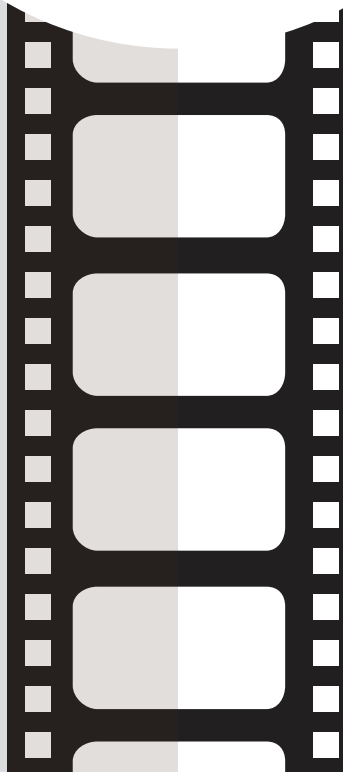
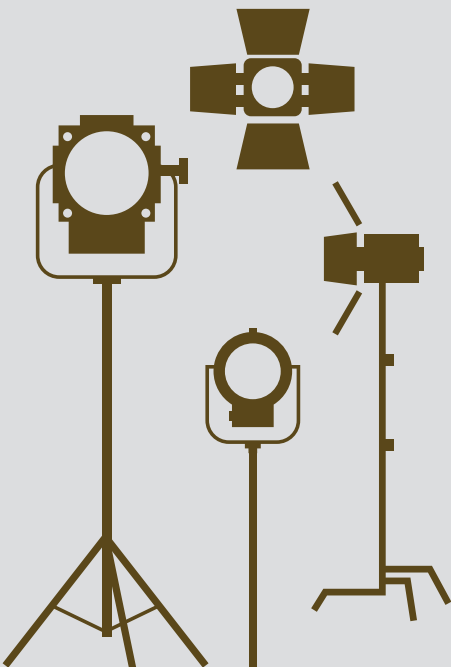




英皇文化產業集團有限公司
Emperor Culture Group Limited

Incorporated in Bermuda with limited liability (Stock Code: 491)
於百慕達註冊成立之有限公司 (股份代號: 491)

ANNUAL REPORT
2016/2017
年報



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CORPORATE INFORMATION AND KEY DATES

公司資料及重要日期

DIRECTORS

Executive Directors

Ms. Fan Man Seung, Vanessa (*Chairperson*)
Mr. Wong Chi Fai
Mr. Yeung Ching Loong, Alexander
Ms. Shirley Percy Hughes
Mr. Albert Lee

Independent Non-executive Directors

Mr. Ng Hoi Yue
Ms. Chan Sim Ling, Irene
Mr. Ho Tat Kuen

COMPANY SECRETARY

Ms. Liu Chui Ying

EXECUTIVE COMMITTEE

Ms. Fan Man Seung, Vanessa (*Chairperson*)
Mr. Wong Chi Fai
Mr. Yeung Ching Loong, Alexander
Ms. Shirley Percy Hughes
Mr. Albert Lee

AUDIT COMMITTEE

Mr. Ho Tat Kuen (*Chairman*)
Mr. Ng Hoi Yue
Ms. Chan Sim Ling, Irene

REMUNERATION COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)
Mr. Wong Chi Fai
Mr. Ho Tat Kuen

NOMINATION COMMITTEE

Ms. Fan Man Seung, Vanessa (*Chairperson*)
Mr. Ng Hoi Yue
Mr. Ho Tat Kuen

CORPORATE GOVERNANCE COMMITTEE

Ms. Fan Man Seung, Vanessa (*Chairperson*)
Ms. Chan Sim Ling, Irene
A representative from company secretarial function
A representative from finance and accounts function

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

INVESTOR RELATIONS CONTACT

Email: ir491@emperorgroup.com

WEBSITE

<http://www.empculture.com>

STOCK CODE

Hong Kong Stock Exchange: 491

董事

執行董事

范敏嫦女士 (主席)
黃志輝先生
楊政龍先生
許佩斯女士
利雅博先生

獨立非執行董事

伍海于先生
陳嬋玲女士
何達權先生

公司秘書

廖翠英女士

執行委員會

范敏嫦女士 (主席)
黃志輝先生
楊政龍先生
許佩斯女士
利雅博先生

審核委員會

何達權先生 (主席)
伍海于先生
陳嬋玲女士

薪酬委員會

伍海于先生 (主席)
黃志輝先生
何達權先生

提名委員會

范敏嫦女士 (主席)
伍海于先生
何達權先生

企業管治委員會

范敏嫦女士 (主席)
陳嬋玲女士
一名公司秘書職能代表
一名財務及會計職能代表

核數師

國衛會計師事務所有限公司
執業會計師

投資者關係查詢

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網址

<http://www.empculture.com>

股份代號

香港聯合交易所: 491

CORPORATE INFORMATION AND KEY DATES

公司資料及重要日期

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28th Floor
Emperor Group Centre
288 Hennessy Road
Wanchai
Hong Kong

總辦事處及主要營業地點

香港
灣仔
軒尼詩道288號
英皇集團中心
28樓

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 Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
China Construction Bank Corporation
The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司香港分行
中國建設銀行股份有限公司
香港上海滙豐銀行有限公司

KEY DATES

Annual Results Announcement	21 September 2017
Annual General Meeting	22 November 2017
– Record Date	16 November 2017

重要日期

年度業績公告	2017年9月21日
股東週年大會	2017年11月22日
— 記錄日期	2017年11月16日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Emperor Culture Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in entertainment, media and cultural development business, particularly in Greater China, which include (i) cinema development and operation; (ii) investment and production of films, TV programmes and other media related projects; (iii) investment in a variety of cultural events including music concerts, live shows and theatrical performances etc.; and (iv) investment in securities.

MARKET REVIEW

Over the past decade, film market in China has been growing rapidly. In 2016, the growth of box office in Mainland China moderated to 3.7% year-on-year, to RMB45.5 billion, reinforcing its position as the second-largest film market in the world. In the first half of 2017, the box office even reached RMB25.5 billion, increased by 3.8% as compared with the corresponding period last year. The China’s movie market is widely projected to overtake the United States and become the world’s largest film market in the near future.

Along with the growth of film market, the number of cinemas and screens in China increases rapidly in recent years. As of 31 December 2016, there were about 7,900 cinemas and 41,500 screens in Mainland China, growing by folds within 5 years and surpassing those of the United States. In 2016, a massive number of 8,400 screens was newly added in Mainland China, translating to the opening of 23 new screens per day. This underlines the growing popularity of cinemas and lays a solid foundation for the sustained growth of China’s film industry.

FINANCIAL REVIEW

Results

During the year ended 30 June 2017 (the “**Year**”), the Group’s continuing operations reported a revenue of HK\$44.9 million (2016: HK\$24.3 million), representing an increase of 85.3% when compared with last year. Loss for the Year from continuing operations amounted to HK\$69.1 million (2016: HK\$48.7 million). Such loss mainly resulted from the impairment loss of film rights and investments in film production of HK\$65.3 million during the Year.

Loss for the Year attributable to the owners of the Company amounted to HK\$62.3 million (2016: HK\$106.0 million after taking into account the results from discontinued operation) while the basic loss per share was HK\$0.03 (2016: HK\$0.05).

英皇文化產業集團有限公司(「**本公司**」)及其附屬公司(以下統稱「**本集團**」)主要從事娛樂、媒體及文化發展業務(尤其在大中華地區),其中包括(i)戲院發展及營運;(ii)投資及製作電影、電視節目及其他傳播相關項目;(iii)音樂會、現場演出及劇場表演等各類文化活動之投資;及(iv)證券投資。

市場回顧

過去十年間,中國電影市場呈快速增長。於2016年,中國內地票房按年增幅緩和至3.7%,達455億元人民幣,鞏固其作為全球第二大電影市場之地位。於2017年上半年,票房收入更達至255億元人民幣,與去年同期相比增加3.8%。中國電影市場有望在不久將來超越美國,成為全球最大電影市場。

隨著電影市場之增長,近年來中國的戲院及影院銀幕數字快速增加。於2016年12月31日,中國內地約有7,900間戲院及41,500個影院銀幕,在五年內實現數倍增長並超越美國。於2016年,中國內地大幅新增8,400個影院銀幕,即每日增加23個新影院銀幕。此突顯戲院日益普及,為中國電影行業的可持續發展奠定了良好基礎。

財務回顧

業績

截至2017年6月30日止年度(「**本年度**」),本集團持續經營業務錄得收入為44,900,000港元(2016年:24,300,000港元),較去年增長85.3%。本年度持續經營業務虧損為69,100,000港元(2016年:48,700,000港元)。該虧損主要因本年度電影版權及電影製作投資之減值虧損65,300,000港元所致。

本公司擁有人應佔本年度虧損為62,300,000港元(2016年:經計及來自已終止經營業務之業績後為106,000,000港元),每股基本虧損為0.03港元(2016年:0.05港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW (continued)

Capital structure and use of proceeds from equity fund raising

Upon completion of subscription of 1,000,000,000 shares of the Company by Giant Lead Profits Limited (“**Giant Lead**”) (now known as “Emperor Culture Group Holdings Limited”) at a subscription price of HK\$0.19 per share on 23 March 2017 (the “**Subscription**”), the Company’s issued share capital was increased from HK\$22.1 million to HK\$32.1 million while its share premium was increased from HK\$733.0 million to HK\$912.8 million. Details of the Subscription were set out in the announcements jointly made by Giant Lead and the Company dated 22 December 2016 and 23 March 2017, and the circular of the Company dated 3 March 2017.

Net proceeds raised from the Subscription amounted to HK\$189.8 million. During the Year, the Group used part of the net proceeds of HK\$7.4 million as intended for enhancement and expansion of cinema operation in certain locations of Greater China. At the end of the reporting period, the remaining proceeds of HK\$182.4 million was retained at bank.

Liquidity and financial resources

The Group funded its operations and capital expenditure by cash generated internally from its operations as well as the net proceeds from the Subscription. As at 30 June 2017, the Group’s cash and bank balances at the end of the reporting period amounted to HK\$452.6 million (2016: HK\$398.5 million) which are mainly denominated in Hong Kong dollars and Renminbi.

Total borrowings of the Group as at 30 June 2017 was HK\$60.9 million (2016: HK\$37.8 million) comprising the amounts due to non-controlling interests and related companies of HK\$44.9 million and HK\$16.0 million (2016: HK\$37.8 million and Nil) respectively, which are denominated in Hong Kong dollars and Renminbi, unsecured, interest-free and repayable on demand. The gearing ratio (expressed as a percentage of total borrowings over net asset value) was 6.7% (2016: 4.9%).

Exposure to fluctuation in exchange rates and related hedges

The Group’s cash and bank balances, income and expenditure are primarily denominated in Hong Kong dollars and Renminbi. The carrying amount of the Group’s Renminbi denominated monetary net assets was only less than 10% of its net assets at the end of the reporting period. Hence, the Group’s exposure to fluctuations in exchange rates is insignificant.

財務回顧 (續)

資本架構及股本資金籌集之所得款項用途

於2017年3月23日，Giant Lead Profits Limited (「**Giant Lead**」) (現稱「英皇文化產業集團控股有限公司」)完成按認購價每股0.19港元認購本公司1,000,000,000股股份(「**認購事項**」)後，本公司之已發行股本由22,100,000港元增加至32,100,000港元，而其股份溢價由733,000,000港元增加至912,800,000港元。認購事項之詳情載列於Giant Lead與本公司共同刊發之日期為2016年12月22日及2017年3月23日之公告以及本公司日期為2017年3月3日之通函。

來自認購事項籌集之所得款項淨額為189,800,000港元。於本年度，本集團按預期使用部分所得款項淨額7,400,000港元，以加強及拓展大中華地區若干地方之戲院營運。於報告期期末，所得款項餘額182,400,000港元存放於銀行內。

流動資金及財務資源

本集團通過其營運內部產生之現金以及認購事項之所得款項淨額為其業務提供資金。於2017年6月30日，本集團於報告期期末之現金及銀行結存為452,600,000港元(2016年：398,500,000港元)，主要以港元及人民幣結算。

本集團於2017年6月30日之借貸總額為60,900,000港元(2016年：37,800,000港元)，包括分別為44,900,000港元及16,000,000港元(2016年：37,800,000港元及無)之應付非控股權益款項及應付關連公司款項。該等款項以港元及人民幣結算、無抵押、免息及須按要求償還。資產負債比率(即總借貸除以資產淨值之比率)為6.7%(2016年：4.9%)。

匯率波動風險及有關對沖

本集團之現金及銀行結存、收入及支出主要以港元及人民幣結算。於報告期期末本集團以人民幣結算之貨幣資產之賬面值僅佔本集團資產淨值10%以下。因此，本集團因匯率波動產生的風險並不重大。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Cinema operation

During the Year, the Group recorded a revenue of HK\$31.8 million (2016: HK\$12.9 million) from cinema operation. It was contributed from a cinema located at Hefei in China which was opened in 2015. The cinema, with 13 screens, is equipped with advanced technologies including IMAX theater system, 4DX motion system, D-Box seats and Dolby Atmos audio system. The cinema also features a luxury VIP house and a VIP lounge where the audiences can enjoy premium and exclusive entertainment services.

Film and TV programme production and investment and others

During the Year, this segment generated a revenue of HK\$26.3 million (2016: HK\$14.5 million) to the Group which was mainly contributed by licensing of certain film rights and release of certain co-invested films during the Year.

As of 30 June 2017, the carrying amounts of the Group's film and TV programme rights and their production in progress were HK\$12.0 million and HK\$215.5 million (2016: HK\$50.5 million and HK\$108.2 million) respectively. The carrying amount of the investments in film production was HK\$1.7 million (2016: HK\$15.6 million). Due to worsen marketability of certain films, total impairment loss of film rights and investments in film production of HK\$65.3 million (2016: HK\$26.6 million) was recognised for the Year.

During the Year, the Group stepped into the production, distribution and licensing of animated TV episodes and theatrical films through the acquisition of certain subsidiaries. Details of such acquisition were set out in the section headed "Other Information – Acquisition of Subsidiaries" below.

Event investment and others

The "Event investment and others" segment derived a revenue of HK\$0.9 million for the Year, as compared with HK\$0.7 million for the last year. Revenue of this segment was contributed by a co-invested concert which was held in the second half of the Year. The Group continues to keep cautious in the selection of events to be invested.

業務回顧

戲院營運

於本年度，本集團戲院營運錄得收入31,800,000港元（2016年：12,900,000港元），乃來自位於中國合肥於2015年開業的一座戲院營運之貢獻。該戲院擁有13個影院銀幕，配備包括IMAX影院系統、4DX動感系統、D-Box動感座椅及杜比全景聲音響系統等的先進技術。該戲院亦特設豪華貴賓影院及貴賓廳，讓觀眾可享受專享優質娛樂服務。

電影及電視節目製作與投資及其他

於本年度，本集團來自此分類之收入為26,300,000港元（2016年：14,500,000港元），主要來自本年度內授出若干電影版權及上映若干共同投資電影。

於2017年6月30日，本集團之電影版權以及製作中之電影賬面值分別為12,000,000港元及215,500,000港元（2016年：50,500,000港元及108,200,000港元）。於電影製作之投資賬面值則為1,700,000港元（2016年：15,600,000港元）。由於若干電影之可銷售性未如理想，因此本年度就電影版權及於電影製作之投資確認之減值虧損合共為65,300,000港元（2016年：26,600,000港元）。

於本年度，本集團通過收購若干附屬公司，進軍動畫電視片集及戲院電影之製作、發行及授權。有關此收購事項之詳情，載列於下文「其他資料—收購附屬公司」一節。

表演項目投資及其他

於本年度，「表演項目投資及其他」分類產生之收入為900,000港元，去年則為700,000港元。此分類之收入來自於本年度下半年所舉行之聯合投資演唱會。本集團將繼續審慎選擇所投資之表演項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (continued)

Investment in securities

During the Year, the Group transacted certain investments in listed securities and bond and resulted in a net loss on disposal of HK\$14.1 million (2016: HK\$3.8 million). In addition, the Group recognised dividend income and bond interest income in total of HK\$6.2 million (2016: HK\$7.7 million). Based on the stock market price of such portfolio of investment in securities, the Group recorded a decrease in the fair value of HK\$7.1 million (2016: HK\$21.6 million) for securities investment for the Year. At the end of the reporting period, the Group continues to hold certain investments in listed securities with the carrying amount of HK\$52.4 million (2016: HK\$63.4 million).

FUTURE BUSINESS PROSPECTS AND PLANS

Accompanying the rapid economic development and improvement of people's living standard, China's film industry showed exponential development in the past decade. As pace of growth has turned mild recently, the Chinese film market is transforming into a phase of rational and sustainable development.

Along with the growth in China's film market, the Group continues to dedicate its efforts in expanding its film exhibition network. A pipeline of new cinemas is planned and under-construction in Hong Kong and famous cities in Mainland China including Beijing, Chongqing, Chengdu and Shenzhen. The board of directors of the Company (the "Board" or the "Directors") expects that these new cinemas will commence business in 2018 and they will not only bring in new income stream and stable return to the Group, but also develop a strong platform for film exhibition in Greater China.

The income from the film investment remains one of the major revenue streams for the Group. However, whether audiences find the film products attractive present certain challenges, thus the Group is cautious in the selection of stories and scripts for the film investment. Currently, the Group has certain film investment projects in pipeline which are expected to be released in the near future.

The Group aims to respond to forthcoming market opportunities with flexibility and decisiveness, and to expand according to a strategy that is both disciplined and forward thinking. The Group is cautious but optimistic about long-term sustainable growth of China's film and entertainment market and will put more efforts in extending its cinema coverage in first tier and second tier cities of Mainland China as well as Hong Kong.

業務回顧 (續)

證券投資

於本年度，本集團若干上市證券及債券的投資交易錄得出售虧損淨額14,100,000港元（2016年：3,800,000港元）。此外，本集團確認股息收入及債券利息收入合共6,200,000港元（2016年：7,700,000港元）。根據該等證券投資組合之股票市價，本年度內本集團錄得證券投資公允價值減少7,100,000港元（2016年：21,600,000港元）。於報告期期末，本集團繼續持有若干上市證券投資，賬面值為52,400,000港元（2016年：63,400,000港元）。

未來業務前景及計劃

隨著經濟迅速發展及人民生活水平提升，中國電影行業於過去十年間呈高速發展。鑑於近期增長轉趨溫和，中國電影市場正邁進理性及可持續發展的階段。

隨著中國電影市場擴大，本集團繼續致力於拓展其電影放映網絡。位於香港及中國內地著名城市（包括北京、重慶、成都及深圳）之新戲院正在按計劃籌備及興建中。本公司董事會（「董事會」或「董事」）預期，該等新戲院將於2018年開業，其不僅會為本集團帶來新的收入來源及穩定回報，亦將為本集團於大中華地區發展電影放映業務建立強大平台。

電影投資的收益仍是本集團收入的主要來源之一。然而，電影製作能吸引觀眾與否存在一定挑戰，因此，本集團審慎選擇電影投資的故事及劇本。目前，本集團正在籌劃若干電影投資項目，預期於不久之將來上映。

本集團致力靈活果斷地回應隨之而來的市場機遇，並按照嚴謹及具前瞻性的策略進行擴張。本集團對中國電影及娛樂市場的長遠可持續增長持審慎樂觀態度，並將致力延伸位於中國內地一線及二線城市以及香港之戲院網絡覆蓋。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OTHER INFORMATION

Acquisition of subsidiaries

Jade Dynasty Multi-Media Limited (“JDMM”)

On 21 July 2016, the Group completed the acquisition of approximately 78.64% of the issued share capital of JDMM from 2 vendors (who are independent third parties) and the shareholder's loan owed by JDMM to one of the vendors at a cash consideration of HK\$142.6 million. JDMM and its subsidiaries (collectively referred to as “**JDMM Group**”) are principally engaged in production, distribution and licensing of animated TV episodes and theatrical films in Hong Kong, Mainland China and overseas countries. Details of the acquisition were set out in the Company's announcements dated 4 May 2016 and 21 July 2016.

Disposals

(i) TVB Pay Vision Holdings Limited (“TVBP”)

On 9 November 2016, the Group entered into (i) a sale and purchase agreement in relation to disposal of 5% shareholding interest in TVBP and its subsidiaries (collectively referred to as “**TVBP Group**”) (which was accounted for as the associates of the Group) to an independent third party at a cash consideration of HK\$35.0 million; and (ii) a termination agreement of the shareholders' agreement dated 22 May 2012 pursuant to which the rights and obligations bound to the shareholders under the shareholders' agreement were terminated. The disposal was completed on 9 November 2016 and the Group recorded a gain on disposal of HK\$34.8 million. Details of the disposal were set out in the Company's announcement dated 21 November 2016.

Following completion of the disposal and the termination agreement became effective, the Group has no significant influence over TVBP Group and TVBP Group ceased to be associates of the Group thereafter.

其他資料

收購附屬公司

玉皇朝多媒體有限公司 (「玉皇朝多媒體」)

於2016年7月21日，本集團完成向兩名賣方（為獨立第三方）收購玉皇朝多媒體約78.64%已發行股本以及玉皇朝多媒體結欠其中一名賣方之股東貸款，現金代價為142,600,000港元。玉皇朝多媒體及其附屬公司（以下統稱「**玉皇朝多媒體集團**」）主要於香港、中國內地及海外國家從事動畫電視片集及戲院電影之製作、發行及授權。該收購事項之詳情已載列於本公司日期為2016年5月4日及2016年7月21日之公告。

出售事項

(i) 無綫收費電視控股有限公司 (「收費電視控股」)

於2016年11月9日，本集團訂立(i)買賣協議，內容有關向一名獨立第三方出售收費電視控股及其附屬公司（以下統稱「**收費電視控股集團**」）（按本集團聯營公司方式入賬）5%股權，現金代價為35,000,000港元；及(ii)終止協議以終止日期為2012年5月22日之股東協議，據此終止股東於股東協議項下之權利及義務。該出售事項於2016年11月9日完成，而本集團錄得出售收益34,800,000港元。該出售事項之詳情已載列於本公司日期為2016年11月21日之公告。

隨著完成該出售事項及終止協議生效後，本集團對收費電視控股集團再無重大影響，而收費電視控股集團自此不再為本集團之聯營公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OTHER INFORMATION (continued)

Disposals (continued)

(ii) Film rights

On 30 November 2016, the Group entered into 3 sale and purchase agreements (the “**Agreements**”) for the disposal of its ownership and licensing/distribution rights of certain films to an independent third party at a total cash consideration of HK\$56.0 million. Details of the disposals were set out in the Company’s announcement dated 30 November 2016. Subsequently, on 15 June 2017, the Group entered into 3 supplemental agreements with the purchaser to amend certain terms under the respective Agreements and the total consideration was then revised to HK\$47.6 million. Details of these amendments were set out in the Company’s announcements dated 15 June 2017.

At the end of the reporting period, the carrying amounts of the respective film rights had been adjusted to their net realisable values which resulted in an impairment loss of HK\$2.5 million for the Year. Shortly after the end of the reporting period, the disposals were completed on 3 July 2017.

Mandatory conditional cash offer

Upon completion of the Subscription, Giant Lead and its associate were interested in approximately 34.14% of the issued shares of the Company. Pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the “**Takeovers Code**”), Giant Lead had made a mandatory conditional general offer in cash (the “**Offer**”) for all the issued shares of the Company other than those already owned and acquired by Giant Lead and its associate (the “**Offer Shares**”). The offer price for each Offer Share was HK\$0.215 in cash. The Offer was conditional on the number of the shares of the Company in respect of acceptances of the Offer being received on the closing date of the Offer, together with the shares already owned by Giant Lead and its associate, resulting in Giant Lead and its associate holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code. As the aforesaid condition had not been satisfied, the Offer had not become unconditional and lapsed on 20 April 2017.

其他資料 (續)

出售事項 (續)

(ii) 電影版權

於2016年11月30日，本集團訂立三項買賣協議（「**該等協議**」），以出售若干電影的擁有權及特許／發行權予一名獨立第三方，現金代價總計56,000,000港元。該等出售事項之詳情已載列於本公司日期為2016年11月30日之公告。隨後，於2017年6月15日，本集團與該名買方訂立三份補充協議以修訂各該等協議項下之若干條款，並據此修訂總代價至47,600,000港元。該等修訂之詳情已載列於本公司日期為2017年6月15日之公告。

於報告期期末，各個電影版權之賬面金額已調整至其可變現淨值，以致於本年度就此確認減值虧損2,500,000港元。緊隨報告期期末之後，出售事項已於2017年7月3日完成。

強制性有條件現金要約

於認購事項完成後，Giant Lead及其聯繫人士擁有本公司約34.14%已發行股份之權益。根據香港證券及期貨事務委員會頒佈之收購及合併守則（「**收購守則**」）規則26.1，Giant Lead已作出強制性有條件全面現金要約（「**要約**」），以收購全部已發行股份（Giant Lead及其聯繫人士已擁有或同意收購者除外）（「**要約股份**」）。每股要約股份之要約價為現金0.215港元。根據收購守則，要約須待於要約結束日期收到接受相關要約之股份數目連同Giant Lead及其聯繫人士已擁有之股份數目合共超過本公司之50%投票權時，方可作實。由於上述條件沒有達成，要約於2017年4月20日並未成為無條件及已失效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OTHER INFORMATION (continued)

Mandatory conditional cash offer (continued)

After the dispatch of the composite document and the close of the Offer, there were changes to the executive Board on 31 March 2017 and 20 April 2017. To better reflect the future business plans and development of the Group, the Company's name was subsequently changed from See Corporation Limited to Emperor Culture Group Limited.

Details of the Offer were set out in the announcements of the Company dated 22 December 2016 and 20 April 2017, and the composite document dated 30 March 2017 jointly issued by Giant Lead and the Company.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2017, the Group has 95 (2016: 43) employees. Total staff costs including the Directors' remuneration for the Year were HK\$11.9 million (2016: HK\$56.3 million from continuing and discontinued operations). If excluding the staff costs of discontinued operation, the total staff costs in 2016 would be HK\$8.5 million. Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits.

To provide incentive or rewards to staff, the Company has adopted a share option scheme, particulars of which are set out in the section headed "Share Options" from pages 165 and 166 of this annual report.

其他資料 (續)

強制性有條件現金要約 (續)

寄發綜合文件及要約終止後，執行董事會於2017年3月31日及2017年4月20日有所變動。為更妥善反映本集團未來經營計劃及發展，本公司名稱隨後由漢傳媒集團有限公司更改為英皇文化產業集團有限公司。

要約之詳情已載列於本公司日期為2016年12月22日及2017年4月20日之公告，以及Giant Lead與本公司聯合刊發日期為2017年3月30日之綜合文件。

僱員及薪酬政策

於2017年6月30日，本集團有95名（2016年：43名）僱員。本年度之員工成本總額（包括董事薪酬）為11,900,000港元（2016年：持續及已終止經營業務之員工成本總額56,300,000港元）。倘不計及已終止經營業務之員工成本，2016年的員工成本總額則為8,500,000港元。僱員薪酬乃根據個人職責、能力及技術、經驗及表現以及市場薪酬水平釐定。員工福利包括醫療及人壽保險、公積金及其他具競爭性福利待遇。

為鼓勵或嘉獎員工，本公司已採納一項購股權計劃，詳情載於本年報第165及166頁「購股權」一節。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層之履歷

EXECUTIVE DIRECTOR (CHAIRPERSON)

Ms. Fan Man Seung, Vanessa, aged 54, the Chairperson and Executive Director of the Company. Ms. Fan joined the Company in March 2017. She has been responsible for the Group's strategic planning, business growth and development as well as overseeing different functions within the Group. Ms. Fan is also the Chairperson of the Executive Committee, the Nomination Committee and the Corporate Governance Committee as well as a director of certain subsidiaries of the Company. Ms. Fan is currently a director of three listed companies in Hong Kong, namely Emperor International Holdings Limited (Stock Code: 163) ("**Emperor International**"), Emperor Entertainment Hotel Limited (Stock Code: 296) ("**Emperor E Hotel**") and Emperor Watch & Jewellery Limited (Stock Code: 887) ("**Emperor W&J**"), all being associated companies of the Company. She was previously a director of New Media Group Holdings Limited (now known as "Evergrande Health Industry Group Limited") (Stock Code: 708) ("**New Media Group**") until 27 March 2015. Having over 28 years of corporate management experience, Ms. Fan possesses diversified experience in different businesses ranging from entertainment production and investment, cinema development and operation to property investment and development, hotel and hospitality, financial and securities services, retailing of watch, jewellery and furniture, artiste management as well as media and publication. She is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master's Degree in Business Administration.

EXECUTIVE DIRECTORS

Mr. Wong Chi Fai, aged 61, the Executive Director of the Company. Mr. Wong joined the Company in March 2017. He has been responsible for the Group's strategic planning, business growth and development as well as overseeing the financial management of the Group. Mr. Wong is also a member of the Executive Committee and the Remuneration Committee as well as a director of certain subsidiaries of the Company. Mr. Wong is currently a director of three listed companies in Hong Kong, namely Emperor International, Emperor E Hotel and Emperor W&J. He was previously a director of New Media Group until 27 March 2015. Having over 30 years of finance and management experience, Mr. Wong possesses diversified experience in different businesses ranging from entertainment production and investment, cinema development and operation to manufacturing, property investment and development, hotel and hospitality, financial and securities services, retailing of watch and jewellery and furniture, artiste management as well as media and publication. Mr. Wong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

執行董事 (主席)

范敏嫦女士，現年54歲，為本公司之主席兼執行董事。范女士於2017年3月加盟本公司。彼負責本集團之策略規劃、業務增長及發展，以及監察本集團內之不同功能。范女士亦為本公司執行委員會、提名委員會及企業管治委員會主席以及本公司若干附屬公司之董事。范女士現為三間香港上市公司之董事，分別為英皇集團（國際）有限公司（股份代號：163）（「英皇國際」）、英皇娛樂酒店有限公司（股份代號：296）（「英皇娛樂酒店」）及英皇鐘錶珠寶有限公司（股份代號：887）（「英皇鐘錶珠寶」），該等公司為本公司之相聯公司。彼亦曾為新傳媒集團控股有限公司（現稱「恒大健康產業集團有限公司」）（股份代號：708）（「新傳媒集團」）之董事，直至2015年3月27日。范女士擁有逾28年之企業管理經驗，於多項業務包括娛樂製作及投資、戲院發展及營運、物業投資及發展、酒店營運、金融證券、鐘錶珠寶及傢俬零售、藝人管理以及傳媒與出版業務等範疇具有廣泛經驗。彼具備香港專業律師資格及為合資格會計師，並持有工商管理碩士學位。

執行董事

黃志輝先生，現年61歲，為本公司之執行董事。黃先生於2017年3月加盟本公司。彼負責本集團之策略規劃、業務增長及發展，以及監察本集團之財務管理。黃先生亦為本公司執行委員會及薪酬委員會成員以及本公司若干附屬公司之董事。黃先生現為三間香港上市公司之董事，分別為英皇國際、英皇娛樂酒店及英皇鐘錶珠寶。彼亦曾為新傳媒集團之董事，直至2015年3月27日。黃先生擁有逾30年之財務及管理經驗，於多項業務包括娛樂製作及投資、戲院發展及營運、製造業、物業投資及發展、酒店營運、金融證券、鐘錶珠寶及傢俬零售、藝人管理以及傳媒與出版業務等範疇具有廣泛經驗。黃先生為香港會計師公會會計師及特許公認會計師公會資深會員。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

EXECUTIVE DIRECTORS (continued)

Mr. Yeung Ching Loong, Alexander, aged 31, the Executive Director of the Company. Mr. Yeung joined the Company in March 2017. He is a member of the Executive Committee of the Company. Mr. Yeung has more than 7 years of diversified experience in different businesses ranging from entertainment production and investment, cinema development and operation to property investment and development, hotel and hospitality, financial and securities services, retailing of watch & jewellery, artiste management as well as media and publication. Mr. Yeung graduated from Suffolk University in Boston, the USA, with a Bachelor of Science Degree.

Ms. Shirley Percy Hughes, aged 54, the Executive Director of the Company. Ms. Hughes joined the Company in March 2017. She is also a member of the Executive Committee of the Company. She is currently engaged in the management of entertainment businesses involving production and distribution of music, TV programmes and motion pictures as well as event performance and artiste management. Ms. Hughes has over 30 years' of experience in media and publishing business. She was previously an executive director of New Media Group until 27 March 2015. Prior to that, she worked for Hong Kong Commercial Broadcasting Company Limited as Program Presenter and Producer as well as for Hong Kong Cable Television Limited as Channel Manager of Entertainment Channel and Controller for Program Development and Production for more than 10 years.

Mr. Albert Lee, aged 64, the Executive Director of the Company. Mr. Lee joined the Company in March 2017. He is also a member of the Executive Committee as well as a director of certain subsidiaries of the Company. Mr. Lee is one of Hong Kong's most experienced and versatile film industry executives for more than three decades, having held senior management position in the production, distribution and exhibition sectors. He is a member of the China Film Association, the Asia Pacific Screen Academy, and the Academy of Motion Picture Arts and Sciences. Currently, Mr. Lee also sits on the board of the Los Angeles-based Independent Film and Television Alliance and is a member of Hong Kong Film Development Council. Born and raised in Hong Kong, Mr. Lee holds an honours degree in Economics from the University of Wales Institute of Science and Technology.

