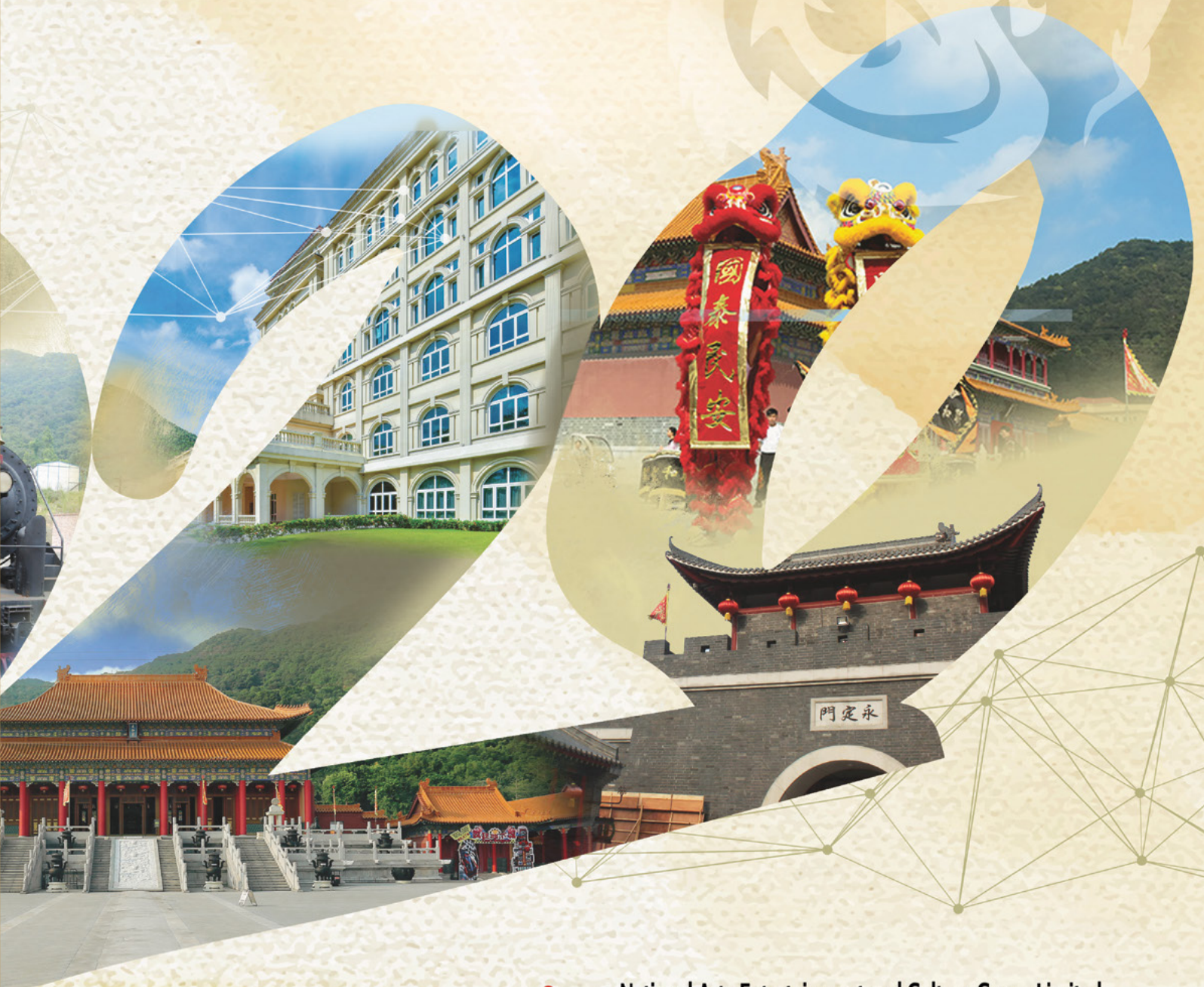


2020 全年報告 ANNUAL REPORT



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

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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This report, for which the directors 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的特色

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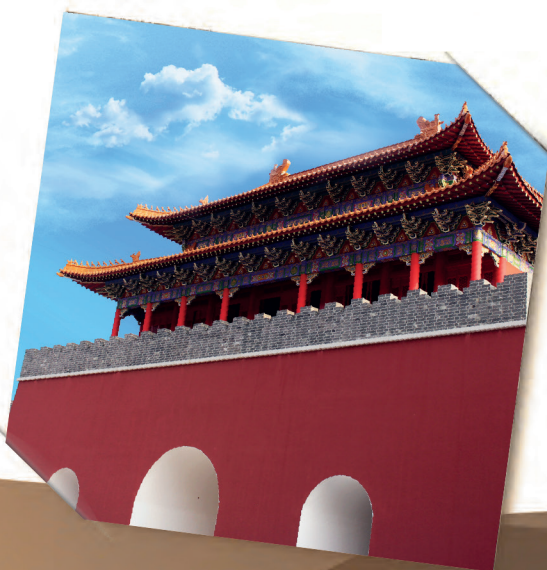
本報告載有遵照聯交所GEM證券上市規則之規定而提供有關國藝娛樂文化集團有限公司（「本公司」）之資料，本公司各董事願就此共同及個別承擔全部責任。本公司各董事經作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重大方面均屬準確及完整，並無誤導或欺詐成份，且並無遺漏任何其他事實，足以致使本報告或其所載任何陳述產生誤導。



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Chairman, Executive Director and Chief Executive Officer

Mr. Chow Kai Weng (was Associate Chairman until 22 July 2021 and was appointed as the Chairman on 22 July 2021)

Chairman and Executive Director

Mr. Sin Kwok Lam
(resigned with effect from 22 July 2021)

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

COMPANY SECRETARY

Mr. Pang Yick Him

COMPLIANCE OFFICER

Mr. Chow Kai Weng

董事會

主席、執行董事兼行政總裁

周啟榮先生（於二零二一年七月二十二日前為聯席主席，於二零二一年七月二十二日獲委任為主席）

主席兼執行董事

冼國林先生
(於二零二一年七月二十二日辭任)

執行董事

鄭弘駿先生

何亮霆先生

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

公司秘書

彭翊謙先生

監察主任

周啟榮先生



CORPORATE INFORMATION 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1514-1515, 15/F
Seapower Tower, Concordia Plaza
No.1 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

總辦事處及主要營業地點

香港
九龍尖沙咀
科學館道1號
康宏廣場航天科技大廈
15樓1514-1515室

SHARE REGISTRAR AND TRANSFER OFFICES

股份過戶及登記處

Principal share registrar and transfer office

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶及登記處

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 54, Hopewell Centre
183 Queen's Road East
Hong Kong

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54樓

AUTHORISED REPRESENTATIVES

Mr. Chow Kai Weng
Mr. Cheng Wang Chun

授權代表

周啟榮先生
鄭弘駿先生

COMMITTEES

轄下委員會

Audit Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Lam Kwok Hing Wilfred
Mr. Li Kit Chee

審核委員會

崔志仁先生 (*主席*)
林國興先生
李傑之先生

Remuneration Committee

Mr. Chui Chi Yun Robert (*Chairman*)
Mr. Lam Kwok Hing Wilfred
Mr. Li Kit Chee

薪酬委員會

崔志仁先生 (*主席*)
林國興先生
李傑之先生

Nomination Committee

Mr. Chow Kai Weng (*Chairman*)
(appointed on 22 July 2021)
Mr. Sin Kwok Lam (*Chairman*)
(resigned with effect from 22 July 2021)
Mr. Lam Kwok Hing Wilfred
Mr. Li Kit Chee

提名委員會

周啟榮先生 (*主席*)
(於二零二一年七月二十二日獲委任)
冼國林先生 (*主席*)
(於二零二一年七月二十二日辭任)
林國興先生
李傑之先生

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

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

主要往來銀行

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



CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of National Arts Entertainment and Culture Group Limited (the “**Company**”), I am pleased to present to you the 2020 annual report of the Company and its subsidiaries (collectively the “**Group**”).

Following years of investments and development, the Xiqiao National Arts Film Studio became an all-round landmark of culture and entertainment and attracted increasing number of tourists and shooting crews. Nevertheless, the debts arising from the vast investments of the Group in prior years casted significant financial burden on the Group. The adverse effects of debt financing towards the Group were revealed and significantly increased the financial risk of the Group. To mitigate the financial risk of the Group, the Group commenced a debt restructuring exercise in 2019 and the exercise was completed on 29 June 2020 by way of issuing new shares and convertible bonds. Upon completion of such exercise, the short term cash flow pressure of the Group was greatly relieved.

2020 was a challenging year for the Group. The outbreak of COVID-19 seriously impacted the global economy, and the Group is in the entertainment and tourism sectors which are heavily damaged by the pandemic. The precautionary measure adopted to prevent COVID-19 severely impacted the operations of the Group, for the whole 2020, the operation of the film studio and the hotel were either suspended or could only offer a very limited extent of services.

致各股東：

本人謹代表國藝娛樂文化集團有限公司（「**本公司**」）董事（「**董事**」）會（「**董事會**」），欣然提呈本公司及其附屬公司（統稱「**本集團**」）之二零二零年年度報告。

經過多年的投資發展，西樵山國藝影視城已成為一個集文化及娛樂於一體的綜合性地標，吸引著越來越多的遊客及攝製組慕名而來。然而，本集團於過往年度大額投資造成的債務令本集團承受沉重財政負擔。債務融資對本集團的不利影響已呈現並導致本集團的財務風險大幅增加。為減低本集團的財務風險，本集團於二零一九年開始進行債務重組行動，有關行動於二零二零年六月二十九日透過發行新股份及可換股債券的方式完成。於有關行動完成後，本集團之短期現金流壓力得到極大緩解。

對本集團而言，二零二零年是艱難的一年。新型冠狀病毒疫情對全球經濟造成沉重打擊，而本集團所處的娛樂及旅遊行業受到疫情嚴重影響。為防止新型冠狀病毒疫情而採取的預防措施嚴重影響本集團的營運，於二零二零年全年，影視城及酒店的營運不是處於暫停狀態就是僅可提供少量有限度服務。



Due to the unfavorable circumstances, the Group is forced to change its operational model and numerous projects of the Group could not be executed as planned. The unexpected business risks that came with the COVID-19 pandemic alerted the Group that a well-diversified business portfolio is very important for the sustainability and the long term development of the Group's business.

The completion of the debt restructuring exercise enabled the Group to execute diversification by focusing its resources to develop new business, the Group actively sought breakthroughs in the digital technology areas and two new businesses were launched by the Group in 2021, namely digital commerce business and cross-border E-commerce business. With the vast market of the online commerce business, the Group expected that these two new businesses will generate strong income stream for the Group in the future. For more information on the two businesses, please refer to the relevant sections set out in the section headed "Management Discussion and Analysis" in this annual report.

Looking forward, apart from developing the abovesaid new businesses, with the rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area") and the support of local governments, the Group will from time to time leverage on its past successful experience in the film and entertainment industry to continue developing its core business by collaborating with various parties and in various means, including but not limited to the expansion of Xiqiao National Arts Film Studio and developing new film-related projects with the aims to bring additional income to the Group and further enhanced the Group's reputation as a southern studio center.

On the other hand, the Group will continue to seek new opportunities so that the Group can enhance its business portfolio as an all-rounded enterprise by proactively participating in various new projects and investments so as to broaden its revenue sources beyond its current business. The Group will also consider fund-raising activities so as to fuel its future development as well as enable the Group to meet its future fund obligations.

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to the Company's shareholders for their continuing support and the Board members and staff for their dedication and contributions.

Thank you for your support.

Chow Kai Weng
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 22 October 2021

鑒於上述不利形勢，本集團不得不改變營運模式，而本集團多個項目未能按計劃執行。新型冠狀病毒疫情引致的意外業務風險令本集團意識到，多元化的業務組合對本集團業務的可持續性及長期發展至關重要。

完成債務重組令本集團得以集中資源發展新業務，藉以實現業務多元化。本集團在數字技術領域積極尋求突破，並於二零二一年推出兩項新業務，即數位商貿業務及跨境電商業務。由於線上商貿業務具有龐大市場，本集團預期該兩項新業務將於未來為本集團帶來強勁收入來源。有關該兩項業務的更多資料，請參閱本年報「管理層討論及分析」一節所載相關內容。

展望未來，除發展上述新業務外，鑑於粵港澳大灣區（「大灣區」）的急速發展及地方政府的支持，本集團將不時憑藉其在電影及娛樂行業的過往成功經驗透過與各方合作並以各種方式繼續發展其核心業務，包括但不限於擴建西樵山國藝影視城及發展與電影有關的新項目，以期為本集團締造額外收入及進一步改善本集團作為南方影視中心的聲譽。

另一方面，本集團將繼續物色新機會，透過積極參與各種新項目及投資將收益來源擴大至當前業務以外，提升其作為綜合性企業的業務組合。本集團亦將考慮進行籌資活動，以推動其未來發展，並使本集團能夠履行其未來資金責任。

最後，本人謹藉此機會代表董事會衷心感激本公司股東一直以來的支持，亦感激董事會成員及員工所付出的努力及貢獻。

謝謝各位的支持！

**主席、執行董事兼行政總裁
周啟榮**

香港，二零二一年十月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

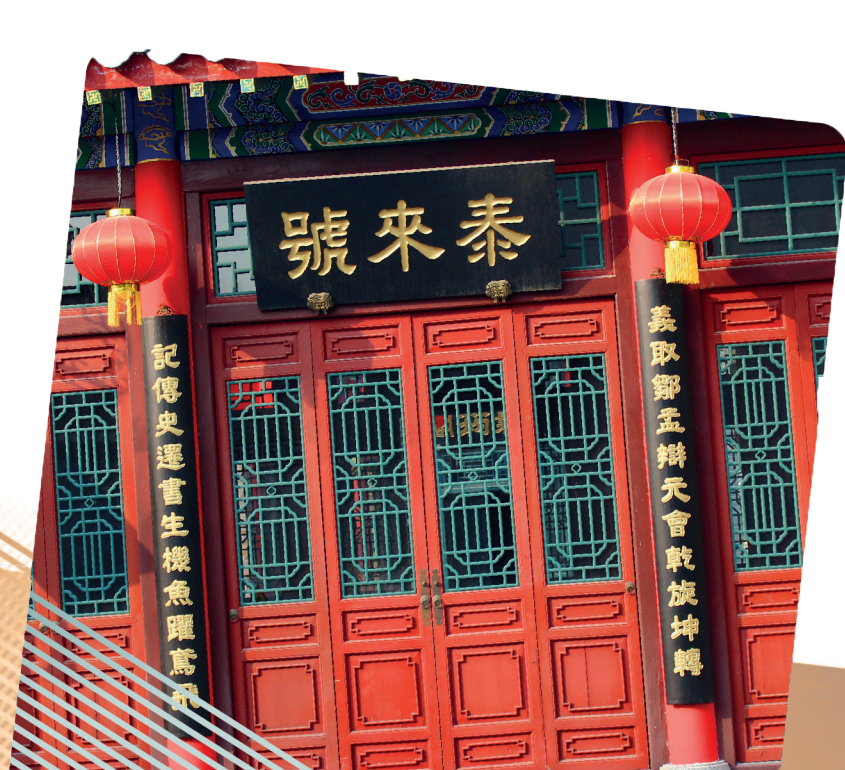
Xiqiao National Arts Studio Project

Located in Foshan City, Guangdong Province, the Group's Xiqiao National Arts Film Studio (the "Studio") and National Arts Resort Hotel (the "Hotel") (collectively the "Xiqiao National Arts Film Studio Project") has the view of Mount Xiqiao which is known as one of the national 5-star tourist attractions and has 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 sightseeing and recreational facilities which make it the most international vacation resort in Guangdong Province. Over the past years, the Studio successfully organised a number of events, including the "Fairy Aquatic Exhibition and Dinosaur Exhibition", "Boutique Lingnan Study Tour", "National Arts Mid-Autumn Festival Journey and Northern Lights Night", "June 1 Family Green Photography Tour", etc. In addition, the Group's National Arts Brilliant Emperor Cinematic Action Stunt Training Center (國藝輝煌電影動作特技培訓中心), which combines films and televisions, culture and tourism and teaching activities, aiming to nurture the next generation of movie and television elites. Meanwhile, the Group has participated in several charity groups on education. 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 Group believes that the events held by the Group will effectively improve the brand awareness of the Studio and will push the Xiqiao National Arts Film Studio Project to the peak.

業務回顧

西樵山國藝影視城項目

本集團的西樵山國藝影視城(「影視城」)及國藝度假酒店(「該酒店」)(統稱「西樵山國藝影視城項目」)位於廣東省佛山市，盡享國家五星級旅遊景區西樵山的美景，已開發土地總面積達四十四萬四千平方米，包含各種獨特電影拍攝場景，主題公園、酒店及表演場館等。影視城集旅遊觀光及遊玩設施於一身，令影視城成為廣東省最具國際規模的度假勝地。影視城過去幾年成功籌辦多項活動，包括「精靈水族展及恐龍展」、「品味嶺南研學活動」、「國藝中秋奇妙之旅暨北極光之夜」、「六一親子環保攝影旅行團」等。此外，本集團旗下之國藝輝煌電影動作特技培訓中心，結合影視、文旅和教學活動，致力培育下一代影視精英。同時本集團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。本集團相信已舉辦的活動將大力提升影視城的品牌知名度，把西樵山國藝影視城項目推上高峰。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The valuation method in respect of the Studio has changed from income approach to cost model due to the impact of COVID-19 pandemic and to align the accounting policy with industry practice resulting a decrease in value. Nevertheless, the Group would not exclude the possibility of increase in value after the ease of COVID-19 pandemic.

Travel

National Arts Travel Limited (“**NA Travel**”) has been established and commenced its business since 2015. It provides one-stop travel services especially for major organizations, associations and tourists with “Diversification, Professionalism, and Internationalism” as their principles, and formulates flexible and comfortable travel plans and personalized products. To enhance the comprehensive customer support and increase its travel agency’s market competitiveness, NA Travel has updated its accounting, inquiry and sales system in 2018. In addition to optimizing traditional group tours, travel insurance, international flight and hotel booking, it also organises customized group tours, providing extraordinary experience for travelers, including private tours, business trainings and activities, honeymoon and wedding plans, cruise vacations, professional and featured tours, etc. In 2019, NA Travel initiated the “Charity Tours” (“**慈善之旅**”) in Zhaoqing and Foshan for large organizations and also arranged “Trip to Resort of National Arts Studio” (“**國藝影視旅遊度假區之旅**”) for disabled group to fulfil corporate social responsibilities.

由於新型冠狀病毒疫情的影響，影視城的估值方法由收入法變更為成本模式，同時會計政策調整為與行業慣例一致，導致價值減少。然而，本集團並不排除新型冠狀病毒疫情緩和後價值回升的可能性。

旅遊

國藝旅遊有限公司（「**國藝旅遊**」）自二零一五年成立及開展業務，專為各大機構、團體及旅客提供一站式旅遊服務，以「多元化、專業化、國際化」為宗旨，製訂既靈活又貼心的旅遊方案及個性化產品。為改進綜合客戶支援及加強本旅行社的市場競爭力，國藝旅遊於二零一八年更新其會計、查詢及銷售系統。除優化傳統旅行團、旅遊保險、全球機票及酒店訂購外，更為客人度身訂造一系列特色旅行團，讓貴賓有著非一般的獨特旅遊體驗，包括獨立包團業務、商務培訓及活動、蜜月及婚禮安排、郵輪假期、專業及特色旅遊等等。於二零一九年，國藝旅遊更開創為大型機構安排於肇慶及佛山的「**慈善之旅**」及為傷健團體安排「**國藝影視旅遊度假區之旅**」，以履行企業社會責任。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In addition, in order to diversify its product lines, NA Travel established “Skyyer Travel (閃令令旅遊)” in 2018 through the Travel Industry Council of Hong Kong. Skyyer Travel presents a fresh brand image with the slogan “What Travel means is.....you decide to go and take action! (旅遊就是.....想閃。就閃)”. It specializes in designing “Tailor-made tours for sport, hobby and industry” and invites various celebrities as guests to create “Star-class Travel” which categorizes into Sport-themed Travel (golfing, marathon, cycling, basketball, table tennis, darts, kung fu, swimming, diving, dragon boat, yoga, dancing), Art-themed Travel (painting, photography, tea ceremony, music), Taste-themed Travel (food and wine tasting), Religion-themed Travel (Christianity, Buddhism, Taoism), etc., providing customers with unique experiences of in-depth tours. In 2019, to make its products more international and specialized, Skyyer Travel expanded beyond Asia for the first time and entered regions in Europe and the Middle East, including seeking the famous red wine producing areas in Bordeaux, France, visiting luxury and world-renowned buildings in Dubai and Abu Dhabi. Meanwhile, Skyyer Travel organized “Theme Activity Travel”, including international darts tournament, wing chun tournament, hung kuen tournament, concert and beauty contest, etc. In the third quarter of 2019, Skyyer Travel also participated in a Sports Expo and held “Skyyer Travel Brand and Outstanding Athlete Award Ceremony” for the first time in order to achieve branding and marketing effects.

In order to align with the current education blueprint of “Broadening horizon and life-long learning”, NA Travel established “National Arts Cultural Study Tour Expert (國藝文化遊學專家)” through the Travel Industry Council of Hong Kong at the beginning of 2019, which specializes in assisting primary and secondary schools, universities, social groups and institutions to plan and organize different cultural exchange and education activities with foreign counterparts. Under the mission that “Study tours are provided to broaden horizon, acquire knowledge, and have real experience” and the philosophy of “Exploring the world, making friends and enriching life”, it provides professional itinerary advice and considerate services, coupled with new elements, including trainings for language, interests, history, arts, science and technology, leadership and team building. Study tours cover Foshan, Shenzhen, Guangzhou, Dongguan, Shanxi in China, Taiwan, Korea, Singapore, etc. The goal is to make sure that every participant will have an unforgettable experience. In order to align with the development of the Greater Bay Area, National Arts Cultural Study Tour Expert organized a corporate inspection delegation themed “Greater Bay Area Youth Entrepreneurship Tour” spanning Shenzhen, Guangzhou, Foshan and Dongguan in late 2019, which broke with traditional tourist routes for scenic spots, instead, it opened a new era for entrepreneurs to study and exchange in famous enterprises. In the coming future, National Arts Cultural Study Tour Expert will set to input more resources to develop into the Greater Bay Area, so as to embrace new market trends.

此外，為多元化發展現有產品線，國藝旅遊於二零一八年經香港旅遊業議會成立「閃令令旅遊」，以全新品牌形象及口號「旅遊就是……想閃。就閃」，專業打造「運動、興趣及行業而設的度身訂造之旅程」，並邀請各界別名人擔任嘉賓，打造「星級主題旅遊」，類別包括運動旅遊（高爾夫球、馬拉松、單車、籃球、乒乓球、飛鏢、功夫、游泳、潛水、龍舟、瑜珈、舞蹈）、藝術旅遊（繪畫、攝影、茶藝、音樂）、品味旅遊（美食、品酒）、宗教旅遊（基督教、佛教、道教）等等，為顧客帶來獨一無二的深度遊。於二零一九年，為使其產品更具國際化及專業化，閃令令旅遊首度跳出亞洲，前往歐洲及中東等地，包括法國波爾多尋覓著名紅酒產地、杜拜及阿布扎比遊覽奢華及享譽世界之建築物等。同時，閃令令旅遊開拓「主題活動旅遊」，包括國際性的飛鏢大賽、詠春大賽、洪拳大賽、音樂會、選美大賽等。於二零一九年第三季，閃令令旅遊更首次參與運動博覽會及主辦「閃令令旅遊品牌暨傑出星級運動員頒獎典禮」，以達致品牌宣傳效果。

為配合現時教學新藍圖「擴闊視野，終身學習」，國藝旅遊於二零一九年初經香港旅遊業議會成立「國藝文化遊學專家」，專責協助各大中小院校、社會團體、機構策劃及舉辦各類中外文化、教育交流活動，以「遊學就是……擴眼界。增知識。真體驗」為宗旨、「放眼世界、廣交朋友、豐盛人生」為理念，提供專業的活動行程建議及貼心服務，並加入了新穎元素，包括語言、興趣、歷史、藝術、科技、領袖及團隊訓練，遊學地區已涵蓋中國的佛山、深圳、廣州、東莞、山西、台灣、韓國、新加坡等，務求令每一位參加者有一個難忘體驗。國藝文化遊學專家於二零一九年底更配合大灣區發展，舉辦「大灣區青年創業行」的企業考察團，跨越四大城市（深圳、廣州、佛山、東莞），打破傳統景點旅遊而進入著名企業學習及交流之新紀元。未來，國藝文化遊學專家將投放更多資源發展大灣區領域以迎合市場新趨勢。

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Furthermore, at the end of 2019, NA Travel and National Arts Cultural Study Tour Expert entered into a “Greater Bay Area Strategic Cooperation Agreement” with a media organization, aiming to implement a number of Greater Bay Area cultural and business exchanges and inspection activities, and assist industrial leaders and potential elites to have a deeper understanding on the unique culture and local customs and practices of the “9+2” cities in the Greater Bay Area, so that they can be well prepared to cultural differences before tapping into the Greater Bay Area market.

In order to give the Group’s customers a better understanding on the products and policies of the Group’s travel agency, the Group launched various travel publications, including: “Special Edition for Guangdong-Hong Kong-Macao Greater Bay Area (five themes: Corporate Exchange, Volunteer Services, Team Building, Experience Activities, Exploring the Ancients and Seeking its Origin)”, “Guidebook for Skyyer Theme Travel Collection”, “Study Tour Special Edition for National Arts Cultural Study Tour Expert”, “Recommendation for Special Package Tour of NA Travel”, etc.

Currently, NA Travel has expanded its digital marketing business in all directions, and entered into a platform cooperation agreement with a travel platform operated by a large Chinese-funded institution in early 2020. In the future, NA Travel will also focus on tourism technology to tap into their huge market potential.

On the other hand, NA Travel and Skyyer Travel are also committed themselves to social responsibilities, including the “1st Hong Kong Youth Festival – Sports Carnival and Record-setting Darts Event (第一屆香港青年節—體育嘉年華暨千人同鏢創紀錄)”, “Sowers Action – Boundless Teaching Charity Concert (苗圃行動—有教無疆慈善音樂會)”, “Kind-Hearted Fellow under “Smiling Again, Hong Kong People” Program (香港人笑容再現計劃的善心同行者)” etc. In the future, they will continue to actively participate in charitable activities and pay back to society to pursue the Group’s aspiration for public welfare.

In 2020, all outbound and inbound tourism businesses were badly hit by the novel coronavirus (“COVID-19”) pandemic and came to a halt during the whole year. The uncertainties are expected to continue until the first half of 2021. However, by virtue of NA Travel’s well-established and well-planned foundation as well as NA Travel’s competitive advantages, including the “Themed Interest Tours” and the “Guangdong-Hong Kong-Macao Greater Bay Area Inspection Tour” which have been developed and deployed, the Group is confident that the travel business will have a steady and robust rebound in the fourth quarter of 2021 when the pandemic is over.

國藝旅遊及國藝文化遊學專家於二零一九年底更與一間傳媒機構簽訂「大灣區戰略合作協議」，目標推行多項大灣區文化及商務交流考察活動，協助各行業領袖精英及未來棟樑更深入認識大灣區「9+2」城市各自的獨特文化及風土人情，在踏進大灣區市場前做好面對文化差異的萬全準備。

為令本集團客戶更清楚了解旅行社的產品及方針，本集團推出不同旅遊刊物，包括「粵港澳大灣區特輯（五大主題：企業交流、義工服務、團隊培訓、體驗活動、探古尋源）」、「閃令令主題旅遊攻略」、「國藝文化遊學專家遊學特輯」、「國藝旅遊特色包團行程推介」等等。

目前，國藝旅遊已全面開拓網絡營銷業務，並於二零二零年初與一間大型中資機構的旅遊平台簽訂一項平台合作協議，未來亦會專注於旅遊科技範疇以發展其龐大市場潛力。

另一方面，國藝旅遊及閃令令旅遊亦致力於社會責任，包括「第一屆香港青年節—體育嘉年華暨千人同鏢創紀錄」、苗圃行動「有教無疆慈善音樂會」、「香港人笑容再現計劃的善心同行者」等，未來將繼續積極參與公益活動，回饋社會，以貫徹集團熱心公益的宗旨。

二零二零年，受累新型冠狀病毒（「**新型冠狀病毒**」）疫情影響，所有外遊及內遊業務均受到嚴重打擊，整年處於冰封時期，不明朗因素亦會持續至二零二一年上半年。但基於國藝旅遊基礎已完善建立及策劃，並擁有自身的競爭優勢，包括已開拓及部署的「主題興趣遊」及「粵港澳大灣區考察團」，深信隨著疫情過去，二零二一年第四季旅遊業務將會逐步強勁反彈。

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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 numbers 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 scenes.

By virtue of the extensive choices of scenes, supreme geographical location and multifunctional ancillary services, the film shooting base has been heavily used by the production crews. Since 2017, the Group has taken the role of rental agent by entering into several rental agreements with a number of companies renting film shooting equipment. The 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. It 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.

The Group is also the first enterprise designated by the Foshan Government to help building Foshan as the largest operation hub for props and equipment in Foshan, with 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.

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，佔地三十七萬四千平方米，包括面積為十二萬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。

憑著多種場景選擇、有利的地理位置及多功能的配套服務，電影拍攝基地向來廣為製作團隊使用。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。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。這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。

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。

Wedding Photography

The Group reached an agreement with a renowned domestic wedding photography chain group in the fourth quarter of 2013 to develop its brand-new wedding photography business. Pursuant to the agreement, the Group leased the Studio with an area of approximately 20 mu (13,333.33 square meters) 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.

Hotel

The 5-star Hotel located next to the Studio provides over 350 suites facilitated from deluxe suites to signature rooms. The Hotel offers a wide range of dining choices and high-quality food services, it has 6 specialties restaurants with Chinese and foreign styles, offering high-class food and wine from around the world. The Hotel is also equipped with a variety of recreational facilities such as Spa, gym room, swimming pools and tea house, allowing travelers to enjoy themselves within the Hotel in all respects including dining, drinking and entertainment.

In addition, the Hotel also provides catering services and business centre, meeting rooms and lecture halls, thereby satisfy essential needs and wants of the customers. To boost high quality 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. Besides, the Hotel was awarded “19th 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.

The Hotel has been designated as a quarantine hotel by the Foshan Government since September 2020 as its geographical location, ancillary facilities and ventilation system meet the standards required by the government.

The valuation method in respect of the Hotel has changed from replacement cost model to cost model due to the impact of COVID-19 pandemic and to align the accounting policy with industry practice resulting a decrease in value. Nevertheless, the Group would not exclude the possibility of increase in value after the ease of COVID-19 pandemic.

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，發展其全新的婚紗攝影業務。據此，本集團出租影視城佔地約20畝(13,333.33平方米)的範圍，租期12年，及婚紗攝影公司已投資人民幣一千萬元興建多個不同風格的景區，如歐式、韓式、日式等。

酒店

毗鄰影視城的五星級酒店提供超過350間客房，包括豪華套房及特色客房。該酒店提供多種餐飲選擇和優質食品服務，設有6個中外特色餐廳，提供世界各地之美酒佳餚，亦配備各種不同類型的康樂設施如水療中心、健身室、游泳池及茶館等，讓旅客可於酒店盡情地吃、喝、玩、樂。

此外，該酒店亦提供餐飲服務及商務中心，會議室及演講廳，以滿足客戶的基本需求。為推動高質素的服務，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，以及提高在企業環境中的精神。此外，該酒店榮獲「第19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。

由於地理位置，配套設施及通風系統達政府要求水平，該酒店自二零二零年九月起，被佛山市政府指定為檢疫酒店。

由於新型冠狀病毒疫情的影響，該酒店的估值方法由重置成本模式變更為成本模式，同時會計政策調整為與行業慣例一致，導致價值減少。然而，本集團並不排除新型冠狀病毒疫情緩和後價值回升的可能性。

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Film Production

The Group spared no effort in promoting film 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. The Group expects to invest more in the production of films of various themes with an intention to step forward to the diversified film market.

During 2020, the Group invested in the production of a new film, and it is currently in the stage of the post-production.

Cinema

National Arts Films Production Limited (“NA Films”), an indirectly wholly-owned subsidiary of the Company, has been cooperating with its joint venture 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 (the “PRC”).

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.

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 modern romantic movie, “Romantic Marriage”(婚姻的童話).

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.

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，本集團投資製作一部慈善電影「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。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。

於二零二零年，本集團投資製作一部新電影，目前處於後期製作階段。

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」）與其合營企業在中華人民共和國（「中國」）廣東珠海市中心的大型商場合作發展電影院業務。

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，並已自二零一四年五月起投入營運，令本集團的娛樂文化業務得以更全面發展。

藝人管理

為提高陳嘉桓及阮頌揚等本集團藝員的知名度，本集團已安排各式各樣的表演機會，包括參與慈善電影「我們的6E班」、現代愛情電影「婚姻的童話」等。

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

Development of New Business

As the global economy was embracing new development opportunities against headwinds, the Group actively sought breakthroughs in new businesses in 2020 and made efforts in the digital technology area. The Group's digital technology layout will first give priority to new pattern of consumption and new economy, and focus on "digital commerce" and "cross-border e-commerce".

Digital commerce business

Guangzhou is the center of the Guangdong-Hong Kong-Macao Greater Bay Area, with its commerce and trade industry ranking first in China in terms of development and scale. According to the policies of the Guangzhou Government, the Guangzhou Government will devote efforts in building a pilot zone for new commerce and trade innovation cluster in Guangzhou in the future, while Guangzhou International Commodity Exhibition & Trade City will become the core area. Currently, the trade city focuses on the wholesale of daily necessities and exquisite snacks, with accumulative transaction scale exceeding RMB200 billion, being in an upward development cycle. Guangzhou National Arts Huiying Film & Television Co., Ltd. (廣州國藝匯影影視傳播有限公司) ("**Huiying**"), entered into a strategic cooperation agreement with partners including Guangdong International Commodity Exhibition & Trade City Co., Ltd., and jointly established Guangdong Lingbian Digital Commercial Management Co., Ltd. (廣東領變數字商業管理有限公司) ("**Lingbian Digital**"). Lingbian Digital was licensed to be the sole value-added service management company in Guangzhou International Commodity Exhibition & Trade City. The revenue related to Lingbian Digital will reveal in 2021 financial statement.

新業務拓展

全球新經濟逆風破浪迎來發展新機遇，本集團在二零二零年積極尋求新業務的突破，在數位科技賽道上發力。本集團的數字科技版圖首期佈局在新消費、新經濟的關鍵字，聚焦在「數位商貿」以及「跨境電商」。

數位商貿業務

廣州市是粵港澳大灣區的中心腹地，廣州商貿業的發展和規模名列全國首位。穗府政策中，廣州未來要著力打造廣州新商貿創新聚集試驗區，以廣州國際商品展貿城地塊為核心區。該展貿城目前以全線日用品和精品零食行業的批發為主，存量交易規模超過2,000億人民幣，發展處於上升週期。廣州國藝匯影影視傳播有限公司（「**匯影**」）與廣東國際商品展貿城股份有限公司等合作方共同簽署戰略合作協定，並成立廣東領變數字商業管理有限公司（「**領變數字**」），領變數字被授權成為廣州國際商品展貿城內的唯一增值服務的管理公司。領變數字的相關收入將於二零二一年財務報表披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cross-border E-commerce Business

The Group has always been determined to actively embrace the new economy and explore other development opportunities, and is committed to seeking a diversified business layout. In particular, to set a footprint in the digital e-commerce business is an important part of the diversified business strategy of the Group. During the year, the Group established National Arts Digital Technology Co., Ltd. (國藝數碼科技有限公司) (“**NA Digital**”), to vigorously expand its cross-border digital e-commerce and digital marketing business and achieve integrated marketing of contents, channels and traffic. Its principal businesses include market development, customer relationship maintenance, project strategy, platform channel, execution and coordination services, as well as the operation of online service platforms and production of content for influencers and artistes, targeting the markets in the Guangdong-Hong Kong-Macao Greater Bay Area. NA Digital boasts a digital e-commerce service team with deep understanding of domestic and overseas markets, premium brands and product networks, and maintains in-depth cooperation with major social and e-commerce platforms to provide full-chain services for the promotion of digital e-commerce of cross-border brands in Hong Kong, Macau and Mainland China.

The “Bay Area Cloud Warehouse (灣區雲倉)”, a digital technology-focused industrial cluster platform under NA Digital, also officially established presence in the Guangzhou International Commodity Exhibition & Trade City jointly established by the Group and Guangzhou Commercial Investment Holding Group Co., Ltd. (廣州商貿投資控股集團有限公司) (“**Guangzhou Commercial Holdings**”), a wholly state-owned enterprise under Guangzhou government, marking another milestone of the Group’s development in digital e-commerce matrix.

As a cross-border export consumer service platform, Bay Area Cloud Warehouse focuses on digital technology, and leverages on the Group’s entertainment, film and television ecosystem to empower the development of the platform. It aims to build a world-class marketing platform with regional synergy by gathering world-class quality products, coordinating and promoting resources, and adopting the new model of combining online and offline advantages.

跨境電商業務

本集團一直以積極擁抱新經濟及探索其他發展機遇的決心，並致力尋求多元化業務佈局，其中涉足數字電商領域更是多元化業務策略的重要一環。年內，集團成立國藝數碼科技有限公司（「**國藝數碼**」），全力拓展跨境數字電商及數字行銷業務，搭建內容、渠道、流量的整合營銷，主要業務包括市場拓展、客情維護、專案策略、平台渠道和執行統籌服務，及運營網絡紅人、藝人的線上服務平台及內容生產，並瞄準粵港澳大灣區市場。國藝數碼擁有深諳國內外市場的數位電商服務團隊、優質的品牌以及產品網絡，與各大社交及電商平台保持深度合作關係，為跨境品牌在港澳地區以及中國內地的數位電商推廣提供全鏈路的服務。

國藝數碼旗下擁有以數位技術為核心產業集聚平台「灣區雲倉」亦正式落戶本集團與廣州市屬國有獨資企業—廣州商貿投資控股集團有限公司（「**廣州商控**」）合作的「廣州國際商品展貿城」，這是本集團於數字電商鉅陣發展的又一大里程碑。

灣區雲倉以數字科技為核心，作為跨境進口消費者服務平台，背靠本集團的娛樂影視生態，賦能平台發展，通過集聚世界優品、資源統籌協同宣傳，以線上線下相結合新形態模式，塑造世界級區域協同帶貨平台。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In the fourth quarter of 2020, the Group invited one of the most representative industrial and commercial groups in Hong Kong, the Youth Committee of the Chinese Manufacturers' Association of Hong Kong (the “**CMA Youth Committee**”), which gathered the resources of many young entrepreneurs and manufacturers, to support the launch of products under the cooperation program of BuyLive (a new e-commerce live streaming platform) and ViuTV. In 2021, the Group once again cooperated with a number of famous brands of the CMA Youth Committee through the “Skyyer Live-streaming Sale for Chinese New Year (閃令令直播新春熱賣)”.

During the year ended 31 December 2020, the digital e-commerce business actively made deployment to demonstrate the development potential of the Group and the importance of digital e-commerce business development. It also marked the development advantages and direction of NA Digital's new digital commerce business layout planning featuring “service-originated aggregation, aggregation-driven transactions, transaction-generated data, and data-based finance”.

The PRC team of the Group includes talented staffs who have extensive knowledge of policies and regulations in cross-border e-commerce and owns practical operating experiences in several ecommerce channels.

During the year ended 31 December 2020, the Group has successfully established an online flagship store on a well-known PRC ecommerce platform, Tmall Global. Following this success, the Group will continue to develop other flagship stores on various ecommerce platforms, including JD.com and Pinduoduo.com. Aside from focusing on the current establishment of channels on numerous platforms, the Group also fixates on the development of different brands and targets customer groups globally in order to provide a comprehensive sales and distribution solutions. At the same time, the Group takes its advantages in the coalesce supply chains, such as global distribution strategies and private channels distribution strategies so as to cover all businesses online and offline worldwide.

Based on the rapid market development and staggering growth of consumer powers on cross-border ecommerce market, the Group will increase its efforts in ecommerce business of both importation of high-quality foreign goods and exportation of domestic products in the future.

本集團於二零二零第四季邀得香港最具代表性的工商團體之一香港中華廠商聯合會轄下青年委員會（「**廠商會青委會**」），雲聚眾多青年企業家及廠商資源，支持參與新晉電商直播平台BuyLive，以及ViuTV雙平台合作節目的產品上架，並於二零二一年再次為廠商會青委會多個著名品牌合作「閃令令直播新春熱賣」。

於截至二零二零十二月三十一日止年度，數字電商業務積極佈局，以顯示本集團的發展潛力及數字電商發展的重要性，亦標誌著國藝數碼以「服務產生聚合，聚合推動交易，交易產生數據，數據變現金融」的數字新商貿產業佈局規劃之發展優勢及方向。

本集團的中國團隊包括對跨境電商政策及法規具有豐富知識並於多個電商渠道擁有實際營運經驗的優秀員工。

於截至二零二零十二月三十一日止年度，本集團成功於中國知名電子商務平臺天貓國際開設線上旗艦店。此舉成功之後，本集團將繼續於多個電子商務平臺（包括京東及拼多多）設立其他旗艦店。除專注於目前在多個平臺上建立渠道外，本集團亦致力於全球不同品牌及目標客戶群的發展，從而提供全面的銷售及分銷解決方案。同時，本集團利用其在全球綜合供應鏈方面的優勢（如全球分銷策略及私人渠道分銷策略），以期覆蓋所有線上及線下業務。

鑒於跨境電商市場的快速發展及消費能力的迅猛增長，本集團未來將加大力度發展電商業務，即進口優質外國貨品及出口國內產品。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Impact of COVID-19 Pandemic to the Group

Due to the outbreak of COVID-19 pandemic, the operation of the Studio and the Hotel has been temporarily suspended since 24 January 2020 and 29 January 2020 respectively (the “**Temporary Suspension**”). In view of the relief of the epidemic in the PRC, the operation of the Studio and the Hotel has resumed from 16 May 2020. As the Hotel has been designated as a quarantine hotel by the Foshan Government since September 2020, it was required to be temporarily closed to the public and only used for serving guests who are subject to quarantine coming from abroad.

Since the Group’s business was adversely affected in the early stage of the COVID-19 pandemic, the management realised that a single business was exposed to the risk of force majeure. Therefore, the Group has been planning to diversify its business. In late 2020, the management adjusted the Group’s business to develop the digital commerce business.

FUTURE PROSPECT

Benefiting from the opportunities brought by the construction of the Belt and Road Initiative, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as the opening of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, the China National Tourism Administration is able to bring more convenience to overseas visitors to travel within the Greater Bay Area, strengthen market supervision, promote marketing and cooperation, and support the industry to develop more “one travel with multi-stops” tourism products. Hong Kong may become a “transit station” in the Greater Bay Area, and travel agencies are expected to design more intra-Bay tourism products, such as corporate inspection tour, film-induced tourism and special interest group tour, in response to the development of the Greater Bay Area.

With aging population, more senior people choose to travel abroad after retirement. Travel agencies will design more medium to short itineraries, and expand the cruise market to provide a more diverse travel experience to cater the needs of the senior people. As young people pay more attention to tourism and cultural experience, in-depth travelling is increasingly popular among them. Therefore, the travel agencies will design tours with more characteristics, such as sports tourism, art tourism, experience tourism and religious tourism, in order to attract young travelers.

新型冠狀病毒疫情對本集團的影響

由於新型冠狀病毒疫情的爆發，影視城及該酒店分別自二零二零年一月二十四日及二零二零年一月二十九日起暫停營業（「**暫停營業**」）。鑑於中國的疫情得到緩解，影視城與該酒店已於二零二零年五月十六日恢復營業。該酒店自二零二零年九月起被佛山市政府指定為檢疫酒店，需暫時停止對外開放，只用作接待從國外入境需要接受檢疫的人士。

由於本集團的業務於新型冠狀病毒疫情初期受到不利影響，管理層意識到單一業務在不可抗力因素情況下的風險。因此本集團一直有意將業務多元化發展，於二零二零年底管理層對本集團業務作出調整，發展數位商貿業務。

未來展望

受惠於一帶一路建設、粵港澳大灣區發展、廣深港高速鐵路香港段及港珠澳大橋開通帶來的機遇，國家旅遊局為海外旅客在大灣區內通行給予便利，加強市場監管、宣傳推廣合作，以及支援業界開發更多「一程多站」旅遊產品等。香港可成為到大灣區的「中轉站」，而旅行社將針對大灣區發展，設計更多區內旅遊產品，例如企業考察團、影視旅遊、興趣社群遊。

隨著人口老化加劇，更多長者選擇退休後外遊。旅行社將設計更多中短線行程，及拓展郵輪市場，為滿足長者需求而提供更多元化的旅遊體驗。由於年輕族較以往更注重旅遊文化閱歷，深度遊亦越來越受歡迎，因此，旅行社會設計更多不同特色旅遊，類別包括運動旅遊、藝術旅遊、品味旅遊、宗教旅遊等吸納年輕旅客群。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The demand for business travel is increasing, and the opening of the two major infrastructures, namely, the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, has greatly enhanced the advantages of connection between Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area. Travel agencies are expected to expand tourism in related fields, cooperate with the Group's resort hotels and studios, and launch corporate training and communication experiences and theme activity tourism to meet the needs of corporate customers.

Furthermore, in order to diversify business and disperse risks, the Group has further expanded its digital e-commerce and digital marketing business, including establishing strategic partnerships with different brands and platforms. The Group's Bay Area Cloud Warehouse has integrated resources of multiple parties in conjunction with the matrix strategy of Guangzhou International Commodity Exhibition & Trade City to provide one-stop solutions. It will focus on digital trade and exhibition platform to develop four major service ecosystems, namely intellectual property service system, foreign trade service system, business expansion services and chain financial services (鏈路金融服務), with a view to the strategic ecological development of "one center, four major services". It aims to provide one-stop cross-border e-commerce services to brand owners, including product selection, warehousing, logistics, customs clearance and online store operation. As a pioneer in the digital e-commerce industry in the Guangdong-Hong Kong-Macao Greater Bay Area, the Group's digital technology division is expected to play a big role in boosting its business, and will become a new profit growth driver promoting the steady improvement of its performance.

In the future, the Group will exploit its geographical location in the Guangdong-Hong Kong-Macao Greater Bay Area, one of the four major bay areas in the world, and upgrade its business operations. In addition to enhancing research in education field, the Group will earnestly develop digital technology to empower eight aspects, namely smart intelligent property rights, trade and exhibition, cross-border, membership, public domain, private domain, ecological system and finance. It is expected that more quality products, resources and channels will join hands to establish a foothold in the Greater Bay Area and go global.

商務旅遊需求漸增，廣深港高速鐵路香港段及港珠澳大橋兩大基建的開通，大大強化香港與粵港澳大灣區連繫的優勢。旅行社亦將拓展相關範疇旅遊，與集團度假酒店及影視城合作，推出企業培訓及交流體驗、主題活動旅遊等，務求滿足公司客戶需要。

與此同時，集團為發展多元化業務兼且分散風險，已經進一步拓展數字電商及數字行銷業務，包括與不同品牌及平台建立戰略合作夥伴關係。集團旗下灣區雲倉整合多方資源，再結合廣州國際商品展貿城的鉅陣策略，提供一站式解決方案外，將圍繞展貿數字平台，主力推動發展四大服務生態體系，包括智慧財產權服務體系、出海外貿服務體系、經營拓展服務與鏈路金融服務，構建「一個中心，四大服務」的戰略生態發展，為品牌提供由選品、倉儲、物流、通關、網上店代營運等的一條龍跨境電商服務。作為粵港澳大灣區數字電商產業的先行者，本集團數字科技業務有望注下強心針，並深信將可帶來新的利潤增長動力，推動業績穩步提升。

未來，本集團身處世界四大灣區之一粵港澳大灣區，並將產業升級，除了加強研學教育領域，也同時全面發展數字科技為智慧產權、展貿、跨境、會員、公域、私域、生態系統及金融等八大方面賦能，展望更多優質的產品、資源與渠道攜手立足灣區、邁向國際。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In addition, following the emerging trends of cross-border e-commerce and staggering growth of consumer powers, the Group will emphasize on the development of its e-commerce business inspect of continue to develop multi-channel selling by setting up flagship stores on various well-known PRC ecommerce platforms, including JD.com and Pinduoduo.com, and also increase its efforts in e-commerce business of both importing high-quality foreign goods and exporting domestic products in the future. Meanwhile, the Group is planning to expand its e-commerce business globally by cooperating with global brands and partner companies and develop its superior strategies of global and private coalesce supply chains, in order to achieve the goal of "Global is Local, Local is Global".

FINANCIAL REVIEW

Results

With the outbreak of the COVID-19 pandemic and the Temporary Suspension, the Group's revenue for the year ended 31 December 2020 decreased drastically when compared to that for the year ended 31 December 2019. Nevertheless, following the Temporary Suspension, the direct costs of the Group were also reduced and the Group has been operating at minimal costs so as to maintain its necessary operation.

Given the fact that (a) most of the hotel properties and film studio held by listed companies in Hong Kong in the hotel and theme park industries are accounted for using the cost model; and (b) the effect of COVID-19 pandemic on unexpected fluctuation in properties value, during the year, the Group aligned its accounting policy with the industry practice and stated its hotel properties and its film studio at cost less accumulated depreciation and any impairment losses. This change in accounting policy has resulted in a decrease in the value of the hotel properties and film studio owned by the Group. Under the impact of the force majeure caused by the COVID-19 pandemic, the profitability of the hotel properties and film studio did not decrease as a result of the reduction in value. The Group is confident that the business and profitability of its hotel properties and film studio will gradually resume to the previous level upon the ease of the COVID-19 pandemic.

During the year under review, the Group recorded revenue of approximately HK\$30.35 million, representing a decrease of approximately HK\$105.57 million as compared to that in 2019. The decrease in revenue was mainly attributable to the Temporary Suspension. The operation of the Studio and the Hotel was resumed from 16 May 2020.

此外，隨著新興跨境電商的趨勢及市場消費能力增長驚人，本集團將重點發展電商業務，通過在國內知名電子商務平臺開設旗艦店，繼續發展多渠道銷售（包括京東及拼多多），未來將加大力度發展進口優質國外商品和出口國內商品的電子商務業務。同時，本集團正計劃通過與全球品牌和合作夥伴公司的合作，以及發展全球和私人聯合供應鏈的優勢戰略，在全球多個電子商務市場拓展其電子商務業務，以實現「全球即本地，本地就是全球」的目標。

財務回顧

業績

隨著新型冠狀病毒疫情爆發及暫停營業，本集團截至二零二零年十二月三十一日止年度的收入較截至二零一九年十二月三十一日止年度大幅下降。然而，暫停營業之後，本集團直接成本亦有所降低，而本集團一直以最低成本運營以維持其必要經營。

鑒於(a)在酒店及主題公園行業，香港上市公司持有之酒店物業及影視城大多數採用成本模式核算；及(b)新型冠狀病毒疫情之影響導致物業價值出現意外波動，本集團於本年度根據行業慣例調整會計政策，酒店物業及影視城按成本減除累計折舊及任何減值損失列賬。此會計政策轉變導致本集團擁有之酒店物業及影視城的價值下降。在不可抗力的新型冠狀病毒疫情影響下，雖然酒店物業及影視城的價值下降，其盈利能力並無因此下降。待新型冠狀病毒疫情緩和，本集團有信心其酒店物業及影視城業務及盈利將漸回復原來水平。

於回顧年度，本集團錄得收入約30.35百萬港元，較二零一九年減少約105.57百萬港元。收入減少乃主要由於暫停營業。影視城及該酒店自二零二零年五月十六日起恢復營運。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Staff costs for the year under review decreased to approximately HK\$53.37 million from approximately HK\$58.02 million in 2019, representing an decrease of approximately HK\$4.65 million. Such decrease was mainly due to the Temporary Suspension during the year under review.

Other operating expenses for the year under review decreased to approximately HK\$55.66 million from approximately HK\$126.02 million in the corresponding period in 2019. The Group recorded a decrease in other operating expenses of approximately HK\$70.36 million due to the Temporary Suspension during the year under review.

Finance costs for the year under review decreased to approximately HK\$150.28 million from approximately HK\$244.43 million for the year ended 31 December 2019. Interest expenses of approximately HK\$94.15 million included in the finance costs were accrued interest on bonds, loan from shareholders and unsecured other borrowings, which were settled by way of issuance of the convertible bonds and new shares of the Company on 29 June 2020 pursuant to the Group's restructuring transaction.

Gain on financial restructuring of approximately HK\$805.66 million was recorded during the year under review. Such impact arose from the difference between the carrying amount of liabilities settled of approximately HK\$2,062.12 million and the fair value of the convertible bonds and the new shares of the Company issued of approximately HK\$1,228.15 million and equity settled share-based payment expenses of approximately HK\$28.31 million under the Group's restructuring transaction, details of which are set out in the paragraphs headed "Restructuring Transaction" and "Scheme of Arrangement" below. Nevertheless, the impact was non-cash item and does not have any real impacts on the operations and cash flows of the Group during the year under review.

For the year ended 31 December 2020, the Group recorded a net profit of approximately HK\$43.49 million as compared to a net loss of approximately HK\$605.24 million for the year ended 31 December 2019. Such increase in the net profit was mainly due to the gain on financial restructuring during the year under review.

回顧年度的員工成本由二零一九年約58.02百萬港元減少至約53.37百萬港元，減少約4.65百萬港元，乃主要由於回顧年度內暫停營業。

回顧年度的其他營運開支由二零一九年同期約126.02百萬港元減少至約55.66百萬港元。由於暫停營業，本集團回顧年度內其他營運開支減少約70.36百萬港元。

回顧年度的融資成本由截至二零一九年十二月三十一日止年度約244.43百萬港元減少至約150.28百萬港元，計入融資成本中的利息開支約94.15百萬港元為債券、股東貸款及其他無抵押借款的應計利息，本公司已於二零二零年六月二十九日根據本集團的重組交易以發行可換股債券及新股份的方式結清。

於回顧年度錄得財務重組收益約805.66百萬港元。有關影響乃由已結清負債的賬面值約2,062.12百萬港元與本公司根據本集團的重組交易發行的可換股債券及新股份的公允值約1,228.15百萬港元及以權益結算之股份付款開支約28.31百萬港元之間的差額引致，有關詳情載於下文「重組交易」及「安排計劃」段落。然而，有關影響為非現金項目，且不會對本集團於回顧年度的營運及現金流造成任何實質影響。

截至二零二零年十二月三十一日止年度，本集團錄得純利約43.49百萬港元，而截至二零一九年十二月三十一日止年度則錄得淨虧損約605.24百萬港元。純利增加主要由於回顧年度內財務重組收益的影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Liquidity and Financial Resources

流動資金及財務資源

		2020 二零二零年 HK\$'000 千港元 (Audited) (經審核)	2019 二零一九年 HK\$'000 千港元 (Audited) (經審核)
Current assets	流動資產	102,766	130,713
Current liabilities	流動負債	275,882	1,946,600
Current ratio	流動比率	37.2%	6.7%

Current ratio as at 31 December 2020 was 37.2% (2019: 6.7%). As at 31 December 2020, the Group's total positive cash and cash equivalents amounted to approximately HK\$12.60 million (2019: positive cash and cash equivalents approximately HK\$3.67 million).

As at 31 December 2020, the Group's current liabilities exceeded its current assets by approximately HK\$173.12 million. In addition, due to the outbreak of the COVID-19 pandemic, the core business as well as the fundraising activities of the Group have been severely affected. These conditions indicate that there may exist a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the existence of these indicators, the Directors are of the opinion that it is appropriate for the consolidated financial statements to be prepared on the assumption that the Group will continue to operate as a going concern. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Directors have adopted several measures, including the following:

(a) *Extension of the Group's other borrowing*

Subsequent to the end of the reporting period, the Group has renegotiated the maturity date of other borrowings and other payables and accruals of approximately and HK\$64,901,000 and HK\$55,231,000 respectively. Those creditors extended the maturity date for a two-years period.

(b) *Credit facilities obtained after the end of the reporting period*

On 2 September 2021, the Group obtained a loan with a principal amount of RMB29,000,000 (equivalent to approximately HK\$35,366,000) carrying an interest rate of 10% per annum, available for the Group's working capital and its financial obligations.

於二零二零年十二月三十一日的流動比率為37.2% (二零一九年: 6.7%)。於二零二零年十二月三十一日, 本集團錄得正數總現金及現金等值項目約12.60百萬港元 (二零一九年: 正數現金及現金等值項目約3.67百萬港元)。

於二零二零年十二月三十一日, 本集團的流動負債超過其流動資產, 差額為約173.12百萬港元。此外, 由於爆發新型冠狀病毒疫情, 本集團的核心業務及集資活動受到嚴重影響。該等情況反映可能有重大不穩定因素, 可能導致嚴重懷疑本集團的持續經營能力。儘管有該等跡象, 董事認為綜合財務報表按本公司將繼續持續經營的假設編製, 實屬合適。為改善本集團的財務狀況、直接流動資金及現金流量, 以及在其他方面維持本集團的持續經營, 董事已採納數項措施, 包括以下各項:

(a) *本集團其他借款之延期*

於報告期間結束後, 本集團已重新議定金額約64,901,000港元的其他借款以及金額約55,231,000港元的其他應付款項及應計費用的到期日。相關債權人已將到期日延後兩年。

(b) *於報告期間結束後獲得的信貸融通*

於二零二一年九月二日, 本集團取得一筆本金額為人民幣29,000,000元 (相當於約35,366,000港元) 的貸款, 按年利率10%計息, 可用作本集團的營運資金及履行財務責任。

(c) Possible fund-raising activities

Issue of Option Shares and Warrant Shares

On 13 March 2020, the Company entered into an agreement (the “**SSF Agreement**”) with GEM Global Yield LLC SCS (the “**Investor**”), pursuant to which the Investor has agreed to grant the Company an option to require the Investor to subscribe for the shares of the Company (the “**Shares**”) (the “**Share Subscription Facility**”) and the Company has agreed to issue 383,000,000 warrants (the “**Warrants**”) to the Investor.

Under the Share Subscription Facility, the Company has right to request the Investor to subscribe for the Shares at a price which is 90% of the average closing price of last 10 trading days immediately following the delivery of subscription notice by the Company to the Investor, but not lower than HK\$0.23 per Share (the “**Option**”). The Option is exercisable by the Company for 3 years, commencing on 13 March 2020. The aggregate subscription price under the Share Subscription Facility is HK\$2,350,000,000.

The Warrants carry a right to the Investor to subscribe for up to a total of 383,000,000 Shares at a price of HK\$0.23 per Shares for 3 years, commencing on the date of the satisfaction or the fulfilment of conditions precedent to the SSF Agreement.

The issuance of the Shares under the Share Subscription Facility and the Warrants is subject to the approval from the Stock Exchange and the Shareholders.

The SSF Agreement and all actions taken or to be taken by the Company pursuant to the SSF Agreement were generally and unconditionally approved, ratified and confirmed and the specific mandates was granted to the Directors to allot and issue 383,000,000 Warrant Shares at the exercise price of HK\$0.23 each (subject to adjustment) in the SGM held on 5 October 2020. The warrants were issued by the Company in January 2021.

Details of the SSF Agreement, the issue of the Option Shares and the Warrants are set out in the Company’s announcements dated 13 March 2020, 27 July 2020, 31 August 2020, the Company’s circular dated 11 September 2020 and the Company’s poll results announcement dated 5 October 2020.

(c) 潛在籌資活動

發行購股權股份及認股權證股份

於二零二零年三月十三日，本公司與GEM Global Yield LLC SCS（「投資者」）訂立協議（「SSF協議」），據此，投資者同意向本公司授出購股權以要求投資者認購本公司股份（「股份」）（「股權掛鉤信貸」）及本公司同意向投資者發行383,000,000份認股權證（「認股權證」）。

根據股權掛鉤信貸，本公司有權要求投資者按本公司發送認購通知後最近10個交易日平均收盤價的90%的價格認購股份，惟不低於每股0.23港元（「購股權」）。本公司可自二零二零年三月十三日起3年內行使該購股權。股權掛鉤信貸項下總認購價為2,350,000,000港元。

SSF協議認股權證附帶權利，投資者可自符合或達成先決條件的日期起3年內，按每股0.23港元價格認購總計383,000,000股股份。

根據股權掛鉤信貸及認股權證發行股份須待聯交所及股東批准後方可作實。

於二零二零年十月五日舉行的股東特別大會上，股東一般及無條件批准、追認及確認SSF協議及本公司根據SSF協議已採取或將採取的一切行動，並授予董事特別授權以按行使價每股0.23港元（可予調整）配發及發行383,000,000股認股權證股份。本公司已於二零二一年一月發行認股權證。

有關SSF協議、發行購股權股份及認股權證的詳情載於本公司日期為二零二零年三月十三日、二零二零年七月二十七日及二零二零年八月三十一日的公告、本公司日期為二零二零年九月十一日的通函及本公司日期為二零二零年十月五日的投票結果公告。

MANAGEMENT DISCUSSION AND ANALYSIS

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Issue of Convertible Bonds

On 17 April 2021, the Company entered into the subscription agreement (the “**Subscription Agreement**”) with the GEM Global Yield, LLC SCS (the “**Subscriber**”), pursuant to which the Subscriber has agreed to subscribe for, and the Company agreed to issue, the convertible bonds in an aggregate principal amount of HK\$25,000,000 (the “**2021 Convertible Bonds**”).

The 2021 Convertible Bonds with a principal amount of HK\$25,000,000 were issued by the Company with carrying a coupon rate of 4 % to the Subscriber for term of three years on 27 May 2021. The net proceeds from the issue of the 2021 Convertible Bonds were approximately HK\$25,000,000 and are used for the Group’s working capital and the settlement of professional fees.

(d) Various cost control measures

The management of the Group plans to improve the Group’s financial performance by taking steps to reduce discretionary expenses and administrative costs.

Nevertheless, should the Group fail to implement the measure as mentioned above, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group’s assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in these consolidated financial statements.

On the basis of the foregoing, and after assessing the Group’s current and forecasted cash positions, the Directors are satisfied that the Group will be able to meet in full the Group’s financial obligations as they fall due for the period of twelve months from 31 December 2020. Accordingly, the consolidated financial statements of the Group have been prepared on the going concern basis.

Dividend

The Directors do not recommend payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

發行可換股債券

於二零二一年四月十七日，本公司與GEM Global Yield LLC SCS（「認購人」）訂立認購協議（「認購協議」），據此，認購人同意認購，而本公司同意發行本金總額為25,000,000港元的可換股債券（「二零二一年可換股債券」）。

本公司於二零二一年五月二十七日向認購人發行本金額為25,000,000港元的二零二一年可換股債券，票息率為4%，為期三年。發行二零二一年可換股債券之所得款項淨額約為25,000,000港元，用作本集團營運資金及支付專業費用。

(d) 多種成本控制措施

本集團管理層計劃採取措施降低酌情決定開支及行政成本，從而改善本集團的財務表現。

儘管如此，倘本集團未能實施上述措施，可能無法繼續持續經營，並須作出調整以撇減本集團資產之賬面值至其可收回金額，為日後可能產生之任何負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整之影響並未於綜合財務報表中體現。

基於上文所述及經評估本集團的目前及預計現金狀況後，董事信納本集團將可繼續於其財務責任於二零二零年十二月三十一日起十二個月期間到期時，全部予以履行。據此，本集團的綜合財務報表已按持續基準編製。

股息

董事不建議派付截至二零二零年十二月三十一日止年度的末期股息（二零一九年：無）。

Capital Structure and Gearing Ratio

The shares of the Company were listed on GEM of the Stock Exchange on 17 October 2002. The capital of the Company comprises only ordinary shares. As at 31 December 2020, 7,423,868,369 ordinary shares were issued and fully paid.

資本架構及負債比率

本公司股份於二零零二年十月十七日在聯交所GEM上市。本公司股本僅包含普通股。於二零零二年十二月三十一日，有7,423,868,369股已發行及繳足股款普通股。

		2020 二零二零年		2019 二零一九年	
		Amount	Relative	Amount	Relative
		金額	相對	金額	相對
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Bank overdrafts	銀行透支	–	0%	5,778	0.3%
Loans from shareholders	股東貸款	90,023	10.3%	589,457	34.9%
Borrowings	借款	154,560	17.6%	227,040	13.4%
Bonds	債券	–	0%	1,153,283	68.3%
Promissory note	承兌票據	48,463	5.5%	115,197	6.8%
Convertible bonds	可換股債券	866,016	98.8%	–	0%
Lease liabilities	租賃負債	35,416	4.0%	29,763	1.8%
Total borrowings	借款總額	1,194,478	136.2%	2,120,518	125.5%
Equity	權益	(317,738)	(36.2%)	(431,283)	(25.5%)
Total capital employed	所運用的資本總額	876,740	100%	1,689,235	100%

The Group's gearing ratio (i.e. the total borrowings to the total capital employed) was approximately 136.2% as at 31 December 2020 (2019: 125.5%).

於二零二零年十二月三十一日，本集團的資本負債比率（即借款總額除以所運用的資本總額）約為136.2%（二零一九年：125.5%）。

Foreign Exchange Exposure

The Group's reporting currency is expressed in HK\$. For the year ended 31 December 2020, most of the transactions, assets and liabilities of the Group were denominated in HK\$ and RMB. During the year under review, since the Group had both HK\$ and RMB receipts and payments, the net RMB 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 year.

外匯風險

本集團以港元作為呈報貨幣。於截至二零二零年十二月三十一日止年度，本集團大部分交易、資產及負債均以港元及人民幣結算。回顧年度內，因本集團同時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，故於年內並無進行對沖交易。

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Capital Commitments

As at 31 December 2020, the Group had the following capital commitments:

Contracted but not provided for: Construction of properties	已訂約但未撥備： 物業建設
Authorised but not contracted for: Construction of properties (Note)	已批准但未訂約： 物業建設（註）

Note: Capital commitment for construction in properties related to capital commitment for construction of film studio and hotel in Foshan, the PRC. The authorised amount was approved by the Directors according to the land lease agreements signed between Lux Unicorn Limited, the wholly-owned subsidiary of the Company and the local authority in Foshan, the PRC, in relation to the leasing of lands for development of tourism and related entertainment business and hotel operations. The completion of constructions and commencement of operations of the projects shall be within three and four years respectively from the signing of the lease agreements.

Future Plans for Substantial Investments or Capital Assets

With reference to the announcement of the Company dated 13 December 2017, Foshan Guohao Theme Park Management Company Limited (佛山市國昊景區管理有限公司) (“**Guohao Theme Park**”), a wholly-owned subsidiary of the Company, has entered into a subscription agreement with Guangdong Hongtu Guangdian Investment Co., Ltd. (廣東弘圖廣電投資有限公司) (“**GD Hongtu**”), pursuant to which GD Hongtu will make a capital injection of RMB20 million into the Guohao Theme Park which is the project company for the second phase development of National Arts Film Studio (the “**Second Phase Project**”). The Second Phase Project is planned to have indoor studio and boutique hotel to be constructed next to the first phase of the Studio and the Hotel.

Save as disclosed above, the Group did not have any plan for substantial investments or capital assets.

資本承擔

於二零二零年十二月三十一日，本集團有以下資本承擔：

2020 二零二零年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 二零一九年 HK\$'000 千港元 (Audited) (經審核)
85,239	78,389
356,506	334,411

註： 物業建設的資本承擔與於中國佛山興建影視城及酒店的資本承擔有關。根據盛麟有限公司（本公司之全資附屬公司）與中國佛山市地方機關就租賃土地發展旅遊業務以及相關娛樂業務及酒店業務而簽訂的土地租賃協議，董事已批准法定金額。有關項目須分別於簽訂租賃協議日期起計三年及四年內峻工及投入營運。

未來重大投資或資本性資產計劃

茲提述本公司日期為二零一七年十二月十三日的公告，本公司全資附屬公司佛山市國昊景區管理有限公司（「**國昊景區**」）已與廣東弘圖廣電投資有限公司（「**廣東弘圖**」）簽訂了認購協議，據此廣東弘圖將向國昊景區注資人民幣20百萬元。國昊景區為負責國藝影視城第二期發展項目（「**二期項目**」）的項目公司。二期項目預算規劃興建室內攝影棚及精品酒店，建設在該影視城一期和該酒店的旁邊。

除上文所披露者外，本集團並無任何重大投資或資本性資產計劃。

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2020, the Group had a total of 409 (2019: 505) staff based in the PRC and Hong Kong. The Group remunerates its employees based on their performances, experiences and the 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 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 directors and key management is determined by the individuals performance and market trends.

During the year 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.

僱員及薪酬政策

截至二零二零年十二月三十一日，本集團於中國及香港聘有合共409名（二零一九年：505名）員工。本集團的僱員薪酬乃按工作表現、資歷及當時行業慣例釐定。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。

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。

董事及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。

於回顧年度內，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幹擾，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。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS

Mr. Chow Kai Weng, aged 36, joined the Group in January 2010. Mr. Chow holds a Bachelor Degree of Business Administration with previous experiences in media and financial industries. Mr. Chow was appointed as an executive Director on 25 March 2011 and as the vice chairperson of the Board on 5 August 2016. He was subsequently appointed as the chairman of the Company on 4 May 2018 and the chief executive officer and the compliance officer of the Company on 13 June 2018. On 14 May 2019, Mr. Chow was re-designated from the chairman of the Company to the associate chairman of the Company. On 22 July 2021 Mr. Chow was appointed as the chairman of the Company. Mr. Chow is also the chairman of the nomination committee of the Board and a director of a number of subsidiaries of the Company.

Mr. Cheng Wang Chun, aged 30, joined the Group in August 2013 and has been promoted as the financial controller of the Group since November 2016. Before joining the Group, he worked in an accountancy firm for two years. Mr. Cheng is primarily responsible for the financial and treasury management of the Group and the overall management of the operations of the Group. Mr. Cheng was appointed as an executive Director on 4 May 2018. Mr. Cheng is also a director of a number of subsidiaries of the Company.

Mr. Ho Leung Ting, aged 33, joined the Group in December 2014 and has been promoted as the financial manager of the Group since November 2016. Mr. Ho holds a bachelor's degree in professional accounting. Mr. Ho is primarily responsible for the financial and treasury management of the Group and the overall management of the operations of the Group. Mr. Ho was appointed as an executive Director on 15 November 2018. Mr. Ho is also a director of a number of subsidiaries of the Company.

執行董事

周啟榮先生，36歲，於二零一零年一月加盟本集團。周先生持有工商管理學士學位，具備媒體及金融業的經驗。周先生於二零一一年三月二十五日獲委任為執行董事及於二零一六年八月五日獲委任為董事會副主席。彼其後於二零一八年五月四日獲委任為本公司主席及於二零一八年六月十三日獲委任為行政總裁及監察主任。於二零一九年五月十四日，周先生由本公司主席調任為本公司聯席主席。於二零二一年七月二十二日，周先生獲委任為本公司主席。周先生亦為董事會轄下提名委員會主席及本公司多間附屬公司的董事。

鄭弘駿先生，30歲，於二零一三年八月加盟本集團。彼自二零一六年十一月起晉升為本集團財務總監。加盟本集團前，彼於香港一家會計師事務所任職兩年。鄭先生主要負責本集團的財務及庫務管理以及本集團的整體營運管理。鄭先生於二零一八年五月四日獲任為執行董事。鄭先生亦為本公司多間附屬公司之董事。

何亮靈先生，33歲，於二零一四年十二月加盟本集團。彼自二零一六年十一月起晉升為本集團財務經理。何先生持有專業會計學士學位。何先生主要負責本集團的財務及庫務管理以及本集團的整體營運管理。何先生於二零一八年十一月十五日獲任為執行董事。何先生亦為本公司多間附屬公司之董事。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Dr. LAM, Lee G. (“Dr. Lam”), aged 62, was appointed as a non-executive Director in June 2017. He holds a BSc in Sciences and Mathematics, an MSc in Systems Science and an MBA from the University of Ottawa in Canada, an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LL.M in Law from the University of Wolverhampton in the UK, an MPA and a PhD from the University of Hong Kong.

Dr. Lam is currently an independent non-executive director of each of CSI Properties Limited (Stock Code: 497), Vongroup Limited (Stock Code: 318), Mei Ah Entertainment Group Limited (Stock Code: 391), Elife Holdings Limited (Stock Code: 223), Haitong Securities Company Limited (Stock Code: 6837, 600837 on the Shanghai Stock Exchange), Hang Pin Living Technology Company Limited (Stock Code: 1682), Kidsland International Holdings Limited (Stock Code: 2122), Greenland Hong Kong Holdings Limited (Stock Code: 337), and Huarong International Financial Holdings Limited (Stock Code: 993), and a non-executive director of each of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), China LNG Group Limited (Stock Code: 931), Mingfa Group (International) Company Limited (Stock Code: 846) and Hong Kong Aerospace Technology Group Limited (formerly known as Eternity Technology Holdings Limited, Stock Code: 1725), the shares of all of which are listed on the Stock Exchange. Dr. Lam is also an independent non-executive director of Asia-Pacific Strategic Investments Limited (Stock code: 5RA), Alset International Limited (Stock Code: 40V), Beverly JCG Limited (Stock Code: VFP), and Thomson Medical Group Limited (Stock Code: A50), the shares of all of which are listed on the Singapore Exchange. Dr. Lam is an independent non-executive director of AustChina Holdings Limited (Stock Code: AUH), whose shares are listed on the Australian Securities Exchange and TMC Life Sciences Berhad (Stock Code: 0101), whose shares are listed on the Bursa Malaysia, and a non-executive director of Jade Road Investments Limited (Stock Code: JADE), whose shares are listed on the London Securities Exchange.

