團亦正積極開發可透過與其他娛樂媒體公司合作的演出活動所衍生的其他潛在發展機會。例如，「全聚星」擁有自主的移動視頻直播技術、線上交易支付技術以及視頻播放同時完成交易支付而無需跳轉頁面的技術，本集團可以爭取把有關演出活動的相關片段在「全聚星」上播放甚至作直播，而相關周邊產品或獨家紀念品可以在「全聚星」的電商平台上出售，令本集團有更多的途徑獲得收入。這些潛在的機會緊貼著現時流行的「粉絲經濟」，在未來可望為本集團帶來可觀的經濟利益。

在娛樂內容付費點播系統業務方面，「風霆迅」作為擁有多家娛樂內容供應商合法授權及完善版權管理系統的平台，正繼續在中國娛樂場所快速的普及。「風霆迅」的競爭優勢隨著中國政府頒佈新的政策要求娛樂場所使用的播放內容需要有正當授權及有適當維護版權的管理系統下更為明顯，這從來自「風霆迅」的點播營業額增加已經逐漸獲得證明(截至二零一八年九月三十日止三個月與截至二零一八年六月三十日止三個月之營業額比較，營業額增加了約人民幣約0.3百萬元)。另一方面，在中國政府越來越重視版權監管的情況下，本集團亦預期在將來會有更多對監管娛樂場所使用的播放內容的法例頒佈，對「風霆迅」的進一步推廣及應用會有很大的幫助。

## PROSPECTS (CONTINUED)

The Group disposed the partial equity interest of Capital Land in April (approximately 14.17%) and July 2018 (approximately 11.33%) respectively. These partial disposals of Capital Land represents a partial return from the investment in the entertainment contents on demand system business at a reasonable price. As Capital Land remains a subsidiary of the Company, the participation of new investors would not affect the Group's development plan in entertainment contents on demand system business, instead the investors can introduce opinions from different aspects for the development of "Fengtingxun" and create more business opportunities together with the Group.

Although there are no turnover recorded for the program production business during the period due to the change of our customer's business strategy, by virtue of our experienced team in program production and reputation in the industry, we will continue to seek for new business opportunities under the competitive market environment with an objective to generate income again from the program production business segment.

Although the businesses of the Group are facing various challenges, the Group is confident that the Group can overcome the challenges with our experienced teams and the new strong teams formed by the professionals in concert organisation and artist management. Together with the various opportunities currently explored, the Group believes our business can create a new page.

## 前景(續)

本集團分別於二零一八年四月及七月出售了約14.17%及約11.33%於京江南的部分權益。出售京江南的部分權益令本集團以合理價格獲取部分於娛樂內容付費點播系統業務之投資回報。而京江南繼續作為本公司之附屬公司，引入新的投資者並不會影響本集團發展娛樂內容付費點播系統業務之發展計劃，更可以為「風霆迅」的發展加入更多不同層面的意見，共同創造更多不同的商機。

儘管期內本集團因為客戶的業務策略調整而未有在節目製作業務方面錄得營業額，但憑藉在節目製作擁有經驗豐富的團隊及在行業的聲譽，本集團會繼續在競爭激烈的市場內尋找新的業務機遇，令節目製作業務分部可以重新帶來收入。

雖然本集團的業務正面對著不同的挑戰，但本集團有信心以本集團的團隊的豐富經驗，配合新加入演唱會籌辦及藝人經紀的專業人士組成的強大團隊，配合著本集團正在積極開發及進行的各項業務發展機遇，可以為本集團的業務創下新的一頁。

## USE OF PROCEEDS FROM 2017 PLACING

On 18 January 2017, the Company had completed the placing of 200,000,000 new ordinary shares of the Company at the placing price of HK\$0.265 per Placing Share. The net proceeds from the 2017 Placing were intended to be used for general working capital of the Group. The Group utilised approximately HK\$36.0 million of the net proceeds from the 2017 Placing as at 31 December 2017 and fully utilised the net proceeds from the 2017 Placing as at 30 June 2018 as intended.

