

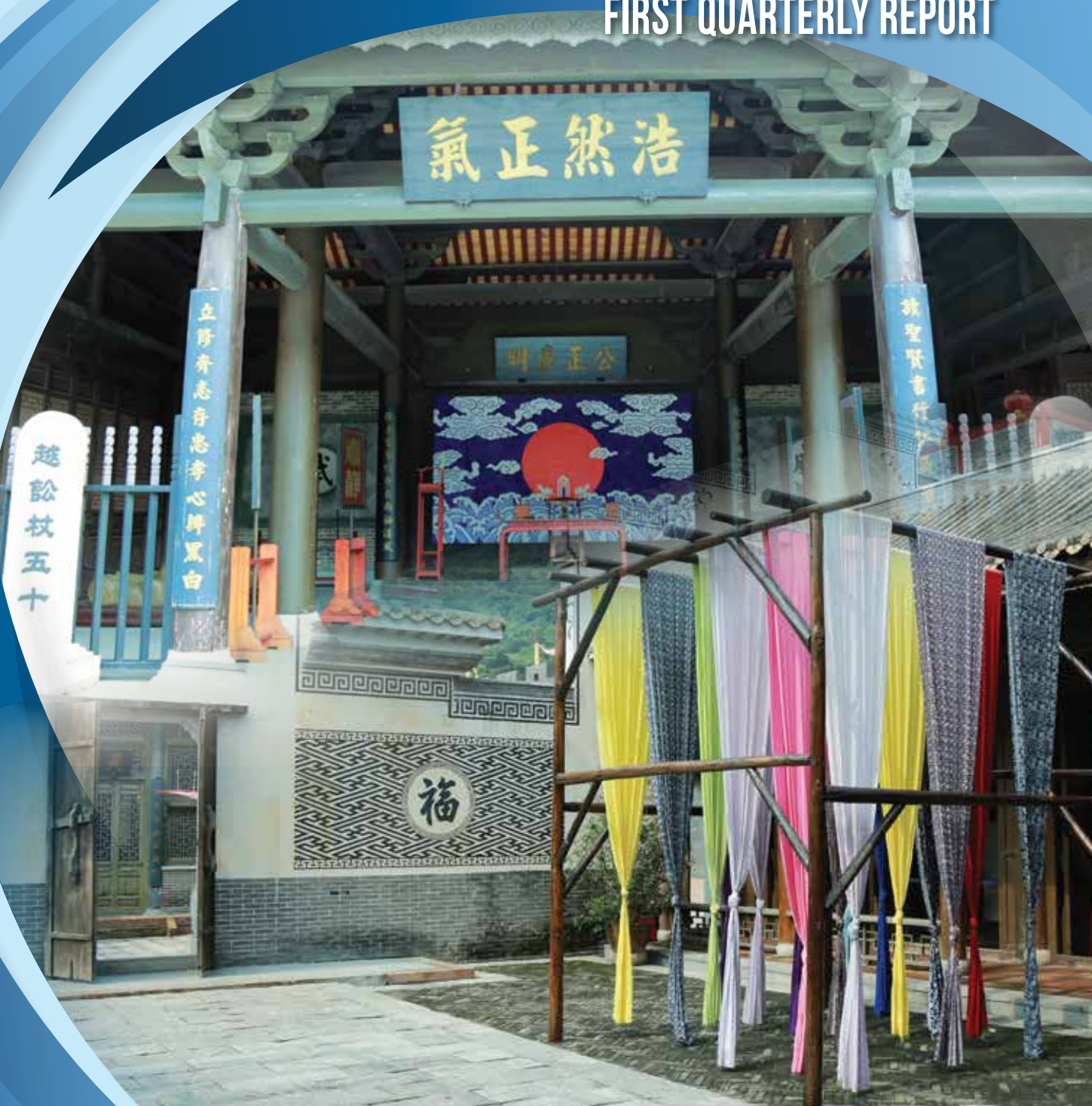


National Arts Entertainment and Culture Group Limited
國藝娛樂文化集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock code 股份代號 : 8228

2019 第一季度報告
FIRST QUARTERLY REPORT



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This report, for which the directors of National Arts Entertainment and Culture Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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」)之特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。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。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於聯交所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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本報告載有遵照聯交所GEM證券上市規則之規定而提供有關國藝娛樂文化集團有限公司(「本公司」)之資料，本公司各董事願就此共同及個別承擔全部責任。本公司各董事經作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重大方面均屬準確及完整，並無誤導或欺詐成份，且並無遺漏任何其他事實，足以致使本報告或其所載任何陳述產生誤導。





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The board (the “Board”) of directors (the “Directors”) of National Arts Entertainment and Culture Group Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 31 March 2019, together with the comparative figures for the corresponding period in 2018 as follows:

國藝娛樂文化集團有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此公佈本公司及其附屬公司(統稱「本集團」)截至二零一九年三月三十一日止三個月的未經審核綜合業績，連同二零一八年同期的比較數字如下：

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

未經審核綜合損益及其他全面收益表

		Three months ended 31 March 截至三月三十一日止三個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收入		
— Good and services	— 貨品及服務	3	33,023
— Rental	— 租金	3	8,345
— Interest	— 利息	3	185
Total revenue	總收入		41,553
Other income	其他收入	3	465
Staff costs	員工成本		(13,483)
Depreciation of property, plant and equipment	物業、廠房及設備折舊		(2,867)
Amortisation of land lease prepayments	預付土地租賃攤銷		(3,439)
Other operating expenses	其他經營費用		(23,834)
Gain on exchange difference	匯兌差額收益		19,384
Finance costs	融資成本	4	(69,287)
Share of loss of a joint venture	分佔一間合營企業虧損		(306)
Loss before income tax	除所得稅前虧損	5	(51,814)
Income tax expense	所得稅開支	6	—
Loss for the period	本期間虧損		(51,814)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
未經審核綜合損益及其他全面收益表

		Three months ended 31 March 截至三月三十一日止三個月	
		2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Other comprehensive income	其他全面收入		
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表時產生的匯兌差額	13,097	20,162
Other comprehensive income for the period	本期間其他全面收入	13,097	20,162
Total comprehensive (expense)/income for the period	本期間全面(開支)/收入總額	(38,717)	13,824
Loss for the period attributable to:	應佔本期間虧損：		
Owners of the Company	本公司擁有人	(51,813)	(6,337)
Non-controlling interests	非控股權益	(1)	(1)
		(51,814)	(6,338)
Total comprehensive (expense)/income for the period attributable to:	應佔本期間全面(開支)/收入總額：		
Owners of the Company	本公司擁有人	(38,716)	13,825
Non-controlling interests	非控股權益	(1)	(1)
		(38,717)	13,824
Loss per share	每股虧損		
Basic and diluted	基本及攤薄	7 (HK1.13) cents港仙	(HK0.14) cents港仙

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. GENERAL

National Arts Entertainment and Culture Group Limited (the “Company”) was incorporated in the Cayman Islands on 16 November 2001 as an exempted company under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. On 14 October 2010, the Company deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda effective on 14 October 2010. The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business in Hong Kong is at Rm. L&M, 21/F., Kings Wing Plaza, Phase 1, No.3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong.

The Company’s shares are listed on GEM of The Stock Exchange. The Company is principally engaged in investment holding. The principal activities of the Group include film production and distribution, the provision of management services to artistes, event coordination, operations of film studio and hotels and provision of travel related products. The Company and its subsidiaries are referred to as the Group hereafter.

The unaudited consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards which collectively includes all applicable individual Hong Kong Financial Reporting Standard, Hong Kong Accounting Standard and Interpretation issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The unaudited consolidated results for the three months ended 31 March 2019 have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company.

The accounting policies and basis of preparation adopted for the preparation of the financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2018.

1. 一般資料

國藝娛樂文化集團有限公司(「本公司」)於二零零一年十一月十六日根據開曼群島法例第22章公司法(一九六一年法例3, 經綜合及修訂)在開曼群島註冊成立為獲豁免公司。於二零一零年十月十四日, 本公司於開曼群島撤銷註冊, 並根據百慕達法例正式於百慕達以獲豁免公司形式存續, 於二零一零年十月十四日生效。本公司的註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司的香港主要營業地點位於香港新界沙田石門安群街3號京瑞廣場1期21樓L及M室。

本公司股份於聯交所GEM上市。本公司主要從事投資控股。本集團之主要業務包括電影製作及發行、提供藝人管理服務、活動統籌、經營影視城和酒店及提供旅遊相關產品。本公司及其附屬公司於下文簡稱為本集團。

未經審核綜合財務報表以港元(「港元」), 亦為本公司的功能貨幣)呈列, 除另有指明外, 所有價值均四捨五入至最接近的千位數(「千港元」)。

2. 編製基準

本集團之未經審核綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則(包括所有適用個別香港財務報告準則、香港會計準則及詮釋)及聯交所GEM證券上市規則(「GEM上市規則」)第18章所載之披露規定編製。

截至二零一九年三月三十一日止三個月之未經審核綜合業績未經本公司核數師審核, 但已經由本公司之審核委員會審閱。

編製財務報表時所採用之會計政策及編製基準, 乃與本集團於截至二零一八年十二月三十一日止年度之年度財務報表所採用者貫徹一致。

3. REVENUE AND OTHER INCOME

Revenue derived from the Group's principal activities recognised during the period is as follows:

3. 收入及其他收入

期內確認來自本集團主要業務的收入如下：

		Three months ended 31 March 截至三月三十一日止三個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15, disaggregated by major products or services lines:	香港財務報告準則第15號範圍內來自客戶合約之收益，按主要產品或服務系列分拆：		
Artiste management fee income	藝人管理費收入	18	143
Hotel room income	酒店房間收入	3,037	3,849
Food and beverage income	餐飲收入	6,418	7,908
Entrance fee income	門券收入	17,864	19,732
Sales of travel related products	銷售旅遊相關產品	264	16
Sales of goods	銷售貨品	1,030	634
Ancillary services	配套服務	4,287	6,339
Consultation Income	諮詢收入	105	—
		33,023	38,621
Interest revenue that reflects significant financing granted to customers	反映授予客戶重大融資之利息收入	185	—
Rental income	租金收入	8,345	16,656
		41,553	55,277
Timing of revenue recognition:	收入確認時間：		
At a point of time	於某一時間點	28,229	28,291
Over time	隨時間	4,794	10,330
		33,023	38,621
Other income	其他收入		
Others	其他	465	204
		465	204

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 March 截至三月三十一日止三個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance lease charges	融資租賃費用	440	486
Interest on bonds	債券利息	46,057	29,500
Interest on convertible bonds	可換股債券利息	—	2,679
Interest on promissory note	承兌票據利息	—	2,406
Interest on loan from shareholders	股東貸款利息	16,746	12,403
Interest on unsecured other borrowings	其他無抵押借貸利息	2,103	1,864
Interest on secured other borrowings	其他有抵押借貸利息	3,941	2,066
		69,287	51,404

5. LOSS BEFORE INCOME TAX

5. 除所得稅前虧損

		Three months ended 31 March 截至三月三十一日止三個月	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax is arrived at after charging:	除所得稅前虧損已扣除下列各項：		
Auditor's remuneration	核數師酬金	213	280
Amortisation of land lease prepayments	預付土地租賃攤銷	3,439	3,439
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,867	3,202
Employee benefit expenses (including directors' remuneration)	僱員福利開支 (包括董事酬金)		
— Salaries and allowances	— 薪金及津貼	12,468	12,085
— Contributions to retirement benefits schemes	— 退休福利計劃供款	1,015	1,048
		13,483	13,133

6. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the three months ended 31 March 2019 (2018: Nil) as the Group did not generate any assessable profits in Hong Kong during these periods.

The People's Republic of China ("PRC") Enterprises Income Tax at 25% has not been provided as the PRC subsidiaries incurred losses for taxation purpose for both periods.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of approximately HK\$51,813,000 (2018: approximately HK\$6,337,000) and the weighted average of approximately 4,584,108,000 (2018: approximately 4,516,795,000) ordinary shares in issue during the period. Diluted loss per share for loss attributable to the owners of the Company for the three months ended 31 March 2019 and 2018 was the same as basic loss per share because the impact of the exercise of the share options, warrants and convertible bonds is anti-dilutive.

8. DIVIDEND

The Directors of the Company does not recommend payment of dividend for the three months ended 31 March 2019 (2018: Nil).