林家禮博士（「林博士」），62歲，於二零一七年六月獲委任為非執行董事。林博士持有加拿大渥太華大學之科學及數學學士、系統科學碩士及工商管理碩士學位、英國曼徹斯特城市大學之法律榮譽學士學位、英國胡佛漢頓大學之法律碩士學位、香港大學之公共行政碩士及哲學博士學位。

林博士現擔任資本策略地產有限公司（股份代號：497）、黃河實業有限公司（股份代號：318）、美亞娛樂資訊集團有限公司（股份代號：391）、易生活控股有限公司（股份代號：223）、海通證券股份有限公司（股份代號：6837，亦於上海證券交易所上市，股份代號：600837）、杭品生活科技股份有限公司（股份代號：1682）、凱知樂國際控股有限公司（股份代號：2122）、綠地香港控股有限公司（股份代號：337）及華融國際金融控股有限公司（股份代號：993）之獨立非執行董事；並為新華滙富金融控股有限公司（股份代號：188）、中國天然氣集團有限公司（股份代號：931）、明發集團（國際）有限公司（股份代號：846）及香港航天科技集團有限公司（前稱：恒達科技控股有限公司，股份代號：1725）之非執行董事，而上述各公司之股份均於聯交所上市。彼亦為Asia-Pacific Strategic Investments Limited（股份代號：5RA）、Alset International Limited（股份代號：40V）、Beverly JCG Limited（股份代號：VFP）及Thomson Medical Group Limited（股份代號：A50）之獨立非執行董事，而上述各公司之股份均於新加坡證券交易所上市。林博士亦為澳洲證券交易所上市公司 AustChina Holdings Limited（股份代號：AUH）及馬來西亞交易所（Bursa Malaysia）上市TMC生命科學（股份代號：0101）之獨立非執行董事以及倫敦證券交易所上市公司Jade Road Investments Limited（股份代號：JADE）之非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

In the past three years, Dr. Lam was an independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148) up to 1 March 2021, Huarong Investment Stock Corporation Limited (stock code: 2277, privatized on 12 November 2020) up to 31 December 2020, Hsin Chong Group Holdings Limited (stock code: 404) up to 27 September 2019 (the shares of which were delisted on the Stock Exchange in December 2019), Glorious Sun Enterprises Limited (stock code: 393) up to 31 August 2019, Mingfa Group (International) Company Limited (Stock Code: 846) up to 23 April 2020, and Xi'an Haitiantian Holdings Co., Ltd. (stock code: 8227) up to 23 July 2018, and he was also a non-executive director of Tianda Pharmaceuticals Limited (stock code: 455) up to 26 August 2021, China Shandong Hi-Speed Financial Group Limited (stock code: 412) up to 14 May 2020 and Green Leader Holdings Group Limited (stock code: 0061) up to 22 July 2019 and the shares of all of which are listed on the Stock Exchange. He was an independent non-executive director of each of Sunwah International Limited (stock code: SWH, a company listed on the Toronto Stock Exchange) up to 30 June 2021, Top Global Limited (stock code: BHO, a company previously listed on Singapore Exchange and privatized on 17 August 2021) up to 31 August 2021.

Mr. Chui Chi Yun Robert, aged 64, holds a Bachelor Degree in Commerce and is a practicing Certified Public Accountant in Hong Kong. Mr. Chui was appointed as an independent non-executive Director in May 2009. Mr. Chui is currently the chairman of each of the audit committee and the remuneration committee of the Board. Mr. Chui is a fellow member of the Hong Kong institute of Certified Public Accountants and The Chartered Association of Certified Accountants. Mr. Chui is currently an independent non-executive director of Tse Sui Luer Jewellery (International) Limited (Stock Code: 417), Wing Lee Property Investments Limited (Stock Code: 864), Asia Cassava Resources Holdings Limited (Stock Code: 841) and Huiyin Holdings Group Limited (Stock Code: 1178) the shares of these companies are listed on the Main Board of the Stock Exchange and F8 Enterprises (Holdings) Group Limited (Stock Code: 8347), the shares of which are listed on GEM of the Stock Exchange. He is also a director of a number of private companies and associations.

林博士於過去三年曾任聯交所上市奧柏中國集團有限公司(股份代號:8148,彼於二零二一年三月一日辭任)、華融投資股份有限公司(股份代號:2277,該公司於二零二零年十一月十二日私有化,彼於同年十二月三十一日辭任)、新昌集團控股有限公司(股份代號:404,彼於二零一九年九月二十七日辭任,該公司於同年十二月在聯交所退市)、旭日企業有限公司(股份代號:393,彼於二零一九年八月三十一日辭任)、明發集團(國際)有限公司(股份代號:846,彼於二零二零年四月二十三日辭任)及西安海天實業股份有限公司(股份代號:8227,彼於二零一八年七月二十三日辭任)之獨立非執行董事;天大藥業有限公司(股份代號:455,彼於二零二一年八月二十六日辭任)、中國山東高速金融集團有限公司(股份代號:412,彼於二零二零年五月十四日辭任)及綠領控股集團有限公司(股份代號:0061,彼於二零一九年七月二十二日辭任)之非執行董事;另外彼亦曾出任多倫多證券交易所上市公司Sunwah International Limited(股份代號:SWH,彼於二零二一年六月三十日辭任)、Top Global Limited(該公司於二零二一年八月十七日私有化前於新加坡交易所上市(股份代號:BHO),彼於二零二一年八月三十一日辭任)之獨立非執行董事。

崔志仁先生, 64歲,持有商學士學位,亦為香港執業會計師。崔先生於二零零九年五月獲委任為獨立非執行董事。崔先生目前分別為董事會審核委員會及薪酬委員會之主席。崔先生為香港會計師公會及英國特許公認會計師公會的資深會員。崔先生現時為謝瑞麟珠寶(國際)有限公司(股份代號:417)、永利地產發展有限公司(股份代號:864)、亞洲木薯資源控股有限公司(股份代號:841)及匯銀控股集團有限公司(股份代號:1178)(該等公司的股份於聯交所主板上市)及F8企業(控股)集團有限公司(股份代號:8347)(該公司的股份於聯交所GEM上市)的獨立非執行董事。彼亦為多間私人公司和機構的董事。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Mr. Li Kit Chee, aged 66, has more than 30 years' experience in auditing, accounting and secretarial services. Mr. Li holds a Bachelor Degree of social sciences (with honours) in The University of Hong Kong. Mr. Li is also a fellow member of The Chartered Association of Certified Accountants. Mr. Li is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a managing director of Arthur Li, Yau & Lee C.P.A. Limited. Mr. Li is a director of Cheong Yip Secretary Limited, which is principally engaged in corporate service related business. Mr. Li is currently an independent non-executive director of Tysan Holdings (Stock Code: 687), a company which shares are listed on the Main Board of the Stock Exchange. Immediately prior to his appointment as an independent non-executive Director in June 2014, Mr. Li was an independent non-executive director of First Credit Finance Group Limited, a company which shares are listed on GEM of the Stock Exchange (Stock Code: 8215) until he resigned in May 2014. Mr. Li was an independent non-executive director of Zhongchang International Holdings Group Limited (Stock Code: 859), a company which shares are listed on the Main Board of the Stock Exchange, until he resigned in February 2018. Mr. Li is currently a member of each of the audit committee, remuneration committee and the nomination committee of the Board.

Mr. Lam Kwok Hing Wilfred, aged 62, holds a bachelor degree of Law with honours from The University of Hong Kong. He is a practising solicitor in Hong Kong, and a consultant lawyer of WT Law Offices and Lam, Lee & Lai Solicitors & Notaries. He is a Civil Celebrant of Marriages and he also holds a professional qualification of Estate Agent's (Individual) License in Hong Kong. Mr. Lam is a Justice of Peace of the Hong Kong Special Administrative Region and was awarded the Queen's Badge of Honour in January 1997. He is also a Deputy Commissioner (Administration) of the Civil Aid Service and the former chairman and current Director of Kwai Tsing District Community Development Fund.

Mr. Lam was appointed as an independent non-executive Director on 13 May 2009 and re-designated as a non-executive Director from 3 February 2010. He was then appointed as the vice-chairman of the Company from 5 August 2010. Mr. Lam subsequently resigned as vice chairman and non-executive Director with effect from 11 July 2014.

李傑之先生，66歲，於審核、會計及秘書服務業擁有30多年經驗。李先生為香港大學榮譽社會科學學士。李先生為英國特許公認會計師公會的資深會員及香港會計師公會的註冊會計師。李先生為李傑之合夥會計師行有限公司董事總經理，亦為昌業秘書有限公司董事，該公司主要從事企業服務相關業務。李先生現時為聯交所主板上市公司泰昇集團（股份代號：687）的獨立非執行董事。緊接於二零一四年六月獲委任為獨立非執行董事前，李先生曾於聯交所GEM上市公司第一信用金融集團有限公司（股份代號：8215）擔任獨立非執行董事，並於二零一四年五月辭任。李先生亦曾出任聯交所主板上市公司中昌國際控股有限公司（股份代號：859）的獨立非執行董事，直至於二零一八年二月辭任。李先生目前分別為董事會轄下的審核委員會、薪酬委員會及提名委員會的成員。

林國興先生，62歲，持有香港大學榮譽法學士學位。彼為香港執業律師、徐沛雄律師行及林李黎律師事務所的顧問律師。彼亦持有婚姻監禮人及香港地產代理（個人）牌照之專業資格。林先生為香港特別行政區太平紳士，並於一九九七年一月獲英女皇授勳榮譽獎章。彼亦為民眾安全服務隊副處長（行政）及葵青社區基金有限公司前主席及現任董事。

林先生於二零零九年五月十三日獲委任為獨立非執行董事並自二零一零年二月三日起調任為非執行董事。彼其後自二零一零年八月五日起獲委任為本公司副主席。林先生隨後辭任本公司副主席兼非執行董事，自二零一四年七月十一日起生效。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

Mr. Lam was appointed as an executive director of Hong Kong Resources Holdings Company Limited ("Hong Kong Resources") (Stock Code: 2882), a company listed on the Main Board of the Stock Exchange on 17 August 2011. He was re-designated as a non-executive director of Hong Kong Resources on 1 July 2015, and has been re-designated as an executive director since 12 April 2017, and has been subsequently re-designated as a consultant and ceased to be an executive director on 12 June 2019.

Mr. Lam was appointed as a non-executive director of Chinese Strategic Holdings Limited ("Chinese Strategic") (Stock Code: 8089), a company listed on GEM of the Stock Exchange on 2 September 2013. He was re-designated as an executive director and appointed as the chairman of Chinese Strategic from 1 January 2014 and has been re-designated as a non-executive director while remaining as its chairman from 1 December 2018 to 19 March 2021.

Mr. Lam was a chairman and an executive director of Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited) (Stock Code: 1041), a company listed on the Main Board of the Stock Exchange from 15 June 2015 to 13 March 2016, and then was appointed as a consultant of the company until March 2017. Mr. Lam was an independent non-executive director of CCIAM Future Energy Limited (Stock Code: 145), a company listed on the Main Board of the Stock Exchange from 1 December 2010 to 21 October 2011, and was re-designated to a non-executive Director from 21 October 2011 to 21 October 2017. On 21 March 2019, Mr. Lam was appointed as an independent non-executive Director. Mr. Lam is currently a member of each of the audit committee, remuneration committee and the nomination committee of the Board.

林先生於二零一一年八月十七日獲委任為聯交所主板上市公司香港資源控股有限公司（「香港資源」）（股份代號：2882）之執行董事。彼於二零一五年七月一日調任為香港資源的非執行董事，並自二零一七年四月十二日起再度調任為執行董事，其後於二零一九年六月十二日起調任為顧問並不再擔任執行董事。

林先生於二零一三年九月二日獲委任為聯交所GEM上市公司華人策略控股有限公司（「華人策略」）（股份代號：8089）之非執行董事。彼自二零一四年一月一日起獲調任為執行董事及華人策略的主席，並自二零一八年十二月一日再度調任為非執行董事，同時仍出任主席一職，直至二零二一年三月十九日辭任。

林先生自二零一五年六月十五日至二零一六年三月十三日擔任聯交所主板上市公司林達控股有限公司（前稱中國新能源動力集團有限公司，股份代號：1041）之主席兼執行董事，其後獲委任為該公司顧問，直至二零一七年三月。林先生於二零一零年十二月一日至二零一一年十月二十一日擔任聯交所主板上市公司信能低碳有限公司（股份代號：145）之獨立非執行董事，其後於二零一一年十月二十一日調任為非執行董事，並任職直至二零一七年十月二十一日。於二零一九年三月二十一日，林先生獲委任為本公司獨立非執行董事。林先生當前為董事會轄下審核委員會、薪酬委員會及提名委員會的成員。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT – ABOUT THE REPORT

National Arts Entertainment and Culture Group Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) are pleased to present its Environmental, Social and Governance (“ESG”) report (the “ESG Report”). This Report summarizes the environmental and social impacts, policies and initiatives of the Group during the financial year of 2020 which began on 1 January 2020 and ended on 31 December 2020 to demonstrate the Group’s long-term commitment in ensuring that the Group’s business is economically, socially and environmentally sustainable.

In preparing this ESG Report, the Group has complied with the “Comply or Explain” provisions in accordance with the Environment, Social and Governance Reporting Guide (the “ESG Guide”) as set out in Appendix 20 to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and in accordance with the practical circumstances of the Group.

The scope of the ESG Report covers the Group’s travelling and entertainment business in Hong Kong and the hotel and film shooting business in Foshan, Guangdong province, the People’s Republic of China (the “PRC”).

The board of director of the Company (the “Board”) acknowledges its responsibility for ensuring the integrity of the ESG Report and to the best of its knowledge, this ESG Report addresses all material issues and fairly presents the ESG performance of the Group and its impact. The Board confirms that it has reviewed and approved the ESG Report.

1. 環境、社會及管治－關於本報告

國藝娛樂文化集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）欣然提呈環境、社會及管治（「環境、社會及管治」）報告（「本環境、社會及管治報告」）。本報告概述本集團於二零二零年財政年度（即自二零二零年一月一日起至截至二零二零年十二月三十一日止期間）的環境、社會影響以及政策及倡議，以表明本集團確保業務在經濟、社會及環境方面實現可持續發展的長期承諾。

在編製本環境、社會及管治報告時，本集團已遵照香港聯合交易所有限公司（「聯交所」）GEM證券上市規則（「GEM上市規則」）附錄20所載之《環境、社會及管治報告指引》（「環境、社會及管治指引」）的「不遵守就解釋」條文，並已結合本集團的實際情況。

本環境、社會及管治報告範圍涵蓋本集團在香港的旅遊及娛樂業務，及在中華人民共和國（「中國」）廣東省佛山市的酒店及電影拍攝業務。

本公司董事會（「董事會」）明白其為確保環境、社會及管治報告完整所負有的責任。就董事會全悉，本環境、社會及管治報告記述所有重大事項，並合理展示本集團的環境、社會及管治表現以及其影響。董事會確認其已審閱並批准本環境、社會及管治報告。

The Group's ESG Approach

The Group's ESG approach is to ensure that the Group continues to create long-term value for its stakeholders including retaining the economic and social advantages of its operations while taking the necessary steps to protect and support the local community, the natural, historic and cultural heritage.

The Group understands that environmental conservation and community engagement is more than a moral imperative, it also makes good business sense. By upholding its commitment to corporate social responsibility, the Group strives to forge itself into an environmentally friendly enterprise that cares about its employees' development and protects their rights and interests. The Group adheres to the principle of equality and integrity for its operation, and complies with business regulations and ethic codes.

The Group is well aware of its impacts on the environment as well as the society, and therefore it insists on putting its ESG policies as set out in the ESG Report into practice. By proactively upgrading and optimizing its equipment, the Group endeavours to meet the energy saving and emission reduction targets. By strict implementation and continued improvement of its employment policy, the Group provides a safe and healthy working environment and a fair development platform for its employees. The Group believes that by offering an outstanding service experience and creating long-lasting memories for its guests, its travellers, its audience, its artists and the film crew members, the Group can achieve a sustainable development.

How we manage ESG

The Board is responsible for evaluating and identifying the ESG risks of the Group and ensuring that the Group sets up an appropriate and effective ESG risk management and internal control system.

Therefore, the Group has established an ESG executive committee to specify the responsibility of implementing its ESG management and objectives. The executive committee will drive and monitor the initiatives taken in various aspects of the Group's ESG practices that are integrated with the Group's business operation.

本集團的環境、社會和管治方法

為確保本集團繼續為本集團的利益相關方創造長期價值，除了維護好集團的業務在經濟和社會優勢外，本集團也同時需要採取必要的步驟，以保護和支援當地社區、自然環境、歷史和文化遺產。

本集團明白，環境保護和社區參與不僅僅是在道義上是必要的，也可以帶來很好的商業意義。秉持履行企業社會責任之承諾，本集團致力創建環境友好型企業，關愛員工發展，保障員工權益；以公平誠信為企業經營的宗旨，遵循商業規範及道德。

本集團深明自身的環境及社會影響，堅持將本環境、社會及管治報告內所載的環境、社會及管治方針付諸實踐，積極開展設備升級改造以實現節能減排之目標，認真執行並不斷完善僱傭制度，為員工提供安全健康的工作環境與公平的發展平台。本集團相信，唯有通過為我們的客人、我們的遊客、我們的觀眾、我們的藝人和電影攝製組提供卓越的服務體驗並創造美好的回憶，本集團才能得以實現可持續發展。

我們如何主導環境、社會和管治

董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團設立合適及有效的環境、社會及管治風險管理及內部監控系統。

因此本集團成立了環境、社會及管治執行委員會以明確環境、社會及管治管理和目標的責任落實。執行委員會負責推動和監控本集團各方面業務執行環境、社會及管治的舉措。

2. STAKEHOLDER ENGAGEMENT

The Group actively communicates with its stakeholders, establishes multiple channels of communication to understand the topics they cared about, and regularly reviews the effectiveness of relevant actions taken to improve the communication channels in order for the opinions of the stakeholders to be reflected fully. The topics concerned by different stakeholder groups in the reporting period are listed in the table below.

2. 利益相關方交流

本集團積極與不同的權益人進行溝通，建立多方面的溝通渠道以了解他們所關心的議題，並定期檢討有關行動的成效，以完善溝通渠道以便權益人的意見得以全面反映。下表列出報告期內不同權益人組別所關注的議題。

Stakeholder 利益相關方	Engagement Method 交流方式	Topics 主題	Action 行動
Shareholders 股東	Investor relations communication 投資者關係 Shareholder meeting 股東大會	<ul style="list-style-type: none"> - Financial performance 財務表現 - Corporate governance 企業管治 - Risk management 風險管理 - Business transition 業務轉型 	The Group provides information on strategies, policies, and performance through its quarterly reports, interim reports, annual reports and announcements. 本集團通過季度報告、中期報告及年報提供有關公司策略、政策和績效的信息。
Employees 員工	Meeting and staff interview 集會和員工面談	<ul style="list-style-type: none"> - Career 事業 - Health and safety 健康與安全 - Workplaces condition 工作環境 	The Group provides diverse training programs, streamlines the promotion process, provides decent wages and a safe and respectful workplace. 本集團提供多元化培訓、暢通職業發展通道、提供體面工資、安全和受尊重的工作場所。
Tourists 遊客	Business relationship/feedback 商業關係和反饋	<ul style="list-style-type: none"> - Travel quality 旅遊質量 - Price 價格 	The Group provides quality travel package. The Group delivers what it has promised to its guests and ensures its service satisfaction. All tour guides employed by the Group are registered and well trained. 本集團提供優質的旅行套餐。本集團向賓客提供其承諾的服務，並確保其的服務滿意度。本集團聘用的所有導遊都有牌照和訓練有素。
Viewers/Audience 觀眾	Box office ranking, feedback and comment 票房排名、反饋意見和評論	<ul style="list-style-type: none"> - Rich content 豐富的內容 - Quality 質量 - Responsible content 負責任的內容 	The Group selects screenplay that have a purpose to the society. The Group invites and recruits wellknown directors and artists to act in its films and dramas. 本集團選擇對社會有意義的劇本。本集團邀請和招聘知名導演和演員指導和出演電影和電視劇。

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Stakeholder 利益相關方	Engagement Method 交流方式	Topics 主題	Action 行動
Government 政府	Notice 通告	<ul style="list-style-type: none"> - Travel and hotel service 旅行和酒店業務 - Responsible content 負責任的內容 - Tax 依法納稅 	<p>The Group works closely with the municipal government to achieve turning Foshan into a film culture center. 本集團與市政府合作將佛山市打造成影視文化中心。</p> <p>The Group is a member of Travel Industry Council of Hong Kong. The Group ensures its travel and hotel businesses comply with Travel Agents Ordinance of Hong Kong and the Travel Act of the PRC. 本集團是香港旅遊業議會的會員。本集團確保其旅行社和酒店業務符合《香港旅行代理商條例》和《中華人民共和國旅遊法》。</p>
Suppliers 供應商	Business relationship 商業關係	<ul style="list-style-type: none"> - Fairness 公平透明 - Long-term commitment 長期承諾 - Trust 誠信 	<p>The Group ensures its suppliers provide the service up to the standard it requires. The Group keeps its suppliers regularly informed and up to date on its plans so that they know where they fit in and how they can help. 本集團確保其供應商提供符合本集團要求的標準服務。本集團會定期向供應商通報集團的計劃，以便供應商知道如何能提供幫助。</p>
Artists 藝人	Business relationship 商業關係	<ul style="list-style-type: none"> - Protect the artist rights 維護藝人權益 - Artist Privacy 藝人隱私 	<p>The Group ensures its artists' rights and production are fully protected. 本集團確保藝人的權利及作品得到充分保護。</p>
Community 社區	Meeting/community gathering 會議／社區集會	<ul style="list-style-type: none"> - Community development 社區發展 - Charity event 慈善活動 	<p>The Group actively engages in the local communities and work with them to promote community development. 本集團積極與當地社區合作，並與彼等攜手，促進社區發展。</p>

3. MATERIALITY ASSESSMENT

The Group has identified 15 ESG issues pursuant to the Group's actual business situations and industry characteristics. Based on the results of stakeholder engagement, the Group prepared the materiality matrix (see picture 1 for details).

3. 重要議題評估

根據本集團的實際業務與行業特點，本集團識別了15項環境、社會及管治議題。根據利益相關方交流的結果，編製重要性矩陣（詳見圖1）。



Picture 1 The Group's ESG Materiality Matrix
圖1 本集團環境、社會及管治重要性矩陣

4. ENVIRONMENT

The Group is committed to reducing its energy consumption, greenhouse gas (“GHG”) emissions, water consumption and waste footprint by high efficiency and green development concept. The awareness of environment protection is integrated in the strategies and all the operation steps of the Group.

The Group believes that what gets measured, gets managed. The Group has therefore established energy and emissions improvement goals. The Group’s hotel, office and film studio have individual short-term goals which are reviewed and adjusted annually. In the future, the Group plans to continue increasing its operational eco-efficiency, developing continuous improvement plan that considers science-based targets required to curb GHG emissions.

During the reporting period, no penalties had been imposed upon the Group for violation of any environmental laws and regulations. The Group did not receive any complaints in relation to environment protection raised by the customers or any other person.

4.1 Emissions

As the Company is an investment holding company and its principal subsidiaries in Hong Kong mainly participate in film production and distribution, provision of management service to artistes and provision of travel related products and Cross-border E-commerce business, it does not have significant air emissions, discharge into water or land in relation to its operations in Hong Kong. No substantial hazardous waste was produced by the Group during the reporting period.

In relation to the operation of National Arts Resort Hotel (the “Hotel”) and Xiqiao National Arts Film Studio (the “Studio”) in the PRC, the air emissions from our hotel boilers and company vehicles, waste-water discharge, GHG and waste are the major emissions of the Group.

The Hotel and the Studio have obtained the official approval of environmental impact assessment (the “Environmental Impact Assessment”) documents as required by the legislation in the PRC. The Group’s Environmental Impact Assessment documents and official approval covers all activities in the Hotel and Studio.

4. 環境

本集團致力於減少能源消耗、溫室氣體（「溫室氣體」）排放、水消耗和廢物足跡；堅持高效的綠色發展理念，將環保意識融入本集團的戰略與運營的各個環節。

本集團相信經過量化，才能進行管理。因此，本集團建立了能源和排放改善目標。本集團的酒店、辦公室和電影拍攝基地設立短期目標，每年都會進行審核和調整。本集團計劃繼續提高運營生態效率，制定持續改進計劃，並設定科學目標以減少溫室氣體排放。

報告期內，本集團並無因違反環境法律或法規而遭受處罰。同時，並未接獲客戶或任何其他人士做出的有關環境保護問題的投訴。

4.1 排放物

由於本公司從事投資控股及其香港附屬公司主要從事電影製作及發行、提供藝人管理服務及提供旅遊相關產品及跨境電商業務，故其並無重大氣體排放，亦無於水域及土地投放廢品及於其辦事處及投資物業棄置其香港營運所產生的無害固體廢品。於報告期間，本集團並無生產重大有害廢品。

就本集團於中國之佛山國藝度假酒店（「酒店」）及西樵山國藝影視城（「影視城」），酒店鍋爐及公司車輛的氣體排放、廢水排放、溫室氣體排放及廢棄物是本集團的主要排放物。

酒店以及影視城已經獲得中國法規要求的環境影響評估（「環境影響評估」）文件的正式批文。本集團的環境影響評估文件和官方批文涵蓋酒店及影視城的所有的活動。

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The pollution prevention equipment and procedure cited in the Environment Impact Assessment documents are inspected by the local environmental protection authority in the PRC. The Group's pollutant-discharge permit is valid and effective and the Group has declared the pollutants produced to the local authority in a timely manner.

All of the Group's transport vehicles bought and used for company affairs have conformed to national emission standards.

The Hotel has implemented appropriate checks for air-pollutant leakage and has set up targets to improve air-emission reduction. The Hotel also has an appropriate emergency plan for potential emergencies that may result in negative environmental impact, which include procedures to handle identified non-compliance, with applicable corrective and preventive action.

During the reporting period, the Group had strictly complied with the emission standard of air pollutants and the relevant laws and regulations on environmental protection.

In 2020, the Group recorded increased consumption of natural gas when compared with last year, the reason for the increased consumption of natural gas was due to the increased usage of hot water used by guests stayed in the Hotel for quarantine purpose and hot water used for sanitary purpose as a result of outbreak of COVID-19.


環境影響評價文件中列舉的污染防治設備和程序已經由中國地方主管環保部門檢查。本集團的污染物排放許可證是合法有效的，同時本集團已經適時地向地方當局申報工廠的污染物。

用於本集團事務和運輸的公司車輛全部符合國家氣體排放標準。

酒店對適時對排放管道洩漏進行了適當的檢查，並製定了改善空氣減排的目標。酒店還為潛在可能會為環境帶來負面影響的緊急情況制定了適當的應急計劃，其中包括處理發現的不合規情況的程序，以及糾正和預防措施。

於報告期內，本集團嚴格遵守空氣污染物排放標準和有關環境保護的相關法規。

於二零二零年，本集團的天然氣消耗量較去年有所增加，原因在於新型冠狀病毒疫情的爆發導致因檢疫隔離而入住酒店的客人熱水使用量增加及作衛生用途的熱水使用量增加。

Fuel Type 燃油類型	2020 二零二零年		2019 二零一九年		
	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	
	Energy Consumed (MJ) 能源消耗(兆焦耳)	6.46 million MJ 百萬兆焦耳	15,795 MJ 兆焦耳	6.29 million MJ 百萬兆焦耳	12,455 MJ 兆焦耳
	NOx emission (kg) 氮氧化物排放(公斤)	139.6 kg公斤	0.3 kg公斤	135.9 kg公斤	0.3 kg公斤
	SOx emission (kg) 硫氧化物排放(公斤)	17.36 kg公斤	0.04 kg公斤	16.9 kg公斤	0.03 kg公斤

4.1.1 GHG Emissions

The Group's responses to the challenges posed by climate change are based on the Group's ongoing efforts to reduce the GHG emissions.

The consumption of electricity at the Hotel is the primary source of the Group's GHG emission. The second primary source is the consumption of natural gas for the boilers at the Hotel.

During the reporting period, the Group's GHG emissions equated to a total of approximately 2,215 tonnes of CO₂ equivalent ("tCO₂e") and the detailed summary of the GHG emission is shown as below:

GHG Emissions 溫室氣體排放	2020 二零二零年		2019 二零一九年	
	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)
Scope 1 Direct GHG emission 直接的溫室氣體排放(範疇1)	396 tCO ₂ e 噸二氧化碳當量	0.968 tCO ₂ e 噸二氧化碳當量	418 tCO ₂ e 噸二氧化碳當量	0.828 tCO ₂ e 噸二氧化碳當量
Scope 2 Indirect GHG emission from the generation of purchased energy 生產購買的能源產生的間接的 溫室氣體排放(範疇2)	1,819 tCO ₂ e 噸二氧化碳當量	4.45 tCO ₂ e 噸二氧化碳當量	1,550 tCO ₂ e 噸二氧化碳當量	3.07 tCO ₂ e 噸二氧化碳當量
Scope 3 Other Indirect GHG emission not included in Scope 2 未包含在範疇2的其它間接的 溫室氣體排放(範疇3)	N/A* 不適用*	N/A* 不適用*	38 tCO ₂ e 噸二氧化碳當量	0.08 tCO ₂ e 噸二氧化碳當量
Total GHG Emission 溫室氣體排放總量	2,215 tCO ₂ e 噸二氧化碳當量	5.41 tCO ₂ e 噸二氧化碳當量	2,006 tCO ₂ e 噸二氧化碳當量	3.97 tCO ₂ e 噸二氧化碳當量



* Scope 3 GHG emission is considered not material.

The increased total amount and intensity of GHG emission was attributable to the increased consumption of natural gas and electricity used by guests stayed in the Hotel for quarantine purpose and for sanitary purpose as a result of outbreak of COVID-19.

During the reporting period, the Group strictly complied with the relevant laws and regulations in relation to GHG emissions.

4.1.1 溫室氣體排放

本集團應對氣候變化挑戰的努力是基於正在進行的減少溫室氣體排放的努力。

酒店的用電量是本集團溫室氣體排放的主要來源。溫室氣體排放的第二個主要來源是酒店鍋爐的天然氣消耗。

在報告期內，本集團的溫室氣體排放量相當於約2,215噸二氧化碳。溫室氣體排放量的詳細摘要如下：

GHG Emissions 溫室氣體排放	2020 二零二零年		2019 二零一九年	
	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	Amount 數量	Intensity (Consumption/ Headcount) 密度(消耗/人數)
Scope 1 Direct GHG emission 直接的溫室氣體排放(範疇1)	396 tCO ₂ e 噸二氧化碳當量	0.968 tCO ₂ e 噸二氧化碳當量	418 tCO ₂ e 噸二氧化碳當量	0.828 tCO ₂ e 噸二氧化碳當量
Scope 2 Indirect GHG emission from the generation of purchased energy 生產購買的能源產生的間接的 溫室氣體排放(範疇2)	1,819 tCO ₂ e 噸二氧化碳當量	4.45 tCO ₂ e 噸二氧化碳當量	1,550 tCO ₂ e 噸二氧化碳當量	3.07 tCO ₂ e 噸二氧化碳當量
Scope 3 Other Indirect GHG emission not included in Scope 2 未包含在範疇2的其它間接的 溫室氣體排放(範疇3)	N/A* 不適用*	N/A* 不適用*	38 tCO ₂ e 噸二氧化碳當量	0.08 tCO ₂ e 噸二氧化碳當量
Total GHG Emission 溫室氣體排放總量	2,215 tCO ₂ e 噸二氧化碳當量	5.41 tCO ₂ e 噸二氧化碳當量	2,006 tCO ₂ e 噸二氧化碳當量	3.97 tCO ₂ e 噸二氧化碳當量

* 溫室氣體排放(範疇3)被視為並不大。

溫室氣體排放的總量及密度增加，主要是由於新型冠狀病毒疫情的爆發導致因檢疫隔離而入住酒店的客人的天然氣耗用量及用電量增加及作衛生用途的天然氣耗用量及用電量增加。

於報告期間，本集團嚴格遵守溫室氣體排放的相關法律法規。

4.1.2 Waste

Waste is generated by many activities in the Group's travel, hotels and entertainment business, including food preparation, guest waste, events waste and cleaning. The Group pro-actively seeks ways to reduce waste which goes to landfill or incineration. The waste reduction and management system is one of the most important environmental protection procedures followed during the operation of the Group's hotel business. The Group educates its employees annually about the procedure which should be followed regarding the waste produced, the separation of each waste and recycling. The Group has rolled-out food waste reduction training through its hotel chefs. The Group's program resulted in reduction of food waste. The remaining food wastes were used for farm feed.

For the Studio, the Group has mapped out a few waste categories, including film equipment, glass, aluminium, metal, wood, paper, costume, landscaping waste, batteries, used appliances and printer toners. For each of these waste streams, the Studio has identified disposal methods based on local available options. These methods include recycling, reuse, rental, donation and composting. Approaches vary across waste streams with significant strides made thus far to reduce paper and waste.

For the Group's Hong Kong head office, the Group has implemented various programs to encourage employees to participate in waste reduction management, including:

- Encourage double-sided printing and reuse of waste papers;
- Purchase green and environmental printing paper;
- Encourage to use electronic channels for internal correspondence and communication;
- Waste papers are collected by recycling collectors; and
- Used printing supplies boxes and toners are returned to printing supplies companies for recycling and reuse.

4.1.2 廢棄物

廢棄物是從本集團的旅遊、酒店和娛樂業務的許多活動中產生的，包括食品準備、住客丟棄的生活垃圾、會議活動和在清潔中產生的垃圾。因此，本集團積極尋求減少被堆填區或焚燒處理廢棄物的方法。減少廢棄物及其管理制度是集團酒店業務運作過程中最重要的環保方法之一。本集團每年向員工介紹所產生的廢棄物、每項廢棄物的分類及回收利用所應遵循的程式。本集團通過酒店廚師提供如何減少食品浪費培訓。此計畫因此減少了食品浪費。剩餘的食品垃圾被用於農場飼料。

對於本集團的影視城，本集團已分類出少量的廢物類別，包括攝影器材、玻璃、鋁、金屬、木材、紙張、服裝、園林綠化廢物、電池、二手家電和打印機碳粉。對於這些廢棄物，集團的影視城都根據當地的可用選項確定了處置方法。這些方法包括回收、再利用、租賃、捐贈和堆肥，各種廢物流的處理方法各不相同，迄今在減少紙張和廢棄物方面取得了重大進展。

對於本集團的香港總公司，除回收外，本集團已推行多項計劃，鼓勵員工參與減廢管理，包括：

- 鼓勵雙面列印及廢紙重用；
- 選購綠色及較環保的列印紙；
- 鼓勵儘量以電子渠道進行內部通訊及溝通；
- 由回收商收集廢紙；及
- 使用過的列印耗材盒及墨盒將送回列印耗材公司循環再用。

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Through the above mitigation measures, the Group believes that it will change the behaviour of the use of resources in its workplaces and achieve the goal of waste reduction in the coming years.

During the reporting period, the Group has strictly complied with the Solid Waste Pollution Prevention Law of the PRC, the Urban City Space and Environmental Sanitation Management Regulations and other relevant laws and regulations on waste handling in Hong Kong and the PRC.

4.1.3 Waste-water

The Group's hotel waste-water is treated and discharged in accordance with the local Foshan municipal regulation "Wastewater Quality Standards for Discharge to Municipal Sewers" (污水排入城鎮下水道水質標準). The Group applies wastewater treatment procedures including the activated sludge process and the bio-film process to its sewage before discharge. Throughout the year under review, the Group strictly complied with the given standards and relevant laws and regulations and the results are satisfactory.

4.2 Use of Resources

The Group strives to use resources effectively and minimize the discharge of wastes. In the ordinary course of business, the Group has implemented various energy saving and emission reduction measures. Apart from the waste reduction actions mentioned above, the other relevant examples are as follows:

Reduce

- Less print out for client communications and corporate materials.
- Office supply purchase across departments to avoid unnecessary purchases and disposals.
- Installation of water filtration systems to avoid use of bottled water.

透過上述減廢措施，本集團相信其將改變本集團工作場所的資源使用習慣，並於未來數年實現減廢目標。

於報告期內，本集團嚴格遵守中華人民共和國固體廢物污染環境防治法、城市市容和環境衛生管理條例和有關中國和香港的廢棄物處理的其他相關法律法規。

4.1.3 污水排放

本集團的酒店廢水按照佛山市當地《城市污水排放廢水品質標準》進行處理和排放。污水排放前，本集團採用廢水處理包括包括活性污泥方法和生物膜方法處理污水。於回顧年度，本集團嚴格遵守了既定的排放標準及相關法律法規，結果令人滿意。

4.2 資源的使用

本集團努力有效地利用資源，最大限度地減少丟棄廢棄物。在正常經營過程中，本集團實施了各種節能減排措施。除上述減少廢棄物行動外，其他有關例子如下：

減少

- 減少打印客戶通訊和企業資料。
- 統一跨部門的辦公室採購，以避免不必要的重複採購。
- 安裝水過濾系統，避免使用瓶裝水。

Reuse

- Donations of used items including mattresses, linens and towels to the communities, suppliers and business partners.
- Composting and donating food and landscaping waste for farm feed.
- Reuse of film shooting equipments.
- Reuse of film shooting costumes.

Recycle

- Waste stream segregation.
- Staff training and behavioural change.
- Engagement with local municipalities and waste management partners.
- Local partnerships to recycle e-wastes, metals, lamps and batteries.

4.2.1 Energy Consumption

Electricity and natural gas consumption was increased in 2020 when compared to 2019 due to the hot water and electricity used by guests stayed in the Hotel for quarantine purpose and for sanitary purpose as a result of the outbreak of COVID-19.

重複使用

- 向社區、供應商和合作夥伴捐贈二手物品，包括床墊、床單和毛巾。
- 堆肥或捐贈食品到園林綠化或用於農場飼料。
- 鼓勵電影道具重複使用。
- 重複使用拍攝電影的服裝。

回收

- 廢棄物分類。
- 培訓工作人員和提倡回收利用的行為。
- 與地方市政當局和廢物管理夥伴溝通。
- 與回收電子廢物、金屬、燈具合作夥伴合作。

4.2.1 能源消耗

與二零一九年相比，二零二零年的電力及天然氣消耗量有所增加，原因為新型冠狀病毒疫情的爆發導致因檢疫隔離而入住酒店的客人的熱水使用量及用電量及作衛生用途的熱水使用量及用電量。

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The Group has 9 small vehicles and 3 light goods vehicles in Hong Kong and the PRC used in its daily business operation. During the reporting period, the vehicles consumed approximately 11,403 litres of petrol and 192 litres of diesel.





The outbreak of COVID-19 seriously decreased the business activities of the Group and thus the need to travel, therefore, the consumption of petrol and diesel was significantly decreased in 2020.

The Group has implemented a fuel-efficient action plan to trim petrol use. The plan encourages drivers to plan the journey before driving, adopt a gentle style of acceleration, and conduct regular servicing of vehicles including monthly tyres check. Tyres in poor condition will raise fuel consumption.

本集團於香港及中國有9輛小型汽車及3輛輕型貨車，均用於滿足日常業務營運需要。於報告期間，該等汽車消耗11,403升汽油及192升柴油。

新型冠狀病毒疫情的爆發導致本集團的業務活動大幅減少，進而導致出行需求減少，因此，二零二零年的汽油及柴油消耗大幅降低。

本集團已實施節油行動計劃，以縮減汽油使用量。該計劃鼓勵司機於出發前規劃好行程、行駛時適度加速及定期對車輛進行保養，包括每月進行輪胎檢查。使用狀況不佳的輪胎可提高汽油使用量。

		2020 二零二零年		2019 二零一九年	
		Amount 消耗量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	Amount 消耗量	Intensity (Consumption/ Headcount) 密度(消耗/人數)
The non-renewable energy 不可再生能源					
	Natural Gas 天然氣	168,608 cubic meter 立方米	412.24 cubic meter 立方米	164,108 cubic meter 立方米	324.97 cubic meter 立方米
	Petrol 汽油	11,403 litres 公升	27.88 litres 公升	24,716 litres 公升	48.94 litres 公升
	Diesel 柴油	192 litres 公升	0.47 litres 公升	1,302 litres 公升	2.58 litres 公升
Electricity Purchased 購買的電力					
	Electricity 電	6,679,000 kWh 千瓦	16,330 kWh 千瓦	5,700,000 kWh 千瓦	11,287 kWh 千瓦

4.2.2 Water

Water is a serious issue to the Group's business. The availability of clean and accessible water is essential to the services it provides and critical to the health and economic vitality of the communities where the Group operates. As part of the operations of the Hotel, there are bathroom in every room and swimming pool in the premises. Therefore, water forms an integral part of every guest experience. Proper water management is essential to ensure that water is used efficiently and also eliminates the possibility of water pollution. The Group received consistent water supply during the reporting period.

During the reporting period, the Group does not have issue in sourcing water that is fit for purpose.

To reduce its water footprint, the Group executes a series of water conservation strategies including investing in water efficiency technologies, stimulating process improvements and reusing and recycling water. The Group's Hotel is actively identifying and implementing water efficiency technologies and process improvements to conserve water, in areas like kitchens, laundry areas, gardens, toilet, swimming pool and cooling systems. The Group also continues to retrofit motion sensors and low flow fixtures in common areas, install dual flush toilet to reduce water consumption.

In 2020, the Group's water consumption including hotel swimming pools, guestrooms water usage, Hong Kong head office, and Foshan film shooting base, was 165,990 tonnes, a 27.43% increase compared to the prior year. The increase is attributable to the increased usage of water by guests stayed in the Hotel for quarantine purpose and for sanitary purpose as a result of the outbreak of COVID-19.

4.2.2 用水

水是本集團業務中的一個重要因素。提供清潔、可獲得的水對於本集團提供的服務是很緊要的，對本集團經營所在社區的健康和經濟動力也至關重要。作為酒店營運的一部分，每個酒店房間都有浴室，在酒店內設有游泳池。因此，水是每一位客人體驗不可或缺的一部分。適當的水管理對於確保有效用水以及消除水污染的可能性至關重要。在報告期間，本集團獲得穩定的水源供應。

於報告期間，本集團在獲取合適的水源方面並無問題。

為了減少本集團的水用量，本集團實施了一系列節水策略，包括投資於節水技術、促進處理過程改進以及水的再利用和循環利用。本集團的酒店在廚房、洗衣區、花園、廁所、游泳池和冷卻系統等地點，積極識別和實施用水效率技術和處理過程改進，以節約用水。本集團還在公共區域改造感應水龍頭和降低水的流量速度，同時安裝節水馬桶，以減少用水量。

二零二零年，本集團的酒店游泳池和客房用水量、香港總部和佛山影視城絕對用水量為165,990噸，比上年用水量增加27.43%，乃由於新型冠狀病毒疫情的爆發導致因檢疫隔離而入住酒店的客人用水量增加及作衛生用途的用水量增加。

Water 水	2020 二零二零年		2019 二零一九年	
	Amount 消耗量	Intensity (Consumption/ Headcount) 密度(消耗/人數)	Amount 消耗量	Intensity (Consumption/ Headcount) 密度(消耗/人數)
Water Consumed 用水量	165,990 Tonnes 噸	406 Tonnes 噸	130,253 Tonnes 噸	258 Tonnes 噸

4.2.3 Packaging Materials

Due to the nature of the business, the Group does not have any material use of packaging materials. Therefore, the Group considered the number of packaging materials used insignificant.

4.3 Environment and Natural Resources

The Group is working on various sustainable development activities to ensure the resources are used effectively and responsibly while providing its service. It is an important responsibility for the Group to bring less impact to the environment. The Group is always considerate to the sustainable development and it will keep focusing on community environmental conservation.

The Group has also initiated to promote tree planting activities around the studio, which helps to build an eco-friendly working environment and safeguard the ecosystems of local communities.

Committed to mitigating the impact of its business on the environmental and other natural resources, the Group did not cause any serious pollution or damage to its surrounding environment during the reporting period, including air, land, water and ecological system. Policies and measures on the use of resources and emissions are already set out in details in the above sections.

The Group is not aware of any material non-compliance relating to use of resources and the Group had complied with all relevant environmental rules and regulations in Hong Kong and the PRC during the reporting period.

4.2.3 包裝材料

由於本集團業務的性質，本集團的產品和服務不需要任何包裝。因此，本集團認為所用包裝材料的數量是微不足道。

4.3 環境和天然資源

本集團正建立不同可持續發展活動以確保本集團提供服務時有效益及有責任地使用資源。本集團深明減少對環境造成影響是我們的重大責任。本集團致力履行社會責任，並持續關注社區的環境保育。

本集團亦已計劃在影視城周邊進行植樹活動，旨在建設一個綠色的工作環境，並能同時保育當地社區的生態環境。

本集團致力降低業務對環境及其他天然資源造成的影響，報告期間並沒有對附近空氣、土地、水源及生態環境產生任何重大的污染及破壞。針對資源使用及排放物的公司政策及措施已於以上部份作詳細說明。

於報告期間，本集團並未發現任何關於資源使用的嚴重不合規情況，且本集團已遵守香港、及中國的所有相關環保規則及規例。

5. EMPLOYMENT

5.1 Labour Practices

The Group has always considered talents as its most valuable resource and asset. The Group respects and protects the statutory rights and interests of employees, provide a fair career development platform, cares about its employees' physical and mental health, and join hands with employees to realize sustainable development.

The Group has developed sound employment policies covering the requirements and standards of recruitment, promotion, remuneration, resignation, treatment and so on, and regulates each requirement and standard to ensure the efficient management of human resources.

The human resource department of the Group develops recruitment plans in accordance with the recruitment needs of various departments, and continuously introduce talents to join the Group through social recruitment, campus recruitment, internal referral and other channels. The human resource department of the Group strictly implements the recruitment evaluation program, adheres to the selection principle of fairness and selection of high calibre, and provides equal job opportunities in accordance with their competence and abilities. The Group enters into employment contracts with the employees in accordance with the requirements of the Labour Law, covering matters such as wages, benefits working hours, rest periods, safety and sanitary conditions in the workplace, and grounds for termination.

The Group is committed to implementing the remuneration distribution principals based on performance, efficiency and fairness. On top of labor basic salary, the Group may pay performance bonuses in accordance with employees' performance and the Group's business performance. In order to maintain a competitive remuneration package, the Group carries out evaluation and adjustment on remuneration every year with reference to the average wage, the consumption level and the industry rate of the relevant city, so as to attract and retain talents.

5. 僱傭

5.1 勞工慣例

本集團一直將人才視為最寶貴的資源與財富。本集團尊重並保障員工的各項法定權益，提供公平的職業發展平台，關愛員工的身心健康，攜手員工共同實現可持續發展。

本集團制定了健全的僱傭及員工政策，涵蓋招聘、晉升、薪酬、離職、待遇等方面，規範各項要求及標準，確保對人力資源的高效管理。

本集團人力部依據各部門招聘需求制訂招聘計劃，採用社會招聘、校園招聘、內部推薦等多種途徑為本集團持續引進優秀人才。本集團人力部嚴格執行招聘測評程序，堅持公正擇優的選拔原則，根據人員的資質與能力，給予公平的任職機會。本集團按照勞動法規要求，與員工訂立僱傭合同，內容涵蓋工資、工時、假期、福利、工作地點的安全及衛生條件以及終止僱傭的理由等事宜。

本集團貫徹按勞分配、效率優先、兼顧公平的薪酬分配原則，在基本工資的基礎上，根據員工的績效表現與經營業績發放績效獎金。本集團每年參照相關城市的平均工資、消費水平以及行業薪資情況對薪酬進行評估調整，維持有競爭力的工資水平，以吸引及保留人才。

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The Group adheres to the principles of fairness in the provision of employment opportunities, compensation, training, performance evaluation and promotion without any forms of discrimination such as gender, age, ethnicity, religion and culture. The Group is committed to creating a fair and harmonious working environment.

The Group has not discovered any material non-compliance or any violation of employment and labour related regulations during the reporting period.

本集團在提供就業機會、補償、訓練、業績評估及晉升方面秉持公平的原則，不存在任何性別、年齡、種族、宗教及文化上的歧視。本集團致力於創造公平和諧的工作環境。

報告期間，本集團並未發現任何嚴重不合規的情況或任何違反僱傭及勞工相關法規的情況。

5.1.1 Employee Profile

The Group commitment is to support the local community by hiring local employees. As at 31 December 2020, the Group employed a total of 409 employees. The vast majority of the Group's employees are local. It is especially important in the travel and hospitality industry to hire local employees. As an employer in support of equal opportunity, the Group efforts are leaning towards hiring the most talented people. As per the below table, more than half of the Group's employees are females and they account for 58%, whereas males account for 42%.

5.1.1 員工分析

本集團的承諾是通過僱傭當地員工來支援當地社區。截至二零二零年十二月三十一日，本集團共僱傭409員工。本集團絕大多數員工都是本地人。在旅遊和酒店行業，僱傭當地員工尤其重要。作為一個崇尚機會平等的僱主，本集團取向於僱傭有才華的人。根據下表，本集團僱員超過半數是女性，佔58%，而男性則佔了42%。

		Total 總計
Total Employees	員工總數	409
By Gender	按性別	
Total Male Employees	男員工	172
Total Female Employees	女員工	237
By Age	按年齡	
Below 25 years old	小於25歲	63
25-34 years old	25-34歲之間	155
35-44 years old	35-44歲之間	94
45-54 years old	45-54歲之間	72
Above 55 years old	55歲以上	25
By Employment Mode	按僱傭模式	
Full time	全職	409
Part-time	兼職	0
By Level	按級別	
Management	管理層	71
Non-management	非管理層	338
By Location	按地方	
PRC	中國	383
Hong Kong	香港	26

5.1.2 Employee Turnover Rate

Employee turnover rates can vary widely across different sectors of business. The Group's employee turnover rate during the reporting period is 49.89%.

Due to the outbreak of COVID-19, business activities of the Group has been decreased significantly and as a result led to a decrease in number of staff of the Group and an increase of employee turnover rate.

In the future when normal operations are resumed, the Group will invest more time and money to develop measures to help in retaining employees. Table below shows the Group's employee turnover rate by gender, age group and geographical region.

5.1.2 員工更替率

不同行業的員工更替率差別很大。在報告所述期間，本集團的員工更替率為49.89%。

由於爆發新型冠狀病毒疫情，本集團的業務活動大幅減少，導致本集團員工人數減少及員工更替率上升。

待日後業務營運恢復正常後，本集團將投入更多時間和資金，採取各種措施留住員工。下表顯示了我們按性別、年齡組和地理區域分列的員工更替率。

Employee Turnover Rate	員工更替率	49.89%
Employee Turnover Rate by Gender	按性別劃分的員工更替率	
Male Employee Turnover Rate	男員工更替率	73.58%
Female Employee Turnover Rate	女員工更替率	31.04%
Employee Turnover Rate by Age Group	按年齡組別劃分的員工更替率	
Below 25 years old	小於25歲	95.04%
25-34 years old	25-34歲之間	43.27%
35-44 years old	35-44歲之間	43.48%
45-54 years old	45-54歲之間	40.00%
Above 55 years old	55歲以上	30.51%
Employee Turnover Rate by Location	按地理位置劃分的員工更替率	
PRC	中華人民共和國	50.83%
Hong Kong	香港	33.33%

5.2 Health and Safety

Health and safety in the workplace is part of our duty of care for employees. As a responsible employer, the Group is committed to reducing accidents, illness, and risks in the working area as far as possible, promoting the health of its employees, and thus also reducing the absence rate and employee turnover rate. The Group focuses on three major areas to minimise occupational hazards and health and safety risks:

1. **Fire Safety Inspection** – testing and maintenance of all fire safety related installations in the Group’s film shooting base, hotel and workplace. Fire drills exercise for the Group’s employees annually.
2. **Occupational Health & Safety** – Health and safety classes in the workplace, film shooting base, and the Group’s artist performance venue.
3. **Security** – Security of guests, the artists, film crew and property.

The guests of the Group spend a considerable amount of time in the Studio and the Hotel. They trust the Group to provide an environment that is not only comfortable and aesthetically beautiful, but also safe during their visit. It is also critical that the Group’s employees are provided with a safe working environment. Hence, the Hotel is audited annually to monitor its compliance with relevant safety guidelines. The annual audit process ensures that the management teams of the Hotel and the Studio focus on health and safety issues and are prepared to manage crisis and business interruptions.

For the Group’s travel, film production and artiste management business, the Group ensures all employees, artists, crew members and guests are given sufficient information about safety. As the Group’s businesses are mainly project or event based, before they get started, they will be insured. As each project or event carries different risks, the types of insurance needed and the level of premium will vary. The Group will insure all its employees, artists, guests against the risks of injury, accident, sickness, and damage to equipment.

5.2 健康與安全

健康與安全是本集團照顧員工義務的一部分。作為一個負責任的僱主，本集團致力儘量減少工作範疇內的意外、疾病及風險，促進員工的健康，從而減低缺席和員工流失率。本集團專注於三個主要領域，以最大限度地減少職業危害以及健康和安全的風險：

1. **消防安全檢查** – 在酒店、辦公室、電影拍攝基地和工作場所測試和維護所有與消防安全有關的設施。每年為員工進行消防演習。
2. **職業健康與安全** – 工作場所、影視城拍攝基地和辦公室的健康與安全。
3. **安全** – 遊客、藝人，電影攝製組成員和財產的安全。

客人在影視城和酒店待很長的時間。客人相信本集團能提供一個既舒適又美觀的環境，也能提供一個在他們訪問期間作為安全的入住地點。為本集團的員工提供安全的工作環境也至關重要。因此，酒店每年都會接受審核，確保場所的合規。年度審核確保酒店和影視城管理團隊專注於職業健康和安全的問題，並做好風險管理和業務遇到突發事件的準備。

對於本集團的旅遊、電影製作和藝人管理業務，本集團確保所有員工、藝人、電影拍攝員工和遊客獲得足夠的安全資訊。由於本集團業務主要是以項目或活動形式為基礎的。在活動啟動之前，本集團會為他們投保。每個項目或活動承擔不同的風險，所需保險的種類和保費水平有所不同。本集團將為所有員工、藝人、遊客在發生受傷、事故、疾病和設備損壞時提供保險。

During the reporting period, the Group complied with the Work Safety Law and Fire Prevention Law of the PRC and the Occupational Safety and Health Ordinance of Hong Kong. The Group has achieved zero work related fatalities and the lost days due to work injury are 34 days during the reporting period. The Group did not discover any material non-compliance of occupational health and safety related laws and regulations during the reporting period.

5.3 Development and Training

The Group cares about the development of its employees and expects to promote its business growth by unleashing the development potential of their talents. The internal training policies of the Group has been formulated with an aim to improve the staff's personal skills and bring out their best value for the development of the Group.

The human resources department of the Group provides the new recruits with a unified induction training covering its corporate culture and development direction, while the relevant departments provide them with trainings required for their respective positions. The Group also organizes various types of trainings for all staff throughout the year to improve the interaction between employees from different departments. Regular trainings in sales skills, market information and hospitality skills are provided to frontline personnel to assist them to deliver quality services to customers and motivate them to work aggressively towards the annual sales target. The Group also provides training allowance for non-frontline staff to encourage them to participate in job-related external trainings so as to enhance their own value and working skills.

Every newly appointed director of the Company will be given a set of induction materials to ensure that he/she will have an appropriate understanding of the Group's business and the directors' duties (in accordance with the GEM Listing Rules and the relevant statutory and regulatory requirements). In addition, the Company encourages all directors of the Company to participate in continuous professional development courses and seminars to develop and update their knowledge and skills.

於報告期內，本集團遵守中國的《安全生產法》和《消防法》和香港《職業健康與安全條例》。於報告期內，本集團員工並無出現工傷死亡個案及因工傷損失的工作日數一共是34天。於報告期內，並無發現任何不合規情況或任何違反職業健康與安全相關法規的情況。

5.3 發展與培訓

本集團注重員工發展，藉著激發人才的發展潛力，期望促進本公司業務發展。本集團內部編製培訓政策，致力提升員工的個人工作技能，全面發揮員工對於集團發展的價值。

本集團人力資源部為新入職員工提供統一的關於公司企業文化及發展方針等方面的入職培訓，並由相關部門提供崗位需要的培訓。本集團每年亦針對全體員工進行各種類別的培訓，以提升各部門員工之間的互動。本集團定期為前線人員提供銷售技巧、市場資訊及酒店管理培訓，全力協助員工為客戶提供優質服務，推動銷售員向每年銷售目標邁進。本集團亦為非前線員工提供培訓津貼，鼓勵員工參加與工作相關的外部培訓，提升自我價值及工作技能。

本公司每位新任董事均會獲得一套就任須知，以確保彼對本公司的業務及董事職責（根據GEM上市規則及相關法定及監管規定）有適當了解。除此之外，集團鼓勵本公司所有董事參加持續專業發展課程及研討會，以發展及更新彼等的知識及技能。

During the reporting period, for the Group's hotel business, the Group's employees have an average of 12 training hours annually and 100% of the employees undertook the training. For the head office and the Studio, its employees have an average of 3 training hours annually and 100% of the employees (including senior-level employees) undertook the training. The training plan includes the skills required for upcoming tasks and company-wide management training.

5.4 Labour Standards

The Group strictly abides by the relevant employment and labour laws and regulations and has never employed any child labour under the age of 16 or forced labour. It has formulated clear policies to prevent compulsory labour and employment of child labour, making sure that its employees enjoy their fundamental rights related to labour and has insisted on monitoring the recruitment process frequently to prevent the occurrence of illegal conduct. The Group's code of conduct and employment contract sets out the Group's general approach regarding the labour standards. In addition to the Group's code of conduct, the Group's human resources policy also covers the labour standard. The policy provides the framework of rules applicable to all human resources activities within the Group's operations. The Group did not discover any material non-compliance of labour rights and labour related laws and regulations during the reporting period.

5.5 Supply Chain Management

The Group's supplier code of conduct (the "Supplier Code of Conduct") provides a framework for how the Group manages its relationship with suppliers and contractors. Critical areas include product quality, warranty, corruption and compliance with local laws and regulation. The Group is currently strengthening this approach through a dedicated program which will improve our supplier management. The Supplier Code of Conduct sets out the procurement policies, processes, selection, and the minimum standards. The Group expects its suppliers to meet the standards prescribed in the Supplier Code of Conduct and are working with them to achieve this.

於報告期內，對於本集團的酒店業務，本集團的員工平均每年有12個培訓小時，100%的員工接受了培訓。對於總部和影視城業務，員工平均每年有3個培訓小時，100%的員工接受了培訓（包括高級員工）。培訓計劃包括應對即將開展的工作所需的技能和全公司範圍的管理培訓。

5.4 勞動準則

本集團嚴格遵守相關僱傭及勞動法律法規，從未僱用過16歲以下的童工或使用強迫勞工。本集團制定了一套明確政策，從而防止出現強迫勞工及僱用童工及確保員工享有與勞動相關的基本權利，並堅持密切監察招聘流程，防止出現違法行為。本集團的行為準則和僱傭合同列出了有關勞動標準的一般條文。除了行為準則之外，本集團的人力資源政策也涵蓋了勞動標準。該政策提供適用於本集團業務活動內所有人力資源的規則框架。報告期內，本集團沒有發現任何有關勞動權利及勞動相關法律法規的重大不合規情況。

5.5 供應鏈管理

本集團的供應商行為準則（「供應商行為準則」）為本集團如何管理與供應商和承包商的關係提供了一個框架。關鍵準則包括產品質量、保修、貪污和當地法律的合規。本集團目前正在通過一個專門的計劃加強這一方面，這將改善本集團的供應商管理。供應商行為準則規定了採購政策、流程、選擇和最低標準。

For the Group's hotel and travel business, the Group implements stringent supplier admission reviews to overcome any potential challenges along the supply chain. The Hotel prioritises suppliers that are recommended by peers, have third-party certification and are of good reputation. The Group has established a qualified suppliers' list in which the performance of the suppliers are evaluated.

The Group has strict requirements for food safety. Therefore, it is especially important for it to make sure that all of the food suppliers meet the food safety standard. Suppliers are required to have the relevant food safety system in place such as ISO 22000, HACCP certificate. The Group has developed a supplier performance rating system which covers quality of product, price, packaging, and delivery time. Continuous poor performance will lead to termination of contract.

5.6 Product and Service Responsibility

In delivering the Group's travel and hospitality services it is very important to meet its guests' and travellers' expectations in order to ensure continuous improvement and growth of its business. In a highly competitive tourism market, understanding its guests' and travellers' needs and expectations is imperative for sustainable growth. The Group's actions and commitments in order to satisfy its guests and other stakeholders include:

- Commitment to ensure its product quality.
- Commitment to ensure its product safety.
- Commitment to satisfy its customers' needs, requirements and expectations.
- Commitment to satisfy its tour operator partners.
- Managing service quality by following international standards.
- Maintaining open communications with its employees, customers and suppliers.
- Identifying, evaluating and monitoring all food safety risks from production to delivery through the implementation of food quality standards in all the resorts and hotels.

對於本集團的酒店和旅遊業務，本集團實施嚴格的供應商准入審查，以克服供應鏈中的任何潛在風險。酒店優先考慮同行推薦的供應商，擁有第三方體系認證，並具有良好的聲譽。本集團建立了一個合格的供應商名單，定期評估供應商的供應表現。

本集團對食品安全有嚴格的要求。因此，對本集團來說，確保所有食品供應商都符合食品安全標準尤為重要。供應商需要有相關的食品安全體系到位，如ISO 22000、HACCP認證。本集團開發了供應商績效評級體系，涵蓋產品品質、價格、包裝和交貨時間的衡量。供應商如有持續不佳的表現將導致合同終止。

5.6 產品和服務責任

在提供旅行和酒店服務時，滿足客人和遊客的期望是非常必要的，以確保本集團業務的持續改進和增長。在競爭非常激烈的旅遊市場中，瞭解客人和遊客的需求和期望對於可持續增長至關重要。為了滿足本集團的客人和其他利益相關方包括，如下本集團的行動和承諾：

- 承諾其產品品質。
- 承諾其產品安全。
- 致力於滿足客戶的需求、要求和期望。
- 承諾滿足其旅遊運營商合作夥伴。
- 按照國際標準管理其的服務品質。
- 與集團的員工、客戶和供應商保持開放的溝通。
- 通過在酒店實施食品質量標準，識別、評估和監控從生產到交付的所有食品安全風險。

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In addition, the Group's employees are well trained and the Group's equipment for managing the health and safety of its guests and travellers is comprehensive. Each of the Group's business units is committed to continuous improvement and satisfaction of the Group's guests are assessed and ratings thereby are used to identify specific areas for further improvement.

The Group is devoted to putting its guests' and travellers' preferences and choices as its first priority. Refunds of travel packages is possible, subject to company policies. The Group also values the feedback from its guests and travellers as they act as catalyst for advancement in its services. Guests and travellers can give their comments and reviews on the Group through different channels such as through a designated phone call where they will all be directed to and handled by the Group's dedicated customer service team.

During the reporting period, the Group complied with Trade Descriptions Ordinance of Hong Kong, Food Hygiene Law of the PRC and the relevant laws and regulations relating to health and safety, advertising, labeling and privacy matters relating to the Group's services. The Group continues to review and enhance its communications to ensure that the Group provides its guests and travellers with the latest information. The Group takes seriously its commitment to keep its guests and travellers informed about the services it offers. The Group avoids providing its guests and travellers any false or misleading service information especially on the tour package. The Group's employees are required to maintain transparency in communication and marketing.

此外，本集團的員工均通過訓練，集團的設施在保證客人和遊客的健康與安全是全面的。本集團的每個部門都致力於持續改進，並對客人滿意度進行評估，並將其評級用於確定需要進一步改進的具體領域。

本集團致力於將客人和遊客的喜好和選擇作為第一要務。根據公司政策，遊客可以退還旅遊套餐。本集團也重視客人和遊客的回饋，因為他們是本集團服務進步的催化劑。客人和遊客可以通過不同的管道反映他們對本集團的意見和看法，例如通過熱線電話號碼，本集團專門的客戶服務團為客人和遊客處理。

於報告期間，本集團遵守香港法例商品說明條例、中國食品衛生法及有關本集團服務的健康與安全、廣告、標籤及隱私事宜的相關法律及法規。本集團繼續審查及更新其通訊，以確保本集團向其客人及旅客提供最新資料。本集團認真履行承諾，讓客人及旅客知悉其提供的服務。本集團不希望客人獲提供任何虛假或誤導性的服務資訊，尤其是旅行套票。本集團的員工須保持溝通及營銷的透明度。

5.7 Protection of Customer Privacy

The Group attaches great importance to customer information security, to maintain a sound corporate reputation and establish a cooperative and trusted business relationship with customers. The Group is committed to improving information confidentiality management system, and limiting employees' access to confidential information of customers through the implementation of a number of information security measures and strict authority management in order to guarantee that the information is for authorized use only.

The Group has educated its employees the following:

- Preserving the guests' trust by safeguarding and handling their information in a private and confidential manner.
- The importance of guest privacy.
- Exchanging confidential information is prohibited.

During the reporting period, the Group complied with Personal Data (Privacy) Ordinance of Hong Kong and the relevant laws and regulations of the PRC. The Group did not discover any circumstances of consumers' personal data being stolen, altered, damaged or leaked during the reporting period.

5.8 Anti-Corruption

The Group maintains and effectively implements a comprehensive system of internal control and stringent policies for anticorruption, and is committed to preventing and monitoring any malpractices or unethical practice.

The Group has strictly complied with ethical requirements and there was no occurrence of corruption, bribery, fraud and money laundering throughout the reporting period. The Group will adhere to its corporate ethics and uphold its reputation to prevent corruption.

5.7 客戶數據隱私

本集團高度重視客戶信息安全，以維持良好企業聲譽，與客戶建立合作信任的業務關係。本集團致力完善信息保密管理制度；通過實施多項信息安全措施及嚴格的權限管理，限定員工對於客戶保密資料的知曉範圍，保障資料僅用於獲授權之用途。

本集團對員工進行了以下教育：

- 為了維護客人的信任，本集團需要妥善保護及以保密的方式處理他們的個人資料。
- 客人隱私的重要性。
- 禁止交換機密資訊。

於報告期間，本集團遵守香港個人資料（私隱）條例及中國的相關個人私隱法律及法規。本集團於報告期間並無發現任何消費者個人資料被竊取、篡改、損毀或洩漏的情況。

5.8 反貪污

本集團一直維持及有效實施一套健全的內部監控架構以及嚴謹反腐政策，並致力於防範和監控任何舞弊或不道德行為。

本集團嚴格遵守道德規範，在報告期內，沒有發生任何貪污、賄賂、欺詐和洗黑錢行為。本集團將堅持企業道德規範，秉持優良信譽，防範腐敗。

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The Group anti-corruption awareness training for employees ranges from on-boarding and yearly reminder programs. The purpose of the program is to help all employees understand the Group's values and the policy. Integrity is vital part of the Group's business. The Group's management is committed to sending a clear and consistent message to all employees and business partners that corruption and bribery are unacceptable.

Employees can report to the management of the Group with respect to any noncompliance such as receiving bribes, abuse of power by mail, electronic mail or phone. All business units have the responsibility to conduct regular risk assessment of their anticorruption procedures and implement remedial measures to mitigate risks.

During the reporting period, the Group had complied with Prevention of Bribery Ordinance of Hong Kong and the other relevant laws and regulations of relating to bribery, extortion, fraud and money laundering.

本集團針對員工的反腐意識培訓涵蓋了入職和年度提醒。該計劃的目的是幫助所有員工了解本集團的價值觀和政策。誠信是本年集團業務的重要組成部分。本集團的管理層致力於向所有員工和業務合作夥伴發出明確和一致的信息，表明貪污和賄賂是不可接受的。

員工可以通過郵件、電子郵件或電話等方式向本集團管理層舉報任何違規行為，例如收受賄賂、濫權等。所有業務部門都有責任定期對其反腐措施進行風險評估，並實施補救措施以降低風險。

於報告期內，本集團已遵守《防止賄賂條例》及與賄賂、勒索、欺詐和洗黑錢其他有關的法律法規。

6. COMMUNITY INVESTMENT

As a responsible corporates citizen, the Group uses its expertise and resources to support the communities in which it operated in various ways. The Group continues to focus on the following areas for community investment:

- Provide helping hands for people in need;
- Foster a healthy and green living environment in the community;
- Support local charitable events; and
- Provide training opportunities for young people.

During the reporting period, the Group maintained its status as a Caring Company and participated in various charitable events.

6. 社區投資

作為負責任之企業公民，本集團利用其專業知識及資源通過多種方式以支持經營所在之社區。本集團持續專注於以下多個社區投資方面：

- 幫助有需要人士；
- 在社區打造一個健康和綠色的生活環境；
- 支持當地慈善活動；及
- 為年輕人提供培訓機會。

於報告期間，本集團維持其作為一家有關懷的公司的地位，參加各種慈善活動。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2020. This report highlights the key corporate governance practices of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year of 2020, the Company has adopted and complied with all code provisions (the “Code Provisions”, each a “Code Provision”), where appropriate as set out in Appendix 15 to the GEM Listing Rules (the “Corporate Governance Code”) then in force with an aim of maximizing the shareholders’ interest and enhancing the stakeholders’ transparency and accountability.

The Company is committed to maintaining a high standard of corporate governance with sound and reasonable corporate governance practices and procedures during the year ended 31 December 2020, including below practices:

Board Meetings

- The Company held four regular Board meetings and 6 general Board meetings during the year under review.

Re-election of non-executive directors

- Non-executive Directors were appointed for a specific term, subject to re-election. Two Independent Non-executive Directors were re-elected at the annual general meeting of the Company (the “AGM”) held in July 2020.

根據GEM上市規則第18.44條，董事會欣然呈列截至二零二零年十二月三十一日止年度之企業管治報告。此報告著重闡述本公司之主要企業管治常規。

遵守企業管治守則

於二零二零年全年，本公司已採納並遵守其時生效之GEM上市規則附錄15所載的全部守則條文（「守則條文」）（倘適用）（「企業管治守則」），以為股東創造更大利益及提高利益相關方的透明度及問責制。

截至二零二零年十二月三十一日止年度，本公司依照良好及合理的企業管治常規及程序致力維持高水平的企業管治包括下列常規：

董事會會議

- 本公司於回顧年度內舉行四次常務董事會會議和六次全體董事會會議。

非執行董事膺選連任

- 非執行董事按指定任期獲委任，並膺選連任。兩名獨立非執行董事於二零二零年七月舉行的股東週年大會（「股東週年大會」）上獲重選連任。

Establish a nomination committee

- The Company has established a nomination Committee (the “**Nomination Committee**”) with specific written terms of reference which deal clearly with its authority and duties. During the year under review, there were no changes in the members of the Board. As at 31 December 2020 and the date of this report, the Nomination Committee comprises two Independent Non-executive Directors and one Executive Director, and is chaired by the Chairman of the Board.

Present annual and interim reports

- The Group presented its unaudited interim report and audited annual report of the financial year 2020. In addition, the Group also presented its unaudited operational information for the first and third quarters of the financial year 2020.

Risk management and internal control system review

- The Group adopted a systematic and sustainable risk management and internal control system during the year under review. The Board reviews and considers the nature and extent of the significant risk in its business and the external environment, and the scope and quality of the management’s ongoing monitoring of risks and of the internal control system annually.

The other key corporate governance principles and practices of the Group are also outlined in this corporate governance report.

Corporate Governance Practices

The Board is committed to maintaining a high standard of corporate governance practices within the Group and devotes considerable efforts to identify and formalize best practices. The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of its shareholders and stakeholders, and enhance shareholder value.

It is the Group’s mission to create and preserve the cultural heritage, develop film and media industry by telling purposeful story and cultivating entertainment and travel community that is vibrant and relevant to audiences.

成立提名委員會

- 本公司已成立提名委員會（「**提名委員會**」），訂有具體的書面職權範圍，清楚列明其職權及職責。於回顧年度，董事會成員並無變動。於二零二零年十二月三十一日及本報告日期，提名委員會由兩名獨立非執行董事及一名執行董事組成，並由董事會主席擔任主席。

提呈年報及中期報告

- 本集團提呈二零二零財政年度其未經審核中期報告及經審核年報。此外，本集團亦提呈二零二零財政年度第一及第三季度其未經審核經營資料。

風險管理及檢討內部監控系統

- 本集團回顧年度採納系統性及可持續風險管理及內部監控系統。董事會每年審閱及檢討其業務及外部環境之重大風險性質及程度，以及管理層持續監察風險及內部監控系統的範圍及質量。

本集團其他主要企業管治原則及常規亦於本企業管治報告概述。

公司治理常規

董事會致力於維持本集團高水平的企業管治常規，並就確定和制訂最佳實務作出重大努力。董事會相信，健全而有效的企業實務，乃公司得以順暢、有效率及具透明度地營運的根基，並因而有能力吸引投資、維護其股東及持份者的權益，以及提升股東價值。

本集團的使命是創造和保存文化遺產，通過講述有意義的故事來推動影視傳媒產業的發展，及建立更多與充滿活力和與觀眾息息相關的娛樂和旅遊的小團體。

The Group's Values

The Group has five core values, which are:

- Respect
- Innovation
- Teamwork
- Communication
- Challenge

The values express what the Group stands for and are core to its business. As a values-led-organization, the Group's values shape its people's decision and actions. They guide how the Group's employees work together.

The Group corporate governance framework plays an integral role in supporting the business and helping the Group to deliver its strategy. It provides the structure upon which the Group's strategies and business objectives are set and the performance is monitored. It includes a clear framework for decision making and accountability across the Group's business and provides guidance on the standards of behavior the Group expects of its management and employees. The Group is committed to excellence in corporate governance, transparency and accountability. This is essential for the long term performance and sustainability of the Group, and to protect and enhance the interests of the Group's shareholders and other stakeholders.

The Group regularly reviews its corporate governance arrangements, to reflect developments in market practice, expectations and regulation as appropriate.

This section provides an overview of some of the important aspects of the Group's corporate governance framework.