The net proceeds from the 2017 Placing of approximately HK\$50.7 million were utilised for general working capital as follows:

## 二零一七年配售所得款項用途

於二零一七年一月十八日，本公司完成了按0.265港元的配售價配售200,000,000股總面值為2,000,000港元的本公司新普通股予不少於六名承配人。二零一七年配售所得款項淨額擬用作本集團之一般營運資金。本集團於二零一七年十二月三十一日已動用了約36.0百萬港元的二零一七年配售事項所得款項淨額及已於二零一八年六月三十日按預期全數使用二零一七年配售事項所得款項淨額。

本集團已如下所示使用了二零一七年配售事項所得款項淨額約50.7百萬港元於一般營運開支：

	Utilised amount as at 31 December 2017 於二零一七年十二月三十一日已動用 HK\$ million 百萬港元	Utilised amount as at 30 June 2018 於二零一八年六月三十日已動用 HK\$ million 百萬港元
Programme production for the mobile live broadcasting platform	為移動直播平台製作節目	
	34.6	34.6
General operating expenses (including but not limited to staff costs, legal and professional expenses and general selling and administrative expenses)	一般營運開支(包括但不限於員工成本、法律及專業費用及一般銷售及行政費用)	
	1.4	16.1
	36.0	50.7



## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

### 權益披露及其他資料

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

As at 30 September 2018, the interest and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

#### (i) Long positions in ordinary shares of the Company

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

於二零一八年九月三十日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

#### (i) 於本公司普通股的好倉

Name of Director 董事名稱	Capacity and nature of interest 權益性質	Number of shares 股份數目	Percentage of the Company's issued share capital 股權概約百分比
Goldbless International Limited ("Goldbless") 金美國際有限公司（「金美」）	Beneficial owner (note) 實益擁有人(附註)	382,500,000	26.87
Mr. Wang Yong 汪勇先生	Interest of controlled corporation (note) 於受控法團權益(附註)	382,500,000	26.87

#### Note:

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

#### 附註：

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

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

(ii) 於 Youth Success Holdings Limited (「Youth Success」) 每股面值 1 美元普通股的好倉

Name of Director 董事名稱	Number of shares 股份數目	Percentage of shareholding 股權概約百分比
Mr. Philip Jian Yang (note 1) 楊劍先生(附註1)	1,273	12.73
Mr. Yang Shiyuan (note 2) 楊世遠先生(附註2)	148	1.48
Ms. Yang Jianping (note 3) 楊建平女士(附註3)	150	1.50

Notes:

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

附註:

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

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

Save as disclosed above, as at 30 September 2018, none of the directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

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

As at 30 September 2018, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### Long positions in ordinary shares of the Company

Name 名稱	Capacity and nature of interest 權益性質	Number of shares 股份數目	Percentage of the Company's issued share capital 股權概約百分比
Youth Success	Beneficial owner (note 1) 實益擁有人(附註1)	866,868,000	60.89
Guang Rui Investments Limited ("Guang Rui") 光瑞投資有限公司(「光瑞」)	Beneficial owner; interest in controlled corporation (note 1) 實益擁有人；於受控法團權益(附註1)	879,840,000	61.80
Mr. Yang Shaoqian ("Mr. Yang") 楊紹謙先生(「楊先生」)	Interest in controlled Corporation (note 1); interest of spouse (note 2) 於受控法團權益(附註1)；配偶權益(附註2)	879,840,000	61.80
Ms. Mu Sufang ("Ms. Mu") 牟素芳(「牟女士」)	Interest in controlled Corporation (note 1); interest of spouse (note 2) 於受控法團權益(附註1)；配偶權益(附註2)	879,840,000	61.80

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

除上文所披露者外，於二零一八年九月三十日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零一八年九月三十日，根據證券及期貨條例第336條須存置的登記冊所記錄，下列人士(董事或本公司主要行政人員除外)於本公司股份及相關股份中擁有權益或淡倉：