執行董事 (續)

楊政龍先生，現年31歲，為本公司之執行董事。楊先生於2017年3月加盟本公司。彼為本公司執行委員會成員。楊先生於多項業務，包括娛樂製作及投資、戲院發展及營運、物業投資及發展、酒店營運、金融證券、鐘錶珠寶零售、藝人管理以及傳媒與出版業務等範疇擁有逾7年之廣泛經驗。楊先生畢業於美國波士頓沙福克大學(Suffolk University)，獲科學學士學位。

許佩斯女士，現年54歲，為本公司之執行董事，許女士於2017年3月加盟本公司。彼為本公司執行委員會成員。彼現從事娛樂業務（涵蓋音樂、電視節目及電影的製作及發行，以及表演項目及藝人管理）之管理工作，於傳媒及出版業累積逾30年之經驗。許女士曾擔任新傳媒集團之執行董事，直至2015年3月27日。此前，彼於香港商業廣播有限公司任職節目主持兼導播，以及於香港有線電視有限公司任職娛樂台台長和節目發展及製作總監合共超過10年。

利雅博先生，現年64歲，為本公司之執行董事。利先生於2017年3月加盟本公司。彼為本公司執行委員會成員以及本公司若干附屬公司之董事。利先生持有英國威爾斯大學經濟學榮譽學位，乃香港土生土長之資深電影界行政人員，擁有逾30年之豐富經驗，於電影製作、發行及影院營運領域擔任高級管理層職務。利先生現為總部設在洛杉磯的獨立影視聯盟董事會成員，香港電影發展局委員，及中國電影家協會、亞太電影學院、美國影藝學院之會員。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Hoi Yue, aged 53, has been an Independent Non-executive Director of the Company since May 2002. Mr. Ng is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Nomination Committee of the Company. Mr. Ng is currently an executive director and the Deputy Chief Executive Officer of Asian Citrus Holdings Limited (Stock Code: 73) and an independent non-executive director of Imperial Pacific International Holdings Limited (Stock Code: 1076), both are Hong Kong listed companies. He has been practising as a Certified Public Accountant in Hong Kong since 1989. Mr. Ng is a fellow member of The Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in England.

Ms. Chan Sim Ling, Irene, aged 54, has been an Independent Non-executive Director of the Company since July 2014. Ms. Chan is a member of the Audit Committee and the Corporate Governance Committee of the Company. She is a retired solicitor with over 19 years' of experience as independent non-executive director of listed companies. Currently, she is also an independent non-executive director of two Hong Kong listed companies, Chinlink International Holdings Limited (Stock Code: 997) and Emperor W&J. She was previously an independent non-executive director of New Media Group until 27 March 2015. Ms. Chan graduated from The University of Hong Kong with Bachelor's Degree in Laws.

Mr. Ho Tat Kuen, aged 43, has been an Independent Non-executive Director of the Company since November 2016. Mr. Ho is the Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nomination Committee of the Company. He has been practising as a Certified Public Accountant in Hong Kong since 2009. He has over 20 years of experience in the accounting profession. Mr. Ho is a member of the Hong Kong Institute of Certified Public Accountants and The Taxation Institute of Hong Kong, and is a Certified Tax Adviser in Hong Kong.

獨立非執行董事

伍海于先生，現年53歲，自2002年5月出任本公司獨立非執行董事。伍先生為本公司薪酬委員會主席及審核委員會和提名委員會成員。伍先生現為亞洲果業控股有限公司（股份代號：73）之執行董事兼副行政總裁，並為博華太平洋國際控股有限公司（股份代號：1076）之獨立非執行董事，該兩間公司均為香港上市公司。彼自1989年起在香港從事執業會計師工作。伍先生為英格蘭及威爾斯特許會計師公會、香港會計師公會及英國特許公認會計師公會資深會員。

陳嬋玲女士，現年54歲，自2014年7月出任本公司獨立非執行董事。陳女士為本公司審核委員會及企業管治委員會成員。彼為退休律師，且具有作為多家上市公司獨立非執行董事職務超逾19年之經驗。彼現為兩間香港上市公司，普匯中金國際控股有限公司（股份代號：997）及英皇鐘錶珠寶之獨立非執行董事。彼曾為新傳媒集團之獨立非執行董事，直至2015年3月27日。陳女士畢業於香港大學，持有法律學士學位。

何達權先生，現年43歲，自2016年11月出任本公司獨立非執行董事。何先生為本公司審核委員會主席兼薪酬委員會及提名委員會成員。彼自2009年起為香港執業會計師，擁有超逾20年的會計專業經驗。何先生為香港會計師公會及香港稅務學會成員，並為一名香港執業稅務顧問。

REPORT OF THE DIRECTORS

董事會報告

The Directors hereby present this annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in entertainment, media and cultural development business, particularly in the Greater China, which include (i) cinema development and operation; (ii) investment and production of films, TV programmes and other media related projects; (iii) investment in a variety of cultural events including music concerts, live shows and theatrical performances etc.; and (iv) investment in securities. Details of the principal activities and other particulars of the Company's principal subsidiaries are set out in note 45 to the consolidated financial statements.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group's business, a discussion and analysis of the Group's performance during the Year and an analysis of the likely future development of the Group's business are set out in the Management Discussion and Analysis from pages 4 to 10 of this annual report. Description of the principal risks and uncertainties facing the Group are set out in the Corporate Governance Report from pages 40 and 41 of this annual report and notes 5(b) and 6 to the consolidated financial statements respectively.

Save as disclosed in note 46 to the consolidated financial statements, there is no important event affecting the Company that had occurred since the end of the Year up to the date of this report.

In addition, discussion on the Group's environmental policy and performance, key relationships with the Group's key stakeholders as well as compliance with the relevant laws and regulations which have significant impact on the Company are set out in the Environmental, Social and Governance Report from pages 48 to 53 of this annual report.

SEGMENT INFORMATION

An analysis of the Group's performance for the Year by business and geographical segments is set out in note 8 to the consolidated financial statements.

董事謹此提呈本年報及本集團於本年度之經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團主要從事娛樂、媒體及文化發展業務，特別是在大中華地區，包括(i)戲院發展及營運；(ii)電影、電視節目及其他媒體相關項目投資及製作；(iii)音樂會、現場演出及劇場表演等各類文化活動之投資；及(iv)證券投資。本公司之主要附屬公司之主要業務詳情及其他資料載於綜合財務報表附註45。

業務回顧及表現

於本年度內本集團業務之中肯回顧、本集團表現之討論與分析及本集團業務相當可能有的未來發展的分析乃載於本年報第4至10頁之管理層討論與分析。有關本集團面對之主要風險及不明朗因素之描述乃分別載於本年報第40及41頁之企業管治報告及綜合財務報表附註5(b)及6。

除綜合財務報表附註46所披露者外，自本年度末直至本報告日期，概無發生影響本公司之重大事件。

此外，有關本集團環保政策及表現、與本集團主要持份者之重要關係及遵守對本公司有重大影響之相關法律及規例之討論載於本年報第48至53頁之環境、社會及管治報告。

分類資料

本集團本年度按業務及地區分類之業績分析載於綜合財務報表附註8。

REPORT OF THE DIRECTORS

董事會報告

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 65 and 66.

The Board does not recommend the payment of any dividend for the Year (2016: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 184 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

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

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on pages 69 and 70.

DISTRIBUTABLE RESERVE OF THE COMPANY

As at 30 June 2017, the Company has no reserve available for distribution to the shareholders of the Company (the "Shareholders") (2016: HK\$20,980,000, representing the balance of contributed surplus less accumulated losses).

EQUITY-LINKED AGREEMENTS

Other than the share option scheme adopted by the Company on 8 November 2011 ("Share Option Scheme") and the subscription agreement dated 19 December 2016 as disclosed in note 38 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

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.

業績及股息

本集團於本年度之業績載於第65及66頁之綜合損益及其他全面收益表。

董事會不建議派發本年度任何股息(2016年：無)。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第184頁。

物業、廠房及設備

本集團之物業、廠房及設備之變動詳情載於綜合財務報表附註18。

股本

本公司之股本於本年度內之變動詳情載於綜合財務報表附註38。

儲備

本集團之儲備於本年度內之變動詳情載於第69及70頁之綜合權益變動表。

本公司可供分派儲備

於2017年6月30日，本公司並無可供分派予本公司股東(「股東」)之儲備(2016年：20,980,000港元，為繳納盈餘減累計虧損之結餘)。

股票掛鈎協議

除於綜合財務報表附註38所披露之本公司於2011年11月8日採納之購股權計劃(「購股權計劃」)及日期為2016年12月19日之認購協議外，於本年度內或於本年度末，本公司並無訂立股票掛鈎協議。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於本年度內概無購買、出售或贖回本公司任何上市證券。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, 96.1% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 88.5% of the Group's purchases. On the other hand, 57.9% of the Group's revenue was attributable to the Group's five largest customers with the largest customer accounting for 46.1% of the Group's revenue.

As at 30 June 2017, to the knowledge of the Directors, none of the Directors (other than Mr. Yeung Ching Loong, Alexander who is one of the eligible beneficiaries under The Albert Yeung Discretionary Trust (the "AY Trust")), their close associates or any Shareholders (other than Emperor Entertainment & Motion Picture Holdings Limited and its holding company, Albert Yeung Holdings Limited ("AY Holdings") as owned by the AY Trust) owning more than 5% of the Company's issued share capital had beneficial interests in the share capital of any of the above major customers or suppliers of the Group.

DIRECTORS OF THE COMPANY

The Directors during the Year and up to the date of this report were:

Executive Directors

Ms. Fan Man Seung, Vanessa (Chairperson)
(appointed on 31 March 2017)

Mr. Wong Chi Fai (appointed on 31 March 2017)

Mr. Yeung Ching Loong, Alexander
(appointed on 31 March 2017)

Ms. Shirley Percy Hughes (appointed on 31 March 2017)

Mr. Albert Lee (appointed on 31 March 2017)

Mr. Direk Lim (resigned on 20 April 2017)

Dr. Fan Rongzhang (resigned on 20 April 2017)

優先購買權

本公司之章程細則或百慕達法例均無關於本公司須向現有股東按比例提呈發售本公司新股份(「股份」)之優先購買權之規定。

主要客戶及供應商

於本年度，本集團首五大供應商應佔之採購額佔本集團採購總額96.1%，而最大供應商則佔本集團採購總額88.5%。另一方面，本集團首五大客戶應佔之收入佔本集團總收入57.9%，而最大客戶則佔本集團總收入46.1%。

於2017年6月30日，據董事所知，各董事(楊政龍先生除外，彼為The Albert Yeung Discretionary Trust(「AY Trust」)之合資格受益人之一)、彼等之緊密聯繫人或擁有本公司已發行股本5%以上之任何股東(英皇娛樂電影集團控股有限公司及其控股公司楊受成產業控股有限公司(「楊受成產業控股」)(由AY Trust擁有)除外)，概無實益擁有上述本集團任何主要客戶或供應商股本中之任何權益。

本公司董事

於本年度內及截至本報告刊發日期，董事名單如下：

執行董事

范敏嫦女士(主席)

(於2017年3月31日獲委任)

黃志輝先生(於2017年3月31日獲委任)

楊政龍先生(於2017年3月31日獲委任)

許佩斯女士(於2017年3月31日獲委任)

利雅博先生(於2017年3月31日獲委任)

Direk Lim先生(於2017年4月20日辭任)

范榮彰博士(於2017年4月20日辭任)

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS OF THE COMPANY (continued)

Independent Non-executive Directors

Mr. Ng Hoi Yue

Ms. Chan Sim Ling, Irene

Mr. Ho Tat Kuen (elected on 23 November 2016)

Mr. Li Fui Lung, Danny (retired on 23 November 2016)

Biographical details of the current Directors and senior management as at the date of this report are set out from pages 11 to 13 of this annual report. Details of the Directors' remuneration are set out in note 17 to the consolidated financial statements.

In accordance with the Bye-law 86(2) of the Company's Bye-Laws, Ms. Fan Man Seung, Vanessa ("**Ms. Vanessa Fan**"), Mr. Wong Chi Fai, Mr. Yeung Ching Loong, Alexander, Mr. Albert Lee and Ms. Shirley Percy Hughes, who were appointed as additional Directors to the Board during the Year, shall retire at the forthcoming annual general meeting ("**2017 AGM**"). In accordance with the Bye-law 86(2), 87(1) and 87(2) of the Company's Bye-Laws, Mr. Ng Hoi Yue and Ms. Chan Sim Ling, Irene shall retire by rotation at the 2017 AGM. Being eligible, all the retiring Directors (except Mr. Albert Lee) will offer themselves for re-election.

None of the Directors offering themselves for re-election at the 2017 AGM has an expired 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).

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's business were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISIONS

During the Year and up to the date of this report, the Company has in force the permitted indemnity provisions which are provided for in the Company's Bye-laws and in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against the Directors and the directors of the Group respectively.

本公司董事 (續)

獨立非執行董事

伍海于先生

陳嬋玲女士

何達權先生 (於2016年11月23日獲選)

李魁隆先生 (於2016年11月23日退任)

於本報告日期現任董事及高級管理人員之履歷詳情載於本年報第11至13頁。董事薪酬詳情載於綜合財務報表附註17。

根據本公司章程細則第86(2)條，於本年度獲委任為董事會額外董事之范敏嫦女士（「**范女士**」）、黃志輝先生、楊政龍先生、利雅博先生及許佩斯女士將於應屆股東週年大會（「**2017年股東週年大會**」）上退任。根據本公司章程細則第86(2)、87(1)及87(2)條，伍海于先生及陳嬋玲女士將於2017年股東週年大會上輪值退任。所有退任董事均符合資格膺選連任，除利雅博先生外，其餘退任董事均願意膺選連任。

本公司或其任何附屬公司並無與任何擬於2017年股東週年大會膺選連任之董事訂有本集團不可於一年內免付賠償（法定賠償除外）而予以終止之未屆滿服務合約。

管理合約

本集團於本年度內並無訂立或存在有關管理及經營本集團所有或任何重大部分業務之合約（僱傭合約除外）。

獲准許的彌償條文

於本年度內及截至本報告刊發日期，就董事及本集團董事分別可能面對的法律訴訟而產生的潛在責任及費用，本公司備有獲准許的彌償條文，該等條文均載於本公司之章程細則以及本集團投購之董事及高級管理人員責任險內。

REPORT OF THE DIRECTORS

董事會報告

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

At 30 June 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules were as follows:

Long position interests in the ordinary Shares of HK\$0.01 each in the Company

Name of Director 董事姓名	Capacity/ Nature of interests 身份／權益性質	Number of issued Shares held 所持已發行股份數目	Approximate% holding 概約持股百分比
Mr. Yeung Ching Loong, Alexander 楊政龍先生	Eligible beneficiary of the AY Trust AY Trust之合資格受益人	1,000,000,000	31.12%

Note: These Shares were held by Giant Lead Profits Limited (now known as “Emperor Culture Group Holdings Limited”), a wholly-owned subsidiary of Emperor Entertainment & Motion Picture Holdings Limited which in turn is indirectly held by AY Holdings. AY Holdings is held by STC International Limited (“STC International”) in trust for the AY Trust, a discretionary trust under which Mr. Yeung Ching Loong, Alexander is one of the eligible beneficiaries.

Save as disclosed above, as at 30 June 2017, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION

The Company has in place the Share Option Scheme under which the Directors may, at their discretion, grant options to employees, including any Director of the Company or its subsidiaries to subscribe for Shares, subject to the terms and conditions stipulated therein. No option was granted under the Share Option Scheme since its adoption and up to 30 June 2017.

董事及主要行政人員於股份、相關股份及債權證之權益及淡倉

於2017年6月30日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有已載於本公司根據證券及期貨條例第352條指定存置之登記冊內之權益及淡倉，或根據上市規則上市發行人董事進行證券交易之標準守則須另行知會本公司及聯交所之權益及淡倉如下：

於本公司每股面值0.01港元普通股之好倉

附註：該等股份由英皇娛樂電影集團控股有限公司之全資附屬公司Giant Lead Profits Limited（現稱「英皇文化產業集團控股公司」）持有，而該公司由楊受成產業控股間接持有。楊受成產業控股由全權信託AY Trust（楊政龍先生為合資格受益人之一）受託之STC International Limited（「STC International」）持有。

除上文所披露者外，於2017年6月30日，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份及債券中擁有任何權益或淡倉。

購股權

本公司設有一項購股權計劃，據此，董事可酌情授予本公司或其附屬公司之僱員（包括任何董事）購股權，以認購股份，惟須受該計劃所載之條款及條件所規限。自其獲採納後及截至2017年6月30日，本公司並無根據購股權計劃授出任何購股權。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share options as stated above, at the end of the Year and at no time during the Year was the Company nor any of its subsidiary undertakings was a party to any arrangements to enable Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 30 June 2017, the interests of Directors or their respective associates in the business which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

Nature of Competing Business:

- (1) Cinema operation
- (2) Investment in films and TV programmes
- (3) Investment in music events

Interests in Competing Business:

於競爭業務之利益：

董事購買股份或債券之權利

除上文所述購股權外，於本年度末及於本年度內任何時間，本公司或其任何附屬公司概無參與任何安排，使董事可藉於本年度內任何時間收購本公司或任何其他法人團體之股份或債券而獲取利益。

董事於競爭業務之利益

於2017年6月30日，董事或彼等各自之聯繫人於被認為與根據上市規則須予披露之本集團業務直接或間接構成競爭或可能構成競爭之業務（「競爭業務」）中擁有之權益如下：

競爭業務之性質：

- (1) 戲院營運
- (2) 電影及電視節目投資
- (3) 音樂表演投資

Name of Directors 董事姓名	Name of competing company 競爭公司名稱	Nature of interests 權益性質	Nature of Competing Business 競爭業務之性質
Ms. Vanessa Fan 范女士	Certain subsidiaries controlled/owned by the AY Trust 由AY Trust控制／擁有之若干附屬公司	Director 董事	(1), (2) & (3)
Mr. Wong Chi Fai 黃志輝先生	-ditto- 同上	Director 董事	(1), (2) & (3)
Mr. Yeung Ching Loong, Alexander 楊政龍先生	-ditto- 同上	Director & an eligible beneficiary of the AY Trust 董事及AY Trust之合資格受益人	(1), (2) & (3)
Ms. Shirley Percy Hughes 許佩斯女士	-ditto- 同上	Director 董事	(2) & (3)
Mr. Albert Lee 利雅博先生	-ditto- 同上	Director 董事	(1) & (2)

REPORT OF THE DIRECTORS 董事會報告

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executive of the Company, as at 30 June 2017, the following persons or corporation (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO (“DI Register”) or as otherwise notified to the Company were as follows:

Long position in the Shares

其他人士於股份及相關股份之權益及淡倉

就任何董事或本公司主要行政人員所知，於2017年6月30日，以下人士或法團（除董事或本公司主要行政人員外）於股份或相關股份中擁有或被視為或當作擁有本公司根據證券及期貨條例第336條須備存登記冊（「權益登記冊」）所記錄或另行知會本公司之權益或淡倉如下：

於股份之好倉

Name 名稱／姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares 股份數目	Approximate% holding 概約持股百分比
AY Holdings 楊受成產業控股	Interest in a controlled corporation 於受控制公司之權益	1,000,000,000 (Note 1) (附註1)	31.12%
STC International	Trustee of the AY Trust AY Trust之受託人	1,000,000,000 (Note 1) (附註1)	31.12%
Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”) 楊受成博士（「楊博士」）	Founder of the AY Trust AY Trust之創立人	1,000,000,000 (Note 1) (附註1)	31.12%
	Interest in a controlled corporation 於受控制公司之權益	97,000,000 (Note 2) (附註2)	3.02%
Ms. Luk Siu Man, Semon 陸小曼女士	Interest of spouse 配偶權益	1,097,000,000 (Note 3) (附註3)	34.14%
Golden Skill Limited	Beneficial owner 實益擁有人	350,000,000 (Note 4) (附註4)	10.89%
Mr. Tse Nicholas 謝霆鋒先生	Interest in a controlled corporation 於受控制公司之權益	350,000,000 (Note 4) (附註4)	10.89%

REPORT OF THE DIRECTORS

董事會報告

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

1. These Shares were the same shares of which Mr. Yeung Ching Loong, Alexander had deemed interest as set out under the section of "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.
2. The 97,000,000 Shares were held by Win World Profits Limited which was wholly-owned by Dr. Albert Yeung.
3. By virtue of being the spouse of Dr. Albert Yeung, Ms. Luk Siu Man, Semon also had deemed interests in the Shares under Notes 1 and 2.
4. These Shares were held by Golden Skill Limited which was wholly-owned by Mr. Tse Nicholas.

All interests stated above represent long positions. As at 30 June 2017, no short positions were recorded in the DI Register.

Save as disclosed above, as at 30 June 2017, the Directors or chief executives of the Company were not aware of any person or corporation (not being a Director and chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in DI Register or otherwise notified to the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS

On 5 May 2017, Major Marketing Communications Limited (now known as "Emperor Cinemas (China) Limited") (as tenant), an indirect wholly-owned subsidiary of the Company entered into a tenancy agreement ("**Tenancy Agreement**") with 英皇(北京)房地產開發有限公司 (as landlord), an indirect wholly-owned subsidiary of Emperor International, in relation to the leasing of partial floor of each of B1, B2M, B2, Emperor Group Centre, D12 Jianguomenwai Dajie, Chaoyang District, Beijing, The People's Republic of China for cinema operation and related businesses, including sale of food and beverage and related products e.g. books, music, art pieces, souvenirs and publications. The tenant is also entitled to have one outdoor LED advertising space and one outdoor space for logo display. The Tenancy Agreement has a term of 10 years commencing from 5 May 2017 to 4 May 2027 with an option to renew for 5 more years by the tenant. During the Year, the rental paid by the tenant was RMB620,000 (equivalent to approximately HK\$713,000).

其他人士於股份及相關股份之權益及淡倉 (續)

附註:

1. 該等股份乃上文「董事及主要行政人員於股份、相關股份及債權證之權益及淡倉」一節所載楊政龍先生被視為擁有權益之股份之相同股份。
2. 該97,000,000股股份由楊博士全資擁有之Win World Profits Limited持有。
3. 鑒於陸小曼女士為楊博士之配偶，因此亦被視為擁有附註1及2股份之權益。
4. 該等股份由謝靈鋒先生全資擁有之Golden Skill Limited持有。

所有上述權益均為好倉。於2017年6月30日，權益登記冊內概無任何淡倉記錄。

除上文所披露者外，於2017年6月30日，董事或本公司主要行政人員並不知悉任何人士或法團（並非董事或本公司主要行政人員）於任何股份或相關股份中擁有或被視為或當作擁有權益登記冊所記錄或另行知會本公司之任何權益或淡倉。

董事於交易、安排或合約之權益及持續關連交易

於2017年5月5日，本公司之間接全資附屬公司名將市場傳訊有限公司（現稱「英皇電影城（中國）有限公司」）（作為租戶）與英皇國際之間接全資附屬公司英皇（北京）房地產開發有限公司（作為業主）訂立租賃協議（「**租賃協議**」），內容有關租賃中華人民共和國北京市朝陽區建外大街丁12號英皇集團中心第B1、B2M、B2各部分樓層，用於戲院營運及相關業務，包括銷售餐飲及相關產品（如書籍、音樂、工藝品、紀念品及印刷品）。該租戶亦有權擁有一個戶外LED屏幕廣告位及一個戶外店招廣告位。租賃協議為期10年自2017年5月5日起至2027年5月4日止，租戶可選擇續期5年。於本年度，該租戶已支付租金人民幣620,000元（相當於約713,000港元）。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS (continued)

As both the Company and Emperor International are indirectly controlled by the AY Trust, Emperor International is the connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for the Company. Mr. Yeung Ching Loong, Alexander, a Director, has deemed interest in the transaction by virtue of being one of the eligible beneficiaries of the AY Trust.

Compliance with disclosure requirements

Save as the "Rental expense to a related company" in the amount of HK\$713,000 for the Year as shown in note 43 – "Material Related Party Transactions" to the consolidated financial statements which constituted connected transactions of the Company under Chapter 14A of the Listing Rules, all other transactions as shown in the note thereon are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirement in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transaction.

Auditor's Letter on disclosed continuing connected transaction

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" (the "**Auditor's Letter**") issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed by the Group ("**Disclosed CCT**") on pages 21 and 22 of this annual report in accordance with Main Board rule 14A.56 of the Listing Rules. A copy of the Auditor's Letter has been provided by the Company to the Stock Exchange.

董事於交易、安排或合約之權益及 持續關連交易（續）

由於本公司及英皇國際均由AY Trust間接控制，故根據上市規則第14A章，英皇國際為本公司之關連人士。因此，租賃協議構成本公司之持續關連交易。楊政龍先生（作為董事）為AY Trust之合資格受益人之一，故被視為於交易中擁有權益。

遵守披露規定

除綜合財務報表附註43－「重大關連人士交易」所示「向關連公司支付租金費用」713,000港元乃根據上市規則第14A章構成本公司持續關連交易外，附註所載之所有其他交易乃根據上市規則第14A章獲豁免遵守公告、匯報、年度審閱及股東批准規定之關連交易。本公司已就上述持續關連交易遵守上市規則第14A章之披露規定。

有關已披露持續關連交易之核數師函件

本公司核數師已獲委聘按照香港會計師公會頒佈之《香港審驗應聘服務準則3000》的「歷史財務資料審計或審閱以外的審驗應聘」，並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」（「**核數師函件**」），匯報本集團之持續關連交易。

核數師已按照主板上市規則第14A.56條發出無保留意見函件，內含其就本年報第21及22頁有關本集團披露之持續關連交易（「**已披露持續關連交易**」）之發現及結論。本公司已向聯交所提供核數師函件副本。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTINUING CONNECTED TRANSACTIONS (continued)

Confirmation of Independent Non-executive Directors

Pursuant to rule 14A.55 of the Listing Rules, the Company's Independent Non-executive Directors ("INEDs") have reviewed the Disclosed CCT and the Auditor's Letter and have confirmed that these transactions have been entered into by the Group:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better (as the case may be); and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed above, there was no other transaction, arrangement or contract of significance which was significant in relation to the Group's business to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the Year.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the INEDs an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

EMOLUMENT POLICY

The emoluments of the Executive Directors are decided by the Board as recommended by the Remuneration Committee having regard to a written remuneration policy (which ensures a clear link to business strategy and a close alignment with the Shareholders' interest and current best practice), the Group's operating results, individual performance and comparable market statistics. The INEDs are paid fees in line with market practice. No individual should determine his or her own remuneration.

董事於交易、安排或合約之權益及 持續關連交易 (續)

獨立非執行董事之確認

根據上市規則第14A.55條，本公司獨立非執行董事（「獨立非執行董事」）已審閱已披露持續關連交易及核數師函件，並確認該等交易乃由本集團：

- (1) 於本集團日常業務中訂立；
- (2) 按一般商業條款或更佳條款（視情況而定）訂立；及
- (3) 乃按照該等交易的協議內之條款進行，而交易條款屬公平合理並符合股東之整體利益。

除上文披露者外，於本年度內任何時間，概無存在對本集團業務而言屬重大，本公司或其任何控股公司、附屬公司或同系附屬公司為訂約方而董事或其關連實體於其中直接或間接擁有重大權益之其他重大交易、安排及合約。

獨立非執行董事獨立性之確認

本公司已收到每位獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。本公司認為，所有獨立非執行董事均為獨立人士。

薪酬政策

執行董事之薪酬由董事會根據薪酬委員會參照書面報酬政策（確保與業務戰略有明確聯繫及與股東利益和目前最佳做法保持一致）、本集團之營運業績、個別人士表現及可比較市場數字而釐定。獨立非執行董事根據市場常規獲支付袍金。個別人士概不會釐定其本身之薪酬。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENT POLICY (continued)

Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Remuneration package includes, as the case may be, basic salaries, Directors' fees, contribution to pension schemes, discretionary bonus relating to the profit of the Group and individual performance and other competitive fringe benefits such as medical life insurances. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 17 to the consolidated financial statements.

To provide incentive to the eligible participants (including Directors and employees), the remuneration package has been extended to include share options granted under the Share Option Scheme.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 25 to 47.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of the annual report, there was sufficient public float of at least 25% of the Company issued Shares as required under the Listing Rules.

AUDITORS

A resolution will be submitted to the 2017 AGM to re-appoint of HLB Hodgson Impey Cheng Limited as auditors of the Company.

On behalf of the Board

Fan Man Seung, Vanessa
Chairperson

Hong Kong, 21 September 2017

薪酬政策 (續)

僱員薪酬乃按照個別人士之職責、能力及技能、經驗及表現以及市場薪金水平釐定。薪酬待遇包括(視情況而定)基本工資、董事袍金、退休金計劃供款、與本集團溢利及個人表現掛鈎之酌情花紅及其他具有競爭力之額外福利(如醫療及人壽保險)。董事及本集團五名最高薪酬人士之薪酬詳情載列於綜合財務報表附註17。

為向合資格參與者(包括董事及僱員)提供獎勵,薪酬組合已延伸至包含根據購股權計劃授出之購股權。

企業管治

本公司採納之主要企業管治常規載列於第25至47頁之企業管治報告內。

充裕公眾持股量

根據本公司所得之公開資料及據董事所知,於本年報刊發前之最後實際可行日期,本公司擁有上市規則所規定至少佔本公司已發行股份25%之充裕公眾持股量。

核數師

一項續聘國衛會計師事務所有限公司為本公司核數師之決議案將於2017年股東週年大會上提呈。

代表董事會

主席
范敏嫦

香港, 2017年9月21日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is committed to maintaining a high standard of corporate governance for the Company so as to ensure “Accountability, Responsibility and Transparency” towards Shareholders, stakeholders, investors as well as employees of the Company.

The Directors have adopted various policies to ensure compliance with the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 of the Listing Rules. The Company has fully complied with all the provisions of the CG Code throughout the Year.

THE BOARD

Board composition

As at 30 June 2017, the Board comprised eight Directors, with five Executive Directors (including the Chairperson) and three INEDs. The composition of the Board represents a diversified mixture of age, gender, educational and cultural background, skills, knowledge, length of service and professional expertise in management, legal, accounts and finance and corporate development which is beneficial to the business development of the Company. The profile of the Directors are set out from pages 11 to 13 of this annual report under the “Biographies of the Directors and Senior Management” section.

Chairperson and Chief Executive

Ms. Vanessa Fan is the Chairperson of the Board who is responsible for providing leadership to the Board. Taking up the role of Chairperson, Ms. Vanessa Fan provides the Group with strong and consistent leadership and is responsible for the management of the Board. Ms. Vanessa Fan and Mr. Wong Chi Fai are responsible for the Group’s strategic planning, business growth and development as well as overseeing different functions. The day-to-day operation and management of the Group’s businesses are delegated to other Executive Directors, namely Mr. Yeung Ching Loong, Alexander (“Mr. Alex Yeung”), Ms. Shirley Percy Hughes (“Ms. Shirley Hughes”) and Mr. Albert Lee. The Board considers that such segregation of duties functions effectively.

During the Year, the ex-Chairman of the Board, Mr. Direk Lim, held a meeting with all the INEDs without the presence of the then Executive Director (Dr. Fan Rongzhang).

董事會致力為本公司維持高水平之企業管治，以確保為本公司股東、持份者、投資者以及僱員提供「問責、負責及具透明度」之制度。

董事已採納多項政策，以確保遵守上市規則附錄十四所載之企業管治守則（「企業管治守則」）之守則條文。本公司已於本年度內全面遵守企業管治守則之所有條文。

董事會

董事會組成

於2017年6月30日，董事會由八名董事（五名執行董事（包括主席）及三名獨立非執行董事）組成。董事會由多元化成員組成，擁有不同年齡、性別、教育及文化背景、技能、知識、服務任期並集合管理、法律、會計及財務以及企業發展方面之專才，有利本公司之業務發展。各董事之履歷載於本年報第11至13頁「董事及高級管理層之履歷」一節。

主席及行政總裁

范女士為董事會主席，負責帶領董事會。作為主席，范女士為本集團提供穩健及貫徹之領導並負責董事會之管理。范女士及黃志輝先生負責本集團之戰略規劃、業務增長及發展，以及監督不同職能。其他執行董事（即楊政龍先生（「楊先生」）、許佩斯女士（「許女士」）及利雅博先生）獲授權負責本集團業務之日常營運及管理。董事會認為，該等職責分配可有效地運作。

於本年度，董事會前主席Direk Lim先生與所有獨立非執行董事舉行一次沒有當時執行董事（范榮彰博士）列席的會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Independent Non-executive Directors

The INEDs are all professionals with valuable experience and expertise in legal, accounting or auditing who contribute impartial view and make independent judgment on issues to be discussed at Board meetings. They are appointed for an initial term of three years and is renewed automatically for successive terms of one year subject to early termination with written notice being served by either party. The terms of the INEDs are also subject to retirement by rotation and re-election provisions under the Bye-laws of the Company.

The Company had received confirmation of independence from each of the INEDs. The Board considered each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs had been expressly identified as such in all corporate communications of the Company that disclose the names of Directors.

Roles and responsibilities of the Board

The Company is headed by the Board which is responsible for the leadership, control and promotion of the success of the Group in the interests of the Shareholders by directing and supervising its affairs and by formulating strategic directions and monitoring the financial and management performance of the Group.

Relationship between the Board members

None of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) among each other.