本集團的價值觀

本集團的有五大核心價值觀，即：

- 尊重
- 創新
- 團隊合作
- 溝通
- 挑戰

這些價值觀表達了集團的立場，並且是其業務的核心。作為一個以價值為導向的企業，本集團的價值觀決定了員工的決策和行動，指導集團員工如何一起工作。

本集團企業管治框架在支持業務和幫助集團實施戰略方面發揮著不可或缺的作用。它提供了集團設定戰略和業務目標及監控績效的結構。它包括一個明確的框架，用於整個集團業務的決策和問責制，並提供集團對其管理層及僱員所期望行為標準的指導。本集團致力於卓越的企業管治，提高透明度和問責制。這對集團業務的長期業績和可持續性至關重要，並為集團的業務標準提供指導。保護和增強集團股東和其他利益相關方的利益。

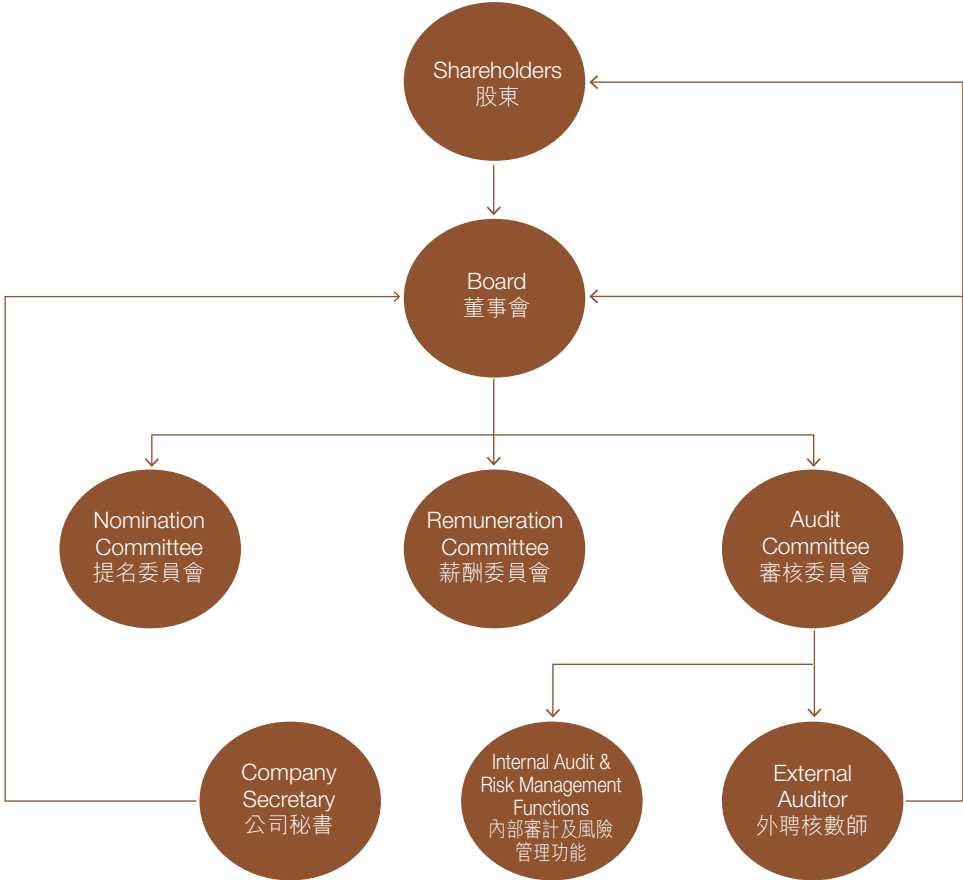
本集團定期審視其企業管治安排，以反映市場慣例、預期及監管的发展（如適當）。

本節概述了集團企業管治框架的一些重要方面。

CORPORATE GOVERNANCE REPORT
 企業管治報告

Set out below is the current corporate governance framework of the Group.

下圖載列本集團現行的企業管治架構：



DIRECTORS' SECURITIES TRANSACTIONS

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 interests as well as to enhancing the transparency and accountability to the stakeholders. The Company had adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors, and the Directors have confirmed they have complied with the required standard of dealings and its code of conduct regarding Directors' securities transactions during the year ended 31 December 2020.

BOARD OF DIRECTORS

The Board has a balanced composition of Executive and Non-executive Directors which represents a mixture of experts specializing in management, law, accounts and finance. All Directors possess comprehensive qualifications and experience as well as exposure to various different industries which are crucial to the growth of the Group.

Responsibilities

The Board is responsible for the overall leadership of the Group, formulating and overseeing the Group's business strategies and monitoring the financial performance, risk management and internal control of the Group's business and operations.

To oversee particular aspects of the Group's affairs, the Board has established three Board committees (the "Board Committees"), namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the Nomination Committee. The Board has delegated to each of the Board Committees responsibility for maintaining an appropriate financial reporting, risk management and internal control system, reviewing its directors' remuneration policy and reviewing the structure, size and composition of the Board and accountable to Board. The details of each Board Committees are set out in the section headed "Board Committees" from page 68 to page 73 of this annual report.

董事進行證券交易

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。本公司已採納有關董事進行證券交易之行為守則，其條款至少與GEM上市規則第5.48至5.67條所載之交易必守準則同樣嚴格。本公司已向全體董事作出具體查詢，而董事已確認於截至二零二零年十二月三十一日止年度一直遵守交易必守準則及本公司有關董事進行證券交易之行為守則。

董事會

本公司董事會內執行及非執行董事分佈平衡，董事會具備管理、法律、會計及金融等行業之專業知識。全體董事具備對本集團業務成長至為重要之綜合資格及經驗，並曾涉足多個行業。

職責

董事會負責本集團的整體領導，制定及監督本集團的業務策略以及監察本集團業務及營運之財務表現、風險管理及內部監控。

為監督本集團事務的特定方面，董事會已成立三個董事委員會（「董事委員會」），即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會。董事會已委派董事委員會負責維持適當財務報告、風險管理及內部監控系統、檢討其董事薪酬政策及檢討董事會的架構、人數及組成及對董事會負責。有關各董事委員會的詳情載於本年報第68至73頁的董事委員會一節。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Board has delegated to the management the responsibility for (i) the day-to-day management of the Group's businesses; (ii) implementation of the strategies approved by the Board; and (iii) providing all such information to the Board as is necessary to enable the Board to monitor the performance of the management. The Board also gives clear directions to the management team as to their powers of management, and circumstances in which the management team should report back. The management would report back to the Board and obtain Board approval before making certain decisions.

All Directors, including the Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board to ensure its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and the management of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves its authority for making decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

董事會已委派管理層負責(i)本集團業務之日常管理；(ii)實施董事會通過之策略；及(iii)為董事會提供監察管理層表現所需的一切資料。董事會亦就管理層團隊之管理權力範圍及管理層團隊應作報告之情況向其提供清晰指示。管理層將向董事會匯報並在取得董事會批准後方可做出決定。

全體董事（包括獨立非執行董事）為董事會提供廣泛而寶貴的業務經驗、知識及專業質素，確保其可迅速及有效運作。

全體董事可全面、及時地取得本公司的所有資料以及公司秘書及公司管理層的服務及建議。於適當情況下，董事於履行彼等於本公司的職務時可要求尋求獨立專業意見，費用由本公司承擔。

董事須向本公司披露其擔任的其他職務的詳情，董事會定期檢討各董事履行其對本公司的責任所需做出的貢獻。

董事會保留對所有與政策事項、策略及預算、內部控制及風險管理、重大交易（尤其是可能涉及利益衝突的交易）、財務資料、董事委任及本公司其他重大營運事項有關的主要事項的決策權。執行董事會的決定、指導及協調本公司的日常營運及管理的責任則委派管理層負責。

Board Composition

The details of the executive Directors, the non-executive Directors and the independent non-executive Directors, throughout the year ended 31 December 2020 and as at the date of this annual report are set out below:

董事會組成

於截至二零二零年十二月三十一日止年度全年及本年報日期，執行董事、非執行董事及獨立非執行董事的詳情載列如下：

Name of Directors 董事姓名		Date of first appointment to the Board 首次獲委任至董事會的日期	Date of last re-election as Director 最後一次重選為董事的日期
<i>Executive Directors</i> 執行董事			
Mr. Sin Kwok Lam 冼國林先生	(Chairman) (主席) (Resigned on 22 July 2021) (於二零二一年七月二十二日辭任)	14 May 2019 二零一九年五月十四日	28 June 2019 二零一九年六月二十八日
Mr. Chow Kai Weng 周啟榮先生	(Chairman and Chief Executive Officer) (主席及行政總裁) (was Associate Chairman until 22 July 2021 and was appointed as the Chairman on 22 July 2021) (於二零二一年七月二十二日前擔任聯席主席並於二零二一年七月二十二日獲委任為主席)	25 March 2011 二零一一年三月二十五日	28 June 2019 二零一九年六月二十八日
Mr. Cheng Wang Chun 鄭弘駿先生		4 May 2018 二零一八年五月四日	30 July 2020 二零二零年七月三十日
Mr. Ho Leung Ting 何亮霆先生		15 November 2018 二零一八年十一月十五日	28 June 2019 二零一九年六月二十八日
<i>Non-executive Director</i> 非執行董事			
Dr. Lam Lee G. 林家禮博士		30 June 2017 二零一七年六月三十日	28 June 2019 二零一九年六月二十八日
<i>Independent Non-executive Directors</i> 獨立非執行董事			
Mr. Chui Chi Yun Robert 崔志仁先生		13 May 2009 二零零九年五月十三日	30 July 2020 二零二零年七月三十日
Mr. Li Kit Chee 李傑之先生		1 June 2014 二零一四年六月一日	30 July 2020 二零二零年七月三十日
Lam Kwok Hing Wilfred 林國興先生		22 March 2019 二零一九年三月二十二日	28 June 2019 二零一九年六月二十八日

The biographical details of each of the Directors and the relationships between them (if any) are set out in the section headed "Biographical Details of Directors" from page 28 to page 32 of this annual report.

各董事之履歷及彼等之關係(如有)載於本年報第28至32頁的「董事履歷」一節。

Chairman and Chief Executive Officer

As required by Code Provision A.2.1 of the Corporate Governance Code, the role of chairman and chief executive officer should be separate and should not be performed by the same individual to ensure a clear division between their respective independence and accountability and to maintain a balance of power and authority. As at 31 December 2020, the Chairman of the Board and the Chief Executive Officer of the Company are Mr. Sin Kwok Lam and Mr. Chow Kai Weng respectively. The Chairman of the Company, Mr. Sin Kwok Lam, is responsible for formulating the long-term strategies of the Company and overseeing its overall business development. The Chief Executive Officer of the Company, Mr. Chow Kai Weng, focuses on implementing the Company's business strategies and policies approved and delegated by the Board and overseeing the Company's day-to-day operations. As Mr. Chow Kai Weng was appointed as Chairman and has been serving as both the Chairman and the Chief Executive Officer following the resignation of Mr. Sin Kwok Lam as the Chairman on 22 July 2021, 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.

Non-executive Directors

Under Code Provision A.4.1 of the Corporate Governance Code, non-executive directors should be appointed for a specific term and subject to re-election. The existing Non-executive Director has been appointed by the Company for a specific term of two years and is subject to retirement by rotation in accordance with the bye-laws of the Company (the "Bye-laws").

Independent Non-executive Directors

During the year ended 31 December 2020, the Company complied with Rules 5.05 and 5.08 of the GEM Listing Rules relating to the appointment of Independent Non-executive Directors. The Company appointed three Independent Non-executive Directors and with at least one of them having appropriate professional qualifications accounting or related financial management expertise.

主席及行政總裁

誠如企業管治守則之守則條文第A.2.1條所規定，主席及行政總裁之角色應有區分且並非由一人同時兼任，以明確劃分其各自獨立性及問責制並維持權利及職權之平衡。於二零二零年十二月三十一日，董事會主席及本公司行政總裁分別為冼國林先生及周啟榮先生。本公司主席冼國林先生負責制定本公司的長期策略並監督其整體業務發展。本公司行政總裁周啟榮先生專注於執行經董事會批准及授權的本公司業務策略及政策，並監督本公司的日常營運。繼冼國林先生於二零二一年七月二十二日辭任主席後，周啟榮先生獲委任為主席並一直兼任主席及行政總裁，此舉偏離企業管治守則之守則條文第A.2.1條。董事會相信，由同一人兼任主席及行政總裁的角色可促進本集團業務策略的執行及提高其營運效率。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條乃屬適當。

非執行董事

根據企業管治守則之守則條文第A.4.1條，非執行董事應按指定任期獲委任，並膺選連任。本公司委任的各名現有非執行董事任期為兩年及將根據本公司細則（「**公司細則**」）輪值退任。

獨立非執行董事

截至二零二零年十二月三十一日止年度，本公司已遵守GEM上市規則第5.05及5.08條有關委任獨立非執行董事之規定。本公司已委任三名獨立非執行董事，其中至少一名具備適當的會計專業資格或相關財務管理專長。

Appointment, Re-election and Removal of Directors

The Board is responsible for the appointment of new Directors and the nomination of Directors for re-election by shareholders of the Company at the AGM. In accordance with the Bye-laws, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board, whom is subject to retirement and re-election in accordance with the Bye-laws.

All Executive Directors are engaged on service contracts with the Company for a term of three years.

The Company has also entered into a letter of appointment or re-appointment with the Non-executive Director and each of the Independent Non-executive Directors for a term of two years subject to retirement, re-election and removal in accordance with the Bye-laws.

In accordance with Bye-law 83(2) of the Bye-laws, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders of the Company after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Pursuant to the Bye-law 84(1) and 84(2) of the Bye-laws, at each AGM one-third of the Directors for the time being shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

Directors' Insurance

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

Directors' Continuing Professional Development

The Directors' ongoing training is very important to the maintenance of high corporate governance standards in the Company. The Company has adopted a policy on induction and continuous professional development to encourage all Directors to update themselves, on a continuous basis, on developments in the statutory and regulatory regime and changes in the business and market environment in which the Group operates to facilitate the discharge of their responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

委任、重選及罷免董事

董事會負責任命新董事及提名董事供本公司股東於本公司股東週年大會上重選。根據公司細則，董事有權不時及隨時任命任何人士為董事，以填補董事會臨時空缺或成為現有董事會新成員，惟其須根據公司細則告退及接受重選。

本公司所有執行董事均與本公司訂立任期為三年的服務合約。

本公司亦已與非執行董事及各獨立非執行董事訂立委任或重新委任書，委任年期為兩年，並須根據組織章程細則及公司細則退任、重選連任及罷免。

根據本公司的公司細則第83(2)條，任何獲董事會委任以填補臨時空缺的董事，其任期將直至獲委任後的本公司首屆股東大會為止，並須於該大會上重選連任，而任何獲董事會委任作為現有董事會新增成員的董事，其任期僅至下屆股東週年大會為止，並將於屆時合資格膺選連任。

根據本公司的公司細則第84(1)及84(2)條，於每屆股東週年大會上當時三分之一的董事須輪值退任，惟每名董事須最少每三年輪值退任一次。有關退任董事均符合資格膺選連任，並於其退任的大會上繼續出任董事。

董事保險

本公司已為董事安排適當的保險以保障針對董事的法律行動。

董事的持續專業發展

董事持續接受培訓對本公司維持高水平的企業管治而言十分重要。本公司已採納一項有關就任須知及持續專業發展的政策，以鼓勵全體董事持續獲知有關法定及監管制度的最新發展，以及有關本集團營運的業務及市場環境變化，以協助其履行其於GEM上市規則及有關法例規定項下的職責及義務。

CORPORATE GOVERNANCE REPORT

企業管治報告

To assist the Directors in their continuing professional development, the Company recommends that they regularly attend relevant seminars and courses at the expenses of the Company and the Directors are required to provide the Company with his/her annual training record to ensure the enhancement of their knowledge and skill.

為輔助董事的持續專業發展，本公司推薦彼等定期參加相關講座及課程，費用由本公司支付，所有董事均須每年向本公司提供其培訓記錄，以確保彼等的知識及技能有所提升。

For the year ended 31 December 2020, all Directors have participated in the continuous professional developments in relation to regulatory updates, duties and responsibilities of the Directors and the business of the Group in the following manner:

截至二零二零年十二月三十一日止年度，全體董事均已參與有關監管事宜、董事之職務與職責及本集團業務之持續專業發展活動，詳情如下：

Name of Directors 董事姓名	Types of Training 培訓類型
<i>Executive Directors</i> 執行董事	
Mr. Sin Kwok Lam 冼國林先生	(Chairman) (主席) (Resigned on 22 July 2021) (於二零二一年七月二十二日辭任)
	A&B
Mr. Chow Kai Weng 周啟榮先生	(Chief Executive Officer) (行政總裁) (was Associate Chairman until 22 July 2021 and was appointed as the Chairman on 22 July 2021) (於二零二一年七月二十二日前擔任聯席主席 並於二零二一年七月二十二日獲委任為主席)
	A&B
Mr. Cheng Wang Chun 鄭弘駿先生	
	A&B
Mr. Ho Leung Ting 何亮霆先生	
	A&B
<i>Non-executive Director</i> 非執行董事	
Dr. Lam Lee G. 林家禮博士	
	A&B
<i>Independent Non-executive Directors</i> 獨立非執行董事	
Mr. Chui Chi Yun Robert 崔志仁先生	
	A&B
Mr. Li Kit Chee 李傑之先生	
	A&B
Mr. Lam Kwok Hing Wilfred 林國興先生	
	A&B
Remarks:	備註:
A: Attending internal briefing session in relating to corporate governance	A: 參加有關企業管治的內部簡報會議
B: Reading materials in relation to regulatory updates	B: 閱讀有關監管事宜之最新訊息的資料

Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial year to give a true and fair view of the state of affairs of the Group. In preparing the financial statements for the year ended 31 December 2020, the Directors have consistently selected and applied appropriate accounting policies and standards, make judgments and estimates that are prudent, fair and reasonable, and prepared the financial statements on a going concern basis.

As at 31 December 2020, the Group incurred a net current liabilities of HK\$173.11 million.

The Group's net current liabilities condition indicate that there may exist a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding the existence of these indicators, the Directors are of the opinion that it is appropriate for the consolidated financial statements to be prepared on the assumption that the Group will continue to operate as a going concern. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Directors have adopted several measures to resolve the debt condition. After assessing the Group's current and forecasted cash positions, the Directors are satisfied that the Group will be able to meet in full the Group's financial obligations as they fall due for the period of twelve months from 31 December 2020. Accordingly, the consolidated financial statements of the Group have been prepared on the going concern basis. For further details, please refer to the paragraph headed "Liquidity and Financial Resources" in "Management Discussion and Analysis" of this annual report and note 1 to the consolidated financial statements.

The statement of the external auditor of the Company regarding its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 147 to 154 of this annual report.

董事就財務報表的財務申報責任

董事負責就各財政年度編製財務報表，以真實及公平地反映本集團的財務狀況。於編製截至二零二零年十二月三十一日止年度之財務報表時，董事已貫徹選擇及應用適當的會計政策及準則，並作出謹慎、公平及合理之判斷及估計及按持續經營基準編製財務報表。

於二零二零年十二月三十一日，本集團產生流動負債淨額173.11百萬港元。

本集團的流動負債淨額狀況反映可能有重大不穩定因素，可能對本集團的持續經營能力構成重大疑問。儘管有該等跡象，董事認為綜合財務報表按本公司將繼續持續經營的假設編製，實屬合適。為改善本集團的財務狀況、直接流動資金及現金流量，以及在其他方面維持本集團的持續經營，董事已採納數項措施解決債務問題。評估本集團的目前及預計現金狀況後，董事信納本集團將可繼續於其財務責任於二零二零年十二月三十一日起十二個月期間到期時，予以履行。據此，本集團的綜合財務報表已按持續基準編製。更多詳情，請參閱本年報「管理層討論及分析」中「流動資金及財務資源」一段及綜合財務報表附註1。

本公司外聘核數師關於彼等對財務報表之申報責任之聲明，載於本年報第147至154頁的獨立核數師報告書。

BOARD COMMITTEES

As an integral part of good corporate governance and to enhance the function of the Board, the Company has established three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Each Board Committee was established with specific written terms of reference which deal clearly with its authority and duties and are reviewed from time to time.

Audit Committee

The Audit Committee was established in 2002 with its written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. For the year ended 31 December 2020, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. Chui Chi Yun Robert (Chairman), Mr. Lam Kwok Hing Wilfred and Mr. Li Kit Chee.

The Company complied with Rule 5.28 of the GEM Listing Rules that the Audit Committee must comprise a minimum of 3 members, have at least one of whom is an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise and be chaired by an Independent Non-executive Director.

The primary duties of the Audit Committee are to: (i) make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) review and monitor the Company's financial reporting system, risk management and internal control systems; and (iii) review the Company's financial information.

董事委員會

作為良好的企業管治的一部分，並提升董事會的職能，本公司已成立三個董事委員會，分別為審核委員會、薪酬委員會及提名委員會。各董事委員會的成立訂有具體的書面職權範圍，清楚說明其授權及職責，並會不時檢討。

審核委員會

審核委員會於二零零二年成立，其書面職權範圍符合GEM上市規則附錄15所載的企業管治守則。截至二零二零年十二月三十一日止年度，審核委員會由三名獨立非執行董事（即崔志仁先生（主席）、林國興先生及李傑之先生）組成。

本公司已遵守GEM上市規則第5.28條，審核委員會至少由3名成員組成，其中最少一名為持有適當專業資格或會計或相關財務管理專業知識的獨立非執行董事，且主席須由獨立非執行董事擔任。

審核委員會的主要職責為：(i)就外聘核數師任命、續聘及罷免向董事會作出推薦建議，及批准外聘核數師的薪酬及委聘條款及任何有關其辭任或罷免的問題；(ii)檢討及監察本公司之財務報告系統、風險管理及內部監控系統；及(iii)審閱本公司之財務資料。

During the year ended 31 December 2020, the Audit Committee held five meetings for the reviewing of the Group's annual, half-yearly and quarterly results, assessing and evaluating of the effectiveness of the Group's risk management procedures and internal control system. The Audit Committee has also made recommendations to the Board on the appointment of the external auditor after reviewing the scope of services offered and the remuneration and terms of engagement of the external auditor. The attendance record of these meetings is set out in the section headed "Board and Committees Meetings and Attendance" on page 72 of this annual report.

Remuneration Committee

The Remuneration Committee was established in 2005 with its written terms of reference in compliance with the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules. For the year ended 31 December 2020, the Remuneration Committee comprised three Independent Non-executive Directors, namely Mr. Chui Chi Yun Robert (Chairman), Mr. Lam Kwok Hing Wilfred and Mr. Li Kit Chee. The Company has complied with Rule 5.34 of GEM Listing Rules that a remuneration committee should comprise a majority of independent non-executive directors and should be chaired by an independent non-executive director.

The major responsibilities of the Remuneration Committee include: (i) making recommendations to the Board on the Group's policy and structure for all Directors' and management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) reviewing and determining the remuneration packages of each individual Executive Director and management including benefits in kind, pension rights and compensation payments; and (iii) ensuring that none of the Directors or their associates will involve in deciding his own remuneration. The Remuneration Committee adopted the approach under Code Provision B.1.2(c)(ii) to make recommendation to the Board on the remuneration packages of the Directors and the management of the Company.

Details of the remuneration of each Director for the year under review are set out in note 16 to the consolidated financial statements contained in this annual report.

於截至二零二零年十二月三十一日止年度，審核委員會舉行五次會議，以審閱本集團之年度、半年及季度業績、評估及估計本集團風險管理程序及內部監控系統的有效性。審核委員會已於檢討外聘核數師提供的工作後，就委聘核數師及外聘核數師的薪酬及聘任條款向董事會提出建議。有關會議的出席記錄載於本年報第72頁「董事會及委員會會議及出席記錄」一節。

薪酬委員會

薪酬委員會於二零零五年成立，其書面職權範圍符合GEM上市規則附錄15所載的企業管治守則。截至二零二零年十二月三十一日止年度，薪酬委員會由三名獨立非執行董事（即崔志仁先生（主席）、林國興先生及李傑之先生）組成。本公司已遵從GEM上市規則第5.34條，即薪酬委員會由大多數獨立非執行董事組成，並由獨立非執行董事出任主席。

薪酬委員會之主要職責乃包括：(i)就本集團所有董事及管理人員之整體薪酬政策及結構及制訂正規而具透明度的薪酬政策制定程序向董事會作出建議；(ii)個別檢討及釐定各執行董事及管理層之薪酬方案（包括實物福利、退休金權利及賠償）；及(iii)確保並無董事參與釐訂其本身之薪酬；薪酬委員會採納守則條文第B.1.2(c)(ii)條下之方法以就本公司董事及管理層之薪酬方案向董事會作出推薦建議。

各董事於回顧年度之薪酬詳情載於本年報所載綜合財務報表附註16。

CORPORATE GOVERNANCE REPORT 企業管治報告

During the year ended 31 December 2020, the Remuneration Committee held 1 meeting in relation to the overall remuneration policy and structure and making recommendation to the Board on the remuneration packages of each individual Executive Director and the management in assessing their performance and approval of the relevant terms of service contracts; and reviewed the proposed director's fee of Mr. Sin Kwok Lam, Mr. Chow Kai Weng, Mr. Cheng Wang Chun and Mr. Ho Leung Ting and recommended the same to the Board for approval. The attendance record of the meetings is set out in the section headed "Board and Committees Meetings and Attendance" on page 72 of this annual report.

Nomination Committee

The Nomination Committee was established in 2012 with its written terms of reference in compliance with the Corporate Governance Code set out in Appendix 15 to the GEM Listing Rules. For the year ended 31 December 2020, the Nomination Committee comprised one Executive Director and two Independent Non-executive Directors, namely Mr. Sin Kwok Lam (Chairman), Mr. Lam Kwok Hing Wilfred and Mr. Li Kit Chee. From 22 July 2021, the Nomination Committee comprised one Executive Director and two Independent Non-executive Directors, namely Mr. Chow Kai Weng (Chairman), Mr. Lam Kwok Hing Wilfred and Mr. Li Kit Chee.

The primary functions of the Nomination Committee are mainly (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding the identification of suitable, qualified individuals for selection and appointment as Directors; (ii) to assess the independence of Independent Non-executive Directors of the Company; and (iii) to make recommendations to the Board on the appointment, re-appointment or re-designation of, and succession planning for the Directors (in particular the Chairman) and the Chief Executive Officer.

The Company has adopted a board diversity policy in September 2013 concerning diversity of the Board. Under this policy, the diversity of the Board is considered in terms of factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merit, and candidates are considered against various objective criteria, with due regard for the benefits of diversity on the Board. The Nomination Committee discusses and determines the measurable objectives for implementing diversity on the Board and recommends the same to the Board for adoption on an annual basis. The Nomination Committee will review the policy on a regular basis and will discuss any revision that may be required, and recommend any proposed changes to the Board for approval.

於截至二零二零年十二月三十一日止年度，薪酬委員會舉行一次會議審核及釐定整個薪酬政策及架構，並就各名執行董事的薪酬方案向董事會個別提供建議；以及批准服務合約的相關條款；及審視冼國林先生、周啟榮先生、鄭弘駿先生及何亮靈先生的董事袍金並向董事會作出推薦以供批准。有關會議的出席記錄載於本年報第72頁「董事會及委員會會議及出席記錄」一節。

提名委員會

提名委員會於二零一二年成立，並根據GEM上市規則附錄15所載之企業管治守則訂明書面職權範圍。截至二零二零年十二月三十一日止年度，提名委員會由一名執行董事及兩名獨立非執行董事（即冼國林先生（主席）、林國興先生及李傑之先生）組成。自二零二一年七月二十二日起，提名委員會由一名執行董事及兩名獨立非執行董事（即周啟榮先生（主席）、林國興先生及李傑之先生）組成。

提名委員會之主要職責包括：(i)檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就物色合資格可選舉及獲委任董事的合適人士向董事會提出建議；(ii)核評本公司獨立非執行董事的獨立性；及(iii)就董事的委任或重新委任或調任，以及董事（尤其是主席及行政總裁）的繼任計劃向董事會提出建議。

本公司已於二零一三年九月採納一項有關董事會成員多元化的董事會成員多元化政策。在該政策下，董事會成員多元化乃考慮到性別、年齡、文化與教育背景、種族、專業經驗、技能、知識及服務年期等因素。董事會所有委任均以用人唯才為基準，並以多方面的客觀標準並充分顧及董事會成員多元化的裨益考慮人選。提名委員會將每年商討及協定推行董事會成員多元化的可計量目標，並推薦董事會採納該可計量目標。提名委員會將定期檢討該政策，就任何須作出的修訂進行討論，並推薦董事會批准任何修訂建議。

Nomination Policy and Procedure

The Nomination Committee would use the criteria listed below as reference for the selection, appointment and reappointment of Directors:

- Integrity and reputation;
- Professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Commitment in respect of available time and relevant interest;
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and
- Any other criteria as the Committee may deem fit to consider in the best interests of the Company and its shareholders.

The above criteria are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Candidates will be asked to submit the necessary personal information, including the information as required by the Rule 17.50(2) of the GEM Listing Rules, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their appointment as a Director.

The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

提名政策及程序

提名委員會將使用下列標準董事之甄選、委任及重新委任的參考：

- 誠信及聲譽；
- 與公司業務及戰略相關的專業資格、技能、知識及經驗；
- 對可用時間及相關利益的承諾；
- 各方面的多樣性，包括但不限於性別、年齡（18歲或以上）、文化與教育背景、種族、專業經驗、技能、知識及服務年限；及
- 委員會認為適宜考慮的任何其他標準，以符合公司及其股東的最佳利益。

以上標準僅供參考，並非詳盡亦非決定性。提名委員會有權酌情提名任何人士。

候選人將被要求提交必要的個人信息，包括GEM上市規則第17.50(2)條規定的資料，以及彼等書面同意被任命為董事及為委任彼等為董事之目的而於任何文件或有關網站公開披露其個人資料。如有必要，提名委員會可要求候選人提供額外的資料及文件。

如有必要，提名委員會可要求候選人提供額外的資料及文件。

CORPORATE GOVERNANCE REPORT 企業管治報告

Any Director may nominate a candidate for appointment, election or re-election as a Director by the Board or at a general meeting. Upon obtaining the required information from the candidate, the Nomination Committee shall evaluate whether such candidate is qualified to be appointed, elected or re-elected into the Board based on the criteria as set out above and the relevant GEM Listing Rules and the policies of the Company.

The Nomination Committee shall convene a meeting to discuss and consider the recommendation of the candidate to the Board for appointment, election or reelection as a Director by the Board or at a general meeting.

Board and Committees Meetings and Attendance

The Board is scheduled to meet at least four times each year on a quarterly basis to discuss the Group's business development, operations and financial performance. Notices of not less than 14 days in advance together with the formal agenda are addressed to all Directors for all regular board meetings. For additional Board meetings which require discussion and resolution of significant issues arising from the operation of the Company, notice is given in a reasonable time in advance. To enable the Directors to make informed decisions, the Board papers together with all appropriate and relevant materials and information in relation to the matters to be discussed and considered at the Board meeting are sent to all Directors. Proper minutes of Board meetings and Committees meetings are kept by the Company Secretary of the Company. Draft minutes are normally circulated to Directors for comments and records respectively within a reasonable time after each meeting and the final version is open for inspection on reasonable notice by any Directors.

任何董事均可提名候選人，以供董事會或於股東大會上委任、選舉或重選為董事。從候選人獲得所需資料後，委員會應根據上文及相關GEM上市規則與本公司政策所載準則，評估該候選人是否有資格被任命、當選或再次當選為董事會成員。提名委員會須召開會議，以討論及考慮向董事會建議的候選人，以供董事會或於股東大會上委任、選舉或重選為董事。

提名委員會須召開會議，以討論及考慮向董事會建議的候選人，以供董事會或於股東大會上委任、選舉或重選為董事。

董事會及委員會會議及出席記錄

董事會預定每年按季舉行最少四次會議，以討論本集團之業務發展、營運及財務表現。舉行所有董事會定期會議前向全體董事發出至少14天通知連同正式議程。對於需要商討及議決本公司營運期間發生的重大事項而舉行之額外董事會會議，將事先於合理時間內發出通知。為了讓董事在知情情況下作出決定，董事會向全體董事提供有關於董事會會議討論及考慮事宜的適用相關材料及資料。董事會會議及委員會會議之會議記錄由本公司之公司秘書妥當保存。會議記錄草案一般會於每次會議後之合理時間內交由董事評述及記錄，終稿可在任何董事提出合理之通知後供董事查閱。

CORPORATE GOVERNANCE REPORT 企業管治報告

The attendance record of each Director at the Board meetings, the Board Committees meetings and the general meeting during the year ended 31 December 2020 is set out in the following table:

於截至二零二零年十二月三十一日止年度，各董事出席董事會會議、董事委員會會議及股東大會之記錄表列如下：

Name of Directors		Board Meetings	Remuneration Committee Meetings	Audit Committee Meetings	Nomination Committee Meetings	General Meeting
董事姓名		董事會會議	薪酬委員會會議	審核委員會會議	提名委員會會議	股東大會
<i>Executive Directors</i>						
Mr. Sin Kwok Lam (<i>Chairman</i>) (resigned on 22 July 2021)	執行董事 冼國林先生 (主席) (於二零二一年七月二十二日辭任)	10/10	-	-	1/1	1/2
Mr. Chow Kai Weng (<i>Associate Chairman and Chief Executive Officer</i>) (appointed on 22 July 2021)	周啟榮先生 (聯席主席及行政總裁) (於二零二一年七月二十二日獲委任)	10/10	-	-	-	0/2
Mr. Cheng Wang Chun	鄭弘駿先生	10/10	-	-	-	0/2
Mr. Ho Leung Ting	何亮霆先生	10/10	-	-	-	0/2
<i>Non-executive Directors</i>						
Dr. Lam Lee G.	非執行董事 林家禮博士	8/10	-	-	-	0/2
<i>Independent Non-executive Directors</i>						
Mr. Chui Chi Yun Robert	獨立非執行董事 崔志仁先生	8/10	1/1	4/4	-	2/2
Mr. Li Kit Chee	李傑之先生	8/10	1/1	4/4	1/1	2/2
Mr. Lam Kwok Hing Wilfred	林國興先生	8/10	1/1	4/4	1/1	2/2
Total number of meeting(s)	會議總數	10	1	4	1	2

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions performed by the Board include: (i) formulating and reviewing the corporate governance policies and practices of the Company; (ii) reviewing and monitoring the training and continuous professional development of Directors and the management; (iii) reviewing and monitoring the policies and practices of the Company in compliance with the relevant laws and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (v) reviewing the compliance with the Corporate Governance Code by the Company and the disclosure in the Corporate Governance Report.

企業管治職能

董事會負責履行的企業管治職責包括：(i)制定及檢討本公司的企業管治政策及常規；(ii)檢討及監察董事及管理層的培訓及持續專業發展；(iii)檢討及監察本公司在遵守有關法律及監管規定方面的政策及常規；(iv)制定、檢討及監察適用於僱員及董事的操守守則及合規手冊；及(v)檢討本公司遵守《企業管治守則》的情況及《企業管治報告》內的披露。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMPANY SECRETARY

Mr. Pang Yick Him (“**Mr. Pang**”) was appointed as the Company Secretary of the Company since 6 December 2019. Mr. Pang is not a full time employee of the Company. The primary person at the Company with whom Mr. Pang has been contacting in respect of company secretarial matters is Mr. Cheng Wang Chun, an executive director.

Mr. Pang has over 10 years of experience in auditing, accounting, finance, treasury management and corporate compliance. Mr. Pang holds a bachelor degree of business administration from the Hong Kong Baptist University and is a practising member of the Hong Kong Institute of Certified Public Accountants and & Certified Financial Risk Manager admitted by the Global Association of Risk Professionals. Mr. Pang is currently also a director of a local audit firm in Hong Kong.

During the year ended 31 December 2020, the Board has access to the advice and services of Mr. Pang at all times in accordance with Code Provision F.1.4 of Appendix 15 to the GEM Listing Rules. Mr. Pang has taken no less than 15 hours of professional training during the year under review pursuant to Rule 5.15 of the GEM Listing Rules.

THE AUDITORS

With the recommendation of the Audit Committee, the Company engaged Elite Partners CPA Limited (“**Elite Partners**”) as the external auditors for the financial year ended 31 December 2020. Elite Partners is independent and there are no relationships between Elite Partners and the Company that are likely to impair its independence. The roles and responsibilities of Elite Partners are stated in the Independent Auditors’ Report on pages 147 to 154 of this annual report.

The fees paid/payable to Elite Partners, the independent auditors, in respect of audit services and non-audit services for the year ended 31 December 2020 are set out below:

Type of services provided by the independent auditors 獨立核數師提供的服務種類

		Fees paid/payable 已付／應付費用 HK\$ 港元
Audit services	審計服務	1,100,000
Non-audit services	非審計服務	
– Other	– 其他	–
TOTAL:	合計：	<u>1,100,000</u>

公司秘書

於二零一九年十二月六日，彭翊謙先生（「**彭先生**」）獲委任為本公司之公司秘書。彭先生並非本公司全職僱員。彭先生就公司秘書事務一直與之聯絡的本公司主要人士為本公司的執行董事即鄭弘駿先生。

彭先生於審計、會計、財務、資金管理及企業合規方面擁有超過10年經驗。彭先生持有香港浸會大學工商管理學士學位，並為香港會計師公會的執業會員及全球風險管理專業人士協會認可的註冊金融風險管理師。彭先生目前亦為香港一間本地核數師事務所的董事。

於截至二零二零年十二月三十一日止年度，董事會根據GEM上市規則附錄15之守則條文第F.1.4條可隨時獲取彭先生的意見及服務。於回顧年度內，彭先生已根據GEM上市規則第5.15條接受不少於15小時的專業培訓。

核數師

在審核委員會的建議下，本公司聘用開元信德會計師事務所有限公司（「**開元信德**」）擔任截至二零二零年十二月三十一日止財政年度之外部核數師。開元信德獨立於本公司，且開元信德與本公司概無任何可能損害其獨立性的關係。開元信德的職務及責任載列於本年報第147至154頁之獨立核數師報告。

於截至二零二零年十二月三十一日止年度，就獨立核數師開元信德提供之審計服務及非審計服務而支付／應付的費用載列如下：

DIVIDEND POLICY

The Board has adopted a dividend policy with effect from 1 January 2019. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- (i) the financial condition of the Group;
- (ii) the prevailing economic climate;
- (iii) the Group's earnings and cash flow;
- (iv) the Group's expected capital requirements;
- (v) statutory and regulatory restrictions on the payment of dividends by the Company;
- (vi) the retained earnings and distributable reserves of the Company and each of the members of the Group; and
- (vii) any other factors that the Board deems appropriate.

Declaration and payment of dividend by the Company is also subject to the Bye-laws, the laws of Bermuda and any applicable laws, rules and regulations.

The dividend policy will continue to be reviewed from time to time by the Board and there can be no assurance that any dividend will be proposed or declared in any given period.

INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and conducted annual review of the effectiveness of such systems through the Audit Committee. The Group's risk management framework sets out the process of identification, evaluation and management of the principal risks affecting the business, please refer to "Risk Management Report" of this annual report for details. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfilment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and shareholders' interests.

股息政策

董事會已採納股息政策，由二零一九年一月一日起生效。決定會否建議派付股息時及釐定股息金額時，董事會會考慮（其中包括）：

- (i) 本集團財務狀況；
- (ii) 當前經濟氣候；
- (iii) 本集團盈利及現金流；
- (iv) 本集團預計的資金規定；
- (v) 本公司派付股息的法定及規定限制；
- (vi) 本公司及本集團各成員公司的保留盈利及可分配儲備；及
- (vii) 董事視為合適的任何其他因素。

本公司宣派及派付股息須遵從公司細則、百慕達法律及任何適用的法律、法例及法規。

董事會將不時繼續檢討股息政策。概不保證在任何既定期間建議派付或宣派任何股息。

內部監控

董事會深明他們有責任監察本集團的風險管理及內部監控系統，並透過審核委員會就有關制度的成效進行年度檢討。本集團之風險管理框架列出辨認、評估及管理影響業務的主要風險的程序，詳細內容請參閱本年報「風險管理報告」。本集團的內部監控系統旨在就避免重大錯誤陳述或損失提供合理而非絕對的保證，以及管理並消除經營制度失誤及未能達成業務目標的風險。董事會持續檢討內部監控系統，以確保其在保障重大資產及股東利益方面提供實際而有效的合理保證。

Internal Control Policies

The Group's internal control has put in place by the Board, management, and other personnel of the Group, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

The internal control covers every activity and transaction in the Group, while the Group emphasized that everyone is an important part of internal control systems. The internal control policies of the Group comprises five aspects:

- *Separation of Duties*

Separation of duties involves splitting responsibility of particular experienced employees for personnel administration, planning, performance monitoring, marketing and accounting and requiring critical tasks to be reviewed by the management of the Group.

- *Access Control*

Controlling access to different parts of data and/or system via passwords, lockouts and electronic access logs can keep unauthorized users out of the data and/or system while access tracking can also serve to deter attempts at fraudulent access in the first place.

- *Approval Authority*

Requiring specific managers to authorize certain types of transactions such as large amount orders, significant transaction, etc and approval for particular activities such as recruitment, marketing plans, large payments and expenses, etc to prevent unscrupulous employees from making large fraudulent transactions.

內部監控政策

本集團的內部監控已由董事會、管理層及本集團其他員工設計，以就完成以下類別的目標提供合理保證：

- 營運的有效性及效益
- 財務申報的可靠性
- 適用法律及法規的合規情況

內部監控覆蓋本集團的每項活動及交易，本集團強調每人都是內部監控系統重要的一員。本集團的內部監控政策由五個方面組成：

- *職責分工*

職責分工涉及按個別有特定經驗的員工就人事行政、規劃、表現監控、市場營銷及會計等分配職責，並要求本集團管理層審閱重要項目。

- *權限控制*

控制透過密碼、門鎖及電子存取記錄取得數據及／或系統的不同部分，能防止未經授權使用者取得數據及／或系統。同時存取跟蹤亦可以第一時間偵測試圖以欺詐手段獲取資料的行為。

- *批准授權*

如大額訂單及重要交易等若干交易種類以及如招聘、市場營銷計劃、大額付款及開支等若干活動均需要指定經理授權及批准，以防僱員進行不法的大額欺詐交易。

- *Documentations*

Standardizing documents used for particular activities (e.g. Hotel room reservation form, petty cash claim form, administration memo, etc) to maintain consistency in record keeping over time. Using standard document formats can make it easier to review past records when searching for the source of a discrepancy in the system.

- *Internal Audit*

Internal audits include test on the Group's operating procedures, documents examination, hand-counting cash and any physical assets tracked, etc to oversee the effectiveness of the internal controls.

The Board and the Audit Committee have conducted an annual review on the need of setting up an internal audit department and having considered that the corporate and operation structure of the Group is not complex and a separate internal audit department may divert resources of the Group, the Board and the Audit Committee consider that the Company currently is not necessary to have an internal audit department.

During the year ended 31 December 2020, the Audit Committee conducted a review on the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of the Company's accounting, internal control and financial reporting functions, and training programmes and budget. The Audit Committee's view on the Group's risk management and internal control systems and their effectiveness. The Board and the Audit Committee considered the risk management and internal control of the Group effective and adequate. No significant control failings or weakness have been identified by the Audit Committee during the review.

- *文件記錄*

統一用於特定活動(如酒店訂房表格、小額現金申索表及行政備忘等)的文件規範,以維持一致的記錄保存。在系統裡搜索差異點時,使用標準化文件格式審閱過往記錄更為方便。

- *內部審核*

內部審核包含本集團營運程序、文件審查、手點現金及任何實物資產跟蹤等測試,以監督內部監控的有效執行。

董事會及審核委員會已就設立內部審計部門的需要進行年度審閱,並且認為,於本集團之企業及營運架構並不複雜,且一個獨立的內部審計部門可能分薄本集團資源,董事會及審核委員會認為本公司目前無需設立內部審計部門。

截至二零二零年十二月三十一日止年度,審核委員會對本集團風險管理及內部控制系統的成效進行審閱,審閱內容包括財務、營運及合規控制及風險管理活動、資源的充足性、本公司會計、內部監督及財務申報方面的員工資格及經驗以及培訓課程及預算。審核委員會就本集團的風險管理及內部控制系統以及其有效性發佈的觀點。董事會及審核委員會信納本集團風險管理及內部控制的有效性。於該審核委員會檢視期內並無辨認到任何重大監控失誤或弱項。

CORPORATE GOVERNANCE REPORT

企業管治報告

For the year ended 31 December 2020, no significant areas of concern that might affect shareholders were identified. It should be acknowledged that the Group's risk management and Internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives at the reasonable level, but not absolute assurance against material misstatement or loss.

INSIDE INFORMATION

With respect to the procedures and internal control for the handling and dissemination of price-sensitive information, the Company is aware of its obligations under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO") and the GEM Listing Rules and has established the inside information/price sensitive information disclosure policy (the "**Disclosure Policy**") with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Future Commission of Hong Kong.

The Disclosure Policy includes, among other things:

- (i) only designated persons are authorised to communicate the Company's corporate matters with investors, analysts, the media or other members of the investment community;
- (ii) Directors shall report to the Chief Executive Officer any potential/suspected inside information as soon as practicable for him to consult (if appropriate) the Board thereafter for determining the nature of developments, and if required, making appropriate disclosure;
- (iii) disclosure of inside information must be made in a manner that can provide for equal, timely and effective access by the public to the disclosed inside information;
- (iv) inside information must be kept strictly confidential until a public announcement is made and shall be disseminated in accordance with the requirements of the SFO and the GEM Listing Rules before it is released via other channels.

在截至二零二零年十二月三十一日止年度，概無識別任何可能對股東構成影響的重要關注事項。請注意本集團的風險管理及內部監控系統旨在合理管理而不是消除無法達致業務目標的風險，但無法排除可能出現重大錯誤陳述或虧損。

內幕消息

有關處理及發佈股價敏感資料之程序及內部監控，本公司知悉其根據香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XIVA部及GEM上市規則之責任，並因應香港證券及期貨事務監察委員會頒佈之「**內幕消息披露指引**」而制訂內幕消息／股價敏感資料之披露政策。

披露政策包括（其中包括）：

- (i) 僅指定人士獲授權與投資者、分析師、媒體或投資者其他成員交流本公司之公司事宜；
- (ii) 董事須於實際可行情況下盡快向行政總裁匯報任何潛在／涉嫌內幕消息以供其隨後諮詢（如適用）董事會以釐定發展之性質，及如需要，作為適當披露；
- (iii) 披露內幕消息須以可為獲取所披露內幕消息之公眾人士提供平均、及時及有效途徑之方式作出；
- (iv) 內幕消息須嚴格保密，直至作為公佈為止，並須於透過其他渠道刊發前根據證券及期貨條例及上市規則規定發佈。

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's constitutional documents during the year ended 31 December 2020.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board is committed to maintaining an ongoing and transparent communication with all shareholders which enables shareholders and investors to make the best investment decision and to have better understanding on the Group's business performance and strategies. The Board also believes that it is vital for developing and maintaining continuing investor relations with the Company's potential and existing investors.

The Company maintains a website at "www.nationalarts.hk" as a communication platform with its shareholders and investors, where the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Board considers general meetings of the Company as an important channel for shareholders to exchange views with the Board and will endeavour to be available at the meetings to answer any questions raised by shareholders of the Company.

SHAREHOLDERS' RIGHTS

It is the Company's responsibility to ensure shareholders' interest. To do so, the Company maintains on-going dialogues with shareholders and encourage their participation in the AGM or other general meetings. Notice of meeting containing agenda, proposed resolutions and proxy form are sent to registered shareholders by post. All shareholders are entitled to attend AGM and special general meetings ("SGM"), provided that their names are registered in the register of members of the Company on the record date which is used to determine the entitlement to attend a meeting.

章程文件

於截至二零二零年十二月三十一日止年度，本公司的章程文件並未經修改。

與股東保持溝通及投資者關係

董事會致力維持與全體股東進行持續及透明之通訊，幫助股東及投資者作出最佳的投資決策及加強其對本集團業務表現及策略的瞭解。董事會亦相信，此對與本公司潛在及現有投資者建立及維持持續的投資者關係而言亦極為重要。

公司設有一個網站「www.nationalarts.hk」作為與其股東及投資者溝通的平台，公眾可透過該網站查閱本集團的業務發展及營運、財務資料、企業管治常規及其他資料。

董事會認為，本公司股東大會為股東與董事會交流意見提供一個重要渠道，此外，董事會將盡量出席大會並回答本公司股東提出的任何問題。

股東權利

保障股東權益是本公司的職責。為此，本公司持續與股東保持聯繫，並鼓勵彼等出席股東週年大會或其他股東大會參與本公司事務。我們以郵遞方式向登記股東寄發大會通告，當中載有會議議程、提呈的決議案以及代表委任表格。全體股東均有權出席股東週年大會及股東特別大會（「股東特別大會」），前提為彼等於釐定出席大會權利之記錄日期名列本公司股東名冊。

CORPORATE GOVERNANCE REPORT 企業管治報告

According to the Bye-laws, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an SGM to be called by the Board, provided that such requisition properly states the object(s) and deposited at the registered office of the Company for the attention of the Company Secretary, and be verified with and confirmed by the Company's share registrar that such requisition is proper and in order.

The SGM shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) or any of them representing more than one-half of their total voting rights may do so, but any SGM so convened shall not be held after the expiration of 3 months from the date of deposit of the requisition. A meeting convened by the requisitionist(s) shall be convened in the same manner as if the meeting was convened by the Board.

Pursuant to the Bermuda Companies Act 1981, either any number of registered shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "Requisitionists"), or not less than 100 registered shareholders, can request the Company in writing to (i) provide shareholders entitled to receive notice of the next general meeting with notice of any resolution(s) which may properly be moved and is intended to be moved at that meeting; and (ii) circulate to shareholders entitled to have notice of any general meetings any statement(s) in not more than 1,000 words with respect to the matter referred to in any proposed resolutions or other businesses to be dealt with at that meeting. A requisition signed by all the requisitionist(s) with a sum sufficient to meet the Company's relevant expenses shall be deposited at the registered office of the Company not less than six weeks in case of a requisition requiring a notice of resolution(s) or before the meeting. If an AGM is called for on a date six weeks or less after the deposit of such requisition, such requisition, through not deposited within the required time period, shall be deemed to have been properly deposited for the purpose thereof.

根據公司細則，任何於遞呈要求日期持有本公司附帶權利可於本公司股東大會上投票之繳足股本不少於十分之一的一名或以上股東，有權於任何時候透過向董事會或本公司秘書發出書面請求，要求董事會召開股東特別大會。有關書面請求須列明大會的目的，並送交本公司之註冊辦事處（註明收件人為公司秘書），有關請求將由本公司之股份過戶登記處核實，以確認書面請求屬妥善及適宜。

股東特別大會應於遞呈該請求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則該等呈請人或佔全體呈請人總投票權一半以上之呈請人，可自行召開股東特別大會，但任何如此召開之股東特別大會不得在上述請求書遞呈日期起計三個月屆滿後舉行。由呈請人召開之大會須以接近董事會召開大會之方式召開。

根據百慕達一九八一年公司法，持有本公司附帶權利可於本公司股東大會投票之繳足股本不少於二十分之一（5%）之登記股東（「呈請人」），或不少於100名有關登記股東，可向本公司提交書面要求：(i)向有權接收下一屆股東大會通告之股東發出通知，以告知任何可能於該大會上正式動議及擬於會上動議之決議案；及(ii)向有權獲寄發任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。由所有呈請人簽署之呈請須送交本公司註冊辦事處，並須在不少於（倘為要求決議案通知之呈請）大會舉行前六週或大會舉行前遞交及須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

Enquiries from shareholders

Shareholders' enquiries regarding their shareholdings should be directed to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited. Other enquiries from shareholders can be directed to the Board whose contact details are shown on page 4 of this annual report.

To ensure the long-term growth and achieve the Group's strategic objectives, an effective risk management takes an essential and important role. Since 2017, the Group adopted a systematic and sustainable approach in order to provide a clear responsibility and accountability structure for risk management.

The Group's risk management framework clearly stated the role of the Board, Audit Committee, managerial officers of the Company (the "**Management**") and business unit and their own responsibilities to risk management. The aim is to identify risks and then manage them so that they can be understood, reduced, mitigated or avoided. The Group's Risk Management Report was presented to the Board for review.

股東查詢

股東可向本公司於香港之股份過戶登記分處卓佳秘書商務有限公司查詢彼等之持股情況。股東之其他查詢可向董事會作出，聯絡資料載於本年報第4頁。

為確保長期增長及實現本集團策略性目標，執行有效的風險管理實在不可或缺。自二零一七年以來，本集團採納有系統及可持續的措施，藉此為風險管理提供一個清晰的負責及問責架構。

本集團的風險管理架構清楚列明董事會、審核委員會、本公司管理人員（「**管理層**」）及各業務單位的角色，以及彼等自身對風險管理的責任。目的是識別風險，然後加以管理，務求能夠明白、降低、紓緩或避免風險。本集團的風險管理報告已提呈予董事會以供其審閱。

RISK MANAGEMENT REPORT

風險管理報告

THE GROUP'S RISK MANAGEMENT FRAMEWORK

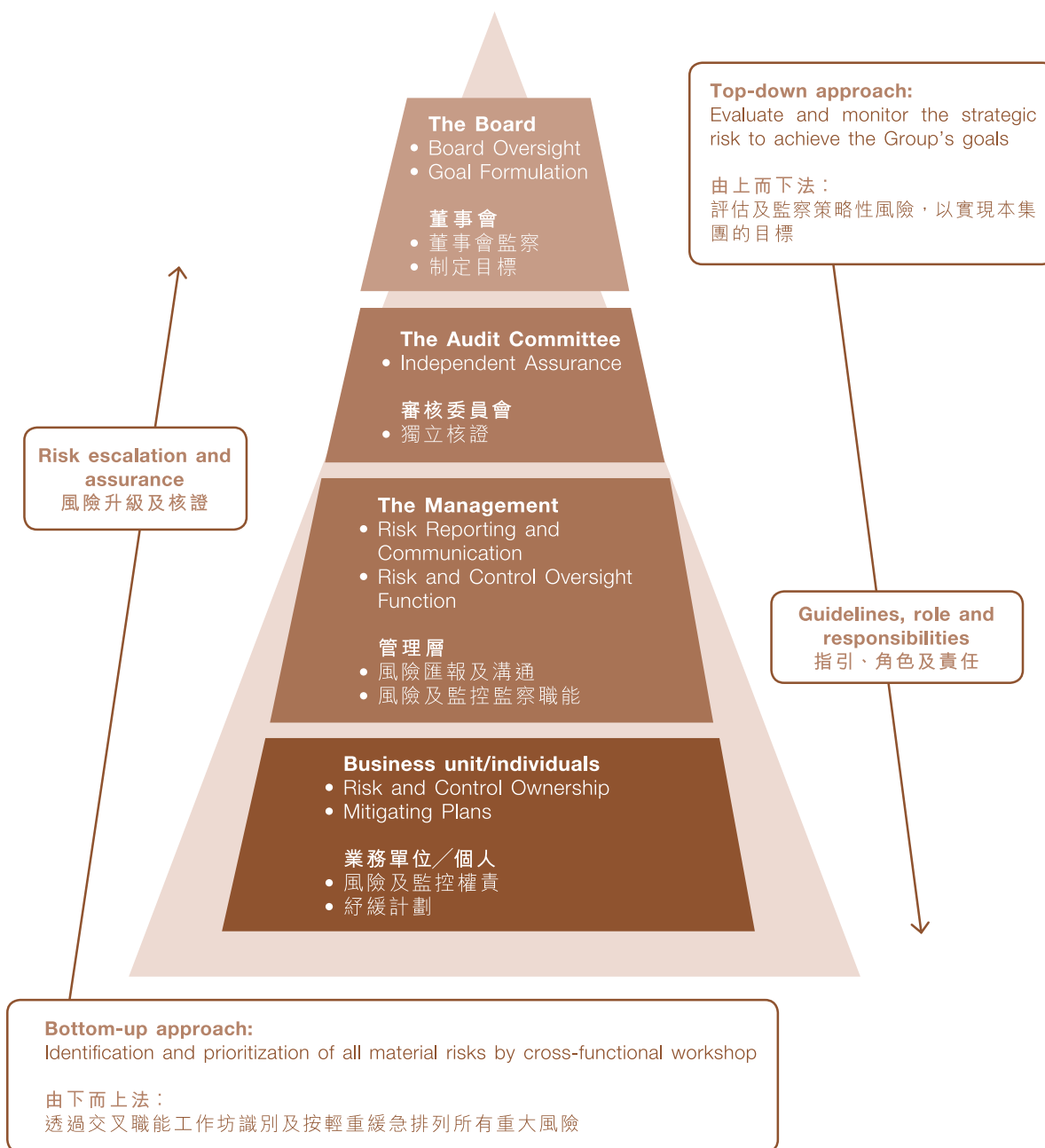
The Group's risk management framework and its own responsibilities:

The Group's risk management framework

本集團的風險管理架構

本集團的風險管理架構及其自身的責任：

本集團的風險管理架構



The Group's Risk Management Responsibilities

1. The Board is responsible to:
 - i. Formulate the annual business objectives, planning and decision making at the strategic level;
 - ii. Oversee management in the design, implementation and monitoring of the risk management framework and approve risk appetite. Meeting with Audit Committee and the Management to ensure the risk management framework is maintained appropriately and effectively.
2. The Audit Committee is responsible to:
 - i. Oversee the Group's overall risk assessment along with the effectiveness of the risk controls and mitigation process and identify all material risks that may impact the achievement of the Group's business objectives;
 - ii. Review the risk reports and breaches of risk tolerances and policies, and discuss with the Management in relation to the selected risks for more detailed review. Summarise the material risks and circulate to the Board.
3. The Management is responsible to:
 - i. Review the risk management process regularly, and report on the key risks and consider common risks across the Group. The Group Risk Management Report shall be prepared and submitted to the Audit Committee;
 - ii. Identify the Group's financial risks and non-financial risks, including strategic reputational, regulatory, operational risk and rank the risks with reference to their own materiality and circumstances. Risk register shall be established;
 - iii. Establish various policies, procedures and guidelines with defined authority for effective segregation in relation to the risk management and established an effective communication channel to report on any malpractice and unethical conduct. The training programme is arranged for the Group's employees regularly to ensure their understanding of the Group's business objectives and their own duties.

本集團的風險管理責任

1. 董事會負責：
 - i. 制定全年業務目標、規劃及作出策略性決策；
 - ii. 監察管理層對風險管理架構的設計、實施及監察，並批准風險承受度。與審核委員會及管理層舉行會議，以確保風險管理架構獲適當及有效地維持。
2. 審核委員會負責：
 - i. 監察本集團整體風險評估，以及風險監控及紓緩程序的有效性，並識別所有可能影響本集團實現業務目標的重大風險；
 - ii. 審閱風險報告及違反風險承受能力和政策的事宜，並就選定風險與管理層進行討論以作更深入的審閱。向董事會概述並呈報重大風險。
3. 管理層負責：
 - i. 定期審閱風險管理程序，匯報主要風險，以及考慮整個本集團的常見風險。須編製集團風險管理報告，並遞交予審核委員會；
 - ii. 識別本集團的財務風險及非財務風險，包括策略性信譽、監管、營運風險，並參照其自身的重要性及情況排列有關風險，以及設立風險名冊；
 - iii. 制定多項風險管理政策、程序及指引，界定權限以有效區分職責，並設立有效的溝通渠道，以匯報任何不當及不道德行為。本集團定期為僱員安排培訓計劃，確保彼等明白本集團的業務目標及自身的職責。

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4. The business units and each individual are responsible to:
 - i. Carry out risk management activities in day-to-day operation in their areas of responsibility, making effective risk management processes and mitigating plans in accordance with good practices and guidelines established by the Management;
 - ii. Report any malpractice and unethical conduct within the Group without fear of reprisal and victimization, and discuss with the Management on any difficulties in relation to the risk management on a timely basis. Business Unit risk management reports shall be prepared and submitted to the Management.
4. 業務單位及每名個別人士負責：
 - i. 遵從管理層制定的良好常規及指引，在日常營運過程中執行職責範圍內的風險管理活動，作出有效的風險管理程序及紓緩計劃；
 - ii. 匯報本集團內的任何不常及不道德行為，而毋須畏懼報復或受害，及時就風險管理的任何困難與管理層討論。須編製業務單位風險管理報告，並遞交予管理層。

The Group's Risk Management Process

The Group's risk management process consists of five major phases: 1) Establishing the risk context; 2) Identifying risks; 3) Risk assessment and evaluation; 4) Developing control and mitigation plans; 5) Risk reporting and monitoring, covering the business and decision-making processes including strategy formulation, business development and planning, capital allocation, investment decisions and day-to-day operation:

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|---|--|
| 1). Establishing the risk context
設定風險背景 | <ul style="list-style-type: none">• Risk reference tables for the Group were established and updated by the business units and reviewed by the Management regularly.
業務單位為本集團設立及更新風險參考表，並由管理層定期審閱。• The Management sets a common risk language to avoid any conflicting terminology or confusion.
管理層設定一般風險語言，避免使用任何衝突詞彙或混淆。 |
| 2). Identifying risks
識別風險 | <ul style="list-style-type: none">• In annual business planning process, divisions and departments are required to identify all material risks that may impact their achievement of business objectives.
在全年業務規劃過程中，分部及部門須識別可能影響其實現業務目標的所有重大風險。• Divisions and departments identify the risks at the business unit level and the Management identifies the risks including financial and non-financial risk at the Group level.
分部及部門識別業務單位層面的風險，管理層識別集團層面的財務及非財務風險。 |
| 3). Risk assessment and evaluation
風險評估 | <ul style="list-style-type: none">• Divisions and departments assess and score the risk identified along with their impact on the business and the likelihood of their occurrence.
分部及部門評估及評價所識別的風險，以及其對業務的影響及其發生的可能性。• The Management shall ensure project risk for each investment project is assessed in details and properly documented.
管理層應確保就各個投資項目進行詳細的項目風險評估，並妥善記錄在案。• The risks identified in the annual business planning process and/or in each investment planning process are evaluated based on the same set of risk profiling criteria as the quarterly risk review process.
在全年業務規劃過程中及／或在各個投資規劃過程中所識別的風險根據與季度風險審閱過程的同一套風險分析準則評估。 |

本集團的風險管理程序

本集團的風險管理程序包括五大階段：1) 設定風險背景；2) 識別風險；3) 風險評估；4) 制定監控及紓緩計劃；5) 風險報告及監察，涵蓋業務及決策程序，包括制定策略、業務發展及規劃、資金分配、投資決定及日常營運：

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|--|--|
| 4). Developing control and mitigation plans
制定監控及紓緩計劃 | <ul style="list-style-type: none">• The Management reviews the effectiveness of the risk management process and approves the mitigation plans.
管理層檢討風險管理程序的有效性及批准紓緩計劃。• Divisions and departments identify risk and then processes the mitigating plans in accordance with good practices and guidelines established by the Management.
分部及部門遵從管理層所制定的良好常規及指引，識別風險，然後制定紓緩計劃。 |
| 5). Risk reporting and monitoring
風險報告及監察 | <ul style="list-style-type: none">• Emerging risks and/or overarching strategic risks, which may have a material impact on the Group over a longer time frame, are monitored and discussed on a quarterly basis by the Audit Committee and the Board.
新形成的風險及／或重要的策略性風險長遠而言或會對本集團造成重大影響，由本集團審核委員會與董事會監察及每季進行討論。• The Board established a communication channel including bottom-up and top-down review process across the Group.
董事會制定溝通渠道，包括對本集團整體進行由下而上及由上而下的審閱。• Business units prepared the quarterly Business Unit Risk Management Report and submitted to the Management. The Management reviews the Business Unit Risk Management Report and highlights the material risk in the Group Risk Management Report and submits to the Audit Committee on a quarterly basis.
業務單位編製季度業務單位風險管理報告並遞交予管理層。管理層每季審閱業務單位風險管理報告，及重點指出集團風險管理報告中的重大風險，並遞交予審核委員會。 |

Material Risks of the Group

Since 2016, the Group has adopted the an enterprise risk management system (the “**ERM System**”) in the identification and analysis of existing and emerging risks to the business strategy planning and business development of the Group including: business, strategic and regulatory risks, financial risks and operational risks. The ERM System adopted was compiled to cover: 1) the material risks of the Group in both existing and new business; and 2) associated action plans and controls designed to mitigate the material risks, where applicable, at appropriate levels:

本集團的重大風險

自二零一六年起，本集團採用企業風險管理制度（「**企業風險管理制度**」），以識別及分析本集團的業務策略規劃和業務發展的現有及新形成風險，包括業務、策略及監管風險、財務風險及營運風險。所採納的企業風險管理制度的編製目的是涵蓋：1)本集團在現有及新興業務中的重大風險；及2)旨在紓緩適當層面上的重大風險的相關行動計劃及監控，如：

Risk Description
風險描述

Risk Mitigations
風險紓緩措施

Business, strategic and regulatory risks: They are the risks in relation to the impact from the market environments, changes of corporate structure, non-compliance of regulatory, rules or laws and the strategy planning of the Group. These risks included longer-term risks for the upcoming 3-5 year and are reviewed by Audit Committee quarterly and documented in the Group's Risk Management Report.

業務、策略及監管風險：此等乃與市場環境、公司架構變動、違反監管規定、規則或法律及本集團策略規劃所產生影響有關的風險。該等風險包括未來3至5年的長期風險，由審核委員會每季審閱及在集團風險管理報告中記錄在案。

Failure to React to Rapid Growth of Online Activities (Online Threat)

The continuous and rapid growth of online activities including digital media and online marketing further drives changes in business behavior while altering the entire competitive landscape, especially in the PRC.

Furthermore, online rating platforms are increasingly popular which allow customers to give comments on the Group's products and services and thus reputational risks for the Group become higher and higher.

未能及時對應快速成長的網上活動（網上威脅）

網上活動持續快速地增長，包括：數碼媒體及網上營銷進一步促使營商行為改革，同時改變整個競爭格局，特別是在中國。

此外，在線評價平台越來越受到歡迎，這使得客戶可以對本集團的產品及服務做出評價，因此，本集團的聲譽風險變得越來越高。

Possible Non-compliance with Corporate Governance Code

With effect from 1 January 2016, the Stock Exchange has amended its Corporate Governance Code relating to risk management. With the rapid development of the Group, employee's risk awareness and risk management technique may not be sufficient to ensure full compliance of the relevant requirements.

可能違反企業管治守則

自二零一六年一月一日起，聯交所修訂其關於風險管理的企業管治守則。隨著本集團的快速發展，員工的危機意識及風險管理技巧或不足以確保全面遵守相關規定。

• In the film production segment, the Group plans to introduce various elements e.g. Computer Graphics Technologies, Virtual Reality, etc. and invest in online TV programme, micro movies, etc. to cope with the high demands in online market.

就電影製作分部，本集團計劃引入不同的元素，例如電腦繪圖技術、虛擬實景等，並投資網上電視節目、微電影等，以應對網上市場的龐大需求。

• The Group uses variety of online media e.g. Facebook, Instagram etc. to establish communication channel with existing and new customers. In the meantime, the Group cooperates with other online media to put more focus on marketing efforts to attract target customers.

本集團利用不同的網上媒體，例如Facebook、Instagram等，建立與現有及新客戶的溝通渠道。與此同時，本集團與其他網上媒體合作，向目標客戶投放更多營銷資源。

The Group from time to time reviews comments on online rating platforms and made adjustments to its products and services to improve customer experiences.

本集團不時審查在線評價平台上的評價，然後對其產品及服務作出調整以提升客戶體驗。

• The Group has continuously improved and enhanced its enterprise risk management framework and strengthened a range of guideline, procedures and policies for employees across the Group to comply with the amendments and further adjustments are being made to relevant processes to facilitate timely compliance.

本集團繼續改善及提高其企業風險管理架構，並加強一系列指引、程序及政策，要求本集團全體僱員遵守，亦會對相關程序作出修訂和進一步調整，以促進適時遵守有關規則。

RISK MANAGEMENT REPORT

風險管理報告

Risk Description 風險描述

Product Competitiveness

The Group is well known for operating the Xiqiao National Arts Studio Project including film shooting areas, theme parks, etc. in Foshan City. However, some of the tourists may raise their attention to the theme park with similar nature nearby which got the national AAAA level tourist attractions identity since August 2016. The establishment of nearby competitor increased the importance of products and services diversity for the Group in order to retain the attention of tourists.

產品競爭力

本集團在佛山市營運的西樵山國藝影視城名氣甚高，該影視城包括拍攝場地、主題公園等。然而，若干旅客可能更加關注鄰近類似性質的主題公園，因為該等公園自二零一六年八月起獲評定為國家4A級旅遊景區。在保留遊客的興趣方面，臨近競爭對手的成立進一步凸顯出本集團產品及服務多樣性的重要性。

Risk Mitigations 風險紓緩措施

- To enhance the competitiveness of Xiqiao National Arts Studio Project, the Group has continuously enriched the festival events and entertainment programs, cooperated with resourceful companies to jointly organize and develop a series of unique projects such as Summer Sea, Land, Sky Carnival, Fresh Start Temple Fair and Halloween Event etc. 為提高西樵山國藝影視城項目的競爭力，本集團不斷豐富各個節日活動和娛樂項目的內容，並與資源雄厚的公司合作，共同組織及發展一系列特有項目，如夏日海陸空嘉年華、萬象更新廟會迎新和萬聖節主題活動等。
- 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 is located at the boundary line of the Greater Bay Area, it is expected to benefit from the strong momentum of the development in the Greater Bay Area. The Group planned construction project to expand both indoor and outdoor shooting bases and enhance the filming ancillary facilities. The Group is of the view that the development of Studio would help the Group to capture potential growth and business opportunities. 鑑於粵港澳大灣區（「大灣區」）的迅速發展，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，預期將受惠於大灣區的發展勢頭。本集團已計劃擴建室內外拍攝棚，提升拍攝配套設施。本集團認為影視城的發展將有助本集團把握旅遊的潛在增長及商業機遇。
- The Group is the first nominated corporation to assist the State Administration of Press, Publication, Radio, Film and Television of Foshan City in the operation and expansion of digital studios and shooting bases establishment and movie prop equipment leasing service etc. after Foshan Municipal People’s Government announced its “Foshan City Support Policies for Film and Television Industry Development” on 1 August 2017. As such, the Group will benefit from the supportive policies and actively invite different film and television companies to settle in Foshan with the provision of the Group’s film and television services so as to effectively expand the Group’s customer base in different areas and increase the reputation of the Group in the industry. 本集團為自佛山市人民政府於二零一七年八月一日宣佈《佛山市扶持影視產業發展的若干政策》以來，首間企業受到指名以協助佛山市文化廣電新聞出版局經營及拓展數碼攝影棚、建設實景街區項目、影視道具器材租賃等業務。集團將受惠於扶持政策，主動地邀請不同的企業到佛山市落戶及使用集團的影視服務。此舉將有效地為集團拓展不同方面的客戶群，為集團提高知名度。

Risk Description
風險描述

Risk Mitigations
風險紓緩措施

Financial risks: There are multiple types of risk associated with financing, including financial transactions. Financial risks is one of the major concerns of the Group across different fields and geographies. The Group reviewed the financial performance and assessed these risks before and after making each investment decision. The Group's risk management report in relation to these risks was prepared and reviewed on quarterly basis.

財務風險：與融資（包括金融交易）相關的風險種類繁多。財務風險為本集團跨不同領域及地區的主要問題之一。本集團檢討財務表現及於作出每個投資決定前後評估該等風險。本集團就該等風險之風險管理報告按每季度一次進行編製及審閱。

Highly Dependent on Debt Financing

The repayment of the debts and the payment of the relevant interest as a result of the financing by issuing bonds, convertible bonds, shareholder's loan with an regular interest payment put pressure on the Group's cash flow.

高度倚賴債務融資

透過發行債券、可換股債券、股東貸款融資，定期支付利息，可能導致償還債務及支付相關利息對本集團的現金流造成壓力。

- The Group commenced a debt restructuring exercise during the year ended 31 December 2019. The debt restructuring exercise was completed during the year ended 31 December 2020 by way of issuing new shares and convertible bonds. Upon the completion of the debt restructuring exercise, the principle and interests for the Group's debts was significantly decreased and thus the short term pressure on the Group's cash flows was eased.

本集團於截至二零一九年十二月三十一日止年度開始進行債務重組。債務重組已於截至二零二零年十二月三十一日止年度透過發行新股份及可換股債券完成。於債務重組完成後，本集團債務的本金及利息大幅減少，因此本集團現金流方面的短期壓力得到緩解。

The Group from time to time exploring potential possible fund-raising activities that would benefit the Group as a whole so that the Group would have adequate financial resources to settle its liabilities.

本集團不時探索對本集團整體有利之潛在可能籌資活動，以便本集團擁有充足財務資源償還其負債。

Foreign Currency Risk Associated with the Group's Investments

The Group's foreign currency risk remains low through currency matching practices of revenue, cost and debt.

於本集團投資有關的外匯風險

透過配對收益、成本及債務貨幣的自然對沖，本集團的外匯風險維持較低水平。

- Maintain current currency matching practices of revenue, cost and debt.
維持目前配對收益、成本及債務貨幣的配對做法。
- Project level debts to be denominated in and/or swapped into functional currency where possible. 以功能貨幣計值及／或轉換為功能貨幣（倘適用）的項目債務。
- Adopt hedging transaction in line with the Group Treasury Policy, where applicable, at appropriate levels.
接納符合本集團庫務政策的適當水平對沖交易（倘適用）。

Operational risks: There are the risks of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Group considered that these risks are closely related to good and quality management. In view of that, the Group has set up an effective internal control system. Details of the Internal Control are set out in the Corporate Governance Report on pages 57 to 81 of this annual report.

經營風險：因內部程序、員工及系統不足或失效或外來項目而產生。本集團認為該等風險與良好及高質量管理緊密相關。有鑒於此，本集團已設立有效內部監控系統。內部監控的詳情載於本年報第57至81頁的企業管治報告。

RISK MANAGEMENT REPORT

風險管理報告

Risk Description 風險描述

Recruitment, Staff Retention and Training

Film and service industries in the PRC are developing rapidly, and demand for talent has increased substantially. New technologies emerged yet there is a lack of relevant external training. The Group may face shortages and losses in human resources and technology.