於本公司普通股的好倉

Notes:

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

Save as disclosed above, as at 30 September 2018, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

## PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2018.

## SHARE OPTION SCHEME

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

附註：

1. Youth Success 及 光瑞 分別 擁有 406,890,000 股 及 12,972,000 股 股份，佔 本公司 已 發行 股本 28.58% 及 0.91%。Youth Success 的 已 發行 股本 由 光瑞 合法 及 實益 擁有 83.54%。根據 證券 及 期貨 條例，光瑞 被 視為 於 以 Youth Success 名義 登記 的 所有 股份 中 擁有 權益。光瑞 的 全部 已 發行 股本 由 楊 先生 及 牟 女士 分別 合法 及 實益 擁有 60% 及 40%。根據 楊 先生、牟 女士、Youth Success、黎 霖 先生、Alpha Master Global Limited (Alpha Master)、楊 琪 女士、翹 天 有限公司 (翹 天)、汪 勇 先生 及 金 美 訂 立 的 股 東 投票 協議，Youth Success 欲 據 證券 及 期貨 條例 被 視為 於 Alpha Master、翹 天 及 金 美 合 共 持有 的 股份 中 擁有 權益。
2. 牟 女士 為 楊 先生 的 配偶，因此，彼 被 視為 於 楊 先生 被 視為 擁有 權益 的 所有 股份 中 擁有 權益，反 之 亦 然。

除 上文 所 披露 者 外，於 二零一八年 九月 三十日，概 無 於 本公司 股份 或 相關 股份 的 其他 權益 或 淡倉 記錄 在 本公司 根據 證券 及 期貨 條例 第 336 條 須 存 置 的 登記 冊 內。

## 購買、出售或贖回本公司上市證券

截至 二零一八年 九月 三十日 止 九 個月，本公司 或其 任何 附屬 公司 概 無 購買、出售 或 贖回 本公司 任何 上市 證券。

## 購股權計劃

本公司 已 於 二零一五年 十一月 三日 採 納 購 股 權 計劃 (購 股 權 計劃)，除 另有 註 銷 或 修 訂 外，該 計劃 將 於 其 獲 採 納 日期 起 計 的 10 年 維持 有效。購 股 權 計劃 使 本公司 可 向 合 資格 人士 (包括 本 集團 任何 執行 董事、非 執行 董事、獨立 非 執行 董事 及 顧問) (合 資格 人士) 授 出 購 股 權，作為 彼 等 對 本 集團 所作 貢獻 的 獎勵 或 回報。自 本公司 採 納 購 股 權 計劃 以來，購 股 權 計劃 項 下 概 無 購 股 權 獲 授 出、行使、屆 滿 或 失效，且 亦 無 未 行 使 購 股 權。

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option schemes adopted by the Group from time to time (the "Other Schemes") must not, in aggregate, exceed 10% of the shares of the Company in issue of as at 18 November 2015 (the "Listing Date"), the date which the Company listed on the GEM of the Stock Exchange (the "Scheme Mandate Limit") provided that the share options lapsed in accordance with the terms of the Shares Option Scheme or Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,200,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 120,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date and 8.43% of the shares of the Company in issue as at the date of this report.

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

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

因根據購股權計劃及本集團不時採納的任何其他購股權計劃(「其他計劃」)將予授出的所有購股權獲行使而可發行的本公司股份總數合共不得超過二零一五年十一月十八日(「上市日期」)(本公司於聯交所創業板上市之日期)上市日期已發行本公司股份的10%(「計劃授權上限」)，惟根據購股權計劃或其他計劃的條款失效的購股權將不會計入計劃授權上限。按上市日期已發行1,200,000,000股股份為基準計算，計劃授權上限將相等於120,000,000股股份，相當於上市日期已發行股份的10%及本報告日期本公司已發行股份的8.43%。