Directors' insurance

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

董事會 (續)

獨立非執行董事

獨立非執行董事均為於法律、會計或審計方面擁有寶貴經驗及專長之專業人士，就將於董事會會議上討論之事宜提供中立觀點及作出獨立判斷。彼等之初步任期為3年，其後按年自動重續，惟可由任何一方發出書面通知提早終止。獨立非執行董事亦須根據本公司之章程細則輪值退任及可膺選連任。

本公司已接獲各獨立非執行董事之獨立性確認書。董事會於參照上市規則第3.13條所載因素後認為彼等均屬獨立人士。本公司已在所有公司通訊中披露董事姓名時，明確列明獨立非執行董事之身份。

董事會之角色及責任

本公司以董事會為首。董事會負責領導及監控本集團，並透過統管及監督其事務與制定策略方向及監察本集團之財務及管理表現，致力促進本集團之成功及符合股東之利益。

董事會成員間之關係

董事會成員之間概無任何關係（包括財務、業務、家屬或其他重大／相關關係）。

董事之保險

本公司已就董事可能會面對之法律訴訟作出適當之投保安排。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Delegation to the management

The management is led by the Executive Committee of the Company (which comprises all the Executive Directors of the Board) and has delegated powers and authorities to carry out the day-to-day management and operation of the Group, formulate business policies and make decision on key business issues. The Executive Committee shall have all power and authorities of the Board except the following matters as set out in a formal schedule of matters specifically reserved by the Board:

- Publication of final and interim results of the Company
- Dividend distribution or other distributions
- Major issues of treasury policy, accounting policy and remuneration policy
- Changes to major group corporate structure or Board composition requiring notification by announcements
- Publication of the announcements for notifiable transactions and non-exempted connected transactions/continuing connected transactions
- Non-exempted connected transactions/continuing connected transactions
- Notifiable transactions requiring Shareholders' approval
- Capital re-structuring and issue of new securities of the Company
- Financial assistance to Directors
- 刊發本公司之年度及中期業績
- 股息分派或其他分派
- 有關財務政策、會計政策及薪酬政策之重大事宜
- 須以公告形式發出通知有關集團企業架構或董事會組成之重大變動
- 就須予公佈的交易及非豁免關連交易／持續關連交易刊發公告
- 非豁免關連交易／持續關連交易
- 需要股東批准之須予公佈交易
- 本公司之資本重組及新證券之發行
- 對董事之財務援助

董事會 (續)

授權予管理層

管理層乃由本公司之執行委員會(由董事會全體執行董事組成)領導,並獲授予權力及職權,以進行本集團之日常管理及營運、制定業務政策及就主要業務事項作出決定。執行委員會擁有董事會之所有權力及授權,惟正式預定計劃表所載由董事會特別保留之下列事項除外:

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Induction, support and professional development of Directors

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses in order to assist them to perform their duties to the Company.

The Directors confirmed that they have complied with the Code Provision A.6.5 of the CG Code on Directors' training. During the Year, each Director had participated in continuous professional development by attending seminars/workshop or by reading materials on the following topics to develop and refresh their knowledge and skills and provided a record of training to the Company:

董事會 (續)

董事之啟導、支援及專業發展

所有董事均已獲提供有關擔任董事之職責及責任、適用於董事之相關法例及規例、披露權益之責任及本集團業務之相關指引資料，而有關就任須知亦會於新任董事獲委任為董事後短期內向彼等予以提供。所有董事均已獲知上市規則及其他適用監管規定之最新發展狀況，以確保遵守該等規定及加強彼等對良好企業管治常規之意識。董事會已議定程序，確保董事可在適當情況下經合理要求後尋求獨立專業意見以協助彼等為本公司執行彼等之職責，費用由本公司承擔。

董事確認，彼等已遵守企業管治守則內有關董事培訓之守則條文第A.6.5條。於本年度，各董事均已透過出席有關下列主題之座談會／工作坊或閱讀有關下列主題之材料參與持續專業發展，以發展及更新彼等之知識及技能並已向本公司提供培訓紀錄：

Name of Directors	董事姓名	Topics on training covered (Notes) 所涵蓋之培訓主題 (附註)
Ms. Fan Man Seung, Vanessa	范敏嫦女士	CG, F, I & R
Mr. Wong Chi Fai	黃志輝先生	CG, F, I & R
Mr. Yeung Ching Loong, Alexander	楊政龍先生	CG, F, I & R
Ms. Shirley Percy Hughes	許佩斯女士	CG, F, I & R
Mr. Albert Lee	利雅博先生	CG, F, I & R
Mr. Ng Hoi Yue	伍海于先生	CG, F & R
Ms. Chan Sim Ling, Irene	陳嬋玲女士	CG & R
Mr. Ho Tat Kuen	何達權先生	CG, F & R
Mr. Direk Lim (resigned on 20 April 2017)	Direk Lim先生 (於2017年4月20日辭任)	CG & R
Dr. Fan Rongzhang (resigned on 20 April 2017)	范榮彰博士 (於2017年4月20日辭任)	CG & R
Mr. Li Fui Lung, Danny (retired on 23 November 2016)	李魁隆先生 (於2016年11月23日退任)	CG, F & R

Notes:

CG = Corporate Governance
F = Finance
I = Industry-specific
R = Regulatory

附註：

CG = 企業管治
F = 財務
I = 特定行業
R = 監管

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Directors' attendance and time commitment

The attendance of the Directors at the meetings during the Year is set out below:

董事會 (續)

董事之出席情況及時間投入

於本年度董事出席會議之情況如下：

Name of Directors 董事姓名	Number of meetings attended/held 出席會議/舉行會議次數						
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Corporate Governance Committee 企業管治委員會	Executive Committee 執行委員會	General Meeting 股東大會
Executive Directors 執行董事							
Ms. Fan Man Seung, Vanessa (Notes 1 & 2) 范敏嫦女士 (附註1及2)	3/3	N/A 不適用	N/A 不適用	0/0	0/0	0/0	1/1
Mr. Wong Chi Fai (Notes 1 & 3) 黃志輝先生 (附註1及3)	3/3	N/A 不適用	0/0	N/A 不適用	N/A 不適用	0/0	1/1
Mr. Yeung Ching Loong, Alexander (Note 1) 楊政龍先生 (附註1)	3/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/0	1/1
Ms. Shirley Percy Hughes (Note 1) 許佩斯女士 (附註1)	3/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/0	1/1
Mr. Albert Lee (Note 1) 利雅博先生 (附註1)	3/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/0	1/1
Mr. Direk Lim (Note 4) Direk Lim先生 (附註4) (resigned on 20 April 2017) (於2017年4月20日辭任)	9/9	N/A 不適用	2/2	2/2	1/1	4/4	2/2
Dr. Fan Rongzhang (Note 5) 范榮彰博士 (附註5) (resigned on 20 April 2017) (於2017年4月20日辭任)	9/9	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	4/4	2/2
Independent Non-executive Directors 獨立非執行董事							
Mr. Ng Hoi Yue (Note 6) 伍海千先生 (附註6)	11/11	3/3	2/2	2/2	N/A 不適用	N/A 不適用	3/3
Ms. Chan Sim Ling, Irene 陳煒玲女士	11/11	3/3	N/A 不適用	N/A 不適用	1/1	N/A 不適用	3/3
Mr. Ho Tat Kuen (Note 7) 何達權先生 (附註7)	7/8	2/2	1/1	1/1	N/A 不適用	N/A 不適用	2/2
Mr. Li Fui Lung, Danny (Note 8) 李魁隆先生 (附註8) (retired on 23 November 2016) (於2016年11月23日退任)	3/3	1/1	1/1	1/1	N/A 不適用	N/A 不適用	1/1
Total number of meetings held 舉行會議之總數:	11	3	2	2	1	4	3

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Directors' attendance and time commitment (continued)

Notes:

1. Ms. Vanessa Fan, Mr. Wong Chi Fai, Mr. Alex Yeung, Ms. Shirley Hughes and Mr. Albert Lee were appointed as Directors on 31 March 2017 and acted as the members of the Executive Committee.
2. Ms. Vanessa Fan has been the chairperson of the Board, Executive Committee, Nomination Committee and Corporate Governance Committee since 20 April 2017.
3. Mr. Wong Chi Fai was also appointed as a member of the Remuneration Committee on 20 April 2017.
4. Mr. Direk Lim resigned as Director on 20 April 2017 and automatically ceased to act as the chairman of Board, Executive Committee, Nomination Committee and Corporate Governance Committee as well as a member of the Remuneration Committee.
5. Dr. Fan Rongzhang resigned as Director on 20 April 2017 and automatically ceased to act as a member of the Executive Committee Chairman of the Remuneration Committee.
6. Mr. Ho Tat Kuen was elected as Director at the annual general meeting held on 23 November 2016 ("2016 AGM") and was appointed as the chairman of the Audit Committee as well as a member of the Remuneration Committee and Nomination Committee on the same day.
7. Mr. Li Fui Lung, Danny retired as Director at the 2016 AGM and automatically ceased to act as the chairman of the Audit Committee as well as a member of the Remuneration Committee and Nomination Committee.

Upon reviewing (a) the annual confirmation on time commitment given by each Director; (b) the directorships and major commitments of each Director; and (c) the attendance rate of each Director on full Board and its respective Board committee meetings as well as general meetings, the Board is satisfied that all Directors had spent sufficient time in performing their responsibilities during the Year.

Board meetings and proceedings

Regular Board meetings were held at approximately quarterly interval. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures, all applicable rules and regulations are followed.

董事會 (續)

董事之出席情況及時間投入 (續)

附註:

1. 范女士、黃志輝先生、楊先生、許女士及利雅博先生於2017年3月31日獲委任為董事，並擔任執行委員會成員。
2. 范女士自2017年4月20日起為董事會、執行委員會、提名委員會及企業管治委員會主席。
3. 黃志輝先生亦於2017年4月20日獲委任為薪酬委員會成員。
4. Direk Lim先生於2017年4月20日辭任董事，並自動終止擔任董事會、執行委員會、提名委員會及企業管治委員會主席以及薪酬委員會成員。
5. 范榮彰博士於2017年4月20日辭任董事，並自動終止擔任執行委員會成員。
6. 薪酬委員會主席。
7. 何達權先生於2016年11月23日舉行之股東週年大會（「2016年股東週年大會」）上獲選為董事，並於同日獲委任為審核委員會主席以及薪酬委員會及提名委員會成員。
8. 李魁隆先生於2016年股東週年大會上退任董事，並自動終止擔任審核委員會主席以及薪酬委員會及提名委員會成員。

經檢討(a)各董事就其投入時間發出之年度確認；(b)各董事所持之董事職務及主要任命；及(c)各董事於董事會全體會議及各董事委員會會議以及股東大會之出席率後，董事會認為，於本年度，全體董事均已付出足夠時間履行彼等職責。

董事會會議及程序

董事會定期會議約每季舉行。董事會可獲取公司秘書及公司秘書團隊主要職員之意見及服務，確保遵循董事會程序及所有適用之規則及規例。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board meetings and proceedings (continued)

With the assistance of the Company Secretary, the meeting agenda is set by the Chairperson of the Board in consultation with other Board members. Board meeting notice was sent to the Directors at least 14 days prior to each regular Board meeting. For all other Board meetings, reasonable notice was given. Board papers and related materials which provide appropriate, accurate, clear, complete and reliable information are generally sent to all Directors at least 3 days before each Board meeting and Board Committee meeting to enable the Directors to make informed decisions on matters placed before it.

Minutes of Board meetings and Board committee meetings are drafted by the secretary of the meetings and recorded in sufficient details the matters considered and decisions reached, with draft and final versions being circulated to the Directors for their comment and records respectively, within a reasonable time after the meetings are held. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any reasonable time on reasonable notice by any Director.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. That Director will abstain from voting on the relevant Board resolution in which he/she or any of his/her associates has a material interest and he/she shall not be counted in the quorum present at the Board meeting. INEDs who, and whose close associates, have no material interest in the transaction are present at that Board meeting.

Board committees

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee.

The majority of the members of the Audit Committee, Remuneration Committee and Nomination Committee are INEDs. Clear written terms of reference of all the Board Committees are given to the respective members of these Committees. Details of the Board Committees are set out below:

董事會 (續)

董事會會議及程序 (續)

在公司秘書之協助下，會議議程乃由董事會主席在諮詢其他董事會成員後設定。董事會定期會議之通告至少於會議前14日發送予董事。至於其他董事會會議，亦會發出合理通知。各個董事會會議及董事委員會會議舉行前最少3日，一般會向全體董事寄發董事會會議文件及所有載列適用、準確、清晰、完備及可靠資料的相關材料，以讓彼等就所提呈事項作出知情決策。

經由會議秘書就所考慮之事項及所達成之決策作出足夠詳細起草及記錄之董事會會議及董事委員會會議紀錄之初稿及最終定稿均會交予董事，分別供彼等於舉行會議後在合理時間內表達意見及備案之用。有關會議紀錄之正本由公司秘書保存，可供任何董事於發出合理通知後在任何合理時間查閱。

若董事在董事會將予考慮之事項中存有董事會認為屬重大之利益衝突，則該事項將以召開董事會會議而非以書面決議案方式處理，而該董事將就彼或其任何聯繫人士具有重大權益之相關董事會決議案放棄投票，且不會計入出席該董事會會議之法定人數內。在交易中本身及其緊密聯繫人均沒有重大利益的獨立非執行董事均有出席該董事會會議。

董事委員會

為協助董事會履行其職責及促進有效管理，董事會若干職能已由董事會委派予執行委員會、審核委員會、薪酬委員會、提名委員會及企業管治委員會履行。

審核委員會、薪酬委員會及提名委員會大多數成員為獨立非執行董事。所有董事委員會之清晰書面職權範圍已提供予此等委員會之各自成員。董事委員會詳情載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board committees (continued)

1. Executive Committee (set up on 28 January 2015)

The Executive Committee consists of five Executive Directors, namely Ms. Vanessa Fan (Chairperson of the Committee), Mr. Wong Chi Fai, Mr. Alex Yeung, Ms. Shirley Hughes and Mr. Albert Lee. The primary duties of the Executive Committee are (a) formulating business policies and strategy and making decision on matters relating to the investment, management and operations of the Group; (b) reviewing the policy for prevention of bribery and considering, approving and dealing with any matters relating thereto; and (c) having all powers and authorities of the Board except those matters specifically reserved for the full Board as set out in the "Formal Schedule on matters reserved for and delegated by the Board" adopted by the Board from time to time.

2. Audit Committee (set up on 4 December 1998)

The Audit Committee consists of three INEDs, namely Mr. Ho Tat Kuen (Chairman of the Committee), Mr. Ng Hoi Yue and Ms. Chan Sim Ling, Irene.

The specific written terms of reference of the Audit Committee is available on the websites of the Stock Exchange and the Company. The Audit Committee is primarily responsible for (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditors; (b) reviewing and monitoring the external auditors' independence and objectivity and effectiveness of the audit process; (c) approving the remuneration and terms of engagement of external auditors; and (d) reviewing financial information and overseeing the financial reporting system, risk management and internal control systems. The Audit Committee held three meetings during the Year.

A summary of the work performed by the Audit Committee during the Year is set out below:

- i. reviewed with the finance personnel and/or the external auditors the effectiveness of audit process and the accounting principles and practices adopted by the Group, and the accuracy and fairness of the annual consolidated financial statements for the financial year ended 30 June 2016 ("Previous Year") and the interim consolidated financial statements for the six months ended 31 December 2016;

董事會 (續)

董事委員會 (續)

1. 執行委員會 (於2015年1月28日成立)

執行委員會由五名執行董事組成，即范女士(委員會主席)、黃志輝先生、楊先生、許女士及利雅博先生。執行委員會之主要職責為(a)就與本集團投資、管理及營運有關之事項制定業務政策及作出決定；(b)檢討防止賄賂之政策以及考慮、批准及處理與其有關之事項；及(c)擁有董事會之所有權力及授權，惟董事會不時採納之「需要董事會決定及授權之事項之正式預定計劃表」所載指定由全體董事會作決定之事項除外。

2. 審核委員會 (於1998年12月4日成立)

審核委員會由三名獨立非執行董事組成，分別為何達權先生(委員會主席)、伍海于先生及陳嬋玲女士。

審核委員會具體書面職權範圍可於聯交所及本公司網站查閱。審核委員會主要負責(a)就委任、重新委任及罷免外聘核數師提供推薦意見；(b)檢討及監察外聘核數師之獨立性以及審核程序之客觀性及有效性；(c)批准外聘核數師之酬金及委聘條款；及(d)審閱財務資料及監察財務報告制度、風險管理及內部監控系統。審核委員會於本年度內舉行了三次會議。

於本年度，審核委員會履行之工作概要載列如下：

- i. 與財務人員及／或外聘核數師審閱本集團所採納之核數程序以及會計原則及實務之成效，以及截至2016年6月30日止財政年度(「上年度」)之年度綜合財務報表及截至2016年12月31日止六個月之中期綜合財務報表之準確性及公平性；

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board committees (continued)

2. Audit Committee (set up on 4 December 1998) (continued)

- ii. reviewed with the finance personnel the effectiveness of the risk management and internal control systems of the Group during the Previous Year;
- iii. approved the audit plan for the financial year ended 30 June 2017, reviewed the independence of the external auditors and approved the engagement of external auditors; and
- iv. recommended the Board on the re-appointment of external auditors at the 2017 AGM.

3. Remuneration Committee (set up on 26 October 2005)

The Remuneration Committee consists of three members, namely Mr. Ng Hoi Yue (Chairman of the Committee) and Mr. Ho Tat Kuen, both being INEDs, and Mr. Wong Chi Fai, being the Executive Director.

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. The Remuneration Committee is primarily responsible for making recommendation to the Board on (a) the Company's policies and structure for all remuneration of Directors and senior management; (b) the remuneration of INEDs; and (c) the specific remuneration packages for individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 17 to the consolidated financial statements. The Remuneration Committee held two meetings during the Year.

The work performed by the Remuneration Committee during the Year was to review and recommend the Board on the approval of the Director's fees of the newly appointed Directors.

董事會 (續)

董事委員會 (續)

2. 審核委員會 (於1998年12月4日成立) (續)

- ii. 與財務人員檢討上年度本集團風險管理及內部監控系統之成效;
- iii. 審批截至2017年6月30日止財政年度之審核計劃, 檢討外聘核數師之獨立性以及批准委聘外聘核數師; 及
- iv. 於2017年股東週年大會上就重新委聘外聘核數師向董事會提供推薦建議。

3. 薪酬委員會 (於2005年10月26日成立)

薪酬委員會由三名成員組成, 其分別為獨立非執行董事伍海于先生 (委員會主席) 及何達權先生以及執行董事黃志輝先生。

薪酬委員會之具體書面職權範圍可於聯交所及本公司網站查閱。薪酬委員會之主要職責為(a)就本公司之董事及高級管理層之薪酬政策及架構; (b)獨立非執行董事之薪酬; 及(c)個別執行董事及高級管理層之特定薪酬待遇向董事會提供推薦意見。本年度各董事之薪酬詳情載於綜合財務報表附註17。薪酬委員會於本年度內舉行了兩次會議。

於本年度, 薪酬委員會所履行之工作為檢討新委任董事之董事袍金, 並就此向董事會提供推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board committees (continued)

4. Nomination Committee (set up on 23 March 2012)

The Nomination Committee consists of three members, namely Ms. Vanessa Fan (Chairperson of the Committee), being the Chairperson of the Board, Mr. Ng Hoi Yue and Mr. Ho Tat Kuen, both being INEDs.

The specific written terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are (a) reviewing the structure, size and diversity of the Board; (b) reviewing the Board Diversity Policy; (c) determining the policy for the nomination of Directors and identifying suitable candidates for directorship; (d) making recommendations to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors; (e) assessing the independence of INEDs; and (f) reviewing the time commitment of each Director. The Nomination Committee held two meetings during the Year.

A summary of the work performed by the Nomination Committee during the Year is set out as follows:

- i. reviewed the structure, size and diversity of the Board;
- ii. reviewed the independence of INEDs;
- iii. reviewed the confirmation from Directors on time commitment in performing their duties as Directors;
- iv. recommended the Board on the nomination of Mr. Direk Lim for re-election as Director at the 2016 AGM;
- v. recommended the Board on the nomination of Mr. Ho Tat Kuen as Director to fill the casual vacancy created by the retirement of Mr. Li Fui Lung, Danny at the 2016 AGM; and

董事會 (續)

董事委員會 (續)

4. 提名委員會 (於2012年3月23日成立)

提名委員會由三名成員組成，其分別為董事會主席范女士（委員會主席），以及獨立非執行董事伍海于先生及何達權先生。

提名委員會之具體書面職權範圍可於聯交所及本公司網站查閱。提名委員會之主要職責包括：(a)檢討董事會的架構、人數及成員多元性；(b)檢討董事會多元化政策；(c)釐定董事提名之政策及物色合適之董事候選人；(d)就董事委任、重新委任、重選或調任以及董事繼任計劃向董事會提出建議；(e)評核獨立非執行董事的獨立性；及(f)檢討各董事所投入的時間。提名委員會於本年度內舉行了兩次會議。

提名委員會於本年度之工作概要載列如下：

- i. 檢討董事會的架構、人數及多元化；
- ii. 檢討獨立非執行董事之獨立性；
- iii. 檢討董事就履行擔任董事職責所投入時間而作出之確認；
- iv. 就於2016年股東週年大會上提名Direk Lim先生重選為董事向董事會提供推薦意見；
- v. 就提名何達權先生為董事以填補李魁隆先生於2016年股東週年大會上退任而產生之臨時空缺向董事會提供推薦意見；及

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THE BOARD (continued)

Board committees (continued)

4. **Nomination Committee** (set up on 23 March 2012) (continued)

- vi. recommended the Board on the nomination of Ms. Vanessa Fan, Mr. Wong Chi Fai, Mr. Alex Yeung, Ms. Shirley Hughes and Mr. Albert Lee as Executive Directors.

As adopted by the Board, the Board Diversity Policy aims to achieve diversity on the Board so as to enhance the quality of its performance. Selection of candidates on the Board is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also assess the merits and contribution that any Director proposed for re-election or any candidate nominated to be appointed as Director will bring to the Board against the objective criteria, with due regard for the benefits of diversity on the Board that would complement the Company's corporate strategy.

董事會 (續)

董事委員會 (續)

4. **提名委員會** (於2012年3月23日成立) (續)

- vi. 就提名范女士、黃志輝先生、楊先生、許女士及利雅博先生為執行董事向董事會提供推薦意見。

董事會採納董事會成員多元化政策，旨在提升董事會之多元程度，以提升公司的表現素質。甄選董事會候任人乃根據多項多元化準則，包括（但不止於）性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。提名委員會亦將評估任何建議重選董事或任何獲提名委任為董事之候任人之優點及為董事會帶來之貢獻，並按客觀準則評選，充份考慮董事會成員多元化之裨益，以完善本公司之企業策略。

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THE BOARD (continued)

Board committees (continued)

5. Corporate Governance Committee (set up on 14 August 2015)

The Corporate Governance Committee consists of four members, namely Ms. Vanessa Fan (Chairperson of the Committee), being the Chairperson of the Board, Ms. Chan Sim Ling, Irene, being an INED, a representative of company secretarial function and a representative of finance and accounts function. The specific written terms of reference of the Corporate Governance Committee is available on the Company's website. The primary duties of the Corporate Governance Committee are (a) reviewing the policies and practices on corporate governance of the Company and making recommendations to the Board; (b) developing, reviewing and monitoring the code of conduct and compliance manual applicable to Directors and relevant employees of the Group on dealings with the Company's securities; (c) reviewing and monitoring the training and continuous professional development of Directors and senior management; (d) reviewing and monitoring the policies and practices of the Company on compliance with legal and regulatory requirements; and (e) reviewing the Company's compliance with the CG Code and disclosure in this report. The Corporate Governance Committee held one meeting during the Year.

A summary of the work performed by the Corporate Governance Committee during the Year is set out as follows:

- i. reviewed the Corporate Governance Policy and made recommendation to the Board;
- ii. reviewed the policies and practices on compliance with legal and regulatory requirements;
- iii. reviewed the training and continuous professional development of Directors and senior management;
- iv. reviewed the code of conduct applicable to Directors and relevant employees of the Group; and
- v. reviewed on Company's compliance with the CG Code and disclosure in this report.

董事會 (續)

董事委員會 (續)

5. 企業管治委員會 (於2015年8月14日成立)

企業管治委員會由四名成員組成，其分別為董事會主席范女士（委員會主席）、獨立非執行董事陳嬋玲女士、一名公司秘書職能代表及一名財務與會計職能代表。企業管治委員會之具體書面職權範圍可於本公司網站查閱。企業管治委員會之主要職責為(a)檢討本公司在企業管治方面之政策及常規並向董事會提供推薦意見；(b)發展、檢討及監察董事及本集團相關僱員買賣本公司證券所適用之行為守則及合規手冊；(c)檢討及監察董事及高級管理層之培訓及持續專業發展；(d)檢討及監察本公司在遵守法規及監管規定方面之政策及常規；及(e)檢討本公司遵守企業管治守則及本報告披露之情況。企業管治委員會於本年度內舉行了一次會議。

企業管治委員會於本年度之工作概要載列如下：

- i. 檢討企業管治政策並向董事會提供推薦建議；
- ii. 檢討在遵守法規及監管規定方面之政策及常規；
- iii. 檢討董事及高級管理層之培訓及持續專業發展；
- iv. 檢討董事及本集團有關僱員之行為準則；及
- v. 檢討本公司遵守企業管治守則之情況及於本報告之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to all Directors, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledged their responsibilities to prepare annual consolidated financial statements of the Group and other financial disclosures required under the Listing Rules. The management has provided all members of the Board with monthly updates on internal consolidated financial statements which give a balanced and understandable assessment of the Group's performance position and prospects at the reporting date.

In preparing the consolidated financial statements for the Year, the Board adopted appropriate accounting policies and applied them consistently and made judgment and estimates that were prudent and reasonable and ensured the consolidated financial statements were prepared on a "going concern" basis (with supporting assumptions or qualifications as necessary) and showed a true and fair view of the state of affairs of the Group for the Year. The management had provided sufficient explanation and information to the Board on the consolidated financial statements to enable it to make an informed assessment of the financial and other information put before it for approval. The auditors of the Company had made a statement about their reporting responsibilities in the Independent Auditors' Report.

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and objectives

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. The Board acknowledges its responsibility in maintaining a sound and effective risk management and internal control systems ("Systems") and reviewing its effectiveness, which forms the development of necessary policies and procedures. Such systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against misstatement or losses.

董事之證券交易

本公司已採納上市規則附錄十所載之標準守則作為其有關董事之證券交易之行為守則。經向所有董事作出特定查詢後，彼等全體確認彼等於整個本年度內一直遵守標準守則所載之規定交易準則。

問責及審核

財務匯報

董事知悉彼等負責編製本集團年度綜合財務報表及上市規則所規定之其他財務披露事項。管理層已每月向董事會所有成員提供內部綜合財務報表之更新資料，以就本集團於報告日期之表現及前景作出平衡及可理解之評估。

於編製本年度之綜合財務報表時，董事會已採納合適之會計政策並將其貫徹應用，並作出審慎合理之判斷及估計，確保該等綜合財務報表按「持續經營」基準編製（已作出所需相關假設或條件）並真實公平反映本集團於本年度之事務狀況。管理層已向董事會提供有關綜合財務報表的充足解釋及資料，以確保董事會能就向其提交供批准之財務及其他資料，作出知情評估。本公司之核數師已就彼等之報告責任於獨立核數師報告內作出聲明。

風險管理及內部監控

目標及方針

內部監控對成功經營及日常業務營運至關重要，並能協助公司達成其業務目標。董事會知悉其職責乃維繫穩健及有效的風險管理及內部監控系統（「該等系統」），並檢討其效能，以驅動所需政策及程序的發展。該等系統旨在管理而非消除未能達致業務目標之風險，及僅可就錯誤陳述或損失提供合理而非絕對之保證。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Goals and objectives (continued)

The key objectives of the Systems include:

- safeguarding assets
- ensuring completeness, accuracy and validity of financial records and reports
- promoting adherence to policies, procedures, regulations and laws
- promoting effectiveness and efficiency of operations

Governance control

The control structure of the Systems is set out as follows:

The Board

The Board is (i) responsible for the Systems and reviewing their effectiveness; (ii) overseeing the Systems on an ongoing basis with the assistance of Audit Committee; (iii) ensuring the maintenance of appropriate and effective Systems; (iv) defining management structure with clear lines of responsibility and limit of authority; and (v) determining the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives and formulating the Group's risk management strategies

Audit Committee

The Audit Committee is responsible to (i) oversee and review the adequacy and effectiveness of relevant financial, operational and compliance controls and risk management procedures that have been in place and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions; (ii) review the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment (as detailed below); and (iii) review and discuss annually the significant control failings or weaknesses that are identified and raised by the auditors, consider major findings and make recommendations to the Board on the risk management and internal control procedures to address these issues in consultation with the management and the auditors.

風險管理及內部監控 (續)

目標及方針 (續)

該等系統的主要目標包括：

- 保障資產
- 確保財務記錄及報告之完整、準確及確實
- 促進政策、程序、法規及法例之依循
- 促進營運之有效性及效率

管治監控

該等系統的監控架構如下：

董事會

董事會(i)負責該等系統並審閱其有效性；(ii)在審核委員會協助下持續監督該等系統；(iii)確保該等系統維持合適及有效性；(iv)制定有明確責任及權限的管理架構；及(v)釐定本公司就達成戰略目標所願承擔之重大風險之性質及程度，並制定本集團之風險管理策略。

審核委員會

審核委員會負責(i)監察及檢討現有的有關財務、營運及合規監控及風險管理程序是否充分及有效以及本公司會計及財務匯報職能方面之資源、員工資歷及經驗、培訓課程及有關預算是否充足；(ii)檢討重大風險的性質及程度，以及本公司應對其業務及外部環境變化(如下文所詳述)的能力；及(iii)每年檢討並討論經核數師識別及提出的重大監控失誤或不足，並經諮詢管理層及核數師意見後，就解決該等問題的風險管理及內部監控程序考慮主要研究結果並向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Governance control *(continued)*

The management (including heads of business units, departments and divisions)

The management is responsible for (i) the design, implementation and monitoring of the Systems properly and ensuring the Systems are executed effectively; (ii) monitoring risks and taking measures to mitigate risks in day-to-day operations; (iii) giving prompt responses to, and following up the findings on internal control matters raised by internal or external auditors; and (iv) providing written confirmation to the Board on the effectiveness of the Systems.

Internal Audit Department

The Internal Audit Department is delegated to (i) carry out the analysis and independent appraisal of adequacy and effectiveness of the Systems in respect of operational, financial and compliance aspects; (ii) alert the management on the audit review findings or irregularities, if any, and advise them on the implementation of necessary steps and actions to enhance the internal controls of the Group. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

Risk management

The risk management process includes (i) risk identification; (ii) risk evaluation; (iii) risk management measures; and (iv) risk control and review.

The management is entrusted with duties to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority. It endeavours to evaluate and compare the level of risk against predetermined acceptable levels of risk. For risk control and monitoring, it involves making decisions regarding which risks are acceptable and how to address those that are not. The management will develop contingency plans for possible loss scenarios. Accidents and other situations involving loss or near-loss will be investigated and properly documented as part of the effort to manage risks.

風險管理及內部監控 (續)

管治監控 (續)

管理層 (包括業務單位、部門及分部主管)

管理層負責(i)妥善設計、實施及監督該等系統，並確保該等系統得到有效執行；(ii)監察風險並採取措施降低日常營運風險；(iii)對內部或外部核數師提出之有關內部監控事宜之發現作出及時的回應及跟進；及(iv)向董事會書面確認該等系統之有效性。

內部審核部門

內部審核部門獲授權(i)就業務、財務及合規方面對該等系統之充足性及有效性進行分析及獨立評價；(ii)就審核檢討結果或違規情況(如有)提醒管理層，並就實施必要措施及行動以加強本集團內部監控向管理層提出建議。內部審核檢討及協定行動計劃之結果會向審核委員會及董事會報告。

風險管理

風險管理過程包括(i)風險識別；(ii)風險評估；(iii)風險管理措施；及(iv)風險監控及檢討。

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監控及傳達與任何活動、職務或程序有關的風險。其致力評估風險水平並與預先釐定之可接納風險水平進行比較。就風險監控及監管而言，其涉及對可接納風險及如何應對非可接納風險作出決定。管理層將對可能出現之損失情況制定應急方案。造成損失或險些造成損失的事故及其他情況將被調查及妥為存檔作為管理風險之一部分。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Significant risks and strategies

Certain significant risks have been identified through the process of risk identification and assessments. Such significant risks of the Group and their respective key strategies/control measures are set out below:

1. Inherent risk – Entertainment business

Entertainment business including investment in film and TV industry and cinema operation is inherently risky. There is no assurance of the economic success of any motion picture or TV programme since the revenues generated depend primarily on public acceptance and popularity of the films and TV programmes, which cannot be predicted with certainty.

- Stay alert to the changes in market trend, audience's needs and preferences;
- Keep cautious in selection of stories and scripts; and
- Co-produce, co-invest or co-partner with business associates to diversify the risk.

2. Inherent risk – Securities investment

There is no assurance of economic success of any investment in securities since the fluctuation of share price of an investee company can be influenced by various internal (e.g. its own financial and operational failure and litigation) and external factors (e.g. global economic downturn and political instability) which are out of the Group's control.

- Already set up an investment policy and delegated authority to the Executive Committee to implement and execute the securities investment in accordance with the policy;
- Stay alert to market situation and any news and information of the investee company; take immediate and appropriate action in response to any adverse change; and
- Maintain good communication with investment advisers.