招聘、挽留員工及培訓

中國電影及服務行業正迅速發展，對人才需求亦日益增長。新興技術出現但缺乏相關外部培訓。本集團或面臨人力資源及技術之短缺及損失。

Risk Mitigations 風險紓緩措施

- The Group recognizes that young people play an important role in its future success, and it is essential to attract them to join the Group and encourage them to develop their career with the Group. The Group enhanced its human resources structure and shifted its focus towards recruiting fresh graduates and develop a range of training programmes to cultivate home grown talents for the future management pipeline.
本集團認為年輕人對我們的未來成功至為重要，我們須吸引年輕人加入本集團及鼓勵其於本集團發展其事業。本集團提升其人力資源結構並將重心轉移至招聘應屆畢業生及開發一系列訓練項目以培養本地人才作日後管理梯隊。
- Tailored training programmes covering management, customers service, financial, etc are offered with support from Hong Kong head office to enhance employees' capability and to improve personal performance.
香港總公司全力支持，提供量身度做的培訓項目，以提高僱員能力及個人表現。
- Management of Hong Kong head office will travel to the PRC office for experience sharing and an effective communication channel was established between Hong Kong head office and the PRC office for reporting and enquiry.
香港總公司之管理層將走訪中國辦事處作經驗交流，香港總公司及中國辦事處之間建立有效溝通渠道以作報告及查詢。
- The Group held a series of activities for employees (e.g. Chinese New Year Celebration, Annual Dinner, etc) and provides Employee Discount Program with an aim to enhance the staff's sense of belonging to the Group and to establish a good working relationship with the management.
本集團為僱員舉行一系列活動（如慶祝中國農曆新年、年度晚會等）及提供僱員折扣優惠計劃，以提高員工於本集團的歸屬感及與管理層建立良好關係。

Risk Description
風險描述

Risk Mitigations
風險紓緩措施

Inadequate Infrastructure

With the rapid development of the Group (including hotel, film shooting base, cinema) etc., local infrastructure such as network and electricity may not be able to support the Group's new projects.

基礎建設不足

隨著本集團的快速發展(包括在酒店、電影拍攝基地、電影院等方面)，地方基礎設施(如網絡及電力)可能無法滿足本集團的新建項目。

The Group understands that to be a successful business, risk management is very important. In 2021, the Group will continue to (including but not limited to):

- Improve and enhance the risk management framework and its implementation to ensure compliance with the Corporate Governance Code and other applicable regulations.
- Offer risk awareness training programme to the PRC existing and new business and continue to review the effectiveness of the Internal Control System in the PRC.
- Seek opportunities to provide both internal and/or external training for its employees to enhance their risk awareness and risk management technique.

It should be acknowledged that the Group's risk management focuses on the risk detection, mitigation, and avoidance to provide reasonable but not absolute assurance against material misstatement or loss.

On behalf of the Board

National Arts Entertainment and Culture Group Limited

*(Provisional Liquidators Appointed)
(For Restructuring Purposes)*

Chow Kai Weng

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 22 October 2021

- The Group continuously devote resources to upgrade its facilities and will perform detailed planning to make sure infrastructure are sufficient for coming projects before their commencement.
本集團為升級其設施持續地投入資源，並將執行詳細的計劃以確保未來項目在動工之前，相關基礎設施可以準備就緒。

本集團深知風險管理對一間成功企業而言極為關鍵。於二零二一年，本集團將繼續(包括但不限於)：

- 改善及提高風險管理框架及執行，確保其符合企業管治守則及其他適用法規。
- 向中國現有及新公司提供風險意識培訓項目及繼續檢討中國內部監控系統的有效性。
- 尋找機遇為其僱員提供內部及/或外部培訓，以提高其風險意識及風險管理技能。

無可否認，本集團的風險管理專注於風險檢測、減緩風險及避免就重大失實陳述或損失作出合理而非絕對的保證。

代表董事會

國藝娛樂文化集團有限公司

*(任命為臨時清盤人)
(作重組用途)*

**主席、執行董事兼行政總裁
周啟榮**

香港，二零二一年十月二十二日

DIRECTORS' REPORT

董事會報告書

The Board has pleasure in presenting the directors' report together with the audited financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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, provision of travel related products and operations of film studio and hotel.

The analysis of the principal activities and geographical locations of the operations of the Group are set out in note 11 to the consolidated financial statements.

Further discussion and analysis of these activities (including an indication of likely future developments in the Group's business) and a review of the performance of the Group for the year under review can be found in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this Directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The operation of the Group's business may be affected by major risks and uncertainties which are set out in the "Risk Management Report" of this annual report.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is dedicated in promoting an environmentally-friendly corporate environment and incorporating green philosophy into the development of the Group. Details of the Group's environmental policies and performance during the year under review as well as its compliance record of laws and regulations which have a material implication or impact on its operation are set out in the "Environmental, Social and Governance Report" of this annual report.

董事會欣然提呈本集團截至二零二零年十二月三十一日止年度之董事會報告書連同經審核財務報表。

主要業務

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、提供旅行相關產品及經營影視城和酒店。

本集團主要業務及經營地區之分析載於綜合財務報表附註11。

有關該等活動的進一步討論及分析(包括本集團業務的可能未來發展之指示)及對本集團回顧年度表現之審閱載於本年報「管理層討論及分析」一節。該等討論構成本董事會報告書之一部分。

主要風險及不確定因素

本集團之業務營運可能受到主要風險及不確定因素之影響，其載於本年報「風險管理報告」。

環境政策及遵守法律及法規

本集團致力推行環保企業氛圍及於本集團發展中融入綠色理念。有關本集團於回顧年度環境政策及表現以及對其業務有重大意義或影響的法律及法規之合規記錄詳細載於本年報「環境、社會及管治報告」。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 155 to 156.

No dividend was paid during the year under review. The Board does not recommend the payment of a dividend for the year ended 31 December 2020 (2019: Nil).

FINANCIAL SUMMARY

A summary of the financial results and the assets, liabilities and equity of the Group for the last five financial years is set out on page 304.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year under review are set out in note 18 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 19 to the consolidated financial statements.

SHARE CAPITAL AND RESERVES

Details of movements in share capital of the Company during the year under review are set out in note 38 to the consolidated financial statements.

Details of movements in the reserves of the Company during the year under review are set out in the consolidated statement of changes in equity and note 39 to the consolidated financial statements.

業績及分配

本集團截至二零二零年十二月三十一日止年度之業績載於第155至156頁之綜合損益及其他全面收益表。

回顧年度內並無派付股息。董事會不建議派付截至二零二零年十二月三十一日止年度之股息（二零一九年：無）。

財務摘要

本集團過去五個財政年度之財務業績以及資產、負債及權益概要載於第304頁。

物業、廠房及設備

本集團之物業、廠房及設備於回顧年度之變動詳情載於綜合財務報表附註18。

附屬公司

本公司附屬公司之詳情載於綜合財務報表附註19。

股本及儲備

本公司股本於回顧年度之變動詳情載於綜合財務報表附註38。

本公司儲備於回顧年度之變動詳情載於綜合權益變動表及綜合財務報表附註39。

WINDING UP PETITION AND APPOINTMENT OF JOINT PROVISIONAL LIQUIDATORS

To facilitate the Company's financial restructuring, on 14 June 2019, a winding up petition together with the application for the appointment of Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Roy Bailey c/o EY Bermuda Ltd as joint provisional liquidators (the "JPLs") of the Company on a light touch approach for restructuring purposes (the "JPL Application") was presented and filed with the Supreme Court of Bermuda (the "Bermuda Court") by the Company's Bermuda Counsel, Conyers Dill & Pearman at the request of the Company.

The JPL Application was heard before the Bermuda Court on the same date at 2:30 p.m. Bermuda time. The Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, the JPLs have been appointed with immediate effect.

Pursuant to the order made by the Bermuda Court (the "Bermuda Order"), the JPLs are granted a wide range of powers, including but not limited to the powers to review the financial position of the Company, to monitor, consult with, oversee and otherwise liaise with the existing Board and the creditors and shareholders of the Company in determining the most appropriate manner of effecting a reorganisation and/or refinancing of the Company, to seek assistance of or recognition in any other courts as may be considered appropriate, and to do all things necessary and incidental to the exercise of the foregoing powers, etc.

By an order of the Honourable Mr. Justice Wilson Chan dated 15 August 2019, (i) the appointment of the JPLs pursuant to the order of the Bermuda Court dated 14 June 2019 was recognized by the High Court of Hong Kong with the powers conferred therein and (ii) the Company shall be permitted to register the transfer of fully paid up shares in the Company. As such, a court order has been in place to allow the transfer of fully paid up shares of the Company.

清盤呈請及委任共同臨時清盤人

為了促進本公司的財務重組，於二零一九年六月十四日，應本公司要求，本公司的百慕達律師 Conyers Dill & Pearman 向百慕達最高法院（「百慕達法院」）送呈及提交清盤呈請，連同在「非強制」基礎上委任羅申美企業顧問有限公司的馬德民先生及黎穎麟先生以及 EY Bermuda Ltd 的 Roy Bailey 先生為本公司的共同臨時清盤人（「共同臨時清盤人」）以作重組用途的申請（「共同臨時清盤人申請」）。

共同臨時清盤人申請於同日下午二時三十分（百慕達時間）在百慕達法院進行聆訊。百慕達法院應本公司要求提出共同臨時清盤人申請頒令（其中包括），委任共同臨時清盤人並即時生效。

根據百慕達法院發出之命令（「百慕達法院之命令」），共同臨時清盤人獲授大範圍的權力，包括但不限於審閱本公司財務狀況；監控、諮詢、監察及聯絡現任董事會及本公司之債權人及股東，以斷定本公司落實重組及／或再融資的最佳方式；在認為合適的情況下，向任何其他法院尋求協助及認可；以及採取所有所需及連帶的行動以行使上述權力等。

按陳嘉信法官日期為二零一九年八月十五日的命令，(i) 根據百慕達法院日期為二零一九年六月十四日之命令委任共同臨時清盤人獲香港高等法院認可，並認可其中賦予的權力；及(ii) 本公司應獲准登記轉讓本公司已繳足股份。因此，法院已頒令准許轉讓本公司已繳足股份。

RESTRUCTURING TRANSACTION

As disclosed in the Company's announcement dated 30 July 2019, on 10 July 2019, as part of the Company's financial restructuring plans, the Company invited all known creditors of the Company (the "**Creditors**") to make an offer to the Company to subscribe for:

- (1) 1% annual coupon rate convertible bonds due 2024 to be issued by the Company (the "**Convertible Bonds**") in the principal amount equal to 60% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s)) and convertible into fully-paid ordinary shares of the Company listed and traded on GEM at the initial conversion price of HK\$0.55 per conversion share (the "**Conversion Shares**") (the "**CB Subscription**"); and
- (2) new shares of the Company at the issue price of HK\$0.38 per share (the "**New Shares**") the total value of which equals to the remaining 40% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s)) (the "**Share Subscription**") (the CB Subscription and the Share Subscription together referred to as the "**Restructuring Transaction**"), as full and final settlement of all outstanding debts (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the debt(s)) due and owing by the Company to the Creditors, subject to the execution, and the final terms and conditions, of the subscription agreement, the bond instrument, any scheme of arrangement proposed by the Company and/or other agreements the execution of which is desirable for the implementation and consummation of the Restructuring Transaction, as the case maybe.

重組交易

誠如本公司日期為二零一九年七月三十日的公告所披露，於二零一九年七月十日，作為本公司財務重組計劃之一部分，本公司已邀請所有已知的本公司債權人（「**債權人**」），向本公司提呈要約以認購：

- (1) 由本公司將發行之1%年度票息率於二零二四年到期之可換股債券（「**可換股債券**」），其本金額等於本公司應付及結欠各債權人之債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的尚未償還本金額之60%，及可按初步轉換價每股轉換股份（「**轉換股份**」）0.55港元轉換為本公司於GEM上市及買賣之已繳足普通股（「**可換股債券認購**」）；及
- (2) 本公司按發行價每股0.38港元將發行之新股份（「**新股份**」），其總價值等於本公司應付及結欠各債權人之債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的尚未償還本金額餘下之40%（「**股份認購**」）（可換股債券認購及股份認購統稱「**重組交易**」），作為本公司應付及結欠債權人之所有尚未償還債務（倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算）的全數及最終償款的基準，惟須待簽署認購協議、債券文據、任何由本公司建議之安排計劃及／或就實行或達成重組交易所需的其他協議（視乎情況而定）及落實上述各項的最終條款及條件後，方可作實。

DIRECTORS' REPORT

董事會報告書

The offer by the Creditors to participate in the Restructuring Transaction also includes an agreement that the Creditors will participate in, support and vote in favour of a scheme(s) of arrangement proposed by the Company, where such scheme(s) is/are deemed necessary and appropriate by the Company and the JPLs of the Company appointed pursuant to the Order of the Bermuda Court dated 14 June 2019.

As disclosed in the Company's announcement dated 12 August 2019, the Company has received substantial support from its creditors regarding the Restructuring Transaction. In this respect, the Company proposed to put forward a scheme of arrangement pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 670 of the Companies Ordinance (Cap. 622) of Hong Kong with substantially similar terms under the Restructuring Transaction as disclosed in the announcement of the Company dated 30 July 2019, further details of which are set out in the paragraph headed "Scheme of Arrangement" below.

SCHEME OF ARRANGEMENT

As announced on 19 August 2019, the Company proposed to implement, subject to the approval by the Bermuda Court and the Hong Kong Court, the scheme of arrangement (the "**Scheme**"). Under the Scheme, the Company will issue the New Shares and the Convertible Bonds to the creditors of the Company (the "**Creditors**") to discharge and release the debt owing by the Company to the Creditors in full (the "**Claims**").

Up to 14 June 2019 (the "**Restructuring Order Date**"), based on the available books and records of the Company, the estimated total amount of Claims against the Company is approximately HK\$2.13 billion. This figure is indicative only and will be subject to final determination by the scheme administrators and (if applicable) adjudication under the Scheme.

On 4 October 2019, the Company obtained the directions of the Bermuda Court and the Hong Kong Court in the hearing before the Hong Kong Court and the Bermuda Court of the applications for leave to convene the meeting of the Creditors for the purpose of considering and approving, if thought fit, the Scheme by the Creditors (the "**Scheme Meeting**") on 8 November 2019. At such Scheme Meeting, the Scheme was approved by the requisite statutory majorities of the Creditors.

債權人向本公司提呈要約參與重組交易，亦包括同意債權人將參與、支持及投票贊成本公司所建議的一項或多項協議安排（該一項或多項協議安排被本公司及根據日期為二零一九年六月十四日百慕達法院頒令任命的共同臨時清盤人認為屬必須及合適）。

誠如本公司日期為二零一九年八月十二日的公告所披露，本公司就重組交易已獲其債權人鼎力支持。就此而言，本公司擬根據百慕達（一九八一年）的公司法第99條及香港法例第622章《公司條例》第670條提出與本公司日期為二零一九年七月三十日的公告披露的重組交易條款（更多詳情載於下文「安排計劃」一段）大致類似的安排計劃。

安排計劃

本公司於二零一九年八月十九日宣佈，建議在獲得百慕達法院及香港法院的批准下落實安排計劃（「**該計劃**」）。根據該計劃，本公司將向本公司債權人（「**債權人**」）發行新股份及可換股債券以全額清償及解除本公司結欠債權人的債務（「**索償**」）。

截至二零一九年六月十四日（「**重組命令日期**」），根據本公司可供查閱的賬冊及記錄，針對本公司提出的估計索償總額約為21.3億港元。該數據僅供參考，並將視乎計劃管理人之最終決定及（如適用）該計劃下作出之審裁而定。

於二零一九年十月四日，本公司在香港法院及百慕達法院的申請聆訊中獲得百慕達法院及香港法院的指示，准許於二零一九年十一月八日就審議及酌情批准債權人提出的計劃而召開債權人會議（「**計劃會議**」）。在該計劃會議上，債權人法定人數中的大多數通過該計劃。

On 10 October 2019, the Company convened the special general meeting (“SGM”) to consider and approve, if thought fit, the resolutions in relation to the Scheme, all of which were duly passed by way of poll, including the specific mandate granted to the Directors to allot and issue the New Issues and Convertible Bonds and the increase 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 additional 14,000,000,000 New Shares. On 27 November 2019, the Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the New Shares and Conversion Shares.

With the applications to the Bermuda Court and Hong Kong Court to sanction the Scheme subsequently, the Scheme was sanctioned by the Bermuda Court and Hong Kong Court on 13 December 2019 and 6 January 2020 respectively. The orders sanctioning the Scheme by the Bermuda Court and the Hong Kong Court were respectively registered with the Registrar of Companies in Bermuda on 26 February 2020 and Companies Registry in Hong Kong on 6 March 2020. As all conditions precedent to the Scheme have been fulfilled on 6 March 2020, the Scheme became effective on 6 March 2020.

As announced in the Company's announcement dated 20 March 2020, the Creditors were required to submit their respective notices of Claims together with other documents or other evidence necessary for substantiating their Claims to the scheme administrators on or before 4:00 p.m. on Tuesday, 14 April 2020 (the “Cut-Off Date”). The notice to Creditors of the Cut-Off Date was given to all Creditors by letter and by advertisement published in “The Standard” (in English) and “Sing Tao Daily” (in Chinese) circulated in Hong Kong, in “Ta Kung Pao” (in Chinese) circulated in the PRC, and in “The Royal Gazette” (in English) circulated in Bermuda on 20 March 2020.

Based on the final amounts of Claims of each Creditor, on 29 June 2020, 2,155,114,938 New Shares were allotted and issued and Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198 were issued to the Creditors.

Upon the issue of the New Shares and Convertible Bonds, all the Claims of the Creditors have been discharged and extinguished and the Creditors are not allowed to make any claim against the Company in respect of their Claims.

於二零一九年十月十日，本公司召開股東特別大會（「股東特別大會」），以審議及酌情批准有關該計劃的決議案（所有決議案均以投票方式獲正式通過，包括授予董事配發及發行新股份及可換股債券的特別授權）及透過增設額外14,000,000,000股新股份，將本公司的法定股本由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）。於二零一九年十一月二十七日，本公司獲聯交所所有條件地批准新股份及轉換股份上市及買賣。

後續向百慕達法院及香港法院申請批准該計劃，百慕達法院及香港法院分別於二零一九年十二月十三日及二零二零年一月六日批准該計劃。百慕達法院及香港法院批准該計劃的指示分別於二零二零年二月二十六日及二零二零年三月六日，向百慕達公司註冊處處長及香港公司註冊處登記。因為該計劃的所有先決條件均已於二零二零年三月六日達成，故該計劃於二零二零年三月六日起生效。

誠如本公司二零二零年三月二十日的公告所宣佈，債權人需於二零二零年四月十四日（星期二）下午四時（「截止日期」）正或之前各自向計劃管理人提交其索償通知，連同證明其索償所必需的其他文件或證明。截止日期通知於二零二零年三月二十日經信函寄發予所有債權人，並於香港發行的「英文虎報」（以英文）及「星島日報」（以中文）、於中國發行的「大公報」（以中文）、於百慕達發行的「The Royal Gazette」（以英文）上刊登廣告。

根據各債權人索償的最終金額，於二零二零年六月二十九日，本公司向債權人配發及發行2,155,114,938股新股份，以及發行本金總額為1,244,876,198港元的可換股債券。

在發行新股份及可換股債券後，債權人的所有索償已獲解除及清償，且債權人不得就其索償向本公司作出任何申索。

Issue of New Shares and Convertible Bonds under Specific Mandate

On 29 June 2020, completion of the Share Subscription and the CB Subscription took place, under which the Company (i) allotted and issued, in aggregate, 2,115,114,938 New Shares at the issue price of HK\$0.38 per New Share for settlement of 40% of the Claims held by the Creditors against the Company as at the Restructuring Order Date which have been admitted by the scheme administrators (the “**Admitted Claims**”) of the Creditors; and (ii) issued the Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198.

Details of the Share Subscription

The New Shares allotted have an aggregate nominal value of up to HK\$211,511,493.8. The issue price of HK\$0.38 per New Share represents a premium of approximately 84.47% over the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 19 August 2019. The New Shares are subject to a lock-up period of 12 months from the date of completion of the Share Subscription.

Details of the CB Subscription

The value of the Convertible Bonds issued to the Creditors was approximately HK\$1,244,876,198, being the sum of (i) up to approximately HK\$1,228,415,625 for the aggregation of 60% of the Claims of the Creditors and (ii) HK\$16,460,573 for the consent bonus (the “**Consent Bonus**”) (being an extra one (1) per cent of the outstanding principal amount of an eligible Creditor's debt (where applicable, together with interests accrued thereon and calculated up to the Restructuring Order Date at the respective annual interest rate of the relevant debt(s) to be awarded to the eligible Creditors in accordance with the terms of the Scheme). Assuming the exercise in full of the conversion rights (the “**Conversion Rights**”) attached to the Convertible Bonds at the initial conversion price of HK\$0.55 per Conversion Share, an aggregate of 2,263,411,269 Shares (with an aggregate nominal value of HK\$226,341,126.9) will be issued. The maturity date of the Convertible Bonds falls on the day being the fifth (5th) anniversary of the issue date of the Convertible Bonds (“**Maturity Date**”). Subject to the terms and conditions of the Convertible Bonds, the conversion price will initially be HK\$0.55 per share, but subject to customary adjustments including but not limited to (i) consolidation or subdivision; (ii) rights issue of shares or rights to acquire shares; (iii) issues of convertible securities; (iv) modification of rights of conversion; (v) other offers to shareholders; and (vi) other events. The initial conversion price of HK\$0.55 per Conversion Shares represents a premium of approximately 166.99% over the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 19 August 2019.

根據特別授權發行新股份及可換股債券

於二零二零年六月二十九日，股份認購及可換股債券認購完成，據此，本公司(i)按每股新股份0.38港元的發行價配發及發行合共2,115,114,938股新股份，以結清債權人於重組命令日期對本公司提出的已獲計劃管理人接納的索償（「**獲接納索償**」）的40%；及(ii)發行本金總額為1,244,876,198港元的可換股債券。

股份認購事項詳情

已配發的新股份的總面值達211,511,493.8港元。每股新股份0.38港元的發行價較二零一九年八月十九日聯交所報每股股份0.206港元的收市價溢價約84.47%。新股份自股份認購完成日期起有12個月的禁售期。

可換股債券認購事項詳情

向債權人發行的可換股債券的價值約為1,244,876,198港元，為(i)債權人索償的合共60%，最多約1,228,415,625港元及(ii)同意花紅（「**同意花紅**」）16,460,573港元（即根據該計劃之條款將獎勵予合資格債權人的結欠合資格債權人債務的尚未償還本金的額外百分之一（1）（倘適用，連同就有關債務累計及截至重組命令日期的利息，按相關債務的相關年利率計算））之和。假設可換股債券所附的換股權（「**換股權**」）按初步轉換價每股轉換股份0.55港元獲悉數行使，合共2,263,411,269股股份（總面值為226,341,126.9港元）將予發行。可換股債券的屆滿日期為可換股債券發行日期第五（5）個週年之日（「**屆滿日期**」）。根據可換股債券的條款及條件，轉換價初步為每股0.55港元，惟可作常規調整，包括但不限於(i)合併或分拆；(ii)供股或購買股份的權利；(iii)發行可轉換證券；(iv)修改轉換權；(v)向股東提呈的其他要約；及(vi)其他事項。每股轉換股份0.55港元的初步轉換價較二零一九年八月十九日聯交所報每股股份0.206港元的收市價溢價約166.99%。

The Convertible Bonds bear interest at 1% annual coupon rate payable annually from the issue date of the Convertible Bonds. The conversion period of the Convertible Bonds is from 29 June 2023 to 28 June 2025 during which period the holders of the Convertible Bonds can convert the Convertible Bonds into shares of the Company, provided that no holder of the Convertible Bonds shall exercise any conversion rights attached to the Convertible Bonds to the extent that immediately after such conversion (i) the holder of the Convertible Bonds together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or otherwise being obliged to make a general offer for Shares in accordance with the requirement of the Hong Kong Code on Takeovers and Mergers or (ii) there will not be sufficient public float of the Shares as required under the GEM Listing Rules.

Unless previously redeemed, converted, purchased or cancelled, the Company will redeem all of the Convertible Bonds on the Maturity Date at such amount equivalent to the principal amount of the outstanding Convertible Bonds (inclusive of interests received up to the Maturity Date).

The New Shares were and the Conversion Shares will be allotted and issued under the specific mandate sought from the Shareholders (other than Mr. Sin Kwok Lam ("Mr. Sin"), Ms. Law Po Yee ("Ms Law"), Mr. Chow Kai Weng ("Mr. Chow"), Mr. Tse Young Lai ("Mr. Tse") and Mr. Yiu Kin Kong and any Shareholder with a material interest in the Scheme) at the SGM held on 10 October 2019.

The Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the New Shares and the Conversion Shares.

可換股債券自其發行日期起按1%的年票息率計息，須每年支付一次利息。可換股債券的兌換期間由二零二三年六月二十九日起至二零二五年六月二十八日止，在此期間，可換股債券的持有人可將可換股債券兌換為本公司股份，前提是於緊隨可換股債券持有人行使可換股債券所附的任何兌換權後，不會出現以下情況：(i)可換股債券持有人連同其一致行動人士將直接或間接控制或持有本公司投票權30%或以上之權益（或香港公司收購及合併守則不時訂明觸發強制性全面收購之有關百分比）或根據香港公司收購及合併守則規定之其他方式須進行強制性全面收購或(ii)股份之公眾流通量將低於GEM上市規則之要求。

除非已於先前贖回、轉換、購買或註銷，本公司將於屆滿日期按相當於尚未償付可換股債券本金額之金額贖回所有可換股債券，包括截至屆滿日期所收取之利息。

新股份已及轉換股份將根據股東（冼國林先生（「**冼先生**」）、羅寶兒女士（「**羅女士**」）、周啟榮先生（「**周先生**」）、謝欣禮先生（「**謝先生**」）及姚建剛先生以及任何於該計劃中擁有重大權益的股東除外）於本公司於二零一九年十月十日舉行的股東特別大會授出的特別授權配發及發行。

聯交所有條件地批准本公司的新股份及轉換股份上市及買賣。

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Dilutive impact of the conversion of the Convertible Bonds

Assuming that there is no change in share capital of the Company since 31 December 2020 and the Conversion Rights are exercised in full, the number of issued shares of the Company will be increased by 2,263,411,269, representing approximately 30.49% of the issued share capital of the Company as at 31 December 2020 (i.e. 7,423,868,369 Shares) and approximately 23.36% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares. Such allotment and issue of the conversion shares will result in the respective shareholdings of the shareholders being diluted by approximately 23.36%.

Assuming there is no change in the shareholding of the substantial shareholder (within the meaning of the GEM Listing Rules) of the Company since 31 December 2020, the shareholding of the substantial shareholder of the Company as at 31 December 2020 immediately before and after the exercise of the Conversion Rights is set out below for illustration purposes:

轉換可換股債券產生之攤薄影響

假設本公司股本自二零二零年十二月三十一日起並無任何變動，且換股權獲悉數行使，則本公司已發行股份數目將增加2,263,411,269股，佔本公司於二零二零年十二月三十一日已發行股本（即7,423,868,369股股份）的約30.49%及本公司經配發及發行換股股份擴大後已發行股本的約23.36%。配發及發行換股股份將導致股東各自的股權攤薄約23.36%。

假設本公司主要股東（定義見GEM上市規則）的股權自二零二零年十二月三十一日起並無變動，則於二零二零年十二月三十一日，本公司主要股東緊接換股權獲行使前及緊隨換股權獲行使後的股權載列如下（以供作說明用途）：

Name of Shareholder 股東姓名	Shareholding immediately before the exercise of the Conversion Rights 緊接換股權獲行使前之股權		Shareholding immediately after the exercise of the Conversion Rights 緊隨換股權獲行使後之股權	
	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約百分比	Number of Shares held 持有股份數目	Approximate percentage of shareholding 概約百分比
Mr. Sin Kwok Lam (Note) 冼國林先生（附註）	1,584,147,296 1,584,147,296	21.34% 21.34%	2,334,562,548 2,334,562,548	24.10% 24.10%
Ms. Law Po Yee (Note) 羅寶兒女士（附註）	1,584,147,296 1,584,147,296	21.34% 21.34%	2,334,562,548 2,334,562,548	24.10% 24.10%

Note:

By virtue of the Securities and Futures Ordinance, each of Mr. Sin Kwok Lam and Ms. Law Po Yee, being spouses, was deemed to be interested in all the Shares in which the other was interested.

附註：

冼國林先生及羅寶兒女士為夫妻，因此根據證券及期貨條例，冼國林先生及羅寶兒女士各自被視為於對方擁有權益的所有股份中擁有權益。

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Diluted earnings per share for the profit attributable to the owners of the Company for the year ended 31 December 2020 was the same as basic earnings per share as the impact of the exercise of the Convertible Bonds is anti-dilutive.

Taking into account the measures taken by the Group to improve its financial and liquidity positions and the financial and liquidity positions of the Group and to the best knowledge and belief of the Company, the Company expects that it will be able to meet its redemption obligations under the Convertible Bonds.

An analysis of the Company's share price at which it would be equally financially advantageous for the holders of the Convertible Bonds to convert or redeem the Convertible Bonds based on their implied internal rate of return (and therefore the holders of the Convertible Bonds would be indifferent as to whether the Convertible Bonds are converted or redeemed) at a range of dates in the future is set out below:

截至二零二零年十二月三十一日止年度，本公司擁有人應佔利潤之每股攤薄盈利與每股基本盈利相同，原因為行使可換股債券具有反攤薄影響。

經計入本集團為改善財務及流動資金狀況所採取的措施，以及就本公司所深知及確信，本公司預期將有能力履行於可換股債券項下之贖回責任。

根據隱含的內部回報率，對可換股債券持有人轉換或贖回可換股債券而言在財務上同等有利的本公司股價（因此可換股債券於未來日期獲轉換抑或贖回對可換股債券持有人而言無不同）分析載列如下：

		Share price 股價 (HK\$) 港元
31 December 2021	二零二一年十二月三十一日	0.55 per Share 每股0.55港元
29 June 2025 (i.e. the maturity date of the Convertible Bonds)	二零二五年六月二十九日 (即可換股債券之到期日)	0.55 per Share 每股0.55港元

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The Convertible Bonds bear interest at 1% annual coupon rate payable annually from the issue date of the Convertible Bonds. The conversion period of the Convertible Bonds is from 29 June 2023 to 28 June 2025 during which period the holders of the Convertible Bonds can convert the Convertible Bonds into shares of the Company, provided that no holder of the Convertible Bonds shall exercise any conversion rights attached to the Convertible Bonds to the extent that immediately after such conversion (i) the holder of the Convertible Bonds together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or such percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or otherwise being obliged to make a general offer for Shares in accordance with the requirement of the Hong Kong Code on Takeovers and Mergers or (ii) there will not be sufficient public float of the Shares as required under the GEM Listing Rules.

Unless previously redeemed, converted, purchased or cancelled, the Company will redeem all of the Convertible Bonds on the Maturity Date at such amount equivalent to the principal amount of the outstanding Convertible Bonds (inclusive of interests received up to the Maturity Date).

The New Shares were and the Conversion Shares will be allotted and issued under the specific mandate sought from the Shareholders (other than Mr. Sin Kwok Lam ("Mr. Sin"), Ms. Law Po Yee ("Ms Law"), Mr. Chow Kai Weng ("Mr. Chow"), Mr. Tse Young Lai ("Mr. Tse") and Mr. Yiu Kin Kong and any Shareholder with a material interest in the Scheme) at the SGM held on 10 October 2019.

The Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the New Shares and the Conversion Shares.

Connected Transactions in relation to the Issue of New Shares and Convertible Bonds

Among all Creditors, Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse have loaned to the Company.

可換股債券自其發行日期起按1%的年票息率計息，須每年支付一次利息。可換股債券的兌換期間由二零二三年六月二十九日起至二零二五年六月二十八日止，在此期間，可換股債券的持有人可將可換股債券兌換為本公司股份，前提是於緊隨可換股債券持有人行使可換股債券所附的任何兌換權後，不會出現以下情況：(i)可換股債券持有人連同其一致行動人士將直接或間接控制或持有本公司投票權30%或以上之權益（或香港公司收購及合併守則不時訂明觸發強制性全面收購之有關百分比）或根據香港公司收購及合併守則規定之其他方式須進行強制性全面收購或(ii)股份之公眾流通量將低於GEM上市規則之要求。

除非已於先前贖回、轉換、購買或註銷，本公司將於屆滿日期按相當於尚未償付可換股債券本金額之金額贖回所有可換股債券，包括截至屆滿日期所收取之利息。

新股份已及轉換股份將根據股東（冼國林先生（「冼先生」）、羅寶兒女士（「羅女士」）、周啟榮先生（「周先生」）、謝欣禮先生（「謝先生」）及姚建剛先生以及任何於該計劃中擁有重大權益的股東除外）於本公司於二零一九年十月十日舉行的股東特別大會授出的特別授權配發及發行。

本公司獲聯交所所有條件地批准新股份及轉換股份上市及買賣。

有關發行新股份及可換股債券的關連交易

在所有債權人中，冼先生、羅女士、周先生及謝先生均向本公司借出貸款。

At the relevant time, Mr. Sin was then an executive Director, the chairman of the Board, a member of the nomination committee of the Board and a substantial shareholder of the Company. Ms. Law, being the spouse of Mr. Sin, is an associate of Mr. Sin. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Sin, together with his associate, Ms. Law, was interested in 871,932,623 Shares, representing approximately 17.62% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

At the relevant time, Mr. Chow was an executive Director, the associate chairman of the Board and chief executive officer of the Company. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Chow was interested in 1,000,000 Shares, representing approximately 0.02% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

At the relevant time, Mr. Tse was then a substantial shareholder of the Company. Immediately before the issue of the New Shares and the Convertible Bonds, Mr. Tse was interested in 563,547,600 Shares, representing approximately 11.39% of the total issued share capital of the Company immediately before the issue of the New Shares and the Convertible Bonds.

Up to the Restructuring Order Date, the total amounts respectively due to Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse (including the interests accrued thereon and calculated up to the Restructuring Order Date at the respective interest rate of the relevant Claim(s)) are illustrated as follows:

於有關時間，冼先生為執行董事、董事會主席、董事會提名委員會成員及本公司主要股東。冼先生配偶羅女士為冼先生聯繫人。緊接發行新股份及可換股債券前，冼先生連同其聯繫人羅女士於871,932,623股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約17.62%。

於有關時間，周先生為執行董事、董事會聯席主席及本公司行政總裁。緊接發行新股份及可換股債券前，周先生於1,000,000股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約0.02%。

於有關時間，謝先生為本公司主要股東。緊接發行新股份及可換股債券前，謝先生於563,547,600股股份中擁有權益，相當於緊接發行新股份及可換股債券前本公司已發行股本總額約11.39%。

截至重組命令日期，分別應付冼先生、羅女士、周先生及謝先生的總額（包括其應計及截至重組命令日期按相關索償各自利率計算的利息）闡述如下：

		HK\$ 港元
Mr. Sin	冼先生	647,333,195
Ms. Law	羅女士	29,270,746
Mr. Chow	周先生	36,341,433
Mr. Tse	謝先生	1,892,584
		714,937,958

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Under the Scheme, Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse shall have the same entitlement as the other Creditors. Pursuant to the terms of Scheme and based on the available books and records of the Company, the entitlement of Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse under the Scheme respectively were as follows:

	Mr. Sin 冼先生	Ms. Law 羅女士	Mr. Chow 周先生	Mr. Tse 謝先生
Share Subscription 股份認購				
Value of New Shares issued 已發行的新股份價值	HK\$258,933,278 258,933,278港元	HK\$11,708,299 11,708,299港元	HK\$14,536,573 14,536,573港元	HK\$757,033 757,033港元
Issue price 發行價	HK\$0.38 0.38港元	HK\$0.38 0.38港元	HK\$0.38 0.38港元	HK\$0.38 0.38港元
Number of New Shares issued 已發行的新股份數目	681,403,362 New Shares 681,403,362 股新股份	30,811,311 New Shares 30,811,311 股新股份	38,254,139 New Shares 38,254,139 股新股份	1,992,193 New Shares 1,992,193 股新股份
CB Subscription 可換股債券認購				
Principal amount (including Consent Bonus) 本金額 (包括同意花紅)	HK\$394,873,248.65 394,873,248.65港元	HK\$17,855,155.26 17,855,155.26港元	HK\$22,168,274.04 22,168,274.04港元	HK\$1,154,476.00 1,154,476.00港元
Maximum Conversion Shares upon full conversion 悉數轉換的最高轉換股份數目	717,951,361	32,463,918	40,305,952	2,099,047

All of Claims of Mr. Sin, Ms. Law, Mr. Chow and Mr. Tse have been discharged pursuant to the Scheme and the treatment to be received by them under the Scheme is the same as those to other Creditors.

Immediately upon completion of the connected transactions, Mr. Sin (together with his associate, Ms. Law), Mr. Chow and Mr. Tse were respectively interested in 1,584,147,296 Shares, 39,254,139 Shares and 565,539,793 Shares, representing approximately 21.54%, 0.53% and 7.69% of the total issued share capital of the Company as enlarged by the allotment and issuance of the New Shares and the OPAL Fee Shares (as defined below).

Adjustments in relation to the Convertible Bonds

As a result of the Capital Reorganisation as set out in the paragraph headed "Capital Reorganisation" below, with effect from 16 September 2021, the number of Conversion Shares that will be allotted and issued upon the exercise of the conversion rights attached to the 2020 Convertible Bonds and the conversion price have been adjusted from 2,263,411,269 Conversion Shares to 226,341,126 Conversion Shares and from HK\$0.55 to HK\$5.5.

根據該計劃，冼先生、羅女士、周先生及謝先生與其他債權人享有相同配額。根據該計劃條款及基於本公司可獲得賬目及記錄，冼先生、羅女士、周先生及謝先生各自於該計劃項下的配額分別如下：

冼先生、羅女士、周先生及謝先生的所有索償已根據該計劃獲清償，且彼等根據該計劃將獲得的待遇與其他債權人相同。

緊隨上述關連交易完成後，冼先生（連同其聯繫人羅女士）、周先生及謝先生分別於1,584,147,296股股份、39,254,139股股份及565,539,793股股份中擁有權益，分別相當於本公司經配發及發行新股份及東英亞洲費用股份（定義見下文）擴大後已發行股本總額的約21.54%、0.53%及7.69%。

有關可換股債券之調整

由於下文「股本重組」一段所載之股本重組，自二零二一年九月十六日起，於二零二零年可換股債券所附帶之換股權行使後將予配發及發行之換股股份數目已由2,263,411,269股轉換股份調整為226,341,126股轉換股份，而換股價已由0.55港元調整為5.5港元。

Issue of Shares under Specific Mandate in relation to Advisory Service of Financial Adviser

As disclosed in the Company's announcement dated 26 August 2019 and the circular of the Company dated 20 September 2019, the Company has appointed Oriental Patron Asia Limited ("**OPAL**"), a licensed corporation to carry out type 1 (dealing in securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, as the financial adviser to the Company (the "**Appointment of Financial Adviser**") to advise on and assist in formulating and overseeing a potential financial restructuring as to improving the Company's financial position. Regarding the payment of advisory fee (the "**Advisory Fee**"), after arm's length negotiations, OPAL agreed to receive the newly issued shares of the Company to settle the Advisory Fee. On 26 August 2019, the supplemental mandate letter (as to supplement the original mandate letter signed in May 2019) has been entered into between the Company and OPAL, pursuant to which the Advisory Fee was agreed to be paid by the Company to OPAL in the form of issuing and allotting 250,000,000 newly issued and fully paid-up Shares (the "**OPAL Fee Shares**") which is subject to subject to a lock-up period of 12 months from the date of the issuance and such OPAL Fee Shares were issued and allotted to OPAL simultaneously with the New Shares issued to the Creditors under the Scheme on 29 June 2020.

The issue of OPAL Fee Shares was subject to the approval of the Shareholders at the SGM and the Stock Exchange granting the listing of, and permission to deal in, the OPAL Fee Shares. The Company obtained the conditional approval from the Stock Exchange for the listing of, and permission to deal in, the OPAL Fee Shares. The Directors obtained the specific mandate granted to allot and issue the OPAL Fee Shares at the SGM held on 10 October 2019.

The 250,000,000 OPAL Fee Shares were allotted and issued to OPAL on 3 August 2020.

Further details of the Scheme are set out in the Company's announcements dated 19 August 2019, 8 October 2019, 14 October 2019, 8 November 2019, 19 November 2019, 27 November 2019, 15 December 2019, 7 January 2020, 25 February 2020, 6 March 2020, 20 March 2020, the circular of the Company dated 20 September 2019, the poll results announcement of the Company dated 10 October 2019 and the next day disclosure returns of the Company dated 30 June 2020 and 3 August 2020.

有關涉及財務顧問顧問服務之根據特別授權發行股份

誠如本公司日期為二零一九年八月二十六日的公告及本公司日期為二零一九年九月二十日的通函所披露，本公司已委任東英亞洲有限公司（「**東英亞洲**」）（根據證券及期貨條例可從事第1類（證券交易）、第6類（就機構融資提供意見）及第9類（資產管理）受規管活動之持牌法團）為本公司財務顧問（「**委任財務顧問**」），就制定及監督為改善本公司財務狀況而可能進行的財務重組，向本公司提供意見及協助。就支付顧問費用（「**顧問費用**」）方面，經雙方磋商後，東英亞洲願意接受本公司以發行新股份方式支付顧問費用。於二零一九年八月二十六日，本公司與東英亞洲訂立補充委聘函（以補充於二零一九年五月所簽署的原委聘函），據此，雙方同意本公司以發行及配發予東英亞洲250,000,000股受發行日期起12個月的禁售期所限之新發行及全額繳足股份（「**東英亞洲費用股份**」）的形式支付顧問費用，而該等東英亞洲費用股份於根據該計劃於二零二零年六月二十九日向債權人發行新股份時同時發行及配發予東英亞洲。

發行東英亞洲費用股份須待股東於股東特別大會上批准及聯交所批准東英亞洲費用股份上市及買賣後，方可作實。本公司獲聯交所有條件地批准東英亞洲費用股份上市及買賣。董事於二零一九年十月十日舉行的股東特別大會獲授配發及發行東英亞洲費用股份的特別授權。

250,000,000股東英亞洲費用股份於二零二零年八月三日配發及發行予東英亞洲。

該計劃的更多詳情載於本公司日期為二零一九年八月十九日、二零一九年十月八日、二零一九年十月十四日、二零一九年十一月八日、二零一九年十一月十九日、二零一九年十一月二十七日、二零一九年十二月十五日、二零二零年一月七日、二零二零年二月二十五日、二零二零年三月六日及二零二零年三月二十日的公告、本公司日期為二零一九年九月二十日的通函、本公司日期為二零一九年十月十日的投票結果公告及本公司日期為二零二零年六月三十日及二零二零年八月三日的翌日披露報表。

PROPOSED GRANT OF SHARE SUBSCRIPTION FACILITY TO THE COMPANY AND PROPOSED ISSUE OF NEW SHARES AND WARRANTS UNDER SPECIFIC MANDATE

On 13 March 2020, the Company entered into an agreement (the “**SSF Agreement**”) with, among others, GEM Global Yield LLC SCS (the “**Investor**”) (as amended and supplemented by the supplemental agreements dated 27 July 2020 and 29 August 2020 respectively), pursuant to which:

- (1) the Investor has agreed to grant the Company, the share subscription facility (the “**Share Subscription Facility**”) and an option (the “**Option**”) to require the Investor to subscribe for Shares (the “**Option Shares**”) of up to HK\$2,350,000,000 (the “**Total Commitment**”) in value at the Subscription Price (as defined below) during the period commencing on the date of the SSF Agreement and expiring on the earlier of: (a) the third anniversary of the date of the SSF Agreement (the “**Commitment Period**”); and (b) the date on which the Investor has subscribed for shares in the Company with an aggregate subscription price of HK\$2,350,000,000 (excluding shares to be issued upon exercise of the Warrants (as defined below) pursuant to the SSF Agreement; and
- (2) the Company has agreed to issue to the Investor the warrants (the “**Warrants**”) to subscribe for Shares (the “**Warrant Shares**”) by the Investor Agreement which entitle the Investor to purchase up to 383,000,000 Shares at Warrant Exercise Price (as defined below) during the Warrant Exercise Period (as defined below).

建議向本公司授出股權掛鈎信貸 及建議根據特別授權發行新股份 及認股權證

於二零二零年三月十三日，本公司與（其中包括）GEM Global Yield LLC SCS（「**投資者**」），訂立協議（「**SSF協議**」，經日期分別為二零二零年七月二十七日及二零二零年八月二十九日的補充協議修訂及補充），據此：

- (1) 投資者同意向本公司授出股權掛鈎信貸（「**股權掛鈎信貸**」）及購股權（「**購股權**」），以要求投資者於SSF協議日期起至以下時間中較早者止期間：(a)SSF協議日期的第三個週年當日（「**承擔期**」）；及(b)投資者根據SSF協議以總認購價2,350,000,000港元認購本公司股份（不包括認股權證（定義見下文）獲行使將發行的股份）的日期，以認購價（定義見下文）認購價值最多為2,350,000,000港元（「**承擔總額**」）的股份（「**購股權股份**」）；及
- (2) 本公司同意向投資者發行認股權證（「**認股權證**」）以按投資者協議認購股份（「**認股權證股份**」），投資者協議賦予投資者權利可於認股權證行使期（定義見下文）按認股權證行使價（定義見下文）購入最多383,000,000股股份。

It is also provided in the SSF Agreement (as supplemented and amended) that:

- (1) the maximum shareholding of the Investor (or its associates (as defined in the GEM Listing Rules)) in the Company shall in any event be less than 10% of the issued share capital of the Company such that the Investor will not become a substantial shareholder (as defined in the GEM Listing Rules) and a connected person (as defined in the GEM Listing Rules);
- (2) in the event that the Determined Price (as defined below) is higher than the Floor Price (as defined below) and the Minimum Threshold Price (as defined below), the Investor shall be obliged to subscribe for a number of Shares which is not less than 50% and not more than 200% of the Pricing Period Obligation (as defined in the SSF Agreement) at the Determined Price; and
- (3) in the event that the Determined Price is lower than the Floor Price or the Minimum Threshold Price, no Option Shares will be issued to the Investor by the Company.

Warrant Exercise Period shall mean the period commencing from the date on which the conditions precedent to the SSF Agreement are fulfilled (the "Warrant Delivery Date") to the third (3rd) anniversary of the Warrant Delivery Date or, if such day is not a business Day, the immediately following business day.

Warrant Exercise Price shall mean the subscription price of each Warrant Share, initially being HK\$0.23 per Warrant Share (subject to adjustment) or if on the first anniversary of the Warrant Delivery Date, the market price of a Share is less than a sum equal to 90 per cent. of the Warrant Exercise Price on such date, the relevant Warrant Exercise Price shall be a sum equal to 105 per cent, of such market price.

SSF協議 (經補充及修訂)亦規定:

- (1) 投資者 (或其聯繫人 (定義見GEM上市規則))於本公司的最高持股比例無論如何應低於本公司已發行股本的10%·故投資者將不會成為主要股東 (定義見GEM上市規則)及關連人士 (定義見GEM上市規則);
- (2) 倘釐定價格 (定義見下文)高於下限價格 (定義見下文)及最低門檻價格 (定義見下文)·則投資者有責任按釐定價格認購一定數目的股份·有關股份數目不得低於定價期責任 (定義見SSF協議)的50%且不得超過200%;及
- (3) 倘釐定價格低於下限價格或最低門檻價格·則本公司將不會向投資者發行購股權股份。

認股權證行使期指自SSF協議的先決條件獲達成之日 (「認股權證交付日期」)起至認股權證交付日期第三(3)個週年當日·或倘有關日期並非營業日·則為緊隨其後的營業日止期間。

認股權證行使價指每股認股權證股份的認購價·初步為每股認股權證股份0.23港元 (可予調整)或倘於認股權證交付日期第一個週年當日·一股股份的市價低於該日認股權證行使價的90%·則相關認股權證行使價應為有關市價的105%。

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The initial Warrant Exercise Price of HK\$0.23 represented:

- (i) a premium of approximately 24.32% to the closing price per share of the Company of HK\$0.185 as quoted on the Stock Exchange on 13 March 2020, being the date of the SSF Agreement;
- (ii) a premium of approximately 23.79% to the average of the closing prices of the shares of the Company as quoted on the Stock Exchange in the five (5) trading days immediately preceding the date of the SSF Agreement, being HK\$0.1858 per share; and
- (iii) a premium of approximately 23.32% to the average of the closing prices of the shares of the Company as quoted on the Stock Exchange in the ten (10) trading days immediately preceding the date of the SSF Agreement, being HK\$0.1865 per share.

Subscription Price shall mean the higher of (i) the Determined Price; (ii) the Floor Price; and (iii) the Minimum Threshold Price.

Determined Price shall mean 90% of the average of the closing bid prices during the pricing period, ignoring for the purposes of such calculation any Knockout Day.

Floor Price shall mean the price fixed at a discount of 20% to the benchmarked price (as referred and defined in Rule 17.42B of the GEM Listing Rules) of the Share.

Minimum Threshold Price shall mean HK\$0.19 per Share (subject to adjustment in case of subdivision or combination of Shares).

Knockout Day shall mean any trading day during a pricing period: (a) on which the Shares are not traded on GEM or trading of the Shares thereon is suspended for more than one hour; or (b) in respect of which the Investor has made an election to treat such trading day as a Knockout Day.

初步認股權證行使價0.23港元較：

- (i) 本公司股份於二零二零年三月十三日(即SSF協議日期)在聯交所所報收市價每股0.185港元溢價約24.32%；
- (ii) 本公司股份於緊接SSF協議日期前五(5)個交易日在聯交所所報平均收市價每股0.1858港元溢價約23.79%；及
- (iii) 本公司股份於緊接SSF協議日期前十(10)個交易日在聯交所所報平均收市價每股0.1865港元溢價約23.32%。

認購價應指(i)釐定價格；(ii)下限價格；及(iii)最低門檻價格(以較高者為準)。

釐定價格應指定價期內平均收市買入價之90%，該計算方法並無計及任何取消日。

下限價格應指按股份基準價(如GEM上市規則第17.42B條所提述及界定)折讓20%釐定之價格。

最低門檻價格應指每股股份0.19港元(在股份分拆或合併時可予調整)。

取消日應指定價期內任何交易日：(a)股份於該日不於GEM買賣或其後股份買賣暫停超過一個小時；或(b)該日投資者選擇將有關交易日視作取消日。

Conditions Precedent to the SSF Agreement

The Option of the Company to require the Investor to subscribe the Shares and the obligation of the Company to issue the Warrants to the Investor are conditional upon the following conditions precedent:

- (a) compliance by the Company of all applicable laws, rules and regulations in Hong Kong and Bermuda, including but not limited to, the GEM Listing Rules for the entering into of the Agreement, the issue of the Option Shares and the Warrant Shares, the Warrants and all the other transactions contemplated thereunder; and
- (b) the Stock Exchange having granted the listing of, and permission to deal in, the Option Shares and the Warrant Shares.

If the above conditions precedent are not satisfied or fulfilled within six (6) months from the date of the SSF Agreement (or such later date as the Investor and the Company may agree in writing), the SSF Agreement shall be terminated and shall cease to have any further effect and no party to the Agreement shall have any claim under the SSF Agreement against the other party save in respect of any antecedent breach, provided that the Company shall pay the Investor's fees and expenses in accordance with the terms of the SSF Agreement.

Option Shares and Warrant Shares

Assuming that the Option Shares will be issued at the closing price of the share as at the date of the SSF Agreement of HK\$0.185 per Option Share and based on the total commitment of HK\$2,350 million, a total of 10,217,391,304 Option Shares will be allotted and issued upon the full exercise of the Option, representing approximately 206.49% of the then existing issued Shares of 4,948,170,452 as at the date of the SSF Agreement or 67.37% of the issued share capital of the Company as enlarged by the allotment and issue of such 10,217,391,304 Option Shares.

SSF協議之先決條件

本公司要求投資者認購股份的購股權及本公司向投資者發行認股權證的責任以下列先決條件為條件：

- (a) 本公司就訂立該協議、發行購股權股份及認股權證股份及據此擬進行的所有其他交易遵守香港及百慕達的所有適用法律、規則及法規，包括但不限於GEM上市規則；及
- (b) 聯交所批准購股權股份及認股權證股份上市及買賣。

倘上述先決條件未能於SSF協議日期（或投資者與本公司可能書面協定的較後日期）起六（6）個月內獲滿足或達成，則SSF協議將告終止及不再具有任何進一步效力，任何訂約方不得根據SSF協議向另一方提出任何申索，惟就任何先前違約行為提出的申索除外，並且本公司須根據SSF協議條款向投資者支付費用及開支。

購股權股份及認股權證股份

假設購股權股份將按SSF協議日期股份收市價每股購股權股份0.185港元發行及基於承擔總額2,350百萬港元，將於購股權全部獲行使後配發及發行合共10,217,391,304股購股權股份，佔SSF協議日期4,948,170,452股當時已發行股份的約206.49%或本公司經配發及發行該10,217,391,304股購股權股份而擴大的已發行股本的67.37%。

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The 383,000,000 Warrant Shares represent approximately 7.74% of the then existing issued Shares as at the date of the SSF Agreement or approximately 7.18% of the issued share capital of the Company as enlarged by the allotment and issue of such 383,000,000 Warrant Shares.

The Warrant Shares would be issued under the specific mandate sought at SGM held on 5 October 2020 for the Shareholders to consider the approve the SSF Agreement and the transactions contemplated thereunder and the issue of the Warrant Shares.

Application has been made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in the Warrant Shares.

The Company proposes to utilise the general mandate granted pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 30 July 2020 (or any other general mandates to allot and issue Shares approved by the Shareholders on a later date, collectively, the "General Mandate") to the Directors to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution to allot and issue the Option Shares which may be issued under the SSF Agreement.

If the existing General Mandate is fully utilised or is about to fully utilised or the General Mandate is insufficient for the allotment and issuance of the Option Shares which may be issued in the next tranche(s) of subscription of the Option Shares, the Company will convene a special general meeting of the Company to obtain the Shareholders' approval to refresh the General Mandate for the subsequent issuance of the remaining Option Shares. If the refreshment of the existing General Mandate is made pursuant to Rule 17.42A(1) of the GEM Listing Rules, a circular will be issued and the Company will seek approval of the refreshment of the General Mandate by the independent shareholders by way of an ordinary resolution at the special general meeting. The refreshment of general mandate of the Company is expected to continue until the Share Subscription Facility of HK\$2,350 million is fully utilised.

383,000,000股認股權證股份佔於SSF協議日期當時已發行股份的約7.74%或本公司經配發及發行該383,000,000股認股權證股份而擴大的已發行股本的約7.18%。

認股權證股份將根據本公司於二零二零年十月五日所召開供股東考慮及批准SSF協議及其項下擬進行的交易以及發行認股權證股份的股東特別大會授出的特別授權發行。

本公司已向聯交所申請批准認股權證股份上市及買賣。

本公司建議動用根據股東於二零二零年七月三十日舉行的本公司股東週年大會上通過的決議案向董事授出的一般授權（或股東在較後日期批准配發及發行股份的任何其他一般授權，統稱「**一般授權**」），以配發、發行及以其他方式處置不超過本公司於通過配發及發行購股權股份的有關決議案之日已發行股本總面額20%的新股份，而購股權股份可根據SSF協議發行。

倘現有一般授權獲悉數動用或將獲悉數動用或一般授權不足以配發及發行下一批認購購股權股份而發行的購股權股份，則本公司將召開本公司股東特別大會，以就隨後發行剩餘購股權股份而更新一般授權取得股東批准。倘根據GEM上市規則第17.42A(1)條更新現有一般授權，則本公司將會刊發通函且本公司將尋求獨立股東於股東特別大會上通過普通決議案批准更新一般授權。本公司預期將繼續更新一般授權，直至為數2,350百萬港元的股權掛鈎信貸獲悉數動用為止。

For each tranche of subscription of the Option Shares, an application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in the Option Shares.

Reason for entering into the SSF Agreement

The Board is of the view that issue of the Option Shares and the Warrant Shares offers a good opportunity to raise additional capital for the Company and to strengthen the financial position of the Company. Given that the Company shall have the right but not an obligation to deliver notice to the Investor to subscribe for the Option Shares during the Commitment Period and exercise the Option at its discretion, the Directors consider that the Group will have flexibility in raising funds by exercising the Option during the Commitment Period. The arrangement under the SSF Agreement effectively gives the Group access to a readily available source of financing and the right to raise funds by the delivery of at any time during the Commitment Period when the Board considers such delivery is favourable to the Company. By comparison, the Board considers that with current sluggish market sentiment and recent interest rate hike, the Company would be difficult to secure any debt financing of comparable size from banks or financial institutions. The Board is further of the view that the high gearing ratio of the Group would result in the Group having less favourable financing terms offered by banks and other financial institutions.

The Company has been exploring opportunities to diversify into new businesses to mitigate the risks of being in the lines of business in film and hotel industries and to deliver long-term and stable cash flow and creating favourable investment returns for the Shareholders.

Accordingly, the Directors consider that the SSF Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the SSF Agreement, among others, the mechanism to fix the Minimum Threshold Price and the Warrant Exercise Price, are fair and reasonable.

For each tranche of the subscription of the Option Shares, the Company will issue an announcement setting out the Subscription Price, the number of Option Shares to be subscribed by the Investor, the intended use of proceeds, the aggregate issued Shares and the balance of the General Mandate (as defined below) to keep the Shareholders and the potential investors informed.

就每批認購的購股權股份而言，本公司將向聯交所申請批准購股權股份上市及買賣。

訂立SSF協議之理由

董事會認為發行購股權股份及認股權證股份乃本公司籌集額外資金的良機，可鞏固本公司的財務狀況。由於本公司有權但無責任於承擔期內向投資者寄發認購購股權股份的通知及酌情行使購股權，董事認為本集團可通過於承擔期內行使購股權靈活集資。SSF協議下的安排讓本集團可於董事會認為發出認購通知對本公司有利的情況下於承擔期內隨時發出認購通知，為本集團有效提供隨時可動用的融資來源及集資權。相較而言，董事會認為，鑒於當下市場氛圍暗淡及近期利率上升，本公司難以向銀行或金融機構取得相若規模的債務融資。董事會進一步認為，本集團的高資產負債率會導致銀行及其他金融機構向本集團提供較為不利的融資條款。

本公司一直在探索多元拓展新業務的機會，以降低從事電影及酒店行業的風險，並創造長期及穩定現金流及為股東帶來可觀的投資回報。

因此，董事認為，SSF協議及據此擬進行的交易符合本公司及股東的整體利益，及SSF協議的條款（包括釐定最低門檻價格及認股權證行使價的機制）誠屬公平合理。

就每批認購的購股權股份而言，本公司將刊發公告，當中載列認購價、投資者將認購的購股權股份數目、所得款項的擬定用途、已發行股份總數及一般授權（定義見下文）的結餘，以將最新進展告知股東及潛在投資者。

Proposed use of net proceeds of the Option Shares and the Warrant Shares

Assuming the Total Commitment is received in full from issuance of the Option Shares, the gross proceeds (before expenses) and the estimated net proceeds will be HK\$2,350 million and HK\$2,278.5 million respectively. The net issue price of the Option Share will be HK\$0.223. The Company intends to apply the net proceeds from the issuance of the Option Shares as follows:

- (a) up to HK\$250 million for repayment of the liabilities of the Group, including borrowings of HK\$64 million, trade payables of HK\$36 million, tax payable of HK\$20 million, rental payable of HK\$18 million, loan interests payable of HK\$16 million, payables to studio event business partners of HK\$27 million, construction cost payable of HK\$65 million and other payables of HK\$4 million;
- (b) up to HK\$200 million for general working capital of the Group, including restructuring cost of HK\$60 million, salaries of HK\$50 million, repair and maintenance of HK\$35 million, purchase of hotel materials of HK\$20 million, rental of HK\$10 million and other expenses of HK\$25 million;
- (c) up to HK\$328.5 million for expansion and upgrading of the Studio and the Hotel. The Company plans to construct six new film studios and two 3-star hotels with 800 rooms in aggregate adjacent to the existing facilities of the Group in Foshan City, Guangdong Province; and
- (d) up to HK\$1,500 million for investment in potential projects. Currently, the Company is exploring investment opportunities in business segments of promising prospect, including but not limited to virtual banking business, online e-commerce business and consumer finance business. As at the date of this report, the Company has not entered into any informal or formal agreement in respect of any acquisition targets. Further announcement will be made by the Company in respect of its acquisition(s) as and when appropriate in compliance with the GEM Listing Rules.

購股權股份及認股權證股份所得款項淨額的建議用途

假設自發行購股權股份收取全數承擔總額，則所得款項總額（扣除開支前）及估計所得款項淨額將分別為2,350百萬港元及2,278.5百萬港元。購股權股份之淨發行價將為0.223港元。本公司擬將發行購股權股份之所得款項淨額用於下列用途：

- (a) 最多250百萬港元用於償還本集團負債，包括借款64百萬港元、貿易應付款項36百萬港元、應繳稅款20百萬港元、應付租金18百萬港元、應付貸款利息16百萬港元、應付影視城活動業務合作夥伴款項27百萬港元、應付建設成本65百萬港元及其他應付款項4百萬港元；
- (b) 最多200百萬港元用作本集團一般營運資金，包括重組成本60百萬港元、薪資50百萬港元、維修保養費35百萬港元、酒店材料購置費20百萬港元、租金10百萬港元及其他開支25百萬港元；
- (c) 最多328.5百萬港元用於擴大及改進影視城及該酒店。本公司計劃在廣東省佛山市本集團現有設施附近興建六個新影視城和兩間三星級酒店（共800間客房）；及
- (d) 最多1,500百萬港元用於投資潛在項目。本公司目前正在探索前景可觀的業務分部的投資機遇，包括但不限於虛擬銀行業務、網上電商業務及消費融資業務。於本報告日期，本公司並未就任何收購目標訂立任何非正式或正式協議。本公司將於適當時候根據GEM上市規則就其收購事項另行刊發公告。

The SSF Agreement and all actions taken or to be taken by the Company pursuant to the SSF Agreement were generally and unconditionally approved, ratified and confirmed and the specific mandates was granted to the Directors to allot and issue 383,000,000 Warrant Shares at the exercise price of HK\$0.23 each (subject to adjustment) in the SGM held on 5 October 2020.

The Warrants were issued by the Company in January 2021.

Adjustments in relation to the Warrants

As a result of the Capital Reorganisation as set out in the paragraph headed "Capital Reorganisation" below, with effect from 16 September 2021, the Warrant Shares which will be allotted and issued upon the exercise of the subscription rights of the Warrants and the Warrant Exercise Price have been adjusted from 383,000,000 Warrant Shares to 38,300,000 Warrant Shares and from HK\$0.23 to HK\$2.3.

Assuming full issuance of the Warrant Shares, the estimated net proceeds will be approximately HK\$88 million, which is intended to be applied as to (i) HK\$70.4 million for early redemption of the Convertible Bonds; (ii) HK\$10 million for restructuring cost; and (iii) HK\$7.6 million for operating expenses relating to hotel and studio business in China. The net issue price of the Warrant Share will be HK\$2.3.

As disclosed in the announcement of the Company dated 11 May 2021, as under the Share Subscription Facilities, the number of Shares that could be subscribed is based on the trade volume of the Shares, and the subscription price is based on the 10 per cent discount to the closing price of the Shares. As the trade volume of the Shares is not sufficient to meet the funding requirement and the current market price of the Shares is below par value (the Company cannot issue the Shares below par under the Bermuda law). Therefore, the Company is unable to utilize the facilities under the Share Subscription Facilities at the moment, and the Company proceeded to issue the 2021 Convertible Bonds instead of using the Share Subscription Facilities.

Details of the SSF Agreement, the issue of the Option Shares and the Warrants are set out in the Company's announcements dated 13 March 2020, 27 July 2020, 31 August 2020 and 11 May 2021, the Company's circular dated 11 September 2020 and the Company's poll results announcement dated 5 October 2020.

於二零二零年十月五日舉行的股東特別大會上，股東一般及無條件批准、追認及確認SSF協議及本公司根據SSF協議已採取或將採取的一切行動，並授予董事特別授權以按行使價每股0.23港元（可予調整）配發及發行383,000,000股認股權證股份。

本公司已於二零二一年一月發行認股權證。

有關認股權證之調整

由於下文「股本重組」一段所載之股本重組，自二零二一年九月十六日起，於認股權證之認購權獲行使後將予配發及發行之認股權證股份數目已由383,000,000股認股權證股份調整為38,300,000股認股權證股份，而認股權證行使價已0.23港元調整為2.3港元。

假設悉數發行認購權證股份，估計所得款項淨額將為約88百萬港元，其中(i) 70.4百萬港元用於提前贖回可換股債券；(ii) 10百萬港元作為重組成本；及(iii) 7.6百萬港元作為中國酒店及影視城業務相關的經營開支。認股權證股份之淨發行價將為2.3港元。

誠如本公司日期為二零二一年五月十一日的公告所披露，根據股權掛鈎信貸，可認購的股份數目乃基於股份交易量，而認購價則按股份收市價折讓10%計算。由於股份目前的交易量不足，所以無法滿足資金需求，且股份當前市價低於面值（根據百慕達法例，本公司不能以低於面值之價格發行股份）。因此，本公司目前無法動用股權掛鈎信貸項下之融資，故本公司選擇發行二零二一年可換股債券，而不使用股權掛鈎信貸。

有關SSF協議、發行購股權股份及認股權證的詳情載於本公司日期為二零二零年三月十三日、二零二零年七月二十七日、二零二零年八月三十一日及二零二一年五月十一日的公告、本公司日期為二零二零年九月十一日的通函及本公司日期為二零二零年十月五日的投票結果公告。

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “National Arts Entertainment and Culture Group Limited” to “National Arts Group Holdings Limited” and adopt the Chinese name “國藝集團控股有限公司” as its official Chinese name (“**Change of Company Name**”). The Board will propose special resolution at the forthcoming SGM for considering, and if thought fit, approving the Change of Company. The reason for changing the Company’s name is precisely to reflect the direction of the diversification of business in order to reduce the risk of single business segments. The Board believes that the proposed new English and Chinese names of the Company will provide the Company with better identification of the principal business of the Group. As such, the Board is of the view that the proposed Change of Company Name is in the interests of the Company and the Shareholders as a whole. The proposed Change of Company Name is subject to the following conditions: (i) the passing of the special resolution by the Shareholders at the SGM approving the Change of Company Name; and (ii) the Registrar of Companies in Bermuda approving the Change of Company Name and entering the proposed new English and Chinese name of the Company into the register of companies.

The special resolution approving the Change of Company Name was passed at the SGM held on 5 October 2020 by the Shareholders.

Subsequent to the passing of the special resolution in respect of the Change of Company Name by the Shareholders at the SGM, the Change of Company Name is still subject to the approval by the Registrar of Companies in Bermuda, which will take effect upon the date of the issue of a Certificate of Incorporation on the Change of Company Name by the Registrar of Companies in Bermuda. The Company will then carry out all necessary registration and filing procedures with the Companies Registry in Hong Kong. Further announcement(s) will be issued by the Company to inform the Shareholders of the effective date of the Change of Company Name, the new stock short names for trading of the securities of the Company on the Stock Exchange, the new logo and the new website of the Company as and when appropriate.

建議更改公司名稱

董事會建議將本公司名稱由「National Arts Entertainment and Culture Group Limited」更改為「National Arts Group Holdings Limited」，並採納中文名稱「國藝集團控股有限公司」為其正式中文名稱（「**更改公司名稱**」）。董事會將於即將召開之股東特別大會上提呈特別決議案以考慮及酌情批准更改公司名稱。更改公司名稱的原因為精確地反映公司業務多元化以達致減低單一業務之風險的方針。董事會認為建議之本公司新中英文名稱將為本公司對本集團主營業務提供更佳之識別。故此，董事會認為，建議更改公司名稱符合本公司及股東之整體利益。建議更改公司名稱須待以下條件達成後，方可作實：(i)股東於股東特別大會通過特別決議案批准更改公司名稱；及(ii)百慕達公司註冊處處長批准更改公司名稱及在公司登記冊輸入建議之本公司新中英文名稱。

批准更改公司名稱之特別決議案於二零二零年十月五日舉行的股東特別大會上獲股東通過。

股東於股東特別大會通過有關更改公司名稱的特別決議案後，更改公司名稱仍須獲百慕達公司註冊處處長批准，並將於百慕達公司註冊處處長簽發更改公司名稱註冊證明書之日起生效。本公司隨後將在香港公司註冊處進行一切必要的登記及備案手續。本公司將於適當時候刊發進一步公告，以通知股東更改公司名稱的生效日期、於聯交所買賣本公司證券的新股份簡稱、本公司的新標識及新網站。

Further details of the proposed Change of Company Name are set out in the Company's announcement dated 23 March 2020, the Company's circular dated 11 September 2020 and the Company's poll results announcement dated 5 October 2020.

POSSIBLE OFFER FOR CONVOY GLOBAL HOLDINGS LIMITED

As disclosed in the Company's announcement dated 26 March 2020, the Board is discussing with certain shareholders of Convoy Global Holdings Limited (stock code: 1019) ("**Convoy**") in relation to a possible acquisition of the issued shares of Convoy (the "**Convoy Shares**") by the Company in the consideration of the Company's new shares (the "**Possible Share Exchange Transaction**"). The Possible Share Exchange Transaction did not proceed further.

Possible Offer

On 22 June 2020, the Board approached the board of directors of Convoy (the "**Convoy Board**") about a conditional voluntary share exchange offer by the Company to acquire all of the issued shares in the share capital of Convoy, subject to fulfilment of certain conditions (the "**Possible Offer**").

Following the approach, the Board discussed with the Convoy Board further details of the Possible Offer, including how and when the Possible Offer could be made, bearing in mind the financial and other information which would be required to be included in documentation to be sent to shareholders of the Company and Convoy in relation to the Possible Offer.

Based on the latest published audited accounts of Convoy for the financial year ended 31 December 2016, the Board expected that the Possible Offer, if it were to proceed, would constitute either a major transaction or a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules. This would involve consent from shareholders of the Company and require publication of extensive financial information about Convoy and its subsidiaries which was then not available.

有關建議更改公司名稱的進一步詳情載於本公司日期為二零二零年三月二十三日的公告、本公司日期為二零二零年九月十一日的通函及本公司日期為二零二零年十月五日的投票結果公告。

有關康宏環球控股有限公司的潛在要約

誠如本公司日期為二零二零年三月二十六日的公告所披露，董事會正在與康宏環球控股有限公司（股份代號：1019）（「**康宏**」）之部分股東洽商有關本公司可能以本公司新股份為代價收購康宏已發行股份（「**康宏股份**」）的事宜（「**可能換股交易**」）。可能換股交易並無進一步進展。

潛在要約

於二零二零年六月二十二日，董事會就本公司作出的有條件自願換股要約與康宏董事會（「**康宏董事會**」）取得聯繫，以收購康宏股本中的全部已發行股份，惟須達成若干條件後方可作實（「**潛在要約**」）。

取得聯繫後，董事會就潛在要約的進一步細節與康宏董事會進行磋商，包括作出潛在要約的方式及時間，同時考慮將就潛在要約寄發予本公司及康宏股東之文件中須載入的財務及其他資料。

根據康宏截至二零一六年十二月三十一日止財政年度的最近期刊發的經審核賬目，倘潛在要約得以進行，董事會預期潛在要約將構成GEM上市規則第19章項下的本公司的一項主要交易或一項非常重大收購。這需要獲得本公司股東的同意及要求康宏及其附屬公司刊發大量財務資料，而有關資料當時無法獲得。

DIRECTORS' REPORT

董事會報告書

On 14 August 2020, the Company received a letter from the Listing Division of the Stock Exchange informing the Company its decision that the Possible Offer will constitute a reverse takeover of the Company under Rule 19.06B of the GEM Listing Rules and the Company will be treated as a new listing applicant under Rule 19.54 of the GEM Listing Rules if the Possible Offer were to proceed (the “**Decision**”).

The Board disagreed with the Decision and had submitted a formal request to the Stock Exchange for a review of the Decision by the GEM Listing Committee of the Stock Exchange pursuant to Rule 4.06(1) of the GEM Listing Rules (the “**Review**”).

The hearing for Review by the GEM Listing Committee of the Stock Exchange (the “**Review Hearing**”) took place on 4 November 2020. On 23 November 2020 the GEM Listing Committee informed National Arts that it upheld the Decision on 23 November 2020 citing the same reason for the Decision by the Listing Division (the “**GEM Listing Committee Decision**”).

The Company disagreed with the GEM Listing Committee Decision, and had submitted a formal request to the secretary of the GEM Listing Review Committee of the Stock Exchange on 2 December 2020 for a review of the GEM Listing Committee Decision by the GEM Listing Review Committee of the Stock Exchange pursuant to Rule 4.06(2) of the GEM Listing Rules (the “**GEM Listing Review Committee Review**”).

Nonetheless, given the GEM Listing Committee Decision and foreseeable obstacles, on 24 November 2020, the Company approached the Convoy Board about a pre-conditional voluntary partial share exchange offer (the “**Proposed Partial Share Exchange Offer**”). Completion of the Proposed Partial Share Exchange Offer is subject to fulfilment or waiver of certain conditions.

Following the approach, the Board discussed with the Convoy Board further details of the Proposed Partial Share Exchange Offer, including how and when it can be made, bearing in mind the financial and other information which would be required to be included in documentation to be sent to shareholders of the Company and Convoy in relation to the Proposed Partial Share Exchange Offer.

於二零二零年八月十四日，本公司接獲聯交所上市科發出的函件，告知本公司其決定：根據GEM上市規則第19.06B條，潛在要約將構成對本公司的反向收購，而倘潛在要約進行，根據GEM上市規則第19.54條，本公司將被視為新上市申請人（「**該決定**」）。

董事會不同意該決定，並已根據GEM上市規則第4.06(1)條向聯交所提交正式請求，要求聯交所GEM上市委員會覆核該決定（「**覆核**」）。

聯交所GEM上市委員會的覆核聆訊（「**覆核聆訊**」）於二零二零年十一月四日進行。GEM上市委員會於二零二零年十一月二十三日知會國藝，其維持該決定，理由與上市科作出該決定的理由相同（「**GEM上市委員會決定**」）。

本公司不同意GEM上市委員會決定，並已於二零二零年十二月二日根據GEM上市規則第4.06(2)條向聯交所GEM上市覆核委員會秘書提交正式請求，要求聯交所GEM上市覆核委員會覆核GEM上市委員會決定（「**GEM上市覆核委員會覆核**」）。

儘管如此，鑒於GEM上市委員會決定及可預見的阻礙，於二零二零年十一月二十四日，國藝向康宏董事會提議作出附先決條件的自願性部分換股要約（「**建議部分換股要約**」）。建議部分換股要約須待若干條件獲達成或豁免後，方告完成。

於提出上述提議後，董事會就建議部分換股要約的進一步細節與康宏董事會進行磋商，包括作出要約的方式及時間，同時考慮將就建議部分換股要約寄發予本公司及康宏股東之文件中須載入的財務及其他資料。

As certain applicable percentage ratios (as defined under the GEM Listing Rules) for the Company in respect of the transactions in connection with the Proposed Partial Share Exchange Offer exceed 25% but all of the percentage ratios are less than 100%, the Proposed Partial Share Exchange Offer, if it were to proceed, would constitute a major transaction for the Company under the GEM Listing Rules, and the Proposed Partial Share Exchange Offer together with the allotment and issue of new Shares by way of specific mandate are therefore conditional upon, among other things, the approval of the shareholders of the Company at a special general meeting.