6. 所得稅開支

由於本集團於截至二零一九年三月三十一日止三個月並無在香港產生任何應課稅溢利，故並無就此等期間之香港利得稅作出撥備(二零一八年：無)。

由於中華人民共和國(「中國」)附屬公司於兩個期間均錄得稅務虧損，故並無就中國企業所得稅(稅率為25%)作出撥備。

於其他司法權區產生的稅項乃按相關司法權區的當前稅率計算。

7. 每股虧損

每股基本虧損乃根據本公司擁有人應佔虧損約51,813,000港元(二零一八年：約6,337,000港元)及期內已發行普通股的加權平均數約4,584,108,000股(二零一八年：約4,516,795,000股)計算。由於購股權、認股權證及可換股債券的行使具有反攤薄影響，因此，截至二零一九年及二零一八年三月三十一日止三個月本公司擁有人應佔虧損的每股攤薄虧損與每股基本虧損相同。

8. 股息

本公司董事不建議派付截至二零一九年三月三十一日止三個月的股息(二零一八年：無)。

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

9. UNAUDITED CONSOLIDATED
STATEMENT OF CHANGES IN
EQUITY

9. 未經審核綜合權益變動表

		Attributable to the owners of the Company 本公司擁有人應佔										Attributable to non- controlling interests		Total
		Share capital	Share premium	Special reserve	Contributed surplus	Properties revaluation reserve	Translation reserve	Share option reserve	Convertible bond equity reserves	Accumulated losses	Subtotal			
		股本	股份溢價	特別儲備	實繳盈餘	物業重估 儲備	換算儲備	購股權 儲備	可換股債券 權益儲備	累計虧損	小計	非控股權益 應佔	總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2018 (Audited)	於二零一八年一月一日 (經審核)	451,416	803,714	1,000	78,791	372,835	(75,087)	51,880	15,597	(1,059,949)	640,197	234	640,431	
Share issued upon exercise of share options	行使購股權所發行的 股份	300	668	—	—	—	—	(233)	—	—	735	—	735	
Transactions with owners Loss for the period	與擁有人進行的交易 本期間虧損	300	668	—	—	—	—	(233)	—	—	735	—	735	
Exchange difference on translation of financial statement of foreign operations	換算海外業務財務報表 時產生的匯兌差額	—	—	—	—	—	20,162	—	—	(6,337)	(6,337)	(1)	(6,338)	
		—	—	—	—	—	20,162	—	—	—	20,162	—	20,162	
Total comprehensive income/(expense) for the period	本期間全面收入/ (開支)總額	—	—	—	—	—	20,162	—	—	(6,337)	13,825	(1)	13,824	
At 31 March 2018 (Unaudited)	於二零一八年三月 三十一日(未經審核)	451,716	804,382	1,000	78,791	372,835	(54,925)	51,647	15,597	(1,066,286)	654,757	233	654,990	
At 1 January 2019 (Audited)	於二零一九年一月一日 (經審核)	451,716	804,495	6,302	78,791	335,013	(131,671)	41,912	—	(1,441,615)	144,943	232	145,175	
Share issued upon exercise of share options	行使購股權所發行的 股份	43,101	68,929	—	—	—	—	—	—	—	112,030	—	112,030	
Transactions with owners Loss for the period	與擁有人進行的交易 本期間虧損	43,101	68,929	—	—	—	—	—	—	—	112,030	—	112,030	
Exchange difference on translation of financial statement of foreign operations	換算海外業務財務 報表時產生 的匯兌差額	—	—	—	—	—	13,097	—	—	(51,813)	(51,813)	(1)	(51,814)	
		—	—	—	—	—	13,097	—	—	—	13,097	—	13,097	
Total comprehensive income/(expense) for the period	本期間全面收入/ (開支)總額	—	—	—	—	—	13,097	—	—	(51,813)	(38,716)	(1)	(38,717)	
At 31 March 2019 (Unaudited)	於二零一九年 三月三十一日 (未經審核)	494,817	873,424	6,302	78,791	335,013	(118,574)	41,912	—	(1,493,428)	218,257	231	218,488	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The revenue for the period under review decreased to approximately HK\$41.55 million from approximately HK\$55.28 million in the three months ended 31 March 2018, representing a decrease of approximately HK\$13.73 million in revenue. The revenue was mainly derived from the entrance fee income and the crew rental income from the film production crews using the Group's film shooting base, while part of the revenue was generated from sales of goods, filming, ancillary service and hotel in the PRC, and the artiste management and event coordination business in HK.

Staff costs for the period under review increased to approximately HK\$13.48 million from approximately HK\$13.13 million in the three months ended 31 March 2018, representing an increase of approximately HK\$0.35 million in staff costs. An increase was mainly due to the expansion in PRC operation.

Finance costs for the period under review increased by approximately HK\$17.88 million by reason of the interest on additional shareholders' loan and interest payment of bonds issued from 2018 to 2019.

Other operating expenses for the period under review increased to approximately HK\$23.83 million from approximately HK\$22.12 million in the three months ended 31 March 2018. An increase of approximately HK\$1.71 million in other operating expenses was mainly due to an increase from the hotel operating costs.

For the three months ended 31 March 2019, the Group recorded a net loss of approximately HK\$51.81 million as compared to a net loss of approximately HK\$6.34 million in the three months ended 31 March 2018. The increase in net losses was mainly due to the increase in finance costs and the decrease in revenue and gain on exchange difference.

BUSINESS REVIEW

Xiqiao National Arts Studio Project

Located in Foshan City, Guangdong Province, the Xiqiao National Arts Film Studio (the "Studio") has the view of Mount Xiqiao, which is known as one of the national 5-star tourist attractions and has a total developed land area of 444,000 square meters. There are unique film shooting areas throughout the Studio along with theme parks, hotel and performing arts complexes. The Studio incorporates tourism and recreational facilities that leads the Studio to become an international vacation resort in Guangdong Province.

財務回顧

回顧期間的收入由截至二零一八年三月三十一日止三個月的約55.28百萬港元減少至約41.55百萬港元，相當於收入減少約13.73百萬港元。收入主要源自門券收入及電影製作團隊使用本集團電影拍攝基地的團隊租金收入，而部分收入則來自於中國的貨品銷售、電影拍攝、配套服務及酒店，以及於香港的藝人管理及活動統籌業務。

回顧期間的員工成本由截至二零一八年三月三十一日止三個月的約13.13百萬港元增加至約13.48百萬港元，相當於員工成本增加約0.35百萬港元。增加主要由於中國的經營擴張。

回顧期間的融資成本增加約17.88百萬港元，乃由二零一八年至二零一九年期間的額外股東貸款利息及已發行債券的利息付款所致。

回顧期間的其他經營費用由截至二零一八年三月三十一日止三個月約22.12百萬港元增加至約23.83百萬港元。其他經營費用增加約1.71百萬港元乃主要由於酒店的經營成本有所增加。

截至二零一九年三月三十一日止三個月，本集團錄得虧損淨額約51.81百萬港元，而截至二零一八年三月三十一日止三個月則錄得虧損淨額約6.34百萬港元。虧損淨額增加主要由於融資成本增加及收入及匯兌差額收益減少。

業務回顧

西樵山國藝影視城項目

西樵山國藝影視城(「影視城」)位於廣東省佛山市，盡享國家五星級景點西樵山的美景，已開發土地總面積達444,000平方米，包含各種獨特電影拍攝場景，主題公園、酒店及表演場館等。影視城集旅遊及休閒設施於一身，將令影視城成為廣東省的國際渡假勝地。

For the first three months in 2019, the Studio attracted a total of approximately 356,000 (2018: Approximately: 300,000) visitors. In particular, the event “The 2019 Lunar New Year Celebration” attracted approximately 104,000 (2018: Approximately: 80,000) visitors.

In addition, the Group has participated in several charity groups on education at the end of 2018. The Studio cooperated with charitable organisations such as Caritas and Po Leung Kuk to organise study group events for students to participate and to explore different culture and film production in the Studio.

The Groups believes that the events held by the Group will effectively improve the brand awareness of the Studio and will push the Studio to the peak.

Travel

National Arts Travel Limited (“**NA Travel**”) has been established and commenced its business since 2016. It provides cozy travel solution such as organising tailor-made travel itineraries for different organisations, groups and individuals. Besides traditional group tours, NA Travel launched a series of featured group tours to enhance customers’ unique travel experience.

To enhance the comprehensive customer support, NA Travel has updated its inquiry and sales system in 2018. The system provides worldwide information on air tickets, hotels as well as travel insurance, transportation and visa application, thus strengthening the competitiveness of the Group in the market.

In 2018, the Group enthusiastically diversified the current product lines by establishing a brand “Skyyer Travel” in order to build a new brand image. “Skyyer Travel” is a brand under NA Travel which professionally designs “Tailor-made tours for sport, hobby and industry” and invites various celebrities to lead and guide in different tours. Moreover, “Skyyer Travel” is exploring special and exclusive tourist attractions and incorporates travel tours with specific subjects, which include golf, yoga, bicycle, darts, painting, dragon boat, diving, photography, religion, music, goodies marathon, etc.

於二零一九年首三個月，影視城吸引合共約356,000名(二零一八年：約300,000名)遊客到訪，特別是「二零一九農曆新年節慶活動」吸引約104,000名(二零一八年：約80,000名)遊客參與。

此外，本集團於二零一八年底已與數個慈善團體就教育事務合作。例如，影視城與明愛及保良局等慈善組織合辦遊學活動，供學生參與及探索影視城內不同的文化特色及影片製作。

本集團相信其舉辦的活動將大力提升影視城的品牌知名度，把影視城推上高峰。

旅遊

國藝旅遊有限公司(「**國藝旅遊**」)自二零一六年成立及開展業務，提供舒適旅遊解決方案，例如為各個機構、集團及個人籌辦定制行程。除傳統旅行團外，國藝旅遊亦推出了一連串的特色旅行團，務求提升客戶的獨特旅遊體驗。

為改進綜合客戶支援，國藝旅遊於二零一八年更新其查詢及銷售系統。該系統提供世界性的資訊，涵蓋機票、酒店以至旅遊保險、交通及簽證申請，以此加強本集團的市場競爭力。

於二零一八年，本集團積極拓展現有產品線，成立「旅遊閃令令」品牌，打造全新品牌形象。「閃令令旅遊」是國藝旅遊旗下的一個品牌，專業打造「為運動、興趣及行業而設的身訂造旅程」，並邀請各界名人帶領及導遊。此外，「閃令令旅遊」在全球搜尋特色及獨家景點，將特定主題融入旅行團，包括：高爾夫球、瑜伽、單車、飛鏢、畫畫、龍舟、潛水、攝影、宗教、音樂、美食及馬拉松等等。

Film Shooting Base

The film shooting base is the core project of the Xiqiao National Arts Film Studio Project. It covers 374,000 square meters of land, including a lake of 120,000 square meters and a number of indoor and outdoor studios which are equipped with excellent and comprehensive ancillary facilities in order to provide the Southern China and foreign shooting crews the most realistic and delicate scene.

During the first three months of 2019, approximately 16 production crews filmed at the shooting base benefiting from the extensive choices of scenes, supreme geographical location and multinational ancillary services at the film shooting base.

Since 2017, the Group has taken the role of a rental agent by entering into several rental agreements with a number of companies renting film shooting equipment. The Group's partners provide the plentiful props, attires and high-tech shooting equipment including lots of ancient costumes of Ming and Qing dynasties, antique furniture, simulated ordnance and other performing props. The rental service generates substantial revenue to the Group. Besides creating enormous synergistic effect for the Group, it also enhances the Group's capability of provision of ancillary services in respect of film shooting, and also facilitates centralization of the industry as well as strengthen the Group's competitiveness among its peers.

On 4 January 2018, Foshan Bureau of Culture, Publication, Radio, Film and Television (the "Bureau") approved a few wholly-owned subsidiaries of the Company to assist the Bureau in the operation and expansion (i) that would facilitate film enterprises from various regions moving into Foshan, policy presentation, solicitation of investment and funding as well as shooting, etc.; (ii) of digital studio and film location construction projects; and (iii) in respect of diversification of props and equipment portfolio, leasing and consolidation of props leasing business.

電影拍攝基地

電影拍攝基地是西樵山國藝影視城項目的核心項目，佔地374,000平方米，包括面積為120,000平方米的湖泊水景及多間室內及室外的攝影棚，配備頂尖及全面的配套設施，為華南及海外拍攝團隊提供最真實細緻的場景。

於二零一九年首三個月，約有16支製作團隊於拍攝基地進行拍攝，得益於電影拍攝基地內多種場景選擇、有利地理位置及多功能配套服務。

由二零一七年起，本集團已成為租賃代理，與多間租用電影拍攝器材的公司訂立數份租賃協議。本集團的合作夥伴提供各式各樣道具、服飾及高科技拍攝器材，包括大量明清時期的古裝、古董家具、仿製軍械及其他表演道具。租賃服務為本集團帶來龐大收益。除為本集團創造巨大的協同效應外，其亦提升本集團提供電影拍攝配套服務的能力，也促進行業集中化以及增強本集團於同行之間的競爭力。

於二零一八年一月四日，佛山市文化廣電新聞出版局（「新聞局」）授權批准本公司數間全資子公司協助新聞局經營及拓展：(i)不同地區的影視企業到佛山市落戶、政策宣講、招商引資、協助拍攝等各項服務；(ii)數碼攝影棚及電影場景建設項目；及(iii)影視道具器材品種擴張、租賃、集聚道具租賃業務。

With the rapid increase in the demand in the film industry in recent years, the Group is actively developing the second phase development of the Studio (“**Second Phase Project**”). The Second Phase Project includes the building of indoor studio, which could raise the Group’s current position in the film industry and enable the Group to develop into a world-known film shooting base in the foreseeable future.

The Group is the first enterprise designated by the Foshan Government to help building Foshan as the largest hub for props and equipment in Foshan, with a focus on film and television industry, which boosted the reputation of the Group in the industry, thereby further consolidating the presence of the Studio in the film and television industry in Southern China.