風險管理及內部監控 (續)

重大風險及策略

本集團已透過風險識別及評估程序識別若干重大風險。本集團所面臨的該等重大風險以及其各自之主要策略／控制措施載列如下：

1. 固有風險－娛樂業務

娛樂業務（包括電影電視投資及戲院營運）為固有風險。由於電影及電視節目產生之收入主要依賴公眾接受度及歡迎度，而此無法可靠預測，故概不保證任何電影或電視節目的經濟成果。

- 對市場趨勢、觀眾需求及喜好保持警覺；
- 審慎選擇故事及劇本；及
- 與商業夥伴共同製作、共同投資或合夥以分散風險。

2. 固有風險－證券投資

由於被投資的公司股價可受不同內部因素（例如其本身財務及營運失敗以及訴訟）及外部因素（例如全球經濟下滑及政治動盪）影響而出現波動，亦非本集團所能控制，故概不保證任何證券投資的經濟成果。

- 已經制訂投資政策並授權執行委員會根據該政策實施及執行證券投資；
- 對市場形勢以及被投資公司的任何新聞及資料保持警惕；採取及時及適當行動以應對任何不利變動；及
- 與投資顧問保持良好溝通。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Significant risks and strategies (continued)

3. Strategic risk – Competition

(a) Entertainment business is highly competitive, not only in the film industry itself (between Chinese and Western shooting films), but also subject to availability and popularity of alternative form of entertainment. There is no assurance that the Group can sustain its competitiveness successfully in this business.

- Regularly review and adjust the business strategic plans to cope with the competition in the film industry;
- Diversify the Group's entertainment business such as expansion to cinema operation and animation business to bring in new income stream and provide other synergy effects to the Group; and
- Look for any other potential entertainment related investment activities which can provide stable contribution to the Group.

(b) There is also intense competition in China theatrical market due to continuous opening of movie theatres in Mainland China. There is no assurance that demand in the film screening will increase in line with or outpace the supply of new cinemas which can adversely affect the Group's cinema operation.

- Dedicate to provide a premium 6-star theatrical entertainment service and environment for the audiences by equipping the Group's cinema with the most advanced visual and audio technology to sustain its competitiveness;
- Improve marketing strategy and enhance promotions and publicities in different social media platforms from time to time in order to attract more audiences; and
- Provide different sources of on-line or off-line ticketing services.

The Company has used its best endeavours to manage the above risks and continue to keep the focus on any new emerging risks that are likely to exist in the days to come.

風險管理及內部監控 (續)

重大風險及策略 (續)

3. 戰略風險 – 競爭

(a) 娛樂業務競爭激烈，不僅是電影產業本身（中方與西方電影拍攝之競爭），亦受其他娛樂方式之可用性及受歡迎程度影響，故概不保證本集團於此業務能成功維持其競爭力。

- 定期檢討及調整業務策略計劃以應對電影行業的競爭；
- 多元化本集團的娛樂業務，如拓展至戲院影院及動畫業務，以為本集團帶來新的收入來源並提供其他協同效應；及
- 尋找可以為本集團提供穩定貢獻的任何其他潛在娛樂相關投資活動。

(b) 由於中國大陸電影院競相開業，中國電影市場競爭亦激烈。概不保證電影放映需求將與新影院供應同步增長甚或超出新影院供應，而此可對本集團戲院營運產生不利影響。

- 通過在本集團的戲院裝備最先進的視頻及音頻技術，致力為觀眾提供優質六星級影院娛樂服務，以保持其競爭力；
- 提升市場推廣策略並不時加強在不同社會媒體平台的促銷及宣傳，以吸引更多觀眾；及
- 提供不同的線上或線下票務服務。

本公司已竭盡全力管理上述風險及繼續關注任何日後可能新浮現之風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal controls

The Board acknowledged that the management had progressively implementing an adequate internal control system to ensure the effective functioning of the Group's operational, financial and compliance areas as follows:

1. Operational

Various principles and procedures are in place to cover the day-to-day operational activities including but not limited to the preparation of production and investment plans and budgets, formulating a screening and approval process, setting up of an on-going monitoring system for production or job in progress, review on the production or time cost spending and guidelines for investment in securities.

2. Financial

Effective financial control is a vital element of internal control. It helps in identifying and managing liabilities to ensure that the Group is not unnecessarily exposed to avoidable financial risks. It also contributes to the safeguarding of assets from inappropriate use or loss, including the prevention and detection of fraud and errors.

In order to achieve effective financial control, a set of measures have been implemented to tighten the control on cash flow. All payments are required to be properly checked and approved. Proper accounting and financial records shall be maintained to support financial budgets, monthly management accounts and reports.

Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

風險管理及內部監控 (續)

內部監控

董事會知悉，管理層已逐步實施充分內部監控系統以確保本集團之營運、財務及合規範疇之有效運作如下：

1. 營運方面

各項原則及程序涵蓋日常營運活動，包括但不限於編製製作及投資計劃及預算，制訂監察及審批程序、制訂持續監察系統以監察製作或工作進度、檢討製作或時間成本支出以及證券投資之指引。

2. 財務方面

有效財務監控乃內部監控至關重要之一環。財務監控能協助識別及管理負債，以確保本集團不會在無必要情況下涉及可以避免之財務風險，亦有利於保障資產，使資產不會被不當使用或遭受損失，包括防止及偵測欺詐及錯誤情況出現。

為達到有效之財務監控，本公司已實行一套措施以加強現金流量控制。所有付款均須進行適當審查及批核。會計及財務記錄會妥善置存以為財務預算、每月管理賬目及報告提供依據。

本公司定期進行檢討及審核，確保財務報表之編製符合一般公認會計原則、本集團之會計政策及適用之法律與法規。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Internal controls (continued)

3. Compliance

The following policies and procedures are in place to safeguard the compliance control:

- **Systems and procedures on disclosure of inside information** to ensure, with the assistance of internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and escalated, where appropriate, for the attention of the Board;
- **Policies and practices on compliance with legal and regulatory requirements** which shall be reviewed and monitored regularly by the Corporate Governance Committee as delegated by the Board;
- **CCT Compliance Committee** is established to monitor, control and regularly review continuing connected transactions of the Company and ensure proper compliance with all relevant laws and regulations and the Listing Rules and disclosure requirements; and
- **Whistle-blowing policy** for employees of the Group to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Group. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters

The Board acknowledged that it had received a confirmation from the management on the effectiveness of the Systems of the Group. Based on such confirmation and discussion with the management, the Audit Committee and the Board had reviewed the Systems and were not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the Group's operational, financial and compliance areas of the Systems.

風險管理及內部監控 (續)

內部監控 (續)

3. 合規方面

以下政策及程序為防衛合規之監控：

- 設有**內幕消息披露系統及程序**以在內部工作小組(如需要)協助下確保任何一名或多名人員得悉任何重大信息時會適時地作出辨別、評估及上報(倘適用)給董事會；
- 有關遵守法律及監管規定之政策與常規會由董事會委派之企業管治委員會定期檢討及監察；
- 設有**持續關連交易合規委員會**以監察、監控及定期檢討本公司之持續關連交易，並確保妥為符合一切相關法律及法規、上市規則與披露規定；及
- 設有**舉報政策**，可讓本集團僱員在保密情況下對本集團之財務匯報、內部監控或其他事項中可能存在之不恰當行為進行舉報。審核委員會將檢討有關安排，並確保實施適當安排，讓本公司對此等事宜作出公平及獨立的調查。

董事會知悉其已接獲管理層就本集團該等系統的有效性的確認。基於該確認及與管理層之討論，審核委員會及董事會已檢討該等系統且並不知悉任何將對本集團該等系統於營運、財務及合規方面之有效運作及充足性所產生不利影響的重大事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company has established a shareholders' communication policy and shall review on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders mainly in the following ways: (i) the holding of annual general meeting ("AGM") and special general meetings, if any, which may be convened for specific purposes which provide opportunities for the Shareholders to communicate directly to the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules; (iii) the availability of latest information of the Group on the Company's website; and (iv) investor/analyst briefings and/or media conference (when necessary).

Separate resolutions were proposed at the general meetings for such substantial issues, including the re-election of retiring Directors. The Company's notice to Shareholders for the 2016 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of all other general meetings were sent to Shareholders at least 10 clear business days before the meetings.

The Chairman of the 2016 AGM and the chairman/members of the Board Committees and the external auditors were available at the 2016 AGM to answer questions from the Shareholders. With the assistance of the Company Secretary, the Chairman/Chairperson of the meetings had explained the procedures for conducting a poll during the meetings.

The forthcoming annual general meeting will be held on 22 November 2017 which will be conducted by way of poll.

與股東之溝通

本公司已制訂一套股東溝通政策，並作出定期檢討以確保其成效。本公司與股東之溝通主要有以下方式：(i)舉行股東週年大會（「股東週年大會」）及可能就特別目的而召開之股東特別大會（如有），此舉為股東提供直接與董事會交流之機會；(ii)根據上市規則之規定刊發公告、年報、中期報告及／或通函；(iii)維持本公司網站載有本集團最新資料；及(iv)投資者／分析員簡報會及／或傳媒發布會（必要時）。

重大事項（包括退任董事之重選）均會於股東大會上單獨提呈決議案。本公司之2016年股東週年大會通告已於大會舉行前至少足20個營業日向股東發送，而就所有其他股東大會而言，已在有關大會舉行前至少足10個營業日向股東發送有關通告。

2016年股東週年大會主席及董事會委員會主席／成員以及外聘核數師均有出席2016年股東週年大會以回答股東之提問。在公司秘書協助下，大會之主席已就投票表決之程序於大會上作出闡釋。

應屆股東週年大會將於2017年11月22日舉行，會上之表決將以點票方式進行。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the CG Code:

Convening a special general meeting ("SGM") and putting forward proposals at such meeting

Pursuant to the Bermuda Companies Act 1981 and Bye-laws of the Company, Shareholder(s) holding not less than one-tenth (10%) of the paid-up capital of the Company as at the date of the deposit of the requisition carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board. The written requisition (i) must state the object(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the principal office of the Company for attention of the Company Secretary, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's Hong Kong Branch Share Registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

The signatures and the requisition will be verified by the Company's Hong Kong Branch Share Registrar. The Board will proceed to convene a special general meeting for the transaction of any business specified in the requisition within 21 days from the date of deposit of such requisition if it has been validly raised.

If the Board does not within 21 days from the date of the deposit of a valid requisition proceed duly to convene a SGM for a day not more than two months after the date of deposit of a proper requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. In addition, such meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

股東之權利

根據企業管治守則須予披露之股東若干權利概要如下：

召開股東特別大會（「股東特別大會」）及在該會上提呈決議案

根據百慕達1981年公司法及本公司之章程細則，於遞交要求日期持有不少於本公司已繳足股本（賦有於本公司股東大會上投票之權利）十分之一（10%）之股東有權遞交書面要求以要求董事會召開股東特別大會。書面要求(i)須列明大會目的，及(ii)須由遞交要求人士簽署並送達本公司主要辦事處（註明收件人為公司秘書），並可由數份同樣格式的文件組成，而每份由一名或多名遞交要求人士簽署。有關要求將由本公司之香港股份過戶登記分處核實，倘要求獲確認屬妥善及合適，公司秘書將請求董事會給予全體股東足夠通知期，以召開股東特別大會。反之，若有關要求經核實為不符合程序，則遞交要求人士將獲通知有關結果，而股東特別大會將不會應要求召開。

簽署及要求將由本公司之香港股份過戶登記分處核實。如提出之要求有效，董事會將於遞交該等要求日期起21日內就要求所指定處理之任何事務召開股東特別大會。

倘於遞交有效要求日期起計21日內，董事會未作出妥善安排召開於正式遞交有效要求日期後不超過兩個月之日期內舉行之股東特別大會，則遞交要求人士（或當中持有彼等全體總投票權一半以上之任何人士）可自發召開股東特別大會，惟任何據此召開之股東特別大會均不得於上述遞交要求日期起計3個月屆滿後舉行。此外，遞交要求人士所召開之大會須盡量以與董事會召開大會相同之方式召開。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Convening a special general meeting ("SGM") and putting forward proposals at such meeting (continued)

Pursuant to the Bermuda Companies Act 1981, either any number of the 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, or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the principal office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Proposing a person for election as a Director

The procedures for the Shareholders to propose a person for election as a Director are available for viewing on the Company's website.

Enquiries from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited. Other enquiries from Shareholders can be directed to the Investor Relations Department of the Company whose contact details are shown on the "Corporate Information and Key Dates" section of this Annual Report.

CONSTITUTIONAL DOCUMENTS

There are no significant changes in the Company's constitutional documents during the Year.

股東之權利 (續)

召開股東特別大會(「股東特別大會」)及在該會上提呈決議案(續)

根據百慕達1981年公司法，持有不少於本公司已繳足股本(賦有於本公司股東大會上投票之權利)二十分之一(5%)之登記股東(不論人數)或不少於100名有關登記股東可以書面方式向本公司要求(a)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並擬於會上動議之決議案；及(b)向有權獲發送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。要求須經所有遞交要求人士簽署，並連同足以應付本公司相關開支之合理款項於(倘為對決議案通知之要求)大會舉行前不少於6個星期或(倘為任何其他要求)大會舉行前不少於1個星期送達本公司之主要辦事處。惟倘在遞交要求後6個星期或較短期間內之日期召開股東週年大會，則該要求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。

提名人士參選董事

股東提名人士參選董事之程序可於本公司網站查閱。

股東查詢

股東可向本公司之香港股份過戶登記分處卓佳登捷時有限公司查詢彼等之持股情況。股東之其他查詢可向本公司投資者關係部門作出，其聯絡資料已列載於本年報「公司資料及重要日期」一節。

組織章程文件

於本年度，本公司之組織章程文件並無任何重大變動。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditors to ensure objectivity and the effectiveness of the audit process of the consolidated financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's auditors, HLB Hodgson Impey Cheng Limited is independent and has recommended the Board to re-appoint it as the Company's auditors at the 2017 AGM. During the Year, HLB Hodgson Impey Cheng Limited has rendered audit services and certain non-audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

核數師之獨立性及酬金

審核委員會獲授權根據適用之準則檢討及監督核數師之獨立性，以確保審計綜合財務報表過程中之客觀性及有效性。審核委員會之成員認為，本公司之核數師國衛會計師事務所有限公司屬獨立人士，並向董事會作出推薦建議，建議於2017年股東週年大會上續聘彼為本公司之核數師。於本年度，國衛會計師事務所有限公司曾向本集團提供審核服務及若干非審核服務，而本集團已付／應付予彼之酬金載列如下：

Service rendered 已提供之服務	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Statutory audit 法定審核	850
Non-audit services 非審核服務	-

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group is committed to the principles of good corporate governance, and strives to integrate corporate social responsibility into its business strategy and management approach. This report aims to provide the Group's stakeholders with an overview of the Group's efforts regarding environmental, social and governance impacts arising from its daily operations.

RELATIONSHIPS WITH MAJOR STAKEHOLDERS

The Group continues to engage with its employees, customers, suppliers, shareholders and other stakeholders through different channels to develop mutually beneficial relationship and promote sustainability.

The Group places a strong emphasis on employees' well-being, as well as training and development opportunities. For details, please refer to "**Health and safety**" and "**Development and training**" sections below.

The Group is committed to delivering excellent customer services. For details, please refer to the "**Product responsibility and customer services**" section below.

The Company uses suppliers that reflect its values and commitment, and maintains solid relationships with them. For details, please refer to the "**Supply chain management**" section below.

The Company maintains ongoing dialogues with its shareholders. For details, please refer to the section "**Communication with Shareholders**" as set out in the Corporate Governance Report on page 44.

ENVIRONMENTAL PROTECTION

Environmental policies and performance

During the Year, the Group continued making its best endeavours to protect the environment in its business activities and workplace. The Group educates its employees on their awareness of promoting a green environment. The Group seeks to identify and manage environmental impacts attributable to its operations, in order to minimise these impacts if possible. Various measures have been adopted to reduce energy and other resource use, minimise waste and increase recycling, and promote environmental protection in its supply chain and marketplace. These measures are discussed in the "**Use of resources**" and "**The environment and natural resources**" sections below.

本集團秉行良好的企業管治準則，致力將企業社會責任融入業務策略及管理模式之中。本報告旨在向本集團的持分者概述本集團在管控日常營運產生的環境、社會及管治影響方面的工作。

與主要持分者之關係

本集團通過不同渠道繼續維持與僱員、客戶、供應商、股東及其他持分者的關係，致力建立互惠關係及促進可持續發展。

本集團非常重視員工的福祉以及培訓與發展機會。有關詳情，請參閱下文「**健康及安全**」及「**發展及培訓**」章節。

本集團承諾為客戶提供卓越的客戶服務。有關詳情，請參閱下文「**產品責任及客戶服務**」一節。

本公司採用能反映其價值觀及承諾的供應商，並與彼等維持穩固關係。有關詳情，請參閱下文「**供應鏈管理**」一節。

本公司與其股東保持持續的交流對話。有關詳情，請參閱載列於第44頁之企業管治報告「**與股東之溝通**」一節。

環境保護

環境政策及表現

於本年度，本集團繼續致力在業務活動及工作場所實踐環保工作。本集團教育員工推動綠色環境的意識。本集團努力辨識及管控其業務營運帶來的環境影響，務求將該等影響減至最低。本集團已採取多項降低能源及其他資源消耗、推行減廢及循環再用的措施，並在其供應鏈及市場中推行環保。該等措施載於下文「**資源使用**」及「**環境及天然資源**」章節。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL PROTECTION (continued)

Use of resources

Global warming and climate change are among the major environmental problems in every part of the world. The electricity consumption in offices and cinema operations contributes most of the Group's carbon footprint. Several measures have been implemented in order to reduce electricity consumption, such as minimising use of chiller units during night-time, using LED lamps, switching off passenger lifts after office hours, etc. To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time.

The environment and natural resources

Creating a paperless working environment not only reduces environmental damage but also fits commercial goals, as it can save physical space, facilitate information sharing via IT networks, and reduce complicated documentation procedures. The Group has implemented paperless internal human resources processing – such as employee time sheets, payrolls and leave application. Moreover, duplex printing and copying has become the norm within the Group, greatly reducing paper consumption and saving costs. Data on printing is regularly collected and assessed, to monitor the efficiency of the paperless environment.

Partnering with its printing solutions provider, the Group has adopted “**Follow You**” print solution in the headquarters, helping the Group become more cost efficient through smarter printing. The print solution enables the Group to achieve environmental objectives by reducing unclaimed printing, as printing is released only upon presentation of a staff card from that particular staff who gives the printing instruction.

The staff are encouraged to actively participate in the Group's recycling effort. In the headquarters, designated containers for disposal of recyclable paper are placed in common areas. The recyclable papers are regularly collected by a recycling vendor for further processing.

環境保護 (續)

資源使用

全球暖化及氣候變化已成為全球各地面對的重大環境問題。旗下辦公室及電影院業務之耗電為本集團碳足跡的最大來源。本集團已實施若干措施，以降低能源消耗，例如在夜間減少使用製冷機組、採用LED燈、於辦公時間後關掉乘客升降機等。本集團不時測量及記錄能源消耗情況，以發掘提高能源效率的機會。

環境及天然資源

營造無紙化的工作環境不僅可減少對環境的破壞，亦具有多重商業裨益，包括節省空間、促進資訊科技網絡信息共享及減省繁複的文書程序等。本集團已於內部人力資源管理流程（包括僱員工時表、糧單及申請假期等）實行無紙化。另外，雙面列印及複印已成為本集團內部慣例，大大減少紙張消耗及節省成本。本集團定期收集及評估打印機使用數據，以監控無紙化環境之成效。

本集團與列印方案供應商合作，在其總部引入「**Follow You**」列印方案，透過智能列印有助本集團達致更佳的成本效益。由於作出列印指示的指定員工於列印時需要出示員工證方能進行打印，因此可減少無人認領列印的情況，從而有助本集團達到環保的目的。

本集團鼓勵員工積極參與其在循環再用方面的工作，在總部公用地方設有特定容器供棄置可回收廢紙，該等可回收廢紙由回收商定期收集後再作進一步處理。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

WORKPLACE QUALITY

Workforce

The Group believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns. The management believes that people are important assets for the Group, and remains committed to attracting and retaining talent with diverse backgrounds for achieving sustainable growth.

As at 30 June 2017, the permanent employees of the Group totalled 95, working in the headquarters and cinema operations. 84% of employees was based in Mainland China, and the remaining was based in Hong Kong.

Health and safety

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical and life insurance as well as other competitive fringe benefits.

The Group prides itself on providing a safe, effective and congenial work environment for its staff. Health and safety training is provided to all employees on induction. Office memos and guidelines on occupational health and safety are issued, and keep all employees informed.

The Group proactively identifies potential occupational hazards, to reduce staff exposure to accidents. Every case of injury (if any) is required to be reported to the Group Human Resources Department and be individually assessed under the internal guideline procedures.

Development and training

To promote long-term career development for staff, the Group strongly supports staff participation in training programs organised by external professional bodies, and provides funds and subsidies to staff based on their career development needs. Various training courses are regularly conducted to promote occupational safety, fire and emergency response, first aid and customer serving skills. During the Year, the Group dedicated around 1,360 hours to staff training, representing approximately 14 hours per employee.

工作環境質素

員工

本集團深信，一支積極主動且具均衡比例之員工團隊，為建立可持續經營模式及締造長期回報的關鍵元素。管理層相信，員工乃本集團之重要資產，並致力吸引及挽留不同背景的人才，以達致可持續增長。

於2017年6月30日，本集團擁有合共95名全職僱員，主要於總部及電影院業務任職。84%之員工於中國內地工作，而其餘員工則於香港工作。

健康及安全

本集團重視員工之健康及福祉。為向員工提供健康保障，我們提供多種員工福利，包括醫療及人壽保險以及其他具競爭力之額外福利。

本集團致力為員工提供安全、高效及舒適之工作環境，並以此自豪。於入職時，所有員工均須接受健康及安全培訓。所有員工均獲發及知悉有關職業健康與安全的辦公室備忘錄及指引。

本集團積極地識別潛在的職業性風險，以減低員工發生意外的機會。一旦發生工傷事故（如有），必須通報集團人力資源部，並根據內部指引程序進行獨立評估。

發展及培訓

為了促進員工的長遠事業發展，本集團大力支持員工參加外部專業機構舉辦的培訓課程，並根據員工的職業發展需要向彼等提供資助及補貼。本集團定期舉辦各項培訓課程，以加強員工之職業安全、火警及緊急事故應對、急救及客戶服務技巧。於本年度，本集團於員工培訓方面投放約1,360小時，相當於每名僱員參與約14小時之培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OPERATING PRACTICES

Supply chain management

The Group has established solid relationships with a number of cinema exhibition equipment and services providers who maintain high levels of quality control and service standards. The selection of suppliers is based on criteria such as quality, supplier's capability and experience, with preference given to suppliers who demonstrate their environmental commitment.

Product responsibility and customer services

The state-of-the-art cinema under the Group offers premium viewing experience for audiences. The theatres are designed to provide an unparalleled and luxurious visual, audio and sensory experience, resulting in enhanced customer satisfaction. The cinema possesses various advanced technologies and facilities such as IMAX theatre system, 4DX motion system, D-Box seats and Dolby Atmos sound system.

The Group believes in recognising the support and loyalty of its customers. To appreciate these valuable relationships, the Group has established an exclusive loyalty program for rewarding loyal customers with unmatched privileges and special offers.

Protection of data

The Group places the utmost importance on protecting the privacy of its customers, partners and staff in the collection, processing and use of their personal data. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorised use or access. The Group also ensures that customers' personal data is securely stored, and processed only for the purpose for which it has been collected. Relevant staff are provided with adequate training in compliance with applicable laws on data privacy protection, to strengthen their awareness and to protect personal data against loss, unauthorised access, use, modification or disclosure.

Protection of intellectual property

The Group builds up and protects its intellectual property rights by prolonged use and registration of domain names and various trademarks including "Emperor". The Group has registered trademarks in various classes in Hong Kong, mainland China and other relevant jurisdictions.

經營常規

供應鏈管理

本集團與多家維持嚴謹品質監控及高服務水平的電影院展示設備商及服務商建立穩固的合作關係。供應商乃根據質素、供應商的實力及經驗等準則進行甄選，若能履行環保責任的供應商更可獲優先考慮。

產品責任及客戶服務

本集團旗下先進的電影院為觀眾提供高品質的觀賞體驗。電影廳提供無與倫比及奢華的視覺、聽覺及觸角之體驗，顧客滿意度因而獲提升。電影院配備不同領先的科技及設施，如IMAX放映系統、4DX動感系統、D-Box椅及杜比全景聲音效系統。

本集團對一直給予支持及忠誠的客戶心存感謝。為了感謝彼此重要的關係，本集團已設立尊貴的忠誠會員計劃，以特別的禮遇及優惠回饋忠誠客戶。

資料保護

本集團在收集、處理及使用所有客戶、合作夥伴及員工的個人資料過程中，對保障彼等的私隱給予最高度的重視。本集團嚴格依循適用的資料保護法例並確保設立適當之技術措施，保障個人資料免被未經授權挪用或存取。本集團亦確保客戶個人資料獲安全妥善地保存，並只會按收集時指定的用途使用。本集團根據保護私隱資料的適用法例向相關員工提供充足培訓，以加強彼等的意識及保障個人資料免受遺失、未經授權獲取、使用、修改或披露。

保障知識產權

本集團透過持續使用及登記域名與各類商標（包括「英皇」）而建立及保障其知識產權。本集團已在香港、中國內地及其他相關司法權區註冊多個類別的商標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OPERATING PRACTICES (continued)

Anti-corruption/Anti-money laundering

It is essential for the Group's employees to acquire a better understanding of corruption and related acts. In addressing and mitigating corruption risks, a set of guidelines was established to outline acceptable and unacceptable conduct in employees' daily business activities. It reaffirms that every employee adheres to applicable legal requirements and makes ethical business decisions. Employees are given anti-corruption briefings organised by the Group or seminars organised by the Independent Commission Against Corruption of Hong Kong. The Group has also adopted whistleblowing system and procedures for all levels and operations under the Group, so staff can raise concerns, in confidence, about possible improprieties such as misconduct and malpractice in any matter related to the Group. These policies and procedures can be found in the employee handbook on the Company's intranet.

Compliance with laws and regulations

The Group's Corporate Governance Committee is delegated by the Board to monitor and review its policies and practices on compliance with relevant legal and regulatory requirements. Updates on the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. The management must ensure that the conduct of business of the Group conforms with the applicable laws and regulations.

COMMUNITY INVOLVEMENT

Embracing the mission "**From the Community, To the Community**", the Group actively promotes diverse community campaigns spanning elderly welfare, underprivileged communities and environmental conservation initiatives. The Group's management team also plays an important role in mobilising staff to join all these activities, which are held in tandem with its commitment to sustainable development.

經營常規 (續)

防止貪污／防止洗黑錢

本集團之員工必須對貪污及相關行為加深了解。為了針對及減低貪污之風險，一套指引已獲制訂，列明員工日常業務活動中可接受及不可接受的行為。這可確保每個員工遵從適用的法律條文及作出合乎道德之商業決定。員工會參與本集團舉辦之防止貪污簡介會或香港廉政公署舉辦之研討會。本集團亦採納舉報制度及程序，讓本集團所有層面及業務之員工可機密地就任何可能影響本集團之不當事宜（如不當及不法行為）提出檢舉。該等政策及程序可於本公司內聯網上的員工手冊內查閱。

遵守法律及法規

本集團之企業管治委員會由董事會委派，以監察及檢討其政策及常規遵從有關法律及法規之要求。相關員工及相關經營單位會不時獲悉所適用法律、規則及法規之更新資訊。管理層須確保本集團所從事業務乃符合適用之法律及法規。

參與社區活動

以「取諸社會，用諸社會」為使命，本集團積極推廣多種社區活動，涵蓋長者福利、弱勢社群及環保行動。該等活動與本集團之可持續發展之承諾相輔相承，本集團管理層團隊在動員參與此等活動方面亦擔任重要角色。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

COMMUNITY INVOLVEMENT *(continued)*

The Group is dedicated to promoting environmental awareness through green education. On 25 March 2017, the Group joined the millions of people around the globe and turned off its office lights in support of WWF's Earth Hour, an annual event to raise awareness of climate change. In the "**Green Monday Fruit Day**" campaign, an item of fresh fruit is given to each staff member on the first working day of every week. "**Green Monday Light Lunch**" was also launched, allowing staff to order a healthy and delicious lunch, such as sandwiches and salads, at a special price. These measures helped staff to raise awareness about eco-friendly diets and maintaining a healthy lifestyle.

參與社區活動 (續)

本集團致力通過綠色教育宣揚環保意識。於2017年3月25日，本集團響應世界自然基金會一年一度的「地球一小時」活動，與全球億萬人攜手參與節能行動並關閉辦公室照明燈。該活動旨在提高人們對氣候變化的意識。在「生果星期一」活動中，每名員工在每週第一個工作日獲發一個新鮮水果。「輕營午餐星期一」亦已啟動，讓員工能夠以優惠價購買健康美味午餐，如三文治及沙律。此等措施幫助員工提升對於綠色飲食及維持健康生活方式的意識。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower 香港
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF EMPEROR CULTURE GROUP LIMITED
(incorporated in Bermuda with limited liability)

致英皇文化產業集團有限公司股東之
獨立核數師報告
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Emperor Culture Group Limited (formerly known as "See Corporation Limited") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 183, which comprise the consolidated statement of financial position as at 30 June 2017, 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 30 June 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of 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.

意見

本行已審核載於第65至183頁英皇文化產業集團有限公司(前稱「漢傳媒集團有限公司」)(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表,其中包括於2017年6月30日之綜合財務狀況表與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)。

本行認為,綜合財務報表已按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於2017年6月30日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量,並已按照香港公司條例之披露規定妥為編製。

意見基準

本行已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。根據該等準則,本行之責任於本報告「核數師就審核綜合財務報表之責任」一節中詳述。根據香港會計師公會之專業會計師道德守則(「守則」),本行獨立於貴集團,並已遵循守則履行其他道德責任。本行相信,本行已取得足夠及適當之審核憑證,為本行之意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters

關鍵審核事項

Accounting for business combination

業務合併之會計處理

Refer to note 39 to the consolidated financial statements
參閱綜合財務報表附註39

During the year, the Group completed the acquisition of Jade Dynasty Multi-Media Limited ("JDMM"). The total consideration was HK\$134,455,000 and the fair value of net assets acquired from the business combination was HK\$40,994,000. As a result, the Group had recognised a goodwill arising on acquisition of HK\$98,250,000 in the consolidated statement of financial position.

於本年度，貴集團完成收購玉皇朝多媒體有限公司（「玉皇朝多媒體」），總代價為134,455,000港元以及自業務合併收購之資產淨值之公允價值為40,994,000港元。因此，貴集團已於綜合財務狀況表確認收購產生之商譽98,250,000港元。

The acquisition requires the identification of assets acquired and the liabilities assumed and the consideration measured at fair value at the date of acquisition, which require the significant management's judgement.

收購須識別所收購之資產及所承擔之負債以及於收購日期按公允價值計量之代價，此均需要管理層之重大判斷。

Independent external valuation was obtained in order to support the management's estimates.

已取得獨立外部估值以支持管理層之估計。

關鍵審核事項

關鍵審核事項為本行根據專業判斷，於審核本期間綜合財務報表中最重要之事項。本行於審核整體綜合財務報表過程中處理此等事項及就此製定意見，而不會就此等事項單獨發表意見。

How our audit addressed the key audit matter

本行之審核如何處理關鍵審核事項

Our procedures in relation to the management's accounting for business combination included:

本行就管理層就業務合併之會計處理之審核程序包括：

- Evaluation of the independent valuer's competence, capabilities, independence and objectivity;
- 評估獨立估值師之才幹、能力、獨立性及客觀性；
- Assessing the methodologies used and the appropriateness of the key assumptions ; and
- 評估所採用之方法及關鍵假設之合適性；及
- Checking, on sampling basis, the accuracy and relevance of the input data used.
- 抽樣檢查所用輸入數據之準確性及相關性。

We found that the key assumptions were supported by the available evidence.

本行認為，關鍵假設已獲所得證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matters

關鍵審核事項

Impairment assessment on goodwill

商譽之減值評估

Refer to note 19 to the consolidated financial statements
參閱綜合財務報表附註19

As at 30 June 2017, the Group had goodwill of HK\$95,614,000 relating to the production, distribution and licensing of animated TV episode and theatrical film business.

於2017年6月30日，貴集團就動畫電視片集及戲院電影之製作、發行及授權業務擁有商譽95,614,000港元。

The management performed impairment assessment of goodwill and concluded that impairment loss on goodwill of HK\$2,636,000 was recognised in profit or loss. Management has performed impairment assessment and decided to recognise impairment loss of HK\$2,636,000 in profit or loss.

This conclusion was based on value-in-use model that required the significant management's judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure.

此結論乃基於使用價值模型作出，並需要管理層就折現率及相關現金流作出重大判斷，尤其是未來收益增長及資本開支。

關鍵審核事項 (續)

How our audit addressed the key audit matter

本行之審核如何處理關鍵審核事項

Our procedures in relation to the impairment assessment included:

本行就減值評估之審核程序包括：

- Evaluation of the independent valuer's competence, capabilities, independence and objectivity;
- 評估獨立估值師之才幹、能力、獨立性及客觀性；
- Discussion with the management on their planned strategies around business expansion, revenue stream, growth strategies and cost initiatives, and obtaining the list of secured contracts;
- 與管理層討論其有關業務拓展之已計劃策略、收入來源、增長策略及成本舉措以及獲取已取得合約之清單；
- Assessing the appropriateness of the key assumptions made by the management, including growth rates, profit margin and expected changes in capital expenditure with reference to current market circumstances and using our valuation experts;
- 評估管理層所採用之關鍵假設之合適性，包括增長率、利潤率以及參照現行市場狀況預期資本開支之變化及利用本行之估值專家；

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matters

關鍵審核事項

Impairment assessment on goodwill (continued)

商譽之減值評估 (續)

Refer to note 19 to the consolidated financial statements (continued)

參閱綜合財務報表附註19(續)

Independent external valuation was obtained in order to support the management's estimates.