As disclosed in the joint announcement of the Company and Convoy dated 15 March 2021, the Board has come to a decision to discontinue pursuing the Proposed Partial Share Exchange Offer given it has taken longer than the Board has originally anticipated.

In place of the withdrawal of the Proposed Partial Share Exchange Offer, the Company and Convoy are currently exploring other avenues of cooperation but no concrete plan has been formed as at the date of this report.

Further announcements will be made by Convoy and the Company pursuant to the requirements of the Listing Rules and the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) as and when required. Convoy and the Company consider that the withdrawal of the Proposed Partial Share Exchange Offer will not have any material adverse effect on the existing financial position or business operations of Convoy or the Company.

For the purposes of the Takeovers Code, the offer period of the Company commenced on 29 July 2020 and ended on 15 March 2021.

On 11 August 2021, the Board has decided to withdraw the Request for the GEM Listing Review Committee Review.

由於本公司有關建議部分換股要約交易的若干適用百分比率（定義見GEM上市規則）超過25%但所有百分比率均低於100%，故根據GEM上市規則，倘建議部分換股要約得以進行，其將構成本公司的主要交易，因此，建議部分換股要約連同以特別授權方式配發及發行新股份須待（其中包括）本公司股東於股東特別大會上批准後方可作實。

誠如本公司與康宏日期為二零二一年三月十五日的聯合公告所披露，鑒於建議部分換股要約耗時較董事會原先預期長，董事會已決定終止進行該事項。

本公司及康宏現時正探索其他合作途徑，以替代撤回的建議部分換股要約，惟於本報告日期尚未制定具體計劃。

康宏及本公司將於必需時根據上市規則及香港公司收購及合併守則（「**收購守則**」）的規定作出進一步公告。康宏及本公司認為撤回建議部分換股要約不會對康宏或本公司的現有財務狀況或業務營運造成任何重大不利影響。

就收購守則而言，本公司的要約期從二零二零年七月二十九日開始，至二零二一年三月十五日結束。

於二零二一年八月十一日，董事會決定撤回有關GEM上市覆核委員會覆核之請求。

DIRECTORS' REPORT

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Shares of the Company issued to its financial adviser

The Company had appointed Yu Ming Investment Management Limited (“**Yu Ming**”), a licensed corporation to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571), as financial adviser to advise the Company on the Possible Offer and transactions contemplated thereunder. Yu Ming is wholly-owned by Da Yu Financial Holdings Limited (Stock Code: 1073). Based on the best knowledge and belief of Yu Ming and the Company, Yu Ming's ultimate substantial shareholders are third parties independent of the Company and its connected persons. To preserve cash resources of the Company, the Company proposed to pay Yu Ming its financial advisory fees for the Possible Offer by way of issuing new shares of the Company (the “**Yu Ming Fee Shares**”) at the issue price of HK\$0.185, equivalent to the closing price of the Company's shares on the last trading date prior to suspension of trading on 23 June 2020.

The number of Yu Ming Fee Shares issued to Yu Ming is fixed and is not subject to any further changes. Yu Ming's advisory fee is non-refundable and not contingent upon the status or development of the Possible Offer and transactions contemplated thereunder. The Yu Ming Fee Shares would rank pari passu in all respects with the Company's shares in issue as at the date of issuance. The issue and listing of, and permission to deal in, the Yu Ming Fee Shares are subject to approval from relevant regulators. The Company obtained the approval from Stock Exchange for the listing of, and permission to deal in, the Yu Ming Fee Shares.

A total of 54,054,054 Yu Ming Fee Shares were allotted and issued to Yu Ming on 13 August 2020.

The Company also appointed Yu Ming to act as its financial adviser in respect of the Review and would pay Yu Ming's financial advisory fees of HK\$2,000,000 by way of issuing new shares of the Company at the issue price of HK\$0.121 per share (the “**Yu Ming Review Fee Shares**”).

向本公司財務顧問發行本公司股份

本公司已委任禹銘投資管理有限公司（「**禹銘**」，根據證券及期貨條例（第571章）可從事第1類（證券買賣）、第4類（就證券提供意見）、第6類（就機構融資提供意見）及第9類（資產管理）受規管活動之持牌法團）為財務顧問，以就潛在要約及其項下擬進行的交易向本公司提供意見。禹銘由大禹金融控股有限公司（股份代號：1073）全資擁有。據禹銘及本公司所知及所信，禹銘的最終主要股東為獨立於本公司及其關連人士的第三方。為保存本公司的現金資源，本公司提議按發行價0.185港元（相等於本公司股份於二零二零年六月二十三日暫停買賣前最後交易日的收市價）發行本公司新股份（「**禹銘費用股份**」）的方式向禹銘支付潛在要約的財務顧問費用。

向禹銘發行的禹銘費用股份數目為固定，毋須作出任何其他變動。禹銘的顧問費用不可退還且並不取決於潛在要約及其項下擬進行交易的狀況或進展。禹銘費用股份與截至發行日期本公司已發行股份於所有方面享有同等地位。禹銘覆核費用股份之發行、上市及買賣須待相關監管機構批准後，方可作實。本公司已獲聯交所批准禹銘覆核費用股份上市及買賣。

本公司於二零二零年八月十三日向禹銘配發及發行合共54,054,054股禹銘費用股份。

本公司亦委任禹銘擔任有關覆核的財務顧問，財務顧問費用為2,000,000港元，以按發行價每股股份0.121港元向禹銘發行本公司新股份（「**禹銘覆核費用股份**」）的方式支付。

The number of Yu Ming Review Fee Shares issued to Yu Ming is fixed and is not subject to any further changes. Yu Ming's advisory fee is non-refundable and not contingent upon the outcome of the Review.

The Yu Ming Review Fee Shares would rank pari passu in all respects with the shares of the Company in issue as at the date of issuance and was allotted and issued under the general mandate granted to the Board on 30 July 2020. The issue and listing of, and permission to deal in, the Yu Ming Review Fee Shares are subject to approval from relevant regulators. The Company obtained the approval from Stock Exchange for the listing of, and permission to deal in, the Yu Ming Review Fee Shares.

A total of 16,528,925 Yu Ming Review Fee Shares were allotted and issued to Yu Ming on 20 November 2020.

Details of the Possible Offer are set out in the joint announcements of the Company and Convoy dated 29 July 2020, 28 August 2020, 28 September 2020, 28 October 2020, 27 November 2020, 24 December 2020, 25 January 2021, 25 February 2021 and 15 March 2021, the announcements of the Company dated 30 July 2020, 17 August 2020, 21 August 2020, 3 September 2020, 30 October 2020, 2 December 2020 and 11 August 2021 and the next day disclosure returns of the Company dated 13 August 2020 and 20 November 2020.

向禹銘發行的禹銘覆核費用股份數目固定，毋須作出任何其他變動。禹銘的顧問費用不可退還且並不取決於覆核的結果。

禹銘覆核費用股份與截至發行日期本公司已發行股份於所有方面享有同等地位，根據於二零二零年七月三十日授予董事會的一般授權予以配發及發行。禹銘覆核費用股份之發行、上市及買賣須待相關監管機構批准後，方可作實。本公司已獲聯交所批准禹銘覆核費用股份上市及買賣。

本公司二零二零年十一月二十日向禹銘配發及發行合共16,528,925股禹銘覆核費用股份。

有關潛在要約的詳情載於本公司與康宏日期為二零二零年七月二十九日、二零二零年八月二十八日、二零二零年九月二十八日、二零二零年十月二十八日、二零二零年十一月二十七日、二零二零年十二月二十四日、二零二一年一月二十五日、二零二一年二月二十五日及二零二一年三月十五日的聯合公告、本公司日期為二零二零年七月三十日、二零二零年八月十七日、二零二零年八月三十一日、二零二零年九月三日、二零二零年十月三十日、二零二零年十二月二日及二零二一年八月十一日的公告以及本公司日期為二零二零年八月十三日及二零二零年十一月二十日的翌日披露報表。

EVENTS AFTER REPORTING PERIOD

Discloseable Transaction – Acquisition of the Target Company

On 29 January 2021, the Company entered into a sale and purchase agreement (the “**Agreement**”) with Advanced Oasis International Holding Limited (the “**Seller**”) and Chu Hin Ming, Alfonso (the “**Guarantor**”), pursuant to which the Company has conditionally agreed to acquire from the Seller the entire issued share capital of Majestic Bravo Limited (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”) at the consideration of HK\$90,000,000 (the “**Consideration**”) (the “**Acquisition**”), which shall be settled by the allotment and issue of 900,000,000 shares of the Company (the “**Consideration Shares**”) by the Company to the Seller upon completion of the Acquisition (“**Completion**”).

Upon completion of the proposed restructuring to be taken by the Target Company prior to Completion (the “**Restructuring**”), the Target Company will through its subsidiaries hold 100% ownership of the 26 units service apartment of Golden Straits Morib, situated at Kawasan Kanchong Laut Mukim Morib Banting State of Selangor, Malaysia (the “**Target Apartments**”).

Each of the Seller and the Guarantor agreed and undertook with the Company that unless with the prior written consent of the Company, the Seller shall not, whether directly or indirectly, (1) at any time during the period of 6 months following the date of Completion (the “**Completion Date**”), dispose of, or agree or contract to dispose of, either directly or indirectly, conditionally or unconditionally, any of the 900,000,000 Consideration Shares issued and allotted by the Company to the Seller at Completion pursuant to the Agreement or any interest therein or any voting right or any other right attaching thereto; and (2) at any time during the period of 12 months following the Completion Date, dispose of, or agree or contract to dispose of, either directly or indirectly, conditionally or unconditionally, any of the 450,000,000 New Shares issued and allotted by the Company to the Seller at Completion pursuant to the Agreement or any interest therein or any voting right or any other right attaching thereto.

報告期後事項

須予披露交易 – 收購目標公司

於二零二一年一月二十九日，本公司與環海國際控股有限公司（「賣方」）及朱顯明（「擔保人」）訂立買賣協議（「協議」），據此，本公司有條件同意向賣方收購Majestic Bravo Limited（「目標公司」），連同其附屬公司統稱「目標集團」之全部已發行股本（「收購事項」），代價為90,000,000港元（「代價」），將於收購事項完成（「完成」）後由本公司向賣方配發及發行900,000,000股本公司股份（「代價股份」）支付。

待目標公司於完成前將進行的建議重組（「重組」）完成後，目標公司將透過其附屬公司持有Golden Straits Morib的26個單位服務式公寓（「目標公寓」）的100%所有權，目標公寓位於Kawasan Kanchong Laut Mukim Morib Banting State of Selangor, Malaysia。

賣方及擔保人各自同意並向本公司承諾，除非事先經本公司書面同意，否則賣方不得直接或間接：
(1)於完成日期（「完成日期」）後6個月期間內任何時間，出售或同意或訂約出售（不論直接或間接，有條件或無條件）本公司於完成時根據協議向賣方發行及配發之900,000,000股代價股份或當中任何權益或所附之任何投票權或任何其他權利；及
(2)於完成日期後12個月期間內任何時間，出售或同意或訂約出售（不論直接或間接，有條件或無條件）本公司於完成時根據協議向賣方發行及配發之450,000,000股新股份或當中任何權益或所附之任何投票權或任何其他權利。

Conditions precedent

Completion is subject to the fulfilment or (if applicable) waiver of the following conditions precedent:

- a. the Company being satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Company may consider necessary) on the Target Group and its assets, liabilities, activities, operations, prospects and other status which the Company, its agents or professional advisers think reasonably necessary and appropriate to conduct;
- b. the receipt by the Company of a legal opinion(s) on the Target Group and the Target Apartments (in the form and substance to the satisfaction of the Company) issued by qualified legal adviser(s) acceptable to the Company and the Company's lawyer;
- c. the receipt by the Company of a valuation report issued by an independent professional valuer acceptable to the Company showing the value of the Target Apartments as at a date not more than 3 months before the Completion Date being not less than HK\$90,000,000;
- d. the receipt by the Company of the management account of the Target Group up to the date which is not more than 1 week before the Completion Date;
- e. the receipt of all such waivers, consents or approvals by the Company in relation to the completion of the transactions contemplated under the Agreement, including but not limited to the approvals from the Stock Exchange and/or the Securities and Futures Commission;
- f. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares;
- g. completion of the Restructuring; and
- h. the representations, warranties and undertakings by the Seller and the Guarantor in the Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Agreement and the Completion Date.

Conditions (b), (c), (e), (f) and (g) are not capable of being waived by any Parties. The Company may waive conditions (a), (d) and (h).

先決條件

完成須待以下先決條件達成或（如適用）獲豁免後，方可作實：

- a. 本公司信納對目標集團及其資產、負債、活動、營運、前景以及本公司、其代理或專業顧問認為合理必要及適當之其他狀況進行之盡職審查（不論在法律、會計、財務、營運、物業或本公司可能認為必要之其他方面）之結果；
- b. 本公司收到本公司認可之合資格法律顧問及本公司律師就目標集團及目標公寓發出之法律意見（形式及內容均獲本公司信納）；
- c. 本公司收到本公司認可之獨立專業估值師發出之估值報告，當中載列目標公寓於完成日期前不超過三個月之某一日期之價值不少於90,000,000港元；
- d. 本公司收到目標集團之管理賬目，其編製日期不超過完成日期前一星期；
- e. 本公司就完成協議項下擬進行之交易取得所有相關豁免、同意或批准，包括但不限於聯交所及／或證券及期貨事務監察委員會之批准；
- f. 聯交所上市委員會批准代價股份上市及買賣；
- g. 重組完成；及
- h. 賣方及擔保人於協議作出之聲明、保證及承諾於完成時仍屬真實及準確且不會產生誤導，猶如於完成時及協議日期至完成日期期間內任何時間重複作出一般。

條件(b)、(c)、(e)、(f)及(g)不可由任何訂約方豁免。本公司可豁免條件(a)、(d)及(h)。

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If all the conditions above shall not be fulfilled or (if applicable) waived at or before 5 p.m. on 30 April 2021 (or such later day as the Seller and the Company may agree in writing), then the Agreement shall cease and determine and none of the parties shall have any obligations and liabilities under the Agreement save for any antecedent breaches.

Guarantee by the Seller and the Guarantor

Pursuant to the Agreement, the Seller will lease the Target Apartments from the Company for its operations, and the Seller, together with the Guarantor, irrevocably warrant to and guarantee with the Company that the Company shall generate and receive from the Target Apartments the following minimum return for the five years commencing on 1 January 2023, failing which, each of the Guarantor and the Seller shall forthwith indemnify the Company such shortfall on a dollar-to-dollar basis in full:

1st year (i.e. 1 January 2023 to 31 December 2023) – 3.5% of the Consideration;

2nd year (i.e. 1 January 2024 to 31 December 2024) – 4.25% of the Consideration;

3rd year (i.e. 1 January 2025 to 31 December 2025) – 4.75% of the Consideration;

4th year (i.e. 1 January 2026 to 31 December 2026) – 5.25% of the Consideration; and

5th year (i.e. 1 January 2027 to 31 December 2027) – 5.75% of the Consideration.

Reference is made to the announcement of the Company dated 29 January 2021 in relation to the Agreement entered into for the acquisition of Majestic Bravo Limited. As at 24 March 2021, all conditions precedent of both parties have been fulfilled and 900,000,000 Consideration Shares have been allotted and issued to the Seller.

Implications under the GEM Listing Rules

Given that the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion took place on 24 March 2021. The Consideration has been settled by the allotment and issue of 900,000,000 Consideration Shares to the Seller.

倘上述所有條件未能於二零二一年四月三十日(或賣方與本公司可能書面協定之較後日期)下午五時正或之前達成或(如適用)獲豁免,則協議將告終止及終結,訂約方概無須承擔協議項下之任何義務及責任,惟任何先前違反除外。

賣方及擔保人之擔保

根據協議,賣方將向本公司租賃目標公寓用於其營運,而賣方連同擔保人不可撤回地向本公司保證及擔保,本公司自二零二三年一月一日起計五年期間自目標公寓產生及收取之最低回報應達至以下數額,否則擔保人及賣方各自須立即按等額基準向本公司悉數彌償有關差額:

第一年(即二零二三年一月一日至二零二三年十二月三十一日) – 代價之3.5%;

第二年(即二零二四年一月一日至二零二四年十二月三十一日) – 代價之4.25%;

第三年(即二零二五年一月一日至二零二五年十二月三十一日) – 代價之4.75%;

第四年(即二零二六年一月一日至二零二六年十二月三十一日) – 代價之5.25%; 及

第五年(即二零二七年一月一日至二零二七年十二月三十一日) – 代價之5.75%。

茲提述本公司日期為二零二一年一月二十九日的公告,內容有關就收購Majestic Bravo Limited訂立協議。截止二零二一年三月二十四日,雙方所有先決條件已獲達成,並已向賣方配發及發行900,000,000股代價股份。

GEM上市規則之涵義

鑒於有關收購事項之適用百分比率(定義見GEM上市規則)超過5%但低於25%,故根據GEM上市規則第19章,收購事項構成本公司之須予披露交易,並須遵守GEM上市規則第19章項下之通知及公告規定。

完成已於二零二一年三月二十四日落實。代價已透過向賣方配發及發行900,000,000股代價股份支付。

Further details of the Acquisition are set out in the Company's announcements dated 29 January 2021 and 24 March 2021 and the next day disclosure return of the Company dated 24 March 2021.

Letter of Intent for Subscription of L'officiel Inc.

On 17 April 2021, the Company and L'Officiel Inc SAS ("**L'Officiel**") (the Company together with L'Officiel being the "**Parties**", and individually, a "**Party**") entered into a binding letter of intent (the "**Subscription LOI**"), in relation to the subscription of new shares of L'Officiel (the "**L'Officiel Subscription**"), which is subject to approval by the shareholders of L'Officiel at a general meeting of the shareholders of L'Officiel to be convened on or before 15 May 2021.

Pursuant to the Subscription LOI, the Company conditionally agrees to subscribe for, and L'Officiel conditionally agrees to allot and issue such number of ordinary shares equivalent to ten percent (10%) of the equity of L'Officiel, credited as fully paid up, out of the unissued authorised capital stock of L'Officiel (together, the "**Target Shares**"). In consideration of the agreement for L'Officiel to issue the Target Shares to the Company, the Company undertakes to settle the subscription monies for the Target Shares by the allotment and issue of 500,000,000 ordinary shares at HK\$0.10 each, credited as fully paid up, out of the unissued authorised capital stock of the Company (the "**Consideration Shares**") to L'Officiel.

The Parties agree that the Parties shall negotiate and finalise the details of the L'Officiel Subscription and incorporate the terms and conditions of the Subscription LOI into the definitive agreement (the "**Definitive Agreement**") and enter into such definitive agreement prior to 15 May 2021, or such other date as may be mutually agreed in writing by the Parties.

The Definitive Agreement will contemplate a separate license agreement granting to the Company certain mutually agreed rights to the content of L'Officiel and its subsidiaries. These rights will enhance the Company's film, television, documentary and short video production capabilities, by allowing for increased engagement with L'Officiel's and its subsidiaries' extensive archive database of several hundred thousand media items.

Further details of the Subscription LOI are set out in the Company's announcement dated 18 April 2021.

收購事項之進一步詳情載於本公司日期為二零二一年一月二十九日及二零二一年三月二十四日之公告及本公司日期為二零二一年三月二十四日之翌日披露報表。

認購L'officiel Inc.意向書

於二零二一年四月十七日，本公司與L'Officiel Inc SAS（「**L'Officiel**」）（本公司連同L'Officiel統稱「**訂約方**」，各為一名「**訂約方**」）訂立具約束力的意向書（「**認購意向書**」），內容有關認購L'Officiel的新股份（「**L'Officiel認購事項**」），認購事項須在二零二一年五月十五日或之前召開的L'Officiel股東大會上獲得L'Officiel股東批准後，方可作實。

根據認購意向書，本公司有條件同意認購，而L'Officiel有條件同意從L'Officiel的未發行法定股本中配發及發行相當於L'Officiel股權百分之十(10%)的繳足股款普通股（統稱「**目標股份**」）。考慮到L'Officiel向本公司發行目標股份的協議，本公司承諾從本公司未發行的法定股本中向L'Officiel配發及發行每股面值0.10港元的500,000,000股繳足股款普通股（「**代價股份**」）來結算目標股份的認購款項。

訂約方同意，訂約方將磋商及落實L'Officiel認購事項之詳情，並將認購意向書之條款及條件納入最終協議（「**最終協議**」），並於二零二一年五月十五日（或訂約方可能書面協定的其他日期）前訂立有關最終協議。

最終協議將考慮訂立單獨的許可協議，授予本公司對L'Officiel及其附屬公司內容的某些共同商定的權利。許可本公司對L'Officiel及其附屬公司的數十萬個媒體項目的廣泛存檔數據庫進行更多的參與，這些權利將增強本公司的電影、電視、紀錄片和短片製作能力。

認購意向書的進一步詳情載於本公司日期為二零二一年四月十八日的公告。

DIRECTORS' REPORT

董事會報告書

Issue of Convertible Bonds under General Mandate

On 17 April 2021, the Company entered into the Subscription Agreement with the Investor, pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the 2021 Convertible Bonds on the terms and subject to conditions set out therein (the “**2021 CB Subscription**”).

Upon full conversion of the 2021 Convertible Bonds at the initial conversion price of HK\$0.10 per conversion share (the “**2021 Conversion Share**”) (subject to adjustments), a total of 250,000,000 2021 Conversion Shares will be issued. The 2021 Conversion Shares will be allotted and issued pursuant to the General Mandate.

The initial conversion price of the 2021 Convertible Bonds of HK\$0.1 represented:

- (i) a premium of approximately 66.67% to the closing price of the shares of the Company of HK\$0.06 per share as quoted on the Stock Exchange on 16 April 2021 (being the last trading date immediately before the date of the Subscription Agreement); and
- (ii) a premium of approximately 68.35% to the average closing price of the shares of the Company of approximately HK\$0.0594 per share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding 16 April 2021.

As a result of the Capital Reorganisation as set out in the paragraph headed “Capital Reorganisation” below, with effect from 16 September 2021, the number of 2021 Conversion Shares that will be allotted and issued upon the exercise of the conversion rights attached to the 2021 Convertible Bonds and the conversion price have been adjusted from 250,000,000 2021 Conversion Shares to 25,000,000 2021 Conversion Shares (representing approximately 3% of the existing issued capital of the Company as at the date of this report and approximately 2.92% of the issued share capital of the Company as enlarged the issue of the 2021 Conversion Shares) and from HK\$0.10 to HK\$1.0.

根據一般授權發行可換股債券

於二零二一年四月十七日，本公司與投資者訂立認購協議，據此，投資者有條件同意認購，而本公司有條件同意發行二零二一年可換股債券，惟須根據當中所載條款並受其條件所規限（「**二零二一年可換股債券認購事項**」）。

待二零二一年可換股債券按每股換股股份（「**二零二一年換股股份**」）0.10港元（可予調整）的初步換股價悉數轉換後，將發行合共250,000,000股二零二一年換股股份。二零二一年換股股份將根據一般授權予以配發及發行。

二零二一年可換股債券之初步換股價0.1港元較：

- (i) 本公司股份於二零二一年四月十六日（即緊接認購協議日期前之最後交易日）在聯交所所報之收市價每股0.06港元溢價約66.67%；及
- (ii) 本公司股份於緊接二零二一年四月十六日前五個連續交易日在聯交所所報之平均收市價每股約0.0594港元溢價約68.35%。

由於下文「股本重組」一段所載之股本重組，自二零二一年九月十六日起，於二零二一年可換股債券所附帶之換股權獲行使後將予配發及發行之二零二一年換股股份數目已由250,000,000股二零二一年換股股份調整為25,000,000股二零二一年換股股份（相當於本公司於本報告日期的現有已發行股本約3%及本公司經發行二零二一年換股股份擴大後已發行股本約2.92%），而換股價已由0.10港元調整為1.0港元。

The gross proceeds and net proceeds from the issue of the 2021 Convertible Bonds is HK\$25,000,000 and approximately HK\$25,000,000 respectively. The net conversion price (based on initial conversion price of HK\$0.1) is approximately HK\$0.1. The Group intended to use all the net proceeds as follows:

- (i) approximately HK\$5 million for repayment of other accrued expenses of the Group;
- (ii) approximately HK\$5 million for payment of rental & office expenses of the Group;
- (iii) approximately HK\$5 million for payment of salary of the staff of the Group;
- (iv) approximately HK\$1 million for payment of general office expenses of the Group;
- (v) approximately HK\$5 million for settlement of the PRC tax; and
- (vi) the balance for settlement of the professional fees.

As at the date of this report, the Group has utilized all the net proceeds from the issue of the 2021 Convertible Bonds in the manner set out above.

The 2021 CB Subscription and the issue of 2021 Conversion Shares under the General Mandate are not subject to the approval of the shareholders of the Company. No application will be made for the listing of the 2021 Convertible Bonds on the Stock Exchange or any other stock exchange. An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 2021 Conversion Shares. The 2021 Convertible Bonds were issued by the Company in May 2021.

As disclosed in the announcement of the Company dated 11 May 2021, as under the Share Subscription Facilities, the number of Shares that could be subscribed is based on the trade volume of the Shares, and the subscription price is based on the 10 per cent discount to the closing price of the Shares. As the trade volume of the Shares is not sufficient to meet the funding requirement and the current market price of the Shares is below par value (the Company cannot issue the Shares below par under the Bermuda law). Therefore, the Company was unable to utilize the facilities under the Share Subscription Facilities at the relevant time, and the Company proceeded to issue the 2021 Convertible Bonds.

發行二零二一年可換股債券的所得款項總額及所得款項淨額將分別為25,000,000港元及約25,000,000港元。淨換股價（按初步換股價0.1港元計算）約為0.1港元。本集團擬按以下方式使用全部所得款項淨額：

- (i) 約500萬港元用於償付本集團之其他應計費用；
- (ii) 約500萬港元用於支付本集團之租金及辦公開支；
- (iii) 約500萬港元用於支付本集團之員工薪金；
- (iv) 約100萬港元用於支付本集團之一般辦公開支；
- (v) 約500萬港元用於結付中國稅項；及
- (vi) 餘額用於結付專業費用。

於本報告日期，本集團已按上述方式動用全部二零二一年可換股債券所得款項淨額。

二零二一年可換股債券認購事項及根據一般授權發行二零二一年換股股份無須經本公司股東批准。本公司將不會申請二零二一年可換股債券於聯交所或任何其他證券交易所上市。本公司已向聯交所上市委員會申請批准二零二一年換股股份上市及買賣。本公司已於二零二一年五月發行二零二一年可換股債券。

誠如本公司日期為二零二一年五月十一日之公告所披露，根據股權掛鈎信貸，可認購的股份數目乃基於股份交易量，而認購價則按股份收市價折讓10%計算。由於股份目前的交易量不足，所以無法滿足資金需求，且股份當前市價低於面值（根據百慕達法例，本公司不能以低於面值之價格發行股份）。因此，本公司於有關時間無法動用股權掛鈎信貸項下之融資，故本公司選擇發行二零二一年可換股債券。

DIRECTORS' REPORT

董事會報告書

Further details of the 2021 CB Subscription are set out in the Company's announcements dated 18 April 2021 and 11 May 2021.

Capital Reorganisation

As disclosed in the Company's announcement dated 19 July 2021, the Board proposed to implement the capital reorganisation (the "**Capital Reorganisation**") which comprised the following:

(1) Share Consolidation

The share consolidation (the "**Share Consolidation**") was on the basis that every ten (10) issued and unissued existing shares of par value HK\$0.10 each in the share capital of the Company (the "**Existing Shares**") shall be consolidated into one (1) consolidated share of par value of HK\$1.00 each (the "**Consolidated Shares**"). The total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation is 832,386,836 Consolidated Shares after cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

(2) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the share capital of the Company has been reduced (the "**Capital Reduction**") whereby:

- (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled;
- (ii) the issued share capital of the Company of HK\$832,386,836 divided into 832,386,836 Consolidated Shares shall be reduced to HK\$8,323,868.36 divided into 832,386,836 new shares of the Company by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01;

二零二一年可換股債券認購事項的進一步詳情載於本公司日期為二零二一年四月十八日及二零二一年五月十一日的公告。

股本重組

誠如本公司日期為二零二一年七月十九日之公告所披露，董事會建議實行股本重組（「**股本重組**」），當中包括以下各項：

(1) 股份合併

股份合併（「**股份合併**」）之基準為本公司股本中每十(10)股每股面值0.10港元之已發行及未發行現有股份（「**現有股份**」）合併為一(1)股每股面值1.00港元之合併股份（「**合併股份**」）。於註銷本公司已發行股本中因股份合併而可能產生之任何碎股後，緊隨股份合併後本公司已發行股本中之合併股份總數為832,386,836股合併股份。

(2) 股本削減

緊隨股份合併生效後，本公司之股本已進行削減（「**股本削減**」），據此：

- (i) 本公司已發行股本中因股份合併而產生之任何零碎合併股份予以註銷；
- (ii) 透過註銷本公司每股已發行合併股份之繳足股本0.99港元，將本公司每股已發行合併股份之面值由1.00港元削減至0.01港元，從而使本公司已發行股本832,386,836港元（分為832,386,836股合併股份）削減至8,323,868.36港元（分為832,386,836股本公司新股份）；

- (iii) the credit arising from the Capital Reduction in the amount of approximately HK\$824,062,967.64 shall be credited to the contributed surplus account of the Company up to the Effective Date within the meaning of the Companies Act 1981 of Bermuda (the “**Companies Act**”) for use by the Directors in any manner permitted by the Companies Act and the bye-laws of the Company; and
- (iv) the authorised share capital of the Company of HK\$2,000,000,000 divided into 2,000,000,000 Consolidated Shares shall be reduced to HK\$20,000,000 divided into 2,000,000,000 new shares of the Company by reducing the par value of all unissued Consolidated Shares from HK\$1.00 each to HK0.01 each.

The SGM was convened and held on 14 September 2021 for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reorganisation. The resolutions approving the Capital Reorganisation were duly passed by the Shareholders at the SGM, and the Capital Reorganisation has become effective with effect from 16 September 2021.

Further details of the Capital Reorganisation are set out in the announcements of the Company dated 11 May 2021 and 19 July 2021, the circular of the Company dated 20 August 2021 and the poll results announcement of the Company dated 14 September 2021.

- (iii) 於生效日期前，股本削減產生之進賬約824,062,967.64港元將計入本公司繳入盈餘賬（定義見百慕達一九八一年公司法（「**公司法**」）），以供董事按公司法及本公司之公司細則允許之任何方式使用；及
- (iv) 透過將所有未發行合併股份之面值由每股1.00港元削減至每股0.01港元，將本公司之法定股本2,000,000,000港元（分為2,000,000,000股合併股份）削減至20,000,000港元（分為2,000,000,000股本公司新股份）。

本公司已於二零二一年九月十四日舉行股東特別大會，以供股東考慮及酌情批准有關股本重組之必要決議案。批准股本重組之決議案已於股東特別大會上獲股東正式通過，股本重組已自二零二一年九月十六日起生效。

股本重組的進一步詳情載於本公司日期為二零二一年五月十一日及二零二一年七月十九日之公告、日期為二零二一年八月二十日之通函以及日期為二零二一年九月十四日之投票表決結果公告。

DIRECTORS' REPORT 董事會報告書

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company did not have reserves available for distribution to shareholders (2019: nil).

DIRECTORS

The Directors during the year ended 31 December 2020 and up to the date of this report were:

Chairman, Executive Director and Chief Executive Officer

Mr. Chow Kai Weng (appointed as the Chairman and ceased to be the Associate Chairman on 22 July 2021)

Chairman and Executive Director

Mr. Sin Kwok Lam (resigned on 22 July 2021)

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

In accordance with Bye-law 84 of the Bye-laws, Mr. Chow Kai Weng, Mr. Ho Leung Ting and Dr. Lam Lee G. shall retire and, being eligible, will offer themselves for reelection at the forthcoming annual general meeting of the Company. All other Directors continue in office.

可供分派儲備

於二零二零年十二月三十一日，本公司並無可供分派予股東之儲備（二零一九年：無）。

董事

截至二零二零年十二月三十一日止年度及直至本報告日期，董事為：

主席、執行董事兼行政總裁

周啟榮先生（於二零二一年七月二十二日獲委任為主席及不再擔任聯席主席）

主席兼執行董事

冼國林先生（於二零二一年七月二十二日辭任）

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

依照公司細則第84條，周啟榮先生、何亮靈先生及林家禮博士須於本公司應屆股東週年大會上告退，惟彼等符合資格並願意膺選連任。所有其他董事繼續留任。

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years. The service contract is terminable by either party by serving a written notice of not less than one calendar month to the other.

Each of the non-executive Directors and the independent non-executive Directors has been appointed for a term of two years with specific terms as stated in the letter of appointment or reappointment. The letter of appointment or reappointment is terminable from either party by serving a written notice not less than one calendar month to the other.

Each of the executive Directors is entitled to a basic salary and a discretionary bonus, and each of the non-executive Directors and independent non-executive Directors is entitled to a director's fee, subject to an annual revision by the remuneration committee of the Board.

Details of the directors' fees or emolument payable to Directors are set out in note 16 to the consolidated financial statements.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Board considers all the independent non-executive Directors are independent.

董事服務合約

各執行董事已與本公司訂立任期為三年之服務合約。有關服務合約可由其中一方向另一方發出不少於一個曆月之書面通知予以終止。

各非執行董事及獨立非執行董事任期為兩年，具體任期載於委聘書或續聘書內。委聘書或續聘書可由其中一方向另一方發出不少於一個曆月之書面通知予以終止。

各執行董事有權獲得底薪及酌情花紅，而各非執行董事及獨立非執行董事有權獲得董事袍金，惟董事會薪酬委員會每年可予修訂。

應付予董事之董事袍金或薪酬詳情載於綜合財務報表附註16。

概無擬於應屆股東週年大會上膺選連任之董事與本公司或其任何附屬公司訂有任何本集團不可於一年內不作賠償（法定賠償除外）而終止之服務合約。

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條發出的有關其獨立性之年度確認函。董事會認為本公司全部獨立非執行董事均屬獨立人士。

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

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company 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 (Chapter 571 of the laws of Hong Kong) (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	Capacity/Nature of interest	Number of shares held	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)
董事姓名	身份／權益性質	所持股份數量	
Mr. Sin Kwok Lam (Note 3) 冼國林先生 (附註3)	Beneficial Owner 實益擁有人	1,529,983,985	20.61%
	Interest of Spouse (Note 2) 配偶權益 (附註2)	54,163,311	0.73%
Mr. Chow Kai Weng 周啟榮先生	Beneficial Owner 實益擁有人	39,254,139	0.53%
Mr. Chui Chi Yun Robert 崔志仁先生	Beneficial Owner 實益擁有人	3,000,000	0.04%
Mr. Li Kit Chee 李傑之先生	Beneficial Owner 實益擁有人	4,480,000	0.06%

Notes:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
- By virtue of the SFO, Mr. Sin Kwok Lam, being the spouse of Ms. Law Po Yee, was deemed to be interested in all the Shares in which Ms. Law Po Yee was interested.
- Mr. Sin Kwok Lam resigned as the Chairman and an executive Director on 22 July 2021.

附註:

- 此乃基於二零二零年十二月三十一日全部已發行股份 (即7,423,868,369 股)。
- 根據證券及期貨條例, 冼國林先生 (羅寶兒女士之配偶) 被視為於羅寶兒女士擁有權益的全部股份中擁有權益。
- 冼國林先生於二零二一年七月二十二日辭任主席及執行董事。

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

於二零二零年十二月三十一日, 董事及本公司主要行政人員於本公司或其任何相聯法團 (定義見香港法例第571章證券及期貨條例 (「證券及期貨條例」) 第XV部) 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條之規定須登記於當中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

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 1) (附註1)
Mr. Sin Kwok Lam (Note 5) 冼國林先生 (附註5)	Beneficial Owner 實益擁有人	717,951,361 (Note 3) (附註3)	9.67%
	Interest of Spouse (Note 2) 配偶權益 (附註2)	32,463,918	0.44%
Mr. Chow Kai Weng 周啟榮先生	Beneficial Owner 實益擁有人	40,305,952 (Note 4) (附註4)	0.54%

Notes:

附註:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
 - By virtue of the SFO, Mr. Sin Kwok Lam, the spouse of Ms. Law Po Yee, was deemed to be interested in all the underlying Shares in which Ms. Law Po Yee was interested.
 - These underlying Shares represent 717,951,361 Shares to be issued upon exercise of the convertible bonds issued to Mr. Sin Kwok Lam on 29 June 2020 under which Mr. Sin may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
 - These underlying Shares represent 40,305,952 Shares to be issued upon exercise of the convertible bonds issued to Mr. Chow Kai Weng on 29 June 2020 under which Mr. Chow may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
 - Mr. Sin Kwok Lam resigned as the Chairman and an executive Director on 22 July 2021.
- 此乃基於二零二零年十二月三十一日的已發行股份總數 (即7,423,868,369股股份)。
 - 根據證券及期貨條例，冼國林先生 (羅寶兒女士之配偶) 被視為於羅寶兒女士擁有權益的所有相關股份中擁有權益。
 - 該等相關股份指於二零二零年六月二十九日發行予冼國林先生的可換股債券獲行使後將予發行的717,951,361股股份，據此，冼先生可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股0.55港元。
 - 該等相關股份指於二零二零年六月二十九日發行予周啟榮先生的可換股債券獲行使後將予發行的40,305,952股股份，據此，周先生可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股0.55港元。
 - 冼國林先生於二零二一年七月二十二日辭任主席及執行董事。

DIRECTORS' REPORT

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3. Long positions in the debentures of the Company

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Currency of debentures 債券幣種	Denomination or unit size of the debentures 債券面額或單位規模	Amount of debentures 債券金額
Mr. Sin Kwok Lam (Note 5) 冼國林先生(附註5)	Beneficial owner 實益擁有人	HKD 港元	500,000	394,873,249 (Note 1)
	Interest of spouse (Note 2) 配偶權益(附註2)	HKD 港元	500,000	17,855,155 (Note 3)
Mr. Chow Kai Weng 周啟榮先生	Beneficial owner 實益擁有人	HKD 港元	500,000	22,168,274 (Note 4)
		500,000	22,168,274(附註4)	

Notes:

- These debentures are convertible bonds issued to Mr. Sin Kwok Lam on 29 June 2020 under which Mr. Sin may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
- By virtue of the SFO, Mr. Sin Kwok Lam, the spouse of Ms. Law Po Yee, was deemed to be interested in all the debentures in which Ms. Law Po Yee was interested.
- These debentures are convertible bonds issued to Ms. Law Po Yee on 29 June 2020 under which Ms. Law may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
- These debentures are convertible bonds issued to Mr. Chow Kai Weng on 29 June 2020 under which Mr. Chow may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.
- Mr. Sin Kwok Lam resigned as the Chairman and an executive Director on 22 July 2021.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 31 December 2020, 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. 於本公司債券之好倉

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Currency of debentures 債券幣種	Denomination or unit size of the debentures 債券面額或單位規模	Amount of debentures 債券金額
Mr. Sin Kwok Lam (Note 5) 冼國林先生(附註5)	Beneficial owner 實益擁有人	HKD 港元	500,000	394,873,249 (Note 1)
	Interest of spouse (Note 2) 配偶權益(附註2)	HKD 港元	500,000	17,855,155 (Note 3)
Mr. Chow Kai Weng 周啟榮先生	Beneficial owner 實益擁有人	HKD 港元	500,000	22,168,274 (Note 4)
		500,000	22,168,274(附註4)	

附註:

- 該等債券為於二零二零年六月二十九日發行予冼國林先生的可換股債券，據此，冼先生可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股股份0.55港元。
- 根據證券及期貨條例，冼國林先生（羅寶兒女士之配偶）被視為於羅寶兒女士擁有權益的全部債券中擁有權益。
- 該等債券為於二零二零年六月二十九日發行予羅寶兒女士的可換股債券，據此，羅女士可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股股份0.55港元。
- 該等債券為於二零二零年六月二十九日發行予周啟榮先生的可換股債券，據此，周先生可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股股份0.55港元。
- 冼國林先生於二零二一年七月二十二日辭任主席及執行董事。

除上文所披露外，於二零二零年十二月三十一日，各董事或本公司主要行政人員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條規定須登記於當中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 December 2020, 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:

A. Substantial Shareholders' Interests

1. Substantial shareholders' long position in the 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 1) (附註1)
Ms. Law Po Yee ("Ms. Law") 羅寶兒女士(「羅女士」)	Beneficial Owner 實益擁有人	54,163,311	0.73%
	Interest of Spouse (Note 2) 配偶權益(附註2)	1,529,983,985	20.61%

Notes:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
- 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.

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零二零年十二月三十一日，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（除本公司董事或主要行政人員外）於本公司之股份及相關股份中擁有權益或淡倉：

A. 主要股東之權益

1. 主要股東於股份之好倉

附註：

- 此乃基於二零二零年十二月三十一日的全部已發行股份（即7,423,868,369股股份）。
- 根據證券及期貨條例，羅女士（洗先生之配偶）被視為於洗先生擁有權益的全部股份中擁有權益。

DIRECTORS' REPORT
董事會報告書

2. *Substantial shareholders' long position in the underlying Shares*

2. 主要股東於相關股份之好倉

Name of shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares held 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 1) (附註1)
Ms. Law Po Yee	Beneficial owner Interest of spouse (Note 2)	32,463,918 (Note 3) 717,951,361	0.44% 9.67%
羅寶兒女士	實益擁有人 配偶權益 (附註2)	32,463,918 (附註3) 717,951,361	0.44% 9.67%

Notes:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
- By virtue of the SFO, Ms. Law Po Yee, the spouse of Mr. Sin Kwok Lam, was deemed to be interested in all the underlying Shares in which Mr. Sin Kwok Lam was interested.
- These underlying Shares represent 32,463,918 Shares to be issued upon exercise of the convertible bonds issued to Ms. Law Po Yee on 29 June 2020 under which Ms. Law may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

附註：

- 此乃基於二零二零年十二月三十一日的已發行股份總數（即7,423,868,369股股份）。
- 根據證券及期貨條例，羅寶兒女士（洗國林先生之配偶）被視為為於洗國林先生擁有權益的全部相關股份中擁有權益。
- 該等相關股份指於二零二零年六月二十九日發行予羅寶兒女士的可換股債券獲行使後將予發行的32,463,918股股份，據此，羅女士可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股股份0.55港元。

B. Other Persons' Interests

1. *Other persons' long position in the Shares*

B. 其他人士之權益

1. 其他人士於股份之好倉

Name of shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares held 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 1) (附註1)
Mr. Tse Young Lai 謝欣禮先生	Beneficial owner 實益擁有人	563,547,600	7.59%

Note:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
- Other persons' long position in the underlying Shares*

附註：

- 此乃基於二零二零年十二月三十一日的已發行股份總數（即7,423,868,369股股份）。
- 其他人士於相關股份之好倉*

Name of shareholder 股東姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares held 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 1) (附註1)
Mr. Tse Young Lai 謝欣禮先生	Beneficial owner 實益擁有人	2,099,047 (Note 2) 2,099,047 (附註2)	0.03% 0.03%

Notes:

- This is based on the total issued Shares as at 31 December 2020 (i.e. 7,423,868,369 Shares).
- To the best knowledge of the Directors, Mr. Tse Young Lai is interested in the underlying Shares representing 2,099,047 Shares to be issued upon exercise of the convertible bonds issued to Mr. Tse Young Lai on 29 June 2020 under which Mr. Tse may exercise the conversion right from 29 June 2023 to 28 June 2025 at an exercise price of HK\$0.55 per Share.

附註：

- 此乃基於二零二零年十二月三十一日的已發行股份總數（即7,423,868,369股股份）。
- 據董事所知，謝欣禮先生於相關股份中擁有權益，該等相關股份指於二零二零年六月二十九日發行予謝欣禮先生的可換股債券獲行使後將予發行的2,099,047股股份，據此，謝先生可於二零二三年六月二十九日至二零二五年六月二十八日期間行使換股權，行使價為每股股份0.55港元。

Save as disclosed above, as at 31 December 2020, 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.

除上文所述者外，截至二零二零年十二月三十一日，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期貨及證券條例第XV部第336條所規定存置之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 December 2020, no share options to subscribe for 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 year ended 31 December 2020 are set out as follows:

Category of participants	Exercise price per Share	Date of grant	Exercise period	As at 1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Outstanding as at 31 December 2020
參與人類別	每股行使價 (HK\$) (港元)	授出日期	行使期	於二零二零年一月一日	年內授出	年內行使	年內失效	年內註銷	於二零二零年十二月三十一日尚未行使
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	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	24,888	-	-	(24,888)	-	-
Total 總數				58,180	-	-	(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4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

於二零二零年十二月三十一日，概無根據首次公開招股後購股權計劃授出而可認購本公司股份之購股權尚未行使。於截至二零二零年十二月三十一日止年度，首次公開招股後購股權計劃詳情如下：

附註：根據首次公開招股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 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 December 2020, the share options to subscribe for an aggregate of 92,411 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 year ended 31 December 2020 are set out as follows:

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 December 2020 於二零二零年十二月三十一日尚未行使
					As at 1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	
參與人類別	每股行使價 (HK\$) (港元)	授出日期	歸屬期	行使期	於二零二零年一月一日	年內授出	年內行使	年內失效	年內註銷	
Directors 董事	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二零一二年三月二十七日	92,411	-	-	-	-	92,411
Directors 董事	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	46,460,000	-	-	(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					254,472,411	-	-	(254,380,000)	-	92,411

Note: The weighted average closing price of shares of the Company immediately before the date on which the options were exercised is HK\$0.335.

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；及於更新計劃限額範圍內就執行新購股權計劃作出有關行動及簽立有關文件。

於二零二零年十二月三十一日，根據新購股權計劃授出可認購合共92,411股股份之購股權尚未獲行使。於截至二零二零年十二月三十一日止年度，根據新購股權計劃授出的購股權詳情如下：

附註：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0.335港元。

DIRECTORS' REPORT

董事會報告書

(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, subcontractor, 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 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 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) (excluding share options previously granted, outstanding, cancelled, lapsed or exercised under the New Share Option Scheme) and, after taking into account the effect of share consolidation of the Company which became effective on 16 September 2021, representing approximately 5.40% of the issued Shares as at the date of this annual report (i.e. 832,386,836 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) *新購股權計劃之目的*

新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、諮詢人、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舉行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）及於計及本公司股份合併（於二零二一年九月十六日生效）的影響後，佔於本年報日期已發行股份（即832,386,836股股份）約5.40%；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；及於更新計劃限額範圍內就執行新購股權計劃作出有關行動及簽立有關文件。

(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%,則該合資格參與者將不獲授予購股權,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,倘授予該等人士之購股權獲全面行使後將導致已經及可予發行股份之數目於截至建議授出日期(包括當日)止前12個月期間:(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,按於授出購股權予該人士之各有關日期於聯交所之每日報價表所列之股份收市價計算,有關股份總值超逾5百萬港元。

(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),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。

DIRECTORS' REPORT

董事會報告書

(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 Share Option 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 was in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes unconditional. As at the date of this annual report, the New Share Option Scheme has expired.

(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天內接納。

(viii) *釐定行使價之基準*

新購股權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) 股份於購股權提呈授出日期（必須為營業日）在聯交所每日報價表所報的收市價；(ii) 股份於緊接購股權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。於本年報日期，新購股權計劃已屆滿。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed below, no Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance during or subsisting or at the end of the year under review:

- i. The entitlement of Mr. Sin and Mr. Chow Kai Weng of the New Shares and the Conversion Shares under the Scheme, details of which are set out in the section headed "Scheme of Arrangement" of this Directors' Report.
- ii. The Directors' interests in the Post-IPO Share Option Scheme, details of which are set out under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" of this Directors' report;

董事於合約之權益

除下文披露者外，概無董事於回顧年內或年終存續之任何重大交易、安排或合約中直接或間接擁有重大權益：

- i. 冼先生及周啟榮先生根據計劃享有的新股份及換股股份之權益，其詳情載於本董事會報告書「安排計劃」一節。
- ii. 董事於首次公開招股後購股權計劃之權益，詳情載於本董事會報告書中「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」一段；

- iii. The Directors' interests in the New Share Option Scheme, details of which are set out under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" of this Directors' report;
- iv. The Directors' interests in the Shareholders' loan, other loan agreement advanced by the Directors to the Company and convertible bonds as set out below:

- iii. 董事於新購股權計劃之權益，詳情載於本董事會報告書「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」一段；

- iv. 下表載列董事於股東貸款，本公司董事墊付之其他貸款協議及可換股債券之權益：

Name of the Director	Date	Nature of	Interest rate	Principal amount	As at 1 January 2020	Drawdown during the year	Repaid during the year	Outstanding as at 31 December 2020	
董事姓名	日期	性質	利率	本金額 HK\$ 港元	於二零二零年 一月一日 HK\$ 港元	年內提取 HK\$ 港元	年內償還 HK\$ 港元	於二零二零年 十二月三十一日 未償還 HK\$ 港元	
Mr. Sin 冼先生	12 May 2015 二零一五年五月十二日	Term Loan 有期貸款	13%	7,500,000	7,500,000	-	(7,500,000)	-	
	02 June 2015 二零一五年六月二日	Term Loan 有期貸款	13%	5,000,000	5,000,000	-	(5,000,000)	-	
	11 August 2015 二零一五年八月十一日	Term Loan 有期貸款	11%	3,000,000	3,000,000	-	(3,000,000)	-	
	25 August 2015 二零一五年八月二十五日	Revolving Loan 循環貸款	12%	20,000,000	16,000,000	-	(16,000,000)	-	
	09 October 2015 二零一五年十月九日	Revolving Loan 循環貸款	10%	50,000,000	40,000,000	-	(40,000,000)	-	
	03 November 2015 二零一五年十一月三日	Term Loan 有期貸款	10%	62,000,000	62,000,000	-	(62,000,000)	-	
	29 January 2016 二零一六年一月二十九日	Revolving Loan 循環貸款	11%	150,000,000	105,000,000	-	(105,000,000)	-	
	19 February 2016 二零一六年二月十九日	Term Loan 有期貸款	-	40,000,000	40,000,000	-	(40,000,000)	-	
	19 February 2016 二零一六年二月十九日	Revolving Loan 循環貸款	6%	100,000,000	59,900,000	-	(59,900,000)	-	
	30 June 2016 二零一六年六月三十日	Revolving Loan 循環貸款	15%	150,000,000	97,847,324	-	(97,847,324)	-	
	14 April 2018 二零一八年四月十四日	Term Loan 有期貸款	8%	84,200,000	84,200,000	-	(84,200,000)	-	
	31 December 2019 二零一九年十二月三十一日	Revolving Loan 循環貸款	8.0%	50,000,000.00	5,577,720.00	13,203,941.93	(9,919,976.17)	8,861,685.76	
	29 June 2020 二零二零年六月二十九日	Convertible Bonds 可換股債券	1%	394,973,249	-	-	-	394,973,249	
					<u>1,511,646,498</u>	<u>526,025,044</u>	<u>13,203,941.93</u>	<u>(530,367,300.17)</u>	<u>403,834,934.76</u>

DIRECTORS' REPORT

董事會報告書

Name of the Director	Date	Nature of	Interest rate	Principal amount	As at 1 January 2020	Drawdown during the year	Repaid during the year	Outstanding as at 31 December 2020	
董事姓名	日期	性質	利率	本金額	於二零二零年一月一日	年內提取	年內償還	於二零二零年十二月三十一日未償還	
				HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	
Mr. Chow Kai Weng 周啟榮先生	01 October 2016 二零一六年十月一日	Term Loan 有期貨款	5%	48,048,000	20,660,200	-	(20,660,200)	-	
	30 September 2017 二零一七年九月三十日	Revolving loan 循環貸款	10%	50,000,000	15,134,532	-	(15,134,532)	-	
	14 June 2020 二零二零年六月十四日	Revolving Loan 循環貸款	8.0%	50,000,000.00	-	21,220,065.18	-	21,220,065.18	
	1 August 2020 二零二零年八月一日	Revolving Loan 循環貸款	0.1%	80,000,000.00	-	59,704,235.45	(34,934,039.61)	24,770,195.84	
	21 September 2020 二零二零年九月二十一日	Revolving Loan 循環貸款	9.0%	10,000,000.00	-	5,000,000.00	(2,994,791.69)	2,005,208.31	
	25 September 2020 二零二零年九月二十五日	Revolving Loan 循環貸款	0.5%	50,000,000.00	-	15,309,271.83	(3,487,725.18)	11,821,546.65	
	26 October 2020 二零二零年十月二十六日	Revolving Loan 循環貸款	0.3%	10,000,000.00	-	1,300,000.34	-	1,300,000.34	
	28 October 2020 二零二零年十月二十八日	Revolving Loan 循環貸款	0.8%	10,000,000.00	-	1,500,000.00	(38,000.26)	1,461,999.74	
	2 November 2020 二零二零年十一月二日	Revolving Loan 循環貸款	10.0%	10,000,000.00	-	3,024,999.96	-	3,024,999.96	
	5 November 2020 二零二零年十一月五日	Revolving Loan 循環貸款	3.5%	10,000,000.00	-	1,162,500.00	(90,218.97)	1,072,281.03	
	25 November 2020 二零二零年十一月二十五日	Revolving Loan 循環貸款	3.0%	10,000,000.00	-	7,739,000.00	(1,543,660.84)	6,195,339.16	
	2 December 2020 二零二零年十二月二日	Revolving Loan 循環貸款	4.0%	10,000,000.00	-	2,000,000.00	(1,810,000.00)	190,000.00	
	24 December 2020 二零二零年十二月二十四日	Revolving Loan 循環貸款	2.0%	10,000,000.00	-	2,100,000.00	-	2,100,000.00	
	30 December 2020 二零二零年十二月三十日	Revolving Loan 循環貸款	12.0%	10,000,000.00	-	1,000,000.00	-	1,000,000.00	
	29 June 2020 二零二零年六月二十九日	Convertible Bonds 可換股債券	1%	22,168,274	-	-	-	22,168,274	
					<u>241,276,346.76</u>	<u>35,794,732</u>	<u>121,060,072.76</u>	<u>(80,693,168.55)</u>	<u>98,329,910.21</u>
					<u>1,752,922,844.76</u>	<u>561,819,776</u>	<u>134,264,014.69</u>	<u>(611,060,468.72)</u>	<u>502,164,844.95</u>

Note:

- Mr. Sin resigned as the Chairman and an executive Director on 22 July 2021.
- The term loans and revolving loans from the Directors is included in the restructuring transaction.

附註：

- 冼先生於二零二一年七月二十二日辭任主席及執行董事。
- 來自董事的有期貨款及循環貸款已計入重組交易中。

EQUITY-LINKED AGREEMENTS

Details of the share option scheme of the Company, the scheme of arrangement put forward by the Company, the SSF Agreement and the Possible Offer, being equity-linked agreements of the Company subsisted during the year ended 31 December 2020 or were subsisting as at 31 December 2020, are disclosed under the paragraphs headed "Share Option Schemes", "Scheme of Arrangement", "Proposed Grant of Share Subscription Facility to the Company and Proposed issue of New Shares and Warrants under Specific Mandate and "Possible Offer for Convoy Global Holdings Limited" respectively in this "Directors' Report" of this annual report.

RETIREMENT BENEFITS SCHEMES

Before 30 November 2000, the Group did not contribute to any retirement benefit scheme for either its employees or the Directors in Hong Kong. With effect from 1 December 2000, the Group had joined the Mandatory Provident Fund Scheme under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The Group's employees in Hong Kong are required to join the scheme. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income.

The Group's subsidiary in the PRC, in compliance with the applicable regulations of the PRC, participated in social insurance schemes (including retirement benefit scheme, medical insurance scheme and unemployment benefit scheme) operated by the relevant local government authorities. The Group is required to make contribution to the social insurance schemes on behalf of employees who are registered permanent residents in the PRC. The insurance premium is borne by the Group and the employees on a specified proportion of the employees' salaries laid down under the relevant PRC law.

During the year, the employer's contributions to the retirement benefit scheme charged to the consolidated statement of comprehensive income amounted to approximately HK\$4,073,000 (2019: HK\$10,832,000).

權益掛鈎協議

有關本公司購股權計劃、本公司提出之安排計劃、SSF協議及潛在要約（即本公司於截至二零二零年十二月三十一日止年度存續或於二零二零年十二月三十一日存續的權益掛鈎協議）的詳情分別於本年報「董事會報告書」內「購股權計劃」、「安排計劃」、「建議向本公司授出股權掛鈎信貸及建議根據特別授權發行新股份及認股權證」及「有關康宏環球控股有限公司的潛在要約」各段披露。

退休福利計劃

於二零二零年十一月三十日前，本集團並無為其於香港之僱員或董事向任何退休福利計劃作出供款。由二零二零年十二月一日起，本集團根據強制性公積金計劃管理局之規則及規例參加強制性公積金計劃。本集團於香港之僱員須參與該計劃。本集團已遵守最低法定供款規定，按合資格僱員相關總收入之5%作出供款。

為符合中國之適用規例，本集團於中國之附屬公司參與由相關地方政府機關營運之社會保障計劃（包括退休福利計劃、醫療保險計劃及失業福利計劃）。本集團須代表屬中國登記永久居民之僱員向社會保障計劃作出供款。本集團及僱員會分別按照相關中國法律訂明之僱員薪金特定比例承擔保費。

年內，於綜合全面收益表扣除之退休福利計劃僱主供款約為4,073,000港元（二零一九年：10,832,000港元）。

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 year ended 31 December 2020.

COMPETING INTERESTS

None of the Directors or controlling 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.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year under review. The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and the management arising out of corporate activities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, the Company maintained a sufficient public float as at the date of this annual report.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of significant related party transactions undertaken by the Group during the year in the ordinary course of business are set out in Note 44 to the consolidated financial statements. None of such related party transactions falls under the definition of "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules. The Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

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二零二零年十二月三十一日止年度概無買賣或贖回本公司任何上市證券。

競爭權益

董事或本公司控股股東（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。

獲准彌償條文

為董事利益而制定之獲准彌償條文目前及過往於整個回顧年度皆已生效。本公司已就其董事及高級管理層可能因企業活動而被提出法律行動安排適當的董事及管理層責任保險。

充足公眾持股量

根據本公司從公開渠道獲得的資料及據董事截至本年報刊發前之最後可行日期所知，截至本年報日期，本公司已維持充足的公眾持股量。

關聯方交易及關連交易

本集團於年內在日常業務過程中進行的重大關聯方交易詳情載於綜合財務報表附註44。概無有關關聯方交易符合GEM上市規則第20章下的「關連交易」或「持續關連交易」的定義。本公司已根據GEM上市規則第20章遵守適用披露規定。

MAJOR SUPPLIERS AND CUSTOMERS

The five largest customers of the Group accounted for approximately 17% of the Group's revenue for the year under review. The Group's largest customer accounted for approximately 14% of its revenue.

The five largest suppliers of the Group accounted for approximately 5% of the Group's purchases for the year under review. The Group's largest supplier accounted for approximately 2% of its purchases.

None of the Directors, their respective close associates nor shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers at any time during the year under review.

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 as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules ("**Corporate Governance Code**") then in force during the year ended 31 December 2020.

Please refer to the Corporate Governance Report on pages 57 to 81 of this annual report for details.

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 year ended 31 December 2020.

主要供應商及客戶

於回顧年度，本集團五大客戶佔本集團收入約17%，而本集團最大客戶佔其收入約14%。

於回顧年度，本集團五大供應商佔本集團採購額約5%，而本集團最大供應商佔其採購額約2%。

董事、彼等各自之緊密聯繫人或任何據董事所知擁有本公司已發行股本5%以上之股東於回顧年度任何時間概無擁有本集團五大客戶或供應商之任何實益權益。

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，於截至二零二零年十二月三十一日止年度，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。

詳情請參閱本年報第57至81頁之企業管治報告。

董事進行證券交易的必守標準

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，彼等於截至二零二零年十二月三十一日止年度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。

DIRECTORS' REPORT

董事會報告書

AUDIT COMMITTEE

The Company has established the Audit Committee in 2002. As at 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 Mr. Lam Kwok Hing Wilfred.

During the year under review, the Audit Committee reviewed 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. The Audit Committee also reviewed the audited financial results of the Group for the year ended 31 December 2020 and this report.

Please refer to the Corporate Governance Report on pages 57 to 81 for details.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2020 were audited by Elite Partners CPA Limited ("Elite Partners") who will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for reappointment. A resolution for the re-appointment of Elite Partners as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

CHANGE OF DIRECTORS' AND DIRECTORS' INFORMATION

- (1) Mr. Sin Kwok Lam resigned as the Chairman and an executive Director on 22 July 2021. Upon his resignation, Mr. Sin ceased to act as a member and the chairman of the Nomination Committee;
- (2) Mr. Chow Kai Weng was appointed as the Chairman and ceased to be associate Chairman and was appointed as a member and the chairman of the Nomination Committee on 22 July 2021.

審核委員會

本公司於二零零二年成立審核委員會。於本報告日期，審核委員會包括三名獨立非執行董事，分別為崔志仁先生（主席）、李傑之先生及林國興先生。

審核委員會於回顧年內已審閱本公司之年度報告及財務報表、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討論。審核委員會亦已審閱本集團截至二零二零年十二月三十一日止年度之經審核財務業績及本報告。

詳情請參閱第57至81頁之企業管治報告。

獨立核數師

截止二零二零年十二月三十一日止年度之綜合財務報表已由開元信德會計師事務所有限公司（「開元信德」）審核。開元信德將於本公司應屆股東週年大會上退任，惟符合資格及願意接受續聘。續聘開元信德為本公司核數師的決議案將於本公司應屆股東週年大會上提呈。

董事及董事資料變動

- (1) 冼國林先生於二零二一年七月二十二日辭任主席及執行董事。於其辭任後，冼先生不再擔任提名委員會成員及主席；
- (2) 周啟榮先生於二零二一年七月二十二日獲委任為主席及不再擔任聯席主席，並獲委任為提名委員會成員及主席。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



TO THE MEMBERS OF National Arts Entertainment and Culture Group Limited

*(Provisional Liquidators Appointed)
(For Restructuring Purpose)
(Incorporated in the Cayman Islands and continued in
Bermuda with limited liability)*

OPINION

We have audited the consolidated financial statements of National Arts Entertainment and Culture Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 155 to 303, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致國藝娛樂文化集團有限公司各股東

*(已委任臨時清盤人)
(作重組用途)
(於開曼群島註冊成立及
於百慕達存續之有限公司)*

意見

本核數師(以下簡稱「我們」)已審核載於第155至303頁國藝娛樂文化集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,包括於二零二零年十二月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為編製。

意見的基礎

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 in the consolidated financial statements, which indicates that as at 31 December 2020, the Group had net current liabilities and net liabilities by approximately HK\$173,116,000 and HK\$317,738,000 respectively. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

關於持續經營的重大不確定因素

我們謹請閣下垂注綜合財務報表附註1，當中表示於二零二零年十二月三十一日，貴集團的流動負債淨額及負債淨額分別為約173,116,000港元及317,738,000港元。誠如附註1所示，該等事件及情況，連同附註1所載之其他事宜，反映有重大不確定因素，可能對貴集團的持續經營能力構成重大疑問。我們並無就此事宜而修訂意見。

關鍵審計事項

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

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter
關鍵審計事項

How our audit addressed the key audit matter
我們的審計如何處理關鍵審計事項

Impairment assessment on property, plant and equipment
物業、廠房及設備的減值評估

Refer to note 18 to the consolidated financial statements.
請參閱綜合財務報表附註18。

The impairment of property, plant and equipment is identified as a key audit matter because of the significant judgement involved in assessing the amounts of impairment of property, plant and equipment. As at 31 December 2020, the Group had property, plant and equipment of approximately HK\$545,148,000.

由於評估物業、廠房及設備的減值金額涉及重大判斷，故物業、廠房及設備減值被列為關鍵審計事項。於二零二零年十二月三十一日，貴集團的物業、廠房及設備約為545,148,000港元。

The carrying amount of the property, plant and equipment is written down to their recoverable amount when the carrying amount exceeded their estimated recoverable amount.

倘物業、廠房及設備的賬面值超過其估計可收回金額，則賬面值撇減至可收回金額。

Management determined that the property, plant and equipment is cash generating units and monitors their financial performance for the existence of impairment indicators.

管理層釐定物業、廠房及設備為現金產生單位，並監察其財務表現以識別是否存在減值跡象。

Our procedures in relation to management's assessment process for identifying impairment indications on property, plant and equipment include:

我們就管理層識別物業、廠房及設備之減值跡象的評估程序所採取的程序包括：

- Understanding management's process for identifying impairment indicators;
了解管理層識別減值跡象的程序；
- Obtaining the cash flow forecasts prepared by management, understanding the major assumptions adopted in the cash flow forecasts for each cash-generating units and checking arithmetic accuracy of the forecast calculation;
取得管理層編製的現金流量預測，了解現金流量預測中就各現金產生單位所採用的主要假設，並檢查預測計算的算術準確性；
- Assessing the discount rates adopted by management in the impairment assessments by comparison with available financial information of other similar companies taking into account regional and industry specific risk premiums;
透過與可獲得的其他類似公司的財務資料進行比較，並考慮地區及行業特定風險溢價，從而評估管理層於減值評估中採用的貼現率；
- Comparing the major assumptions such as growth rates, budgeted sales and gross margins to historical results and evaluating their reasonableness in light of current and expected future market conditions; and
將增長率、預算銷售額及毛利率等主要假設與過往情況進行比較，並根據當前及預期未來市況評估其合理性；及
- Evaluating the sufficiency of the disclosure of the impairment assessment by management in the consolidated financial statements.
評估管理層於綜合財務報表所披露減值評估資料的充分性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Recognition of gain on financial restructuring **財務重組收益的確認**

Refer to notes 13, 30, 31, 32, 34, 35 and 36
請參閱附註13、30、31、32、34、35及36。

During the year ended 31 December 2020, the Group completed a financial restructuring scheme by offering its creditors to subscribe convertible bonds and new shares of the Company and a gain on financial restructuring of approximately HK\$805,664,000 was recognised.

截至二零二零年十二月三十一日止年度，貴集團完成一項財務重組計劃，方式為向債權人作出要約以認購貴公司之可換股債券及新股份，並就此確認財務重組收益約805,664,000港元。

As disclosed in note 13 to the consolidated financial statements, the gain on financial restructuring was mainly derived from the difference among the fair value of convertible bonds, the fair value of new shares issued and the carrying amount of liabilities settled and relevant transaction costs.

誠如綜合財務報表附註13所披露，財務重組收益主要來自所發行可換股債券的公允值、新股份的公允值及已結算負債之賬面值及相關交易成本間的差額。

In determining the fair value of the convertible bonds, management engaged an independent valuer (the "Valuer") to perform the valuation of convertible bonds. In estimating the value of convertible bonds, key inputs used by the valuer and agreed by management include the discount rate and share price.

於釐定可換股債券之公允值時，管理層委聘獨立估值師（「估值師」）對可換股債券進行估值。於估計可換股債券的價值時，估值師所使用並經管理層認可的主要輸入數據包括貼現率及股價。

In determining the fair value of the new shares, management referenced to the quoted market price of the Company's share.

於釐定新股份的公允值時，管理層已參考貴公司股份的市場報價。

Our procedures in relation to evaluating the appropriateness of valuation of convertible bonds included:

我們就評估可換股債券之估值的適當性所採取程序包括：

- Understanding and discussing with the management on the financial restructuring plan;
• 了解財務重組計劃，並與管理層討論；
- Evaluating the Valuer's competence, capabilities and objectivity;
• 評估估值師的資歷、能力及客觀性；
- Assessing the appropriateness of the valuation methodology and the reasonableness on the key inputs used by the Valuer and agreed by management, including the discount rate and share price;
• 評估估值方法的適當性及估值師所使用並經管理層認可的主要輸入數據（包括貼現率及股價）的合理性；
- Evaluating the sensitivity analysis performed by the Valuer in relation to the fluctuation on the discount rate and share price of the Company's shares;
• 評估估值師就貼現率及貴公司股份股價波動進行的敏感度分析；
- Comparing the quoted market price of the Company's share adopted in determining the fair value of the new shares issued;
• 比較釐定已發行新股份之公允值所採用的貴公司股份的市場報價；
- Checking on a sample basis on the notice of claim and accession deed signed by the creditors; and
• 抽樣檢查經債權人簽署的申索通知書及債務和解確認文書；及
- Testing on a sample basis on the transaction costs in respective of contracts and shares issuance records.
• 抽樣測試各項合約及股份發行記錄所列的交易成本。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內的資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對及不會對該等其他資料發表任何形式的鑒證結論。

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

董事就綜合財務報表須承擔的責任

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

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

審核委員會負責監察 貴集團之財務申報程序。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔 的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具載有我們意見的核數師報告。本報告根據百慕達一九八一年公司法第90條僅向閣下（作為整體）發出，除此之外本報告別無其他目的。本核數師並不會就本報告內容對任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

核數師就審核綜合財務報表承擔的責任 (續)

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

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下所採取的消除不利影響的行動及所採納的防範措施。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書

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

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

The engagement partner on the audit resulting in this independent auditors' report is Lock Kwong Hang, Simon with Practising Certificate number P06735.