Wedding Photography

The Group reached an agreement with a renowned domestic wedding photography chain group in the fourth quarter of 2013 to develop its wedding photography business. Under the agreement, the Group leased an area of approximately 20 mu (13,333.33 square meters) in the Studio to the wedding photography chain group for a term of 12 years and the wedding photography company invested RMB10 million for the construction of scenic spots in different styles such as European, Korean and Japanese styles. It is guaranteed there will be at least 28,800 couples taking wedding photos in the scenic spots per year. The annual income of this arrangement will be no less than approximately RMB1.2 million starting from 2016.

In addition, the Group is negotiating with several jeweler, Chinese and western bakery, Chinese style wedding gown and wedding planning company in order to provide one stop service for wedding couples. The Studio is expected to become a comprehensive wedding hot spot.

Hotel

The 5-star National Arts Resort Hotel (the “**Hotel**”) located next to the Studio provides 350 suites, ranging from deluxe suites to economic standard rooms. The Hotel is equipped with a variety of recreational facilities such as spa facilities, modern swimming pool and chess room. Apart from the recreation, the Hotel also provides catering services and commercial services such as business centre, meeting rooms and lecture halls, thereby satisfying the various needs and wants of the customers.

To boost the quality of its service, the Hotel wishes to build strong communication among its staff by organising group activities such as sport day, in order to educate the staff of the importance of team work and to raise spirit in the corporate environment.

由於近年電影業的需求急速增加，本集團積極開發影視城第二期（「**第二期項目**」）。第二期項目包括建設室內攝影棚，從而擴大本集團在現有電影業的定位，及在可見將來，發展為享譽世界的電影拍攝基地。

本集團亦是首間受到佛山市政府指名協助打造成佛山最大的道具器材及集中影視產業的經營中心，為本集團提高在行業中的知名度，亦更加鞏固影視城在華南影視產業中的地位。

婚紗攝影

本集團於二零一三年第四季與國內一個著名的婚紗攝影連鎖集團達成協議，發展其婚紗攝影業務。根據該協議，本集團出租該影視城內佔地約20畝（13,333.33平方米）的範圍予該婚紗攝影連鎖集團，租期12年，及婚紗攝影公司已投資人民幣10,000,000元興建多個不同風格的景區，如歐式、韓式、日式等。已訂有每年至少有28,800對新人進入景區拍攝婚紗照的保證。預料此項安排自二零一六年起每年產生的收入將不少於約人民幣1,200,000元。

此外，本集團正與若干珠寶、中西式禮餅、中式結婚禮服及婚禮籌辦公司磋商，為新人提供一站式婚禮服務。該影視城預期將成為全面的結婚熱門勝地。

酒店

毗鄰該影視城的五星級國藝度假酒店（「**該酒店**」）提供350間客房，包括豪華套房及經濟實惠的標準房。該酒店配備各類康樂設施，如水療設施、現代游泳池及棋藝室。除康樂設施外，該酒店亦提供餐飲服務及商務中心、會議室及演講廳，以滿足客戶各種各樣的需要。

為提升服務質素，該酒店擬藉籌辦運動日等集體活動，加強員工之間的溝通，以教育員工，明白團隊工作的重要性，以及提高員工在企業環境中的團隊精神。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Hotel was awarded “Resort Hotel of the Year 2018” and “18th Golden Horse Award of China Hotel – Best Theme Hotel Resort of Greater Bay Area”, which recognized the corporate management quality and service quality of the Hotel.

As the development of the Hotel is becoming mature and its popularity and the number of tourists continuously grow, the Group has introduced additional facilities such as beauty service, karaoke room, billiard parlour and other recreational facilities. The Group is also expecting to build boutique hotel in the foreseeable future.

Film Production

The Group spared no effort in promoting entertainment culture for many years such as production of and investment in movie, microcinema and online TV programme to promote the culture and the spirit of entertainment.

During 2016, the Group invested in the production of a charity film named “Our Days in 6E” (我們的6E班). The theme of “Our Days in 6E” is in line with the current social status, laden with educational significance as part of its social responsibility. In 2019, the Group has invested in the production of a modern romantic film named “Romantic Marriage?” (婚姻的童話?). The Group expects to invest more in production of films of various themes and stepping forward to the diversified film market.

In addition, the Group held various courses from time to time to cultivate the next generation of film producers and actors in order to encourage the development of film production and contribute to the betterment of the film industry. With regard to the prospects of film production of the Group, the Group will step forward in respect of Hong Kong-Mainland film production and maintain a position in the film industry in Southern China.

Cinema

National Arts Films Production Limited (“**NA Films**”), an indirectly wholly-owned subsidiary of the Company, entered into a joint venture agreement for the development of cinema business in a large shopping mall in a transportation hub area of Zhuhai, Guangdong, the People’s Republic of China (“**PRC**”) in 2012.

NA Films held 60% equity interest in the joint venture. The cinema boasts eight screens and a total of more than 730 seats. The cinema has commenced its operation since May 2014 which supports further comprehensive development of the Group’s entertainment and culture business.

該酒店榮獲「2018年度假酒店金珠獎」及「第18屆中國酒店金馬獎 – 大灣區最佳主題度假酒店」，表揚該酒店的企業管理質素及服務質素。

由於該酒店的發展漸趨成熟、其知名度及旅客人數不斷增加，本集團已增建美容服務、卡拉OK室、桌球室等設施和其他康樂設施。本集團亦預期在可見將來建設精品酒店。

電影製作

本集團歷年來不遺餘力促進電影文化，例如製作及投資於電影、微電影及網上電視節目，以推動娛樂文化及精神。

於二零一六年，本集團投資製作一齣慈善電影「我們的6E班」。「我們的6E班」的主題切合當前社會狀況，滿載教育意義，藉此也履行我們的社會責任。於二零一九年，本集團投資製作一齣現代浪漫電影，名為「婚姻的童話?」。本集團預期繼續投資製作更多各種主題的電影，奔向百花齊放的電影市場。

此外，本集團不時舉辦各種課程，培育新一代電影製作人及演員，鼓勵電影製作的發展，為電影業的進步作出貢獻。就本集團的電影製作前景而言，本集團將加大對香港與內地電影製作的投資，維持在華南電影業的地位。

電影院

本公司間接全資附屬公司國藝影視製作有限公司（「**國藝影視**」）於二零一二年訂立合營企業協議，以在中華人民共和國（「**中國**」）廣東珠海市中心的大型商場發展電影院業務。

國藝影視持有合營企業60%股本權益。該電影院設有八個銀幕，提供合共逾730個座位。該電影院自二零一四年五月起已投入營運，令本集團的娛樂文化業務得以更全面發展。

Artiste Management

To enhance the popularity of the Group's artists such as Rose Chan and Brian Yuen, the Group has arranged a variety of performance opportunities including the participation in the charity movie, "Our Days in 6E" (我們的6E班), the romantic movie, "Romantic Marriage?" (婚姻的童話?), the online TV series "OCTB" (反黑), brand representative, dramas such as "Guardian Angel" (守護神之保險調查) and TV game shows host of the Lunar New Year Celebration, and guest performers for the "New Year is A Game" (大玩特玩) and "Cooking Beauties" (美女廚房).

Besides, the Group also explores the PRC market for its artists by making arrangement for them to participate in live reality show and online drama to enhance their popularity.

With the huge market of domestic movies, the Group will continue to recruit artists with potential in the future to cope with the demands in the vast market and expand the artiste management segment, hoping that it will become one of the major income sources of the Group.

Foreign Currency Exposure

The Group's reporting currency is expressed in Hong Kong dollars. During the three months ended 31 March 2019, most of the transactions, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. During the period under review, since the Group had both Hong Kong dollars and Renminbi receipts and payments, the net Renminbi exposure was not significant. The Board considers that the Group's exposure to foreign exchange risk was not significant, therefore, no hedging transaction was made during the period.

Future Prospect

Against the backdrop that China's film-induced tourism is at the development stage, the Group is committed to the further development of the Second Phase Project in order to compete with its peers in face of the upward trend in both tourism industry and film industry.

藝人管理

為提高陳嘉桓及阮頌揚等本集團旗下藝員的知名度，本集團已安排各式各樣的表演機會，包括參演慈善電影「我們的6E班」、浪漫電影「婚姻的童話?」、網上電視連續劇「反黑」、品牌代言、電視劇如「守護神之保險調查」及擔當春節慶祝活動的節目主持、電視遊戲節目「大玩特玩」及「美女廚房」的表演嘉賓等。

除此之外，本集團亦為藝人開拓中國市場，安排藝人參演直播真人秀及網絡劇以吸納更多的知名度。

國內電影市場龐大，本集團未來會繼續羅致有潛質的藝人，以應對龐大的市場需求，並會擴大藝人管理分部，以冀成為本集團的主要收入來源之一。

外幣風險

本集團以港元作為呈報貨幣。於截至二零一九年三月三十一日止三個月，本集團大部分交易、資產及負債均以港元及人民幣結算。於回顧期間內，由於本集團分別以港元及人民幣收款和付款，故人民幣風險淨額並不重大。董事會認為，本集團面臨的匯兌風險並不重大，故於期內並無進行對沖交易。

未來展望

中國影視旅遊仍在發展階段，在此背景下，本集團致力進一步發展第二期項目，務求在旅遊業及電影業的上升大勢及同儕競爭中保持優勢。

Over 130 shooting crews conducted filming in the Studio in 2018, which was 20% more than that in 2017. The Group believes that the Second Phase Project is essential and the Second Phase Project will include (i) the construction of indoor studios; (ii) cooperation with resourceful company in providing high-tech equipment, props, etc, and (iii) new boutique hotels. The Group expects that there will be more shooting crews to film in the Studio after the Studio has been improved for the crews and tourists. Besides, in the short term, the Studio will also focus on education such as providing more tours to the students. In the long term, the Group will consider building a film production school for giving opportunities to any person who is interested in and passionate about film industry such as post-production and actor training. Overall, the Group believes that better land use planning and provision of supporting facilities will allow the Studio to become a comprehensive film studio in the foreseeable future.

In recent years, tourism has experienced continuous growth. With the advent of the leisure era, the Group believes that film-induced tourism will present a promising prospect, advancing in a direction characterized by diversified tourist attractions, individualized tourists, updated tourism contents and integrated planning and construction.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 February 2019, the Company entered into two separate placing agreements (“**GM Placing Agreements**”) with Quasar Securities Co., Limited and Oriental Patron Asia Limited (each a “**GM Placing Agent**”; collectively the “**GM Placing Agents**”) pursuant to which the Company has conditionally agreed to place up to 846,153,844 placing shares (“**GM Placing Shares**”) and each of the GM Placing Agents has conditionally agreed to procure on a best effort basis, as placing agent, currently expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties of the Company to subscribe for up to 423,076,922 GM Placing Shares at a price of HK\$0.26 per GM Placing Shares (“**GM Placing**”).

The placing price of HK\$0.26 per GM Placing Share represents (i) no discount or premium to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 12 February 2019, being the last day on which the Shares were traded on the Stock Exchange prior to the date of the GM Placing Agreement (“**GM Last Trading Day**”); and (ii) a premium of approximately 0.8% to the average closing price of approximately HK\$0.258 per Share as quoted on the Stock Exchange for the last five consecutive trading days (including the GM Last Trading Day) immediately prior to the date of the GM Placing Agreements.

於二零一八年，逾130個拍攝團隊在影視城拍攝，較二零一七年多20%。本集團相信，第二期項目實屬必要，將包括：(i)興建室內的攝影棚；(ii)與資源豐富的公司合作，提供高科技設備、道具等等；及(iii)新精品酒店。本集團預計影視城設備提升後，會有更多拍攝團隊及觀光遊客為劇組拍攝。此外，影視城在短期內亦將會集中教育範疇，比如向學生提供更多導賞團。長遠而言，本集團考慮成立電影製作學校，提供機會予任何對電影業有興趣及熱愛電影的人士，例如參與後期製作、演員培訓等。整體而言，本集團相信更好的土地用途計劃、提供支援設施等等，將使影視城在可見將來成為綜合電影片廠。

近年來，旅遊業發展持續增長。隨著休閒時代的來臨，本集團預期影視旅遊的前景暢旺，會以多元化的旅遊點、個人遊、更新旅遊活動的內容和結合規劃與興建的方向發展。

根據一般授權配售新股份

於二零一九年二月十三日，本公司與駿昇證券有限公司及東英亞洲有限公司(各為一名「**一般授權配售代理**」，統稱「**一般授權配售代理**」)訂立兩份獨立的配售協議(「**一般授權配售協議**」)，據此，本公司已有條件地同意配售最多846,153,844股配售股份(「**一般授權配售股份**」)，而各一般授權配售代理有條件同意作為配售代理，按竭盡全力基準物色目前預期不少於六名承配人(該等承配人及其最終實益擁有人須為本公司獨立第三方)，彼等將按每股一般授權配售股份0.26港元的價格，認購最多423,076,922股一般授權配售股份(「**一般授權配售事項**」)。

配售價為每股一般授權配售股份0.26港元，較：(i)股份於二零一九年二月十二日(即一般授權配售協議日期前股份於聯交所買賣的最後日子(「**一般授權最後交易日**」))在聯交所所報收市價每股0.26港元並無折讓或溢價；及(ii)股份於緊接一般授權配售協議日期前最後五個連續交易日(包括一般授權最後交易日)在聯交所所報平均收市價每股約0.258港元溢價約0.8%。

Completion of the GM Placing under the Placing Agreements is conditional upon: (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the approval for listing of, and permission to deal in, the GM Placing Shares; and (b) all necessary consents and approvals required to be obtained on the part of the Company in respect of the GM Placing and the transactions contemplated thereunder having been obtained.