已取得獨立外部估值以支持管理層之估計。

關鍵審核事項 (續)

How our audit addressed the key audit matter

本行之審核如何處理關鍵審核事項

- Testing the appropriateness of key inputs applied by the management in preparing the cash flow forecasts against historical performance, including revenue, cost of sales and operating expenses, with reference to the future strategic plans of the Group in respect of the cash-generating unit; and
- 測試管理層就歷史表現(包括收入、銷售成本及經營開支)·參考 貴集團之現金產生單位按未來策略計劃而編製之現金流量預測所應用之主要輸入數據之適當性;及
- Assessing the assumption on the long-term growth rates in the forecast and the discount rate with reference to the cost of capital of the Group.
- 參考 貴集團之資本開支評估預測中之長期增長率以及折現率之假設。

We found that the key assumptions were supported by the available evidence.

本行認為·關鍵假設已獲所得證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matters

How our audit addressed the key audit matter

關鍵審核事項

本行之審核如何處理關鍵審核事項

Impairment assessment for film and television ("TV") programme rights, film and TV programme production in progress and investments in film production

電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資之減值評估

Refer to notes 24, 25 and 26 to the consolidated financial statements

參閱綜合財務報表附註24、25及26

As at 30 June 2017, the Group had film and TV programme rights, film and TV programme production in progress and investments in film production with the carrying amounts of HK\$11,986,000, HK\$215,463,000 and HK\$1,683,000 respectively.

於2017年6月30日，貴集團之電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資賬面值分別為11,986,000港元、215,463,000港元及1,683,000港元。

The management performed impairment assessment of film and TV programme rights, film and TV programme production in progress and investments in film production and concluded that impairment losses of HK\$2,485,000, HK\$Nil and HK\$62,845,000 respectively were recognised in profit or loss.

管理層已對電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資進行減值評估，並決定分別於損益內確認減值虧損2,485,000港元、零港元及62,845,000港元。

Our procedures in relation to the impairment assessment included:

本行就減值評估之審核程序包括：

- Discussion with the management on their planned schedule and the stage of completion in respect of the films and TV programmes;
- 與管理層討論其有關電影及電視節目之已計劃策略及完成階段；
- Understanding the procedures taken by the management in estimating the projected distribution income of film and TV programme rights and investments in film production and assessing the reasonableness of such estimation;
- 了解管理層就估計電影及電視節目版權以及於電影製作之投資之預計發行收入時所採取之程序以及評估該等估計之合理性；
- Assessing the methodology adopted by the management and the appropriateness of key assumptions based on our knowledge of, in relevant industry;
- 根據本行於相關行業的知識評估管理層所採用之方法及關鍵假設之合適性；

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matters

How our audit addressed the key audit matter

關鍵審核事項

本行之審核如何處理關鍵審核事項

Impairment assessment for film and television ("TV") programme rights, film and TV programme production in progress and investments in film production (continued)

電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資之減值評估 (續)

Refer to notes 24, 25 and 26 to the consolidated financial statements (continued)

參閱綜合財務報表附註24、25及26(續)

Impairment of film and TV programme rights and investments in film production were assessed based on either net realisable value of the film rights to be disposed of or value-in-use model that required the use of discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure. 電影及電視節目版權以及於電影製作之投資之減值評估乃基於將出售電影版權之可變現淨值或使用價值模型(須使用折現率及相關現金流,尤其是未來收益增長及資本開支)作出。

Impairment of film and TV programme production in progress was assessed by comparing the carrying amount and the recoverable amount. The recoverable amount is determined based on the estimate used by the management.

製作中之電影及電視節目之減值評估乃通過比較賬面值及可收回金額作出。可收回金額根據管理層使用之估計數值釐定。

These conclusions required the significant management's judgement, with respect to the discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure.

該等結論須管理層就折現率及相關現金流作出重大判斷,尤其是未來收益增長及資本開支。

- Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
- 根據本行對有關業務及行業之認識審查關鍵假設是否合理;及
- Checking, on a sample basis, the accuracy and relevance of the input data used.
- 抽樣檢查所用輸入數據之準確性及相關性。

We found that the key assumptions were supported by the available evidence.

本行認為,關鍵假設已獲所得證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matters

How our audit addressed the key audit matters

關鍵審核事項

本行之審核如何處理關鍵審核事項

Fair value measurement on contingent consideration receivable

應收或然代價之公允價值計量

Refer to note 29 to the consolidated financial statements
參閱綜合財務報表附註29

As at 30 June 2017, the fair value of contingent consideration receivable was HK\$8,483,000 and the Group recognised a gain on fair value change of the contingent consideration receivable of HK\$338,000 in profit or loss.

於2017年6月30日，應收或然代價之公允價值為8,483,000港元，且貴集團於損益內確認應收或然代價公允價值變動收益338,000港元。

The measurement of fair value of the contingent consideration receivable involves significant degree of the management's judgement.

應收或然代價之公允價值計量涉及管理層之重大判斷。

Independent external valuations were obtained in order to support the management's estimates.

已取得獨立外部估值以支持管理層之估計。

Our procedures in relation to fair value measurement of contingent consideration receivable included:

本行就應收或然代價之公允價值計量之審核程序包括：

- Evaluation of the independent valuer's competence, capabilities, independence and objectivity;
- 評估獨立估值師之才幹、能力、獨立性及客觀性；
- Assessing the methodologies used and the appropriateness of the key assumptions and using our valuation experts;
- 評估所採用之方法及關鍵假設之合適性並使用本行之估值專家；
- Challenging the reasonableness of key assumptions such as the profitability, distribution of the result and income forecasts for measurement of the contingent consideration receivable based on for our research business and industry.
- 根據本行對業務及行業之研究審查用於計量應收或然代價之關鍵假設（如盈利能力、分銷業績及收入預測）是否合理；及
- Checking, on sampling basis, the accuracy and relevance of the input data used.
- 抽樣檢查所用輸入數據之準確性及相關性。

We found that the key assumptions were supported by the available evidence.

本行認為，關鍵假設已獲所得證據支持。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("Other Information").

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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承擔責任。其他資料包括載入年報之資料，但不包括載入綜合財務報表及本行的核數師報告的資料（「其他資料」）。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不會對其他資料作出任何形式的核證結論。

就本行對綜合財務報表的審核而言，本行之責任為閱讀其他資料，當中考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大不一致或似乎存在重大錯誤陳述。倘根據本行進行的工作，本行認為該等其他資料存在重大錯誤陳述，則本行須報告有關事實。本行就此並無任何事項須報告。

董事及審核委員會就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平之綜合財務報表，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，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，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。

審核委員會負責監督 貴集團之財務報告流程。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' 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 auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表之責任

本行的目標，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，並出具包括本行意見之核數師報告。本行僅根據百慕達1981年公司法向閣下（作為整體）報告本行的意見，除此之外，本報告概無其他用途。本行不會就本報告的內容向任何其他人士負上或承擔任何責任。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計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴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。

本行根據香港審計準則進行審計的工作之一，是運用專業判斷，在整個審計過程中抱持職業懷疑態度。本行亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為本行意見的基礎。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因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核有關的內部控制，以設計於有關情況下屬恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估計及相關披露是否合理。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' 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, related safeguards.

核數師就審核綜合財務報表之責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行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，則本行應當發表非無保留意見。本行之結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體呈報、架構及內容，包括披露資料，以及綜合財務報表是否已公平地反映及呈報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲取充足的審計憑證，以就綜合財務報表發表意見。本行須負責指導、監督及執行貴集團的審核工作。本行須為本行之審核意見承擔全部責任。

本行與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括本行在審計中識別出內部控制的任何重大缺陷。

本行還向審核委員會提交聲明，說明本行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本行獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' 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 director on the audit resulting in this independent auditors' report is Yu Chi Fat.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practicing Certificate Number: P05467

Hong Kong, 21 September 2017

核數師就審核綜合財務報表之責任 (續)

本行通過與審核委員會溝通，確定本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或（在極罕有的情況下）本行認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的權益而不應在報告中予以披露，否則本行會在核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目董事為余智發。

國衛會計師事務所有限公司
執業會計師

余智發
執業證書編號：P05467

香港，2017年9月21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 30 June 2017 截至2017年6月30日止年度

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations:	持續經營業務：			
Revenue	收入	7	44,925	24,251
Cost of sales	銷售成本		(37,460)	(16,056)
Gross profit	毛利		7,465	8,195
Other revenue	其他收益	9	16,726	10,574
Distribution costs	分銷成本		(7,399)	(7,497)
Administrative expenses	行政開支		(41,272)	(29,553)
Other operating expenses	其他經營支出	10	(72,477)	(26,786)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動		(7,115)	(21,640)
Loss from continuing operations	持續經營業務之虧損	10	(104,072)	(66,707)
Gain on disposal of associates	出售聯營公司之收益	21	34,825	–
Gain on disposal of subsidiaries	出售附屬公司之收益	41	–	18,039
Finance costs	財務成本	11	(6)	(12)
Loss before taxation from continuing operations	持續經營業務之除稅前虧損		(69,253)	(48,680)
Tax credit	稅項抵免	13	175	–
Loss for the year from continuing operations	持續經營業務之年度虧損		(69,078)	(48,680)
Discontinued operation:	已終止經營業務：			
Loss for the year from discontinued operation	已終止經營業務之年度虧損	14	–	(28,747)
Loss for the year	年度虧損		(69,078)	(77,427)

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 30 June 2017 截至2017年6月30日止年度

	Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Other comprehensive income/ (loss) for the year	年度其他全面收益/ (虧損)		
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可重新分類至損益之 項目：		
Exchange differences on translating foreign operations	換算海外業務所產生之 匯兌差額	100	(5,964)
Reclassification adjustments relating to foreign operations disposed of during the year	年度已出售海外業務之 重新分類調整	–	1,066
Other comprehensive income/(loss) for the year, net of tax	年度除稅後其他全面收益/ (虧損)	100	(4,898)
Total comprehensive loss for the year	年度全面虧損總額	(68,978)	(82,325)
(Loss)/profit for the year attributable to:	應佔年度(虧損)/溢利：		
Owners of the Company	本公司擁有人	(62,327)	(106,015)
Non-controlling interests	非控股權益	(6,751)	28,588
		(69,078)	(77,427)
Total comprehensive (loss)/ income for the year attributable to:	應佔年度全面(虧損)/收益 總額：		
Owners of the Company	本公司擁有人	(61,825)	(108,287)
Non-controlling interests	非控股權益	(7,153)	25,962
		(68,978)	(82,325)
Loss per share attributable to the owners of the Company:	本公司擁有人應佔每股 虧損：		
From continuing and discontinued operations	持續經營及已終止經營業務		
– Basic and diluted	– 基本及攤薄	15	15
		HK\$(0.03)港元	HK\$(0.05)港元
From continuing operations	持續經營業務		
– Basic and diluted	– 基本及攤薄	15	15
		HK\$(0.03)港元	HK\$(0.02)港元

The accompanying notes form an integral part of these consolidated financial statements.

附隨的附註構成此等綜合財務報表不可分割之部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2017 於2017年6月30日

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	72,241	59,431
Goodwill	商譽	19	95,614	–
Intangible assets	無形資產	20	25,489	–
Contingent consideration receivable	應收或然代價	29	485	–
Deposit paid for acquisition of subsidiaries	收購附屬公司之已付按金	22	–	30,000
			193,829	89,431
Current assets	流動資產			
Inventories	存貨	23	131	152
Film and TV programme rights	電影及電視節目版權	24	11,986	50,471
Film and TV programme production in progress	製作中之電影及電視節目	25	215,463	108,173
Investments in film production	於電影製作之投資	26	1,683	15,647
Trade receivables	貿易應收款	27	16,642	5,544
Other receivables, deposits and prepayments	其他應收款、按金及預付款	28	53,553	96,514
Contingent consideration receivable	應收或然代價	29	7,998	–
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	30	52,441	63,385
Cash and bank balances	現金及銀行結存	33	452,616	398,515
			812,513	738,401
Asset classified as held for sale	分類為持作出售之資產	34	47,600	–
			860,113	738,401
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	35	111,887	38,744
Amounts due to related companies	應付關連公司款項	36	16,049	–
Amount due to non-controlling interests	應付非控股權益款項	36	44,870	37,782
Tax payable	應付稅項		–	17
			172,806	76,543

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2017 於2017年6月30日

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Net current assets	流動資產淨值		687,307	661,858
Total assets less current liabilities	總資產減流動負債		881,136	751,289
Non-current liability	非流動負債			
Deferred tax liability	遞延稅項負債	37	242	–
Net assets	資產淨值		880,894	751,289
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	38	32,133	22,133
Reserves	儲備		872,046	754,044
			904,179	776,177
Non-controlling interests	非控股權益		(23,285)	(24,888)
Total equity	權益總額		880,894	751,289

Approved and authorised for issue by the Board of Directors on 21 September 2017 and signed on its behalf by:

於2017年9月21日經董事會批准及授權刊發，並由下列董事代表簽署：

Ms. Fan Man Seung, Vanessa
范敏嫦女士
Executive Director
執行董事

Mr. Wong Chi Fai
黃志輝先生
Executive Director
執行董事

The accompanying notes form an integral part of these consolidated financial statements.

附隨的附註構成此等綜合財務報表不可分割之部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2017 截至2017年6月30日止年度

		Attributable to the owners of the Company 本公司擁有人應佔									
		Capital						Accumulated	Non-		
		Share	reemption	Contributed	Exchange	Statutory	profits/		controlling	Total	
		capital	reserve	surplus	reserve	reserve	(losses)	Sub-total	interests		
		股本	資本贖回儲備	繳納盈餘	外匯儲備	法定儲備	／(虧損)	小計	非控股權益	總計	
		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	
			(note (i))	(note (ii))	(note (iii))	(note (iv))	(note (v))				
			(附註(i))	(附註(ii))	(附註(iii))	(附註(iv))	(附註(v))				
At 1 July 2015	於2015年7月1日	22,133	733,016	50	58,658	(368)	88	70,887	884,464	(26,561)	857,903
(Loss)/profit for the year	年度(虧損)/溢利	-	-	-	-	-	-	(106,015)	(106,015)	28,588	(77,427)
Other comprehensive loss for the year	年度其他全面虧損	-	-	-	-	(2,272)	-	-	(2,272)	(2,626)	(4,898)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	-	-	-	-	(2,272)	-	(106,015)	(108,287)	25,962	(82,325)
Effect from disposal of subsidiaries (note 41)	出售附屬公司之影響(附註41)	-	-	-	-	-	(88)	88	-	(24,290)	(24,290)
Non-controlling interests arising from acquisition of subsidiaries (note 39)	收購附屬公司所得之非控股權益(附註39)	-	-	-	-	-	-	-	-	1	1
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	22,133	733,016	50	58,658	(2,640)	-	(35,040)	776,177	(24,888)	751,289
Loss for the year	年度虧損	-	-	-	-	-	-	(62,327)	(62,327)	(6,751)	(69,078)
Other comprehensive income/(loss) for the year	年度其他全面收益/(虧損)	-	-	-	-	502	-	-	502	(402)	100
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	-	-	502	-	(62,327)	(61,825)	(7,153)	(68,978)
Issue of new shares by subscription	通過認購發行新股份	10,000	180,000	-	-	-	-	-	190,000	-	190,000
Share issuing expenses	股份發行開支	-	(173)	-	-	-	-	-	(173)	-	(173)
Non-controlling interests arising from acquisition of subsidiaries (note 39)	收購附屬公司所得之非控股權益(附註39)	-	-	-	-	-	-	-	-	8,756	8,756
At 30 June 2017	於2017年6月30日	32,133	912,843	50	58,658	(2,138)	-	(97,367)	904,179	(23,285)	880,894

The accompanying notes form an integral part of these consolidated financial statements.

附隨的附註構成此等綜合財務報表不可分割之部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2017 截至2017年6月30日止年度

Notes:

(i) Share premium
The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) Capital redemption reserve
Capital redemption reserve arose on the cancellation of repurchased shares and accordingly reduction of nominal value of share capital of the Company.

(iii) Contributed surplus
The contributed surplus of the Group represents the amount transferred from the capital account due to the capital reduction and share premium reduction as a result of the capital reorganisation of the Company took effect on 8 May 2014.

Under the Company Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution. However, the Company cannot make a distribution out of the contributed surplus if: (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than its liabilities.

(iv) Exchange reserve
The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(v) Statutory reserve
The statutory reserve is set up for enterprises established in Mainland China. According to the relevant rules and regulations in The People's Republic of China (the "PRC") applicable to wholly foreign-owned enterprises, a wholly foreign-owned enterprise is required to transfer at least 10% of its profit after taxation, as determined under the PRC Accounting Regulations, to a reserve fund until the reserve fund balance reaches 50% of the relevant enterprise's registered capital.

附註：

(i) 股份溢價
股份溢價賬之應用受百慕達1981年公司法第40條規管。

(ii) 資本贖回儲備
資本贖回儲備源自註銷已購回股份及相應削減本公司股本面值。

(iii) 繳納盈餘
本集團之繳納盈餘指因本公司於2014年5月8日生效之股本重組而進行股本削減及股份溢價削減而從資本賬轉撥之金額。

根據百慕達1981年公司法(經修訂), 繳納盈餘可供分派。然而, 於以下情況, 本公司不得自繳納盈餘中作出分派: (i)本公司當時或於分派後將會無法支付其到期負債; 或(ii)本公司資產之可變現值將因而低於其負債。

(iv) 外匯儲備
外匯儲備包括自換算海外業務之財務報表產生之所有匯兌差額。

(v) 法定儲備
法定儲備為於中國大陸成立之企業而設立。根據適用於外商獨資企業之中華人民共和國(「中國」)相關條例及法規, 外商獨資企業須將其根據中國會計規例釐定之除稅後溢利之至少10%轉撥至儲備金, 直至該儲備金餘額達到相關企業註冊資本之50%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2017 截至2017年6月30日止年度

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cash flows from operating activities	來自經營活動之現金流量		
Loss before taxation:	除稅前虧損：		
from continuing operations	來自持續經營業務	(69,253)	(48,680)
from discontinued operation	來自已終止經營業務	–	(29,254)
Adjustments for:	調整項目：		
Amortisation of film and TV programme rights	電影及電視節目版權攤銷	4,556	1,527
Amortisation of intangible assets	無形資產攤銷	1,847	3,397
Cost of investments in film production	於電影製作之投資成本	18,586	8,447
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	8,975	12,800
Impairment loss recognised in respect of:	就下列各項確認之減值虧損：		
– goodwill	– 商譽	2,636	–
– film and TV programme rights	– 電影及電視節目版權	2,485	5,966
– investments in film production	– 於電影製作之投資	62,845	20,651
– trade receivables	– 貿易應收款	–	599
– other receivables	– 其他應收款	3,000	169
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	33	1,133
Gain on fair value change in respect of contingent consideration receivable	應收或然代價之公允價值變動收益	(338)	–
Decrease in fair value of listed corporate bond	上市公司債券之公允價值減少	1,511	–
Change in fair value of financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動	7,115	21,640
Convertible bond interest income	可換股債券之利息收入	–	(5,734)
Dividend income	股息收入	(4,860)	(1,940)
Interest income	利息收入	(862)	(1,169)
Listed corporate bond interest income	上市公司債券利息收入	(1,328)	–
Finance costs	財務成本	6	193
Reversal of impairment loss recognised in respect of trade receivables	撥回就貿易應收款確認之減值虧損	(69)	(351)
(Gain)/loss on disposals of associates and subsidiaries	出售聯營公司及附屬公司之(收益)/虧損	(34,825)	61,145
Waiver of amounts due to related companies	豁免應付關連公司款項	–	(20,508)
Waiver of amount due to non-controlling interests	豁免應付非控股權益款項	–	(52,331)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2017 截至2017年6月30日止年度

	Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Operating cash flows before movement in working capital	未計營運資金變動前之經營現金流量	2,060	(22,300)
Decrease in inventories	存貨減少	19	131
(Increase)/decrease in film production in progress	製作中之電影(增加)/減少	(165,578)	4,917
Decrease in trade and other receivables, deposits and prepayments	貿易及其他應收款、按金及預付款減少	52,947	48,191
Increase in investment in listed corporate bond	上市公司債券投資增加	(183)	–
Decrease/(increase) in financial assets at fair value through profit or loss	按公允價值計入損益之金融資產減少/(增加)	3,829	(48,899)
Increase/(decrease) in trade and other payables	貿易及其他應付款增加/(減少)	43,000	(26,841)
Cash used in operations	用於經營業務之現金	(63,906)	(44,801)
Income tax paid	已繳所得稅	(5)	(187)
Net cash used in operating activities	用於經營活動之現金淨額	(63,911)	(44,988)
Cash flows from investing activities	來自投資活動之現金流量		
Dividend received	已收股息	4,860	1,940
Interest received	已收利息	862	1,169
Purchase of property, plant and equipment	購買物業、廠房及設備	(22,466)	(11,568)
Deposit paid for acquisition of subsidiaries	收購附屬公司之已付按金	22	(30,000)
Net cash (outflow)/inflow on acquisition of subsidiaries	收購附屬公司之現金(流出)/流入淨額	39 & 40	6,871
Net cash inflow on disposal of associates	出售聯營公司之現金流入淨額		–
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	41	41,847
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	–	772
Net cash (used in)/generated from investing activities	(用於)/來自投資活動之現金淨額	(95,058)	11,031

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2017 截至2017年6月30日止年度

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cash flows from financing activities	來自融資活動之現金流量		
Proceeds from issue of new shares by subscription	通過認購發行新股份所得款項	190,000	–
Advances from non-controlling interests	來自非控股權益之墊款	7,088	25,607
Proceeds from bank borrowings	銀行借貸所得款項	–	2,999
Advances from/(repayments to) related companies	關連公司之墊款／(還款)	16,049	(1,081)
Repayments of bank and other borrowings	銀行及其他借貸還款	–	(3,004)
Repayments of obligations under finance lease	融資租賃承擔還款	–	(224)
Repayments to a director	向一名董事還款	–	(1,291)
Interest expense paid	已付利息開支	(6)	(193)
Share issuing expenses	股份發行開支	(173)	–
Net cash generated from financing activities	來自融資活動之現金淨額	212,958	22,813
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	53,989	(11,144)
Effect of foreign exchange rate changes	外匯匯率變動之影響	112	(1,816)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	398,515	411,475
Cash and cash equivalents at the end of the year, representing cash and bank balances	年末之現金及現金等價物，即現金及銀行結存	452,616	398,515

The accompanying notes form an integral part of these consolidated financial statements.

附隨的附註構成此等綜合財務報表不可分割之部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 27 March 1992 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). According to the register of substantial shareholders maintained by the Company as at 30 June 2017, Giant Lead Profits Limited (“**Giant Lead**”) (now known as “Emperor Culture Group Holdings Limited”), Albert Yeung Holdings Limited (“**AY Holdings**”), STC International Limited (“**STC International**”) are substantial corporate shareholders of the Company. The ultimate controlling party of Giant Lead is AY Holdings which is held by STC International as the trustee of The Albert Yeung Discretionary Trust (“**AY Trust**”) as set up by Dr. Yeung Sau Shing, Albert. The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information and Key Dates” section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The Company acts as an investment holding company and is also engaged in investment in securities. The principal activities of its subsidiaries are set out in note 45.

During the year, the Company’s name was changed to “Emperor Culture Group Limited” with the secondary name “英皇文化產業集團有限公司”.

1. 公司資料

本公司為一間於1992年3月27日在百慕達根據百慕達1981年公司法（經修訂）註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。根據本公司於2017年6月30日置存之主要股東登記冊，Giant Lead Profits Limited（「**Giant Lead**」）（現稱「英皇文化產業集團控股有限公司」）、楊受成產業控股有限公司（「**楊受成產業控股**」）、STC International Limited（「**STC International**」）為本公司的主要法團股東。Giant Lead的最終控制人為楊受成產業控股，而楊受成產業控股由STC International（即楊受成博士成立之The Albert Yeung Discretionary Trust（「**AY Trust**」）的受託人）持有。本公司之註冊辦事處及主要營業地點之地址披露於本年報「公司資料及重要日期」一節。

綜合財務報表乃以港元（「**港元**」）呈列，此與本公司之功能貨幣相同；而除另有指明者外，所有價值均近位至最接近之千位（千港元）。

本公司為一間投資控股公司，並同時從事證券投資。其附屬公司之主要業務載於附註45。

於本年度，本公司之名稱已更改為「Emperor Culture Group Limited」，並採用「英皇文化產業集團有限公司」作為第二名稱。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied for the first time in the current year the following amendments to HKFRSs and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKAS 1 (Amendments)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants
HKAS 27 (Amendments)	Equity method in separate financial statements
HKFRSs (Amendments)	Annual improvement to HKFRSs 2012-2014 cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception
HKFRS 11 (Amendments)	Accounting for acquisition of interest in joint operation
HKFRS 14	Regulatory deferral accounts

The application of the above new and amendments to HKFRSs and HKASs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團於本年度首次應用香港會計師公會（「香港會計師公會」）所頒佈之下列香港財務報告準則及香港會計準則（「香港會計準則」）之修訂。

香港會計準則第1號（修訂）	披露計劃
香港會計準則第16號及香港會計準則第38號（修訂）	折舊及攤銷可接受方法之澄清
香港會計準則第16號及香港會計準則第41號（修訂）	農業：生產性植物
香港會計準則第27號（修訂）	獨立財務報表之權益法
香港財務報告準則（修訂）	2012至2014年週期香港財務報告準則之年度改善
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號（修訂）	投資實體：應用綜合報表例外情況
香港財務報告準則第11號（修訂）	收購合營業務權益之會計處理
香港財務報告準則第14號	監管遞延賬目

於本年度應用上述新訂及經修訂香港財務報告準則及香港會計準則對本集團於本年度及過往年度之財務表現及狀況及／或於綜合財務報表所載之披露並無構成重大影響。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and revised standards, amendments and interpretations (collectively referred to as “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:

HKAS 7 (Amendments)	Disclosure initiative ¹
HKAS 12 (Amendments)	Recognition of deferred tax assets for unrealised losses ¹
HKAS 40 (Amendments)	Transfer of investment property ³
HKFRSs (Amendments)	Annual improvements to HKFRSs 2014-2016 cycle ²
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions ³
HKFRS 4 (Amendments)	Applying HKFRS 9, Financial instruments with HKFRS 4, Insurance contracts ³
HKFRS 9	Financial instruments ³
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture ⁵
HKFRS 15	Revenue from contracts with customers ³
HKFRS 15 (Amendments)	Clarifications to HKFRS 15, Revenue from contracts with customers ³
HKFRS 16	Leases ⁴
HK(IFRIC) – Int 22	Foreign currency transactions and advance consideration ³
HK(IFRIC) – Int 23	Uncertainty over income tax treatments ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2017 or 2018, as appropriate.
- ³ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
- ⁵ Effective for annual periods beginning on or after a date to be determined.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂準則、修訂及詮釋（以下統稱「新訂及經修訂香港財務報告準則」）

本集團並未提前應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港會計準則第7號（修訂）	披露計劃 ¹
香港會計準則第12號（修訂）	就未變現虧損作出遞延稅項資產之確認 ¹
香港會計準則第40號（修訂）	投資物業之轉讓 ³
香港財務報告準則（修訂）	2014至2016年週期香港財務報告準則之年度改善 ²
香港財務報告準則第2號（修訂）	股份付款交易之分類及計量 ³
香港財務報告準則第4號（修訂）	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」 ³
香港財務報告準則第9號	金融工具 ³
香港財務報告準則第10號及香港會計準則第28號（修訂）	投資者及其聯營公司或合營企業之間的資產銷售或注資 ⁵
香港財務報告準則第15號	來自客戶合約之收入 ³
香港財務報告準則第15號（修訂）	澄清香港財務報告準則第15號「來自客戶合約之收入」 ³
香港財務報告準則第16號	租賃 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預收（付）對價 ³
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅的不確定性之處理 ⁴

- ¹ 於2017年1月1日或其後開始之年度期間生效，允許提早應用。
- ² 於2017年或2018年1月1日（按情況適用）或其後開始之年度期間生效。
- ³ 於2018年1月1日或其後開始之年度期間生效，允許提早應用。
- ⁴ 於2019年1月1日或其後開始之年度期間生效，允許提早應用。
- ⁵ 於待釐定之日期或其後開始之年度期間生效。

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For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKAS 7, Disclosure initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 July 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

HKFRS 9, Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第7號「披露計劃」

該等修訂規定實體披露能讓財務報表使用者評估融資活動產生之負債變動，包括現金流量引致之變動及非現金變動。尤其是，該等修訂規定披露以下來自融資活動之負債變動：(i)來自融資現金流量之變動；(ii)來自取得或失去附屬公司或其他業務的控制權之變動；(iii)外幣匯率變動之影響；(iv)公允價值變動；及(v)其他變動。

該等修訂於2017年7月1日或之後開始之年度期間前瞻性應用，並允許提早應用。應用該等修訂將導致有關本集團融資活動的額外披露，尤其是融資活動產生之負債於綜合財務狀況表的期初與期末結餘之對賬，將於應用該等修訂時披露。

香港財務報告準則第9號「金融工具」

於2009年頒佈之香港財務報告準則第9號引入金融資產分類及計量之新規定。其後於2010年修訂之香港財務報告準則第9號包括金融負債分類及計量以及終止確認之規定，並且於2013年加入有關一般對沖會計處理方法之新規定。於2014年頒佈之香港財務報告準則第9號之另一個經修訂版本主要加入(a)有關金融資產之減值規定及(b)為若干簡單債務工具引入「透過其他全面收益之公允價值」（「透過其他全面收益之公允價值」）計量類別，對分類及計量規定作出有限修訂。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9, Financial instruments (continued)

Key requirements of HKFRS 9 are described as follows:

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

與本集團有關之香港財務報告準則第9號之主要規定載述如下：

- 屬香港財務報告準則第9號範圍內之所有已確認金融資產其後均須按攤銷成本或公允價值計量。具體而言，目的為收取合約現金流量之業務模式下持有以及附有純粹作本金及尚未償還本金之利息付款之合約現金流量之債務投資，一般於其後之會計期間結束時按攤銷成本計量。目的為收取合約現金流量及出售金融資產之業務模式下持有以及金融資產合約條款令於特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的債務工具，一般按透過其他全面收益之公允價值計量。所有其他債務投資及股權投資均於其後之會計期間結束時按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列之股權投資（非持作買賣）公允價值之其後變動，一般僅股息收入於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9, Financial instruments (continued)

Key requirements of HKFRS 9 are described as follows: (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, Financial instruments: recognition and measurement, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transaction eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

與本集團有關之香港財務報告準則第9號之主要規定載述如下：（續）

- 香港財務報告準則第9號規定，就指定為按公允價值計入損益（「按公允價值計入損益」）列賬之金融負債的計量而言，因金融負債信貸風險有變而導致其公允價值變動之金額於其他全面收益內呈列，除非於其他全面收益確認該負債信貸風險變動的影響會產生或增加損益的會計錯配則作別論。金融負債信貸風險之公允價值變動其後不會重新分類至損益。根據香港會計準則第39號「金融工具：確認及計量」，指定為按公允價值計入損益之金融負債的全部公允價值變動金額均於損益內呈列。
- 就金融資產減值而言，與香港會計準則第39號項下按已發生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期計入預期信貸虧損及有關該等預期信貸虧損之變動，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。
- 根據目前適用之香港會計準則第39號，新訂一般對沖會計法規定保留三種對沖會計處理機制。根據香港財務報告準則第9號，新規定為合資格作對沖會計處理之各類交易提供更大之靈活性，特別是增加合資格作為對沖工具之工具類別以及合資格作對沖會計處理之非金融項目之風險成分類別。此外，追溯成效定量測試已撤銷。新規定亦引入增加披露有關實體風險管理活動之規定。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9, Financial instruments (continued)

The directors of the Company (the “Directors”) have reviewed the Group’s financial assets at 30 June 2017 and anticipate that the application of HKFRS 9 in the future may result in early recognition of credit losses based on expected loss model in relation to the Group’s financial assets measured at amortised cost and is not likely to have other material impact on the financial position and financial performance of the Group based on an analysis of the Group’s existing business model.

HKFRS 15, Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 supersedes the revenue recognition guidance including HKAS 18, Revenue, HKAS 11, Construction contracts and the related interpretations when it becomes effective.