Elite Partners CPA Limited
Certified Public Accountants

10/F., 8 Observatory Road
Tsim Sha Tsui, Kowloon
Hong Kong

Hong Kong, 22 October 2021

核數師就審核綜合財務報表承擔 的責任 (續)

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

出具本獨立核數師報告的審核項目合夥人為駱廣恒先生，執業證書編號為P06735。

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
天文台道8號10樓

香港，二零二一年十月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Revenue	收入			
– Goods and services	– 貨品及服務	8	30,346	135,919
– Rental	– 租金	8	8,837	41,565
– Interest	– 利息	8	–	4,608
Total revenue	總收入		39,183	182,092
Other income and other net gain	其他收入及其他淨收益	9	11,625	14,658
Cost of film production	電影製作成本		–	(1,210)
Staff costs	員工成本	13	(53,372)	(58,020)
Other operating expenses	其他營運開支	13	(55,656)	(126,015)
Operating (loss)/profit	經營(虧損)/利潤		(58,220)	11,505
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	(59,613)	(63,240)
Depreciation of right-of-use assets	使用權資產折舊	13	(15,918)	(15,927)
Bad debt written off	壞賬撇銷		(271)	–
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	13	(372,110)	(93,627)
Impairment loss on financial assets	金融資產減值虧損	10	(141,934)	(134,496)
Impairment loss on investment in film production	電影製作投資減值虧損	9	–	(986)
Provision for restructuring cost	重組成本撥備		–	(43,776)
Gain on financial restructuring	財務重組收益	13	805,664	–
Equity-settled share-based payment	以權益結算之股份付款	13	(12,000)	–
Net exchange gain/(losses)	匯兌收益/(虧損)淨額	13	50,564	(17,791)
Share of loss of a joint venture	分佔一間合營企業虧損		(2,390)	(2,479)
Finance costs	融資成本	12	(150,281)	(244,425)
Profit/(loss) before taxation	除所得稅前利潤/(虧損)	13	43,491	(605,242)
Income tax expense	所得稅開支	14	–	–
Profit/(loss) for the year	本年度利潤/(虧損)		43,491	(605,242)
Other comprehensive income/(expense) Item that may be reclassified subsequently to profit or loss	其他全面收入/(開支) 其後可能重列為損益的項目			
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		19,379	(14,428)
Other comprehensive income/(expense) for the year, net of tax	本年度其他全面收入/(開支)，扣除稅項		19,379	(14,428)
Total comprehensive income/(expense) for the year	本年度全面收入/(開支) 總額		62,870	(619,670)

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Profit/(loss) for the year attributable to:	應佔本年度利潤／(虧損)：			
Owners of the Company	本公司擁有人		44,662	(604,467)
Non-controlling interests	非控股權益		<u>(1,171)</u>	<u>(775)</u>
			43,491	(605,242)
Total comprehensive income/(expense) attributable to:	應佔全面收入／(開支)總額：			
Owners of the Company	本公司擁有人		64,041	(618,895)
Non-controlling interests	非控股權益		<u>(1,171)</u>	<u>(775)</u>
			62,870	(619,670)
				(restated) (經重列)
Earnings/(loss) per share	每股盈利／(虧損)			
Basic	基本	15	HK7.24 cents 港仙	(HK124.33 cents 港仙)
Diluted	攤薄	15	HK5.52 cents 港仙	(HK124.33 cents 港仙)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)	2018 二零一八年 HK\$'000 千港元 (restated) (經重列)
	Notes 附註				
Non-current assets		非流動資產			
Property, plant and equipment	18	物業、廠房及設備	545,148	908,268	1,048,637
Right-of-use assets	20	使用權資產	348,861	360,218	371,074
Interest in associates	21	於聯營公司之權益	-	-	-
Investment in a joint venture	22	於合營企業之投資	459	2,849	5,328
Long-term receivables and investment deposits	27	長期應收款項及投資按金	108,744	129,115	92,555
Pledged bank deposits		已抵押銀行存款	2,377	2,229	2,278
			1,005,589	1,402,679	1,519,872
Current assets		流動資產			
Film products and film production in progress	23	電影產品及在製電影產品	4,936	4,344	1,210
Investments in films/dramas production	24	電影／戲劇製作的投資	325	325	1,311
Trade receivables	25	應收貿易款項	5,556	75,184	128,177
Inventories	26	存貨	831	2,514	2,928
Prepayments, deposits and other receivables	27	預付款項、按金及其他應收款項	76,103	42,265	54,492
Amount due from a joint venture	22	應收合營企業款項	2,414	2,414	2,414
Cash and bank balances	28	現金及銀行結餘	12,601	3,667	13,474
			102,766	130,713	204,006
Current liabilities		流動負債			
Trade payables	29	應付貿易款項	38,604	36,072	19,979
Other payables and accruals	30	其他應付款項及應計費用	129,678	197,393	83,771
Loans from shareholders	31	股東貸款	20,301	589,457	4,090
Borrowings	32	借款	67,522	217,145	138,400
Bank overdrafts	28	銀行透支	-	5,778	-
Lease liabilities	33	租賃負債	2,256	13,502	9,738
Bonds	34	債券	-	769,105	660,424
Promissory note	36	承兌票據	14,570	115,197	-
Tax payables		應付稅項	2,951	2,951	2,951
			275,882	1,946,600	919,353
Net current liabilities		流動負債淨額	(173,116)	(1,815,887)	(715,347)
Total assets less current liabilities		資產總值減流動負債	832,473	(413,208)	804,525

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

	Notes 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)	2018 二零一八年 HK\$'000 千港元 (restated) (經重列)
Non-current liabilities	非流動負債			
Other payables and accruals	其他應付款項及應計費用	30	60,382	-
Loans from shareholders	股東貸款	31	69,722	-
Borrowings	借款	32	87,038	9,895
Bonds	債券	34	-	384,178
Promissory note	承兌票據	36	33,893	-
Lease liabilities	租賃負債	33	33,160	16,261
Convertible bonds	可換股債券	35	866,016	-
Deferred tax liabilities	遞延稅項負債	37	-	-
			<u>1,150,211</u>	<u>410,334</u>
				<u>1,135,433</u>
Net liabilities	淨負債		<u>(317,738)</u>	<u>(823,542)</u>
				<u>(330,908)</u>
Capital and reserves	資本及儲備			
Share capital	股本	38	742,387	494,817
Reserves	儲備		(1,057,675)	(1,317,816)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(315,288)	(822,999)
Non-controlling interests	非控股權益		(2,450)	(543)
				<u>232</u>
Total equity	權益總額		<u>(317,738)</u>	<u>(823,542)</u>
				<u>(330,908)</u>

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 22 October 2021 and are signed on its behalf by:

綜合財務報表已由董事會於二零二一年十月二十二日批准及授權刊發，並由下列董事代表董事會簽署：

Chow Kai Weng
周啟榮
Director
董事

Cheng Wang Chun
鄭弘駿
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										Attributable to non-controlling interests		Total
		Share capital (note 36)	Share premium	Special reserve (note 39)	Contributed surplus (note 39)	Properties revaluation reserve	Translation reserve	Share option reserve	Convertible bonds equity reserve (note 35) 可換股債券權益儲備	Accumulated losses	Subtotal			
		股本 (附註36)	股份溢價	特別儲備 (附註39)	實繳盈餘 (附註39)	物業重估儲備	換算儲備	購股權儲備	可換股債券權益儲備 (附註35)	累計虧損	小計	非控股權益應佔		權益總額
		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 2019, as previously stated	於二零一九年一月一日 (如先前呈列)	451,716	804,495	6,302	78,791	335,013	(131,671)	41,912	-	(1,441,615)	144,943	232	-	145,175
Change in accounting policy	會計政策變更之影響	-	-	-	-	(335,013)	-	-	-	(141,070)	(476,083)	-	-	(476,083)
As at 1 January 2019 as restated	於二零一九年一月一日 (經重列)	451,716	804,495	6,302	78,791	-	(131,671)	41,912	-	(1,582,685)	(331,140)	232	-	(330,908)
Share issued upon exercise of share options (note 42)	行使購股權時發行股份 (附註42)	224	583	-	-	-	-	(257)	-	-	550	-	-	550
Lapse of share options	購股權失效	-	-	-	-	-	-	(13,973)	-	13,973	-	-	-	-
Issue of Shares under placing	根據配售發行股份	42,877	61,914	-	-	-	-	-	-	-	104,791	-	-	104,791
Equity settled share-based payment	以權益結算之股份付款	-	-	-	-	-	-	21,695	-	-	21,695	-	-	21,695
Transaction with owners	與擁有人進行的交易	43,101	62,497	-	-	-	-	7,465	-	13,973	127,036	-	-	127,036
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(604,467)	(604,467)	(775)	-	(605,242)
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	-	-	-	-	-	(14,428)	-	-	-	(14,428)	-	-	(14,428)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	-	(14,428)	-	-	(604,467)	(618,895)	(775)	-	(619,670)
At 31 December 2019	於二零一九年十二月三十一日	494,817	866,992	6,302	78,791	-	(146,099)	49,377	-	(2,173,179)	(822,999)	(543)	-	(823,542)
As at 1 January 2020, as previously stated	於二零二零年一月一日 (如先前呈列)	494,817	866,992	6,302	78,791	158,104	(146,299)	49,377	-	(1,938,824)	(430,740)	(543)	-	(431,283)
Change in accounting policy	會計政策變更	-	-	-	-	(158,104)	200	-	-	(234,355)	(392,259)	-	-	(392,259)
As at 1 January 2020, as restated	於二零二零年一月一日 (經重列)	494,817	866,992	6,302	78,791	-	(146,099)	49,377	-	(2,173,179)	(822,999)	(543)	-	(823,542)
Lapse of share options	購股權失效	-	-	-	-	-	-	(3,016)	-	3,016	-	-	-	-
Issue of convertible bonds arising from the completion of financial restructuring	因完成財務重組而發行可換股債券	-	-	-	-	-	-	-	3,933	-	3,933	-	-	3,933
Share issued to the creditor upon completion of placing of new shares	於配售新股份完成後向債權人發行股份	215,512	183,184	-	-	-	-	-	-	-	398,696	-	-	398,696
Share issued by settlement of financial advisory fee for the completion of financial restructuring	就結付完成財務重組之財務顧問費用而發行的股份	25,000	25,000	-	-	-	-	(21,695)	-	-	28,305	-	-	28,305
Equity settled share-based payment (Note 42 (d))	以權益結算之股份付款 (附註42(d))	7,058	4,942	-	-	-	-	-	-	-	12,000	-	-	12,000
Transaction with owners	與擁有人進行的交易	247,570	213,126	-	-	-	-	(24,711)	3,933	3,016	442,934	-	-	442,934
Deemed partial disposal of subsidiaries	視作出售部分附屬公司	-	-	-	-	-	-	-	-	736	736	(736)	-	-
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	44,662	44,662	(1,171)	-	43,491
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表產生的匯兌差額	-	-	-	-	-	19,379	-	-	-	19,379	-	-	19,379
Total comprehensive income for the year	本年度全面收入總額	-	-	-	-	-	19,379	-	-	44,662	64,041	(1,171)	-	62,870
As at 31 December 2020	於二零二零年十二月三十一日	742,387	1,080,118	6,302	78,791	-	(126,720)	24,666	3,933	(2,124,765)	(315,288)	(2,450)	-	(317,738)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務的現金流量		
Profit/(loss) before taxation	除稅前利潤／(虧損)	43,491	(605,242)
Adjustments for:	就下列各項作出調整：		
Finance costs	融資成本	150,281	244,425
Bank interest income	銀行利息收入	(1)	(29)
Amortisation of film products	電影產品攤銷	-	1,210
Depreciation of property, plant and equipment	物業、廠房及設備折舊	59,613	63,240
Depreciation of right-of-use asset	使用權資產折舊	15,918	15,927
Expenses recognised in respect of equity-settled share-based payments	就權益結付股份付款確認的開支	12,000	21,695
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	372,110	93,627
Bad debt written off	壞賬撇銷	271	-
Written off on inventories	撇銷存貨	1,566	-
Gain on financial restructuring	財務重組收益	(805,663)	-
Impairment losses on trade and other receivables	貿易及其他應收款項的減值虧損	141,934	134,496
Impairment loss on investment in film production	電影製作投資減值虧損	-	986
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)／虧損	(155)	82
Share of loss of a joint venture	分佔一間合營企業虧損	2,390	2,479
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	(6,245)	(27,104)
Decrease in inventories	存貨減少	117	414
Increase in film products and film production in progress	電影產品及在製電影產品增加	(592)	(4,344)
Increase in trade receivables	應收貿易款項增加	(7,961)	(35,813)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(31,185)	(70,023)
Increase in trade payables	應付貿易款項增加	2,532	16,093
Increase in other payables and accruals	其他應付款項及應計費用增加	44,268	113,622
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	經營業務所得／(所用)現金淨額	934	(7,155)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Interest received	利息收入	1	29
Payments for property, plant and equipment	物業、廠房及設備付款	(17,726)	(36,470)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,000	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用淨現金	(15,725)	(36,441)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Interest paid	已付利息	(14,456)	(127,766)
Proceeds from shareholders loans	股東貸款所得款項	90,023	13,220
Repayments of shareholders loans	償還股東貸款	(5,578)	(20,659)
Proceeds from short-term borrowings	短期借款所得款項	9,507	39,194
Repayments of short-term borrowings	償還短期借款	(12,930)	(5,213)
Proceeds from other borrowings	其他借款所得款項	5,141	-
Repayments of other borrowings	償還其他借款	(7,452)	-
Proceeds from issuance of bonds	發行債券所得款項	-	526,871
Transaction costs of issuance of bonds	發行債券的交易成本	-	(24,302)
Repayments of bonds	償還債券	-	(482,004)
Repayments of lease liabilities	償還租賃負債	(4,421)	(1,909)
Proceeds from issue of shares upon exercise of share options	購股權獲行使時發行股份的所得款項	-	550
Proceeds from placing of shares	配售股份所得款項	-	111,480
Transaction costs of placing of shares	股份配售之交易成本	-	(6,689)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	59,834	22,773
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加／(減少)淨額	45,043	(20,823)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等值項目	(2,111)	13,474
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	匯率變動對所持外幣現金結餘的影響	(30,331)	5,238
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年末現金及現金等值項目	12,601	(2,111)
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	12,601	3,667
Bank overdrafts	銀行透支	-	(5,778)
		12,601	(2,111)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION

a) General

National Arts Entertainment and Culture Group Limited (the “Company”, together with its subsidiaries as, the “Group”) 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) in the Cayman Islands. On 14 October 2010, the Company deregistered in the Cayman Islands and continued in Bermuda as an exempted company under the laws of Bermuda with effect from 14 October 2010. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s principal place of business in Hong Kong is at Room 1514–1515, 15/F., Seapower Tower, Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (“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 hotel and provision of travel related products.

The 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.

1. 一般資料及編製基準

a) 一般資料

國藝娛樂文化集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）於二零零一年十一月十六日根據開曼群島公司法第22章（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九龍尖沙咀科學館道1號康宏廣場航天科技大廈15樓1514–1515室。

本公司股份於香港聯合交易所有限公司（「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行相關產品。

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」）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

b) Financial restructuring plans

On 14 June 2019, a winding up petition together with the application for the appointment of Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Roy Bailey c/o EY Bermuda Ltd as joint provisional liquidators (together “JPLs”) of the Company on a light touch approach for restructuring purposes (the “JPL Application”) was presented and filed with the Supreme Court of Bermuda (the “Bermuda Court”) by the Company’s Bermuda Counsel, Conyers Dill & Pearman at the request of the Company (the “JPL Application”).

Under the JPL Application, the Board shall retain all of its executive powers in relation to the ordinary course of business of the Company, subject to the JPLs’ supervision, for the purpose of developing and proposing a financial restructuring, of the exercise of such powers. This would allow the Company’s current management to work with the JPLs to oversee the implementation of a financial restructuring proposal.

The Bermuda Court made the orders as sought by the Company under the JPL Application, inter alia, the JPLs have been appointed on 14 June 2019.

On 10 July 2019, the Company invited all known creditors of the Company (the “Creditors”) to make an offer to the Company for possible restructuring transaction, which has received substantial support from most of the Creditors.

On 26 August 2019, the Company put forward the proposed scheme of arrangement pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 670 of the Companies Ordinance (Cap. 622) of Hong Kong.

The appointment and the powers of the JPLs were recognised by the High Court of Hong Kong on 15 August 2019.

1. 一般資料及編製基準 (續)

b) 財務重組計劃

於二零一九年六月十四日，應本公司要求，本公司的百慕達律師Conyers Dill & Pearman向百慕達最高法院（「百慕達法院」）送呈及提交清盤呈請，連同以在「非強制」基礎上委任羅申美企業顧問有限公司的馬德民先生及黎穎麟先生以及EY Bermuda Ltd的Roy Bailey先生為本公司的共同臨時清盤人（統稱「共同臨時清盤人」）以作重組用途的申請（「共同臨時清盤人申請」）。

根據共同臨時清盤人申請，董事會將對本公司一般業務過程保留一切執行權力，以在共同臨時清盤人監督下，以行使有關權力制定及提出財務重組。此舉讓本公司現任管理層與共同臨時清盤人合作監督財務重組建議的執行。

百慕達法院應本公司提出共同臨時清盤人申請頒令（其中包括），於二零一九年六月十四日委任共同臨時清盤人。

於二零一九年七月十日，本公司邀請本公司所有已知債權人（「債權人」）就本公司的可能重組交易向本公司提出要約，並已獲得大多數債權人大力支持。

本公司於二零一九年八月二十六日根據百慕達（一九八一年）的公司法第99條及香港法例第622章《公司條例》第670條提出擬議安排計劃。

香港高等法院已於二零一九年八月十五日認可共同臨時清盤人的任命及權力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

b) Financial restructuring plans (Continued)

As part of the Company's financial restructuring plans, the Company invited the Creditors to make an offer to the Company to subscribe for:

- (1) 1% annual coupon rate convertible bonds due 2024 to be issued by the Company (the "Convertible Bonds") in the principal amount equal to 60% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s)) and convertible into fully-paid ordinary shares of the Company listed and traded on GEM at the initial conversion price of HK\$0.55 per conversion share (the "Conversion Shares")(the "CB Subscription"); and
- (2) new shares of the Company at the issue price of HK\$0.38 per share (the "New Shares") the total value of which equals to the remaining 40% of the outstanding principal amount of debts due and owing by the Company to each of the Creditors (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the relevant debt(s)) (the "Share Subscription") (the CB Subscription and the Share Subscription together referred to as the "Restructuring Transaction"), as full and final settlement of all outstanding debts (where applicable, together with interests accrued thereon and calculated up to 14 June 2019 at the respective annual interest rate of the debt(s)) due and owing by the Company to the Creditors, subject to the execution, and the final terms and conditions, of the subscription agreement, the bond instrument, any scheme of arrangement proposed by the Company and/or other agreements the execution of which is desirable for the implementation and consummation of the Restructuring Transaction, as the case maybe.

1. 一般資料及編製基準 (續)

b) 財務重組計劃 (續)

作為本公司財務重組計劃之一部分，本公司已邀請權人提呈認購：

- (1) 由本公司將發行於二零二四年到期之1%年度票息率之可換股債券(「可換股債券」)，其本金額等於本公司應付及結欠債權人之債務(倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算)的尚未償還本金額之百分之六十，及可按轉換價每股0.55港元轉換為本公司於GEM上市及買賣之已繳足普通股(「轉換股份」)(「認購可換股債券」)；及
- (2) 將按發行價每股0.38港元發行之本公司新股份(「新股份」)，其總價值等於本公司應付及結欠債權人之債務(倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算)的尚未償還本金額餘下之百分之四十(「認購股份」)(認購可換股債券及認購股份統稱為「重組交易」)，下文所概述的條款及條件為本公司應付及結欠債權人之所有尚未償還債務(倘適用，連同就有關債務累計及截至二零一九年六月十四日的利息，按相關債務的相關年利率計算)的全數及最終償款的基準，並以認購協議、債券文據、任何由本公司建議之協議安排及／或就實行或達成(視乎情況而定)重組交易而簽立相關協議及最終條款及條件為規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

b) Financial restructuring plans (Continued)

The offer by the Creditors to participate in the Restructuring Transaction also includes an agreement that the Creditors will participate in, support and vote in favour of a scheme(s) of arrangement proposed by the Company, where such scheme(s) is/are deemed necessary and appropriate by the Company and the JPLs of the Company appointed pursuant to the Order of the Bermuda Court dated 14 June 2019.

As at 12 August 2019, the Company has received substantial support from the Creditors regarding the Restructuring Transaction.

On 10 October 2019, the Restructuring Transaction was approved by the shareholders of the Company (the "Shareholders") at the special general meeting of the Company (the "SGM").

On 8 November 2019, the creditors' scheme, which the Company will issue the New Shares and the Convertible Bonds to the Creditors to discharge and release the debt owing by the Company to the Creditors in full (the "Scheme"), was approved by the requisite statutory majorities of the Creditors.

On 6 March 2020, the Scheme became binding and effective.

On 7 May 2020, the notice of decision on adjudication of claim of the Scheme Administrators pursuant to the Scheme (the "Decision") were dispatched to the Creditors.

On 27 May 2020, the application for review of the Decision expired and no application was received.

1. 一般資料及編製基準 (續)

b) 財務重組計劃 (續)

債權人提出參與重組交易的要約亦包含一項協議，其內容為倘本公司及根據百慕達法院於二零一九年六月十四日的命令委任的本公司聯合臨時清盤人認為本公司擬議的安排計劃屬必需且適當，則債權人將參與、支持及投票贊成該計劃。

於二零一九年八月十二日，本公司已就重組交易從債權人獲得大力支持。

於二零一九年十月十日，本公司股東（「股東」）於本公司股東特別大會（「股東特別大會」）上批准重組交易。

於二零一九年十一月八日，本公司將向債權人發行新股及可換股債券以全額清償及解除本公司欠債權人的債務的債權人計劃（「該計劃」），已獲得債權人法定大多數的批准。

二零二零年三月六日，該計劃生效並具有約束力。

二零二零年五月七日，計劃管理人根據該計劃裁定申索的決定通知書（下稱「決定」）送交債權人。

二零二零年五月二十七日，決定的複審申請到期，未收到複審申請。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

b) Financial restructuring plans (Continued)

On 9 June 2020, the Scheme Administrators informed the Company the final result of their adjudication of claims pursuant the Scheme and instructed the Company to issue the New Shares and Convertible Bonds to the Creditors pursuant to the Scheme.

The Scheme was completed and the New Shares and Convertible Bonds was issued to the each Creditor 29 June 2020.

c) Going concern

In preparing these consolidated financial statements, the directors have considered the future liquidity of the Group. As at 31 December 2020, the Group had recorded net current liabilities and net liabilities of approximately HK\$173,116,000 (2019: HK\$1,815,887,000) and HK\$317,738,000 (2019: HK\$823,542,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company are of the opinion that the Group is able to continue as a going concern and to meet in full their financial obligations having considered that:

- (i) Subsequent to the end of the reporting period, the Group has renegotiated with certain creditors on the maturity date of other borrowings, and other payables and accruals of approximately HK\$64,901,000 and HK\$55,231,000 respectively. Those creditors extended the maturity date for a two-year period.

1. 一般資料及編製基準 (續)

b) 財務重組計劃 (續)

二零二零年六月九日，計劃管理人將其根據計劃對申索的最終裁定結果通知本公司，並指示本公司根據計劃向債權人發行新股和可轉換債券。

計劃已於二零二零年六月二十九日完成，同時，新股及可轉換債券亦發行予各個債權人。

c) 持續經營

於編製此等綜合財務報表時，董事已考慮本集團日後流動資金。於二零二零年十二月三十一日，本集團錄得流動負債淨額約173,116,000港元（二零一九年：1,815,887,000港元）及負債淨額約317,738,000港元（二零一九年：823,542,000港元）。此等狀況反映存在可能對本集團繼續持續經營之能力構成重大疑問之重大不確定因素，因此本集團可能無法於正常業務過程中變現其資產及償還負債。

本公司董事認為本集團能夠持續經營及全面履行其財務責任，依據如下：

- (i) 於報告期結束後，本集團於與若干債權人重新磋商其他借款以及其他應付款項及應計費用（分別約為64,901,000港元及55,231,000港元）的到期日。該等債權人將到期日延長兩年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

c) Going concern (Continued)

- (ii) On 13 March 2020, the Company entered into an agreement (the “SSF Agreement”) with GEM Global Yield LLC SCS (the “Investor”), pursuant to which the Investor has agreed to grant the Company an option to require the Investor to subscribe for the shares of the Company (the “Shares”) (the “Share Subscription Facility”) and the Company has agreed to issue 383,000,000 warrants (the “Warrants”) to the Investor.

Under the Share Subscription Facility, the Company has right to request the Investor to subscribe for the Shares at a price which is 90% of the average closing price of last 10 trading days immediately following the delivery of subscription notice by the Company to the Investor, but not lower than HK\$0.23 per Share (the “Option”). The Option is exercisable by the Company for 3 years, commencing on 13 March 2020. The aggregate subscription price under the Share Subscription Facility is HK\$2,350,000,000.

The Warrants carry a right to the Investor to subscribe for up to a total of 383,000,000 Shares at a price of HK\$0.23 per Shares for 3 years, commencing on the date of the satisfaction or the fulfilment of conditions precedent to the SSF Agreement.

- (iii) On 27 May 2021, the Company issued a convertible bond to the Investor with a principal amount of HK\$25,000,000 carrying a coupon rate of 4% for three years;

1. 一般資料及編製基準 (續)

c) 持續經營 (續)

- (ii) 於二零二零年三月十三日，本公司與GEM Global Yield LLC SCS（「投資者」）訂立協議（「SSF協議」），據此，投資者同意向本公司授出購股權以要求投資者認購本公司股份（「股份」）（「股權掛鈎信貸」）及本公司同意向投資者發行383,000,000份認股權證（「認股權證」）。

根據股權掛鈎信貸，本公司有權要求投資者按本公司發送認購通知後最近10個交易日平均收盤價的90%的價格認購股份，惟不低於每股0.23港元（「購股權」）。本公司可自二零二零年三月十三日起3年內行使該購股權。股權掛鈎信貸項下總認購價為2,350,000,000港元。

SSF協議認股權證附帶權利，投資者可自符合或達成先決條件的日期起3年內，按每股0.23港元價格認購總計383,000,000股股份。

- (iii) 於二零二一年五月二十七日，本公司向投資者發行本金額為25,000,000港元的可換股債券，票息率為4%，為期三年；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL AND BASIS OF PREPARATION (Continued)

c) Going concern (Continued)

- (iv) On 2 September 2021, the Group obtained a loan with principal amount of RMB29,000,000 (equivalent to approximately HK\$35,366,000) carrying an interest rate of 10% per annum from an independent third party, available for the Group's working capital and its financial obligations. Such credit facilities matures after twelve months from 2 September 2021.
- (v) The management of the Group plans to improve the Group's financial performance by taking steps to reduce discretionary expenses and administrative costs.

Having taken into account of the abovementioned, the directors of the Company adopted the going concern basis in the preparation of the consolidated financial statements in the opinion of the directors of the Company, in light of the aforesaid arrangement implemented to date, the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2020 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustment would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

1. 一般資料及編製基準 (續)

c) 持續經營 (續)

- (iv) 於二零二一年九月二日，本集團自獨立第三方取得一筆本金額為人民幣29,000,000元（相當於約35,366,000港元）的貸款，按年利率10%計息，可用作本集團的營運資金及履行財務責任。該等信貸融資自二零二一年九月二日起計12個月後到期。
- (v) 本集團管理層計劃採取措施削減酌情開支及行政成本，從而改善本集團的財務表現。

經考慮上文所述，本公司董事認為，鑒於迄今實施的上述安排，本集團將擁有充足營運資金滿足其當前需求，且可合理預期本集團將維持商業上可行的經營，故本公司董事於編製綜合財務報表時採納持續經營基準。因此，本公司董事信納，按持續經營基準編製截至二零二零年十二月三十一日止年度的綜合財務報表屬適當。倘本集團無法繼續按持續經營基準經營，則須作出調整以將資產價值撇減至其可收回金額，為可能產生的未來負債計提撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。該等調整的影響並未於綜合財務報表中反映。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Change in accounting policy for hotel properties and film studio

In accordance with HKAS 16 Property, Plant and Equipment, the Group's hotel properties and film studio can either be accounted for using the cost model or the revaluation model after their initial recognition. The Group accounted for its hotel properties and film studio using the revaluation model in previous years.

Given the fact that a) the effect of COVID-19 pandemic on unexpected fluctuation in properties value; and b) most of the hotel properties and film studio held by listed companies in Hong Kong in the hotel and theme park industries, are accounted for using the cost model, during the year, the Group aligned its accounting policy with the industry practice and stated its hotel properties and film studio at cost less accumulated depreciation and any impairment losses. This change in accounting policy has resulted in a decrease in the value of the hotel properties and film studio owned by the Group. In addition, the Group's hotel properties and film studio are not expected to be sold in the normal course of business, instead, the future economic benefits embodied in the properties will be recovered principally through use in the Group's operation. In the opinion of the directors, this change in the accounting policy enables the Group to provide more relevant information in the financial statements about its performance.

2. 會計政策及披露變動

酒店物業及影視城會計政策變更

根據香港會計準則第16號物業、廠房及設備，本集團的酒店物業及影視城可於初始確認後採用成本模式或重估模式進行核算。本集團於以往年度採用重估模式核算酒店物業及影視城。

鑒於a)新型冠狀病毒疫情之影響導致物業價值出現意外波動；及b)在酒店及主題公園行業，香港上市公司持有之酒店物業及影視城大多數採用成本模式核算；本集團於本年度根據行業慣例調整會計政策，酒店物業及影視城按成本減除累計折舊及任何減值損失列賬，此會計政策轉變導致本集團擁有之酒店物業及影視城的價值下降。此外，預計本集團之酒店物業及影視城不會在正常業務過程中出售，而附屬於物業內之未來經濟利益，主要透過集團內之營運體現。董事認為，上述會計政策變更使本集團能在其財務報表中提供有關其業績的更多相關信息。

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Change in accounting policy for hotel properties and film studio (Continued)

Consolidated statement of profit or loss and
other comprehensive income

2. 會計政策及披露變動 (續)

酒店物業及影視城會計政策變更 (續)

綜合損益及其他全面收益表

		Year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
(Increase)/decrease in depreciation of property, plant and equipment Increase in impairment loss on property, plant and equipment	物業、廠房及設備折舊 (增加)／減少 物業、廠房及設備減值 虧損增加	(3,324) (90,483)	342 (93,627)
(Decrease)/increase in profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔 年度利潤／(虧損) (減少)／增加	(93,807)	(93,285)
(Decrease)/increase in earnings/(loss) per share attributable to owners of the Company	本公司擁有人應佔 每股盈利／(虧損) (減少)／增加	(HK15.21 cents)	(HK19.19 cent)
Basic	基本	港仙	港仙
Diluted	攤薄	(HK11.12 cents)	(HK19.19 cent)
		港仙	港仙

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. CHANGES IN ACCOUNTING
POLICIES AND DISCLOSURES

(Continued)

Change in accounting policy for hotel
properties and film studio (Continued)

2. 會計政策及披露變動 (續)

酒店物業及影視城會計政策變更 (續)

		Year ended 31 December 2020 截至 二零二零年 十二月三十一 止年度 HK\$'000 千港元	Year ended 31 December 2019 截至 二零一九年 十二月三十一 止年度 HK\$'000 千港元
(Decrease)/increase in profit/(loss) for the year	年度利潤／(虧損) (減少)／增加	(93,807)	(93,285)
Decrease in revaluation of properties held for own use	持作自用物業重估減值	8,531	235,879
Decrease in deferred tax liabilities	遞延稅項負債減少	(2,844)	(58,970)
Decrease in exchange differences on translation of foreign operations	折算海外業務之 匯兌差額減少	41,078	200
Increase/(decrease) in other comprehensive income/(expense) for the year attributable to owners of the Company	本公司擁有人應佔年度 其他全面收入／ (開支)增加／(減少)	46,765	177,109
(Decrease)/increase in total comprehensive income/(expense) for the year attributable to owners of the Company	本公司擁有人應佔年度 全面收入／(開支) 總額(減少)／增加	(47,042)	83,824

Consolidated statement of financial position

綜合財務狀況表

		31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(520,902)	(491,759)	(634,553)
Decrease in deferred tax liabilities	遞延稅項負債減少	2,780	99,500	158,470
Decrease in properties revaluation reserve	物業重估儲備減少	149,572	158,104	335,013
Decrease/(increase) in translation reserve	換算儲備減少／(增加)	41,018	(200)	-
Increase in accumulated losses	累積虧損增加	327,532	234,355	141,070

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. 採用經修訂香港財務報告準 則（「香港財務報告準則」）

a) 於本年度強制生效的經修訂香港 財務報告準則

為編製本綜合財務報表，本集團於本年度已首次應用由香港會計師公會（「香港會計師公會」）頒佈並於二零二零年一月一日或之後開始的年度期間強制生效的香港財務報告準則中概念框架引用之修訂及以下香港財務報告準則之修訂：

香港會計準則第1號及香港會計 準則第8號之修訂	重大之定義
香港財務報告準則第3號之修訂 香港財務報告準則第9號、 香港會計準則第39號及 香港財務報告準則第7號之修訂	業務之定義 利率基準改革

於本年度應用香港財務報告準則中概念框架引用之修訂及香港財務報告準則之修訂對本集團於本年度及過往年度之財務狀況及表現及／或綜合財務報表內所載之披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

b) New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ⁶
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure if Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹

3. 採用經修訂香港財務報告準則（「香港財務報告準則」） (續)

b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港會計準則第17號	保險合約及相關修訂 ¹
香港財務報告準則第16號之修訂	新型冠狀病毒疫情相關租金減免 ⁴
香港財務報告準則第16號之修訂	二零二一年六月三十日之後新型冠狀病毒疫情相關租金減免 ⁶
香港財務報告準則第3號之修訂	概念框架引用 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂	利率基準改革—第二階段 ⁵
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第1號之修訂	負債分類為流動或非流動及香港詮釋第5號（二零二零年）之相關修訂 ¹
香港會計準則第12號之修訂	因單一交易產生的與資產及負債有關的遞延稅項 ¹
香港會計準則第16號之修訂	物業、廠房及設備—擬定用途前之所得款項 ²
香港會計準則第37號之修訂	虧損性合約—履行合約之成本 ²
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年之年度改進 ²
香港會計準則第1號及香港財務報告準則實務報告第2號之修訂	會計政策之披露 ¹
香港會計準則第8號之修訂	會計估計之定義 ¹

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

b) New and amendments to HKFRSs in issue but not yet effective (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2023.
- 2 Effective for annual periods beginning on or after 1 January 2022.
- 3 Effective for annual periods beginning on or after a date to be determined.
- 4 Effective for annual periods beginning on or after 1 June 2020.
- 5 Effective for annual periods beginning on or after 1 January 2021.
- 6 Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 採用經修訂香港財務報告準 則（「香港財務報告準則」） （續）

b) 已頒佈但尚未生效的新訂及經修 訂香港財務報告準則（續）

- 1 於二零二三年一月一日或之後開始的年度期間生效。
- 2 於二零二二年一月一日或之後開始的年度期間生效。
- 3 於待定日期或之後開始的年度期間生效。
- 4 於二零二零年六月一日或之後開始的年度期間生效。
- 5 於二零二一年一月一日或之後開始的年度期間生效。
- 6 於二零二一年四月一日或之後開始的年度期間生效。

本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見將來不會對綜合財務報告造成重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

4. 重要會計政策

合規聲明

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包含聯交所GEM證券上市規則（「GEM上市規則」）及香港公司條例規定的適用披露資料。

編製基準

除若干金融工具以各報告期末的公允值列賬外，綜合財務報表乃根據歷史成本法編製。

歷史成本一般基於換取貨品或服務之代價之公允值釐定。

公允值是於計量日期市場參與者間於有序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公允值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公允值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號以股份為付款基礎範圍內之以股份為付款基礎之交易、根據香港財務報告準則第16號入賬之租賃交易，以及其計量與公允值之計量存在某些相似之處但並非公允值，例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值。

非金融資產之公允值計量會考慮市場參與者通過按資產最高及最佳用途使用資產或向會按資產最高及最佳用途使用資產的另一名市場參與者銷售資產而產生經濟利益的能力。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

4. 重要會計政策 (續)

此外，就財務報告而言，公允值計量分為第一、第二或第三級，此等級別之劃分乃根據公允值輸入數據的可觀察程度及輸入數據對公允值計量的整體重要性，現概述如下：

- 第一級輸入數據乃實體於計量日期可從相同資產或負債於活躍市場中所報價格（未調整）得出；
- 第二級輸入數據乃第一級所載報價以外，可從資產或負債直接或間接觀察輸入數據得出的輸入數據；及
- 第三級輸入數據乃資產或負債無法觀察的輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體（包括特殊目的實體）之財務報表。當本公司存在以下情況時取得控制權：

- 擁有對被投資公司之權力；
- 面臨或擁有參與被投資公司所得可變回報之風險或權利；及
- 擁有行使其權力以影響其回報之能力。

倘有關事實或情況表明上文列出之三項控制權要素中之一項或多項存在變動，則本集團會對其是否控制被投資公司進行重新評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. 重要會計政策 (續)

綜合基準 (續)

附屬公司之綜合於本集團獲得對附屬公司之控制權時開始，並於本集團失去對附屬公司之控制權時終止。具體而言，於年內收購或出售之附屬公司之收入及開支計入自本集團獲得控制權之日直至本集團不再控制附屬公司之日綜合損益及其他全面收益表。

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使這將導致非控股權益出現虧絀結餘。

倘有需要，將對附屬公司之財務報表作出調整，以使其會計政策與本集團所用之會計政策一致。

與本集團成員公司間之交易有關之所有集團內資產及負債、股權、收入、開支及現金流量於綜合時悉數對銷。

於附屬公司的非控股權益於呈列時，乃獨立於本集團所持有的附屬公司股權，該等權益代表現時之擁有權權益，賦予其持有人權利，可按比例攤分相關附屬公司於盤時的資產淨值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. 重要會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司之權益變動

倘本集團於附屬公司的權益變動並無導致本集團失去對附屬公司的控制權，則作為權益交易入賬。本集團相關權益組成部分及非控股權益的賬面值予以調整以反映各自於附屬公司之權益的相對變動，包括根據本集團及非控股權益之權益比例於本集團與非控股權益之間重新分配相關儲備。

非控股權益之調整金額與所付或所收代價之公允值之間的差額，直接於權益確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則終止確認該附屬公司之資產及負債以及非控股權益（如有）。收益或虧損按(i)已收代價之公允值及任何保留權益之公允值總額與(ii)本公司擁有人應佔該附屬公司之資產（包括商譽）及負債之賬面值之間的差額計算，並於損益確認。所有先前於其他全面收益就該附屬公司所確認之金額，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬（即按適用之香港財務報告準則所訂明／許可方式重新分類至損益或轉撥至另一類權益）。於失去控制權當日，於前附屬公司保留之任何投資的公允值將根據香港財務報告準則第9號「金融工具」（「香港財務報告準則第9號」）於其後入賬時列作初步確認之公允值，或（如適用）於聯營公司或合營企業之投資的初步確認成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

4. 重要會計政策 (續)

於聯營公司及合營企業之投資

聯營公司為本集團對其有重大影響力之實體。重大影響力指參與被投資者之財務及營運政策決定之權力，但對該等政策並無控制或共同控制權。

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司及合營企業之業績及資產與負債以權益法計入綜合財務報表，除非有關投資或其中一部分分類為持作出售，於此情況下，有關投資或分類為持作出售的部分則按香港財務報告準則第5號入賬。並未分類為持作出售的於聯營公司或合營企業投資之任何保留部分將使用權益法列賬。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司或合營企業之損益及其他全面收益而作出調整。聯營公司／合營企業之資產淨值變動（損益及其他全面收益除外）不予入賬，除非該變動導致本集團持有之擁有權權益改變。當本集團應佔聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益時（包括實質上成為本集團於該合營企業投資淨額一部分之任何長期權益），本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該合營企業支付款項之情況下，方會進一步確認虧損。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint venture (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. 重要會計政策 (續)

於聯營公司及合營企業之投資 (續)

於被投資方成為一家聯營公司或合營企業當日，於聯營公司或合營企業的投資採用權益法入賬。於收購一間聯營公司或合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公允淨值之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公允淨值高於投資成本，則會即時於取得投資的期間在損益確認。

本集團評估是否有客觀證據，證明於一間聯營公司或合營公司的利益可能已減值。倘有任何客觀證據，投資之全部賬面值（包括商譽）透過比較其可收回金額（使用價值及公允值減銷售成本的較高者）與其賬面值，根據香港會計準則第36號資產減值，作為單一資產進行減值測試。已確認的任何減值虧損均構成投資賬面值之一部分。倘可收回投資金額其後增加，則該減值虧損撥回撥根據香港會計準則第36號予以確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint venture (Continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

4. 重要會計政策 (續)

於聯營公司及合營企業之投資 (續)

當本集團不再對聯營公司擁有重大影響力或不再對合營企業擁有共同控制權，則將其列賬為出售被投資方全部權益，並於損益內確認所產生之收益或虧損。當本集團保留於前聯營公司或合營企業之權益，且保留權益為香港財務報告準則第9號範圍內的金融資產時，則本集團按當日之公允值計量保留權益，而公允值則被視為初步確認時之公允值。聯營公司或合營企業之賬面值與任何保留權益之公允值及出售聯營公司或合營企業相關權益所得任何所得款項之間的差額，乃計入出售聯營公司或合營企業之損益的釐定。此外，本集團按與該聯營公司或合營企業直接出售相關資產或負債相同之基準入賬有關該聯營公司或合營企業之前於其他全面收益確認的所有金額。因此，倘聯營公司或合營企業之前於其他全面收益確認的損益獲重新分類至出售相關資產或負債之損益，則本集團將於出售／局部出售合營企業之相關聯營公司時將權益損益重新分類至損益（作為重新分類調整）。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint venture (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership investments in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4. 重要會計政策 (續)

於聯營公司及合營企業之投資 (續)

當於聯營公司之投資成為於合營企業之投資時或當於合營企業之投資成為於聯營公司之投資時，本集團繼續使用權益法。於發生該等所有權權益變動時，公允值不會重新計量。

倘本集團減少其於聯營公司或合營企業的擁有權投資但本集團繼續使用權益法，則本集團於出售有關資產或負債時會將該收益或虧損重新分類至損益的情況下，會將先前就該等擁有權權益減少而在其他全面收益確認的損益按比例重新分類至損益。

當集團實體與本集團聯營公司或合營企業交易（例如銷售或注入資產）時，與聯營公司或合營企業交易而產生之利潤及虧損於本集團之綜合財務報表中確認，惟僅以與本集團無關之聯營公司或合營企業之權益為限。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

4. 重要會計政策 (續)

來自合約客戶的收益

本集團於完成履約責任時(或於履約時),即特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時,確認收益。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項標準,則控制權於一段時間內轉移,而收益則參照相關履約責任之完成進度於一段時間內確認:

- 於本集團履約時,客戶同時取得並耗用本集團履約所產生的利益;
- 本集團的履約行為創建或改善一項資產,而該項資產於本集團履約過程中由客戶控制;或
- 本集團的履約行為並未創建對本集團具有替代用途的資產,且本集團有強制執行權收取迄今已完成履約部分的款項。

倘不符合上述條件,則收益於客戶獲得該項明確貨品或服務之控制權的時間點確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 重要會計政策 (續)

Revenue from contracts with customers (Continued)

來自合約客戶的收益 (續)

The table below is a summary of how the Group's revenue from different types of operations is recognised under HKFRS 15.

下表概述本集團來自不同類別業務的收益根據香港財務報告準則第15號確認。

Types of revenue (within the scope of HKFRS 15) 收益類別 (香港財務報告 準則第15號範圍內)

Accounting policy under HKFRS 15

香港財務報告準則第15號下的會計政策

Artiste management fee income 藝員管理費收入	Artiste management fee income are recognised on a net basis (i.e. the amount entitled by the Group rather than the total consideration set out in the related contracts as the Group concluded that it is merely acting as an agent) as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. 藝員管理費收入乃按淨額基準確認 (即本集團有權獲得的金額, 而非相關合約所載的總代價, 因為本集團判斷為其僅擔任代理), 因為履約責任於一段時間內達成, 而本集團履約時, 客戶同時收取及享用本集團履約提供的利益。
Hotel room income 酒店客房收入	Hotel room income is recognised over time during the period of stay for the hotel guest. 酒店客房收入於客人入住期間一段時間內確認。
Food and beverage income 餐飲收入	Food and beverage income is recognised when control of the goods has transferred, being at the point the customer purchases the goods at restaurant. 餐飲收入於貨品的控制權轉移時確認, 即客戶於餐廳購買貨品時確認。
Entrance fee income 入場費收入	Entrance fee income is recognised when the tickets are accepted and surrendered by the customer. 入場費於門票獲客戶接納及出示時確認。
Event income 活動收入	Event income is recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. 活動收入於履約責任於一段時間內獲達成時確認, 因為本集團履約時, 客戶同時收取及享用本集團履約提供的利益。
Films production and licensing income 電影製作及特許收入	Income derived from the production and distribution of films, when the production is completed and the film is released, the film has been distributed to the cinema circuit and the amount can be measured reliably, which is generally when the cinema circuit confirms to the Group its share of box receipts. 電影製作及發行產生的收入於完成製作及電影發行至電影院線且金額能可靠計量時 (一般為電影院線向本集團確認分佔票房收益之時) 確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 重要會計政策 (續)

Revenue from contracts with customers (Continued)

來自合約客戶的收益 (續)

Types of revenue (within the scope of HKFRS 15) 收益類別 (香港財務報告準則第15號範圍內)

Accounting policy under HKFRS 15

香港財務報告準則第15號下的會計政策

	Income derived from the licensing of the distribution and broadcasting rights over films, when the Group's entitlement to such payments has been established which, subject to the terms of the relevant agreements, is usually upon delivery of the film negatives to the customers. 特許電影發行及放映權所產生的收入於本集團享有該等款項的權利確立時 (須視乎相關協議條款而定, 一般為向客戶交付電影底片之時) 確認。
Sales of travel related products 銷售旅遊相關產品	Sales of travel related products is recognised when control of the goods has transferred, being at the point the customer purchases the travel related products. 銷售旅遊相關產品於產品的控制權轉移時確認, 即客戶購買旅遊相關產品的時間點。
Sales of goods 銷售貨品	Sales of goods is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. 銷售貨品於貨品的控制權轉移至客戶時確認, 即貨品交付予客戶的時間點。
Ancillary services 配套服務	Ancillary service income is recognised when a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. 配套服務收入於履約責任於一段時間內獲達成時確認, 於本集團履約時, 客戶同時收取及享用本集團履約提供的利益。

Types of revenue (outside the scope of HKFRS 15) 收益類別 (香港財務報告準則第15號範圍外)

Accounting policy

會計政策

Rental income from operating leases 經營租賃的租金收入	Rental income under operating leases is recognised over the lease term. Contingent rentals are recognised on the accounting period when they are incurred. 經營租賃的租金收入在租賃期內確認。或有租金在產生的會計期間確認。
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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

4. 重要會計政策 (續)

租賃

租賃之定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約屬於或包含租賃。

就於首次應用日期或之後訂立或修改或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於開始、修訂日期或收購日期(視何者合適而定)評估該合約是否屬於或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的合計獨立價格基準將合約代價分配至各項租賃組成部分，包括收購物業所有權權益的合約，其包括租賃土地及非租賃樓宇成分，除非有關分配無法可靠作出。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

短期租賃及低價值資產租賃

本集團對租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃，應用短期租賃確認豁免。其亦適用低價值資產租賃的確認豁免。短期租賃的租賃付款及低價值資產租賃按直線基準或其他系統基準於租期內確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

4. 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的成本估計。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

本集團已合理地確定可於租期結束時取得相關租賃資產所有權的使用權資產由開始日期起至可使用年期結束止計提折舊。在其他情況下，使用權資產以直線法於其估計使用年期及租期（以較短者為準）內計提折舊。

當本集團於租賃期屆滿取得相關租賃資產的所有權時，行使購買選擇權後，相關使用權資產的成本及相關累計折舊及減值虧損將轉移至物業、廠房及設備。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

4. 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)入賬且初步按公允值計量。對初步確認時的公允值作出的調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借款利率計算租賃付款的現值。

租賃付款包括：

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；
- 視乎指數或比率而定的可變租賃付款，於開始日期使用指數或比率初步計量。

於開始日期後，租賃負債根據利息增長及租賃付款作出調整。

本集團將租賃負債作為單獨項目列入綜合財務狀況表。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Foreign currencies

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

4. 重要會計政策 (續)

租賃 (續)

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於損益表內確認。除根據公允價值模型計量的投資物業外，於磋商及安排經營租賃時產生之初步直接成本會加入租賃資產之賬面值，該等成本以直線法按租約年期確認為開支。

本集團一般業務過程中產生的租賃收入呈列為收益。

外幣

在編製各個別集團實體的財務報表時，以該實體之功能貨幣以外之貨幣（外幣）計價之交易按交易日期之現行匯率確認。在報告期末，以外幣計值之貨幣項目均按該日之現行匯率重新換算。按公允價值計量以外幣計值之非貨幣項目，乃按於公允價值釐定當日之現行匯率重新換算。按歷史成本計量以外幣計值之非貨幣項目毋須重新換算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. 重要會計政策 (續)

外幣 (續)

結付貨幣項目及重新換算貨幣項目而產生的匯兌差額均於產生期間在損益內確認，惟應收或應付海外業務而結算並無計劃亦不可能發生（因此構成海外業務投資淨額之一部分）之貨幣項目之匯兌差額除外，該等匯兌差額初步於其他全面收益確認，並於出售或部分出售本集團於聯營公司／合營企業之權益時自權益重新分類至損益。

就呈列綜合財務報表而言，本集團業務之資產及負債按各報告期末之通行匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目乃按期內平均匯率換算，惟倘匯率於期內大幅波動，則採用於交易當日之匯率。所產生之匯兌差額（如有）乃於其他全面收益確認，並於換算儲備項下之權益累計（歸屬於非控股權益（如適用））。

於出售一項海外業務（即出售本集團於一項海外業務之全部權益，或涉及失去對一間附屬公司（包含海外業務）之控制權之出售，或部分出售於合營安排或聯營公司（包含海外業務）之權益，且當中之保留權益成為一項金融資產）時，本公司擁有人應佔之就該業務於權益內累計之所有匯兌差額將重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

4. 重要會計政策 (續)

外幣 (續)

此外，倘部分出售一間附屬公司並未導致本集團失去對該附屬公司之控制權，則按比例將累計匯兌差額重新分配至非控股權益，而不會於損益內確認。就所有其他部分出售（即不會導致本集團失去重大影響力或共同控制權之聯營公司或合營安排之部分出售）而言，按比例分佔之累計匯兌差額乃重新分類至損益。

借款成本

與購入、建設或生產須待一段頗長時間後始能投入作擬定用途或出售之合資格資產直接產生之借款成本，均計入該等資產的成本，直至有關資產大體上可作擬定用途或出售為止。

於相關資產要準備作擬定用途時任何特定借款仍未償還或銷售納入一般借款時，會以一般借款的資本化利率計算。

將就合資格資產之支出所作指定用途借款進行短期投資而賺取之投資收入，從合資格撥充資本之借款成本中扣除。

所有其他借款成本均於產生之期間於損益內確認。

政府補助

於合理確定本集團將符合政府補助的附帶條件以及將會收到補助時，政府補助方會予以確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs and employee benefits

Retirement benefit costs

Retirement benefits to employees are provided through defined contribution plans. The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries or the maximum mandatory contribution as required by the MPF Scheme and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

The employees of the Company's subsidiaries which operate in the People's Republic of China (the "PRC"), except Hong Kong, are required to participate in the employee retirement scheme operated by the relevant local government bureau in the PRC and to make contributions for their eligible employees. The contributions payable by the subsidiaries are calculated based on a certain percentage of the salaries and wages of those eligible employees and are recognised as an expense during the period to which they relate.

4. 重要會計政策 (續)

退休福利成本及僱員福利

退休福利成本

給予僱員的退休福利透過定額供款計劃提供。本集團已根據《強制性公積金計劃條例》，為合資格參與界定供款強制性公積金退休福利計劃（「強積金計劃」）的僱員設立強積金計劃。有關供款乃根據強積金計劃按僱員基本薪金的若干百分比或強制性供款上限計算，並根據強積金計劃的規則在應付該等供款時在綜合損益及其他全面收益表中扣除。強積金計劃的資產乃由獨立管理基金持有，與本集團的資產分開持有。按照強積金計劃的規則，本集團的僱主供款乃於僱主向強積金計劃作出供款時全數撥歸僱員所有，惟本集團僱主的自願供款則於僱員在供款全數歸屬前離職時退還本集團。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向強積金計劃作出供款，每月相關收入上限為30,000港元。強積金計劃供款即時歸屬。

於中華人民共和國（「中國」）（不包括香港）經營的本公司附屬公司的僱員必須參與由中國相關地方政府設立的僱員退休計劃，由公司為合資格僱員供款。該附屬公司應付的供款按其合資格僱員薪金及工資的若干百分比計算，並於相關期間確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs and employee benefits (Continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Share-based employee compensation

Share-based payments

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

4. 重要會計政策 (續)

退休福利成本及僱員福利 (續)

短期僱員福利

短期僱員福利是指預計在僱員提供相關服務的年度報告期末後十二個月以前將全數結付的僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務的年度內確認。

僱員享有年假的福利於僱員應享時確認。本集團就僱員於截至報告日止提供服務而產生的年假的估計負債作出撥備。

非累計的帶薪假(如病假及產假)於支取時方予確認。

離職福利

離職福利於本集團不能取消提供該等福利時或於本集團確認涉及支付離職福利重組成本時(以較早者為準)確認。

以股份為基準的僱員報酬

以股份為基礎之付款

以權益結算之股份付款交易

授予僱員之購股權

向僱員及提供類似服務之其他人士作出的以權益結算之股份付款按權益工具於授出日期之公允值計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based employee compensation (Continued)

Share-based payments (Continued)

Equity-settled share-based payments transactions (Continued)

Share options granted to employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For shares options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

When shares granted are vested, the amount previously recognised in share option reserve will be transferred to share capital and share premium.

Shares granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

4. 重要會計政策 (續)

以股份為基準的僱員報酬 (續)

以股份為基礎之付款 (續)

以權益結算之股份付款交易 (續)

授予僱員之購股權 (續)

於授出日期釐定的以權益結算之股份付款之公允值(不計及所有非市場歸屬條件)根據本集團對最終將會歸屬之權益工具的估計,於歸屬期內按直線法支銷,而權益(購股權儲備)則相應增加。於各報告期末,本集團根據對所有相關非市場歸屬條件的評估,修訂其對預期歸屬之權益工具數目的估計。修訂原有估計之影響(如有)於損益確認,以使累計開支反映經修訂估計,並對購股權儲備作出相應調整。就於授出日期即時歸屬之購股權而言,所授出購股權之公允值即時於損益支銷。

於購股權獲行使時,先前於購股權儲備確認之金額將轉撥至股本及股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使,則先前於購股權儲備確認之金額將轉撥至累計虧損。

於授出之股份歸屬時,先前於購股權儲備確認的金額將轉撥至股本及股份溢價。

授予僱員以外人士之股份

與僱員以外之人士進行的以權益結算之股份付款交易乃按所取得貨品或服務的公允值計值,惟倘公允值未能可靠地估計,則按所授出權益工具之公允值計量,並於實體獲得貨品或對手方提供服務當日計量。所取得貨品或服務之公允值確認為開支,惟倘貨品或服務符合資格確認為資產則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

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

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

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

4. 重要會計政策 (續)

稅項

所得稅支出為現時應付稅項與遞延稅項之總和。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所報「除稅前利潤／(虧損)」不同，此乃由於其不包括在其他年度應課稅的收入或可抵扣稅的支出項目，亦不包括可作免稅或不可抵扣稅之項目。本集團現時稅項負債以報告期末已頒佈或實質上已頒佈之稅率計算。

遞延稅項為就綜合財務報表所列資產及負債之賬面值與計算應課稅溢利所用相應稅基兩者間之暫時差額予以確認。遞延稅項負債通常會就所有應課稅暫時差額予以確認。遞延稅項資產通常按可能出現可利用暫時差額抵扣稅之應課稅溢利時就所有可抵扣稅暫時差額予以確認。倘於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致之暫時差額既不影響應課稅溢利，亦不影響會計溢利，則不會確認該等遞延稅項資產及負債。

遞延稅項負債乃按與於附屬公司及聯營公司之投資及於合營企業之權益相關之應課稅暫時差額而確認，惟倘本集團可控制暫時差額的撥回及暫時差額有可能不會於可見將來撥回則除外。遞延稅項資產只會就因該等有關投資所產生之可扣稅暫時差額，在可能出現足夠應課稅溢利以利用暫時差額之利益，而在可見將來預期可被撥回時確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sales.

4. 重要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值乃於報告期末進行檢討，並在不再可能有足夠應課稅溢利以收回全部或部分資產價值時作調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率及根據於報告期末已訂定或實際訂定之稅率（及稅法）計量。

遞延稅項負債及資產之計量反映本集團於報告期末預期將要收回或償還其資產及負債之賬面值之稅務後果。

就按公允值模式計量之投資物業之遞延稅項負債及遞延稅項資產之計量而言，該等物業之賬面值乃假定為可透過銷售悉數收回，除非此假定被推翻則作別論。倘投資物業為可予折舊，且持有之商業模式乃旨在隨時間而非透過銷售而消耗該投資物業內之絕大部分經濟利益，則此項假定即被推翻，惟永久業權土地除外，其賬面值假定可於任何時間透過銷售悉數收回。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, hotel properties and film studio, are stated at acquisition cost less accumulated depreciation and any impairment losses. The cost of an asset comprises any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. 重要會計政策 (續)

稅項 (續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號「所得稅」規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時於租期內確認。

即期及遞延稅項於損益中確認，惟倘即期及遞延稅項與在其他全面收入或直接在權益中確認之項目有關，則即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。倘即期或遞延稅項於業務合併之初步會計處理時產生，則稅務影響乃計入業務合併之會計處理內。

物業、廠房及設備

除在建工程、酒店物業及影視城外，物業、廠房及設備按收購成本減累計折舊及任何減值虧損列賬。資產的成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，並就合資格資產而言，借款成本將會根據本集團的會計政策而資本化。此等資產按照與其他物業資產相同的準則，在資產達到其擬定用途時開始折舊。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write-off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold land	Over the lease term
Buildings	Over the shorter of the lease term or 31/3%
Hotel properties	Over the lease term
Film studio	Over the lease term
Leasehold improvements	Over the shorter of the lease term or 20%
Furniture, fixtures and office equipment	20%
Motor vehicles and yacht	20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. 重要會計政策 (續)

物業、廠房及設備 (續)

在租賃土地及樓宇的擁有權權益

當本集團就於物業的擁有權權益(包括租賃土地及樓宇成分)付款時,全部代價於租賃土地及樓宇成分之間按初始確認時的相對公允值的比例分配。

倘相關款項能可靠分配,則以經營租賃列賬的租賃土地權益於綜合財務狀況表中列為「使用權資產」,惟根據公允值模式分類為投資物業且作為投資物業入賬者除外。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時,整項物業分類為物業、廠房及設備。

物業、廠房及設備乃根據其估計可使用年期,按以下年利率以直線法確認折舊,以撇銷成本減其剩餘價值:

租賃土地	租期
樓宇	租期或31/3% (取較短者)
酒店物業	租期
影視城	租期
租賃物業裝修	租期或20% (取較短者)
傢俬、裝置及辦公室設備	20%
汽車及遊艇	20%

估計可使用年期、剩餘價值及折舊法乃於各報告期末審閱,任何估計變動之影響按未來適用法入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4. 重要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或預期持續使用該資產不會產生任何未來經濟利益時終止確認。於出售或報廢物業、廠房及設備項目時產生之任何損益釐定為出售所得款項與資產賬面值的差額，乃於損益確認。

物業、廠房及設備及使用權資產 (商譽除外) 的減值

於報告期末，本集團檢討物業、廠房及設備、使用權資產及無形資產的賬面值，以釐定是否有任何跡象顯示該等資產已經遭受減值虧損。倘存在任何有關跡象，則估計資產的可收回金額，以釐定減值虧損 (如有) 的幅度。

物業、廠房及設備、使用權資產及無形資產的可收回金額會個別估計。如不太可能對可收回金額進行個別估計，本集團會以資產所屬的現金產生單位估計可收回金額。

此外，本集團對是否有跡象顯示企業資產可能出現減值進行評估。倘存在有關跡象，於可識別合理一致的分配基準時，企業資產亦會分配至個別現金產生單位，否則有關資產會分配至可識別合理一致分配基準的現金產生單位最小組別。

可收回金額為公允值減出售成本與使用價值兩者的較高者。於評估使用價值時，乃使用可反映現時市場對貨幣時間值的評估及該資產特有的風險 (未來現金流量的估計並無就此作調整) 的稅前貼現率，將估計未來現金流量貼現至其現值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 重要會計政策 (續)

物業、廠房及設備及使用權資產 (商譽 除外) 的減值 (續)

倘某項資產的可收回金額估計低於其賬面值，則該資產的賬面值須減少至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值（包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值）與該組現金產生單位的可收回款項作比較。分配減值虧損時，減值虧損首先根據單位（或現金產生單位組別）內各項資產的賬面值按比例分配以減少資產的賬面值。一項資產的賬面值不會減至低於其公允值減出售成本（如可計量）、其使用價值（如可釐定）及零當中的最高者。本應分配至相關資產的減值虧損之金額按比例分配至該單位（或現金產生單位組別）內各項資產。減值虧損即時於損益內確認。

倘一項減值虧損於其後撥回，則將該資產的賬面值增至經修訂的估計可收回金額，惟增加後的賬面值不得超過假設過往年度未曾就該項資產確認減值虧損而釐定的賬面值。減值虧損的撥回即時於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Film products

Film products are completed films produced by the Group. Film products, are stated at cost less subsequent accumulated amortisation and accumulated impairment loss. Amortisation of film products is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are one to three years.

Film production in progress

Film production in progress is stated at cost less any impairment losses. Costs include all direct costs associated with the production of films such as direct labour costs, cost of services, facilities and raw materials consumed in the creation of a film. Upon completion, these films under production are reclassified as film products. Film production in progress is accounted for on a film-by-film basis. Impairment losses are made for costs which are in excess of the expected future revenue generated by these films.

Investments in films/dramas production

Investments in film/drama production are stated initially at cost and adjusted thereafter for the net income derived from the investments less any accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined by the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. 重要會計政策 (續)

電影產品

電影產品乃本集團完成製作的電影。電影產品按成本減其後累計攤銷及累計減值虧損列賬。電影產品攤銷以直線法按其估計可使用年期撇銷其成本值減其剩餘價值計算。主要可使用年期為一至三年。

在製電影產品

在製電影產品按成本減任何減值虧損列賬。成本包括與製作電影相關的所有直接成本，例如直接勞工成本、製作電影時所用的服務、設施及原材料的成本。於完成製作時，在製電影產品會重新分類為電影產品。在製電影產品以每套電影為基準入賬。倘該等電影的成本超出其產生的預期未來收益，則作出減值虧損。

投資電影／戲劇製作

投資電影／戲劇製作初步按成本列賬及其後就投資所得收入淨額減任何累計減值虧損作調整。

存貨

存貨按成本與可變現淨值的較低者確認。成本（包括固定及浮動間接開支之適當部分）乃按加權平均法計算。可變現淨值指存貨估計售價減所有估計完工成本及銷售所需成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 重要會計政策 (續)

撥備

倘本集團因過去事件引致現時的責任(法律或推定)，而本集團很可能須履行該項責任且能可靠地估計該項責任之金額時，則確認撥備。

倘經濟利益流出的可能性較低，或無法對有關金額作出可靠估計，則會將該責任披露為或然負債，惟經濟利益流出的可能性極低則除外。須視乎一宗或多宗未來事件是否發生才能確定存在與否的潛在責任，亦會作為或然負債披露；惟經濟利益流出的可能性極低則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income derived from the Group's ordinary course of business are presented as revenue.

4. 重要會計政策 (續)

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。所有常規方式買賣的金融資產概於交易日予以確認及終止確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的金融資產買賣。

金融資產及金融負債初步以公允值計量，惟產生自與客戶的合約之應收貿易款項（初步按香港財務報告準則第15號計量）除外。收購或發行金融資產及金融負債（按公允值計入損益的金融資產或金融負債除外）直接應佔的交易成本於初步確認時加入或從金融資產或金融負債的公允值扣除（倘適用）。收購按公允值計入損益的金融資產或金融負債直接應佔的交易成本即時在損益中確認。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收支（包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現）至賬面淨值的利率。

本集團一般業務過程中產生的利息收入呈列為收益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

4. 重要會計政策 (續)

金融工具 (續)

金融資產

金融資產的分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的而持有資產之經營模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

攤銷成本及利息收入

對其後按攤銷成本計量的金融資產的利息收入，乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外（見下文）。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group assesses and measures loss allowance for ECL on its financial assets which are subject to impairment assessment under HKFRS 9 (including trade receivables, other receivables and deposits, amount due from a joint venture, pledged bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值

對於根據香港財務報告準則第9號須進行減值評估(包括應收貿易款項、其他應收款項及按金、應收一間合營公司款項、已抵押銀行存款及銀行結餘)的金融資產,本集團評估及計量預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新,以反映自初始確認後信貸風險的變化。

存續期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)將預期於報告日期後12個月內可能發生的違約事件導致之存續期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行,並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就並無重大融資成份的應收貿易款項確認存續期預期信貸虧損。就擁有重大結餘的債務人,將獨立評估該等資產的預期信貸虧損,以及/或使用適宜組別的撥備矩陣進行集體評估。

對於所有其他工具,本集團計量的虧損撥備等於12個月預期信貸虧損,除非自初始確認後信貸風險顯著增加,在此情況下,則本集團確認存續期預期信貸虧損。是否應確認存續期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

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綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理及有依據的定量和定性資料，包括過往經驗及無需付出不必要的成本或努力即可獲得之前瞻性資料。特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境實際上或預期將出現重大不利變動，導致債務人履行其債務責任的能力大減。

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綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

不論上述評估之結果如何，本集團認為，當合約付款逾期超過三十天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理及有依據之資料證明另有情況。

儘管如此，如果債務工具於報告日被認為具低信貸風險，則本集團可假設該債務工具之信貸風險自初始確認後未有顯著增加。在下列情況下，債務工具具有較低之信貸風險：(i)其違約風險較低，(ii)借款人在短期內絕對有能力履行其合約現金流量之義務，以及(iii)經濟和商業條件長遠之不利變化，不一定會降低借款人履行合約現金流義務之能力。倘債務工具的內部或外部信貸評級為「投資級別」（按照全球通用的定義），則本集團認為債務工具之信貸風險較低。

本集團定期監控用以識別信貸風險有否顯著增加的標準之成效，並於適當時候作出修訂，以確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

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綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

The Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(ii) 違約定義

本集團認為，違約事件在內部開發或得自外界來源的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

儘管有上述規定，本集團認為，金融資產逾期超過90日即屬發生違約，除非本集團有合理及具理據資料顯示更加滯後的違約標準更為恰當。

(iii) 信貸減值金融資產

金融資產在一項或以上事件（對該金融資產估計未來現金流量構成不利影響）發生時發生信貸減值。金融資產發生信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財困；
- (b) 違反合約（如違約或逾期事件）；
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人本不會考慮的優惠；
- (d) 借款人將可能破產或進行其他財務重組；或
- (e) 因經濟困難令該金融資產的活躍市場消失。

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綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iv) 撇銷政策

倘資料顯示對手方處於嚴重財困及無實際收回可能時，例如對手方被清盤或已進入破產程序時，或就應收貿易款項而言，於款項已逾期兩年時（以較早發生者為準），本集團則撇銷金融資產。經考慮法律意見後（倘合適），遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率（即違約時的損失程度）及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於按前瞻性資料作調整的歷史數據。預期信貸虧損的預估反映無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額（按初始確認時釐定之有效利率貼現）。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the past due ageing analysis basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按逾期賬齡分析基準歸類：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（倘有）。

歸類工作經管理層定期檢討，以確保各組別內成份具有類似信貸風險特性。

利息收入乃根據金融資產的賬面總值計算，除非金融資產已信貸減值，在此情況下，利息收入乃根據金融資產的攤銷成本計算。

本集團透過調整相關金融工具的賬面值於損益確認各項金融工具之減值收益或虧損，惟應收貿易款項除外，其相關調整乃透過虧損撥備賬確認。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產

僅當從資產收取現金流量之合約權利已屆滿，或倘本集團轉讓金融資產及金融資產擁有權之絕大部分風險及回報至另一實體，本集團方會終止確認金融資產。倘本集團並無轉讓或保留擁有權之絕大部分風險及回報，並繼續控制該已轉讓資產，則本集團確認於資產的保留權益及就其可能須支付的金額確認相關負債。倘本集團保留所轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認該項金融資產，並就已收取所得款項確認有抵押借款。

當按攤銷成本計量的金融資產終止確認時，資產的賬面值與已收及應收代價款項之間的差額，於損益中確認。

金融負債及權益

分類為債務或權益

債務及權益工具根據合約安排內容及金融負債及權益工具釋義分類為金融負債或權益。

權益工具

權益工具乃證明於實體資產經扣減其所有負債後剩餘權益之合約。本公司所發行權益工具按已收取所得款項減直接發行成本確認。

本公司購回本身之權益工具於權益直接確認及扣除。購買、出售、發行或註銷本公司本身之權益工具概不會於損益確認收益或虧損。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and accruals, bank overdrafts, loan from shareholders, bonds, promissory note and borrowings are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

The component parts of the convertible loan notes are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

4. 重要會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

金融負債

所有金融負債其後使用實際利率法按攤銷成本或按公允值計入損益計量。

按攤銷成本列賬之金融負債

金融負債(包括應收貿易款項、其他應付款項及應計費用、銀行透支、股東貸款、債券、承兌票據及借款)其後使用實際利率法按攤銷成本計量。

可換股債券

可換股債券之組成部分乃根據合約安排之內容以及金融負債及權益工具之定義分別分類為金融負債及權益。倘換股權將透過以固定金額之現金或另一項金融資產換取固定數目之本公司本身權益工具的方式結算，則分類為權益工具。

於發行日期，負債部分(包括任何嵌入式非權益衍生工具特徵)之公允值乃透過計量並無相關權益部分之類似負債之公允值而估計。

分類為權益之換股權乃透過從整體複合工具之公允值中扣除負債部分金額而釐定，並於扣除所得稅影響後在權益中確認及入賬，且其後不會重新計量。此外，分類為權益之換股權將保留於權益內，直至換股權獲行使為止，屆時於權益內確認之結餘將轉撥至股份溢價。倘換股權於可換股票據到期日仍未獲行使，於權益確認之結餘將轉撥至累計虧損。換股權獲行使或到期時，不會於損益中確認任何收益或虧損。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Convertible bonds (Continued)

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When an existing financial liability is renegotiated in such a way that the liability is extinguished fully or partially by issuing equity instruments, it is accounted for as an extinguishment of the original financial liability and a recognition of equity instrument at the fair value upon issue with the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished and the consideration paid (being the fair value of the equity instruments issued), recognised to profit or loss.

4. 重要會計政策 (續)

金融工具 (續)

可換股債券 (續)

與發行可換股債券有關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分有關之交易成本直接於權益扣除。與負債部分有關之交易成本計入負債部分之賬面值，並採用實際利率法於可換股債券期間攤銷。

終止確認金融負債

本集團僅於其責任已被解除、取消或屆滿時方會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

倘重新磋商現有金融負債以透過發行權益工具全數或部分抵銷該負債，則入賬列為已清償原有金融負債及於發行時按公允值確認權益工具，而已清償之金融負債（或部分金融負債）的賬面值與已付代價（即已發行權益工具之公允值）之間的差額於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

- (i) the party is a person or a close member of that person's family and that person,
 - (a) has controls or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or of a parent of the Group; or
- (ii) the party is an entity where any of the following conditions applies:
 - (a) the entity and the Group are members of the same group;
 - (b) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (c) the entity and the Group are joint ventures of the same third party;
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (f) the entity is controlled or jointly controlled by a person identified in (i);
 - (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (h) the entity, or any number of a group of which it is a part, provides key management personnel services to the Group or to the presents of the Group.

4. 重要會計政策 (續)

關聯方

倘一方屬下列情況，則視為與本集團有關聯：

- (i) 該方為一名人士或一名人士之近親，而該名人士
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響；或
 - (c) 為本集團或本集團母公司之主要管理層成員；或
- (ii) 該方為符合下列任何條件的實體：
 - (a) 該實體與本集團屬同一集團之成員公司；
 - (b) 一間實體為另一實體（或另一實體之母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (c) 實體與本集團均為同一第三方之合營企業；
 - (d) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
 - (e) 實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃；
 - (f) 實體受(i)所識別人士控制或共同控制；
 - (g) 於(i)(a)所識別人士對實體有重大影響力或屬該實體（或該實體之母公司）主要管理層成員；或
 - (h) 向本集團或本集團母公司提供主要管理層成員服務的實體或其所屬集團的任何成員公司。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, which are repayable on demand and form an integral part of the Group's cash management and bank overdrafts.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use. Bank overdrafts are shown in current liabilities.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

4. 重要會計政策 (續)

關聯方 (續)

一名人士之近親是指與該實體交易時預期會影響該人士或受到該人士影響的家族成員。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及活期存款，購入後一般在三個月內到期及可隨時轉換為已知數額現金且價值變動風險較小之短期高度流動性投資（須應要求償還並構成本集團現金管理及銀行透支之組成部分）。

就綜合財務狀況表而言，現金及現金等值項目包括並無限制用途之手頭及銀行現金（包括定期存款）以及性質與現金相似之資產。銀行透支於流動負債呈列。

5. 主要會計判斷及估計不確定性之主要來源

在應用附註4所述之本集團會計政策過程中，本公司董事須對未能從其他途徑即時知悉之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被認為相關之其他因素作出。實際結果或會與該等估計有所不同。

管理層會對該等估計及相關假設持續進行檢討。對會計估計進行修訂時，若修訂會計估計只影響作出修訂的期間，則修訂會計估計會在該期間確認；若修訂影響到現行修訂期間以及未來期間，則在現行修訂期間以及未來期間確認。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on last due aging as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 7(b) and 25 respectively.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amount has been determined based on the higher of value-in-use calculations or fair value less costs of disposal calculations. The calculations require the use of judgements and estimates.

5. 主要會計判斷及估計不確定 性之主要來源 (續)

估計不確定性之主要來源

下文為於報告期間未有重大可能使下個財政年度資產及負債賬面值須作重大調整而與未來有關的主要假設及估計不確定因性之其他主要來源。

應收貿易款項的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易款項的預期信貸虧損。撥備比率乃根據最後到期賬齡釐定，並將具有類似虧損模式的各個債務人分組。撥備矩陣乃根據本集團的過往違約比率釐定，已考慮屬合理及有理據且毋須耗費過多成本或精力即可獲得的前瞻性資料。於每個報告日期，過往觀察到違約比率均重新評估及前瞻性資料的變化亦予考慮。此外，具有重大結餘及信貸減值的應收貿易款項均會獨立評估預期信貸虧損。

預期信貸虧損撥備容易受估計變動影響。關於預期信貸虧損及本集團應收貿易款項的資料分別於附註7(b)及25披露。

物業、廠房及設備之減值

物業、廠房及設備於有事件或情況變動顯示其賬面值可能無法收回時進行減值檢討。可收回金額乃根據使用價值或公允值減出售成本（以較高者為準）計算釐定。計算需要運用判斷及估計。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of property, plant and equipment (Continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value in use; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

During the year, impairment loss on property, plant and equipment recognised in profit or loss amounted to approximately HK\$372,110,000. The carrying amount of property, plant and equipment as at 31 December 2020 was HK\$545,148,000 (2019: HK\$908,268,000 (see note 18)).

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of total debt (which includes trade payables, other payables and accruals, bank overdrafts, loans from shareholders, borrowings, lease liabilities, bonds, convertible bonds and promissory notes) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group is not subject to any externally imposed capital requirements.

5. 主要會計判斷及估計不確定性之主要來源 (續)

物業、廠房及設備之減值 (續)

管理層須就資產減值作出判斷，尤其是評估：(i)是否已發生可能顯示有關資產價值可能無法收回的事件；(ii)可收回金額（即公允價值減出售成本與使用價值兩者中的較高者）是否足以支持資產賬面值；及(iii)編製現金流量預測所用的適當主要假設，包括該等現金流量預測是否以適當利率貼現。管理層評估減值時選用的假設（包括現金流量預測所用的貼現率或增長率假設）若有變化，可能會影響減值測試所用的淨現值，隨之影響本集團的財務狀況及經營業績。

年內，於損益確認之物業、廠房及設備減值虧損約為372,110,000港元。於二零二零年十二月三十一日，物業、廠房及設備的賬面值為545,148,000港元（二零一九年：908,268,000港元）（見附註18）。

6. 資本風險管理

本集團管理其資本以確保本集團旗下實體能夠持續經營，同時透過優化債務及權益平衡以盡可能提高股東回報。本集團的整體策略自過往年度以來未有變動。

本集團的資本結構由總債務（包括應付貿易款項、其他應付款項及應計費用、銀行透支、股東貸款、借款、租賃負債、債券、可換股債券及承兌票據）及本公司擁有人應佔權益（包括已發行股本及儲備）組成。

本集團並無受外部施加任何資本規定。

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6. CAPITAL RISK MANAGEMENT

(Continued)

Gearing ratio

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buybacks as well as the issue of new debt.