Reasons for and the benefits of the GM Placing

As at 31 December 2018, the unaudited cash and bank balances of the Group were approximately HK\$15.7 million.

As disclosed in the interim report of the Group for the six months ended 30 June 2018, the total liabilities of the Group were approximately HK\$2.1 billion as at 30 June 2018, among which, the Group recorded (i) loans from shareholders of an aggregate amount of approximately HK\$609.0 million; (ii) borrowings of an aggregate amount of approximately HK\$197.5 million; (iii) trade payables and other payables and accruals of an aggregate amount of approximately HK\$80.3 million; (iv) bonds of an aggregate amount of approximately HK\$871.5 million; and (v) promissory notes of an aggregate amount of approximately HK\$104.6 million as at 30 June 2018.

It was expected that assuming the maximum number of the GM Placing Shares is placed under the GM Placing Agreements, the gross proceeds from the GM Placing would be approximately HK\$220.0 million, and the net proceeds would be approximately HK\$201.5 million (after deduction of commission and other expenses incurred in the Placing), representing a net issue price of approximately HK\$0.24 per GM Placing Share. With reference to the financial position of the Group as mentioned above, it was expected that the net proceeds from the GM Placing, being approximately HK\$201.5 million, will be utilised for the partial repayment of the principal and interests of bonds and borrowings of the Group.

As the majority of interest rates of the existing bonds, borrowings and loans from shareholders and directors range from approximately 6.0% to 15.0%, the financial cost derived from such debts represents a significant part of the total expense of the Group. As such, the Board was of the view that the abovementioned repayment would reduce the interest burden of the Group, improve the gearing ratio of Group and strengthen the financial position and profitability of the Group.

根據配售協議完成一般授權配售事項須待以下條件達成後，方告作實：(a)聯交所上市委員會批准或同意批准一般授權配售股份的上市及買賣；及(b)本公司就一般授權配售事項及其項下擬進行之交易已經取得所有必需取得之同意書及批文。

進行一般授權配售事項之理由及裨益

於二零一八年十二月三十一日，本集團的未經審核現金及銀行結餘約為15.7百萬港元。

誠如本集團截至二零一八年六月三十日止六個月的中期報告所披露，本集團於二零一八年六月三十日的總負債約21億港元，其中，於二零一八年六月三十日，本集團錄得(i)股東的貸款總額約609.0百萬港元；(ii)借款總額約197.5百萬港元；(iii)應付貿易款項及其他應付款項及應計費用總額約80.3百萬港元；(iv)債券總額約871.5百萬港元；及(v)承兌票據總額約104.6百萬港元。

假設根據一般授權配售協議配售最大數目的一般授權配售股份，預期一般授權配售事項的所得款項總額將為約220.0百萬港元，扣除一般授權配售事項產生的佣金及其他開支後，所得款項淨額將約201.5百萬港元，相當於每股一般授權配售股份淨發行價約0.24港元。經參考上文所述之本集團財務狀況，預期一般授權配售事項的所得款項淨額約201.5百萬港元將用作部分償還本集團債券及借貸的本金及利息。

由於現有債券、借款及來自股東及董事貸款的利率主要介乎約6.0%至15.0%，該等債務所產生的財務成本在本集團總開支中佔有重大比例。因此，董事會認為，上述還款將減輕本集團的利息負擔，改善本集團的資本負債比率並加強本集團的財務狀況及盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may further incur interest burden on the Group. On the other hand, rights issue or open offer may involve relatively substantial time and cost to complete as compared to the equity financing through the GM Placing. In addition, the GM Placing would strengthen the capital base of the Company.

As set out in the Company's announcement dated 15 March 2019, (1) all the conditions of the GM Placing have been fulfilled and the completion of the GM Placing took place on 15 March 2019; and (2) an aggregate of 428,769,230 GM Placing Shares have been successfully placed at the placing price of HK\$0.260 per GM Placing Share pursuant to the terms and conditions of the GM Placing Agreements. The aggregate nominal value of the GM Placing Shares under the GM Placing will be HK\$42,876,923.

The 428,769,230 GM Placing Shares represent (i) approximately 9.5% of the issued share capital of the Company immediately before the completion of the GM Placing; and (ii) approximately 8.7% of the issued share capital of the Company as enlarged by the allotment and issue of the 428,769,230 GM Placing Shares.

The gross proceeds from the GM Placing was approximately HK\$111.5 million, and the net proceeds from the GM Placing, after deducting the placing commission and other expenses in connection with the GM Placing from the gross proceeds, was approximately HK\$104.5 million which was intended to be used for the partial repayment of the principal and interests of the bonds and borrowings of the Group.

The GM Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 June 2018 to allot and issue up to 903,432,244 new Shares, and therefore the allotment and issue of the GM Placing Shares was not subject to any additional Shareholders' approval.

Further details of the GM Placing Agreements and the GM Placing are disclosed in the Company's announcements dated 13 February 2019, 15 March 2019 and 4 April 2019.

董事會曾考慮其他集資方法如債務融資、供股或公開發售。董事會認為，債務融資或令本集團引致更多利息負擔。另一方面，與藉一般授權配售事項進行股本融資相比，供股或公開發售可能牽涉較長時間及成本。此外，一般授權配售事項將強化本公司的資本基礎。

誠如本公司日期為二零一九年三月十五日之公告披露：(1)一般授權配售事項的所有條件均獲達成，且一般授權配售事項已於二零一九年三月十五日完成；及(2)合共428,769,230股一般授權配售股份已根據一般授權配售協議的條款及條件，按每股一般授權配售股份0.260港元之配售價成功配售。一般授權配售事項項下的一般授權配售股份的總面值將為42,876,923港元。

428,769,230股一般授權配售股份佔：(i)緊接一般授權配售事項完成前本公司已發行股本約9.5%；及(ii)經配發及發行428,769,230股一般授權配售股份擴大後本公司已發行股本約8.7%。

一般授權配售事項的所得款項總額約為111.5百萬港元，而一般授權配售事項的所得款項淨額(自所得款項總額扣除配售佣金及與一般授權配售事項有關的其他開支後)則約為104.5百萬港元，該筆款項擬用於償還部分本集團債券及借款本金及利息。

一般授權配售股份將根據股東於二零一八年六月二十八日舉行的本公司股東週年大會上通過一項普通決議案而授予董事的一般授權配發及發行，可配發及發行最多903,432,244股新股份，因此，一般授權配售股份之配發及發行毋須經任何額外股東批准。

關於一般授權配售協議及一般授權配售事項的更多詳情，於本公司日期為二零一九年二月十三日、二零一九年三月十五日及二零一九年四月四日的公告披露。

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND INCREASE IN AUTHORISED SHARE CAPITAL

On 13 February 2019, the Company entered into a placing agreement (“**SM Placing Agreement**”) with Emperor Securities Limited, Kingston Securities Limited and Oriental Patron Asia Limited and Quasar Securities Co., Limited (collectively the “**SM Placing Agents**”), pursuant to which the Company has conditionally agreed to place through the SM Placing Agents, on a best effort basis, of up to 6,153,846,153 placing shares (“**SM Placing Shares**”) to currently expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties of the Company at a price of HK\$0.26 per SM Placing Share (“**SM Placing**”). The SM Placing Shares will be allotted and issued pursuant to the specific mandate to be sought at the special general meeting of the Company to be held on 21 May 2019.

The placing price of HK\$0.26 per SM Placing Share represents (i) no discount or premium to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 12 February 2019, being the last day on which the Shares were traded on the Stock Exchange prior to the date of the SM Placing Agreement (“**SM Last Trading Day**”); and (ii) a premium of approximately 0.8% to the average closing price of approximately HK\$0.258 per Share as quoted on the Stock Exchange for the last five consecutive trading days (including the SM Last Trading Day) immediately prior to the date of the SM Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this report and the completion date of the SM Placing, the maximum number of the SM Placing Shares represents (i) approximately 124.4% of the total number of Shares in issue as at the date of this report; and (ii) approximately 55.4% of the total number of Shares in issue as enlarged by the SM Placing (assuming the maximum number of the SM Placing Shares is placed).

根據特別授權配發新股份及增加 法定股本

於二零一九年二月十三日，本公司與英皇證券（香港）有限公司、金利豐證券有限公司及東英亞洲有限公司及駿昇證券有限公司（統稱為「**特別授權配售代理**」）訂立一份配售協議（「**特別授權配售協議**」），據此，本公司已有條件同意透過特別授權配售代理按竭盡全力基準配售最多6,153,846,153股配售股份（「**特別授權配售股份**」）予現時預期不少於六名承配人（該等承配人及其最終實益擁有人應為本公司獨立第三方），配售價為每股特別授權配售股份0.26港元（「**特別授權配售事項**」）。特別授權配售股份將根據本公司於二零一九年五月二十一日舉行的股東特別大會上尋求之特別授權配發及發行。

配售價為每股特別授權配售股份0.26港元，較(i)股份於二零一九年二月十二日（即刊發特別授權配售協議前股份於聯交所買賣的最後日子（「**特別授權最後交易日**」）），在聯交所所報收市價每股0.26港元並無折讓或溢價；及(ii)股份於緊接特別授權配售協議日期前最後五個連續交易日（包括特別授權最後交易日）在聯交所所報平均收市價每股約0.258港元溢價約0.8%。

假設於本報告日期起至特別授權配售事項完成日期止期間，本公司的已發行股本並無變動，特別授權配售股份最高數目相當於：(i)本報告日期的已發行股份總數約124.4%；及(ii)經特別授權配售事項（假設特別授權配售股份最高數目已獲配售）而擴大的已發行股份總數約55.4%。

Completion of the SM Placing under the SM Placing Agreement is conditional upon: (a) the passing by the Shareholders of an ordinary resolution to approve the SM Placing Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the SM Placing Shares; (b) the passing by the Shareholders of an ordinary resolution to approve the proposed increase in the authorised share capital of the Company from HK\$600,000,000 divided into 6,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 14,000,000,000 new Shares (“**Increase in Authorised Share Capital**”); (c) the Listing Committee of the Stock Exchange granting or agreeing to grant the approval for listing of, and permission to deal in, the SM Placing Shares; and (d) all necessary consents and approvals required to be obtained on the part of the Company in respect of the SM Placing and the transactions contemplated thereunder having been obtained.

The SM Placing is subject to the Shareholders’ approval. A special general meeting of the Company will be held on 21 May 2019 for the purposes of considering and, if thought fit, approving (i) the SM Placing Agreement and the transactions contemplated thereunder, including the grant of the specific mandate for the allotment and issue of the SM Placing Shares; and (ii) the Increase in Authorised Share Capital.

Reasons for and the benefits of the SM Placing

The Group is principally engaged in film production and distribution, the provision of management services to artistes, event coordination, provision of travel related products and operations of film studio and hotel.

As disclosed in the annual report of the Company for the year ended 31 December 2018, the total liabilities of the Group were approximately HK\$2.2 billion as at 31 December 2018, which consisted of (i) loans from shareholders of an aggregate amount of approximately HK\$601.0 million; (ii) borrowings of an aggregate amount of approximately HK\$193.1 million; (iii) trade payables and other payables and accruals of an aggregate amount of approximately HK\$103.8 million; (iv) bonds of an aggregate amount of approximately HK\$1.0 billion; (v) promissory notes of an aggregate amount of approximately HK\$106.5 million; (vi) deferred tax liabilities of approximately HK\$158.5 million; (vii) finance lease obligation of approximately HK\$24.2 million; and (viii) provision for income tax of approximately HK\$3.0 million.