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

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

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

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

### **COMPETING INTERESTS**

During the nine months ended 30 September 2018, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) as at 30 September 2018 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

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

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

### **競爭權益**

截至二零一八年九月三十日止九個月，董事、本公司控股股東及彼等各自之緊密聯繫人（定義見創業板上市規則）於二零一八年九月三十日概無在任何與本集團業務直接或間接競爭或可能競爭的業務中擁有權益或與本集團有任何其他利益衝突。

## INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Altus Capital Limited, during their appointment period as the compliance adviser of the Company during the nine months ended 30 September 2018, save for the compliance adviser agreement dated 4 November 2015 entered into between the Company and Altus Capital Limited (the "Compliance Adviser Agreement"), neither Altus Capital Limited, its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The service period under the Compliance Adviser Agreement had ended and the appointment of Altus Capital Limited as compliance adviser of the Company had completed on 31 March 2018 and Altus Capital Limited agreed with the Company not to renew the Compliance Adviser Agreement. The Board and Altus Capital Limited confirm that, there are no other matters relating to the completion of the appointment of compliance adviser that need to be drawn to the attention of the shareholders of the Company and the Stock Exchange.

## CORPORATE GOVERNANCE PRACTICES

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

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

The Board is pleased to report compliance with the code provisions of the CG Code for the nine months ended 30 September 2018, except the following deviations (Code Provisions A.2.1, A.4.1 and C.2.5):

## 合規顧問之權益

誠如本公司的合規顧問浩德資本有限公司所告知，截至二零一八年九月三十日止九個月作為本公司合規顧問之期間，除本公司與浩德資本有限公司訂立日期為二零一五年十一月四日的合規顧問協議（「合規顧問協議」）外，浩德資本有限公司、其董事、僱員或緊密聯繫人並無有關本集團的任何權益須根據GEM上市規則第6A.32條知會本公司。合規顧問協議下的服務期已完結，浩德資本有限公司作為本公司合規顧問之委任亦已於二零一八年三月三十一日完結，而浩德資本有限公司與本公司達成協議不更新合規顧問協議。董事會及浩德資本有限公司確認，概無有關合規顧問之委任完結的其他事項，須敦請本公司股東及聯交所垂注。

## 企業管治常規

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

董事會已採納GEM上市規則附錄15所載企業管治守則（「企業管治守則」）。

董事會欣然匯報，除以下偏離（企業管治守則之守則條文第A.2.1條、第A.4.1條及第C.2.5段）外，截至二零一八年九月三十日止九個月一直符合企業管治守則的守則條文。

### *Chairman and Chief Executive Officer*

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

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

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

### *Non-executive directors*

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

### *Internal audit function*

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

### *主席及行政總裁*

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

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

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

### *非執行董事*

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

### *內部審核功能*

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



## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the directors (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the directors, all the directors have complied with the Required Standard of Dealings throughout the nine months ended 30 September 2018.

## AUDIT COMMITTEE

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

The unaudited condensed consolidated results of the Group for the nine months ended 30 September 2018 have been reviewed by the audit committee. The audit committee is of the opinion that such unaudited condensed consolidated results comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

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

Hong Kong, 8 November 2018

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

## 董事進行證券交易

本公司已採納GEM上市規則第5.48至5.67條作為董事買賣本公司證券之行為守則（「交易必守標準」）。本公司於向董事作出特定查詢後確認，所有董事均於截至二零一八年九月三十日止九個月遵守交易必守標準。

## 審核委員會

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

審核委員會已審閱本集團截至二零一八年九月三十日止九個月的未經審核簡明綜合業績。審核委員會認為，有關未經審核簡明綜合業績符合適用會計準則、GEM上市規則及法定要求，並已作出足夠披露。

承董事會命  
**中國創意控股有限公司**  
主席兼執行董事  
楊劍

香港，二零一八年十一月八日

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

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

中國創意  
**Creative China**