The gearing ratio at the end of the reporting period was as follows:

6. 資本風險管理 (續)

資本負債比率

本公司董事定期審閱資本結構。作為審閱的一部分，董事會考慮資本成本及與各類資本相關的風險。根據董事的建議，本集團會通過支付股息、新股份發行及股份回購以及發行新債務平衡其整體資本結構。

於報告期末的資本負債比率如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Total debts	總債務	1,423,142	2,353,983
Total assets	總資產	1,108,355	1,533,392
Gearing ratio	資本負債比率	128%	154%

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7. FINANCIAL INSTRUMENTS

7. 金融工具

(a) Categories of financial instruments

(a) 金融工具分類

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Financial assets	金融資產		
Long-term receivables	長期應收款項	88,808	111,187
Pledged bank deposits	已抵押銀行存款	2,377	2,229
Trade receivables	應收貿易款項	5,556	75,184
Deposits and other receivables	按金及其他應收款項	21,483	37,671
Amount due from a joint venture	應收一間合營企業款項	2,414	2,414
Cash and bank balances	現金及銀行結餘	12,601	3,667
		<u>133,239</u>	<u>232,352</u>
Financial assets at amortised cost	按攤銷成本列賬之金融資產		
Financial liabilities	金融負債		
Amortised cost	攤銷成本		
Trade payables	應付貿易款項	38,604	36,072
Other payables and accruals	其他應付款項及應計費用	189,842	196,909
Bank overdrafts	銀行透支	-	5,778
Loans from shareholders	股東貸款	90,023	589,457
Borrowings	借款	154,560	227,040
Bonds	債券	-	1,153,283
Promissory notes	承兌票據	48,463	115,197
Convertible bonds	可換股債券	866,016	-
		<u>1,387,508</u>	<u>2,323,736</u>

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies

The Group is exposed to a variety of financial risks which result from its operating, investing and financing activities. The Group's major financial instruments include long-term receivables, pledged bank deposits, trade receivables, deposits and other receivables, amount due from a joint venture cash and bank balances, trade payables, other payables and accruals, bank overdrafts, loans from shareholders, borrowings, bonds, convertible bonds, and promissory note. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risks

Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain trade receivables and payables of the Group are denominated in either Renminbi ("RMB") or United States Dollars ("US\$"). The Group currently does not have a foreign currency hedging policy as the Directors considered that the volatility of the exchange rates between HK\$, RMB and US\$ is limited. However, the Directors monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

7. 金融工具 (續)

(b) 財務風險管理目標與政策

本集團因經營、投資及融資活動而承受多種財務風險。本集團的主要金融工具包括長期應收款項、已抵押銀行存款、應收貿易款項、按金及其他應收款項、應收合營企業款項、現金及銀行結餘、應付貿易款項、其他應付款項及應計費用、銀行透支、股東貸款、借款、債券、可換股債券及承兌票據。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關的風險及本集團所用降低該等風險的政策。董事管理及監控該等風險，以確保及時且有效地採取適當措施。

本集團面臨的金融工具風險類型或管理及衡量有關風險的方式並無變動。

市場風險

外國貨幣風險

貨幣風險指金融工具的公允值或未來現金流量因匯率變動而出現波動的風險。本集團若干附屬公司的銷售及採購以外幣計值，本集團因而承受外幣風險。本集團若干應收貿易款項及應付貿易款項乃以人民幣（「人民幣」）或美元（「美元」）計值。由於董事認為港元、人民幣與美元之間的匯率波幅有限，故本集團現時並無外幣對沖政策。然而，董事會監察外匯風險，並會於有需要時考慮對沖重大外幣風險。

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates and terms of repayment of the bank overdraft, loans from shareholders, borrowings, bonds, convertible bond and promissory notes which are subject to fixed interest rates are disclosed in notes 28, 31, 32, 34, 35 and 36 respectively. The Group currently does not have any interest rate hedging policy, however, the Directors monitor interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting periods were outstanding for the whole of each of the reporting periods. A 50 basis points increase or decrease in the market rates is used when reporting interest rate risk internally to key management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2020 would increase/decrease by approximately HK\$5,795,000 (2019: approximately HK\$11,000,000). This is mainly attributable to the Group's exposure to variable interest rates on bank balances and bank overdrafts.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

利率風險

利率風險涉及金融工具的公允值或現金流量因市場利率變動而出現波動的風險。銀行透支、股東貸款、借款、債券、可換股債券及承兌票據(均按固定利率計息)的償還利率和年期分別披露於附註28、31、32、34、35及36。本集團現時並無任何利率對沖政策，然而，董事監察利率變動風險，並會於有需要時考慮對沖重大利率變動風險。

敏感度分析

下文之敏感度分析乃根據各報告期間之非衍生工具利率風險釐定。編製分析時，假設於報告期末未償付之金融工具於各個報告期間整段時間未償付。向主要管理層人員內部報告利率風險以評估利率的合理變化時，已採用50個基點的增幅或減幅。

倘利率增加／減少50個基點而其他變數維持不變，本集團截至二零二零年十二月三十一日止年度之稅後虧損將增加／減少約5,795,000港元(二零一九年：約11,000,000港元)，主要由於本集團因銀行結餘及銀行透支利息而面對之可變利率風險。

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. To minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

信貸風險管理

信貸風險指金融工具對手方未能根據金融工具條款履行彼等的責任，令本集團蒙受財務虧損的風險。為最大限度地降低信貸風險，本集團管理層已指派一組人員負責釐訂信貸限額、審批信貸及其他監控程序，以確保採取跟進措施收回逾期債項。此外，本集團會於各報告日檢討每項個別貿易款項的可收回金額，以確保就不可收回金額作出足夠減值虧損。

客戶合約產生的應收貿易款項

為盡量減少信貸風險，本集團管理層已委任一個團隊負責釐定信貸限額及信貸許可。接納任何新客戶前，本集團使用內部信貸評分系統，評估潛在客戶的信貸質素及界定客戶的信貸限額。給予客戶的限額及評分每年檢討兩次。已設定其他監察程序，確保採取跟進行動，收回逾期應收款項。此外，本集團根據預期信貸模式，個別對貿易結餘作出減值評估。就此而言，本公司董事認為本集團的信貸風險已大幅減少。

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies *(Continued)*

Trade receivables arising from contracts with customers (Continued)

Credit risk is concentrated as 29% (2019: 17%) of the total trade receivables are due from the Group's largest customer within film studio operation segment (2019: film studio operation segment). However, the management of the Group closely monitors the progress of collecting the payments from the customers and reviews the overdue balances regularly. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Bank balances and pledged bank deposits

Majority of the Group's bank balances are deposited with banks in Hong Kong and the PRC and the Group has limited the exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks with good credit-rating.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

客戶合約產生的應收貿易款項 (續)

由於應收貿易款項總額有29% (二零一九年: 17%)來自本集團影視城經營分部 (二零一九年: 影視城經營分部) 的最大客戶, 故信貸風險頗為集中。然而, 本集團管理層密切監察收回客戶款項的進度, 且定期檢討逾期結餘。就此而言, 董事認為本集團的信貸風險已大幅降低。

銀行結餘及已抵押銀行存款

本集團的銀行結餘大部分存放於香港及中國的銀行, 且本集團已限制倚賴任何單一財務機構的風險。因對手方均為信貸評級良好的銀行, 故流動資金的信貸風險極微。

持作抵押的抵押物及其他信貸增強措施

本集團並無持有任何抵押物或其他信貸增強措施以保障與其金融資產相關的信貸風險。

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Impairment of trade receivables

During the year ended 31 December 2020, the Group provided impairment allowance of HK\$91,068,000 (2019: HK\$88,806,000) for trade receivables with significant balances.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

應收貿易款項減值

於截至二零二零年十二月三十一日止年度，本集團就有重大結餘的應收貿易款項，計提91,068,000港元（二零一九年：88,806,000港元）的減值撥備。

下表說明就應收貿易款項，根據簡化法，已確認的存續期預期信貸虧損的變動。

		Lifetime ECL (not credit-impaired) 存續期預期 信貸虧損 (無出現信貸 減值) HK\$'000 千港元	Lifetime ECL (credit-impaired) 存續期預期 信貸虧損 (出現信貸 減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	6,982	-	6,982
Impairment losses recognised	已確認減值虧損	6,768	82,038	88,806
As at 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	13,750	82,038	95,788
Impairment losses recognised	已確認減值虧損	4,354	86,714	91,068
Impairment losses reversed	已撥回減值虧損	(13,750)	-	(13,750)
As at 31 December 2020	於二零二零年 十二月三十一日	4,354	168,752	173,106

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Impairment of other receivables and investment deposits

During the year ended 31 December 2020, the Group provided impairment allowance of HK\$64,616,000 (2019: HK\$44,914,000) for trade receivables with significant balances.

The following table shows the movement in lifetime ECL that has been recognised for other receivables and investment deposits receivables under the simplified approach.

		Lifetime ECL (not credit- impaired) 存續期預期 信貸虧損 (無出現信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 存續期預期 信貸虧損 (出現信貸 減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	7,792	-	7,792
Impairment losses recognised	已確認減值虧損	28,760	16,154	44,914
Exchange adjustments	匯兌調整	776	-	776
As at 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	37,328	16,154	53,482
Impairment losses recognised	已確認減值虧損	25,508	39,108	64,616
Exchange adjustments	匯兌調整	1,079	-	1,079
As at 31 December 2020	於二零二零年 十二月三十一日	<u>63,915</u>	<u>55,262</u>	<u>119,177</u>

Liquidity risk management

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. In the management of liquidity risk, the directors monitor and maintain a level of cash and cash equivalents deemed adequate to finance the Group's operations and to meet its debt obligations as they fall due. The Group finances its working capital requirements mainly by the funds obtained from the issuance of equity instruments.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

其他應收款項及投資按金之減值

於截至二零二零年十二月三十一日止年度，本集團就有重大結餘的應收貿易款項，計提64,616,000港元（二零一九年：44,914,000港元）的減值撥備。

下表說明就其他應收款項及投資按金，根據簡化法，已確認的存續期預期信貸虧損的變動。

		Lifetime ECL (not credit- impaired) 存續期預期 信貸虧損 (無出現信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 存續期預期 信貸虧損 (出現信貸 減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	7,792	-	7,792
Impairment losses recognised	已確認減值虧損	28,760	16,154	44,914
Exchange adjustments	匯兌調整	776	-	776
As at 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	37,328	16,154	53,482
Impairment losses recognised	已確認減值虧損	25,508	39,108	64,616
Exchange adjustments	匯兌調整	1,079	-	1,079
As at 31 December 2020	於二零二零年 十二月三十一日	<u>63,915</u>	<u>55,262</u>	<u>119,177</u>

流動資金風險管理

流動資金風險涉及本集團無力履行與其金融負債有關的責任的風險。管理流動資金風險時，董事監察及維持現金及現金等值項目於足以為本集團營運提供資金及於債務到期時履行有關責任的水平。本集團主要以發行權益工具所獲資金撥資其營運資金需要。

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

At the reporting date, the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and the earliest date in which the entity can be required to pay were set out below.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from market interest rates prevailing at the end of the reporting period.

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

流動資金風險管理 (續)

於報告日，本集團金融負債按合約未貼現付款及實體最早可被要求付款的日期劃分的到期情況載列於下文。

流動資金表

下表詳列本集團非衍生金融負債的剩餘合約年期。該等表格乃按金融負債未貼現現金流量及本集團最早可被要求付款的日期而編製。

下表包括利息及本金現金流量。就浮動息率而言，未貼現金額乃使用報告期末通用的市場利率計算得出。

		Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 5 years	More than 5 years	Total undiscounted cash flows	Carrying amounts
		加權平均利率	按要求或一年內	多於一年但少於五年	多於五年	未貼現現金流量總額	賬面值
		%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables and accruals	應付貿易款項及其他應付款項以及應計費用	-	168,282	60,382	-	228,664	228,664
Loans from shareholders	股東貸款	6.92	22,266	73,354	-	95,620	90,023
Borrowings	借款	7.95	135,806	50,443	-	186,249	154,560
Convertible bonds	可換股債券	9.85	-	1,307,267	-	1,307,267	866,016
Promissory note	承兌票據	4.08	14,686	36,428	-	51,114	48,463
Lease liabilities	租賃負債	11.07	6,260	18,827	91,323	116,410	35,416
			347,300	1,546,701	91,323	1,985,324	1,423,142

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7. FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

Liquidity tables (Continued)

7. 金融工具 (續)

(b) 財務風險管理目標與政策 (續)

流動資金風險管理 (續)

流動資金表 (續)

		Weighted average interest rate 加權 平均利率 %	On demand or within 1 year 按要求或 一年內 HK\$'000 千港元	More than 1 year but less than 5 years 多於一年 但少於五年 HK\$'000 千港元	More than 5 years 多於五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
At 31 December 2019	於二零一九年 十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables and accruals	應付貿易款項及其他應付款項以及應計費用	-	233,465	-	-	233,465	233,465
Bank overdraft	銀行透支	-	5,778	-	-	5,778	5,778
Loans from shareholders	股東貸款	9.40	617,088	-	-	617,088	589,457
Borrowings	借款	10.32	239,834	10,645	-	250,479	227,040
Bonds	債券	12.86	938,865	355,575	195,345	1,489,785	1,153,283
Promissory note	承兌票據	8	115,197	-	-	115,197	115,197
Lease liabilities	租賃負債	8	15,776	10,202	83,433	109,411	29,763
			<u>2,166,003</u>	<u>376,422</u>	<u>278,778</u>	<u>2,821,203</u>	<u>2,353,983</u>

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7. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements

Fair value measurements recognised in the consolidated statement of financial position

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2020 and 2019 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

7. 金融工具 (續)

(c) 公允值計量

於綜合財務狀況表內確認之公允值計量

於二零二零年及二零一九年十二月三十一日，本集團以攤銷成本列帳之金融工具的賬面值與其公允值並無重大差異，惟下列金融工具除外，此等金融工具之賬面值、公允值及公允值層級披露如下：

	Carrying amounts at 31 December 2020 於二零二零年十二月三十一日的賬面值 HK\$'000 千港元	Fair value at 31 December 2020 於二零二零年十二月三十一日的公允值 HK\$'000 千港元	Fair value measurements as at 31 December 2020 categorised into 於二零二零年十二月三十一日的公允值計量分類為以下層級		
			Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元
Convertible bonds 可換股債券	866,016	884,242	-	-	884,242

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7. FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurements (Continued)

Fair value measurements recognised in the consolidated statement of financial position (Continued)

7. 金融工具 (續)

(c) 公允值計量 (續)

於綜合財務狀況表內確認之公允值計量 (續)

		Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日的 公允值計量分類為以下層級				
	Carrying amounts at 31 December 2019 於二零一九年 十二月三十一日 的賬面值 HK\$'000 千港元	Fair value at 31 December 2019 於二零一九年 十二月三十一日 的公允值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	
Convertible bonds	可換股債券	-	-	-	-	

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of the convertible bonds is estimated as being the present values of future cash flows, discounted at interest rates based on the government yield curve as at the end of the reporting period plus an adequate constant credit spread, adjusted for the Group's own credit risk.

During the years ended 31 December 2020 and 2019, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

第三級公允值計量所採用的估值技術及輸入數據

可換股債券的公允值估計為未來現金流量的現值，按基於報告期末的政府收益率曲線的利率加足夠的固定信貸息差貼現，並就本集團自身的信貸風險作出調整。

截至二零二零年及二零一九年十二月三十一日止年度，第一級與第二級之間並無公允值計量之轉撥，亦無轉撥往或轉撥出第三級。

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8. REVENUE

8. 收入

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

年內確認來自本集團主要業務的收入如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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號範圍內的客戶合約收益，按主要產品或服務線劃分：		
Artiste management fee income	藝人管理費收入	58	34
Hotel room income	酒店客房收入	11,820	13,743
Food and beverage income	餐飲收入	11,483	24,620
Films production and licensing income	電影製作及特許收入	567	-
Entrance fee income	入場費收入	5,023	11,571
Events income	活動收入	23	64,172
Sales of travel related products	銷售旅遊相關產品	386	5,255
Sales of goods	貨品銷售	135	2,662
Ancillary services	配套服務	851	12,675
Consultation income	諮詢收入	-	1,187
		30,346	135,919
Interest revenue that reflects significant financing granted to customers	反映授予客戶的重大融資的利息收入	-	4,608
Rental income	租金收入	8,837	41,565
		39,183	182,092
Timing of revenue recognition:	收益確認時間		
At a point of time	在某個時間點	17,027	51,858
Over time	於一段時間	13,319	84,061
		30,346	135,919

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8. REVENUE (Continued)

8. 收入 (續)

Disaggregation of revenue from contracts
with customers

分拆客戶合約收益

		For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度			
Segments	Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝員管理及活動統籌	Film studio operation 影視城營運	Hotel operation 酒店營運	Total	
分部	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Types of goods or service	貨品或服務類別				
Artiste management fee income	藝員管理費收入	58	-	58	
Hotel room income	酒店客房收入	-	11,820	11,820	
Food and beverage income	餐飲收入	-	11,483	11,483	
Films production and licensing income	電影製作及特許收入	567	-	567	
Entrance fee income	入場費收入	-	5,023	5,023	
Events income	活動收入	-	23	23	
Sales of travel related products	銷售旅遊相關產品	386	-	386	
Sales of goods	銷售貨品	-	135	135	
Ancillary services	配套服務	-	-	851	
Consultation income	諮詢收入	-	-	-	
		1,011	5,181	24,154	
Geographical markets	地理市場				
PRC	中國	-	5,181	29,335	
Hong Kong	香港	1,011	-	1,011	
		1,011	5,181	24,154	
Timing of revenue recognition	收益確認的時間				
At a point in time	於某個時間點	386	5,158	17,027	
Over time	於一段時間	625	23	13,319	
		1,011	5,181	24,154	

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. REVENUE (Continued)

8. 收入 (續)

Disaggregation of revenue from contracts with customers (Continued)

分拆客戶合約收益 (續)

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

Segments	Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝員管理及活動統籌	Film studio operation 影視城營運	Hotel operation 酒店營運	Total
分部	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Types of goods or service	貨品或服務類別			
Artiste management fee income	藝員管理費收入	34	-	34
Hotel room income	酒店客房收入	-	13,743	13,743
Food and beverage income	餐飲收入	-	24,620	24,620
Entrance fee income	入場費收入	-	11,571	11,571
Events income	活動收入	-	64,172	64,172
Sales of travel related products	銷售旅遊相關產品	5,255	-	5,253
Sales of goods	銷售貨品	-	2,662	2,662
Ancillary services	配套服務	-	10,212	12,675
Consultation income	諮詢收入	-	1,187	1,187
		<u>5,289</u>	<u>89,804</u>	<u>135,919</u>
Geographical markets	地理市場			
PRC	中國	-	89,804	130,630
Hong Kong	香港	5,289	-	5,289
		<u>5,289</u>	<u>89,804</u>	<u>135,919</u>
Timing of revenue recognition	收益確認的時間			
At a point in time	於某個時間點	5,255	21,783	51,658
Over time	於一段時間	34	67,821	84,061
		<u>5,289</u>	<u>89,804</u>	<u>135,919</u>

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. REVENUE (Continued)

Disaggregation of revenue from contracts with customers (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

8. 收入 (續)

分拆客戶合約收益 (續)

下文列載客戶合約收益與分部資料披露的金額的對賬。

		For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度			
Segments		Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝員管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城營運 HK\$'000 千港元	Hotel operation 酒店營運 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
Reportable segment revenue	可報告分部收入	1,011	5,181	24,154	30,346
Rental income	租金收入	-	8,837	-	8,837
Revenue from contracts with customers	客戶合約收益	1,011	14,018	24,154	39,183

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
Segments		Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝員管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城營運 HK\$'000 千港元	Hotel operation 酒店營運 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
Reportable segment revenue	可報告分部收入	5,289	89,804	41,285	136,378
Inter-segment revenue	分部間收入	-	-	(459)	(459)
Interest revenue that reflects significant financing granted to customers	反映授予客戶的重大融資的利息收入	-	4,608	-	4,608
Rental income	租金收入	-	41,565	-	41,565
Revenue from contracts with customers	客戶合約收益	5,289	135,977	40,826	182,092

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

9. OTHER INCOME AND OTHER NET GAIN

9. 其他收入及淨收益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Bank interest income	銀行利息收入	1	29
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	1,578	-
Government grant (Note)	政府補貼(附註)	6,525	-
Other interest income	其他利息收入	-	6,148
Others	其他	3,521	8,481
		11,625	14,658

Note: During the year ended 31 December 2020, the Group recognised COVID-19-related government grants of approximately HK\$5,689,000 related to Employment Support Scheme provided by the Hong Kong Special Administrative Region Government under the Anti-Epidemic Fund and the grants of approximately HK\$836,000 is provided by the PRC government as supplement securing subsidiaries. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidiaries.

附註：截至二零二零年十二月三十一日止年度，本集團確認新型冠狀病毒疫情相關的政府補貼，分別為香港特別行政區政府根據保就業計劃於防疫抗疫基金項下提供的補貼約5,689,000港元，以及中國政府發放的就業保障補貼約836,000港元。收取該等補貼並無未達成的條件及其他或然事項。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Other losses	其他虧損		
Impairment losses of investments in films/dramas production	電影／戲劇製作投資之 減值虧損	-	986

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10. IMPAIRMENT LOSS OF FINANCIAL ASSETS

10. 金融資產減值虧損

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Impairment loss recognised/(reversed), net on:	就以下各項確認／(撥回)的減值虧損淨額：		
– trade receivables	– 應收貿易款項	77,318	88,806
– other receivables	– 其他應收款項	64,616	45,690
		141,934	134,496

11. SEGMENT INFORMATION

11. 分部資料

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment, the Group is currently organised into three operating segments. No operating segments have been aggregated to form the following reportable segments.

本集團按業務類別管理其業務。按就資源分配及表現評估目的向本集團最高層行政管理人員（即主要經營決策者（「主要經營決策者」）進行內部資料報告的一致方式，本集團現分成三個經營分部。本集團並無將經營分部合併，以組成下列可呈報分部。

Films production and distribution, sales of travel related products, artiste management and event coordination – Production and distribution of films, sales of travel related products, provision of management services to artistes and event coordination

Film studio operation – Operation of film studio

Hotel operation – Operation of hotel

電影製作及發行、銷售旅遊相關產品、藝人管理及活動統籌 – 製作及發行電影、提供旅遊相關產品、向藝人提供管理服務及活動統籌

Segment information about the Group's reportable segments is presented below.

有關本集團可呈報分部的分部資料呈列如下。

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11. SEGMENT INFORMATION

(Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

11. 分部資料 (續)

分部收入及業績

以下為按可呈報分部劃分的本集團收入及業績分析：

		Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝人管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度				
Revenue from external customers	來自外界客戶的收入	5,945	9,084	24,154	39,183
Reportable segment revenue	可呈報分部收入	5,945	9,084	24,154	39,183
Segment result	分部業績	(29,688)	(388,764)	(48,631)	(467,083)
Other income	其他收入				11,625
Net exchange gain	匯兌收益淨額				50,564
Unallocated corporate gain	未分配公司收益				598,666
Finance costs	融資成本				(150,281)
Profit before taxation	除稅前利潤				43,491

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. SEGMENT INFORMATION

(Continued)

11. 分部資料 (續)

Segment revenues and results (Continued)

分部收入及業績 (續)

	Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及 發行、銷售旅遊 相關產品、藝人 管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Inter-segment elimination 分部間抵銷 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
Year ended 31 December 2019, restated	截至二零一九年十二月三十一日 止年度 (經重列)				
Revenue from external customers	5,289	135,978	40,826	-	182,093
Inter-segment revenue	-	-	459	(459)	-
Reportable segment revenue	<u>5,289</u>	<u>135,978</u>	<u>41,285</u>	<u>(459)</u>	<u>182,093</u>
Segment result	<u>(26,245)</u>	<u>(211,038)</u>	<u>(55,692)</u>	<u>-</u>	<u>(292,975)</u>
Other income	其他收入				14,658
Net exchange losses	匯兌虧損淨額				(17,791)
Unallocated corporate expenses	未分配公司開支				(20,933)
Provision for restructuring cost	重組成本撥備				(43,776)
Finance costs	融資成本				<u>(244,425)</u>
Loss before taxation	除稅前虧損				<u>(605,242)</u>

Revenue reported above represents revenue generated from external customers and inter-segment sales during both years.

上表呈報的收入指兩個年度內來自外界客戶的收入及分部間的銷售。

Segment result represents the loss incurred by each segment without allocation of central administration costs including directors' salaries, gain on financial restructuring, other income, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

分部業績指各分部產生的虧損，當中並無分配中央行政成本（包括董事薪金、財務重組收益、其他收入、融資成本及所得稅開支）。此乃為分配資源及評估分部表現而向主要經營決策者報告的計量方法。

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11. SEGMENT INFORMATION

(Continued)

11. 分部資料 (續)

Segment assets and liabilities

分部資產及負債

		Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝人管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日				
Reportable segment assets	可呈報分部資產	8,620	699,126	310,002	1,017,747
Property, plant and equipment	物業、廠房及設備				14
Cash and cash equivalents	現金及現金等值項目				12,601
Unallocated corporation assets	未分配公司資產				77,993
Consolidated assets	綜合資產				1,108,355
Reportable segment liabilities	可呈報分部負債	(11,556)	(31,675)	(146,415)	(189,646)
Loans from shareholder	股東貸款				(90,023)
Borrowings	借款				(154,560)
Convertible bonds	可換股債券				(866,016)
Promissory notes	承兌票據				(48,463)
Income tax payables	應付所得稅				(2,951)
Unallocated corporate liabilities	未分配公司負債				(74,434)
Consolidated liabilities	綜合負債				(1,426,093)

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. SEGMENT INFORMATION

(Continued)

11. 分部資料 (續)

Segment assets and liabilities (Continued)

分部資產及負債 (續)

	Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及 發行、銷售旅遊 相關產品、藝人 管理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 31 December 2019 (restated)	於二零一九年 十二月三十一日 (經重列)			
Reportable segment assets	可呈報分部資產	11,383	1,188,066	332,048
Property, plant and equipment	物業、廠房及設備			14
Cash and cash equivalents	現金及現金等值項目			273
Unallocated corporation assets	未分配公司資產			1,608
Consolidated assets	綜合資產			1,533,392
Reportable segment liabilities	可呈報分部負債	(10,937)	(135,858)	(31,897)
Loans from shareholder	股東貸款			(589,457)
Borrowings	借款			(227,040)
Bond	債券			(1,153,283)
Promissory notes	承兌票據			(115,197)
Income tax payables	應付所得稅			(2,951)
Unallocated corporate liabilities	未分配公司負債			(90,314)
Consolidated liabilities	綜合負債			(2,356,934)

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. SEGMENT INFORMATION

(Continued)

Segment revenues and results (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets; and
- all liabilities are allocated to reportable segments other than corporate liabilities.

11. 分部資料 (續)

分部收入及業績 (續)

為監察分部表現及於分部間分配資源：

- 除公司資產外，所有資產會分配至各可呈報分部；及
- 除公司負債外，所有負債會分配至各可呈報分部。

		Film production and distribution, sales of travel related products, artiste management and event coordination 電影製作及發行、銷售旅遊相關產品、藝人理及活動統籌 HK\$'000 千港元	Film studio operation 影視城經營 HK\$'000 千港元	Hotel operation 酒店經營 HK\$'000 千港元	Total 總金額 HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,043	19,783	31,787	59,613
Depreciation of right-of-use assets	使用權資產折舊	-	13,355	2,221	15,576
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	372,110	-	372,110
Addition to non-current assets	非流動資產增加	-	17,715	11	17,726
At 31 December 2019 (restated)	於二零一九年十二月三十一日 (經重列)				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,391	23,628	38,221	63,240
Depreciation of right-of-use assets	使用權資產折舊	2,105	11,577	2,245	15,927
Amortisation of film products	電影產品攤銷	1,210	-	-	1,210
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	93,627	-	93,627
Addition to non-current assets	非流動資產增加	192	36,066	212	36,470

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11. SEGMENT INFORMATION

(Continued)

Geographical information

All the Group's revenue and non-current assets are principally attributable to the PRC including Hong Kong (being the place of domicile of the major companies comprising the Group).

The geographical location of customers is based on the location at which the contracts are negotiated and entered with the customers. The total revenue from external customers is mainly sourced from the PRC.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group is as follows:

11. 分部資料 (續)

地區資料

本集團所有收入及非流動資產均主要源自中華人民共和國(「中國」)(包括香港)(即本集團旗下主要公司所處的地點)。

客戶地域資料乃基於與客戶磋商及簽訂合約的位置而定。來自外部客戶的總收入主要源自中國。

有關主要客戶的資料

來自佔本集團總收入超過10%的客戶的收入如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Customer A	客戶A	4,604 ¹	N/A 不適用 ²
Customer B	客戶B	N/A 不適用	29,613 ¹

1 Revenue from film studio operation.

2 The customer did not contribute over 10% or more to the Group's total revenue in the year.

1 影視城經營的收入。

2 該客戶於該年度並無佔本集團總收入超過10%或以上。

12. FINANCE COSTS

12. 融資成本

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	5,425	2,287
Interest on bonds	債券利息	41,491	144,797
Interest on convertible bonds	可換股債券利息	40,494	-
Interest on promissory note	承兌票據利息	1,566	8,720
Interest on loans from shareholders	股東貸款的利息	41,124	58,245
Interest on unsecured other borrowings	其他無抵押借款的利息	8,166	12,578
Interest on secured other borrowings	其他有抵押借款利息	10,784	16,441
Interest on secured bank borrowings	有抵押銀行借款利息	1,231	1,357
		150,281	244,425

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13. PROFIT/(LOSS) BEFORE TAXATION

13. 除稅前利潤／（虧損）

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Profit/(loss) before taxation is arrived at after charging/(crediting):	除稅前利潤／（虧損）已扣除／（計入）下列各項：		
Amortisation of film products	電影產品攤銷	-	1,210
Write-off of inventories recognised as expenses	撇銷確認為開支的存貨	1,566	545
Depreciation of property, plant and equipment	物業、廠房及設備折舊	59,613	63,240
Depreciation of right-of-use assets	使用權資產折舊	15,918	15,927
Equity settled share-based-payments made to financial advisor (2019: included in provision for restructuring cost)	向財務顧問作出以股權結算的股份付款（二零一九年：計入重組成本撥備）	12,000	21,695
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	372,110	93,627
Net exchange (gain)/losses	匯兌（收益）／虧損淨額	(50,564)	17,791
Employee benefit expenses (including directors' remuneration)	僱員福利開支（包括董事酬金）		
- Salaries, allowances and benefits in kind	- 薪金、津貼及實物福利	49,299	47,190
- Contributions to retirement benefits schemes	- 退休福利計劃供款	4,073	10,830
		53,372	58,020
Other operating expenses	其他營運開支		
Direct cost of operation on	以下各項之直接營運成本		
- Film Studio	- 影視城	10,863	42,237
- Hotel	- 酒店	6,955	17,000
Marketing and advertising costs	市場推廣及廣告費用	1,320	16,668
Legal and professional fee	法律及專業費用	10,250	10,383
Utilities expenses	公用事業費用	4,311	4,327
Auditor's remuneration	核數師酬金	1,100	1,000
Expenses related to short-term lease and low value lease	短期租賃及低價值租賃開支	12	1,975
Gain on financial restructuring	財務重組收益		
Carrying amount of liabilities settled under the restructuring transaction	根據重組交易結算的負債的賬面值	2,062,119	-
Fair value of convertible bonds issued pursuant to the restructuring transaction	根據重組交易發行的可換股債券的公允值	(829,454)	-
Fair value of new shares issued pursuant to the restructuring transaction	根據重組交易發行的新股份的公允值	(398,696)	-
Transaction costs	交易成本	(28,305)	-
		805,664	-

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13. PROFIT/(LOSS) BEFORE TAXATION (Continued)

The fair value of the convertible bonds is determined by the directors of the Company with reference to the valuation report prepared by an independent professional valuer, by applying discounted cash flow model on the liability component and Binomial Tree Model on the equity component and derivative component, if any.

14. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2020 and 2019. No provision for Hong Kong Profits Tax has been made as there were no assessable profits arising in or derived from Hong Kong for the years ended 31 December 2020 and 2019.

The PRC Enterprises Income Tax at 25% has not been provided as the PRC subsidiaries have available tax losses brought forward from previous years to offset the assessable profits generated during the years ended 31 December 2020 and 2019.

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

13. 除稅前利潤／（虧損）（續）

可換股債券的公允值乃由本公司董事經參考獨立專業估值師編製的估值報告，採用負債部分的貼現現金流模型及權益部分和衍生部分（如有）的二叉樹模型釐定。

14. 所得稅開支

於截至二零二零年及二零一九年十二月三十一日止兩個年度，香港利得稅均按估計應課稅溢利以16.5%計算。由於截至二零二零年及二零一九年十二月三十一日止兩個年度內均無在香港產生或獲得任何應課稅溢利，故並無就香港利得稅作出撥備。

由於中國附屬公司有轉結自過往年度之可用稅項虧損以抵扣截至二零二零年及二零一九年十二月三十一日止年度產生之應課稅溢利，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通用稅率計算。

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14. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to profit/(loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

14. 所得稅開支 (續)

本年度稅項開支可與綜合損益及其他全面收益表的除稅前利潤／(虧損)對賬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Profit/(loss) before taxation	除稅前利潤／(虧損)	43,491	(605,242)
Tax at domestic income tax rate	按國內所得稅稅率計算的稅項	7,176	(99,865)
Tax effect of share of loss of an joint venture	分佔一間合營企業虧損的稅務影響	394	409
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	160,249	97,418
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(143,032)	(4)
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(281)	(7,343)
Tax effect of unrecognised estimated tax losses	未確認估計稅項虧損的稅務影響	18,904	22,040
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的附屬公司不同稅率的影響	(43,410)	(12,655)
Income tax expense for the year	本年度所得稅開支	-	-

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15. EARNINGS/(LOSS) PER SHARE

15. 每股盈利／（虧損）

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to owners of the Company of HK\$44,662,000 (2019: HK\$604,467,000) and the weighted average of 616,926,000 ordinary shares (2019: 486,193,000 shares after adjusting for the share consolidation in 2021) in issue during the year, calculated as follows:

(a) 每股基本盈利／（虧損）

每股基本盈利／（虧損）乃根據本公司擁有人應佔利潤44,662,000港元（二零一九年：604,467,000港元）及本年度已發行普通股的加權平均數616,926,000股股份（二零一九年：就二零二一年之股份合併作出調整後為約486,193,000股股份）計算：

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit/(loss) attributable to owners of the Company of HK\$46,552,000 (2019: HK\$604,467,000) and the weighted average number of ordinary shares of 843,267,000 shares (2019: 486,193,000 shares after adjusting for the share consolidation in 2021), calculated as follows:

(b) 每股攤薄盈利／（虧損）

每股攤薄盈利／（虧損）乃根據本公司擁有人應佔利潤／（虧損）46,552,000港元（二零一九年：604,467,000港元）及普通股加權平均數約843,267,000股股份（二零一九年：就二零二一年之股份合併作出調整後為約486,193,000股股份）計算，詳情如下：

(i) Profit/(loss) attributable to owners of the Company (diluted)

(i) 本公司擁有人應佔利潤／（虧損）（攤薄）

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔利潤／（虧損）	44,662	604,467
After tax effect of effective interest on the convertible bonds	可換股債券實際利息之稅後影響	1,890	—
Profit/(loss) attributable to owners of the Company (diluted)	本公司擁有人應佔利潤／（虧損）（攤薄）	46,552	604,467

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15. EARNINGS/(LOSS) PER SHARE

(Continued)

(b) Diluted earnings/(loss) per share

(Continued)

(ii) Weighted average number of ordinary shares (diluted)

15. 每股盈利／（虧損）（續）

(b) 每股攤薄盈利／（虧損）（續）

(ii) 普通股加權平均數（攤薄）

		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股 (restated) (經重列)
Weighted average number of ordinary shares at 31 December	於十二月三十一日的普通股加權平均數	616,926	486,193
Effect of conversion of convertible bonds	轉換可換股債券的影響	226,341	—
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日的普通股加權平均數（攤薄）	843,267	486,193

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eight (2019: nine) directors and the chief executive were as follows:

16. 董事及主要行政人員薪酬

已付或應付八名(二零一九年:九名)董事及主要行政人員的薪酬如下:

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元	Contributions to retirement benefits schemes 退休福利計劃供款 HK\$'000 千港元	Total emoluments 總酬金 HK\$'000 千港元
Executive Directors:				
Mr. Sin Kwok Lam ("Mr. Sin")	-	3,600	18	3,618
Mr. Chow Kai Weng ("Mr. Chow")	-	1,440	18	1,458
Mr. Cheng Wang Chun	-	720	18	738
Mr. Ho Leung Ting	-	480	18	498
Non-executive Director:				
Dr. Lam Lee G.	100	-	-	100
Independent Non-executive Directors:				
Mr. Chui Chi Yun, Robert	-	100	-	100
Mr. Li Kit Chee	-	100	-	100
Mr. Lam Kwok Hing, Wilfred	-	100	-	100
Total emoluments	100	6,540	72	6,712

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(Continued)

For the year ended 31 December 2019

16. 董事及主要行政人員薪酬 (續)

截至二零一九年十二月三十一日止年度

	Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits schemes	Total emoluments
	袍金	薪金、津貼及 實物福利	退休福利 計劃供款	總酬金
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Executive Directors:				
Mr. Sin Kwok Lam	-	2,274	12	2,286
Mr. Chow Kai Weng	-	1,560	18	1,578
Mr. Cheng Wang Chun	-	780	18	798
Mr. Ho Leung Ting	-	574	18	592
Non-executive Director:				
Dr. Lam Lee G.	100	-	-	100
Independent Non-executive Directors:				
Mr. Chui Chi Yun, Robert	-	90	-	90
Mr. Li Kit Chee	-	90	-	90
Mr. Lam Kwok Hing, Wilfred	-	78	-	78
Total emoluments	100	5,446	66	5,612

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事的酬金乃就彼等管理本公司及本集團事務所提供服務而支付的報酬。

The non-executive director's emolument shown above were for his service as director of the Company and its subsidiaries, if applicable.

上文所示非執行董事的酬金乃就彼擔任本公司及其附屬公司(如適用)董事所提供服務而支付的報酬。

The independent non-executive directors' emoluments shown above were for their services as director of the Company.

上文所示獨立非執行董事的之酬金乃就彼等擔任本公司董事所提供服務而支付的報酬。

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16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(Continued)

Note: Mr. Sin Kwok Lam was also the chief executive of the Company and his emoluments disclosed included those for services rendered by him as the chief executive. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2020 and 2019.

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2020 and 2019.

16. 董事及主要行政人員薪酬 (續)

附註：冼國林先生同時兼任本公司行政總裁，所披露彼之酬金包括彼作為行政總裁所提供服務的酬金。截至二零二零年及二零一九年十二月三十一日止年度並無任何有關董事放棄或同意放棄任何酬金的安排。

於截至二零二零年及二零一九年十二月三十一日止年度，本集團概無向任何董事支付任何酬金，以吸引彼等加入本集團或作為加入本集團之獎金或離職補償。

17. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2019: four) of them were the directors of the Company whose emoluments are included in the disclosures in Note 16 above. The emoluments of the remaining individual for the years ended 31 December 2020 and 2019 were as follows:

17. 僱員薪酬

在本集團五名最高薪酬人士中，四名（二零一九年：四名）為本公司董事，彼等的薪酬已於上文附註16中披露。於截至二零二零年及二零一九年十二月三十一日止年度，餘下一名人士的薪酬如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	523	2,100
Retirement benefit costs	退休福利成本	14	8
		537	2,108

Their emoluments were within nil to HK\$1,000,000.

彼等的薪酬介乎零至1,000,000港元。

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2019: nil).

年內，本集團概無向五名最高酬金僱員支付任何報酬作為加入本集團或加入時之獎勵或離職補償（二零一九年：無）。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及樓宇 HK\$'000 千港元	Hotel properties 酒店物業 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles and yacht 汽車及遊艇 HK\$'000 千港元	Film studio 影視城 HK\$'000 千港元	Total 總額 HK\$'000 千港元
COST	成本							
As at 1 January 2019, previously reported Change in accounting policy	於二零一九年一月一日 (如先前呈列) 會計政策變更	11,132 -	764,237 (380,151)	3,039 -	51,140 -	7,195 -	884,966 (66,532)	1,721,709 (446,683)
As restated	經重列	11,132	384,086	3,039	51,140	7,195	818,434	1,275,026
Additions	添置	-	-	-	7,808	-	28,662	36,470
Disposal	出售	-	-	-	(449)	-	-	(449)
Exchange realignment	匯兌調整	(237)	(13,342)	(16)	2,616	(34)	(13,364)	(24,377)
As at 31 December 2019	於二零一九年十二月三十一日	10,895	370,744	3,023	61,115	7,161	833,732	1,286,670
As at 1 January 2020, previously reported Change in accounting policy	於二零二零年一月一日 (如先前呈列) 會計政策變更	10,895 -	724,557 (353,813)	3,023 -	61,115 -	7,161 -	642,069 191,663	1,448,820 (162,150)
As restated	經重列	10,895	370,744	3,023	61,115	7,161	833,732	1,286,670
Additions	添置	-	11	-	382	-	17,333	17,726
Disposal	出售	-	-	(97)	(3,963)	(4,561)	-	(8,621)
Exchange realignment	匯兌調整	720	24,497	49	3,585	75	40,348	69,274
As at 31 December 2020	於二零二零年十二月三十一日	11,615	395,252	2,975	61,119	2,675	891,413	1,365,049
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	累計折舊及減值虧損							
As at 1 January 2019 Change in accounting policy	於二零一九年一月一日 會計政策變更	2,831 -	- 108,436	2,786 -	28,691 -	4,211 -	- 79,434	38,519 187,870
As restated	經重列	2,831	108,436	2,786	28,691	4,211	79,434	226,389
Change for the year	年內扣除	454	32,099	96	9,954	1,135	19,500	63,238
Written back upon disposal	出售後撥回	-	-	-	(367)	-	-	(367)
Impairment loss	減值虧損	-	-	-	-	-	93,627	93,627
Exchange realignment	匯兌調整	(69)	(2,590)	(13)	(892)	(24)	(897)	(4,485)
As at 31 December 2019	於二零一九年十二月三十一日	3,216	137,945	2,869	37,386	5,322	191,664	378,402
As at 1 January 2020, previously reported Change in accounting policy	於二零二零年一月一日 (如先前呈列) 會計政策變更	3,216 -	- 137,945	2,869 -	37,386 -	5,322 -	- 191,664	48,793 329,609
As restated	經重列	3,216	137,945	2,869	37,386	5,322	191,664	378,402
Change for the year	年內扣除	440	31,787	34	7,011	558	19,783	59,613
Written back upon disposal	出售後撥回	-	-	(19)	(2,563)	(4,194)	-	(6,776)
Impairment loss	減值虧損	-	-	-	-	-	372,110	372,110
Exchange realignment	匯兌調整	236	9,724	44	2,829	82	3,637	16,552
As at 31 December 2020	於二零二零年十二月三十一日	3,892	179,456	2,928	44,663	1,768	587,194	819,901
CARRYING AMOUNTS	賬面值							
As at 31 December 2020	於二零二零年十二月三十一日	7,723	215,796	47	16,456	907	304,219	545,148
As at 31 December 2019	於二零一九年十二月三十一日	7,679	232,799	154	23,729	1,839	642,068	908,268
As at 1 January 2019	於二零一九年一月一日	8,301	275,650	253	22,449	2,984	739,000	1,048,637

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18. PROPERTY, PLANT AND EQUIPMENT (Continued)

The management of the Group performed an impairment review of the recoverable amount related to hotel properties and film studio. For the purposes of impairment testing of the hotel properties and film studio, the valuations were performed by RHL Appraisal Limited (“RHL”) and Ravia Global Appraisal Advisory Limited (“Ravia”) respectively. Both RHL and Ravia are independent qualified professional valuers not connected to the Group.

Based on the annual impairment test performed, no impairment loss recognised in respect of hotel properties and an impairment loss of approximately HK\$372,110,000 (2019: approximately HK\$93,627,000) has been recognised on film studio. The recoverable amount of the cash-generating unit determined based on value in use.

The recoverable amount of film studio has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering the following 5 years with a pre-tax discount rate is 14% as at 31 December 2020 (2019: 14%), respectively. The annual growth rate used is 3% (2019: 3%), which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. The cash flows beyond the five-year period are extrapolated using 3% growth rate (2019: 3%). Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the film studio’s past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the film studio is lower than the carrying amount. Based on the value in use calculation and the allocation, an impairment of HK\$372,110,000 (2019: HK\$93,627,000) has been recognised against the carrying amount of film studio.

The carrying amount of the hotel properties has not been reduced since the amount of fair value less cost of disposal of the owned properties is higher than the carrying amount. The hotel properties were measured at fair value based on Level 3 hierarchy using valuation technique. The current cost of replacement of the improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimisation were used in measuring the fair value.

18. 物業、廠房及設備 (續)

本集團管理層對酒店物業及影視城的可收回金額進行減值檢討。就酒店物業及影視城之減值測試而言，估值分別由永利行評值顧問有限公司（「永利行」）及瑞豐環球評估諮詢有限公司（「瑞豐」）進行。永利行及瑞豐均為與本集團並無關連的獨立合資格專業估值師。

根據所進行的年度減值測試結果，並無就酒店物業確認減值虧損，惟就影視城確認減值虧損約372,110,000港元（二零一九年：約93,627,000港元）。現金產生單位的可收回金額乃根據使用價值釐定。

影視城的可收回金額乃根據使用價值計算釐定。於二零二零年十二月三十一日，該計算使用基於管理層批准的涵蓋未來五年期間的財務預算的現金流量預測，按稅前貼現率14%（二零一九年：14%）計算。所使用的年增長率為3%（二零一九年：3%），乃基於行業增長預測得出，並不超過相關行業的長期平均增長率。五年期之後的現金流量使用3%增長率（二零一九年：3%）推算。使用價值計算之另一項主要假設為預算毛利率，其乃根據影視城之過往表現及管理層對市場發展之預期而釐定。

根據評估結果，本集團管理層釐定影視城的可收回金額低於其賬面值。根據使用價值計算及分配情況，已就影視城的賬面值確認減值372,110,000港元（二零一九年：93,627,000港元）。

由於自有物業的公允值減出售成本的金額高於賬面值，故酒店物業的賬面值並無減少。酒店物業使用估值技術按第三級公允值計量。於計量公允值時，已使用物業裝修的現有重置成本，並扣除實際損耗及所有相關形式的陳舊及優化撥備。

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19. PRINCIPAL SUBSIDIARIES

19. 主要附屬公司

Details of the Company's principal subsidiaries at the end of the reporting period are set out as follows:

本公司於報告期末的主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Forms of business structure 業務架構形式	Place of incorporation or registration 註冊成立地點或註冊地點	Issued and fully paid share capital/ registered capital/ paid-up capital 已發行及繳足股本/ 註冊資本/實繳資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行資本 面值/註冊資本比例		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
National Arts Entertainment Limited ("NA Entertainment") 國藝娛樂有限公司 (「國藝娛樂」)	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$1,500,000 普通股1,500,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Provision of management services to artists in Hong Kong 在香港向藝人提供管理服務
National Arts Entertainment Holdings Limited 國藝娛樂控股有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$192,308 普通股192,308美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding in Hong Kong 在香港進行投資控股
National Arts Production & Promotions Limited 國藝製作及推廣有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$1 普通股1港元	100% (indirect) (間接)	100% (indirect) (間接)	Provision of promotional performance services in Hong Kong 在香港提供推廣演出服務
National Arts Films Production Limited ("NA Film") 國藝影視製作有限公司 (「國藝影視」)	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$1,500,000 普通股1,500,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Provision of distribution of film in Hong Kong 在香港提供電影發行服務

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19. PRINCIPAL SUBSIDIARIES (Continued)

19. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Forms of business structure 業務架構形式	Place of incorporation or registration 註冊成立地點或註冊地點	Issued and fully paid share capital/ registered capital/ paid-up capital 已發行及繳足股本/ 註冊資本/實繳資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行資本 面值/註冊資本比例		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
Art Tour Limited 遊藝有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$10,000 普通股10,000港元	100% (direct) (直接)	100% (direct) (直接)	Inactive 無業務
Glory Max Group Limited Glory Max Group Limited	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding in Hong Kong 在香港進行投資控股
Head Return Limited ("HRL") 嶺盈有限公司 ("嶺盈")	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding in Hong Kong 在香港進行投資控股
Expand Pacific Limited ("EPL") 太平洋拓展有限公司 (「太平洋拓展」)	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding in Hong Kong 在香港進行投資控股
Foshanshi Huixing Jjudian Co., Ltd* 佛山市匯星酒店有限公司	Wholly foreign owned enterprise ("WFOE") 外商獨資企業	PRC 中國	Registered capital of US\$45,000,000 註冊資本45,000,000美元	100% (indirect) (間接)	100% (indirect) (間接)	Hotel operation in the PRC 在中國經營酒店
Foshan Huishou Cultural Development Co., Ltd* (Formerly known as: Foshan Huishou Scenic Area Management Co., Ltd*) 佛山匯首文旅文化產業發展有限公司 (前稱: 佛山匯首景區管理有限公司)	WFOE 外商獨資企業	PRC 中國	Registered capital of US\$40,000,000 註冊資本40,000,000美元	70% (indirect) (間接)	70% (indirect) (間接)	Property development and operation of film studio and theme park in the PRC 在中國發展物業及經營影視城及主題公園
Foshanshi Yupinxuan Trading Co., Ltd* 佛山市御品軒商貿有限公司	Domestic enterprise 內資企業	PRC 中國	Registered capital of RMB100,000 註冊資本人民幣100,000元	100% (indirect) (間接)	100% (indirect) (間接)	Retailing of souvenirs in the PRC 在中國零售紀念品
Foshan National Arts Education Technology Co., Ltd* (Formerly known as: Foshanshi Yufu Food & Beverage Co., Ltd*) ("National Arts Education") 佛山市國藝教育科技有限公司 (前稱: 佛山市御府飲食有限公司) (「國藝教育」)	Domestic enterprise 內資企業	PRC 中國	Registered capital of RMB100,000 註冊資本人民幣100,000元	100% (indirect) (間接)	100% (indirect) (間接)	Light refreshment restaurant in the PRC 於中國經營輕食餐廳
Rainbow Dragon Corporation Limited 龍虹有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$150 普通股150港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding in Hong Kong 在香港進行投資控股
Wide Expand Limited 偉澎有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding in Hong Kong 在香港進行投資控股

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19. PRINCIPAL SUBSIDIARIES (Continued) 19. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Forms of business structure 業務架構形式	Place of incorporation or registration 註冊成立地點或註冊地點	Issued and fully paid share capital/ registered capital/ paid-up capital 已發行及繳足股本/ 註冊資本/實繳資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行資本 面值/註冊資本比例		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
Broad Sky Investment Limited 博天投資有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$20 普通股20港元	100% (direct) (直接)	100% (direct) (直接)	Inactive 無業務
National Arts Travel Limited 國藝旅遊有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$500,000 普通股500,000港元	100% (indirect) (間接)	100% (indirect) (間接)	Provision of travel related products in Hong Kong 在香港提供旅遊相關產品
Elegant Motion Enterprises Limited 雅動企業有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding in Hong Kong 在香港進行投資控股
Flash Star Holdings Limited 耀星控股有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding in Hong Kong 在香港進行投資控股
Wealth Day Enterprises Limited 富日企業有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Investment holding in Hong Kong 在香港進行投資控股
Lux Unicorn Limited ("Lux Unicorn") 盛麟有限公司(「盛麟」)	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect) (間接)	100% (indirect) (間接)	Investment holding in Hong Kong 在香港進行投資控股
NA Sing Sing Entertainment Limited 藝星娛樂有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$500,000 普通股500,000港元	51% (indirect) (間接)	51% (indirect) (間接)	Provision of event coordination services in Hong Kong 在香港提供活動統籌服務
Brilliant Grand Limited 高宏有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Inactive 無業務
Bright Joyful Development Limited 暢明發展有限公司	Incorporated 註冊成立	British Virgin Islands 英屬維京群島	Ordinary shares of US\$1 普通股1美元	100% (direct) (直接)	100% (direct) (直接)	Inactive 無業務
Thousand Famous Limited 千譽有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect) (間接)	100% (indirect) (間接)	Inactive 無業務

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19. PRINCIPAL SUBSIDIARIES (Continued)

19. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Forms of business structure 業務架構形式	Place of incorporation or registration 註冊成立地點或註冊地點	Issued and fully paid share capital/ registered capital/ paid-up capital 已發行及繳足股本/ 註冊資本/實繳資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行資本 面值/註冊資本比例		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
Crystal Way Global Limited	Incorporated	British Virgin Islands	Ordinary shares of US\$1	100% (direct)	100% (direct)	Inactive
瑋瑛環球有限公司	註冊成立	英屬維京群島	普通股1美元	100% (直接)	100% (直接)	無業務
Luck Advance Ventures Limited	Incorporated	British Virgin Islands	Ordinary shares of US\$1	100% (direct)	100% (direct)	Inactive
樂晉創投有限公司	註冊成立	英屬維京群島	普通股1美元	100% (直接)	100% (直接)	無業務
Success Converge Limited	Incorporated	British Virgin Islands	Ordinary shares of US\$1	100% (direct)	100% (direct)	Inactive
成匯有限公司	註冊成立	英屬維京群島	普通股1美元	100% (直接)	100% (直接)	無業務
Action Art Limited	Incorporated	Hong Kong	Ordinary shares of HK\$1	100% (indirect)	100% (indirect)	Inactive
藝翔有限公司	註冊成立	香港	普通股1港元	100% (間接)	100% (間接)	無業務
Skill United Culture Limited	Incorporated	Hong Kong	Ordinary shares of HK\$1	100% (indirect)	100% (indirect)	Inactive
藝聯文化有限公司	註冊成立	香港	普通股1港元	100% (間接)	100% (間接)	無業務
Broad Grace Limited	Incorporated	Hong Kong	Ordinary shares of HK\$1	100% (indirect)	100% (indirect)	Inactive
恩博有限公司	註冊成立	香港	普通股1港元	100% (間接)	100% (間接)	無業務
National Arts Digital Technology Limited (Formuly known as: Real Wind Limited)	Incorporated	Hong Kong	Ordinary shares of HK\$100	100% (indirect)	100% (indirect)	Inactive
國藝數碼科技有限公司 (前稱:真宏有限公司)	註冊成立	香港	普通股100港元	100% (間接)	100% (間接)	無業務
一譽國藝投資諮詢(深圳)有限公司	WFOE	PRC	Register capital of RMB500,000	100% (indirect)	100% (indirect)	Inactive
一譽國藝投資諮詢(深圳)有限公司	外商獨資企業	中國	註冊資本人民幣500,000元	100% (間接)	100% (間接)	無業務
佛山市國吳景區管理有限公司	Domestic enterprise	PRC	Register capital of RMB1,000,000	100% (indirect)	100% (indirect)	Inactive
佛山市國吳景區管理有限公司	內資企業	中國	註冊資本人民幣1,000,000元	100% (間接)	100% (間接)	無業務
佛山市匯盈旅遊有限公司	Domestic enterprise	PRC	Register capital of RMB500,000	70% (indirect)	70% (indirect)	Inactive
佛山市匯盈旅遊有限公司	內資企業	中國	註冊資本 人民幣500,000元	70% (間接)	70% (間接)	無業務
佛山市匯展道具租賃有限公司	Domestic enterprise	PRC	Register capital of RMB1,000,000	100% (indirect)	100% (indirect)	Inactive
佛山市匯展道具租賃有限公司	內資企業	中國	註冊資本 人民幣1,000,000元	100% (間接)	100% (間接)	無業務

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19. PRINCIPAL SUBSIDIARIES (Continued)

19. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Forms of business structure 業務架構形式	Place of incorporation or registration 註冊成立地點或註冊地點	Issued and fully paid share capital/ registered capital/ paid-up capital 已發行及繳足股本/ 註冊資本/實繳資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行資本 面值/註冊資本比例		Principal activities 主要業務
				2020 二零二零年	2019 二零一九年	
佛山市啟創影視諮詢服務有限公司	Domestic enterprise	PRC	Register capital of RMB1,000,000	100% (indirect)	100% (indirect)	Inactive
佛山市啟創影視諮詢服務有限公司	內資企業	中國	註冊資本 人民幣1,000,000元	100% (間接)	100% (間接)	無業務
National Arts Film Shooting Base Management Company Limited 國藝影視基地管理有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect)	100% (indirect)	Inactive 無業務
佛山市國藝景區管理有限公司	WFOE	PRC	Register capital of US\$3,000,000	100% (indirect)	100% (indirect)	Inactive
佛山市國藝景區管理有限公司	外商獨資企業	中國	註冊資本3,000,000美元	100% (間接)	100% (間接)	無業務
Foshan Yingyue Catering Co., Ltd.* 佛山市盈悅餐飲有限公司	WFOE 外商投資企業	PRC 中國	Register capital of RMB100,000 註冊資本人民幣100,000元	100% (indirect)	100% (indirect)	Inactive 無業務
Foshan No.66 Highway Catering Co., Ltd.* 佛山市六十六號公路餐飲有限公司	WFOE 外商投資企業	PRC 中國	Register capital of RMB100,000 註冊資本人民幣100,000元	100% (indirect)	100% (indirect)	Inactive 無業務
Foshan Guoyi Zhongying Movie and TV Culture Development Co., Ltd.* 佛山市國藝中映影視文化發展有限公司	Natural person investment 自然人投資	PRC 中國	Register capital of RMB20,000,000 註冊資本人民幣20,000,000元	51% (indirect)	51% (indirect)	Film studio operation in the PRC 在中國經營影視城
Medialive Limited 躍動傳媒有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect)	100% (indirect)	Inactive 無業務
Novus Media Limited 星聚傳媒有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect)	100% (indirect)	Inactive 無業務
National Arts Digital Technology (China) Limited 國藝數字科技(中國)有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect)	100% (indirect)	Inactive 無業務
Skyyer Medialx Limited 閃令令數字媒體有限公司	Incorporated 註冊成立	Hong Kong 香港	Ordinary shares of HK\$100 普通股100港元	100% (indirect)	100% (indirect)	Inactive 無業務

* For identification purpose only

* 僅供識別

Note: None of the subsidiaries had issued any listed securities at the end of the reporting period. The Group had no subsidiaries which have material non-controlling interests for the years ended 31 December 2020 and 2019.

附註：於報告期末，概無附屬公司已發行任何上市證券。截至二零二零年及二零一九年十二月三十一日止年度，本集團並無附屬公司擁有重大非控股權益。

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20. RIGHT-OF-USE ASSETS

The movements of the right-of-use assets in respect of the leases during the year are set out below:

20. 使用權資產

本年度租賃有關使用權資產的變動情況如下：

		Land lease prepayment 土地租賃 預付款 HK\$'000 千港元	Office premises and staff quarters 辦公場所及 員工宿舍 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日	371,074	3,204	374,278
Additions	添置	-	1,982	1,982
Depreciation expense	折舊開支	(13,692)	(2,235)	(15,927)
Exchange realignment	匯兌調整	(65)	(50)	(115)
As at 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	357,317	2,901	360,218
Additions	添置	-	4,420	4,420
Depreciation expense	折舊開支	(13,752)	(2,166)	(15,918)
Exchange realignment	匯兌調整	-	141	141
As at 31 December 2020	於二零二零年 十二月三十一日	343,565	5,296	348,861
			2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Expense relating to short-term lease	與短期租賃有關的開支		12	1978
Total cash outflow for lease	租賃現金流出總額		300	1,978

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20. RIGHT-OF-USE ASSETS (Continued)

Note:

- (i) Land use rights represents lump sum considerations paid or payable by the Group to acquire leasehold lands located in the PRC. These leasehold lands are with lease periods of 38–40 years and there are ongoing payments to be made under the terms of the land leases.
- (ii) For both years, the Group leases various offices and warehouses for its operations. Lease contracts are entered into for fixed term of 24 to 36 months, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for warehouse and office. As at 31 December 2020 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

20. 使用權資產 (續)

附註：

- (i) 土地使用權指本集團為取得位於中國的租賃土地已付或應付的一次性總代價。該等租賃土地的租期為38–40年，根據土地租賃的條款，仍需再支付費用。
- (ii) 於兩個年度，本集團為其營運租賃若干辦公室及倉庫，訂立租期介乎24至36個月的固定期限租約，惟可能包含下文所述的延期及終止選擇權。租賃條款按個別基準磋商，並包含不同條款及條件。於釐定租期及評估不可撤銷期間的時長時，本集團應用合約的定義並釐定合約可強制執行的期間。

本集團定期就倉庫及辦公室訂立短期租賃。於二零二零年及二零一九年十二月三十一日，短期租賃組合與上文所披露短期租賃開支所涉及的短期租賃組合類似。

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21. INTEREST IN ASSOCIATES

21. 於聯營公司之權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Cost of investment in associates	於聯營公司之投資成本	-	-
Share of post-acquisition profits and other comprehensive income	應佔收購後利潤及其他全面收入	-	-
		-	-
		-	-

On 3 September 2019, the Group disposed of 80% equity interest in a wholly-owned subsidiary, 佛山市國藝匯晟園區管理有限公司("Target"), to an independent third party (the "Acquirer") at zero consideration. Upon completion of the disposal, the equity interest held by the Group reduced from 100% to 20%. Since the Group lost the control over Target, thus it reclassified as an associate of the Group.

於二零一九年九月三日，本集團以零代價向一名獨立第三方（「收購方」）出售全資附屬公司佛山市國藝匯晟園區管理有限公司（「目標公司」）之80%股權。於出售完成後，本集團持有的股權由100%減少至20%。由於本集團失去對目標公司的控制權，因此其重新分類為本集團的聯營公司。

The net liabilities of Target at the date of disposal:-

目標公司於出售日期之負債淨額：-

		HK\$'000 千港元
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	1
Other payables	其他應付款項	(1)
Net liabilities	負債淨額	-

As at 31 December 2020 and 2019, both the Group and the Acquirer had not paid up any registered capital.

於二零二零年及二零一九年十二月三十一日，本集團及收購方均未繳足任何註冊資本。

Details of each of the Group's associates at the end of the reporting period are as follows:

於報告期末，本集團各聯營公司之詳情如下：

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
實體名稱	註冊成立/註冊國家	主要營業地點	本集團所持所有權權益比例		本集團所持投票權比例		主要業務
佛山市國藝匯晟園區管理有限公司	PRC	PRC	20%	20%	20%	20%	Inactive
佛山市國藝匯晟園區管理有限公司	中國	中國					無業務
Inter Continental Cultural Education Group Limited ("Inter Continental")	Hong Kong	Hong Kong	30%	30%	30%	30%	Inactive
國譽文化教育集團有限公司	香港	香港					無業務
(「國譽文化教育」)							

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21. INTEREST IN ASSOCIATES (Continued)

All of these associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information of immaterial associates

The financial information in respect of each of the Group's associate is not disclosed as the assets and liabilities as at the year ended 31 December 2020 and 2019 were less than HK\$1,000.

21. 於聯營公司之權益 (續)

該等聯營公司於此等綜合財務報表內使用權益法入賬。

非重大聯營公司之財務資料概要

由於本集團各聯營公司於截至二零二零年及二零一九年十二月三十一日止年度的資產及負債少於1,000港元，故並無披露有關該等聯營公司的財務資料。

22. INTEREST IN A JOINT VENTURE

Details of the Group's investment in a joint venture are as follows:

22. 於合營企業之權益

本集團於合營企業之投資的詳情如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Unlisted investment, at cost	非上市投資，按成本值	11,400	11,400
Share of post-acquisition loss and other comprehensive income, net of dividends received	分佔收購後虧損及其他全面收入，扣除已收股息	(10,941)	(8,551)
		459	2,849

Details of the Group's joint venture at the end of the reporting period are as follows:

本集團合營企業於報告期末的詳情如下：

Name of entity 實體名稱	Country of incorporation 註冊成立國家	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團持有的所有權權益比例		Proportion of voting rights held by the Group 本集團持有的投票權比例		Principal activity 主要業務
			2020 二零二零年	2019 二零一九年	2020 二零二零年	2019 二零一九年	
Zhuhaishi Guoyi Yingshi Management Co., Ltd* 珠海市國藝影院經營管理有限公司	PRC 中國	PRC 中國	60% (indirect) (間接)	60% (indirect) (間接)	60% (indirect) (間接)	60% (indirect) (間接)	Cinema Operation 經營電影院

* For identification purpose only

* 僅供識別

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22. INTEREST IN A JOINT VENTURE

(Continued)

Summarised financial information of the joint venture

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

22. 於合營企業之權益 (續)

合營企業之財務資料概要

本集團合營企業之財務資料概要載列於下文。以下財務資料概要指合營企業根據香港財務報告準則編製的財務報表所示的金額。

合營企業於此等綜合財務報表內使用權益法入賬。

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	691	1,219
Non-current assets	非流動資產	9,485	10,054
Current liabilities	流動負債	(8,382)	(5,640)
Non-current liabilities	非流動負債	-	-
The above amounts of assets and liabilities include the following:	上述資產及負債金額包括以下各項：		
Cash and cash equivalents	現金及現金等值項目	140	476
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付貿易款項及其他應付款項以及撥備)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括應付貿易款項及其他應付款項以及撥備)	-	-

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22. INTEREST IN A JOINT VENTURE
(Continued)

22. 於合營企業之權益 (續)

Summarised financial information of the
joint venture (Continued)

合營企業之財務資料概要 (續)

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Revenue	收入	111	4,809
Loss for the year	本年度虧損	(4,211)	(2,579)
Other comprehensive income for the year	本年度其他全面收入	-	-
Total comprehensive expense for the year	本年度全面開支總額	(4,211)	(2,579)
Dividends received from the joint venture during the year	本年度自合營企業收取的股息	-	-
The above loss for the year include the following:	上述本年度虧損包括以下項目：		
Depreciation and amortisation	折舊及攤銷	1,280	1,288
Interest income	利息收入	1	2
Interest expense	利息開支	2	8
Income tax expense	所得稅開支	-	-

The amount due from a joint venture was unsecured, interest-free and repayable on demand.

應收合營企業的款項為無抵押、免息及須按
要求償還。

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23. FILM PRODUCTS AND FILM
PRODUCTION IN PROGRESS

23. 電影產品及在製電影產品

		Film rights 電影權利 HK\$'000 千港元	Films production in progress 在製電影產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本:			
Balance at 1 January 2019	於二零一九年一月一日的結餘	106,831	-	106,831
Additions	添置	-	4,344	4,344
Balance at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日的結餘	106,831	4,344	111,175
Additions	添置	-	257	257
Exchange realignment	匯兌調整	-	335	335
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	106,831	4,936	111,767
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損:			
Balance at 1 January 2019	於二零一九年一月一日的結餘	105,621	-	105,621
Amortisation of film products	電影產品攤銷	1,210	-	1,210
Balance at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日的結餘	106,831	-	106,831
Amortisation of film products	電影產品攤銷	-	-	-
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	106,831	-	106,831
CARRYING AMOUNTS	賬面值			
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	-	4,936	4,936
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	-	4,344	4,344

Note: No amortisation (2019: approximately HK\$1,210,000) with respect to film rights was included in cost of film production in the consolidated statement of profit or loss and other comprehensive income. Amortisation of film right is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are one year to three years.

附註：並無有關電影權利的攤銷（二零一九年：約1,210,000港元）計入綜合損益及其他全面收益表中的電影製作成本。電影權利攤銷以直線法按其估計可使用年期撇銷其成本值減其剩餘價值計算。主要可使用年期為一至三年。

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24. INVESTMENTS IN FILMS/DRAMAS PRODUCTION 24. 投資電影／戲劇製作

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Investments in films/dramas production	投資電影／戲劇製作	1,311	1,311
Less: Impairment	減：減值	(986)	(986)
		325	325

Note: The amount represents investments in licensed production houses for co-financing the production of films and/or dramas. The investments are governed by the relevant agreements entered into between the Group and the production houses whereby the Group is entitled to benefits generated from the distribution of the related films and/or dramas.

附註：該金額指投資持牌製作公司，以為電影及／或戲劇製作聯合出資。該等投資由本集團與製作公司訂立之相關協議規管，根據協議，本集團有權收取發行相關電影及／或戲劇而產生的利益。

25. TRADE RECEIVABLES

25. 應收貿易款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Trade receivables from contracts with customers	應收合約客戶貿易款項		
- travel agents	- 旅遊代理	120,689	113,611
- production crews	- 製作團隊	56,026	51,773
- others	- 其他	1,947	5,588
		178,662	170,972
Less: allowance for credit losses	減：信貸虧損撥備	(173,106)	(95,788)
		5,556	75,184

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25. TRADE RECEIVABLES (Continued)

The Group generally allows a credit period from 30 to 90 days (2019: 30 to 90 days) to its trade customers in respect of film production and distribution sales of travel related products, artiste management and event coordination and hotel operation. In respect of travel agent selling tickets of a film studio owned by the Group on behalf of the Group (referred to as "Ticket Selling Agent A"), the credit period granted by the Group to the Ticket Selling Agent A was about 1 year from the date when the related revenue is recognised by the Group. The Group assessed and concluded that there was a significant financing component and hence the Group adjusted the promised consideration by using a discount rate that would be reflected in a separate financing transaction between the Group and the Ticket Selling Agent A. When the tickets are sold by Ticket Selling Agent A on behalf of the Group, the Group recognised the consideration adjusted for the financing component as the revenue. The consideration allocated to the financing income is recognised as interest income over the credit period. The amount of interest income recognised for the year ended 31 December 2020 amounted to HK\$nil (2019: HK\$4,608,000).

During the year ended 31 December 2019, the Ticket Selling Agent A had settled its balances in January to March 2019. Since April 2019, the Ticket Selling Agent A has not repaid its remaining balance due to the Group. As at 31 December 2019, the balance due by the Ticket Selling Agent A was approximately HK\$41,316,000. During the year ended 31 December 2019, the management has repeatedly requested for repayments without success, and legal letters had been issued. no repayment has been made by Ticket Selling Agent A. Accordingly, the management of the Group made a full impairment on the balance of approximately HK\$41,316,000.

25. 應收貿易款項 (續)

本集團通常對其貿易客戶容許30至90日的信貸期(二零一九年:30至90日),該等客戶來自電影製作及旅遊相關產品分銷、藝員管理及活動統籌及酒店營運。就代本集團銷售本集團影視城門票的旅行代理而言(下文稱為「售票代理A」),本集團給予售票代理A的信貸期為本集團確認相關收益日期起計約一年。本集團經過評估,得出結論為當中有重大的融資成份,因此,已使用本集團與售票代理A之間的獨立融資交易中反映的貼現率調整承諾代價。當售票代理A代本集團售票,本集團確認就融資成份作出調整的代價為收益。分配予融資收入的代價,乃確認為信貸期內的利息收入。於截至二零二零年十二月三十一日止年度確認的利息收入金額為零港元(二零一九年:4,608,000港元)。

於截至二零一九年十二月三十一日止年度,售票代理A已於二零一九年一月至三月結清其結餘。自二零一九年四月起,售票代理A尚未償還應付本集團的餘額。於二零一九年十二月三十一日,售票代理A應付結餘約為41,316,000港元。於截至二零一九年十二月三十一日止年度,管理層反復要求還款並未成功,因此發出法律函件。然而,售票代理A並未還款。因此,本集團管理層對結餘約41,316,000港元作出全額減值。

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25. TRADE RECEIVABLES (Continued)

The Group in previous years had engaged another agent to sell tickets on behalf of the Group (referred to as "Ticket Selling Agent B").

During the year ended 31 December 2019, Ticket Selling Agent B has only made repayments of HK\$15,500,000 in March 2019. Afterwards, there has no repayment from Ticket Selling Agent B. As at 31 December 2019, the balance due by the Ticket Selling Agent B was approximately HK\$20,055,000. During the year ended 31 December 2019, the management has repeatedly requested for repayments without success, and in March 2020, legal letters had been issued. Up to the date of issuance of the consolidated financial statements for the year ended 31 December 2019, Ticket Selling Agent B has not repaid on its balance. Accordingly, the management of the Group made a full impairment on the balance of approximately HK\$20,055,000.

Except for Ticket Selling Agent A and Ticket Selling Agent B, the Group had receivables in respect of distribution sales of travel related products of approximately HK\$59,522,000 (2019: HK\$52,243,000). Included in the balances of approximately HK\$54,712,000 (2019: HK\$Nil) was past due for more than one year. In view of the long outstanding, the management of the Group made a full impairment on the balance of approximately HK\$54,712,000 (2019: HK\$Nil).

25. 應收貿易款項 (續)

本集團於先前年度已委聘另一名代理代本集團售票(下文稱為「售票代理B」)。

截至二零一九年十二月三十一日止年度,售票代理B僅於二零一九年三月償還15,500,000港元。此後,售票代理B概無償還。於二零一九年十二月三十一日,售票代理B應償還的結餘約為20,055,000港元。於截至二零一九年十二月三十一日止年度,管理層反復要求還款並未成功,並於二零二零年三月發出法律函件。直至截至二零一九年十二月三十一日止年度之綜合財務報表發佈日期,售票代理B尚未償還其結餘。因此,本集團管理層對結餘約20,055,000港元作出全額減值。

除售票代理A及售票代理B以外,本集團有關旅遊相關產品分銷的應收款項約為59,522,000港元(二零一九年:52,243,000港元)。相關結餘中包含的約54,712,000港元(二零一九年:零港元)已逾期逾一年。鑑於長期未償還,本集團管理層對結餘約54,712,000港元(二零一九年:零港元)作出全額減值。

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25. TRADE RECEIVABLES (Continued)

As at 31 December 2020, the Group had trade receivables from film production companies HK\$56,026,000 (2019: HK\$51,773,000). Included in the balances of approximately HK\$30,542,000 (2019: HK\$18,481,000) was past due for more than one year. In view of the long outstanding and repeatedly request for repayments without success, the management of the Group made a full impairment on the balance of approximately HK\$30,542,000 (2019: HK\$18,481,000). In addition an expected credit loss ("ECL") of HK\$2,905,000 (2019: HK\$5,518,000) was recognised. The estimation of ECL was determined neither based on the best scenario nor the worst scenario. The directors estimated the amount of ECL based on the expected amount and timing of payments. In general, an ECL is determined based on the present value of the difference between (a) the contractual cash flows that are due to the Group and (b) the cash flows expected to be received by the Group, at the appropriate discount rate. The adopted discount rate was taken into account the credit risk characteristics of such debtors.