根據特別授權配售協議完成特別授權配售事項須待下列條件達成後，方可作實：(a)股東通過普通決議案批准特別授權配售協議及其項下擬進行之交易，包括但不限於特別授權配售股份之配發及發行；(b)股東通過普通決議案批准建議透過增設額外14,000,000,000股新股份，將本公司法定股本由600,000,000港元(分為6,000,000,000股股份)增至2,000,000,000港元(分為20,000,000,000股股份)(「**增加法定股本**」)；(c)聯交所上市委員會授予或同意授予特別授權配售股份上市及買賣之批准；及(d)本公司已取得其須就特別授權配售事項及其項下擬進行之交易取得的所有必要同意及批准。

特別授權配售事項須經股東批准後，方可作實。本公司將於二零一九年五月二十一日舉行股東特別大會，以考慮及酌情批准(i)特別授權配售協議及其項下擬進行之交易，包括授出特別授權以配發及發行特別授權配售股份；及(ii)增加法定股本。

進行配售事項之理由及裨益

本集團主要從事電影製作及發行、提供藝人管理服务、活動統籌、提供旅行相關產品及經營影視城和酒店。

誠如本公司截至二零一八年十二月三十一日止年度的年報所披露，本集團於二零一八年十二月三十一日的總負債約為22億港元，包括(i)股東的貸款總額約601.0百萬港元；(ii)借貸合共約193.1百萬港元；(iii)應付貿易款項及其他應付款項以及應計費用合共約103.8百萬港元；(iv)債券合共約10億港元；(v)承兌票據合共約106.5百萬港元；(vi)遞延稅項負債約158.5百萬港元；(vii)融資租賃承擔約24.2百萬港元；及(viii)所得稅撥備約3.0百萬港元。

The book value of the unsecured bonds of the Group, being approximately HK\$1.0 billion as at 31 December 2018, comprised of the aggregate principal and interests of the 454 bonds of the Company that were outstanding as at 31 December 2018 (the “**Outstanding Bonds**”). Such book value of the Outstanding Bonds represents the aggregate principal amount of approximately HK\$1.2 billion and offset by the transaction costs including administrative expenses, commission fees and other expenses involved in issuing of the Outstanding Bonds. The principal amounts of the Outstanding Bonds vary from HK\$150,000 to HK\$26,954,000. Please find the details below:

於二零一八年十二月三十一日，本集團無抵押債券賬面值約10億港元包括本公司454份債券的本金及利息總額，該等債券於二零一八年十二月三十一日尚未贖回（「未贖回債券」）。該等未贖回債券的賬面值指本金總額約12億港元及被交易成本（包括行政開支、佣金費用及其他涉及發行未贖回債券的開支）抵銷。未贖回債券的本金額介乎150,000港元至26,954,000港元。請參閱下文的詳情：

Principal	本金	As at 31 December 2018 於二零一八年十二月三十一日	
		Number of bonds 債券數目	Approximate % 概約%
HK\$150,000 to HK\$1,000,000	150,000港元至1,000,000港元	239	52.6
HK\$1,000,001 to HK\$3,000,000	1,000,001港元至3,000,000港元	97	21.4
HK\$3,000,001 to HK\$10,000,000	3,000,001港元至10,000,000港元	100	22.0
HK\$10,000,001 to HK\$26,954,000	10,000,001港元至26,954,000港元	18	4.0
Total	總計	454	100.0

As at 31 December 2018, the 454 Outstanding Bonds had original maturities from 14 days to eight (8) years from the dates of issue, among which, the original maturities of four (4) Outstanding Bonds had been extended. Please find the details of maturity dates (after extension) below:

於二零一八年十二月三十一日，454份未贖回債券的原到期日介乎自發行日期起14日至八(8)年，其中四(4)份未贖回債券的原到期日已延長。到期日（經延長）詳情如下：

Maturity date (after extension)	到期日（經延長）	As at 31 December 2018 於二零一八年十二月三十一日	
		Number of bonds 債券數目	Approximate % 概約%
On or before 31/12/2019	於二零一九年十二月三十一日或之前	341	75.1
1/1/2020 to 31/12/2021	二零二零年一月一日至 二零二一年十二月三十一日	47	10.3
1/1/2022 to 31/12/2023	二零二二年一月一日至 二零二三年十二月三十一日	28	6.2
1/1/2024 to 31/12/2026	二零二四年一月一日至 二零二六年十二月三十一日	38	8.4
Total	總計	454	100.0

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As at 31 December 2018, among all Outstanding Bonds, there were 137 bonds that were overdue (the “**Overdue Bonds**”). As at 26 April 2019, four (4) of the Overdue Bonds had been settled and 102 of the Overdue Bonds had been extended and the aging analysis of the remaining 31 Overdue Bonds is as follows:

於二零一八年十二月三十一日，所有未贖回債券中，有137份債券屬已逾期（「**逾期債券**」）。於二零一九年四月二十六日，四(4)份逾期債券已結付，102份逾期債券已延期，而餘下31份逾期債券的賬齡分析如下：

		As at 26 April 2019 於二零一九年四月二十六日			
		<i>Number of</i> <i>bonds</i> 債券數目	<i>Approximate</i> <i>%</i> 概約%	<i>Principal</i> <i>amounts</i> 本金額 (HK\$) (港元)	<i>Approximate</i> <i>%</i> 概約%
Past due 1 to 31 days	逾期1日至31日	11	35.5	10,600,000	30.6
Past due 32 to 61 days	逾期32日至61日	16	51.6	13,700,000	39.6
Past due 62 to 92 days	逾期62日至92日	4	12.9	10,300,000	29.8
Total	總計	31	100.0	34,600,000	100.0

As at 26 April 2019, the remaining 31 Overdue Bonds with an aggregate principal amount of approximately HK\$34.6 million represented approximately 2.9% to the aggregate principal amount of all Outstanding Bonds as at 31 December 2018.

於二零一九年四月二十六日，餘下31份逾期債券的本金總額約為34.6百萬港元，佔二零一八年十二月三十一日所有未贖回債券的本金總額約2.9%。

As at 26 April 2019, the maturities of 102 Overdue Bonds had been extended, details of maturity dates are set out below:

於二零一九年四月二十六日，102份逾期債券的到期日已延長，其到期日詳情載列如下：

Maturity date (after extension)		到期日 (經延長)		As at 26 April 2019 於二零一九年四月二十六日	
		<i>Number of</i> <i>bonds</i> 債券數目	<i>Approximate</i> <i>%</i> 概約%		
On or before 31/12/2020	於二零二零年十二月三十一日或之前	100	98.0		
1/1/2021 to 31/12/2022	二零二一年一月一日至 二零二二年十二月三十一日	1	1.0		
1/1/2023 to 31/12/2023	二零二三年一月一日至 二零二三年十二月三十一日	1	1.0		
Total	總計	102	100.0		

The loan from shareholders of the Group of approximately HK\$601.0 million as at 31 December 2018 consist of the fixed loans of approximately HK\$387.4 million and revolving loans of approximately HK\$213.6 million. As at 26 April 2019, the outstanding principal for the total amount of 10 fixed loans and 7 revolving loans from shareholders were approximately HK\$607.2 million in aggregate and repayable over one year but within two years.

於二零一八年十二月三十一日，本集團股東貸款約為601.0百萬港元，由定期貸款約387.4百萬港元及循環貸款約213.6百萬港元組成。於二零一九年四月二十六日，合共10份定期貸款及7份股東循環貸款之未償還本金額約為607.2百萬港元，須於一年後但兩年內償還。

The borrowings of Group of approximately HK\$193.1 million as at 31 December 2018 consist of the clean loans of approximately HK\$88.5 million and the secured loan of approximately HK\$104.6 million. As at 26 April 2019, the outstanding principal for the said borrowings were approximately HK\$147.4 million and repayable within one year.

The trade payables and other payables and accruals of the Group of approximately HK\$103.8 million as at 31 December 2018 consist of trade payable of approximately HK\$20.0 million and the other payables and accruals of approximately HK\$83.8 million. As at 26 April 2019, the outstanding amount of the aforesaid was approximately HK\$108.6 million.

As at 31 December 2018, the audited cash and bank balances of the Group were approximately HK\$13.5 million. The Directors consider that the Group's existing cash together with the cash generated from the Group's operation is not sufficient to meet the repayment of liabilities of the Group and therefore it is necessary to allocate the proceeds of the SM Placing for repayment of its liabilities.

Assuming the maximum number of the SM Placing Shares is placed under the SM Placing Agreement, the gross proceeds from the SM Placing will be approximately HK\$1.60 billion, and the net proceeds will be approximately HK\$1.55 billion (after deduction of commission and other expenses incurred in the SM Placing), representing a net issue price of approximately HK\$0.252 per SM Placing Share. It is expected that the net proceeds from the SM Placing will be utilised for the following purposes:

- (i) approximately HK\$347.3 million for the partial repayment of the principal and interests of the Overdue Bonds and other Outstanding Bonds which will due by 31 May 2019;
- (ii) approximately HK\$658.0 million for the repayment of the principal amounts and partial interests of the remaining Outstanding Bonds (as at 26 April 2019) of the Group;
- (iii) approximately HK\$296.5 million for the partial repayment of the principal and interests of loans from shareholders;
- (iv) approximately HK\$124.7 million for the partial repayment of the principal amount of borrowings;
- (v) approximately HK\$73.9 million for the repayment of trade payables and other payables and accruals; and
- (vi) approximately HK\$50.0 million for the construction of two indoor film studio for the Studio.

於二零一八年十二月三十一日，本集團之借貸約193.1百萬港元，由無抵押貸款約88.5百萬港元及有抵押貸款約104.6百萬港元組成。於二零一九年四月二十六日，前述借貸款之未償還本金額約為147.4百萬港元及須於一年內償還。

於二零一八年十二月三十一日，本集團之貿易應付款項及其他應付款項及應計款項約為103.8百萬港元，由貿易應付款項及其他應付款項約20.0百萬港元及應計款項約83.8百萬港元組成。於二零一九年四月二十六日，前述各項之未償還金額約為108.6百萬港元。

於二零一八年十二月三十一日，本集團之經審核現金及銀行結餘約為13.5百萬港元。董事認為本集團現有現金加上本集團業務產生之現金，不足以償還本集團之負債，因此必須分配特別授權配售事項之所得款項以償還其負債。

假設根據特別授權配售協議配售最高數目的特別授權配售股份，特別授權配售事項的所得款項總額將為約16億港元，扣除特別授權配售事項產生的佣金及其他開支後，所得款項淨額將約為15.5億港元，相當於每股特別授權配售股份淨發行價約0.252港元。預期特別授權配售事項的所得款項淨額將會用作以下用途：

- (i) 約347.3百萬港元用於部分償還逾期債券及將於二零一九年五月三十一日到期之其他贖回債券之本金及利息；
- (ii) 約658.0百萬港元用於償還本集團餘下未贖回債券(於二零一九年四月二十六日)之本金額及部分利息；
- (iii) 約296.5百萬港元用於部分償還股東貸款的本金額及利息；
- (iv) 約124.7百萬港元用於部分償還借貸的本金額；
- (v) 約73.9百萬港元用於償還貿易應付款項及其他應付款項及應計款項；及
- (vi) 約50.0百萬港元用於建造影視城的兩個室內攝影棚。

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As the majority of interest rates of the existing bonds, borrowings and loans from shareholders range from approximately 6.0% to 15.0%, the financial cost derived from such debts represents a significant part of the total expense of the Group. As such, the Board is of the view that the abovementioned repayment would reduce the interest burden, improve the gearing ratio and strengthen the financial position and profitability of the Group.

Given the rapid development of Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”), the tourism industry of the Greater Bay Area is expected to become the focal point of development. As the Studio of the Group is located at the boundary line of the Greater Bay Area, the Studio is expected to benefit from the strong momentum of the tourism development in the Greater Bay Area. Therefore, the Company is of the view that the development of the Studio would help the Company capture potential growth and business opportunities in the tourism industry and generate synergy effect to the Group’s film studio operation in the long run, which is also in line with its business strategy of expansion of film-induced tourism business.

Other than the SM Placing, the Board has considered alternative fundraising methods such as debt financing and pre-emptive equity financing (i.e. rights issue or open offer). The Board considered that debt financing may further incur interest burden on the Group. Given the Group’s current financial position and the above consideration, the Company considers that it would be difficult for the Group to obtain further debt financing at a reasonable cost and further debt financing would not be healthy to the long-term financial condition of the Group and therefore has not approached financial institutions for debt financing.

由於現有債券、借款及來自股東及董事貸款的利率主要介乎約6.0%至15.0%，該等債務所產生的財務成本在本集團總開支中佔有重大比例。因此，董事會認為，上述還款將減輕利息負擔，改善資本負債比率並加強本集團的財務狀況及盈利能力。

鑑於粵港澳大灣區（「**大灣區**」）的迅猛發展，大灣區的旅遊業預期將成為發展重點。由於影視城位於大灣區沿線，預期本集團影視城將受惠於大灣區旅遊業強勁的發展勢頭。因此，本公司認為，影視城的發展將有助本公司把握旅遊業的潛在增長及商業機遇，並對本集團影視城業務產生長遠的協同效應，亦符合其擴張影視旅遊業務的商業策略。

除特別授權配售事項外，董事會曾考慮替代融資方法，如債務融資及優先股權融資（即供股或公開發售）。董事會認為，債務融資或令本集團招致更多利息負擔。鑒於本集團之目前財務狀況及上述考量，本公司認為本集團以合理成本獲取更多債務融資會有困難，且更多債務融資對於本集團之長期財務狀況不健康，因此並無就債務融資接洽金融機構。

On the other hand, rights issue or open offer may involve relatively substantial time and cost to complete as compared to the SM Placing. The Directors considered that when compared with the SM Placing, rights issue or open offer may incur (i) comparatively higher administrative costs, professional fees and other expenses of approximately HK\$2.0 million to approximately HK\$3.0 million in relation to the engagement of reporting accountants, legal adviser, independent financial adviser, share registrar and financial printer in connection with the despatch of prospectus and related documents and application forms; and (ii) underwriting commission in the range of approximately 1.0% to 4.0% in general with reference to recent pre-emptive fund raising activities by companies listed on the Stock Exchange. Nonetheless, the Company had approached two (2) underwriters in respect of pre-emptive equity financing and none of them indicated interest in underwriting in light of the financial position of the Company with a high gearing ratio. After taking into account that determination of underwriting commission will be subject to the then prevailing market condition, financial condition of the Group and proposed fundraising scale of the pre-emptive issue, the Directors are of the view that there is no guarantee that the Group will be able to procure commercial underwriting for pre-emptive issue at more favourable terms in a timely manner as compared with the SM Placing, given the loss-making position of the Group during the recent years and the relatively small market capitalisation of the Company.