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

本公司董事（「董事」）已審閱本集團於2017年6月30日之金融資產，並預期日後應用香港財務報告準則第9號可能導致就本集團按攤銷成本計量之金融資產基於預期虧損模式提早確認信貸虧損，但根據本集團現有業務模式之分析不大可能對本集團之財務狀況及財務表現造成其他重大影響。

香港財務報告準則第15號「來自客戶合約之收入」

香港財務報告準則第15號於2014年7月頒佈，為實體建立一個單一的綜合模式，以確認來自客戶合約之收入。香港財務報告準則第15號生效後，將取收入確認指引，包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。

香港財務報告準則第15號之核心原則乃本集團應確認收入以體現向客戶轉讓承諾貨品或服務之金額，並反映本集團預期交換該等貨品或服務而應得之代價。具體而言，該準則有五個步驟以確認收入：

- 第1步： 識別與某客戶訂立之合約
- 第2步： 識別合約中之履約責任
- 第3步： 釐定交易價格
- 第4步： 將交易價格分攤至合約中之履約責任
- 第5步： 於實體符合履約責任時（或就此）確認收入

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 15, Revenue from contracts with customers (continued)

Under HKFRS 15, 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 16, Leases

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號「來自客戶合約之收入」（續）

根據香港財務報告準則第15號，當本集團完成履約責任時（即當貨品或服務按特定之履約責任轉移予客戶「控制」時）確認收入。香港財務報告準則第15號已就特別情況之處理方法加入更多規範指引。此外，香港財務報告準則第15號亦要求更廣泛之披露。

於2016年，香港會計師公會頒佈香港財務報告準則第15號之澄清，內容有關對履約責任的識別、主事人與代理人代價以及牌照申請指引。

董事預期，日後應用香港財務報告準則第15號可能對本集團綜合財務報表呈報之金額及作出之披露構成影響。然而，在詳細審閱完成前無法提供該影響之合理估計。

香港財務報告準則第16號「租賃」

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

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

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16, Leases (continued)

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

Furthermore, extensive disclosures are required by HKFRS 16.

At 30 June 2017, the Group has non-cancellable operating lease commitments of HK\$239,644,000 as disclosed in note 42(a) to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16 and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

Except as described above, the Directors do not anticipate the application of other new and amendments to HKFRSs will have a material impact on the Group’s financial performance and position and/or the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號「租賃」（續）

使用權資產初步按成本計量，隨後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項（非當日支付）之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將經營租賃款項則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，並將按融資現金流量呈列。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於2017年6月30日，本集團有不可撤銷的經營租賃承擔239,644,000港元（如綜合財務報表附註42(a)所披露）。初步評估顯示該等安排符合香港財務報告準則第16號項下租賃的定義，以致本集團將就所有該等租賃確認使用權資產及相應負債，除非該等租賃於香港財務報告準則第16號應用時符合低價值或短期租賃的條件。此外，新規定之應用可能引致上文所示之計量、呈列及披露有所變動。然而，在董事完成詳細審閱前無法提供財務影響的合理估計。

除上述者外，董事預期，應用其他新訂香港財務報告準則及其修訂對本集團之財務表現及狀況及／或該等綜合財務報表內載列之披露不會產生重大影響。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(b) Basis of preparation

The consolidated financial statements have been prepared under historical cost convention except for certain financial assets which are carried at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies.

3. 主要會計政策概要

編製該等綜合財務報表時應用之主要會計政策載於下文。除另有指明外，該等政策已於所有呈列之年度內貫徹應用。

(a) 合規聲明

綜合財務報表乃根據所有適用之香港財務報告準則編製，而此為一項統稱，包括香港會計師公會所頒佈所有適用之個別香港財務報告準則、香港會計準則及詮釋、香港公認會計原則以及香港公司條例（第622章）披露規定。該等綜合財務報表亦遵守聯交所證券上市規則（「上市規則」）之適用披露條文。

(b) 編制基準

綜合財務報表乃按歷史成本法編製，惟若干金融資產以公允價值計算。歷史成本一般以交換貨品及服務時給予代價之公允價值為基準計算。依據香港財務報告準則編製綜合財務報表，須採用若干關鍵會計估計，亦要求管理層於應用本集團會計政策時運用判斷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation (continued)

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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit 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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, Share-based payment, leasing transactions that are within the scope of HKAS 17, Leases, 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.

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 assess 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.

3. 主要會計政策概要 (續)

(b) 編制基準 (續)

公允價值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。估計資產或負債之公允價值時，本集團考慮市場參與者在計量日期為該資產或負債進行定價時將會考慮之資產或負債特徵。非金融資產公允價值之計量參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。於此等綜合財務報表中計量及／或披露之公允價值均按此基準釐定，惟香港財務報告準則第2號「以股份為基礎的支付」範圍內的以股份支付之交易、香港會計準則第17號「租賃」範圍內的租賃交易及與公允價值類似但並非公允價值的計量（例如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

此外，就財務報告而言，公允價值計量根據公允價值計量之輸入數據可觀察程度及輸入數據對公允價值計量之整體重要性分類為第1級、第2級或第3級，載述如下：

- 第1級輸入數據為實體在計量日期於活躍市場可以取得之相同資產或負債報價（未經調整）；
- 第2級輸入數據為就資產或負債直接或間接地可觀察之輸入數據（第1級內包括之報價除外）；及
- 第3級輸入數據為資產或負債之不可觀察輸入數據。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

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

Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Specially, income and expenses of subsidiaries 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 subsidiaries.

Profit or loss and each component 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.

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

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

3. 主要會計政策概要 (續)

(c) 綜合賬目基準

綜合財務報表包括本公司以及本公司及其附屬公司控制之實體之財務報表。本公司在符合以下情況時取得控制權：

- 有權控制投資對象；
- 因參與投資對象業務而承擔浮動回報之風險或享有權利；及
- 可行使權力影響其投資對象之回報。

倘有事實或情況顯示上述三項控制權因素中有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

本集團於獲得附屬公司控制權時將其綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年度內收購或出售之附屬公司之收入及開支自本集團獲得控制權當日起至本集團失去控制附屬公司當日止，計入綜合損益及其他全面收益表內。

損益及其他全面收益之各組成部分乃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，即使此舉會導致非控股權益出現虧絀結餘。

倘有需要，附屬公司之財務報表會作出調整，使其會計政策與本集團之會計政策一致。

所有有關本集團成員間交易之集團內部資產及負債、權益、收入、支出及現金流量均於綜合賬目時全部對銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

When the Group loses control of subsidiaries, 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 amounts of the assets (including goodwill), and liabilities of the subsidiaries and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to those subsidiaries are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiaries (i.e. reclassified to profit or loss or transferred directly to accumulated losses as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, Financial instruments: Recognition and measurement or, when applicable, the cost on initial recognition of an interest in an associate or a joint venture.

(d) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策概要 (續)

(c) 綜合賬目基準 (續)

於附屬公司之非控股權益與本集團所佔之權益分開呈報。

倘本集團失去附屬公司控制權，收益或虧損會於損益內確認，並按：(i)已收代價公允價值及任何保留權益公允價值總額與(ii)附屬公司之資產（包括商譽）及負債，以及任何非控股權益之賬面值之差額計算。所有先前於其他全面收益確認之有關該等附屬公司之款項，按猶如本集團已直接出售該等附屬公司之相關資產或負債入賬（即按適用香港財務報告準則所指明重新分類至損益或直接轉撥至累計虧損）。於失去控制權當日仍保留於前附屬公司之任何投資公允價值，會被視為根據香港會計準則第39號「金融工具：確認及計量」就日後入賬初步確認之公允價值或（如適用）於初步確認聯營公司或合營企業權益時之成本。

(d) 業務合併

業務收購乃採用收購法入賬。於業務合併中轉讓之代價按公允價值計量，而公允價值之計算方式為本集團轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團就換取被收購方之控制權所發行之股權於收購日期之公允價值總和。與收購事項有關之成本通常於產生時於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12, Income taxes and HKAS 19, Employee benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangement of the acquiree are measured in accordance with HKFRS 2, Share-based payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5, Non-current assets held for sale and discontinued operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

於收購日期，所收購之可識別資產及所承擔之負債按其公允價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付安排或本集團為取代被收購方之以股份支付安排而訂立之以股份支付安排相關之負債或權益性工具於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組合）根據該項準則計量。

商譽乃以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有之被收購方股權公允價值（如有）之總和超出所收購可識別資產及所承擔負債淨值之金額計量。倘經過重新評估後，所收購可識別資產及所承擔負債淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有之被收購方權益公允價值（如有）之總和，所超出之金額即時於損益內確認為議價收購收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specific in another HKFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one from the acquisition date) about facts and circumstances that existed at the date of acquisition.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for with equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

於現有擁有權權益並賦予其持有人於清盤時按比例分佔相關附屬公司淨資產之非控股權益可於初始時按公允價值，或按非控股權益之比例分佔被收購方可識別淨資產之已確認金額計量。對計量基準之選擇根據每項交易而作出。其他類型之非控股權益按公允價值或（如適用）另一項香港財務報告準則列明之基準計量。

當本集團於業務合併時轉讓之代價包含因或然代價安排而產生之資產或負債時，或然代價將按收購日期之公允價值計量，並被視為業務合併時所轉讓代價之一部份。符合作為計量週期調整之或然代價之公允價值變動，需以追溯方式進行調整，而商譽亦會進行相應調整。計量週期調整是指於「計量期間」（不超出收購日期起計一年）取得與收購日期已存在之事實及情況相關之額外資料而產生之調整。

不符合計量週期調整之或然代價之其後會計處理乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告日期重新計量，而其後結算於權益內入賬。分類為資產或負債之或然代價於其後呈報日期按公允價值重新計量，而相應之收益或虧損於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

Acquisition of a subsidiary that not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or gain on bargain purchase.

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU(s)") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on acquisition in a reporting period, the CGUs (or groups of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

收購一間不構成業務之附屬公司

當本集團收購一組不構成業務的資產及負債時，本集團藉由先將購買價按照各自之公允價值分配至金融資產及金融負債，以識別及確認所收購之個別可識別資產及所承擔之負債，並將購買價之餘下結餘按其於購買日之相對公允價值分配至其他個別可識別資產及負債。該項交易並不會產生商譽或議價購買收益。

(e) 商譽

收購一項業務所產生之商譽按於收購業務日期所確定之成本（見上述會計政策）減累計減值虧損（如有）列賬。

就減值測試而言，商譽會被分配至預期從合併之協同效應中受益之本集團各有關現金產生單位（「現金產生單位」）（或現金產生單位組別）中。

已獲配商譽之現金產生單位（或一組現金產生單位）須每年或多次（倘有跡象顯示有關單位可能出現減值）進行減值測試。就於某個呈報期期間自收購產生之商譽而言，已獲分配至商譽之現金產生單位（或一組現金產生單位）須於該呈報期期末前進行減值測試。倘現金產生單位之可收回金額少於該單位之賬面值，減值虧損會先減少獲分配至該單位之任何商譽之賬面值，及其後以該單位各資產之賬面值為基準按比例分配到該單位之其他資產。商譽之任何減值虧損乃直接於損益內確認。已確認之商譽之減值虧損於其後期間不予撥回。

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For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Interests in associates

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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5, Non-current assets held for sale and discontinued operations. Under the equity method, interests in associates initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise in the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of associates equals or exceeds the Group's interest in that associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognising its share of future 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 associate.

3. 主要會計政策概要 (續)

(e) 商譽 (續)

倘出售有關現金產生單位，於釐定出售損益金額時會計入應佔商譽金額。

(f) 於聯營公司之權益

聯營公司指本集團對其擁有重大影響力之實體。重大影響力指有權參與投資對象之財務及經營政策決定，但對該等政策並無擁有控制權或共同控制權。

聯營公司之業績及資產與負債按權益會計法載入此等綜合財務報表，惟當投資被分類為持作出售時除外，於該情況下該等業績及資產與負債則按香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」入賬。根據權益法，在綜合財務狀況表中，於聯營公司之權益初步按成本確認並於其後作出調整，以確認本集團應佔該等聯營公司之損益及其他全面收益。倘本集團應佔聯營公司之虧損相等於或超出本集團於該聯營公司之權益（包括實質上構成本集團於聯營公司之淨投資一部分之任何長期權益），本集團則停止確認其未來所佔虧損。本集團僅在產生法律或推定責任或已代聯營公司支付付款時方會確認額外虧損。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Interests in associates (continued)

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the interest in an associate, 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.

When an interest in an associate is held by, or is held indirectly through an entity that is a venture capital organisation and similar entities, such investment is measured at FVTPL in the Group's consolidated statement of financial position.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, 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 of disposal) 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.

3. 主要會計政策概要 (續)

(f) 於聯營公司之權益 (續)

自投資對象成為一間聯營公司當日起，於聯營公司之權益採用權益法入賬。於收購一間聯營公司之權益時，超過本集團分佔投資對象可識別資產及負債公允淨值之任何投資成本乃確認為商譽，並計入投資之賬面值。於重新評估後，本集團所佔可識別資產及負債之公允淨值高於投資成本之任何部分會在收購投資之期間即時於損益內確認。

倘於聯營公司之權益由風險資本機構及類似實體持有或透過屬於風險資本機構及類似實體之實體間接持有，該投資於本集團之綜合財務狀況表則按公允價值計入損益。

香港會計準則第39號之規定應用於釐定是否需要就本集團於聯營公司之投資確認任何減值虧損。倘有需要時，本集團會根據香港會計準則第36號「資產減值」對該投資（包括商譽）之全部賬面值按單一資產進行減值測試，方法為將其可收回金額（以使用價值與公允價值減出售成本之較高者為準）與其賬面值作比較。任何已確認減值虧損將組成該投資賬面值之一部分。根據香港會計準則第36號，該減值虧損之任何撥回以該投資其後增加之可收回金額確認。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Interests in associates (continued)

When the Group ceased to have significant influence over an associate, it is accounted for a disposal of the entire interest in the associate with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, 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 at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interests in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate 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) when the equity method is discontinued.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 主要會計政策概要 (續)

(f) 於聯營公司之權益 (續)

倘本集團對聯營公司失去重大影響力，會被列作為出售聯營公司之全部權益，所產生之損益於損益內確認。倘本集團保留於前聯營公司之權益且該保留權益屬香港會計準則39號範圍之金融資產，則本集團會於當日按公允價值計量保留權益，而公允價值則被視為於初始確認時之公允價值。聯營公司於終止採用權益法當日之賬面值與任何保留權益及出售聯營公司之任何所得款公允價值間之差額，會於釐定出售該聯營公司之收益或虧損時入賬。此外，倘該聯營公司直接出售相關資產或負債，本集團可能需要按相同基準將有關該聯營公司以往於其他全面收益確認之所有金額入賬。因此，倘該聯營公司以往於其他全面收益確認之損益獲重新分類為出售相關資產或負債之損益，本集團會於終止採用權益法時將有關收益或虧損從權益重新分類至損益（作為重新分類調整）。

當集團實體與本集團之聯營公司進行交易時，與聯營公司交易所產生之損益僅以與本集團無關之聯營公司權益為限，於本集團之綜合財務報表內確認。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Non-current assets held for sale and discontinued operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group's operations and cash flows can be clearly distinguished from the rest of the Group and represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of profit or loss and other comprehensive income, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal, of the assets or disposal groups constituting the discontinued operation.

3. 主要會計政策概要 (續)

(g) 持作出售非流動資產及已終止經營業務

當非流動資產及出售組合之賬面值將主要透過銷售交易而非透過持續使用收回，則會分類為持作出售。此條件僅於該資產（或出售組合）可於其現況下即時出售（並僅受該等資產（或出售組合）之一般及慣常出售條款規限），且出售可能性相當高時，方被視為達成。管理層必須已承諾進行出售，且出售應預計於分類日期起計1年內合資格確認為已完成出售。

當本集團承諾進行涉及失去附屬公司控制權之出售計劃，不論本集團會否於出售後保留於該前附屬公司之非控股權益，該附屬公司之所有資產及負債於符合上述有關分類為持作出售之條件時會分類為持作出售。

分類為持作出售之非流動資產（及出售組合）按其賬面值與公允價值減出售成本之較低者計量。

已終止經營業務為本集團經營業務的組成部分，其現金流量可與本集團其他業務清楚區分，並代表業務或經營地域的一項獨立主要項目，或是出售業務或經營地域的一項獨立主要項目的單一協調計劃的一部分，或一間專為轉售而收購的附屬公司。

倘業務被分類為已終止經營業務，本集團會於綜合損益及其他全面收益表呈列一項單一金額，該金額包括已終止經營業務的除稅後溢利或虧損及計量公允價值減出售成本時，或出售構成已終止經營業務的資產或出售組合時所確認之除稅後溢利或虧損。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment

Property, plant and equipment including buildings and leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried out at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

The cost of an asset comprises its purchase price, any directly attributable costs of bringing the asset to its present working condition and location for its intended use and the initial estimate of the costs of dismantling and removing the item and restoring the site on which is located. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

3. 主要會計政策概要 (續)

(h) 物業、廠房及設備

物業、廠房及設備(包括持作用於生產或供應貨品或服務或行政用途之樓宇及租賃土地)於綜合財務狀況表內按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

用於生產、供應或行政用途之在建物業以成本減任何已確認減值虧損列賬。該等物業於完工並達至擬定用途之可使用狀態時分配至合適的物業、廠房及設備類別。當該等資產達至擬定用途之可用狀態時，按與其他物業資產之相同基準計算折舊。

資產之成本包括其購買價、將該資產達到現時運作狀況及地點作預定用途之任何直接應計成本以及拆卸與移除該項目及修復該項目所處場地之初始估計成本。資產投入運作後產生之開支(如修理及保養及大修費用)一般在產生期間於損益表扣除。當可清楚顯示該開支已令預期自使用該資產取得之未來經濟利益增多，則該開支會撥作資本，列為該資產之額外成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method, at the following annual rates:

Leasehold land	: Over the lease terms
Building	: 40 years
Leasehold improvement	: 20%
Furniture, fixtures and equipment	: 20%
Plant and machinery	: 20%
Motor vehicles	: 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.

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 sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

(i) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. 主要會計政策概要 (續)

(h) 物業、廠房及設備 (續)

折舊乃就資產之成本(在建工程除外)扣減其殘值後,按以下年率計算之可使用年期以直線法撤銷而確認:

租賃土地	: 按租期
樓宇	: 40年
租賃物業裝修	: 20%
傢俬、固定裝置及設備	: 20%
廠房及機器	: 20%
汽車	: 20%

估計可使用年期、殘值及折舊方法乃於各報告期期末檢討,任何估計變動之影響按未來適用基準入賬。

物業、廠房及設備項目於出售或預期繼續使用該資產不會再產生任何未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目所產生之任何收益或虧損,乃按有關資產之出售所得款與賬面值之差額釐定並於損益內確認。

(i) 無形資產

獨立購入而擁有有限可使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。攤銷於估計可使用年期内以直線法確認。估計可使用年期及攤銷法會於各報告期期末審閱,任何估計變動之影響按未來適用基準入賬。

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For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets (continued)

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in the business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Categories of the intangible assets of the Group are summarised as follows:

(i) Trademarks

Trademarks are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of up to 8 years.

(ii) Production rights

Production rights acquired in business combination are recognised at fair value at the acquisition date (which is regarded as their cost) and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the consolidated statement of profit or loss and other comprehensive over the contract terms.

(iii) Customer relationships

Customer relationships acquired in business combination are recognised at fair value at the acquisition date (which is regarded as their cost) and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives. The estimated useful lives for customer relationships at the end of reporting period are not more than 10 years.

3. 主要會計政策概要 (續)

(i) 無形資產 (續)

於業務合併中購入而與商譽分開確認之無形資產最初按其於收購日期之公允價值(視為其成本)確認。於初始確認後,於業務合併中購入之無形資產按成本減累計攤銷及累計減值虧損列賬,基準與獨立購入之無形資產相同。

本集團之無形資產之類別概述如下:

(i) 商標

商標以成本減累計攤銷列賬。攤銷使用直線法計算並且按其估計可使用年期最多為8年分配商標之成本。

(ii) 製作版權

於業務合併中購入之製作版權按其於收購日期之公允價值(視為其成本)確認以及其後按成本減累計攤銷及累計減值虧損列賬。攤銷按合約期於綜合損益及其他全面收益表內扣除。

(iii) 客戶關係

於業務合併中購入之客戶關係按其於收購日期之公允價值(視為其成本)確認以及其後按成本減累計攤銷及累計減值虧損列賬。攤銷按其估計可使用年期以直線法計算。於報告期末,客戶關係之估計可使用年期不超過10年。

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For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets (continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

(j) Film and TV programme rights

Film and TV programme rights represent films and television drama series produced or acquired by the Group for reproduction, distribution and sub-licensing and are stated at cost less accumulated amortisation and any identified impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. In the case where there is any impairment in value, the unamortised balance is written down to its estimated recoverable amount.

(k) Film and TV programme production in progress

Film and TV programme production in progress represents films and televisions drama series under production and are stated at cost incurred to date, less any identified impairment losses. Cost is transferred to either film and TV programme rights or investments in film production upon completion.

An impairment loss is made if there has been a change in the estimate used to determine the recoverable amount and the carrying amount exceeds the recoverable amount.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is calculated using 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.

3. 主要會計政策概要 (續)

(i) 無形資產 (續)

無形資產於出售或預計不會從使用或出售該資產中獲得未來經濟利益時終止確認。因終止確認無形資產而產生之收益或虧損乃按出售所得款淨額與該資產之賬面值兩者之差額計量，並於終止確認該資產時於損益內確認。

(j) 電影及電視節目版權

電影及電視節目版權指本集團製作或購入之電影及電視連續劇以作複製、發行及再授特許用途，且均按成本減累計攤銷及任何已識別之減值虧損列賬。攤銷按其估計可使用年期以直線基準確認。倘出現任何減值，則未攤銷結餘會撇減至其估計可收回金額。

(k) 製作中之電影及電視節目

製作中之電影及電視節目指處於製作階段之電影及電視連續劇，並以截至當日已產生之成本減任何已識別之減值虧損列賬。成本於完成時轉撥至電影及電視節目版權或於電影製作之投資。

倘用作釐定可收回金額之估計出現變動，且賬面值超過可收回金額，則作出減值虧損。

(l) 存貨

存貨按成本與可變現淨值之較低者列賬。存貨成本採用加權平均法計算。可變現淨值代表存貨估計售價減所有估計完成成本及進行銷售所需成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts received for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Provided it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, revenue is recognised in the consolidated statement of profit or loss as follows:

Revenue from licensing of the distribution rights over films and television programmes is recognised when the master materials of films are delivered to customers.

Revenue from investments in film production is recognised when the Group's entitlement to receive such payments has been established, subject to the terms of the relevant agreements.

Revenue from box office takings for film exhibition is recognised when the tickets are sold to the customers and the film is released.

Revenue from the screen advertising is recognised when the relevant advertisements and programmes are exhibited in accordance with the terms of the relevant agreements.

Sales of goods are recognised when the goods are delivered and the significant risks and rewards of ownership of the goods has passed to the buyer.

Revenue from event investment is recognised when the events are completed.

Sales of securities investments are recognised on a trade date basis.

3. 主要會計政策概要 (續)

(m) 收入確認

收入按已收或應收代價之公允價值計量，並為於一般業務運作過程中已出售貨品及所提供服務之應收款扣除折扣及銷售相關稅項。

假設經濟利益將可能流入本集團及收入能可靠地計量，則收入將按如下準則於綜合損益表內確認：

授出電影及電視節目發行權之收入於電影之母帶交付客戶時確認。

於電影製作之投資收入於本集團根據相關協議之條款確立其獲得收取有關款項之權利時確認。

電影放映所得之票房收入於出售電影戲票予顧客及電影上映時確認。

螢幕廣告收入於有關廣告及節目根據相關協議放映時確認。

貨品銷售之收入於貨品交付及貨品所有權之重大風險及回報已轉移至買家時確認。

表演項目投資之收入於表演項目完成時確認。

證券投資銷售之收入按交易日基準確認。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

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

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Compensation income is recognised when the Group's entitlement to receive such payment has been established, subject to the terms of the relevant agreement.

(n) Foreign currencies

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

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

3. 主要會計政策概要 (續)

(m) 收入確認 (續)

利息收入乃按時間基準就未償還本金根據適用實際利率計算，即透過金融資產之預計年期，準確地折現估計之未來現金收入至該項資產於初始確認之賬面淨值之利率。

投資所得股息收入於股東收取股息之權利確立時確認。

補償收入於本集團根據相關協議之條款確立其獲得收取有關款項之權利時確認。

(n) 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易日期之通行匯率確認。於各報告期期末，以外幣定值之貨幣項目按當日之通行匯率重新換算。按公允價值列賬並以外幣定值之非貨幣項目按於公允價值釐定當日之通行匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

貨幣項目結算及貨幣項目的重新換算所產生之匯兌差額於其產生期間於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign 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 expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation) 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.

(o) Leasing

All leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策概要 (續)

(n) 外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之通行匯率換算為本集團之呈列貨幣（即港元），而收入及開支項目乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動，於此情況下，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及於權益內之外匯儲備項下累計（倘適用，則歸屬於非控股權益）。

於出售海外業務（即出售本集團於海外業務之全部權益），就本公司擁有人應佔該業務於權益累計之所有匯兌差額會重新分類至損益。

(o) 租賃

所有租賃列為經營租賃。

本集團作為承租人

經營租金於有關租期按直線法確認為開支，除非另有系統之基準更能代表使用租賃資產所產生經濟利益之時間模式則另作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL are recognised immediately in profit or loss.

(i) Financial assets

The Group's financial assets are classified into financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策概要 (續)

(p) 金融工具

金融資產及金融負債於某集團實體成為工具合約條文之訂約方時確認。

金融資產及金融負債初步按公允價值計量。收購或發行金融資產及金融負債(按公允價值計入損益之金融資產及金融負債除外)直接應佔之交易成本於初始確認時加入金融資產或金融負債之公允價值或自其中扣除(如適用)。收購按公允價值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益內確認。

(i) 金融資產

本集團之金融資產分類為按公允價值計入損益之金融資產以及貸款及應收賬款。歸類視金融資產之性質及目的而定，並於初始確認時釐定。所有以常規方式購買或出售金融資產按交易日基準確認及終止確認。以常規方式購買或出售金融資產乃指購買或出售金融資產時按市場規則或慣例設定之時間框架內交付資產。

實際利率法

實際利率法乃計算債務工具之攤銷成本及於相關期間攤分利息收入之方法。實際利率為於債務工具預計年期或(倘適用)在較短時間內將估計未來現金收入(包括所支付或收取之全部費用所構成實際利率不可或缺的部分及利率差價、交易成本及其他溢價或折讓)準確折現至於初始確認時之賬面淨值之利率。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Effective interest method (continued)

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as financial assets at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either (i) held for trading, (ii) it is designated as at financial assets at FVTPL or (iii) contingent consideration that may be received by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

實際利率法 (續)

債務工具(分類為按公允價值計入損益之金融資產之金融資產除外)之收入以實際利率基準確認。

按公允價值計入損益之金融資產

當金融資產為(i)持作買賣；(ii)其獲指定為按公允價值計入損益之金融資產或(iii)收購方可能收取之或然代價(作為香港財務報告準則第3號適用之業務合併的一部分)，金融資產分類為按公允價值計入損益。

倘金融資產屬下列情況，則會分類為持作買賣：

- 購進之主要目的是於短期內將之出售；或
- 於初始確認時其為由本集團共同管理之已識別金融工具組合之其中一部分，且近期有實際之短期獲利模式；或
- 其為一種並非作為指定及有效對沖工具之衍生工具。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading or contingent consideration that may be received by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the change in fair value of financial assets at FVTPL. Fair value is determined in the manner described in note 5.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

按公允價值計入損益之金融資產 (續)

金融資產(持作買賣金融資產或收購方可收取作為業務合併之一部分之或然代價除外)可於下列情況下於初始確認時指定為按公允價值計入損益:

- 該指定消除或大幅減少可能會出現的計量或確認方面之不一致性;或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債的一部分,而根據本集團制定的風險管理或投資策略,該項資產的管理及績效乃以公允價值為基礎進行評估,且有關分組之資料乃按此基準向內部提供;或
- 其構成包含一項或多項嵌入式衍生工具的合約的一部分,而香港會計準則第39號允許將整個組合合約(資產或負債)指定為按公允價值計入損益。

按公允價值計入損益之金融資產以公允價值計量,自重新計量所產生之任何收益或虧損則於損益內確認。於損益內確認的收益或虧損淨額不包括任何股息或金融資產賺得的利息,並列入按公允價值計入損益之金融資產之公允價值變動。公允價值按附註5所述方式釐定。

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For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Investments in convertible bonds

The component parts of the convertible instruments are classified separately as debt component and conversion option derivative. At the date of acquisition of investments in convertible bonds, the fair value of the debt and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible instruments is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including deposit paid for acquisition of subsidiaries, investments in film production, trade receivables, other receivables and deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

嵌入式衍生工具

倘列入非衍生主合約的衍生工具符合衍生工具定義、其風險及特徵與主合約並非密切關連，而主合約並非按公允價值計入損益計量，則其被視作獨立衍生工具。

投資可換股債券

可換股工具的組成部分單獨分類為債務部分及換股權衍生工具。於購入可換股債券之投資日期，債務及衍生工具部分之公允價值均按公允價值確認。於隨後期間，可換股工具的債務部分採用實際利率法按攤銷成本列賬。換股權衍生工具乃按公允價值計量，而公允價值的變動於損益確認。

貸款及應收賬款

貸款及應收賬款乃具備固定或可釐定付款且並無活躍市場報價之非衍生金融資產。貸款及應收賬款（包括收購附屬公司之已付按金、於電影製作之投資、貿易應收款、其他應收款、按金以及現金及銀行結存）採用實際利率法按攤銷成本減任何減值計量。

利息收入按實際利率確認，惟短期應收賬款（於確認利息屬微不足道時）除外。

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, the objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

金融資產之減值

金融資產(按公允價值計入損益之金融資產除外)會於各報告期末評估減值跡象。倘有客觀證據表明,金融資產於初始確認後發生一項或多項事件而導致其估計未來現金流量受到影響,則金融資產被視為減值。

就所有其他金融資產而言,客觀減值證據包括:

- 發行人或對手方面臨嚴重財政困難;或
- 違約,如利息或本金歸還遭拖欠或延誤;或
- 借款人有可能面臨破產或需財務重組;或
- 財政困難令該金融資產之活躍市場不再存在。

此外,對於若干金融資產類別(例如貿易應收款),不能獨立地評估減值之資產其後按整體基準評估減值。應收賬款組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超過30至180日平均信貸期之次數增加以及關係到拖欠應收賬款之全國性或地區性經濟狀況出現明顯變動。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance amount. Changes in the carrying amount of the allowance amount are recognised in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

金融資產之減值 (續)

對於按攤銷成本列賬之金融資產，減值虧損金額按該資產賬面值與按金融資產原先實際利率折現之估計未來現金流量之現值間之差額確認。

就所有金融資產而言，金融資產之賬面值直接按減值虧損扣減，惟貿易應收款除外，其賬面值乃透過使用撥備賬目扣減。倘貿易應收款被認為無法收回，則於撥備賬目內撇銷。過往被撇銷之款項其後收回則計入撥備賬目。撥備賬目之賬面值變動於損益內確認。

倘減值虧損金額於隨後期間減少，而該減少乃客觀地與於確認減值虧損後發生之事件有關，則之前確認之減值虧損於損益撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之攤銷成本。

(ii) 金融負債及權益性工具

集團實體發行之債務及權益性工具根據合約安排之內容以及金融負債及權益性工具之定義分類為金融負債或權益。

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For the year ended 30 June 2017 截至2017年6月30日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

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 a group entity are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including trade and other payables and amounts due to related companies/non-controlling interests, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(ii) 金融負債及權益性工具 (續)

權益性工具

權益性工具乃證明實體於扣減所有負債後之資產中擁有剩餘權益之任何合約。集團實體發行之權益性工具按收取之所得款項扣除直接發行成本確認。

其他金融負債

其他金融負債(包括貿易及其他應付款以及應付關連公司/非控股權益款項)其後使用實際利率法按攤銷成本計量。

實際利率法

實際利率法為計算金融負債攤銷成本及於相關期間分配利息支出之方法。實際利率為於金融負債預計年期或(倘適用)在較短期間內將估計未來現金付款(包括所支付或收取之全部費用所構成實際利率不可或缺的部分及利率差價、交易成本及其他溢價或折讓)準確折現至初始確認時之賬面淨值之利率。

利息支出以實際利率基準確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(iii) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(iii) 終止確認

本集團僅於從資產收取現金流量之合約權利屆滿，或本集團已將金融資產及其擁有權之絕大部分風險及回報轉讓予另一實體時，方會終止確認金融資產。於全面終止確認金融資產時，資產賬面值與已收及應收代價之總和之差額，會於損益內確認。

當及僅當本集團之義務解除、取消或到期時，本集團方會終止確認金融負債。被終止確認之金融負債之賬面值與已付及應付代價之差額於損益內確認。

(iv) 抵銷金融工具

當擁有法定執行權利以抵銷已確認金額及於擬按淨值基準結算或同時變現資產及結算負債時，金融資產及負債可予以抵銷，有關淨額則於綜合財務狀況表內列報。法定執行權利必不能就未來事項而定及必須於正常業務過程中及在本公司或交易對手違約、資不抵債或破產情況下執行。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax, 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 current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 主要會計政策概要 (續)

(q) 稅項

所得稅開支指即期應付稅項及遞延稅項之總額。

本期稅項

即期應付稅項乃按年度內應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所列除稅前虧損之差別在於前者不包括於其他年度應課稅或可扣稅之收支項目，以及永遠毋須課稅或不可扣稅之項目。本集團之即期稅項按於報告期末已頒佈或大體上已頒佈之稅率計算。

遞延稅項

遞延稅項乃就綜合財務報表之資產及負債賬面值與計算應課稅溢利所用相應稅基兩者之暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額確認。遞延稅項資產一般就所有可能用作抵銷應課稅溢利之可扣減暫時性差額為限而確認。倘暫時性差額因來自商譽或於初始確認時（於業務合併除外）一項不會影響應課稅溢利或會計溢利之交易的資產及負債，則該等遞延稅項資產及負債將不予確認。此外，倘於初始確認商譽時產生暫時性差額，則遞延稅項負債不予確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and interests in associates except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not be reversed 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.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

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.