Except for customers arising from entrance fee income, whose credit term for payment was about 12 months after tickets are sold, the following is the ageing analysis of trade receivables, net of allowances for bad and doubtful debts, presented based on the invoice date:

25. 應收貿易款項 (續)

於二零二零年十二月三十一日，本集團有應收電影製作公司的應收貿易款項，金額約56,026,000港元（二零一九年：51,773,000港元）。相關結餘中包含的約30,542,000港元（二零一九年：18,481,000港元）已逾期逾一年。鑑於長期未償還且多次催款未果，本集團管理層對結餘約30,542,000港元（二零一九年：18,481,000港元）作出全額減值。此外，已確認2,905,000港元（二零一九年：5,518,000港元）的預期信貸虧損（「預期信貸虧損」）。估計預期信貸虧損，並非根據最佳或最差情況釐定。董事根據預期付款的金額及時間，估計信貸虧損的金額。一般而言，一項預期信貸虧損乃根據以下兩項間差額的現值釐定：(a)應付本集團的合約現金流量；與(b)本集團預期將獲得的現金流量，按適當的貼現率計算。已採用的貼現率已計及該等債務人的信貸風險特色。

除來自門券收入的客戶（其付款信貸期為售票後約12個月）外，按發票日期呈列的貿易應收款項（扣除呆壞賬撥備）之賬齡分析如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 60 days	0至60日	2,350	15,621
61 to 90 days	61至90日	515	6,218
91 to 180 days	91至180日	25	23,632
Over 180 days	超過180日	2,666	29,713
		5,556	75,184

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26. INVENTORIES

26. 存貨

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Food and beverage	餐飲	-	597
Merchandise	商品	762	876
General operating supplies and others	一般經營物資及其他	69	1,041
		831	2,514

27. PREPAYMENTS, DEPOSITS AND
OTHER RECEIVABLES

27. 預付款項、按金及其他應收
款項

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產		
Long-term receivables (notes (i) and (iv))	長期應收款項(附註(i)及(iv))	88,808	111,187
Investment and other deposits (notes (iii) and (v))	投資及其他按金 (附註(iii)及(v))	19,936	17,928
		108,744	129,115
Current assets	流動資產		
Prepayments (note (vii))	預付款項(附註(vii))	53,939	2,435
Rental deposits	租賃押金	681	2,159
Other deposits	其他押金	1,699	6,512
Other receivables (note (ii) and (vi))	其他應收款項(附註(ii)及(vi))	19,784	31,159
		76,103	42,265
		184,847	171,380

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes:

- (i) The long-term receivable originally represented the amount due from a local government company which was repayable in 40 years and secured by the Wong Tai Sin Temple located in Xiqiao Mountain in Foshan City, the PRC. The Group and the PRC local government company mutually agreed that interest, based on the People's Bank of China Benchmark Interest Rates, would not be accrued until the Wong Tai Sin Temple records a monthly turnover of more than RMB100,000 for six consecutive months. The amount was denominated in RMB. The monthly turnover threshold had not been met yet in part.

During the year ended 31 December 2017, the PRC government issued Guozongfa (2017) No. 88 (the "Guozongfa") on 3 November 2017 to address the commercialisation issues relating to the development of Buddhism and Taoism in the PRC. Under the Guozongfa, it is promulgated that commercial capital is strictly forbidden to intervene in Buddhist Taoism and no organisation or individual may invest or contract for the operation of Buddhist Taoism activities or conduct business operations on or through Buddhist Taoism venues.

After the issuance of the Guozongfa, the Group, with the assistance of PRC legal advisers, proceeded to assess the legal effects of the Guozongfa on the construction management agreement entered into with the PRC local government company and to discuss with the PRC local government company in order to effect amendments to the terms of the agreement considered necessary as a result of the promulgation of the Guozongfa. The management of the Group was taking actions and steps considered necessary to respond to the changes in regulatory environment brought about by the Guozongfa with a view to safeguard the Group's interests in the Wong Tai Sin Temple and optimize the synergistic benefits that the temple can bring to the Film Studio as the temple is located in the film studio area.

27. 預付款項、按金及其他應收款項 (續)

附註:

- (i) 長期應收款項原先指應收一間地方政府公司的款項，償還期為40年，並以中國佛山市西樵山的黃大仙祠為抵押。本集團與地方政府公司互相協定，在黃大仙祠連續六個月錄得每月經營總收入超過人民幣100,000元前，均不會按中國人民銀行的基準利率計息。該款項以人民幣計值。每月營業額門檻尚未達成。

於截至二零一七年十二月三十一日止年度，中國政府於二零一七年十一月三日頒佈《國宗發(2017)88號》(「國宗發」)，處理關於在中國發展佛教道教的商業化問題。國宗發規定嚴禁商業資本進入佛教道教，任何組織或個人均不可投資或承包經營佛教道教活動場所或對佛教道教場所進行商業運作。

國宗發頒佈後，在中國法律顧問的協助下，已著手評估國宗發對與中國地方政府公司訂立的建築管理協議的法律影響，以及與中國地方政府公司磋商，以對協議的條款作出在頒佈國宗發後被視為必須的修訂。本集團管理層已採取必須的行動及步驟，回應國宗發帶來的監管環境的變動，旨在保障本集團在黃大仙廟的利益，以及優化廟宇可為該影視城帶來的協同利益，因為廟宇位於該影視城的區域。

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(i) (Continued)

As at 31 December 2017, the Group and the PRC local government company reached mutual agreement on the changes to the contractual arrangements between them to take account of the changes in the applicable laws and regulations due to the promulgation of the Guozongfa. In March 2018, the Group and the PRC local government company officially entered into a loan repayment agreement which supersedes all previous agreements between them. Under the terms of the loan repayment agreement, the PRC local government company would repay the principal amount and accrued interest payable under the superseded agreements amounting to RMB74,700,000 in aggregate in the following manner:

- RMB11,259,000 was repaid on 21 March 2018;
- The remaining RMB63,441,000 to be repaid annually in equal instalments over a period of 15 years, bearing interest at 5% per annum to be paid together with the annual repayment instalment.

The amount of RMB11,259,000 was duly repaid by the PRC local government company on 31 March 2019. As at 31 December 2020 and 2019, the aggregate amount of RMB65,941,000 owed to the Group was classified as follows:

- Current assets: approximately HK\$5,078,000 (equivalent to RMB4,555,000) (2019: HK\$5,078,000 (equivalent to RMB4,555,000));
- Non-current assets: approximately HK\$56,606,000 (equivalent to RMB61,386,000) (2019: HK\$60,863,000 (equivalent to RMB67,844,000)).

During the year, the management of the Group considered the PRC local government company, may not be able to repay the balances according to the repayment schedule and expect the repayments will be delay 3 years to 2023. Accordingly, the additional impairment loss of approximately HK\$19,805,000 (2019: HK\$15,154,000) was provided for the balance due from the PRC local government company to reflect the delay repayment and increased in the credit risk from such balance.

27. 預付款項、按金及其他應收 款項 (續)

附註：(續)

(i) (續)

於二零一七年十二月三十一日，本集團與中國地方政府公司經考慮國宗發頒佈後適用的法律及法規的變動後達成協議，更改互相之間的合約安排。於二零一八年三月，本集團與中國地方政府公司正式訂立貸款償還協議，取代先前訂立的所有協議。根據貸款償還協議的條款，中國地方政府公司將償還被取代協議下的本金及應付累計利息共人民幣74,700,000元，方式如下：

- 人民幣11,259,000元已於二零一八年三月二十一日償還；
- 餘下人民幣63,441,000元將在15年期間內每年償還，每期還款金額相同，按年息5%計息，將連同每年分期還款一併支付。

人民幣11,259,000元的款項已由中國地方政府公司於二零一九年三月三十一日妥為償還。於二零二零年及二零一九年十二月三十一日，結欠本集團的款項總額人民幣65,941,000元已分類如下：

- 流動資產：約5,078,000港元（相當於約人民幣4,555,000元）（二零一九年：5,078,000港元（相當於約人民幣4,555,000元））；
- 非流動資產：約56,606,000港元（相當於約人民幣61,386,000元）（二零一九年：60,863,000港元（相當於約人民幣67,844,000元））。

於年內，本集團管理層認為該中國地方政府公司可能無法按照還款時間表償還結餘，並預期還款將延遲3年至2023年。因此，就應收中國地方政府公司結餘計提額外減值虧損約19,805,000港元（二零一九年：15,154,000港元），以反映延遲還款及該結餘產生的信貸風險增加。

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (ii) Included in the balance of other receivables as current assets of the Group as at 31 December 2020 and was loan receivable of RMB20,000,000 (equivalent to approximately HK\$20,264,000) (2019: RMB20,000,000 (equivalent to approximately HK\$22,343,000)). Loan receivable was unsecured, bearing interest at 10% per annum and repayable in January 2019. In view of the long outstanding, the management of the Group has made full impairment on the balance for the year (2019: ECL of HK\$1,000,000).
- (iii) Included in the balance of deposits classified as non-current assets of the Group as at 31 December 2020 was deposit of approximately RMB7,000,000 (equivalent to approximately HK\$8,318,000) (2019: RMB7,000,000 (equivalent to approximately HK\$7,803,000)) in relation to a proposed acquisition of 60% equity interest of 佛山市藝美婚紗攝影有限公司 (Foshan City Yi Mei Wedding Photography Limited*) at a consideration of RMB8,000,000 (equivalent to approximately HK\$8,931,000). As at 31 December 2020, the proposed acquisition is still in progress.
- (iv) Included in the balance of deposits classified as non-current assets of the Group was a receivable of approximately RMB64,500,000 (equivalent to approximately HK\$75,655,000) (2019: RMB64,500,000 (equivalent to approximately HK\$75,655,000)) lent to an independent third party to construct a theme park located in Foshan City. In return, the Group obtained the exclusive operating rights and receive management fee income once the theme park starts operating. During the year ended 31 December 2020, the management of the Group has estimated an ECL of approximately HK\$7,964,000 (2019: approximately HK\$6,461,000).
- (v) Included in the balance of deposits classified as non-current assets of the Group as at 31 December 2020 was deposit of approximately RMB24,000,000 (equivalent to HK\$28,520,000) (2019: RMB24,000,000 (equivalent to approximately HK\$27,343,000)) in relation to a proposed acquisition of entire equity interest of a company established in the PRC. During the year ended 31 December 2019, the management of the Group has estimated an ECL of approximately HK\$11,490,000.

Subsequent to the end of reporting period, the acquisition was completed in January 2021.

27. 預付款項、按金及其他應收款項 (續)

附註：(續)

- (ii) 於二零二零年十二月三十一日，其他應收款項結餘中包括作為本集團流動資產的應收貸款人民幣20,000,000元（相當於約20,264,000港元）（二零一九年：人民幣20,000,000元（相當於約22,343,000港元））。應收貸款為無抵押、按10%年利率計息及須於二零一九年一月償還。鑒於結餘長期未償還，本集團管理層於本年度對相關結餘作出全額減值（二零一九年：預期信貸虧損1,000,000港元）。
- (iii) 於二零二零年十二月三十一日，分類為本集團之非流動資產之按金結餘包括約人民幣7,000,000元（相當於約8,318,000港元）（二零一九年：人民幣7,000,000元（相當於約7,803,000港元之按金））之按金，涉及建議收購佛山市藝美婚紗攝影有限公司之60%股權，代價為人民幣8,000,000元（相當於約8,931,000港元）。於二零二零年十二月三十一日，建議收購仍在進行中。
- (iv) 分類為本集團之非流動資產之按金結餘包括已借予獨立第三方在佛山市興建主題公園的應收款項約人民幣64,500,000元（相當於約75,655,000港元）（二零一九年：人民幣64,500,000元（相當於約75,655,000港元））。作為回報，倘主題公園開始運營，本集團能獲得其獨家經營權及管理費收入。於截至二零二零年十二月三十一日止年度，本集團管理層估計預期信貸虧損約為7,964,000港元（二零一九年：6,461,000港元）。
- (v) 分類為本集團於二零二零年十二月三十一日之非流動資產之按金結餘包括約人民幣24,000,000元（相當於約28,520,000港元）（二零一九年：人民幣24,000,000元（相當於約27,343,000港元））之按金，涉及建議收購一間在中國註冊成立的公司之全部股權。於截至二零一九年十二月三十一日年度，本集團管理層估計預期信貸虧損約為11,490,000港元。

於報告期末後，收購事項已於二零二一年一月完成。

* 僅供識別

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (vi) During the year ended 31 December 2020 and 2019, there are a number of other receivables which individually were immaterial but having been long outstanding for more than a year. The management of the Group considered that those other receivables may not recovered due to the current economic environment both in the PRC and Hong Kong, and a full impairment of approximately HK\$8,120,000 (2019: HK\$11,291,000) was made for those balances. In addition, the management of the Group has estimated an ECL on the remaining balance of approximately HK\$2,552,000 for the year ended 31 December 2020.
- (vii) Included in the balance of prepayments of the Group as at 31 December 2020 was a prepaid commission of approximately HK\$47,000,000 to a financial advisor. The management of the Group considered the service from the financial advisor was not executed and the agreement financial should be voided. Subsequent to the end of the reporting period and up to the date of this report, the negotiation between the Group and the financial advisor is still in progress.

28. CASH AND BANK BALANCES/ BANK OVERDRAFTS

Cash and cash equivalents represent cash at banks and in hand and bank overdrafts.

Cash at banks earn interests at the floating rates based on the daily bank deposits rates. Bank overdrafts carrying interest at market rate which range from 0.75% per annum below HK\$ Prime Rate to 1% per annum over Hong Kong Inter-bank Offered Rate (2019: range from 0.75% per annum below HKD Prime Rate to 1% per annum over Hong Kong Inter-bank Offered Rate).

At 31 December 2020, included in cash and cash equivalents of the Group was approximately HK\$6,434,000 (2019: approximately HK\$5,591,000) of bank balances denominated in RMB placed with banks in Hong Kong and the PRC and on hands, which are not freely convertible into other currencies.

27. 預付款項、按金及其他應收 款項 (續)

附註：(續)

- (vi) 於截至二零二零年及二零一九年十二月三十一日止年度，存在許多單項金額不重大但已長期拖欠一年以上的其他應收款項。本集團管理層認為，由於中國及香港目前的經濟環境，該等其他應收款可能無法收回，且就該等結餘作出全額減值約8,120,000港元（二零一九年：11,291,000港元）。此外，截至二零二零年十二月三十一日止年度，本集團管理層估計年內餘下結餘之預期信貸虧損約為2,552,000港元。
- (vii) 本集團於二零二零年十二月三十一日的預付款項結餘包括向一名財務顧問支付的預付佣金約47,000,000港元。本集團管理層認為該名財務顧問尚未提供服務，協議應屬無效。於報告期末後及直至本報告日期，本集團與該名財務顧問仍在進行磋商。

28. 現金及銀行結餘／銀行透支

現金及現金等值項目代表銀行及手頭現金以及銀行透支。

銀行現金存款的利息按基於每日銀行存款利率而定的浮動息率計息。銀行透支之年利率按介於港元最優惠利率減0.75%至香港銀行同業拆息加1%（二零一九年：介於港元最優惠利率減0.75%至香港銀行同業拆息加1%）的市場利率計息。

於二零二零年十二月三十一日，本集團的現金及現金等值項目包括以人民幣計值及存放於香港及中國多間銀行的銀行結餘及手頭現金合共約6,434,000港元（二零一九年：約5,591,000港元）。人民幣不可自由兌換為其他貨幣。

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29. TRADE PAYABLES

The Group was granted by its suppliers' credit periods from 30 to 60 days (2019: 30 to 60 days). The following is the ageing analysis of trade payables based on invoice date:

29. 應付貿易款項

本集團獲其供應商授予30日至60日(二零一九年:30日至60日)信貸期。應付貿易款項根據發票日期的賬齡分析如下:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
0 to 30 days	0至30日	963	1,382
31 to 60 days	31至60日	392	1,365
61 to 90 days	61至90日	728	1,070
91 to 180 days	91至180日	838	14,724
Over 180 days	超逾180日	35,683	17,531
		38,604	36,072

30. OTHER PAYABLES AND ACCRUALS

30. 其他應付款項及應計費用

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Accruals (note)	應計費用(附註)	98,066	113,335
Receipts in advance	預收款項	218	484
Other payables (note)	其他應付款項(附註)	91,776	83,574
		190,060	197,393
Current	流動	129,678	197,393
Non-current	非流動	60,382	-
		190,060	197,393

Note: During the year ended 31 December 2020, the Company completed the Restructuring Transaction, certain accrual interest, accrual expenses and other payables were extinguished by way of issuance of New Shares and Convertible Bonds.

附註: 於截至二零二零年十二月三十一日止年度, 本公司完成重組交易, 若干應計利息、應計費用及其他應付款項以發行新股份及可換股債券之方式清償。

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31. LOANS FROM SHAREHOLDERS

31. 股東貸款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current liabilities	流動負債		
Mr. Sin Kwok Lam (note (a) and (e))	冼國林先生(附註(a)及(e))	8,862	541,190
Ms. Law Po Yee (note (b) and (e))	羅寶兒女士(附註(b)及(e))	5,000	24,819
Mr. Yiu Kin Kong (note (c) and (e))	姚建剛先生(附註(c)及(e))	-	23,448
Mr. Chow Kai Weng (note (d) and (e))	周啟榮先生(附註(d)及(e))	76,161	-
		90,023	589,457

The loans from shareholders are repayable as follows:

股東貸款須於以下期限內償還：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount repayable:	須於以下期限內償還之賬面值：		
Within one year	一年內	20,301	589,457
More than one year, but not exceeding two years	一年以上但不超過兩年	69,722	-
More than two years, but not more than five years	兩年以上但不超過五年	-	-
		90,023	589,457

Notes:

附註：

- | | |
|---|---|
| <p>(a) During the year ended 31 December 2020, the loans from Mr. Sin bear interest at 8% per annum (2019: ranging from 5.00% to 15.00%), unsecured and were repayable within two years.</p> | <p>(a) 於截至二零二零年十二月三十一日止年度，來自冼先生的貸款按8%（二零一九年：介乎5.00%至15.00%）的年利率計息，無抵押，且須於兩年內償還。</p> |
| <p>(b) The loan was unsecured and bore interest at 5.00% per annum and was repayable within two years.</p> | <p>(b) 該貸款無抵押及按5.00%的年利率計息，須於兩年內償還。</p> |
| <p>(c) During the year ended 31 December 2019, the loan was unsecured and bore interest ranging from 8.00% to 12.00% per annum and was repayable within two years.</p> | <p>(c) 於截至二零一九年十二月三十一日止年度，該貸款無抵押及按介乎8.00%至12.00%的年利率計息，須於兩年內償還。</p> |
| <p>(d) During the year ended 31 December 2020, the loan was unsecured and bore interest ranging from 0.1% to 12% per annum and was repayable within two years.</p> | <p>(d) 於截至二零二零年十二月三十一日止年度，該貸款為無抵押，按介乎0.1%至12%的年利率計息，須於兩年內償還。</p> |
| <p>(e) During the year ended 31 December 2020, the Company completed the Restructuring Transaction, certain loans from shareholders were extinguished by way of issuance of New Shares and Convertible Bonds,</p> | <p>(e) 於截至二零二零年十二月三十一日止年度，本公司完成重組交易，若干股東貸款以發行新股份及可換股債券之方式清償。</p> |

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32. BORROWINGS

32. 借款

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current liabilities	流動負債		
Bank borrowing – secured – Floating rate (notes (a))	銀行借款—有抵押 —浮息(附註(a))	16,922	12,128
		16,922	12,128
Other borrowings – secured (note (b) and (d))	其他借款—有抵押 (附註(b)及(d))	12,000	81,780
Other borrowings – unsecured (note (c) and (d))	其他借款—無抵押 (附註(c)及(d))	38,600	123,237
		67,522	217,145
Non-current liabilities	非流動負債		
Bank borrowings – secured	銀行借款—有抵押	–	6,956
Other borrowings – secured (note (b))	其他借款—有抵押(附註(b))	70,279	–
Other borrowings – unsecured (note (c))	其他借款—無抵押(附註(c))	16,759	2,939
		87,038	9,895
		154,560	227,040

The Group's borrowings are repayable as follows:

本集團借款須於以下期限內償還：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Carrying amount repayable:	須於以下期限內償還之賬面值：		
Within one year	一年內	67,522	217,145
More than one year, but not exceeding two years	一年以上但不超過兩年	87,038	9,895
		154,560	227,040

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32. BORROWINGS (Continued)

Notes:

- (a) The floating rate bank borrowings of the Group are secured by the Group's bank's deposit of approximately RMB2,000,000 and bears interest at 4.09% to 6.65% per annum (2019: 6.18% to 6.05% per annum).
- (b) The other borrowings were secured by (i) the personal guarantee executed by Mr. Sin, (ii) share capital of Glory Max Group Limited and EPL and bore interest at 13.00% per annum.
- (c) The other borrowings were unsecured and bore interest ranging from 2.50% to 24.00% per annum (2019: from 2.50% to 36.00% per annum). The other borrowings were repayable within one year to two years (2019: within the year to three years). As at 31 December 2019, included in other borrowings was an amount of approximately HK\$50,160,000 due to Mr. Chow.
- (d) During the year ended 31 December 2020, the Company completed the Restructuring Transaction, certain borrowings were extinguished by way of issuance of New Shares and Convertible Bonds.

32. 借款 (續)

附註：

- (a) 本集團的浮息銀行借款以本集團的銀行存款約人民幣2,000,000元作抵押，利息為每年4.09%至6.65%（二零一九年：每年6.18%至6.05%）。
- (b) 其他借款由以下各項為抵押：(i) 冼先生簽立的個人擔保；及(ii) Glory Max Group Limited 及太平洋拓展的股本，並按年率13.00%計息。
- (c) 其他借款為無抵押及按介乎2.50%至24.00%的年利率計息（二零一九年：介乎2.50%至36.00%的年利率）。其他借款須於一年至兩年內償還（二零一九年：於三年內）。於二零一九年十二月三十一日，其他借款中包括應付周先生的款項約50,160,000港元。
- (d) 於截至二零二零年十二月三十一日止年度，本公司完成重組交易，若干借款以發行新股份及可換股債券之方式清償。

33. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

33. 租賃負債

本集團租賃負債披露如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Current	流動	2,256	13,502
Non-current	非流動	33,160	16,261
		35,416	29,763

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33. LEASE LIABILITIES (Continued)

33. 租賃負債 (續)

		2020 二零二零年		2019 二零一九年	
		Minimum lease payments 最低租賃付款 HK\$'000 千港元	Present value of lease liabilities 租賃負債現值 HK\$'000 千港元	Minimum lease payments 最低租賃付款 HK\$'000 千港元	Present value of lease liabilities 租賃負債現值 HK\$'000 千港元
Minimum lease payment due:	最低租賃付款於以下日期到期:				
- Within one year	- 一年內	6,260	2,256	15,776	13,502
- more than one year but not more than five years	- 一年以上但不超過五年	18,827	4,234	10,202	2,468
- Over five years	- 五年以上	91,323	28,926	83,433	13,793
		116,410		109,411	
Future finance charges	未來財務費用	(80,994)		(79,648)	
Present value of lease liabilities	租賃負債現值	35,416		29,763	
Amounts due for settlement within one year (shown under current liabilities)	一年內到期結算的款項 (列於流動負債項下)		2,256		13,502
Amounts due for settlement after one year	一年後到期結算的款項		33,160		16,261

The weighted average incremental borrowing rate applied to lease liabilities range from 4.5% to 15% (2019: 4.5% to 15%).

適用於租賃負債的加權平均增量借款利率介乎4.5%至15% (二零一九年: 4.5%至15%)。

The Group leases leasehold land, warehouse and office premises for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

本集團因業務經營需要而租賃租賃土地、倉庫及辦公室，該等租賃負債按尚未支付的租賃付款項現值計量。全部租約按固定價格簽約。

34. BONDS

34. 債券

During the year ended 31 December 2019, the Company issued the bonds with an aggregate principal amount of approximately HK\$526,871,000 at par value ("Bonds") in accordance with the conditional placing and underwriting agreement entered into between the Company and the independent placing agents. The bonds have a maturity from three months to 8 years from the dates of issue and bear coupon interest ranging from 0% to 9.6% per annum, accrued daily and payable annually in arrears. A default rate ranging from 0% to 9.60% per annum will be charged on any sum due and payable under the Bonds from the due date to the date of actual payment in full. The Bonds were denominated in HK\$.

截至二零一九年十二月三十一日止年度，本公司根據本公司與獨立配售代理訂立的有條件配售及包銷協議，按面值發行本金總額為約526,871,000港元的債券（「債券」）。該等債券於發行日期起計三個月至八年到期，息率介乎每年0%至9.6%，利息每日累計並須每年按期末支付方式付息。倘未能支付該等債券的任何到期應付金額，須從到期日至實際全數支付日期按每年0%至9.60%的違約利率支付利息。該等債券以港元計值。

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34. BONDS (Continued)

34. 債券 (續)

The movement for the year on the bonds was as follows:

本年度內債券的變動如下：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Balance at 1 January	於一月一日之結餘	1,153,283	1,023,319
Proceeds from issue of the bonds	發行債券所得款項	-	526,871
Transaction cost allocated to the liability component	分配至負債部分之交易成本	-	(24,302)
Interest expense (note 9)	利息支出(附註9)	41,491	144,797
Interest paid during the year	年內已付利息	-	(35,398)
Repayment during the year	年內償還	-	(482,004)
Debt extinguishment	債務清償	(1,194,774)	-
Balance at 31 December	於十二月三十一日之結餘	-	1,153,283
Carrying amount repayable:	須於以下期限內償還之賬面值：		
Within one year	一年內	-	769,105
More than one year but not exceeding two years	一年以上但不超過兩年	-	220,088
More than two years but not exceeding five years	兩年以上但不超過五年	-	91,612
More than five years	五年以上	-	72,478
		-	1,153,283

The fair value of the Bonds at 31 December 2019 amounted to approximately HK\$617,072,000. The fair value of the Bonds are calculated using cash flows discounted at rate on the borrowings rate ranging from 9.96% to 11.69% per annum and are within level 2 of the fair value hierarchy.

債券於二零一九年十二月三十一日之公允價值約為617,072,000港元。債券之公允價值乃採用按借款利率每年介乎9.96%至11.69%貼現之現金流量計算，並列入公允價值等級第二級。

During the year ended 31 December 2020, the Company completed the Restructuring Transaction, the Bonds were extinguished by way of issuance of New Shares and Convertible Bonds.

於截至二零二零年十二月三十一日止年度，本公司完成重組交易，該等債券以發行新股份及可換股債券之方式清償。

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35. CONVERTIBLE BONDS

On 29 June 2020, the Company completed issued the Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198. The Convertible Bonds bear interest at 1% annual coupon rate payable annually from the issue date of the Convertible Bonds. The conversion period of the Convertible Bonds is from 29 June 2023 to 28 June 2025 during which period the holders of the Convertible Bonds can convert the Convertible Bonds into shares of the Company at the initial conversion price of HK\$0.55 per conversion share (the "Conversion Shares"). Assuming the exercise in full of the conversion rights (the "Conversion Rights") attached to the Convertible Bonds at the initial conversion price of HK\$0.55 per Conversion Share, an aggregate of 2,263,411,269 Shares (with an aggregate nominal value of HK\$226,341,126.9) will be issued.

The fair value of the liability component of the Convertible Bonds was calculated using future repayments discounted at an estimated discount rate of 9.31% per annum. The residual amount of approximately HK\$3,933,000 (being the difference between the fair value of the Convertible Bonds at issuance date and the fair value of the liability component on initial recognition) is assigned as the equity component and is included in equity heading convertible bond equity reserve. The liability component is subsequently stated at fair value, with changes recorded in consolidated statement of profit or loss and other comprehensive income.

35. 可換股債券

於二零二零年六月二十九日，本公司完成發行本金總額為1,244,876,198港元的可換股債券。可換股債券按每年票面息率1%計息，自可換股債券發行日期起每年支付。可換股債券之換股期為二零二三年六月二十九日至二零二五年六月二十八日，期間可換股債券持有人可按初步換股價每股換股股份0.55港元將可換股債券轉換為本公司股份（「換股股份」）。假設按初步換股價每股換股股份0.55港元悉數行使可換股債券附帶之換股權（「換股權」），將發行合共2,263,411,269股股份（總面值為226,341,126.9港元）。

可換股債券負債部分的公允值乃按每年9.31%的估計折算率折現未來還款而計算。剩餘金額約3,933,000港元（即可換股債券於發行日期的公允值與負債部分於初步確認時的公允值的差額）指派為權益部分及計入可換股債券權益儲備的權益項下。負債部分其後按公允值計量，有關變動於綜合損益及其他全面收益表內列賬。

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36. PROMISSORY NOTES

On 14 April 2018, the promissory note with principal amount of HK\$104,640,000 (the "PN 4") at par value was issued to settle part of the principal and interest accrued on the Convertible Bonds in accordance with the supplementary loan agreement dated 14 April 2018 entered into between the Company and Mr. Sin. The PN has a maturity of approximately 15 months from the date of issue and bears coupon interest at 8% per annum, accrued monthly and payable in full on the maturity date.

During the year ended 31 December 2020, the Company completed the Restructuring Transaction, the PN 4 was extinguished by way of issuance of New Shares and Convertible Bonds.

On 13 March 2020, the promissory note with principal amount of HK\$14,100,000 (the "PN 5") at par value was issued in accordance with the SSF Agreement. The PN 5 has a maturity of 1 year from the date of issue and bears coupon interest at 4% per annum above the base rate of Hong Kong Interbank Offered Rate from time to time, compounded monthly and payable in full on the maturity date.

On 13 March 2020, the promissory note with principal amount of HK\$14,100,000 (the "PN 6") at par value was issued in accordance with the SSF Agreement. The PN 6 has a maturity of 2 years from the date of issue and bears coupon interest at 4% per annum above the base rate of Hong Kong Interbank Offered Rate from time to time, compounded monthly and payable in full on the maturity date.

On 13 March 2020, the promissory note with principal amount of HK\$18,800,000 (the "PN 7") at par value was issued in accordance with SSF Agreement. The PN 7 has a maturity of 3 years from the date of issue and bears coupon interest at 4% per annum above the base rate of Hong Kong Interbank Offered Rate from time to time, compounded monthly and payable in full on the maturity date.

36. 承兌票據

於二零一八年四月十四日，根據本公司與冼先生訂立日期為二零一八年四月十四日之貸款補充協議，按面值發行本金金額為104,640,000港元之承兌票據（「承兌票據4」）以結付可換股債券之部分本金及其累計利息。該承兌票據於發行日期起計約十五個月到期，票息按年利率8%每月累計，並須於到期日全數支付。

於截至二零二零年十二月三十一日止年度，本公司完成重組交易，承兌票據4以發行新股份及可換股債券之方式清償。

於二零二零年三月十三日，根據SSF協議，本公司按面值發行本金金額為14,100,000港元的承兌票據（「承兌票據5」）。承兌票據5自發行日期起計一年到期，票息按不時公佈的香港銀行同業拆息基準利率加年利率4%計，按月計算複利，並須於到期日全數支付。

於二零二零年三月十三日，本公司根據SSF協議按面值發行本金金額為14,100,000港元的承兌票據（「承兌票據6」）。承兌票據6自發行日期起計兩年到期，票息按不時公佈的香港銀行同業拆息基準利率加年利率4%計，按月計算複利，並須於到期日全數支付。

於二零二零年三月十三日，本公司根據SSF協議按面值發行本金金額為18,800,000港元的承兌票據（「承兌票據7」）。承兌票據7自發行日期起計三年到期，票息按不時公佈的香港銀行同業拆息基準利率加年利率4%計，按月計算複利，並須於到期日全數支付。

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36. PROMISSORY NOTES (Continued)

The movement for the years ended 31 December 2020 and 2019 on the promissory notes were as follows:

36. 承兌票據 (續)

承兌票據於截至二零二零年及二零一九年十二月三十一日止年度之變動如下：

		PN 4 承兌票據4 HK\$'000 千港元	PN 5 承兌票據5 HK\$'000 千港元	PN 6 承兌票據6 HK\$'000 千港元	PN 7 承兌票據7 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 January 2019	於二零一九年一月三十一日	106,477	-	-	-	106,477
Effective interest expense (note 11)	實際利息開支(附註11)	8,720	-	-	-	8,720
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	115,197	-	-	-	115,197
Debt extinguishment	債務清償	(115,197)	-	-	-	(115,197)
Issuance of promissory notes	發行承兌票據	-	14,100	14,079	18,719	46,898
Effective interest expenses	實際利息開支	-	470	470	625	1,565
As at 31 December 2020	於二零二零年十二月三十一日	-	14,570	14,459	19,344	48,463

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37. DEFERRED TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using the tax rates applicable in the tax jurisdiction concerned.

The following are the deferred tax liabilities recognised by the Group and movements thereon during the year.

37. 遞延稅項負債

遞延稅項採用負債法按適用於相關稅收司法權區的稅率就暫時差額全數計算。

下列為本集團已確認的遞延稅項負債及其於年內的變動。

		Revaluation of properties 物業重估
		HK\$'000 千港元 (restated) (經重列)
As at 1 January 2019	於二零一九年一月一日	
As previously reported	如先前呈報	158,470
Change on accounting policy	會計政策變更	<u>(158,470)</u>
As at 1 January, as restated and 31 December 2019	於二零一九年一月一日(經重列)及 於二零一九年十二月三十一日	<u>-</u>

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK\$683,792,000 (2019: approximately HK\$665,135,000) available for offsetting against future profits of the companies in which the losses arose. Included in the estimated unused tax losses are losses of approximately HK\$308,837,000 (2019: approximately HK\$294,053,000) that will expire within 5 years. Other estimated unused tax losses of approximately HK\$374,955,000 (2019: approximately HK\$371,082,000) may be carried forward indefinitely. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams.

於報告期末，本集團有估計未動用稅項虧損約683,792,000港元(二零一九年：約665,135,000港元)，可用作抵銷產生虧損的公司之未來溢利。估計未動用稅項虧損中有虧損約308,837,000港元(二零一九年：約294,053,000港元)將於五年內屆期。其他估計未動用虧損約374,955,000港元(二零一九年：約371,082,000港元)可無限期轉結。由於未來溢利難以預測，故並無就稅項虧損確認遞延稅項資產。

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38. SHARE CAPITAL

38. 股本

		Number of Shares 股份數目		Share Capital 股本	
		2020 二零二零年 '000 千股	2019 二零一九年 '000 千股	2020 二零二零年 '000 千股	2019 二零一九年 '000 千股
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股				
Authorised:	法定：				
As at 1 January	於一月一日	6,000,000	6,000,000	600,000	600,000
Increase during the year	年內增加	14,000,000	-	1,400,000	-
		20,000,000	6,000,000	2,000,000	600,000
Issued and fully paid:	已發行及繳足：				
At 1 January	於一月一日	4,948,170	4,517,160	494,817	451,716
Placing of shares	配售股份	-	428,770	-	42,877
Share issued upon exercise of share options	行使購股權所發行的股份	-	2,240	-	224
Share issued upon completion of financial restructuring exercise	於財務重組完成後發行的股份	2,155,120	-	215,512	-
Share issued for settlement of financial advisory fee for completion of financial restructuring exercise	就結付完成財務重組之財務顧問費用而發行的股份	250,000	-	25,000	-
Share issued for settlement of financial advisory fee for possible offer	就結付潛在要約之財務顧問費用而發行的股份	54,050	-	5,405	-
Share issued for settlement of financial advisory fee for review of possible offer	就結付潛在要約覆核之財務顧問費用而發行的股份	16,528	-	1,653	-
31 December	於十二月三十一日	7,423,868	4,948,170	742,387	494,817

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38. SHARE CAPITAL (Continued)

Notes:

- (a) On 8 March 2020, the Company increased its authorised share capital 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 additional 14,000,000,000 new shares, all of which will rank pari passu with all existing shares.
- (b) In order to improve the Company's liquidity and financial position and to restructure its debts, the Company carried out a financial restructuring exercise. As part of the financial restructuring exercise, the Company issued 2,155,114,938 ordinary shares at issue price of HK\$0.38 each. The ordinary shares were issued on 29 June 2020 to the creditors, to improve the Company's liquidity and financial position and to restructure its debts.
- (c) On 3 August 2020, 250,000,000 shares were issued to a financial adviser as settlement of the advisory fee for completion of financial restructuring exercise.
- (d) On 13 August 2020, 54,054,054 shares were issued to a financial adviser as settlement of the advisory fee in relation to possible offer.
- (e) On 20 November 2020, 16,528,925 shares were issued to a financial adviser as settlement of the advisory fee in relation to review of possible offer.
- (f) On 15 March 2019, the Company have successfully placed 428,770,000 shares at placing price of HK\$0.26 per share.

38. 股本 (續)

附註：

- (a) 於二零二零年三月八日，本公司透過增設14,000,000,000股新股份，將其法定股本由600,000,000港元（分為6,000,000,000股股份）增加至2,000,000,000港元（分為20,000,000,000股股份），該等股份將與所有現有股份享有同等地位。
- (b) 為改善本公司之流動資金及財務狀況以及重組債務，本公司實施財務重組。作為財務重組的一部分，本公司按發行價每股0.38港元發行2,155,114,938股普通股。該等普通股於二零二零年六月二十九日發行予債權人，以改善本公司之流動資金及財務狀況以及重組債務。
- (c) 於二零二零年八月三日，本公司向一名財務顧問發行250,000,000股股份，以結付財務重組的顧問費用。
- (d) 於二零二零年八月十三日，本公司向一名財務顧問發行54,054,054股股份，以結付潛在要約的顧問費用。
- (e) 於二零二零年十一月二十日，向一名財務顧問發行16,528,925股股份，以結付潛在要約覆核的顧問費用。
- (f) 於二零一九年三月十五日，本公司成功以配售價每股0.26港元配售428,770,000股股份。

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39. RESERVES

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 159 of the consolidated financial statements.

The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the shares of the Company issued in exchange for the shares of the acquired subsidiaries under the reorganisation.

The contributed surplus account was designated by the Company within the meaning of the Companies Act 1981 of Bermuda which represented (i) the entire amounts standing to the credit balance of the share premium account of the Company as at 30 June 2010; (ii) the transfer of the share premium arising from capital reduction on 29 September 2010; and (iii) the offset with the accumulated losses in full up to 31 December 2010.

40. CAPITAL COMMITMENTS

As at 31 December 2020 and 2019, the Group had the following capital commitments:

Contracted but not provided for: Construction of properties	已訂約但未撥備： 物業建設
Authorised but not contracted for: Construction of properties (Note)	已批准但未訂約： 物業建設（附註）

Note: Capital commitment for construction in properties related to capital commitment for construction of film studio and hotel in Foshan, the PRC. The authorised amount was approved by the Directors according to the land lease agreements signed between Lux Unicorn Limited, the wholly-owned subsidiary of the Company and the local authority in Foshan, the PRC, in relation to the leasing of lands for development of tourism and related entertainment business and hotel operations. The completion of constructions and commencement of operations of the projects shall be within three and four years respectively from the signing of the lease agreements.

39. 儲備

本集團本年度及過往年度的儲備數額及儲備變動於綜合財務報表第159頁的綜合權益變動表內呈列。

特別儲備指所收購附屬公司股份的面值與本公司於重組時為換取所收購附屬公司股份而發行的股份的面值兩者的差額。

本公司所指定的實繳盈餘賬（定義見百慕達一九八一年公司法）指(i)本公司股份溢價賬於二零一零年六月三十日的進賬全額結餘；(ii)因二零一零年九月二十九日股本削減所產生股份溢價的轉撥；及(iii)悉數抵銷直至二零一零年十二月三十一日的累計虧損。

40. 資本承擔

於二零二零年及二零一九年十二月三十一日，本集團有以下資本承擔：

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Contracted but not provided for: Construction of properties	已訂約但未撥備： 物業建設	85,239	78,389
Authorised but not contracted for: Construction of properties (Note)	已批准但未訂約： 物業建設（附註）	356,506	334,411

附註：物業建設的資本承擔與於中國佛山興建影視城及酒店的資本承擔有關。已批准金額指根據盛麟有限公司（本公司之全資附屬公司）與中國佛山市地方機關就租賃土地發展旅遊業務以及相關娛樂業務及酒店業務而簽訂的土地租賃協議，董事已批准的金額。有關項目須分別於簽訂租賃協議日期起計三年及四年內竣工及投入營運。

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41. RETIREMENT BENEFIT PLANS

The Group participates in employee social security plans as required by the regulations in the PRC. The Group also participates in the Mandatory Provident Fund scheme to which all qualified employees of the Group in Hong Kong are entitled. The assets of the retirement benefit schemes are held, separately from those of the Group, in funds under the control of the trustees. The employees of the subsidiaries in the PRC are members of social security schemes operated by the relevant local government authorities. The pension plans are funded by payments from employees and by the relevant group companies. The amounts charged to the consolidated statement of profit or loss and other comprehensive income represent contributions payable by the Group at the specified rates according to the respective plans. The only obligation of the Group in respect of the retirement benefit schemes is to make the specified contributions.

42. SHARE-BASED PAYMENT TRANSACTIONS

As at 31 December 2020 and 2019, the Group had share options schemes for employee compensation as set out below.

(a) Post initial public offering share option scheme

The post initial public offering share option scheme ("Post-IPO Option Scheme") was conditionally approved by a resolution of the sole shareholder dated 22 July 2002 (the "Effective Date"). Major terms of this scheme are summarised as follows:

- (i) The Post-IPO Option Scheme enables the Company to grant share options to selected persons as incentives or rewards for their contribution to the Group.

41. 退休福利計劃

本集團根據中國法規之規定參與僱員社會保障計劃。本集團亦參與適用於本集團於香港之所有合資格僱員之強制性公積金計劃。退休福利計劃之資產與本集團之資產分開，由信託人所控制之基金持有。於中國附屬公司之僱員為有關當地政府機構經辦之社會保障計劃之成員。退休金計劃之資金來源為僱員及相關集團公司之供款。於綜合損益及其他全面收益表入賬之金額為本集團根據各計劃按特定比率應付之供款。本集團有關退休福利計劃之唯一責任為作出特定供款。

42. 以股份為基準的付款交易

於二零二零年及二零一九年十二月三十一日，本集團有下列為僱員報酬而設的購股權計劃。

(a) 首次公開招股後購股權計劃

首次公開招股後購股權計劃（「首次公開招股後購股權計劃」）經二零二零年七月二十二日（「生效日」）唯一股東的決議案有條件地批准。該計劃的主要條款概述如下：

- (i) 首次公開招股後購股權計劃讓本公司向經挑選的人士授出購股權，作為彼等對本集團作出貢獻的獎勵或回報。

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42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Post initial public offering share option scheme (Continued)

- (ii) The participants of the Post-IPO Option Scheme include any employee, director, advisor and consultant, supplier, customer and shareholder of any member of the Group as well as any provider of financial assistance to any member of the Group.
- (iii) 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.
- (iv) Share options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the board of directors of the Company may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the Post-IPO Option Scheme. The grantees are not required to hold any share options or any shares allotted pursuant to any share options for any minimum period.
- (v) The subscription price for the shares under the Post-IPO Option Scheme will be determined by the board of directors of the Company and notified to each grantee and will be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share option, which must be a business day, (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant and (c) the nominal value of a share.

42. 以股份為基準的付款交易 (續)

(a) 首次公開招股後購股權計劃 (續)

- (ii) 首次公開招股後購股權計劃參與者包括本集團任何成員公司的任何僱員、董事、顧問及專業顧問、供應商、客戶及股東，以及向本集團任何成員公司提供財政資助的人士。
- (iii) 承授人於接納購股權建議時須向本公司支付1港元。購股權建議將可於授出建議日期起計14天內予以接納。
- (iv) 購股權可根據可由本公司董事會釐定有關購股權的轉歸、行使或其他方面的條款及條件而授出，惟該等條款及條件必須與首次公開招股後購股權計劃的任何其他條款及條件一致。承授人無須按任何規定的最短持有期持有任何購股權或根據任何購股權所配發的股份。
- (v) 根據首次公開招股後購股權計劃認購股份的認購價，將由本公司董事會釐定並知會各承授人，而該價格最少須為以下三者的最高者：(a)於購股權授出日期（必須為營業日）股份於聯交所每日報價表所報收市價；(b)緊接授出日期前五個營業日股份於聯交所每日報價表所報平均收市價；及(c)股份面值。

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42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Post initial public offering share option scheme (Continued)

- (vi) The limit on the number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Post-IPO Option Scheme and other share option schemes must not exceed 30% of the shares in issue from time to time.
- (vii) The total number of shares which may be issued upon exercise of all share options to be granted under the Post-IPO Option Scheme and any other share option schemes must not in aggregate exceed 10% of the shares in issue as at 17 October 2002, amounting to 49,219,623 shares (the "Scheme Mandate Limit"). The Company may renew the Scheme Mandate Limit at any time subject to prior shareholders' approval. However, the Scheme Mandate Limit as renewed must not exceed 10% of the shares in issue as at the date of the aforesaid shareholders' approval.
- (viii) The total number of shares issued and to be issued upon exercise of the share options granted under the Post-IPO Option Scheme to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time. Any further grant of share options to such grantee which would result in the shares issued and to be issued upon exercise of all share options granted and to be granted to such grantee (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, must be subject to shareholders' approval with such grantee and his associates abstaining from voting.

42. 以股份為基準的付款交易 (續)

(a) 首次公開招股後購股權計劃 (續)

- (vi) 因根據首次公開招股後購股權計劃及其他購股權計劃已授出惟尚未行使的所有發行在外購股權獲行使而可能發行的股份數目，最多不得超過不時已發行股份的30%。
- (vii) 因根據首次公開招股後購股權計劃及任何其他購股權計劃而授出的所有購股權獲行使而可能發行的股份總數，合共不得超過二零二零年十月十七日已發行股份的10%（即49,219,623股）（「計劃授權限額」）。本公司於事先取得股東批准後，可隨時更新計劃授權限額。然而，更新後的計劃授權限額不得超逾上文所述股東批准當日已發行股份的10%。
- (viii) 於任何十二個月期間因根據首次公開招股後購股權計劃向每名承授人授出的購股權（包括已行使及尚未行使的購股權）獲行使而發行及將予發行的股份總數，不得超逾不時已發行股份的1%。倘向該名承授人進一步授出購股權將導致於截至該項進一步授出日期前十二個月期間（包括該日）因已授予及將授予該名承授人的所有購股權（包括已行使、已註銷及尚未行使的購股權）獲行使而發行及將予發行的股份合共佔已發行股份1%以上，則必須由股東批准，而該名承授人及其聯繫人士須放棄投票。

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42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Post initial public offering share option scheme (Continued)

- (ix) A share option may be exercised in accordance with the terms of the Post-IPO Option Scheme at any time during the period notified by the board of directors of the Company to each grantee provided that the period within which the share option must be exercised shall not be more than 10 years from the date of grant of the share option.
- (x) The Post-IPO Option Scheme remains valid for a period of 10 years commencing on the Effective Date. In addition, the Company may, by ordinary resolution in general meeting or the board of directors of the Company may at any time terminate the operation of the Post-IPO Option Scheme. Share options which are granted during the life of the Post-IPO Option Scheme may continue to be exercisable in accordance with their terms of issue.

Pursuant to a special resolution passed in the extraordinary general meeting of the Company, the Post-IPO Option Scheme was terminated on 29 September 2010.

(b) New share option scheme

Pursuant to a special resolution passed in the extraordinary general meeting of the Company, a new share option scheme (the "New Scheme") was approved on 29 September 2010. Major terms of this scheme are summarised as follows:

- (i) The purpose of the New 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;

42. 以股份為基準的付款交易 (續)

(a) 首次公開招股後購股權計劃 (續)

- (ix) 購股權可於由本公司董事會通知各承授人的期間內隨時根據首次公開招股後購股權計劃的條款而行使，惟行使購股權的期間不得長於由購股權授出日期起計十年。
- (x) 首次公開招股後購股權計劃由生效日起計十年內有效。此外，本公司可透過在股東大會通過普通決議案或可由本公司董事會隨時終止首次公開招股後購股權計劃的運作。於首次公開招股後購股權計劃有效期內授出的購股權可根據彼等的發行條款繼續予以行使。

根據於本公司股東特別大會上通過的特別決議案，首次公開招股後購股權計劃已於二零一零年九月二十九日終止。

(b) 新購股權計劃

根據於本公司股東特別大會上通過的特別決議案，一項新購股權計劃（「新計劃」）已於二零一零年九月二十九日獲批准。此計劃的主要條款概述如下：

- (i) 新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；

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) New share option scheme (Continued)

- (ii) The participants of the New 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; a holder of any securities issued by Company or any of its subsidiary;
- (iii) 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;
- (iv) 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 Scheme;
- (v) The subscription 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;

42. 以股份為基準的付款交易 (續)

(b) 新購股權計劃 (續)

- (ii) 新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；本公司或其任何附屬公司發行的任何證券的持有人；
- (iii) 承授人於接納購股權建議時須向本公司支付1港元。購股權建議將可於授出建議日期起計14天內予以接納；
- (iv) 根據新計劃，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；
- (v) 新計劃下的股份認購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；

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42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) New share option scheme (Continued)

- (vi) The total number of shares which may be issued upon exercise of all share options to be granted under the New Scheme and any other schemes in aggregate not exceeding 10 per cent of the issued share capital of the Company as at 28 June 2020 (2019: 28 June 2019), amounting to 4,948,170,452 shares (2019: 4,948,170,452 shares) (the "Scheme Mandate Limit"). The Company may renew the Scheme Mandate Limit at any time subject to the approval of the Shareholders in general meeting provided that such renewed limit shall not exceed 10 per cent of the Shares in issue as at the date of approval of such limit;
- (vii) The total number of New Shares issued and to be issued upon the exercise of the New Share Options granted to each grantee (including exercised, cancelled and outstanding Share Options) in any 12 month period shall not exceed 1 per cent of the relevant class of securities of the Company in issue. Further New Share Options may be granted to such grantee, which, if exercised, would result in such grantee becoming entitled to subscribe for New Shares in excess of the limit, by obtaining approval of the Shareholders in general meeting with such grantee and his associate(s) abstaining from voting;
- (viii) 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 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; and

42. 以股份為基準的付款交易 (續)

(b) 新購股權計劃 (續)

- (vi) 根據新計劃及任何其他計劃將予授出的所有購股權獲行使而可予發行的股份總數，合共不得超過本公司於二零二零年六月二十八日（二零一九年：二零一九年六月二十八日）已發行股本的10%，即4,948,170,452股（二零一九年：4,948,170,452股）（「計劃授權限額」）。本公司可在股東大會徵求股東批准隨時更新計劃授權限額，惟經更新限額不得超過於批准該限額日期已發行股份的10%；
- (vii) 於任何十二個月期間向每名承授人授出的新購股權（包括已行使、已註銷及尚未行使購股權）獲行使時已經及將予發行的新股份總數，不得超過本公司相關類別已發行證券的1%。倘向一名承授人進一步授出新購股權，而該等新購股權獲行使時將導致該名承授人有權認購超過此限額的新股份，則須於股東大會取得股東批准，該名承授人及其聯繫人士必須放棄投票；
- (viii) 參與者可於行使期（即根據新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；及

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42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) New share option scheme (Continued)

- (ix) The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme becomes unconditional. The Board may amend any of the provisions of the New Scheme or withdraw or otherwise terminate the New 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 Scheme.

The following table discloses details and movements of the Company's share options held by the directors, eligible employees and other participants of the Group during the years ended 31 December 2020 and 2019:

Option type		Outstanding at 1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2020
購股權類別		於二零二零年 一月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零二零年 十二月 三十一日 尚未行使
Post-IPO Option Scheme	首次公開招股後 購股權計劃	58,179	-	-	(58,179)	-
New Scheme	新計劃	254,472,411	-	-	(254,380,000)	92,411
Total	總計	254,530,590	-	-	(254,438,179)	92,411
Exercisable at the end of the year	於年末可行使	254,530,590				92,411
Weighted average exercise price	加權平均行使價	HK\$0.25港元				HK\$0.25港元

Note: No share options under the Post-IPO Option Scheme nor New Scheme was exercised during the year ended 31 December 2020:

42. 以股份為基準的付款交易 (續)

(b) 新購股權計劃 (續)

- (ix) 新計劃於新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計劃的任何條文，或撤回或以其他方式終止新計劃，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。所有於新計劃終止前已授出但當時尚未行使的新購股權將繼續有效，並受限於新計劃的條款及可根據該等條款行使。

下表披露截至二零二零年及二零一九年十二月三十一日止年度由董事、合資格僱員以及本集團其他參與者所持有的本公司購股權之詳情及變動：

附註：概無首次公開招股後購股權計劃或新計劃下的購股權於截至二零二零年十二月三十一日止年度獲行使：

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42. SHARE-BASED PAYMENT
TRANSACTIONS (Continued)

42. 以股份為基準的付款交易
(續)

(b) New share option scheme
(Continued)

(b) 新購股權計劃 (續)

Option type		Outstanding at 1 January 2019	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2019
購股權類別		於二零一九年 一月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零一九年 十二月 三十一日 尚未行使
Post-IPO Option Scheme	首次公開招股後 購股權計劃	4,073,680	-	-	(4,015,501)	58,179
New Scheme	新計劃	270,410,579	-	(2,240,000)	(13,698,168)	254,472,411
Total	總計	274,484,259	-	(2,240,000)	(17,713,669)	254,530,590
Exercisable at the end of the year	於年末可行使	274,484,259				254,530,590
Weighted average exercise price	加權平均行使價	HK\$0.41港元				HK\$0.25港元

Note: The following share options under the Scheme were exercised during the year ended 31 December 2019:

附註：以下計劃下的購股權於截至二零一九年十二月三十一日止年度獲行使：

For the year ended 31 December 2019

於截至二零一九年十二月三十一日止年度

Date of options granted	Number of Shares	Exercise date	Share price at exercise date	Share price immediately before the date of exercise
授出購股權日期	股份數目	行使日期	行使日期股價	緊接行使日期前的股價
16 May 2017	2,240,000	22 March 2019	0.25	0.35
二零一七年五月十六日	2,240,000	二零一九年三月二十二日	0.25	0.35

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(b) New share option scheme *(Continued)*

As at 31 December 2020, the number of shares of which options had been granted and remained outstanding under the share option scheme was 92,411 (2019: 254,530,590) representing approximately 0.1% (2019: 5.1%) of the Company's issued shares capital at that date. The weighted average remaining contractual life was 0.39 years (2019: 1.39 years).

Options granted are fully vested at the date of grant.

42. 以股份為基準的付款交易 (續)

(b) 新購股權計劃 (續)

於二零二零年十二月三十一日，於購股權計劃下，已授出但仍未行使購股權涉及的股份數目為92,411股（二零一九年：254,530,590股），佔本公司於當日的已發行股本約0.1%（二零一九年：5.1%）。加權平均餘下合約年限為0.39年（二零一九年：1.39年）。

所授出的購股權於授出日期悉數歸屬。

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For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Issued of shares under specific mandate in relation to advisory service of financial adviser

During the year ended 31 December 2019, the Company has appointed Oriental Patron Asia Limited (“OPAL”), as the financial adviser to the Company to advise on and assist in a potential financial restructuring as to improving the Company’s financial position charging an advisory fee of HK\$50,000,000. On 26 August 2019, the Company and OPAL agreed that the advisory fee is to be paid in the form of issuing and allotting 250,000,000 newly issued and fully paid-up shares, such shares shall be issued and allotted to OPAL simultaneously with the new shares to be issued to the Scheme Creditors under the Scheme upon its completion.

The Group recognised expense of HK\$28,305,000 (2019: 21,695,000) for the year ended 31 December 2020 in this respect.

- (d) During the year ended 31 December 2020, the Company has appointed Yu Ming Investment Management Limited (“Yu Ming”), as financial adviser to advise the Company on the conditional voluntary share exchange offer by the Company to acquire all of the issued shares in the share capital of Convoy Global Holdings Limited, subject to fulfilment of certain conditions (“Possible Offer”), in return the Yu Ming charging an advisory fee of HK\$10,000,000. The Company and Yu Ming agreed that the advisory fee is to be paid in the form of issuing and allotting 54,054,054 newly issued and fully paid-up shares.

Further, the Company has appointed Yu Ming, as financial adviser to advise the Company on review of the Possible Offer, in return Yu Ming charging an advisory fee of HK\$2,000,000. The Company and Yu Ming agreed that the advisory fee is to be paid in the form of issuing and allotting 16,528,925 newly issued and fully paid-up shares.

42. 以股份為基準的付款交易 (續)

(c) 有關涉及財務顧問服務之根 據特別授權發行股份

於截至二零一九年十二月三十一日止年度，本公司已任命東英亞洲有限公司（「東英亞洲」）為本公司的財務顧問，以就為改善公司財務狀況而可能進行的財務重組提供建議並協助其進行，顧問費用為50,000,000港元。於二零一九年八月二十六日，本公司與東英亞洲同意以發行及配發250,000,000股新發行及全額繳足股份的形式支付顧問費用，該等股份須於與根據該計劃向債權人發行新股份時同時發行及配發予東英亞洲。

本集團就此於截至二零二零年十二月三十一日止年度確認開支28,305,000港元（二零一九年：21,695,000港元）。

- (d) 截至二零二零年十二月三十一日止年度，本公司委任禹銘投資管理有限公司（「禹銘」）為財務顧問，以就本公司為收購康宏環球控股有限公司股本中全部已發行股份而提出的有條件自願換股要約（須待若干條件獲達成後方可作實）（「潛在要約」）向本公司提供意見，禹銘就此收取顧問費10,000,000港元。本公司與禹銘協定，該筆顧問費將以發行及配發54,054,054股繳足股款之新股份的方式支付。

此外，本公司委任禹銘為財務顧問以就有關潛在要約之覆核向本公司提供意見，禹銘就此收取顧問費2,000,000港元。本公司與禹銘協定，該筆顧問費將以發行及配發16,528,925股繳足股款之新股份的方式支付。

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43. DEEMED PARTIAL DISPOSAL OF SUBSIDIARIES

- i) On 20 March 2020, a wholly-owned subsidiary, Nation Arts Education, increase its registered capital from RMB100,000 to RMB5,000,000 through investment from the Group and inviting a new shareholder (“New Shareholder”). The equity interest held by the Group was reduced from 100% to 70%. Since the Group remained control over Nation Arts Education and thus the increase of registered capital is considered as a deemed partial disposal without loss of control and Nation Arts Education remains a subsidiary of the Group in 2020.

As at 31 December 2020, none of the Group and the New Shareholder, paid up the increased registered capital.

A summary of the financial impact of the deemed partial disposal:

43. 視作部分出售附屬公司

- i) 於二零二零年三月二十日，全資附屬公司國藝教育透過本集團投資及引入新股東（「新股東」），將其註冊資本由人民幣100,000元增加至人民幣5,000,000元。本集團持有的股權由100%減少至70%。由於本集團仍對國藝教育擁有控制權，因此增加註冊資本被視為未失去控制權的部分出售，而國藝教育於二零二零年仍為本集團的附屬公司。

於二零二零年十二月三十一日，本集團及新股東均未繳足新增的註冊資本。

視作部分出售的財務影響概要：

		HK\$'000 千港元
Capital received from the New Shareholder	從新股東收取的資本	-
Add: Net liabilities value of Nation Arts Education recognised as non-controlling interests	加：確認為非控股權益之 國藝教育負債淨值	638
Difference on Deemed Disposal of Nation Arts Education recognised in equity	於權益確認之視作出售 國藝教育之差額	638

- ii) On 10 December 2019, a wholly-owned subsidiary, 佛山市國藝匯盈商業管理有限公司 (Formerly known as 佛山市國藝匯盈旅遊有限公司) (“國藝匯盈”), disposed of 20% and 10% of its equity interest to shareholder A and shareholder B (collectively referred completion of the as “Shareholders A&B”) respectively. Upon disposal, the equity interest held by the Group was reduced from 100% to 70%. Since the Group remained control over 國藝匯盈 thus it remains a subsidiary of the Group in 2019.

- ii) 於二零一九年十二月十日，全資附屬公司佛山市國藝匯盈商業管理有限公司（前稱佛山市國藝匯盈旅遊有限公司）（「國藝匯盈」）分別向股東A及股東B（統稱「股東A及B」）出售其20%及10%股權。於出售完成後，本集團持有的股權由100%減少至70%。由於本集團仍對國藝匯盈擁有控制權，故其於二零一九年仍為本集團的附屬公司。

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43. DEEMED PARTIAL DISPOSAL OF SUBSIDIARIES (Continued)

Up to 31 December 2020, none of the Group nor shareholder A and shareholder B paid up any registered capital.

A summary of the financial impact of the deemed partial disposal:

		HK\$'000 千港元
Capital received from the Shareholders A&B	從股東A及B收取的資本	-
Add: Net liabilities value of 國藝匯盈 recognised as non-controlling interests	加：確認為非控股權益之國藝匯盈負債淨值	98
Difference on Deemed Disposal of 國藝匯盈 recognised in equity	於權益確認之視作出售國藝匯盈之差額	98

The directors of the Company consider that the Group's non-controlling interests were insignificant to the Group and thus are not separately presented in these financial statements for both years. In addition, no separate financial information of these non-wholly owned subsidiaries is required to be presented.

43. 視作部分出售附屬公司 (續)

截至二零二零年十二月三十一日，本集團、股東A及股東B均未繳付註冊資本。

視作部分出售的財務影響概要：

本公司董事認為，本集團的非控股權益對本集團而言並不重大，因此於該兩個年度的財務報表中均無單獨呈列非控股權益。此外，毋須單獨呈列該等非全資附屬公司的財務資料。

44. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 8, 11, 29, 33 and 36 to the consolidated financial statements, the Group entered into the following transactions with related parties:

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Interest paid to directors	已付董事利息	-	2,574
Interest paid to shareholders	已付股東利息	41,124	58,246

Compensation of key management personnel

The Directors consider that they are the only key management personnel of the Group and details of their compensation are set out in note 16.

44. 關聯方交易

除綜合財務報表附註8、11、29、33及36所披露外，本集團還與關聯方訂立下列交易：

主要管理人員的報酬

董事認為，彼等為本集團之主要管理人員，彼等的酬金詳情載於附註16。

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45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

45. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金兩方面的變動。融資活動所產生負債指現金流量已經或未來現金流量將要分類為本集團綜合現金流量表內之融資活動的現金流量的有關負債。

		Loans from shareholders	Borrowings	Lease liabilities	Bonds	Convertible bond 可換 股債券	Promissory note 承兌票據	Total
		股東貸款 (附註31)	借款 (附註32)	租賃負債 (附註33)	債券 (附註34)	股債券 (附註35)	承兌票據 (附註36)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	601,031	193,059	24,199	1,023,319	-	106,477	1,948,085
Financing cash flows	融資現金流量	2,843	24,169	3,333	(10,904)	-	-	19,441
Finance costs recognised	已確認融資成本	58,245	30,376	2,287	144,797	-	8,720	244,425
Transfer to other payables and accruals	轉撥至其他應付款項及 應計款項	(72,614)	(20,085)	-	(3,929)	-	-	(96,628)
Effect of foreign currency exchange differences	外幣匯兌差額影響	(48)	(479)	(56)	-	-	-	(583)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	589,457	227,040	29,763	1,153,283	-	115,197	2,114,740
Issue of promissory note for prepaid expenses	就預付開支發行承兌票據 費用	-	-	-	-	-	46,897	46,897
Financial restructuring	財務重組	(585,714)	(67,658)	-	(1,194,774)	825,522	(115,197)	(1,137,821)
Financing cash flows	融資現金流量	84,445	(19,902)	(288)	-	-	-	64,255
Finance costs recognised	已確認融資成本	41,124	20,181	5,425	41,491	40,494	1,566	150,281
Transfer to other payables and accruals	轉撥至其他應付款項及 應計款項	(39,289)	(6,362)	(1,524)	-	-	-	(47,175)
Effect of foreign currency exchange differences	外幣匯兌差額影響	-	1,261	2,040	-	-	-	3,301
At 31 December 2020	於二零二零年十二月三十一日	90,023	154,560	35,416	-	866,016	48,463	1,194,478

46. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2020, the Company completed the Restructuring Transaction, by which the Company allotted and issued, in aggregate, 2,115,114,938 New Shares at the issue price of HK\$0.38 per share and the Convertible Bonds in the aggregate principal amount of HK\$1,244,876,198 to the Creditors to discharge and release the debts owing by the Company to the creditors in full.

46. 主要非現金交易

於截至二零二零年十二月三十一日止年度，本公司完成重組交易，按發行價每股0.38港元向債權人配發及發行合共2,115,114,938股新股份及本金總額為1,244,876,198港元的可換股債券，藉以全數清償及解除本公司結欠債權人的債務。

47. DIVIDEND

No dividend has been proposed or declared by the Directors for the year ended 31 December 2020 (2019: Nil).

47. 股息

截至二零二零年十二月三十一日止年度，董事概無建議或宣派股息（二零一九年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

48. EVENT AFTER THE REPORTING PERIOD

- i) On 29 January 2021, the Company entered into a sale and purchase agreement (the “Agreement”) with Advanced Oasis International Holding Limited (the “Seller”) and Chu Hin Ming, Alfonso (the “Guarantor”), pursuant to which the Company has conditionally agreed to acquire from the Seller the entire issued share capital of Majestic Bravo Limited (the “Target Company”, together with its subsidiaries, the “Target Group”) at the consideration of HK\$90,000,000 (the “Consideration”) (the “Acquisition”), which shall be settled by the allotment and issue of 900,000,000 shares of the Company (the “Consideration Shares”) by the Company to the Seller upon completion of the Acquisition (“Completion”).

Upon completion of the proposed restructuring to be taken by the Target Company prior to Completion (the “Restructuring”), the Target Company will through its subsidiaries hold 100% ownership of the 26 units service apartment of Golden Straits Morib, situated at Kawasan Kanchong Laut Mukim Morib Banting State of Selangor, Malaysia (the “Target Apartments”).

- ii) On 17 April 2021, the Company entered into the Subscription Agreement with the Investor, pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the 2021 Convertible Bonds on the terms and subject to conditions set out therein.

Upon full conversion of the 2021 Convertible Bonds at the conversion price of HK\$0.10 per conversion share (the “2021 Conversion Share”) (subject to adjustments), a total of 250,000,000 2021 Conversion Shares will be issued. The 2021 Conversion Shares will be allotted and issued pursuant to the general mandate.

49. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2020 were approved for issue by the Board of Directors on 22 October 2021.

48. 報告期間後事項

- i) 於二零二一年一月二十九日，本公司與環海國際控股有限公司（「賣方」）及朱顯明（「擔保人」）訂立買賣協議（「協議」），據此，本公司有條件同意向賣方收購Majestic Bravo Limited（「目標公司」，連同其附屬公司統稱「目標集團」）之全部已發行股本（「收購事項」），代價為90,000,000港元（「代價」），將於收購事項完成（「完成」）後由本公司向賣方配發及發行900,000,000股本公司股份（「代價股份」）支付。

待目標公司於完成前將進行的建議重組（「重組」）完成後，目標公司將透過其附屬公司持有Golden Straits Morib的26個單位服務式公寓（「目標公寓」）的100%所有權，目標公寓位於Kawasan Kanchong Laut Mukim Morib Banting State of Selangor, Malaysia。

- ii) 於二零二一年四月十七日，本公司與投資者訂立認購協議，據此，投資者有條件同意認購，而本公司有條件同意發行二零二一年可換股債券，惟須根據當中所載條款並受其條件所規限。

待二零二一年可換股債券按每股換股股份（「二零二一年換股股份」）0.10港元（可予調整）的換股價悉數轉換後，將發行合共250,000,000股二零二一年換股股份。二零二一年換股股份將根據一般授權予以配發及發行。

49. 批准財務報表

截至二零二零年十二月三十一日止年度的綜合財務報表已於二零二一年十月二十二日獲董事會批准發佈。

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

50. STATEMENT OF FINANCIAL
POSITION AND RESERVES OF
THE COMPANY

50. 本公司的財務狀況報表及儲
備

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	15	1
Right-of-use assets	使用權資產	3,213	-
Investments in subsidiaries	附屬公司之投資	-	882
		<u>3,228</u>	<u>883</u>
Current assets	流動資產		
Prepayments, deposit and other receivables	預付款項、按金及其他應收款項	50,989	16,988
Amounts due from subsidiaries	應收附屬公司款項	-	1,611,484
Cash and bank balances	現金及銀行結餘	7,354	255
		<u>58,343</u>	<u>1,628,727</u>
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	105	101,610
Amounts due to subsidiaries	應付附屬公司款項	3,565	19,399
Loans from shareholders	股東貸款	-	583,879
Borrowings	借款	30,000	149,700
Bonds	債券	-	769,105
Promissory note	承兌票據	14,570	115,197
Lease liabilities	租賃負債	1,370	-
		<u>49,610</u>	<u>1,738,890</u>
Net current assets/(liabilities)	流動資產 / (負債) 淨值	<u>8,733</u>	<u>(110,163)</u>
Total assets less current liabilities	資產總額減流動負債	<u>11,961</u>	<u>(109,280)</u>
Non-current liabilities	非流動負債		
Other payables and accruals	其他應付款項及應計費用	60,382	-
Lease liabilities	租賃負債	1,952	-
Loans from shareholders	股東貸款	69,722	-
Borrowings	借款	87,036	-
Bonds	債券	-	376,414
Promissory note	承兌票據	33,893	-
Convertible bonds	可換股債券	866,016	-
		<u>1,119,001</u>	<u>376,414</u>
Net liabilities	負債淨額	<u>(1,107,040)</u>	<u>(485,694)</u>
Capital and reserves	資本及儲備		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	742,387	494,817
Reserves	儲備	(1,849,427)	(980,511)
Total equity	權益總額	<u>(1,107,040)</u>	<u>(485,694)</u>

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

50. STATEMENT OF FINANCIAL
POSITION AND RESERVES OF
THE COMPANY *(Continued)*

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 22 October 2021 and are signed on its behalf by:

Chow Kai Weng
周啟榮
Director
董事

50. 本公司的財務狀況報表及儲
備 (續)

本公司之財務狀況報表已由董事會於二零二一年十月二十二日批准及授權刊發，並由下列董事代表董事會簽署：

Cheng Wang Chun
鄭弘駿
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

50. 本公司的財務狀況報表及儲備 (續)

Movement in the Company's reserves

本公司的儲備變動

The Company		Share premium	Capital reserve	Convertible bonds equity reserve	Contributed surplus	Share options reserve	Accumulated losses	Total
本公司		股份溢價	資本儲備	可換股債券權益儲備	實繳盈餘	購股權儲備	累計虧損	總計
		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
Balance at 1 January 2019	於二零一九年一月一日的結餘	804,495	5,277	-	76,471	41,912	(1,166,917)	(238,762)
Share issued upon exercise of share options	行使購股權所發行的股份	583	-	-	-	(257)	-	326
Placing of shares	股份配售	61,914	-	-	-	-	-	61,914
Equity-settled share-based payment expenses	以權益結算之股份付款開支	-	-	-	-	21,695	-	21,695
Lapse of share options	購股權失效	-	-	-	-	(13,973)	13,973	-
Loss for the year	本年度虧損	-	-	-	-	-	(825,684)	(825,684)
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	866,992	5,277	-	76,471	49,377	(1,978,628)	(980,511)
Issue of convertible bonds arising from the completion of financial restructuring	因完成財務重組而發行可換股債券	-	-	3,933	-	-	-	3,933
Share issued to the creditor upon completion of placing of new shares	於配售新股份完成後向債權人發行的股份	183,184	-	-	-	-	-	183,184
Share issued by settlement of financial advising fee for the completion of financial restructuring	就結付完成財務重組之財務顧問費用而發行的股份	25,000	-	-	-	(21,695)	-	3,305
Equity-settled share-based payment expenses	以權益結算之股份付款開支	4,942	-	-	-	-	-	4,942
Lapse of share options	購股權失效	-	-	-	-	(3,016)	3,016	-
Loss for the year	本年度虧損	-	-	-	-	-	(1,064,280)	(1,064,280)
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	1,080,118	5,277	3,933	76,471	24,666	(3,039,892)	(1,849,427)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Movement in the Company's reserves *(Continued)*

The contributed surplus of the Company arose as a result of capital reorganisation and represents the entire amounts standing to the credit of the share premium account of the Company as at 30 June 2010 and the credits arising from capital reduction for eliminating or setting off the accumulated losses of the Company from time to time. Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay dividend, or make a distribution out of the contributed surplus, if there are reasonable grounds for believing that: (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The capital reserve of the Company arose as a result of the reorganisation and represents the excess of the combined net assets of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof.

50. 本公司的財務狀況報表及儲備 (續)

本公司的儲備變動 (續)

本公司的實繳盈餘乃因股本重組而產生，即本公司於二零一零年六月三十日的股份溢價賬的進賬全額及股本削減所產生進賬，用以消除或對銷本公司不時的累計虧損。根據百慕達一九八一年公司法，本公司的實繳盈餘賬可供分派。然而，倘有合理理據相信：(i)本公司不能或於自實繳盈餘中宣派或派付股息或作出分派後不能支付其到期負債；或(ii)本公司資產的可變現價值會因而少於其負債及其已發行股本與股份溢價賬的總和，則本公司不得自實繳盈餘中宣派或派付股息或作出分派。

本公司的資本儲備乃因重組而產生，即所收購附屬公司的合併資產淨值高出本公司作為代價而發行的股本面值的部分。

FINANCIAL SUMMARY

財務摘要

FINANCIAL RESULTS

財務業績

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)	2018 二零一八年 HK\$'000 千港元 (restated) (經重列)	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	39,183	182,092	153,837	221,372	57,827
Profit/(loss) before income tax	除稅前利潤／(虧損)	43,491	(605,242)	(415,558)	(193,533)	(327,092)
Income tax expense	所得稅開支	-	-	-	-	-
Profit/(loss) for the year	年內利潤／(虧損)	43,491	(605,242)	(415,558)	(193,533)	(327,092)
Attributable to:	以下應佔：					
Owners of the Company	本公司擁有人	44,662	(604,467)	(493,616)	(193,529)	(327,091)
Non-controlling interests	非控股權益	(1,171)	(775)	(2)	(4)	(1)
		43,491	(605,242)	(493,618)	(193,533)	(193,533)

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (restated) (經重列)	2018 二零一八年 HK\$'000 千港元 (restated) (經重列)	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Total assets	資產總額	1,108,355	1,533,392	1,723,879	2,617,586	2,377,447
Total liabilities	負債總額	(1,426,093)	(2,356,934)	(2,054,787)	(1,977,155)	(1,737,469)
		(317,738)	(823,542)	(330,908)	640,431	639,978
Equity attributable to the owners of the Company	本公司擁有人應佔權益	(315,288)	(822,999)	(331,140)	640,197	639,740
Non-controlling interests	非控股權益	(2,450)	(543)	232	234	238
		(317,738)	(823,542)	330,908	640,431	639,978



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