Moreover, the Directors considered that rights issue or open offer may require a relatively longer time period, usually not less than two (2) to three (3) month, to complete in view of the relatively more stringent documentary requirements for pre-emptive issues such as preparation of a listing document, preparation of unaudited pro forma financial information to be included in the prospectus, application forms, registration requirements for a listing document and negotiation with the underwriter on the terms and conditions of the underwriting agreement. In addition, the abovementioned longer time period would delay the process of repayment of the Outstanding Bonds, resulting in additional interest expenses to be incurred by the Group as compared to the SM Placing. As the Outstanding Bonds in aggregate have a large amount of book value, such additional interest expenses of the Outstanding Bonds represent heavy interest burden to the Group and may in turn cause an adverse impact on the financial condition of the Group.

另一方面，與特別授權配售事項相比，供股或公開發售可能牽涉相對較長時間及成本。董事認為，與特別授權配售相比，供股或公開發售(i)因就寄發供股／招股章程以及相關文件及申請表格委聘申報會計師、法律顧問、獨立財務顧問、股份過戶登記處及財經印刷商而產生的行政成本、專業費用及其他開支或會相對較高，介乎約2.0百萬港元至約3.0百萬港元；及(ii)通常介乎約1.0%至4.0%的包銷佣金(經參考聯交所上市公司之近期優先認購權集資活動)或會相對較高。然而，本公司已就優先股權融資與兩(2)名包銷商接洽，礙於本公司之財務狀況且負債比率高企，彼等均表示並無興趣參與包銷。考慮到釐定包銷佣金將受限於當時的現行市況、本集團財務狀況及優先發行的擬定集資規模，董事認為，鑒於本集團於近幾年內處於虧損狀況，而本公司市值較小，故與特別授權配售相比，不能保證本集團將能夠就優先發行以更優厚的條款及時獲得商業包銷。

此外，董事認為供股或公開發售可能需要較長時間完成，通常不少於兩(2)至三(3)個月，因為優先發行有相對更嚴格的文件要求，例如編製上市文件、編製載於章程的未經審核備考財務資料、申請表格、上市文件登記要求及與包銷商就包銷協議的條款及條件進行磋商。此外，上述較長時間將拖延償還未贖回債券的過程，導致相對於特別授權配售事項，本集團將產生額外利息開支。由於未贖回債券總體上的賬面值金額大，該等未贖回債券的額外利息開支對本集團造成沉重的利息負擔，繼而可能對本集團的財務狀況造成不利影響。

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Although a rights issue would have been offered to the Shareholders on a pro rata entitlement basis, which the qualifying Shareholders are given a choice to take up or give up or sell their entitlements, there is uncertainty of the existence of a market to trade the nil-paid rights. It is also uncertain whether the qualifying Shareholders would reserve fundings for further investment in the Shares in case of a pre-emptive issue and whether such further investment in the Shares would be in line with the then investment objectives of those qualifying Shareholders. For those qualifying Shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company.

Accordingly, in view of the (i) comparatively higher cost; (ii) the uncertainty in identifying interested underwriters with favourable terms; (iii) the comparatively longer period of time for completion and as a result, the additional interest expenses to be incurred; and (iv) the uncertainty in qualifying Shareholder's investment in respect of the pre-emptive equity financing, the Company does not consider pre-emptive equity financing (i.e rights issue and open offer) to be desirable alternatives to the SM Placing.

In light of the above, the Directors consider that the terms of the SM Placing Agreement and the SM Placing are on normal commercial terms, which are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Further details of the SM Placing Agreements and the SM Placing are disclosed in the Company's announcements dated 13 February 2019 and 4 April 2019, and the Company's circular dated 2 May 2019.

儘管供股將按配額比例向股東提呈，即合資格股東可選擇承購或放棄或出售彼等之配額，惟買賣未繳股款權利之市場是否存在仍然不能確定。合資格股東會否保留資金以進一步投資優先發行的股份及對股份作出進一步投資會否與該等合資格股東當時之投資目標一致亦無法確定。就選擇並不全數承購彼等其保證配額之合資格股東而言，彼等於本公司持有之股權權益將被攤薄。

因此，鑒於(i)相對較高的成本；(ii)物色有興趣提供有利條件的包銷商存在不明朗因素；(iii)完成所需相對較長時間及因此將產生額外利息開支；及(iv)就優先股權融資釐定股東投資資格的不確定性，本公司並不認為優先股權融資(即供股及公開發售)乃特別授權配售事項之適宜替代方法。

有見及此，董事認為特別授權配售協議及特別授權配售事項的條款為正常商業條款，實屬公平合理，並符合本公司及股東的整體利益。

特別授權配售協議及特別授權配售事項的更多詳情於本公司日期為二零一九年二月十三日及二零一九年四月四日的公告，以及日期為二零一九年五月二日的通函內披露。

ADDITIONAL INFORMATION

附加資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2019, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

1. Long Positions in the ordinary shares of HK\$0.1 each of the Company ("Shares")

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數量	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note) (附註)
Mr. Chow Kai Weng 周啟榮先生	Beneficial Owner 實益擁有人	1,000,000	0.02%
Mr. Chui Chi Yun Robert 崔志仁先生	Beneficial Owner 實益擁有人	3,000,000	0.06%
Mr. Li Kit Chee 李傑之先生	Beneficial Owner 實益擁有人	4,480,000	0.09%

Note:

This is based on the total issued shares as at 31 March 2019 (i.e. 4,948,170,452 shares).

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一九年三月三十一日，董事、本公司主要行政人員及彼等各自之聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券擁有之根據證券及期貨條例第XV部第7及第8分部之規定須知會本公司及聯交所之權益及淡倉(包括上述人士根據該等證券及期貨條例條文被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條之規定須登記於所述之登記冊內之權益及淡倉，或根據GEM上市規則第5.46條至5.67條之規定須知會本公司及聯交所之權益及淡倉如下：

1. 於本公司每股面值0.1港元之普通股(「股份」)之好倉

Number of shares held 所持股份數量	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note) (附註)
1,000,000	0.02%
3,000,000	0.06%
4,480,000	0.09%

附註：

此乃基於二零一九年三月三十一日全部已發行股份(即4,948,170,452股)。

2. Long positions in the underlying Shares

2. 於相關股份之好倉

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比 (Note 1) (附註1)
Mr. Chow Kai Weng 周啟榮先生	Beneficial Owner 實益擁有人	45,063,695 (Note 2) (附註2)	0.91%
Mr. Chui Chi Yun Robert 崔志仁先生	Beneficial Owner 實益擁有人	1,546,896 (Note 3) (附註3)	0.03%
Mr. Cheng Wang Chun 鄭弘駿先生	Beneficial Owner 實益擁有人	44,980,000 (Note 4) (附註4)	0.91%

Notes:

- This is based on the total issued Shares as at 31 March 2019 (i.e. 4,948,170,452 Shares).
- These underlying Shares represent (i) 24,888 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chow Kai Weng on 29 September 2010 pursuant to the share option scheme adopted on 22 July 2002 and terminated on 29 September 2010 ("**Post-IPO Share Option Scheme**") under which Mr. Chow may exercise the said options from 29 September 2010 to 2 September 2020 at an exercise price of HK\$2.89 per Share; (ii) 58,807 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chow on 28 March 2011 pursuant to the share option scheme adopted on 29 September 2010 ("**New Share Option Scheme**") under which Mr. Chow may exercise the said options from 28 March 2012 to 27 March 2021 at an exercise price of HK\$7.62 per Share; and (iii) 44,980,000 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chow on 16 May 2017 pursuant to the New Share Option Scheme under which Mr. Chow may exercise the said options from 16 May 2017 to 15 May 2020 at an exercise price of HK\$0.2456 per Share.

附註：

- 此乃基於二零一九年三月三十一日的已發行股份總數(即4,948,170,452股股份)。
- 該等相關股份指(i)於根據於二零零二年七月二十二日採納，並於二零一零年九月二十九日終止的購股權計劃(「**首次公開發售後購股權計劃**」)，於二零一零年九月二十九日授予周啟榮先生的實物結算購股權獲行使後將予發行之24,888股股份，據此，周先生可於二零一零年九月二十九日至二零二零年九月二日期間行使前述購股權，行使價為每股2.89港元；(ii)於根據二零一零年九月二十九日採納的購股權計劃(「**新購股權計劃**」)於二零一一年三月二十八日授予周先生的實物結算購股權獲行使後將予發行之58,807股股份，據此，周先生可於二零一二年三月二十八日至二零一二年三月二十七日期間行使前述購股權，行使價為每股7.62港元；及(iii)於根據新購股權計劃於二零一七年五月十六日授予周先生的實物結算購股權獲行使後將予發行之44,980,000股股份，據此，周先生可於二零一七年五月十六日至二零二零年五月十五日期間行使前述購股權，行使價為每股0.2456港元。

3. These underlying Shares represent (i) 33,292 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chui Chi Yun Robert on 13 May 2010 pursuant to the Post-IPO Share Option Scheme under which Mr. Chui may exercise the said options from 13 May 2010 to 12 May 2020 at an exercise price of HK\$3.66 per Share; (ii) 33,604 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chui on 28 March 2011 pursuant to the New Share Option Scheme under which Mr. Chui may exercise the said options from 28 March 2012 to 27 March 2021 at an exercise price of HK\$7.62 per Share; and (iii) 1,480,000 Shares to be issued upon exercise of the physically settled share options granted to Mr. Chui on 16 May 2017 pursuant to the New Share Option Scheme under which Mr. Chui may exercise the said options from 16 May 2017 to 15 May 2020 at an exercise price of HK\$0.2456 per Share.
4. These underlying Shares represent 44,980,000 Shares to be issued upon exercise of the physically settled share options granted to Mr. Cheng Wang Chun on 16 May 2017 pursuant to the New Share Option Scheme under which Mr. Cheng may exercise the said options from 16 May 2017 to 15 May 2020 at an exercise price of HK\$0.2456 per Share.

Save as disclosed above, none of the Directors, chief executive of the Company or their associates had, as at 31 March 2019, 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) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. 該等相關股份指(i)於根據首次公開發售後購股權計劃於二零一零年五月十三日授予崔志仁先生的實物結算購股權獲行使後將予發行之33,292股股份，據此，崔先生可於二零一零年五月十三日至二零二零年五月十二日期間行使前述購股權，行使價為每股3.66港元；(ii)於根據新購股權計劃於二零一一年三月二十八日授予崔先生的實物結算購股權獲行使後將予發行之33,604股股份，據此，崔先生可於二零一二年三月二十八日至二零二一年三月二十七日期間行使前述購股權，行使價為每股7.62港元；及(iii)於根據新購股權計劃於二零一七年五月十六日授予崔先生的實物結算購股權獲行使後將予發行之1,480,000股股份，據此，崔先生可於二零一七年五月十六日至二零二零年五月十五日期間行使前述購股權，行使價為每股0.2456港元。
4. 該等相關股份指於根據新購股權計劃於二零一七年五月十六日授予鄭弘駿先生的實物結算購股權獲行使後將予發行之44,980,000股股份，據此，鄭先生可於二零一七年五月十六日至二零二零年五月十五日期間行使前述購股權，行使價為每股0.2456港元。

除上文所披露外，於二零一九年三月三十一日，各董事、本公司主要行政人員及彼等各自之聯繫人概無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)之任何股份、相關股份或債券中擁有任何根據證券及期貨條例第XV部第7及第8分部之規定須知會本公司及聯交所之權益或淡倉(包括上述人士根據該等證券及期貨條例條文被當作或視為擁有之權益或淡倉)，或根據證券及期貨條例第352條規定須登記於所述登記冊內之權益或淡倉，或根據GEM上市規則第5.46條至第5.67條之規定須知會本公司及聯交所之權益或淡倉。

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

As at 31 March 2019, the persons or corporations, other than a director or chief executive of the Company, who 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 Part XV of the SFO or had otherwise been notified to the Company were as follows:

Substantial shareholders' long position in the Shares

Name of shareholder 股東姓名	Capacity/ Nature of interest 身份／權益性質	Number of shares held 持有股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比 (Note 1) (附註1)
Mr. Sin Kwok Lam (“Mr. Sin”) 冼國林先生(「冼先生」)	Beneficial Owner 實益擁有人	848,580,623	17.15%
	Interest of Spouse (Note 2) 配偶權益(附註2)	23,352,000	0.47%
Ms. Law Po Yee (“Ms. Law”) 羅寶兒女士(「羅女士」)	Beneficial Owner 實益擁有人	23,352,000	0.47%
	Interest of Spouse (Note 3) 配偶權益(附註3)	848,580,623	17.15%
Tse Young Lai 謝欣禮	Beneficial Owner 實益擁有人	563,547,600	11.39%

Notes:

- This is based on the total issued Shares as at 31 March 2019 (i.e. 4,948,170,452 Shares).
- By virtue of the SFO, Mr. Sin, being the spouse of Ms. Law, was deemed to be interested in all the Shares in which Ms. Law was interested.
- By virtue of the SFO, Ms. Law, being the spouse of Mr. Sin, was deemed to be interested in all the Shares in which Mr. Sin was interested.