3. 主要會計政策概要 (續)

(q) 稅項 (續)

遞延稅項 (續)

本集團會就與於附屬公司之投資及於聯營公司之權益相關之應課稅暫時性差額確認遞延稅項負債，惟本集團可控制暫時性差額之回撥及暫時性差額有可能不會於可見將來回撥之情況除外。與有關投資及權益相關之可扣稅暫時性差額所產生之遞延稅項資產，僅在可能有足夠應課稅溢利以動用暫時性差額之利益及預期於可見將來回撥時確認。

遞延稅項資產之賬面值乃於各報告期期末進行檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債根據於報告期期末已頒佈或大體上已頒佈之稅率（及稅法），按預期於清償負債或變現資產期間適用之稅率計量。

遞延稅項負債及資產之計量反映於報告期期末本集團預期收回或清償有關資產及負債賬面值之稅務影響。

年度本期及遞延稅項

本期及遞延稅項於損益確認，惟遞延稅項涉及於其他全面收益確認或直接於權益確認之項目除外，於此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益確認。倘業務合併之初始會計處理產生本期稅項或遞延稅項，則稅務影響計入業務合併之會計處理。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs 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.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策概要 (續)

(r) 有形及無形資產 (商譽除外) 減值

本集團於各報告期期末檢討其具有有限可用年期之有形及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則本集團會估計資產之可收回金額，以釐定減值虧損 (如有) 之程度。倘個別資產之可收回金額不能作出估計，則本集團估算該資產所屬現金產生單位之可收回金額。倘本集團能確定一個合理及一貫之分配基準，則公司資產亦分配至個別現金產生單位，否則將分配至可確定合理及一貫之分配基準之最小現金產生單位組別。

可收回金額乃公允價值減出售成本與使用價值之較高者。在評估使用價值時，本集團會使用稅前折現率將估計未來現金流量折現至其現值，該折現率反映貨幣時間價值之當前市場評估及估計未來現金流量未經調整之資產之特定風險。

倘估計資產 (或現金產生單位) 之可收回金額少於其賬面值，則資產 (或現金產生單位) 之賬面值會扣減至其可收回金額。減值虧損即時於損益內確認。

當減值虧損其後撥回，則該資產 (或現金產生單位) 之賬面值會增至重新估計之可收回數額，但增加後之賬面值不得超過資產 (或現金產生單位) 於過往年度若未確認減值虧損時所釐定之賬面值。減值虧損撥回即時於損益內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(t) 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3. 主要會計政策概要 (續)

(s) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及原定於3個月或以內到期之其他短期高流通量之投資。

(t) 撥備

當本集團因過往事件而承擔現有責任(法律或推定)，導致本集團將有可能須結清該責任，且該責任金額能可靠地估計時確認撥備。

確認為撥備之金額為於報告期期末就結清現有責任所需之代價之最佳估計，當中已考慮涉及有關責任之風險及不確定因素。倘撥備使用估計結清現有責任之現金流量計量，則其賬面值即該等現金流量之現值(倘貨幣時間價值之影響重大)。

倘支付撥備所需之部分或全部經濟利益預期可向第三方收回，且甚為肯定能收取彌償及應收賬款金額能可靠地計量，則將應收賬款確認為資產。

(u) 或然負債及或然資產

或然負債為因過往事件而可能產生之責任，其存在與否僅由一件或以上非本集團能全面控制之未來不確定事件是否發生所確定。或然負債亦可為因過往未確認事件而產生之現有責任，未確認之原因為可能將無須流出經濟資源或責任款額未能可靠地計量。本集團不會確認或然負債，惟會於綜合財務報表附註披露。倘流出之可能性改變以至流出變為可能，則會將或然負債確認為撥備。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. When inflow is virtually certain, an asset is recognised.

(v) Employee benefits

- (i) Salaries, annual bonuses, paid annual leaves, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to contributions.
- (iii) The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the consolidated statement of profit or loss. The total amount to be expensed over the vesting period is determined with reference to the fair value of the share options granted. At the end of the reporting period, the Company revises its estimates of the number of share options that are expected to become exercisable that become vested. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of profit or loss, and a corresponding adjustment to equity in the consolidated statement of financial position will be made over the remaining vesting period.
- (iv) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 主要會計政策概要 (續)

(u) 或然負債及或然資產 (續)

或然資產為過往事件產生之可能資產，其存在僅由發生或不發生一項或多項本集團無法全面控制之未來事件而確定。資產於實際確定經濟利益流入時確認。

(v) 僱員福利

- (i) 薪金、年度花紅、有薪年假、外遊費用津貼及本集團非金錢福利成本於本集團僱員提供相關服務之年度計算。倘上述付款或結算遞延處理而影響屬重大，則該等款項會按現值列賬。
- (ii) 向定額供款退休福利計劃之付款於僱員已提供使彼等有權享受供款之服務時確認為一項開支。
- (iii) 就僱員提供服務而授予購股權之公允價值於綜合損益表確認為開支。於歸屬期內列作開支之總金額乃參考所授購股權之公允價值釐定。於報告期期末，本公司修訂其對預期可行使及已歸屬之購股權數目所作之估計，並於綜合損益表確認修訂原有估計（如有）所產生之影響，以及於綜合財務狀況表內相應調整餘下歸屬期之權益。
- (iv) 終止聘用福利於及僅於本集團具備詳細、正式及不可能撤回方案之情況下，明確表示終止聘用或因採取自願離職措施而提供福利時，方予確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties

A party is considered to be related to the Group if:

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group; or
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
- (2) one entity is an associate or a jointly controlled entities of the other entity (or an associate or a jointly controlled entities of a member of a group of which the other entity is a member); or
- (3) both entities are jointly controlled entities of the same third party; or
- (4) one entity is a jointly controlled entities of a third entity and the other entity is an associate of the third entity; or
- (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; or
- (6) the entity is controlled or jointly controlled by a person identified in (i); or

3. 主要會計政策概要 (續)

(w) 關連人士

某方倘有下述情況會被視為與本集團有關連：

(i) 倘某個別人士屬下列情況，則該個別人士或其近親與本集團有關連：

- (1) 於本集團有控制權或共同控制權；或
- (2) 對本集團能施以重大影響力；或
- (3) 為本集團或其母公司之主要管理人員。

(ii) 倘符合下列任何條件，即實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）；或
- (2) 一間實體為另一實體之聯營公司或共同控制實體（或另一實體為成員公司之集團旗下成員公司之聯營公司或共同控制實體）；或
- (3) 兩間實體均為同一第三方之共同控制實體；或
- (4) 一間實體為第三方實體之共同控制實體，而另一實體為該第三方實體之聯營公司；或
- (5) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；或
- (6) 該實體受(i)所識別人士控制或共同控制；或

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties (continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (continued)
 - (7) a person identified in (i)(1) 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
 - (8) the entity, or any member of a group of which it is apart, provides the key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between a group and a related party, regardless of whether a price is charged.

Close members of a family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策概要 (續)

(w) 關連人士 (續)

- (ii) 倘符合下列任何條件，即實體與本集團有關連：(續)
 - (7) 於(i)(1)所識別人對實體有重大影響力或屬該實體（或該實體之母公司）主要管理人員；或
 - (8) 該實體或其所屬集團內任何成員公司為本集團或其母公司提供主要管理人員服務。

關連人士交易指本集團與關連人士之間進行之資源、服務或責任轉讓，而不論是否收取價格。

某名人士之近親為於與該實體進行交易時可能預期影響該人士或受該人士影響之家族成員。

4. 重大會計判斷及估計不確定因素之主要來源

於應用附註3所述本集團之會計政策時，管理層須就從其他來源不顯而易見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基於過往經驗及認為屬有關之其他因素而作出。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂僅影響修訂估計期間，則有關修訂會在該期間確認。倘若有關修訂影響修訂期間及未來期間，則有關修訂會在當期及未來期間確認。

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4. 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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of trade and other receivables

The provision of impairment loss on trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on the management's judgement. In determining whether impairment is required, the Group takes into consideration the ageing status and likelihood of collection. When the recoverability of trade and other receivables are called into doubts, specific provision of impairment loss on trade and other receivables is made on the difference between the estimated future cash flows expected to receive being discounted using the original effective interest rate and the carrying value.

(b) Impairment of film and TV programme rights

At the end of each reporting period, the management performs review of the carrying amount of each of the film and TV programme rights by reference to its estimated total projected revenues from each film and TV programme, which is based on the historical performance and incorporating factors such as the past box office record of the lead actors and actresses, the genre of the film, pre-release market research, the expected number of theatres that the film will be released to and the anticipated performance in the home entertainment, television and other ancillary markets, and agreement for future sales. The residual values of each of the film and TV programme rights are continually evaluated based on the changes in consumer demand.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源

以下為於報告期期末有關未來之關鍵假設及估計不確定因素之其他主要來源，可能存在導致須對下一財政年度資產及負債賬面值作出大幅調整之重大風險。

(a) 貿易及其他應收款減值

本集團乃基於對可收回性之評估、賬目之賬齡分析及管理層之判斷，對貿易及其他應收款作減值虧損撥備。於釐定是否需減值時，本集團考慮賬齡情況及收回之可能性。當對貿易及其他應收款之可收回性有懷疑時，將就貿易及其他應收款作特殊減值虧損撥備，其為按原實際利率折現而估計預期收取之未來現金流量與賬面值之差額。

(b) 電影及電視節目版權減值

於各報告期期末，管理層會參考估計從每部電影及電視節目所得之收入總額預測，而檢討每項電影及電視節目版權之賬面值，而上述收入預測乃基於以往表現及綜合男女主角過去票房紀錄、電影種類、預先所作市場調查、預計放映電影之影院數目以及家居娛樂、電視及其他配套市場之預期表現，以及未來銷售之協議等各項因素而作出。本集團會持續根據消費者需求之轉變評估每項電影及電視節目版權之餘值。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(c) Impairment of film and TV programme production in progress

The management regularly reviews the recoverability of the Group's film and TV programme production in progress with reference to its intended use and current market environment and its expectation of future income to be generated from these films and TV programmes. In determining the recoverable amounts of the film and TV programme production in progress, the Group takes into consideration of the distribution and license agreements entered into by the Group or its co-investment partner and the current market environment to project the expected cash flows to be received through box office receipts and distribution and licensing income. Impairment is recognised when the recoverable amount is expected to be less than the carrying amounts of the film and TV programme production in progress.

(d) Impairment of investments in film production

In assessing the recoverability of investments in film production, the management assesses the credibility of the counterparties, the progress of the related film production and the market condition. The management determines the provision for impairment of investments in film production taking into account the estimation of cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(e) Impairment of goodwill

The Group performs annual review on impairment of goodwill in accordance with the accounting policy of the Group. The recoverable amounts of CGUs are determined based on value-in-use calculation. This calculation requires the use of estimates and assumptions made by the management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculation.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

(c) 製作中之電影及電視節目減值

管理層經參考製作中之電影及電視節目的擬定用途及目前市場環境，以及預期該等電影及電視節目可產生之未來收入後，定期檢討本集團的製作中之電影及電視節目的可收回性。於釐定製作中之電影的可收回金額時，本集團於計及其或聯合投資方所訂立之發行及授權協議之代價及目前市場環境後，預測從票房收入及發行和授權收入中所得之現金流量。減值於可收回金額預期少於製作中之電影及電視節目的賬面值時確認。

(d) 於電影製作之投資減值

於評估電影製作之投資之可收回性時，管理層會評估對手方之信譽、相關電影製作之過程以及市場狀況。管理層計及現金流之估計後釐定電影製作之投資減值撥備。倘實際未來現金流量少於預期，則可能出現重大減值虧損。

(e) 商譽減值

本集團根據本集團之會計政策每年對商譽減值進行檢討。現金產生單位之可收回金額根據使用價值計算釐定。此計算要求管理層對業務之未來營運、除稅前折現率以及與使用價值計算有關之其他假設進行估計及假設。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(f) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual review on whether the assumptions made on useful lives continue to be valid.

(g) Fair value measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management is responsible for determination of the appropriate valuation techniques and inputs for the fair value measurements.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 5, 29, 31 and 32 respectively provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

(h) Current income taxes

The Group's subsidiaries that operate in Hong Kong and the PRC are subject to income tax. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

(f) 物業、廠房及設備之可使用年期

根據香港會計準則第16號，本集團估計物業、廠房及設備之可使用年期，以釐定將予記賬之折舊開支金額。本集團於購入資產時根據以往經驗、預期用途、資產之耗損及及因市場需求或資產之服務輸出量之變動而導致之技術性過時而估計可使用年期。本集團亦每年檢討對可使用年期所作假設是否仍然有效。

(g) 公允價值計量及估值程式

就財務報告而言，本集團部份資產及負債按公允價值計量。管理層負責釐定公允價值計量之適當估值技巧及輸入數據。

本集團使用包含並非基於市場可觀察數據之輸入數據之估值技巧，以估計若干類型金融工具之公允價值。附註5、29、31及32分別提供釐定各種資產及負債之公允價值所使用的估值技巧、輸入數據及關鍵假設有關於的詳情資料。

(h) 本期所得稅

本集團於香港及中國營運之附屬公司須繳納所得稅。釐定所得稅撥備時需要作出重大判斷。於日常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。本集團按照會否出現額外應繳稅項之估計為基準而確認預期稅務事宜所產生之負債。

倘該等事宜之最終稅務結果與初始記賬之金額不同，有關差額將會影響作出有關決定期內之所得稅。

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5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Loans and receivables (including cash and bank balances)	貸款及應收賬款(包括現金及銀行結存)	513,145	540,382
Financial assets at FVTPL	按公允價值計入損益之金融資產	60,924	63,385
		574,069	603,767
Financial liabilities	金融負債		
Amortised cost	攤銷成本	166,077	76,526

(b) Financial risk management objectives and policies

The Group's major financial instruments include deposit paid for acquisition of subsidiaries, investments in film production, trade and other receivables, deposits, contingent consideration receivable, financial assets at FVTPL, cash and bank balances, trade and other payables and amounts due to related companies/non-controlling interests. Details of these financial instruments are disclosed in respective notes. The risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on 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.

5. 金融工具

(a) 金融工具之分類

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Loans and receivables (including cash and bank balances)	貸款及應收賬款(包括現金及銀行結存)	513,145	540,382
Financial assets at FVTPL	按公允價值計入損益之金融資產	60,924	63,385
		574,069	603,767
Financial liabilities	金融負債		
Amortised cost	攤銷成本	166,077	76,526

(b) 財務風險管理目標和政策

本集團之主要金融工具包括收購附屬公司已付按金、於電影製作之投資、貿易及其他應收款、按金、應收或然代價、按公允價值計入損益之金融資產、現金及銀行結存、貿易及其他應付款以及應付關聯公司/非控股權益款項。該等金融工具之詳情在相關附註中披露。有關該等金融工具之風險包括市場風險(包括外幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險, 及如何減低該等風險之政策載於下文。管理層管理及監察該等風險, 確保以適時及有效之方式實行合適之措施。

本集團就金融工具所面臨之風險類型或本集團管理及計量該等風險之方式並無變化。

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For the year ended 30 June 2017 截至2017年6月30日止年度

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

(i) Foreign currency risk

The Group mainly operates in Hong Kong and the PRC, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities denominated in a currency that is not the functional currency of the individual group companies and net investments in foreign operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Liabilities 負債		Assets 資產	
		2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
RMB	人民幣	41,983	18,677	81,277	78,693

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's sensitivity to a 5% increase or decrease in HK\$ against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year ended for a 5% change in foreign currency rates. A positive number indicates a decrease in the Group's loss where the HK\$ strengthen 5% against the relevant currency. For a 5% weakening of the HK\$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balance below would be negative.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

市場風險

(i) 外幣風險

本集團主要在香港及中國經營，並承受不同貨幣產生之外匯風險，主要與人民幣（「人民幣」）有關。外匯風險自未來商業交易、已確認資產及負債（以個別集團公司功能貨幣以外貨幣列值），以及海外業務之淨投資產生。

本集團以外幣計值之貨幣資產和貨幣負債於報告期末之賬面值如下：

敏感度分析

本集團主要面對人民幣波動之影響。

下表詳述本集團對港元兌人民幣升值或貶值5%之敏感度。5%是內部向主要管理人員匯報外幣風險時所用之敏感度比率，並代表管理層對外幣匯率合理可能變動之評估。敏感度分析包括以外幣計值之未平倉貨幣項目，並於年底調整其換算，以反映外幣匯率之5%變動。正數反映若港元兌相關貨幣升值5%，本集團虧損將會減少。若港元兌相關貨幣貶值5%，對虧損將產生相反的等額影響，而下表餘額將會是負數。

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5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

		Impact of RMB 人民幣影響	
		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Profit or loss	溢利或虧損	(1,965)	(3,001)

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) 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 Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and also exposed to cash flow interest rate risk in relation to variable-rate bank deposits. The Group currently does not have policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank deposits at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for variable-rate bank deposits is used when reporting interest rate risk internally to the key management personnel and represents the management's assessment of the reasonably possible change in interest rates.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

敏感度分析 (續)

董事認為，敏感度分析並不能代表固有之外幣風險，因為於報告期期末之年末風險並不能反映本年度之風險。

(ii) 利率風險

利率風險乃有關金融工具公允價值或現金流量因市場利率變動而波動之風險。本集團面臨與定息銀行存款相關之公允價值利率風險及與浮息銀行存款相關之現金流量利率風險。本集團目前並無有關利率風險之現金流量對沖政策。然而，管理層監控利率風險並將於需要時考慮對沖重大利率風險。

敏感度分析

下列敏感度分析按於報告期期末之浮息銀行存款之利率風險釐定。編製該分析時乃假設於報告期期末之未平倉金融工具於全年均未平倉。浮息銀行存款按10個基點之增加或減少是內部向主要管理人員匯報利率風險時所用之水準，並代表管理層對利率合理可能變動之評估。

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5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

If interest rates for the variable-rate bank deposits had been 10 basis points (2016: 10 basis points) higher and all other variables were held constant, the Group's loss for the year would decrease by HK\$110,000 (2016: HK\$238,000).

If the interest rates had been lower in an opposite magnitude and all other variables were held constant, the potential effect on the Group's loss for the year would be equal and opposite.

(iii) Other price risks

Equity security price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to equity security price risk arising from individual equity investments classified as financial assets at FVTPL.

Sensitivity analysis

The sensitivity analyses below indicates the approximate change in the Group's loss after taxation and other components of equity in response to the reasonably possible changes in the relevant stock market prices, to which the Group has significant exposure at the end of the reporting period.

In response to the reasonably possible change in the market price of the listed securities, if the equity price had been 5% higher or lower, the Group's loss for the year would decrease or increase by HK\$2,622,000 (2016: HK\$3,169,000).

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析 (續)

若浮息銀行存款利率上升10個基點(2016年:10個基點),而所有其他可變因素均維持不變,本集團年度虧損將會減少110,000港元(2016年:238,000港元)。

若利率降低同等幅度及所有其他可變因素均維持不變,對本集團年度虧損將造成同等及相反之潛在影響。

(iii) 其他價格風險

股本證券價格風險與金融工具之公允價值或未來現金流量將基於市價變動(利率及匯率變動除外)而波動之風險有關。本集團須承受分類為按公允價值計入損益之金融資產之個別股本投資產生之股本證券價格風險。

敏感度分析

以下敏感度分析顯示本集團於報告期末承受重大風險之相關股票市價出現可能之合理變動時,本集團除稅後虧損及權益其他組成部分出現之概約變動。

就上市證券之市價出現可能之合理變動時,倘股價上升或下跌5%,本集團年度虧損將減少或增加2,622,000港元(2016年:3,169,000港元)。

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5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 30 June 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the management 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 and debt investments at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 40% (2016: 34%) and 93% (2016: 92%) of the total trade receivables which was due from the Group's largest customer and the five largest customers respectively within film and TV programme production and investment operation, event investment operation and cinema operation (2016: film and TV programme production and investment operation and cinema operation). The Directors consider that there is no significant credit risk on the trade receivables from the five largest customers given their strong financial background and good creditability. The remaining trade receivables balances are spread over a number of customers.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

信貸風險

於2017年6月30日，本集團因交易對方未能履行責任而將令本集團招致財務虧損之最大信貸風險，乃來自綜合財務狀況表所列各項已確認金融資產之賬面值。

為將信貸風險降至最低，管理層已委派一支團隊負責釐定信貸限額、信貸審批及其他監控程式，以確保採取跟進措施收回逾期債務。此外，本集團於報告期期末檢討其個別貿易債項及債務投資之可收回金額，以確保就不能收回之金額作出足夠減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。

流動資金之信貸風險有限，因對手為具有國際信貸評級機構所指定高信用等级之銀行。

本集團之貿易應收款總額存有集中信貸風險，分別有40% (2016年：34%) 及93% (2016年：92%) 來自本集團電影及電視節目製作及投資營運、表演項目投資營運及戲院營運 (2016年：電影及電視節目製作及投資營運及戲院營運) 之最大客戶及首五大客戶。董事認為來自首五大客戶之貿易應收款之信貸風險並不重大，因彼等之財務狀況穩健及信貸記錄良好。其餘貿易應收款結餘乃分散於大量客戶。

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5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group manages liquidity risk by maintaining adequate bank deposits and cash, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2017, based on the existing levels of bank balances, the Group will be able to meet its future cash flow requirements. Accordingly, the management considers that the Group's liquidity risk is minimal.

The following table details remaining contractual maturity for its non-derivative financial liabilities that will result in cash outflow. The table below has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows.

		Weighted average effective interest rate 加權平均 實際利率	Within 1 year or repayable on demand 少於1年或 按要求償還 HK\$'000 千港元	Within 2 to 5 years 2年至5年內 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Total carrying amount 總賬面值 HK\$'000 千港元
2017	2017年						
<i>Non-derivative financial liabilities:</i>	<i>非衍生金融負債:</i>						
Trade and other payables	貿易及其他應付款	-	105,158	-	-	105,158	105,158
Amounts due to related companies	應付關連公司款項	-	16,049	-	-	16,049	16,049
Amount due to non-controlling interests	應付非控股權益款項	-	44,870	-	-	44,870	44,870
Total	總計		166,077	-	-	166,077	166,077
2016	2016年						
<i>Non-derivative financial liabilities:</i>	<i>非衍生金融負債:</i>						
Trade and other payables	貿易及其他應付款	-	38,744	-	-	38,744	38,744
Amount due to non-controlling interests	應付非控股權益款項	-	37,782	-	-	37,782	37,782
Total	總計		76,526	-	-	76,526	76,526

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

流動資金風險

本集團透過維持充足銀行存款及現金、監察預測及實際現金流量以及配對金融資產及負債之到期時間表，藉以管理流動資金風險。

於2017年6月30日，根據現時銀行結餘水準，本集團將能夠滿足其未來現金流要求。因此，管理層認為本集團之流動資金風險甚微。

下表詳述本集團將導致現金流出之非衍生金融負債之餘下合約到期日。下表根據本集團須還款最早日期之金融負債之未折現現金流量作出。下表已包括主要現金流量。

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5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The following table shows an analysis of the financial assets recorded at fair value by the fair value hierarchy:

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2017	2017年				
<i>Financial assets at FVTPL:</i>	<i>按公允價值計入損益之 金融資產:</i>				
Contingent consideration receivable	應收或然代價	-	-	8,483	8,483
Equity securities listed in Hong Kong	在香港上市之股本證券	52,441	-	-	52,441
Total	總計	52,441	-	8,483	60,924
2016	2016年				
<i>Financial assets at FVTPL:</i>	<i>按公允價值計入損益之 金融資產:</i>				
Equity securities listed in Hong Kong	在香港上市之股本證券	63,385	-	-	63,385

The fair value of the financial assets traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These financial assets are included in Level 1.

5. 金融工具 (續)

(c) 公允價值計量

按經常性基準以公允價值計量之本集團金融資產之公允價值

本集團若干金融資產於各報告期期末按公允價值計量。下表提供此等金融資產之公允價值如何釐定之資料(尤其是所採用之估值技巧及輸入數據),以及根據公允價值計量之輸入數據之可觀察程度公允價值計量所歸入之公允價值等級(第1至3級)。

下表列示按公允價值層級劃分之以公允價值入賬之金融資產之分析:

於活躍市場買賣之金融資產之公允價值乃基於報告期期末之市場報價計算。如可自交易所、證券商、經紀、行業組織、定價服務或監管機構隨時及定期取得報價,而該等價格乃按公平基準實際及定期發生市場交易之價格,則有關市場被視為活躍市場。本集團所持有金融資產所採用之市場報價為現時買入價。此類金融資產分類於第1級。

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5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

As described in note 29 to the consolidated financial statements, the fair value of contingent consideration receivable in relation to the acquisition of Jade Dynasty Multi-Media Limited (“JDMM”) and its subsidiaries (collectively referred to as “JDMM Group”) are measured at fair value under the income approach and are taken into consideration of whether the Profit Guarantee (as defined in note 29) is probable to be fulfilled. The unobservable inputs used in respect of the valuation are (i) expected future profitability for three scenarios and (ii) probability distribution of three different conditions.

The fair value measurement is negatively correlated to the expected results of JDMM Group.

The Directors have engaged with an independent firm of valuers, Flagship Consulting (Hong Kong) Limited to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the asset, the management worked closely with Flagship Consulting (Hong Kong) Limited to establish the appropriate valuation techniques and inputs to the model and reported the findings to the Directors at the end of reporting period to explain the cause of fluctuations in fair value of the asset.

Information about the valuation techniques and inputs used in determining the fair value of contingent consideration receivable are disclosed above.

The following table presents the changes in contingent consideration receivable which is classified as Level 3 instruments for the year ended 30 June 2017:

		HK\$'000 千港元
At 1 July 2016	於2016年7月1日	–
Arising on acquisition of subsidiaries (note 39)	收購附屬公司產生(附註39)	8,145
Gain on fair value change for the year	年度公允價值變動之收益	338
At 30 June 2017	於2017年6月30日	8,483

5. 金融工具 (續)

(c) 公允價值計量 (續)

誠如綜合財務報表附註29所述，有關收購玉皇朝多媒體有限公司（「玉皇朝多媒體」）及其附屬公司（以下統稱「玉皇朝多媒體集團」）之應收或然代價之公允價值乃按收益法以公允價值計量，並經計及溢利保證（定義見附註29）是否可達致。所使用有關估值的無法觀察輸入數據為(i)三個假設的預期未來盈利能力及(ii)三種不同情況下的盈利能力分配。

公允價值計量與玉皇朝多媒體集團之預期業績是負相關關係。

董事已委聘獨立估值師「旗艦顧問(香港)有限公司」釐定用於公允價值計量之適當估值技巧及輸入數據。

於估計資產之公允價值時，管理層緊密配合「旗艦顧問(香港)有限公司」以確立適合模型的估值技巧及輸入數據，並於報告期期末向董事匯報結果以說明該資產公允價值波動的原因。

於釐定應收或然代價公允價值時使用的估值技巧及輸入數據資料於上文披露。

下表呈列截至2017年6月30日止年度分類為第3級工具之應收或然代價之變動：

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5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

Due to the variety of basis of determination used in profit forecast, it is not practicable to provide any meaningful sensitivity in relation to the critical assumptions concerning future profitability of acquired business and the potential impact on the fair value change on the contingent consideration receivable at the end of reporting period.

However, if the probability of worst and best scenarios is 5% lower or higher and the probability of normal scenarios is 10% lower or higher, the resulting impact to the fair value change of the contingent consideration receivable will be within 1%. If the expected profit after tax of the acquired business is 10% lower or higher, the resulting impact to the fair value change of the contingent consideration receivable will be within 1%.

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the events or change in circumstances that caused the transfer.

Other than disclosed above, the fair values of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of all other financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their corresponding fair values, except for asset classified as held for sale of which its fair value is HK\$47,600,000 and is measured at the lower of its carrying amount and the fair value less costs to sell.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the 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 years.

The capital structure of the Group consists of debts (which include amounts due to related companies/non-controlling interests, as disclosed in note 36), net of cash and bank balances and equity attributable to the owners of the Company, comprising issued share capital and reserves.

5. 金融工具 (續)

(c) 公允價值計量 (續)

由於有關溢利預測的釐定基礎各有不同，就有關購入業務之未來盈利及應收或然代價公允價值變動之潛在影響的重大假設而作出任何具意義的敏感度分析可行性不大。

惟若最差及最佳情況的可能性減少或增加5%及正常情況的可能性減少或增加10%，則應收或然代價之公允價值變動產生之影響將於1%以內。若購入業務的預期除稅後溢利減少或增加10%，則應收或然代價之公允價值變動產生之影響將於1%以內。

於本年度，第1級與第2級之間並無轉撥，亦無轉撥至或轉撥出第3級。

本集團之政策為於引致轉撥之事件或情況變動日期確認公允價值層級之間的轉入及轉出。

除上文所披露者外，其他金融資產及負債之公允價值乃按公認定價模式進行折現現金流量分析釐定。

董事認為，於各報告期期末按攤銷成本入賬之所有其他金融資產及金融負債之賬面值與其相應之公允價值相若，惟分類為持作出售之資產（其公允價值47,600,000港元乃按其賬面值與公允價值減出售成本之較低者計量）除外。

6. 資本風險管理

本集團管理其資本，以確保本集團之實體將可持續經營，並透過優化債務及權益結餘為持份者帶來最大回報。與過往年度相比，本集團之整體策略維持不變。

本集團之資本架構包括債務（包括應付關連公司／非控股權益款項，於附註36披露），經扣除現金及銀行結存及本公司擁有人應佔權益（包括已發行股本及儲備）。

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6. CAPITAL RISK MANAGEMENT (continued)

The Directors review the capital structure on a regular basis. As part of this review, the Directors 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 issue of new shares, new borrowings raising and repayment of borrowings.

7. REVENUE

An analysis of the Group's revenue from continuing operations is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cinema operation	戲院營運	31,829	12,887
Film and TV programme production and investment and others	電影及電視節目製作與投資及其他	26,251	14,529
Event investment and others	表演項目投資及其他	902	650
Investment in securities	證券投資	(14,057)	(3,815)
		44,925	24,251

8. SEGMENT INFORMATION

For the purposes of resource allocation and assessment of segment performance, information reported to the Executive Directors, being the chief operating decision makers (the "CODM"), focus on types of goods or services delivered or provided.

In the manner consistent with the way in which information is reported internally to the CODM for the purposes of resource allocation and performance assessment, the business activities of the Group are organised into the following operating segments:

- Cinema operation
- Film and TV programme production and investment and others (including production, distribution and licensing of animated TV episodes and theatrical films)
- Event investment and others (including artiste management and music productions)
- Investment in securities

6. 資本風險管理 (續)

董事定期檢討股本架構。作為此檢討之一部分，董事考慮資本成本及各類資本之相關風險。根據董事建議，本集團將透過發行新股、新造借貸及償還借貸平衡其整體資本架構。

7. 收入

本集團之持續經營業務之收入分析如下：

8. 分類資料

就分配資源及評估分類表現而言，向本公司執行董事（即主要營運決策者（「主要營運決策者」））呈報之資料乃以所交付或提供之貨品或服務種類為重點。

為符合內部呈報予主要營運決策者作出資源分配及表現評估的資料之方式，本集團之業務分為下列經營分類：

- 戲院營運
- 電影及電視節目製作與投資及其他（包括動畫電視片集及戲院電影之製作、發行及授權）
- 表演項目投資及其他（包括藝人及模特兒管理以及音樂製作）
- 證券投資

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8. SEGMENT INFORMATION (continued)

Information regarding the Group's reportable segments from continuing operations is presented below:

(a) Segment revenue and results

		Film and TV programme production and investment and others				Consolidated
		Cinema operation	Event investment and others	Investment in securities		
		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
2017	2017年					
Segment revenue	分類收入	31,829	26,251	902	(14,057)	44,925
Segment results	分類業績	(18,944)	(65,103)	902	(9,410)	(92,555)
Interest income	利息收入					862
Gain on fair value change in respect of contingent consideration receivable	應收或然代價之公允價值變動收益					338
Unallocated corporate expenses	未攤分企業開支					(5,602)
Change in fair value of financial assets at FVTPL	按公允價值計入損益之金融資產之公允價值變動					(7,115)
Loss from continuing operations	持續經營業務之虧損					(104,072)
Gain on disposal of associates	出售聯營公司之收益					34,825
Finance costs	財務成本					(6)
Loss before taxation from continuing operations	持續經營業務之除稅前虧損					(69,253)

8. 分類資料 (續)

本集團之持續經營業務之報告分類資料呈列如下：

(a) 分類收入及業績

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8. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

		Cinema operation 戲院營運 HK\$'000 千港元	Film and TV programme production and investment and others 電影及電視 節目製作與 投資及其他 HK\$'000 千港元	Event investment and others 表演項目 投資及其他 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2016	2016年					
Segment revenue	分類收入	12,887	14,529	650	(3,815)	24,251
Segment results	分類業績	(16,401)	(29,067)	(50)	3,279	(42,239)
Interest income	利息收入					1,169
Unallocated corporate expenses	未攤分企業開支					(3,997)
Change in fair value of financial assets at FVTPL	按公允價值計入損益之金融 資產之公允價值變動					(21,640)
Loss from continuing operations	持續經營業務之虧損					(66,707)
Gain on disposal of subsidiaries	出售附屬公司之收益					18,039
Finance costs	財務成本					(12)
Loss before taxation from continuing operations	持續經營業務之除稅前虧損					(48,680)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment revenue in the current year (2016: Nil). For the segment revenue in respect of investment in securities, it represents the difference between the total sale proceeds of HK\$83,667,000 (2016: HK\$89,648,000) and the total investment costs of those securities disposed of during the year.