Save as disclosed above, as at 31 March 2019, the Company has not been notified of any persons, other than a director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO.

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一九年三月三十一日，根據本公司按照證券及期貨條例第XV部第336條規定存置之登記冊所記錄，或本公司已獲知會，下列人士或法團(除本公司董事或行政總裁外)於本公司之股份及相關股份中擁有權益或淡倉：

主要股東於股份之好倉

Name of shareholder 股東姓名	Capacity/ Nature of interest 身份／權益性質	Number of shares held 持有股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比 (Note 1) (附註1)
Mr. Sin Kwok Lam (“Mr. Sin”) 冼國林先生(「冼先生」)	Beneficial Owner 實益擁有人	848,580,623	17.15%
	Interest of Spouse (Note 2) 配偶權益(附註2)	23,352,000	0.47%
Ms. Law Po Yee (“Ms. Law”) 羅寶兒女士(「羅女士」)	Beneficial Owner 實益擁有人	23,352,000	0.47%
	Interest of Spouse (Note 3) 配偶權益(附註3)	848,580,623	17.15%
Tse Young Lai 謝欣禮	Beneficial Owner 實益擁有人	563,547,600	11.39%

附註：

- 此乃基於二零一九年三月三十一日的全部已發行股份(即4,948,170,452股股份)。
- 根據證券及期貨條例，冼先生(羅女士之配偶)被視為於羅女士擁有權益的全部股份中擁有權益。
- 根據證券及期貨條例，羅女士(冼先生之配偶)被視為於冼先生擁有權益的全部股份中擁有權益。

除上文所述者外，截至二零一九年三月三十一日，本公司並不知悉任何人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第336條所規定存置登記冊內記錄的須向本公司披露的權益或淡倉。

SHARE OPTION SCHEMES

Pursuant to a written resolution of the sole shareholder of the Company dated 22 July 2002, the Company conditionally adopted and approved Post-IPO Share Option Scheme. The principal terms of which are set out in Appendix IV to the prospectus of the Company dated 9 October 2002.

Pursuant to a resolution passed at the extraordinary general meeting of the Company dated 29 September 2010, the New Share Option Scheme was adopted and the Post-IPO Share Option Scheme was terminated. The principal terms of New Share Option Scheme are set out in the circular of the Company dated 6 September 2010.

Post-IPO Share Option Scheme

As at 31 March 2019, the share options to subscribe for an aggregate of 58,180 shares of the Company granted pursuant to the Post-IPO Share Option Scheme were outstanding. The details of the Post-IPO Share Option Scheme during the three months ended 31 March 2019 are set out as follows:

Category of participants 參與人類別	Exercise price per Share 每股行使價 (HK\$) (港元)	Date of grant 授出日期	Exercise period 行使期	Number of share options 購股權數目					Outstanding as at 31 March 2019 於二零一九年三月三十一日 尚未行使
				As at 1 January 2019 於二零一九年一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷	
Directors 董事	3.66	13 May 2010 二零一零年五月十三日	13 May 2010–12 May 2020 二零一零年五月十三日 – 二零二零年五月十二日	33,292	-	-	-	-	33,292
Directors 董事	3.38	20 May 2010 二零一零年五月二十日	20 May 2010–19 May 2020 二零一零年五月二十日 – 二零二零年五月十九日	33,420	-	-	(33,420)	-	-
Directors 董事	2.89	3 September 2010 二零一零年九月三日	29 September 2010– 2 September 2020 二零一零年九月二十九日 – 二零二零年九月二日	4,006,968	-	-	(3,982,080)	-	24,888
Total 總數				4,073,680	-	-	(4,015,500)	-	58,180

Note: All share options granted under the Post-IPO Share Option Scheme are vested immediately.

購股權計劃

根據本公司唯一股東於二零零二年七月二十二日之書面決議案，本公司有條件地採納及批准首次公開招股後購股權計劃。有關的主要條款載於日期為二零零二年十月九日之本公司招股章程附錄四內。

根據本公司於二零一零年九月二十九日舉行之股東特別大會上通過之決議案，新購股權計劃獲採納，而首次公開招股後購股權計劃被終止。新購股權計劃之主要條款載於本公司於二零一零年九月六日發出之通函內。

首次公開招股後購股權計劃

於二零一九年三月三十一日，根據首次公開招股後購股權計劃授出而可認購本公司合共58,180股股份之購股權尚未獲行使。於截至二零一九年三月三十一日止三個月之首次公開招股後購股權計劃詳情如下：

附註：根據首次公開發售後購股權計劃授出的購股權全部已即時歸屬。

New Share Option Scheme

In accordance with the resolution passed at the annual general meeting (the “AGM”) held on 29 June 2017, the scheme limit on the grant of options under the New Share Option Scheme and any other share option schemes of the Company has been refreshed to up to 449,848,122 Shares, being 10% of the Shares in issue as at the AGM date based on 4,498,481,222 Shares in issue (excluding

新購股權計劃

根據於二零一七年六月二十九日舉行之股東週年大會（「股東週年大會」）上通過之決議案，根據新購股權計劃及本公司任何其他購股權計劃授出購股權之計劃限額已更新至最多449,848,122股股份，即以4,498,481,222股已發行股份為基準，為於股東週年大會當日已發行股份之10%（根據新購股權計劃之前授出、尚未行使、註銷、失效或行使之

ADDITIONAL INFORMATION 附加資料

share options previously granted, outstanding, cancelled, lapsed or exercised under the New Share Option Scheme) (the "Refreshed Scheme Limit"); and the Directors are authorised, at their absolute discretion, to grant share options to subscribe for Shares within the Refreshed Scheme Limit in accordance with the rules of the New Share Option Scheme; to allot, issue and deal with the Shares pursuant to the exercise of share options granted under the New Share Option Scheme within the Refreshed Scheme Limit; and to do such acts and execute such documents for or incidental to implement the New Share Option Scheme within the Refreshed Scheme Limit.

As at 31 March 2019, the share options to subscribe for an aggregate of 254,472,411 Shares granted pursuant to the New Share Option Scheme were outstanding. The details of the share options granted under the New Share Option Scheme during the three months ended 31 March 2019 are set out as follows:

購股權除外)〔更新計劃限額〕；及授權董事全權酌情根據新購股權計劃之規則授出可認購股份之購股權，數額以更新計劃限額為限；於根據新購股權計劃所授出之購股權獲行使時，配發、發行及處理股份，數額以更新計劃限額為限；及因應於更新計劃限額範圍內執行新購股權計劃作出有關行動及簽立有關文件。

於二零一九年三月三十一日，根據新購股權計劃授出可認購合共254,472,411股股份之購股權尚未獲行使。於截至二零一九年三月三十一日止三個月之根據新購股權計劃授出的購股權詳情如下：

Category of participants	Exercise price per Share	Date of grant	Vesting period	Exercise period	Number of share options 購股權數目					Outstanding as at 31 March 2019 於二零一九年三月三十一日尚未行使
					As at 1 January 2019 於二零一九年一月一日	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷	
Directors (Note 1) 董事(附註1)	7.62	28 March 2011 二零一一年三月二十八日	28 March 2011- 27 March 2012 二零一一年三月二十八日至 二零一二年三月二十七日	28 March 2012- 27 March 2021 二零一二年三月二十八日至 二零二一年三月二十七日	4,830,579	—	—	(4,738,168)	—	92,411
Directors (Note 1) 董事(附註1)	0.2456	16 May 2017 二零一七年五月十六日	—	16 May 2017- 15 May 2020 二零一七年五月十六日至 二零二零年五月十五日	57,660,000	—	(2,240,000) (附註2)	(8,960,000)	—	46,460,000
Other participants 其他參與人士	0.2456	16 May 2017 二零一七年五月十六日	—	16 May 2017- 15 May 2020 二零一七年五月十六日至 二零二零年五月十五日	207,920,000	—	—	—	—	207,920,000
Total 總數					270,410,579	—	(2,240,000)	(13,698,168)	—	254,472,411

Note 1: The Directors include former directors of the Company.

附註1：董事包括本公司前任董事。

Note 2: The weighted average closing price of shares of the Company immediately before the date on which the options were exercised is HK\$0.35.

附註2：緊接購股權獲行使當日之前，本公司股份的加權平均收市價為0.35港元。

(i) New Share Option Scheme's purpose

The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to selected person and to promote the success of the business of the Group.

(ii) Qualifying participants

The participants of the New Share Option Scheme include any employee of the Company or any subsidiary of the Company, a director, a shareholder, a supplier, a customer or any subsidiary of the Company; an agent, adviser, consultant, strategist, contractor, sub-contractor, expert or entity that provides research, development or other technological support or any valuable services to Company or any of its subsidiary; and a holder of any securities issued.

(iii) Maximum number of shares

In accordance with the resolution passed at the AGM on 29 June 2017, the scheme limit on the grant of options under the New Share Option Scheme and any other share option schemes of the Company was refreshed to up to the Refreshed Scheme Limit, i.e. 449,848,122 Shares, being 10% of the Shares in issue as at the date of the AGM (i.e. 4,498,481,222 Shares in issue) (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the New Share Option Scheme) and representing approximately 9.09% of the issued Shares as at the date of this report (i.e. 4,948,170,452 Shares); and the Directors are authorized, at their absolute discretion, to grant share options to subscribe for Shares within the Refreshed Scheme Limit in accordance with the rules of the New Share Option Scheme; to allot, issue and deal with the Shares pursuant to the exercise of share options granted under the New Share Option Scheme within the Refreshed Scheme Limit; and to do such acts and execute such documents for or incidental to implement the New Share Option Scheme within the Refreshed Scheme Limit.

(i) 新購股權計劃目的

新購股權計劃旨在吸引及挽留最優秀的人才、向經甄選人士提供額外獎勵，以及推動本集團業務成功。

(ii) 合資格參與者

新購股權計劃的參與者包括本公司或其任何附屬公司的任何僱員、董事、股東、供應商、客戶或本公司任何附屬公司；向本公司或其任何附屬公司提供研發或其他技術支援或任何有價值服務的代理、顧問、專業顧問、策略師、承辦商、分承辦商、專家或實體；及任何已發行證券的持有人。

(iii) 最高股份數目

根據於二零一七年六月二十九日的股東週年大會上通過之決議案，根據新購股權計劃及本公司任何其他購股權計劃授出購股權之計劃限額已更新至更新計劃限額，即449,848,122股股份，佔股東週年大會當日已發行股份（即4,498,481,222股已發行股份）之10%（根據新購股權計劃之前授出、尚未行使、註銷、失效或行使之購股權除外）及佔於本報告日期已發行股份（即4,948,170,452股股份）約9.09%；及授權董事全權酌情根據新購股權計劃之規則授出可認購股份之購股權，數額以更新計劃限額為限；於根據新購股權計劃所授出之購股權獲行使時，配發、發行及處理股份，數額以更新計劃限額為限；及因應於更新計劃限額範圍內執行新購股權計劃作出有關行動及簽立有關文件。

ADDITIONAL INFORMATION 附加資料

(iv) Maximum entitlement of each qualifying participant

No qualifying participant shall be granted any options which, if exercised in full, would result in such person's maximum entitlement exceeding 1% of the aggregate number of Shares for the time being issued and issuable under the New Share Option Scheme in the 12-month period up to and including the proposed grant date unless such grant is approved in advance by the Shareholders in general meeting. No qualifying participant who is a substantial Shareholder or an independent non-executive Director, or any of their respective associates shall be granted any options, which, if exercised in full, would result in the shares issued and issuable to such person under the New Share Option Scheme in the 12-month period up to and including the proposed grant date for such options, unless such grant of options is approved in advance by the Shareholders of the Company in general meeting: (a) representing in aggregate over 0.1% of the number of Shares then in issue; and (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to such person under the relevant scheme, in excess of HK\$5 million.

(v) Option period

The share options may be exercised in whole or in part by the participant at any time during the exercise period, i.e. not exceed 10 years from the date of grant of the relevant new share options pursuant to the New Share Option Scheme, by delivering to the Company a notice duly signed in a form approved by the Board (together with payment of the exercise price in full in respect of each new share to be subscribed for) and delivery of the new share option certificate for amendment or cancellation.

(vi) Minimum period for which an option must be held before it can be exercised

No offer of a new share option which is capable of or open for acceptance shall be made after the expiry of the exercise period pursuant to the New Share Option Scheme.

(iv) 每名合資格參考者可獲授權益上限

倘若授予合資格參與者之購股權於截至建議授出日期(包括當日)止12個月期間獲全面行使,將導致該人士可獲授權益上限超逾當時根據新購股權計劃已發行股份及可發行股份總數之1%,則該合資格參與者不獲授予購股權,惟獲股東於股東大會上預先批准者除外。如合資格參與者為主要股東或獨立非執行董事或任何彼等各自之聯繫人士及符合以下情況,均不得獲授購股權(惟購股權授予已經本公司股東在股東大會上預先批准者除外):根據新購股權計劃,已經及將會授予該等人士之購股權獲全面行使後將導致已經及將予發行股份之數目於截至及包括建議授出日期止前12個月期間(包括當日):(a)合計超逾已發行股份數目0.1%;及(b)根據相關購股權計劃,每次授出購股權予該人士之有關日期於聯交所之每日報價表所列之股份收市價計算,總值超逾五百萬港元。

(v) 購股權年期

參與者可於行使期(即根據新購股權計劃授出相關新購股權的日期起計不超過10年)內,隨時透過向本公司送交已按董事會批准的形式妥為簽署的通知(連同就將予認購的每股新股份支付的全數行使價款項),並送交新購股權證書以供修訂或註銷,以行使全部或部分購股權。

(vi) 行使前須持有購股權之最短期限

根據新購股權計劃,不得於行使期屆滿後提呈可獲接納或可供接納的新購股權。

(vii) Payment on acceptance of the option

HK\$1 is payable by the grantee to the Company on acceptance of the share option offer. The share option offer will be offered for acceptance for a period of 14 days from the date on which the offer is granted.

(viii) Basis of determining the exercise price

The exercise price for the share under the New Scheme will be determined by the Board in its absolute discretion at the time of making the offer of grant of a new share option but in any case the subscription price must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business day immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

(ix) Remaining life of the New Share Option Scheme

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes unconditional. The Board may amend any of the provisions of the New Share Option Scheme or withdraw or otherwise terminate the New Share Option Scheme at any time but no alterations shall be made to the advantage of any participant unless approved by the Shareholders in general meeting. All new share options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the New Share Option Scheme.

(vii) 就接納購股權之付款

承授人於接納購股權要約時須向本公司支付1港元。購股權要約將可於授出要約日期起計14天內予以接納。

(viii) 釐定行使價之基準

新計劃下的股份行使價將由董事會於提呈授出新購股權時全權酌情釐定，惟認購價無論如何最少須為下列三者中的較高者：(i)股份於提呈授出日期(必須為營業日)在聯交所每日報價表所報的收市價；(ii)股份於緊接提呈授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii)股份面值。

(ix) 新購股權計劃之餘下年期

新購股權計劃於新購股權計劃成為無條件之日起計10年內有效。董事會可隨時修訂新購股權計劃的任何條文，或撤回或以其他方式終止新購股權計劃，惟除非經股東於股東大會上批准，否則不得作出任何有利於任何參與者的修訂。所有有關終止前已授出但當時尚未行使的新購股權將繼續有效，並受限於新購股權計劃的條款及可根據該等條款行使。

EMPLOYEE AND REMUNERATION POLICY

The Directors believe that the quality of its employees is the most important factor in sustaining the Group's growth and improving its profitability. The Group's remunerates its employees based on their performances, experience and prevailing industry practices. In addition to basic salaries and mandatory provident fund, staff benefits including medical coverage scheme and share options are offered.

The Group's remuneration policy was reviewed periodically by the remuneration committee of the Board and the Board's remuneration is determined by reference to market terms, company performance, and individual qualifications and performance. The Group aimed to recruit, retain and develop competent individuals who were committed to the Group's long-term success and growth. Remunerations and other benefits of employees were reviewed annually in response to both market conditions and trends, and were based on qualifications, experience, responsibilities and performance.

The current remuneration of the key management is determined by the individual performance and market trends.

During the period under review, the Group has not experienced any significant problems with its employees or disruption to its operation due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff. The Directors believe that the Group has a good working relationship with its employees.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2019.

COMPETING INTERESTS

None of the Directors or management shareholders of the Company (as defined in the GEM Listing Rules) or their respective close associates had any interest, whether directly or indirectly, in a business which competes or may compete with the business of the Group.

僱員及薪酬政策

董事相信，僱員素質為本集團持續增長及改善其盈利能力的最重要因素。本集團的僱員薪酬乃按工作表現、資歷及當前行業慣例釐定。除基本薪金及強制性公積金外，本集團亦提供醫療保障計劃及購股權等員工福利。

董事會薪酬委員會定期檢討本集團之薪酬政策，而董事會之薪酬乃參考市場條款、公司表現及個人資歷及表現釐定。本集團旨在招聘、挽留及發展能幹而對本集團長遠成功及增長有承擔的人士。僱員的薪酬及其他福利均每年檢討，以回應市況及趨勢，亦以資歷、經驗、責任及表現為基準。

主要管理層的現時薪酬乃按個別人士的表現及市場趨勢釐定。

於回顧期間，本集團與其僱員之間並無發生任何重大問題，亦無因勞資糾紛而引致營運受到干擾，且在招聘及挽留有經驗員工方面亦無遭遇任何困難。董事相信，本集團與其僱員維持良好工作關係。

買賣或贖回本公司上市證券

本公司及其任何附屬公司於截至二零一九年三月三十一日止三個月概無買賣或贖回本公司任何上市證券。

競爭權益

董事或本公司管理層股東(定義見GEM上市規則)或彼等各自之緊密聯繫人概無於與本集團業務構成競爭或可能構成競爭之業務中擁有任何直接或間接權益。

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with sound and reasonable corporate governance practices and procedures with an aim of maximizing the shareholders' interests as well as to enhancing the stakeholders' transparency and accountability. In this respect, to the best knowledge of the Board, the Company has complied with all of the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules ("**Corporate Governance Code**") then in force during the three months ended 31 March 2019, except the following:

As Mr. Chow Kai Weng has served as both the chairman ("**Chairman**") and the chief executive officer ("**Chief Executive Officer**") of the Company with effect from 13 June 2018, such practice deviates from the code provision A.2.1 of the Corporate Governance Code. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person can facilitate the execution of the Group's business strategies and enhance effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the Corporate Governance Code is appropriate in such circumstances.

REQUIRED STANDARD OF DEALINGS FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the three months ended 31 March 2019.

企業管治

本公司致力通過完善及合理的企業管治常規及程序保持高水準的企業管治，旨在為股東帶來最大利益，同時提高對權益關涉者之透明度及問責性。有關此方面，就董事會所知，於截至二零一九年三月三十一日止三個月，本公司已遵守GEM上市規則附錄15所載企業管治守則（「**企業管治守則**」）其時有效的所有守則條文，惟以下所述者除外：

由於周啟榮先生自二零一八年六月十三日起出任本公司主席（「**主席**」）及行政總裁（「**行政總裁**」），有關常規已偏離企業管治守則的守則條文第A.2.1。董事會認為，將主席及行政總裁歸屬由同一人出任，能促進實行本集團的營運策略，且可提高營運效率。因此，董事會認為在這種情況下偏離企業管治守則的守則條文第A.2.1條實屬合適。

董事進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易之行為守則，其條款不遜於GEM上市規則第5.48條至5.67條所載之規定交易標準。本公司已向全體董事作出特定查詢，而全體董事已確認，彼等於截至二零一九年三月三十一日止三個月一直遵守有關規定交易標準及本公司所採納有關董事進行證券交易之行為守則。

AUDIT COMMITTEE

The Company has established the audit committee (“**Audit Committee**”) in 2002 with written terms of reference, which deal clearly with its authorities and duties. The primary duties of the Audit Committee are to review the Company’s annual reports and financial statements, interim reports and quarterly reports and discuss with the management over issues relating to auditing, internal control and financial reporting. Following the resignation of Prof. Wong Lung Tak Patrick as an Independent Non-executive Director with effect from 1 January 2019, the Company had only two Independent Non-executive Directors on the Board and in the Audit Committee, which fell below the minimum number required under Rule 5.28 of the GEM Listing Rules. On 22 March 2019, the Board appointed Mr. Lam Kwok Hing Wilfred to be an Independent Non-executive Director and a member of each of the Audit Committee, the nomination committee and the remuneration committee of the Board. Following the appointment of Mr. Lam, the Company has complied with the requirements under Rules 5.05(1) and 5.28 of the GEM Listing Rules.

From 1 January 2019 to 21 March 2019, the Audit Committee comprised two Independent Non-executive Directors, namely Mr. Chui Chi Yun Robert (Chairman) and Mr. Li Kit Chee. From 22 March 2019 to the date of this report, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Chui Chi Yun Robert (Chairman), Mr. Li Kit Chee and Mr. Lam Kwok Hing Wilfred. The Group’s unaudited results for the three months ended 31 March 2019 and this report have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results and this report have complied with applicable accounting standards and requirements and that adequate disclosures have been made.

On behalf of the Board
National Arts Entertainment and Culture Group Limited
Chow Kai Weng
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 8 May 2019

審核委員會

本公司已於二零零二年成立審核委員會（「**審核委員會**」），並訂有書面職權範圍，清楚列明其權力與職責。審核委員會之主要職責為審閱本公司之年報及財務報表、中期報告及季度報告，並與管理層就有關審計、內部監控及財務報告等議題進行磋商。自黃龍德教授於二零一九年一月一日辭任獨立非執行董事後，本公司董事會及審核委員會僅有兩名獨立非執行董事，低於GEM上市規則第5.28條規定的最少人數。於二零一九年三月二十二日，董事會委任林國興先生為獨立非執行董事以及董事會審核委員會、提名委員會及薪酬委員會各自的成員。林先生獲委任後，本公司已符合GEM上市規則第5.05(1)及5.28條的規定。

於二零一九年一月一日至二零一九年三月二十一日，審核委員會由兩名獨立非執行董事（即崔志仁先生（主席）及李傑之先生）組成。於二零一九年三月二十二日至本報告日期，審核委員會由三名獨立非執行董事（即崔志仁先生（主席）、李傑之先生及林國興先生）組成。審核委員會已審閱本集團截至二零一九年三月三十一日止三個月之未經審核業績及本報告，認為有關業績及本報告已遵照適用會計準則及規定編製，並已作出充分披露。

代表董事會
國藝娛樂文化集團有限公司
主席、執行董事兼行政總裁
周啟榮

香港，二零一九年五月八日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Chairman, Executive Director and Chief Executive Officer

Mr. Chow Kai Weng

Executive Directors

Mr. Cheng Wang Chun

Mr. Ho Leung Ting

Non-Executive Director

Dr. Lam Lee G.

Independent Non-executive Directors

Mr. Chui Chi Yun Robert

Mr. Li Kit Chee

Mr. Lam Kwok Hing Wilfred

(Appointed on 22 March 2019)

Prof. Wong Lung Tak Patrick

(Resigned on 1 January 2019)

COMPANY SECRETARY

Ms. Sun Shui

COMPLIANCE OFFICER

Mr. Chow Kai Weng

HEAD OFFICER AND PRINCIPAL PLACE OF BUSINESS

Rm. L&M, 21/F., Kings Wing Plaza,

Phase 1, No. 3 On Kwan Street,

Shek Mun, Shatin, N.T.,

Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICES

Principal share registrar and transfer office

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Hong Kong branch share registrar and transfer office

Tricor Secretaries Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

董事會

主席、執行董事兼行政總裁

周啟榮先生

執行董事

鄭弘駿先生

何亮靈先生

非執行董事

林家禮博士

獨立非執行董事

崔志仁先生

李傑之先生

林國興先生

(於二零一九年三月二十二日獲委任)

黃龍德教授

(於二零一九年一月一日辭任)

公司秘書

孫瑞女士

監院主任

周啟榮先生

總辦事處及營業地點

香港

新界沙田石門

安群街3號京瑞廣場1期

21樓L及M室

股份過戶及登記處

主要股份過戶及登記處

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

香港股份過戶及登記分處

卓佳秘書商務有限公司

香港

皇后大道東183號

合和中心22樓

AUTHORISED REPRESENTATIVES

Mr. Chow Kai Weng
Mr. Cheng Wang Chun

COMMITTEES

Audit Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred
(Appointed on 22 March 2019)
Prof. Wong Lung Tak Patrick
(Resigned on 1 January 2019)

Remuneration Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred
(Appointed on 22 March 2019)
Prof. Wong Lung Tak Patrick
(Resigned on 1 January 2019)

Nomination Committee

Mr. Chow Kai Wang (*Chairman*)
Mr. Li Kit Chee
Mr. Lam Kwok Hing Wilfred
(Appointed on 22 March 2019)
Prof. Wong Lung Tak Patrick
(Resigned on 1 January 2019)

LEGAL ADVISORS

Conyers Dill & Pearman (Bermuda laws)
LCH Lawyers LLP (Hong Kong laws)

AUDITORS

Elite Partners CPA Limited
Certified Public Accountants
10/F., 8 Observatory Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

GROUP'S WEBSITE

<http://www.nationalarts.hk>

STOCK CODE

8228

授權代表

周啟榮先生
鄭弘駿先生

轄下委員會

審核委員會

崔志仁先生 (*主席*)
李傑之先生
林國興先生
(於二零一九年三月二十二日獲委任)
黃龍德教授
(於二零一九年一月一日辭任)

薪酬委員會

崔志仁先生 (*主席*)
李傑之先生
林國興先生
(於二零一九年三月二十二日獲委任)
黃龍德教授
(於二零一九年一月一日辭任)

提名委員會

周啟榮先生 (*主席*)
李傑之先生
林國興先生
(於二零一九年三月二十二日獲委任)
黃龍德教授
(於二零一九年一月一日辭任)

法律顧問

Conyers Dill & Pearman (百慕達法律)
呂鄭洪律師行有限法律責任合夥 (香港法律)

核數師

開元信德會計師事務所有限公司
執業會計師
香港
九龍
尖沙咀
天文臺道8號10樓

主要來往銀行

恒生銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

本集團網址

<http://www.nationalarts.hk>

股份代號

8228



National Arts Entertainment and Culture Group Limited

國藝娛樂文化集團有限公司