Segment results represent the profit earned/(loss suffered) by each segment without allocation of interest income, central administration costs which mainly include Directors' emoluments and corporate legal and professional fees, fair value changes in respect of contingent consideration receivable and financial assets at FVTPL, and gain on disposal of associates and subsidiaries. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

8. 分類資料 (續)

(a) 分類收入及業績 (續)

上述呈報之分類收入乃來自對外客戶之收入。本年度並無分類間收入(2016年：無)。就有關證券投資之分類收入而言，乃為總銷售所得款項83,667,000港元(2016年：89,648,000港元)與本年度出售該等證券之總投資成本之差額。

分類業績指各分類在未計及利息收入、中央行政費用(主要包括董事酬金和企業法律及專業費用)、與應收或然代價及按公允價值計入損益之金融資產有關之公允價值變動，以及出售聯營公司及附屬公司之收益時所賺取之收益/(蒙受之虧損)。此乃呈報予主要營運決策者作出資源分配及評估分類表現之方式。

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8. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

		Cinema operation 戲院營運 HK\$'000 千港元	Film and TV programme production and investment and others 電影及電視 節目製作與 投資及其他 HK\$'000 千港元	Event investment and others 表演項目 投資及其他 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2017	2017年					
Segment assets	分類資產	91,616	454,127	2,880	52,441	601,064
Unallocated assets	未攤分資產					452,878
Consolidated assets	綜合資產					1,053,942
Segment liabilities	分類負債	71,490	98,555	-	-	170,045
Unallocated liabilities	未攤分負債					3,003
Consolidated liabilities	綜合負債					173,048
2016	2016年					
Segment assets	分類資產	69,548	199,156	1,879	63,385	333,968
Unallocated assets	未攤分資產					493,864
Consolidated assets	綜合資產					827,832
Segment liabilities	分類負債	53,959	20,142	50	22	74,173
Unallocated liabilities	未攤分負債					2,370
Consolidated liabilities	綜合負債					76,543

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than deposit paid for acquisition of subsidiaries, interests in associates and other unallocated head office and corporate assets that are not attributable to segments; and
- all liabilities are allocated to reportable segments other than unallocated corporate financial liabilities that are not attributable to segments.

為了監察分類表現及於不同分類間分配資源：

- 除收購附屬公司之已付按金、於聯營公司之權益及其他未攤分總辦事處及企業資產未能歸類至各分類以外，所有資產均分配至報告分類；及
- 除未攤分企業金融負債未能歸類至各分類以外，所有負債均分配至報告分類。

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8. SEGMENT INFORMATION (continued)

(c) Other segment information

8. 分類資料 (續)

(c) 其他分類資料

		Cinema operation 戲院營運 HK\$'000 千港元	Film and TV programme production and investment and others 電影及電視節目製作與投資及其他 HK\$'000 千港元	Event investment and others 表演項目投資及其他 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Unallocated 未攤分 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2017	2017年						
Other segment information:	其他分類資料:						
Additions to property, plant and equipment	添置物業、廠房及設備	22,122	532	-	-	-	22,654
Amortisation of film and TV programme rights	電影及電視節目版權攤銷	-	4,556	-	-	-	4,556
Amortisation of intangible assets	無形資產攤銷	-	1,847	-	-	-	1,847
Cost of investments in film production	於電影製作之投資成本	-	18,586	-	-	-	18,586
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	8,750	225	-	-	-	8,975
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1	32	-	-	-	33
Impairment loss recognised in respect of:	就下列各項確認之減值虧損:						
- goodwill	- 商譽	-	2,636	-	-	-	2,636
- film and TV programme rights	- 電影及電視節目版權	-	2,485	-	-	-	2,485
- investments in film production	- 於電影製作之投資	-	62,845	-	-	-	62,845
- other receivables	- 其他應收款	-	3,000	-	-	-	3,000
Reversal of impairment loss in respect of trade receivables	撥回貿易應收款之減值虧損	-	(69)	-	-	-	(69)
2016	2016年						
Other segment information:	其他分類資料:						
Additions to property, plant and equipment	添置物業、廠房及設備	66,464	-	-	-	-	66,464
Amortisation of film rights	電影版權攤銷	-	1,527	-	-	-	1,527
Cost of investment in film production	於電影製作之投資成本	-	8,447	-	-	-	8,447
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	5,220	97	-	-	155	5,472
Impairment loss recognised in respect of:	就下列各項確認之減值虧損:						
- film rights	- 電影版權	-	5,966	-	-	-	5,966
- investment in film production	- 於電影製作之投資	-	20,651	-	-	-	20,651
- other receivables	- 其他應收款	-	-	169	-	-	169
Reversal of impairment loss in respect of trade receivables	撥回貿易應收款之減值虧損	-	(351)	-	-	-	(351)

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8. SEGMENT INFORMATION (continued)

(d) Geographical information

The Group's revenue from continuing operations from external customers by location of sales and information about its non-current assets by location of assets are detailed as below:

		Revenue from external customers		Non-current assets*	
		2017	2016	2017	2016
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	2,890	7,425	121,140	114
The PRC	中國	40,848	16,624	72,204	59,317
Hungary	匈牙利	1,177	139	-	-
Others	其他	10	63	-	-
		44,925	24,251	193,344	59,431

* The above non-current assets have excluded the financial instruments such as contingent consideration receivable and deposit paid for acquisition of subsidiaries.

* 上述之非流動資產並不包括金融工具（例如：應收或然代價及收購附屬公司之已付按金）。

(e) Information about major customers

Revenue from one (2016: two) major customer(s) contributing over 10% of the Group's revenue from continuing operations for the year was HK\$20,697,000 (2016: HK\$8,492,000 and HK\$2,707,000), which were derived from the segment of film and TV programme production and investment and others.

(e) 主要客戶資料

於本年度，佔本集團持續經營業務收入10%以上之一名（2016年：兩名）主要客戶之收入為20,697,000港元（2016年：8,492,000港元及2,707,000港元），乃來自電影及電視節目製作與投資及其他分類。

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9. OTHER REVENUE

9. 其他收益

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations:	持續經營業務：		
Bank interest income	銀行利息收入	862	1,169
Convertible bond interest income (note 32)	可換股債券之利息收入 (附註32)	–	5,734
Dividend income	股息收入	4,860	1,940
Listed corporate bond interest income (note 31)	上市公司債券之利息收入 (附註31)	1,328	–
Advertising and related income	廣告及相關收入	751	365
Compensation income (note 28)	補償收入 (附註28)	7,864	–
Gain on fair value change in respect of contingent consideration receivable (note 29)	應收或然代價公允價值變動之收益 (附註29)	338	–
Sundry income	雜項收入	723	1,366
		16,726	10,574

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10. LOSS FROM CONTINUING OPERATIONS 10. 持續經營業務之虧損

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss from continuing operations has been arrived at after charging/ (crediting):	持續經營業務之虧損已扣除／(計入)下列各項：		
Auditors' remuneration for audit services	核數服務之核數師酬金	850	750
Amortisation of film and TV programme rights (included in cost of sales)	電影及電視節目版權攤銷 (計入銷售成本)	4,556	1,527
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷 (計入行政開支)	1,847	-
Cost of investments in film production (included in cost of sales)	於電影製作之投資成本 (計入銷售成本)	18,586	8,447
Cost of inventories sold (included in cost of sales)	已售存貨成本 (計入銷售成本)	626	244
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	8,975	5,472
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	33	-
Impairment loss recognised in respect of:	就下列各項確認之減值虧損：		
– goodwill*	– 商譽*	2,636	-
– film and TV programme rights*	– 電影及電視節目版權*	2,485	5,966
– investments in film production*	– 於電影製作之投資*	62,845	20,651
– other receivables*	– 其他應收款*	3,000	169
Operating leases in respect of rented premises	租賃物業之經營租賃	7,702	5,461
Exchange loss/(gain), net	匯兌虧損／(收益)淨額	97	(436)
Reversal of impairment loss in respect of trade receivables	撥回貿易應收款之減值虧損	(69)	(351)

* The aggregation of these items are included in "Other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

* 該等項目之總額計入綜合損益及其他全面收益表內之「其他經營支出」。

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11. FINANCE COSTS

The amount represents bank charges from continuing operations.

11. 財務成本

有關金額乃指來自持續經營業務之銀行手續費。

12. EMPLOYEE BENEFIT EXPENSES

12. 僱員福利開支

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations:	持續經營業務：		
Salaries and other benefits	薪金及其他福利	11,187	7,123
Retirement benefit scheme contributions	退休福利計劃供款	757	359
		11,944	7,482

Retirement benefit scheme

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of independent trustees. The Group and each employee make mandatory contributions of 5% of relevant payroll costs with monthly cap of HK\$1,500 to the scheme.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

Equity compensation benefits

Share Options

The Company operates a share option scheme, details of which are set out under the heading "Share Options" in note 38.

退休福利計劃

本集團為旗下所有合資格香港僱員營辦強制性公積金計劃。該計劃之資產由獨立信託人控制之基金持有，並與本集團之資產分開。本集團與每名僱員按相關薪金成本之5%向計劃作出強制性供款，上限為每月1,500港元。

本集團之中國附屬公司之僱員乃為由中國政府管理之國家管理退休福利計劃之成員。本集團須按僱員薪酬之某個百分比向該等退休福利計劃供款。本集團對該等退休福利計劃須承擔之責任僅限於按照該計劃之規定進行供款。

股票補償福利

購股權

本公司設有一項購股權計劃，有關詳情載於附註38「購股權」一節。

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13. TAX CREDIT

Tax credit for continuing operations comprises:

13. 稅項抵免

持續經營業務之稅項抵免包括：

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong Profits Tax:	香港利得稅：		
Current tax	本期稅項	–	–
Over-provision in prior year	去年超額撥備	12	–
		12	–
Deferred tax:	遞延稅項：		
Credited to profit and loss	計入損益	163	–
		175	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit derived from Hong Kong for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按稅率16.5%計算。由於本集團於兩個年度並無自香港產生應課稅溢利，因此，並無於綜合財務報表計提香港利得稅撥備。

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards. No provision for the PRC Enterprise Income Tax has been made in the consolidated financial statements as the Group has no assessable profits arising in the PRC for both years.

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法之實施規定，中國附屬公司之稅率由2008年1月1日起訂為25%。由於本集團於兩個年度並無自中國產生任何應課稅溢利，因此，並無於綜合財務報表計提中國企業所得稅撥備。

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13. TAX CREDIT (continued)

The tax credit for the year can be reconciled to the loss before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

13. 稅項抵免 (續)

年度稅項抵免與綜合損益及其他全面收益表內來自持續經營業務之除稅前虧損對賬如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss before taxation from continuing operations	來自持續經營業務之除稅前虧損	(69,253)	(48,680)
Tax rate in relevant tax jurisdictions	按相關司法管轄區之稅率計算之稅項	12,639	9,390
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	(6,522)	(4,735)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	8,165	503
Tax effect of estimated tax losses not recognised	未確認預期稅項虧損之稅務影響	(15,180)	(8,063)
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時差異之稅務影響	163	-
Utilisation of estimated tax losses previously not recognised	動用先前未確認之預期稅項虧損	896	2,905
Over-provision in prior year	去年超額撥備	12	-
Others	其他	2	-
Tax credit for the year from continuing operations	來自持續經營業務之年度稅項抵免	175	-

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14. DISCONTINUED OPERATION

The Group had operated the post production service business in Hong Kong and the PRC. As a result of the disposal of 60% equity interest in Lucrative Skill Holdings Limited and its subsidiaries (collectively referred to as “**Lucrative Skill Group**”) during the year ended 30 June 2016 (see note 41), the Group ceased this business and therefore this operating segment constituted a discontinued operation.

Loss for the year from discontinued operation up to the date of disposal was analysed as follows:

14. 已終止經營業務

本集團於香港及中國經營後期製作服務業務。由於截至2016年6月30日止年度出售 Lucrative Skill Holdings Limited及其附屬公司(以下統稱「**Lucrative Skill集團**」)60%股權(見附註41)，本集團已終止該業務，因此該經營分類構成一項已終止經營業務。

截至出售日期已終止經營業務之年度虧損分析如下：

		2016 HK\$'000 千港元
Revenue	收入	63,521
Cost of sales	銷售成本	(58,075)
Gross profit	毛利	5,446
Other revenue	其他收益	72,839
Distribution costs	分銷成本	(3,656)
Administrative expenses	行政開支	(23,919)
Other operating expense	其他經營支出	(599)
Profit from operation	經營溢利	50,111
Loss on disposal of Lucrative Skill Group (note 41)	出售 Lucrative Skill 集團之虧損(附註41)	(79,184)
Finance costs	財務成本	(181)
Loss before taxation	除稅前虧損	(29,254)
Taxation	稅項	507
Loss for the year	年度虧損	(28,747)
(Loss)/profit for the period attributable to:	應佔期間(虧損)/溢利:	
Owners of the Company	本公司擁有人	(64,728)
Non-controlling interests	非控股權益	35,981
		(28,747)

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14. DISCONTINUED OPERATION (continued) 14. 已終止經營業務 (續)

		2016 HK\$'000 千港元
Loss for the year ended 30 June 2016 from discontinued operation had been arrived at after charging/(crediting):	截至2016年6月30日止年度已終止經營業務之虧損已扣除/(計入)下列各項:	
Amortisation of intangible asset (included in administrative expenses)	無形資產攤銷(計入行政開支)	3,397
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,328
Impairment loss recognised in respect of trade receivables	就貿易應收款確認之減值虧損	599
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	1,133
Operating leases in respect of rented premises	租賃物業之經營租賃	10,489
Total staff costs (including a former Director's emoluments of HK\$678,000 (note 17))	員工成本總額(包括一名前董事之薪酬678,000港元(附註17))	47,811
Exchange loss	匯兌虧損	186
Waiver of amounts due to related companies	豁免應付關連公司款項	(20,508)
Waiver of amount due to non-controlling interests	豁免應付非控股權益款項	(52,331)
Cash flows from discontinued operation up to the date of disposal are analysed as follows:	截至出售日期已終止經營業務之現金流量分析如下:	
Net cash outflow from operating activities	經營活動之現金流出淨額	(5,698)
Net cash inflow from investing activities	投資活動之現金流入淨額	18
Net cash inflow from financing activities	融資活動之現金流入淨額	27,221
Net cash inflow	現金流入淨額	21,541

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15. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

(a) From continuing and discontinued operations

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

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損所用之本公司擁有人應佔虧損	(62,327)	(106,015)

		Number of shares 股份數目	
		2017 '000 千股	2016 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損所用之普通股加權平均股數	2,487,313	2,213,341

For the years ended 30 June 2017 and 2016, the diluted loss per share for continuing and discontinued operations was the same as the basic loss per share as there was no dilutive potential ordinary shares for both years.

截至2017年及2016年6月30日止年度，來自持續經營及已終止經營業務之每股攤薄虧損與每股基本虧損均相同，乃由於該兩個年度內並無具潛在攤薄影響之普通股。

15. 本公司擁有人應佔每股虧損

(a) 來自持續經營及已終止經營業務

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

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15. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (continued)

(b) From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss for the year attributable to the owners of the Company	本公司擁有人應佔年度虧損	(62,327)	(106,015)
Less: Loss for the year attributable to the owners of the Company from discontinued operation	減: 來自已終止經營業務之本公司擁有人應佔年度虧損	-	64,728
Loss attributable to the owners of the Company from continuing operations for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損所用之來自持續經營業務之本公司擁有人應佔虧損	(62,327)	(41,287)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For the years ended 30 June 2017 and 2016, the diluted loss per share for continuing operations was the same as the basic loss per share as there was no dilutive potential ordinary share for both years.

(c) From discontinued operation

Basic and diluted loss per share for discontinued operation for the year ended 30 June 2016 was HK\$0.03 based on the loss for the year attributable to the owners of the Company from discontinued operation of HK\$64,728,000 and the denominators detailed above for both basic and diluted loss per share.

For the year ended 30 June 2016, the diluted loss per share for discontinued operation was the same as the basic loss per share as there was no dilutive potential ordinary share for that year.

15. 本公司擁有人應佔每股虧損 (續)

(b) 來自持續經營業務

來自持續經營業務之本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算:

所採用之分母與上文詳述計算每股基本及攤薄虧損時所應用者相同。

截至2017年及2016年6月30日止年度，來自持續經營業務之每股攤薄虧損與每股基本虧損均相同，乃由於該兩個年度內並無具潛在攤薄影響之普通股。

(c) 來自已終止經營業務

截至2016年6月30日止年度之已終止經營業務之每股基本及攤薄虧損0.03港元乃按來自已終止經營業務之本公司擁有人應佔年度虧損64,728,000港元及就計算每股基本及攤薄虧損而於上文詳述之分母計算。

截至2016年6月30日止年度，來自已終止經營業務之每股攤薄虧損與每股基本虧損均相同，乃由於該年度內並無具潛在攤薄影響之普通股。

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16. DIVIDENDS

The Board does not recommend the payment of any dividend in respect of the year ended 30 June 2017 (2016: Nil).

17. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments paid or payable to each of the Directors during the year ended 30 June 2017 are as follows:

16. 股息

董事會不建議就截至2017年6月30日止年度派發任何股息(2016年:無)。

17. 董事酬金及五名最高薪酬人士

(a) 董事酬金

截至2017年6月30日止年度,已付或應付各董事之酬金如下:

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonus 酌情獎金 HK\$'000 千港元	Retirement benefit scheme contributions	Total 總計 HK\$'000 千港元
					退休福利 計劃供款 HK\$'000 千港元	
2017						
2017年						
Executive Directors		執行董事				
Ms. Fan Man Seung, Vanessa ¹	范敏嫦女士 ¹	38	-	-	-	38
Mr. Wong Chi Fai ²	黃志輝先生 ²	38	-	-	-	38
Mr. Yeung Ching Loong, Alexander ²	楊政龍先生 ²	38	-	-	-	38
Ms. Shirley Percy Hughes ²	許佩斯女士 ²	38	-	-	-	38
Mr. Albert Lee ²	利雅博先生 ²	38	-	-	-	38
Mr. Direk Lim ³	Direk Lim先生 ³	201	-	-	-	201
Dr. Fan Rongzhang ⁴	范榮彰博士 ⁴	81	-	-	-	81
Independent Non-executive Directors		獨立非執行董事				
Mr. Ng Hoi Yue	伍海于先生	190	-	-	-	190
Ms. Chan Sim Ling, Irene	陳輝玲女士	180	-	-	-	180
Mr. Ho Tat Kuen ⁵	何達權先生 ⁵	109	-	-	-	109
Mr. Li Fui Lung, Danny ⁶	李魁隆先生 ⁶	87	-	-	-	87
		1,038	-	-	-	1,038

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17. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' emoluments (continued)

The emoluments paid or payable to each of the Directors during the year ended 30 June 2016 are as follows:

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonus 酌情獎金 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利 計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2016	2016年					
<i>Executive Directors</i> 執行董事						
Mr. Direk Lim ³	Direk Lim先生 ³	200	-	-	-	200
Mr. Hui Yuet Man ⁷	許悅文先生 ⁷	132	-	-	-	132
Mr. Yeung Man Kit, Dennis ⁸ (note)	楊文傑先生 ⁸ (附註)	47	670	-	8	725
Dr. Fan Rongzhang ⁴	范榮彰博士 ⁴	63	-	-	-	63
<i>Independent Non-executive Directors</i> 獨立非執行董事						
Mr. Li Fui Lung, Danny ⁶	李魁隆先生 ⁶	220	-	-	-	220
Mr. Ng Hoi Yue	伍海于先生	190	-	-	-	190
Ms. Chan Sim Ling, Irene	陳嬋玲女士	180	-	-	-	180
		1,032	670	-	8	1,710

Note:

The salaries and retirement benefits scheme contributions paid to Mr. Yeung Man Kit, Dennis for the year ended 30 June 2016 were included under the discontinued operation.

- Appointed as Executive Director on 31 March 2017 and becomes Chairperson of the Board since 20 April 2017.
- Appointed as Executive Directors on 31 March 2017.
- Resigned as Executive Director and ceased to be Chairman of the Board on 20 April 2017.
- Appointed and resigned as Executive Director on 16 November 2015 and 20 April 2017 respectively.
- Appointed as Independent Non-executive Director on 23 November 2016.
- Retired as Independent Non-executive Director on 23 November 2016.
- Retired as Executive Director on 12 November 2015.
- Resigned as Executive Director on 18 December 2015.

17. 董事酬金及五名最高薪酬人士 (續)

(a) 董事酬金 (續)

截至2016年6月30日止年度，已付或應付各董事之酬金如下：

附註：

於截至2016年6月30日止年度向楊文傑先生支付之薪金及退休福利計劃供款乃計入已終止經營業務。

- 於2017年3月31日獲委任為執行董事及自2017年4月20日起成為董事會主席。
- 於2017年3月31日獲委任為執行董事。
- 於2017年4月20日辭任執行董事及不再為董事會主席。
- 分別於2015年11月16日獲委任及於2017年4月20日辭任執行董事。
- 於2016年11月23日獲委任為獨立非執行董事。
- 於2016年11月23日退任獨立非執行董事。
- 於2015年11月12日退任執行董事。
- 於2015年12月18日辭任執行董事。

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17. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three directors (2016: one) of the Company, details of whose emoluments are set out above. The aggregate emoluments of the remaining two (2016: four) highest paid individuals for both years are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing and discontinued operations:	持續經營及已終止經營業務：		
Salaries and other benefits	薪金及其他福利	1,473	5,818
Retirement benefit scheme contributions	退休福利計劃供款	27	163
		1,500	5,981

The emoluments of those individuals are within the following bands:

該等人士酬金之組別如下：

		Number of individuals 人數	
		2017	2016
Nil to HK\$1,000,000	零至1,000,000港元	2	3
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	–	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	1
		2	4

For the years ended 30 June 2017 and 2016, no emoluments were paid by the Group to the five highest paid individuals, including the Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emolument during both years.

截至2017年及2016年6月30日止年度，本集團概無向五名最高薪酬人士（包括董事）支付酬金，作為吸引彼等加入本集團或於加入本集團時之獎勵或作為離職補償。該兩個年度內概無董事放棄或同意放棄任何酬金。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Leasehold land 租賃土地 HK\$'000 千港元	Building 樓宇 HK\$'000 千港元	Leasehold improvement 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本:								
At 1 July 2015	於2015年7月1日	-	-	-	4,899	13,697	14,868	743	34,207
Exchange realignment	外匯調整	-	-	-	(1,577)	(643)	(1,751)	(47)	(4,018)
Acquisition of subsidiaries (note 39)	收購附屬公司(附註39)	-	-	-	30,235	4,073	21,337	-	55,645
Reclassification from assets held for sale	自持作出售資產重新分類	-	14,321	7,558	-	-	-	-	21,879
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	-	(14,321)	(7,558)	(4,377)	(9,535)	(11,727)	(696)	(48,214)
Additions	添置	-	-	-	-	3,111	8,457	-	11,568
Disposals	出售	-	-	-	-	(2,986)	(2,251)	-	(5,237)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	-	-	-	29,180	7,717	28,933	-	65,830
Exchange realignment	外匯調整	-	-	-	(402)	(90)	(396)	-	(888)
Acquisition of subsidiaries (note 39)	收購附屬公司(附註39)	-	-	-	-	188	-	-	188
Additions	添置	21,474	-	-	345	644	3	-	22,466
Disposals	出售	-	-	-	-	(33)	-	-	(33)
At 30 June 2017	於2017年6月30日	21,474	-	-	29,123	8,426	28,540	-	87,563
Accumulated depreciation and impairment:	累計折舊及減值:								
At 1 July 2015	於2015年7月1日	-	-	-	805	2,203	2,220	80	5,308
Exchange realignment	外匯調整	-	-	-	(375)	(171)	(600)	(22)	(1,168)
Charged for the year	年度內扣除	-	12	142	2,534	3,111	6,856	145	12,800
Reclassification from assets held for sale	自持作出售資產重新分類	-	177	1,969	-	-	-	-	2,146
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	-	(189)	(2,111)	(1,256)	(1,737)	(3,859)	(203)	(9,355)
Written back on disposals	出售時撥回	-	-	-	-	(1,501)	(1,831)	-	(3,332)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	-	-	-	1,708	1,905	2,786	-	6,399
Exchange realignment	外匯調整	-	-	-	(15)	(3)	(34)	-	(52)
Charged for the year	年度內扣除	-	-	-	2,902	1,668	4,405	-	8,975
At 30 June 2017	於2017年6月30日	-	-	-	4,595	3,570	7,157	-	15,322
Carrying amount:	賬面值:								
At 30 June 2017	於2017年6月30日	21,474	-	-	24,528	4,856	21,383	-	72,241
At 30 June 2016	於2016年6月30日	-	-	-	27,472	5,812	26,147	-	59,431

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19. GOODWILL

19. 商譽

		HK\$'000 千港元
Cost:	成本：	
At 1 July 2015	於2015年7月1日	145,783
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(145,783)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	-
Arising on acquisition of subsidiaries (note 39)	收購附屬公司所產生(附註39)	98,250
At 30 June 2017	於2017年6月30日	98,250
Accumulated impairment:	累計減值：	
At 1 July 2015	於2015年7月1日	39,701
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	(39,701)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	-
Impairment loss recognised for the year	年度內已確認之減值虧損	(2,636)
At 30 June 2017	於2017年6月30日	(2,636)
Carrying amount:	賬面值：	
At 30 June 2017	於2017年6月30日	95,614
At 30 June 2016	於2016年6月30日	-

Goodwill represents the amount attributable to the acquisition of JDMM Group, details of which are set out in note 39. The goodwill is primarily attributable and allocated to the significant synergies expected to arise in connection with the production, distribution and licensing of animated TV episodes and theatrical films business.

商譽乃指自收購玉皇朝多媒體集團所產生之金額，其詳情載於附註39。商譽主要歸屬於及被分配至預期將產生重大協同效應之動畫電視片集及戲院電影之製作、發行及授權業務。

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19. GOODWILL (continued)

Impairment test on goodwill

As at 30 June 2017, the management considered that the profitability and the operating performance of the production, distribution and licensing of animated TV episodes and theatrical films business was affected by the change in the market condition in the PRC which causes the deferral of certain animation projects to be released and have impact on their expected income since the date of acquisition. Hence, the management took a prudent view to forecast the production, distribution and licensing of animated TV episodes and theatrical films business.

The recoverable amount of the goodwill was assessed by the management with reference to the valuation carried out by an independent firm of valuers, Flagship Consulting (Hong Kong) Limited as at 30 June 2017. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation were those regarding the discount rate and budgeted gross margin and revenue. The Group estimated discount rate using the rate that reflected current market assessments of the time value of money and the risks specific to the production, distribution and licensing of animated TV episodes and theatrical films business. Budgeted gross margin and revenue were based on past practices and expectations associated with the production, distribution and licensing of animated TV episodes and theatrical films industry.

As at 30 June 2017, the Group had prepared 3-years cash flow forecast derived from the most recent financial budget of the production, distribution and licensing of animated TV episodes and theatrical films business using a pre-tax discount rate of 18% per annum and the projection are extrapolated using a constant growth rate of 3% per annum for subsequent years. Since the recoverable amount of the goodwill was less than its carrying amount, an impairment loss of HK\$2,636,000 was recognised in profit or loss during the year.

19. 商譽 (續)

商譽之減值測試

於2017年6月30日，管理層認為，動畫電視片集及戲院電影之製作、發行及授權業務之盈利能力及營運表現受到中國市場狀況變化之影響，導致自收購日期以後若干動畫項目之放映延遲及影響預期收入。因此，管理層持審慎態度預測動畫電視片集及戲院電影之製作、發行及授權業務。

於2017年6月30日，該商譽之可收回金額由管理層參考獨立估值師行「旗艦顧問(香港)有限公司」進行之估值進行評估。估值按使用價值基準進行評估。使用價值計算之關鍵假設為該等有關折現率及預算毛利及收入之假設。本集團使用反映當前市場對貨幣時間價值及動畫電視片集及戲院電影之製作、發行及授權業務之特定風險評估之費率估計折現率。預算毛利及收入乃基於動畫電視片集及戲院電影之製作、發行及授權行業之過往慣例及預期而得出。

於2017年6月30日，本集團就動畫電視片集及戲院電影之製作、發行及授權根據最新財務預算編制3年現金流量預測、使用稅前折現年利率18%及其後年度每年3%之持續增長率推算而得出。由於商譽之可收回金額低於其賬面值，因此本年度於損益內確認減值虧損2,636,000港元。

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20. INTANGIBLE ASSETS

20. 無形資產

		Trademarks 商標 HK\$'000 千港元	Production rights 製作版權 HK\$'000 千港元	Customer relationships 客戶關係 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：				
At 1 July 2015	於2015年7月1日	81	-	40,758	40,839
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	-	-	(40,758)	(40,758)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	81	-	-	81
Acquisition of subsidiaries (note 39)	收購附屬公司(附註39)	-	27,336	-	27,336
At 30 June 2017	於2017年6月30日	81	27,336	-	27,417
Accumulated amortisation and impairment:	累計攤銷及減值：				
At 1 July 2015	於2015年7月1日	81	-	1,698	1,779
Amortisation for the year	年度內攤銷	-	-	3,397	3,397
Disposal of subsidiaries (note 41)	出售附屬公司(附註41)	-	-	(5,095)	(5,095)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	81	-	-	81
Amortisation for the year	年度內攤銷	-	1,847	-	1,847
At 30 June 2017	於2017年6月30日	81	1,847	-	1,928
Carrying amount:	賬面值：				
At 30 June 2017	於2017年6月30日	-	25,489	-	25,489
At 30 June 2016	於2016年6月30日	-	-	-	-

The following useful lives are used in the calculation of amortisation:

Trademarks	5 years
Production rights	Over the contract terms
Customer relationships	10 years

The above intangible assets are amortised on a straight-line basis over the relevant periods.

攤銷按以下可用年期計算：

商標	5年
製作版權	按合約年期
客戶關係	10年

以上無形資產以直線法於相關期間內進行攤銷。

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21. INTERESTS IN ASSOCIATES

21. 於聯營公司之權益

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Unlisted shares, at fair value	非上市股份，按公允價值	-	-

As at 30 June 2016, the Group indirectly held 5% shareholding interest in TVB Pay Vision Holdings Limited ("TVBP") and its subsidiaries (collectively referred to as "TVBP Group"). The associates were private companies and there were no quoted market price available for these shares. The associates were held as part of venture capital organisation's portfolio and were carried at fair value in the consolidated statement of financial position. This treatment is permitted by HKAS 28 (2011), Investments in associates and joint ventures which requires investments held by venture capital organisation to be excluded from its scope where those investments are designated, upon initial recognition, as at FVTPL and accounted for in accordance with HKAS 39, with changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income in the period of change.

On 9 November 2016, the Group entered into (i) a sale and purchase agreement in relation to disposal of 5% shareholding interest in TVBP Group to an independent third party at a cash consideration of HK\$35,000,000; and (ii) a termination agreement of the shareholders' agreement dated 22 May 2012 pursuant to which the rights and obligations bound to the shareholders under the shareholders' agreement were terminated. The disposal was completed on 9 November 2016 and the Group recorded a gain on disposal of HK\$34,825,000 after deduction of the carrying amount of the associates of HK\$Nil balance and the related professional fees of HK\$175,000. Following completion of the disposal and the termination agreement became effective, the Group has no significant influence over TVBP Group and TVBP Group ceased to be associates of the Group thereafter.

於2016年6月30日，本集團間接持有無線收費電視控股有限公司（「收費電視控股」）及其附屬公司（以下統稱「收費電視控股集團」）5%股權。該等聯營公司為私人公司，及該等股份並無市場報價。該等聯營公司作為創投組織組合的一部分持有，按公允價值於綜合財務狀況表內列賬。此處理方法經香港會計準則第28號（2011年）「於聯營公司及合營企業之投資」准許並規定創投組織持有之投資被排除在其適用範疇之外（倘該等投資於初始確認時指定為按公允價值計入損益並根據香港會計準則第39號入賬），而其公允價值變動則於變動期間之綜合損益及其他全面收益表內確認。

於2016年11月9日，本集團訂立(i)買賣協議，內容有關向一名獨立第三方出售收費電視控股集團5%股權，現金代價為35,000,000港元；及(ii)終止協議以終止日期為2012年5月22日之股東協議，據此終止股東協議項下股東之權利及義務。出售於2016年11月9日完成，及經扣除聯營公司之賬面值零港元及相關專業費用175,000港元後，本集團錄得出售收益34,825,000港元。隨著完成出售及終止協議生效後，本集團對收費電視控股集團再無重大影響，而收費電視控股集團自此不再為本集團之聯營公司。

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22. DEPOSIT PAID FOR ACQUISITION OF SUBSIDIARIES

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Deposit paid for acquisition of subsidiaries	收購附屬公司之已付按金	—	30,000

Note:

During the year ended 30 June 2016, the Group entered into a sale and purchase agreement (“**S&P Agreement**”) with Jade Sparkle Holdings Limited and Mr. Wong Chun Loong (the “**Vendors**”) in relation to the acquisition of approximately 78.64% of the issued share capital of JDMM, and the amount due by JDMM to one of the Vendors at a cash consideration of HK\$142,600,000. A refundable deposit of HK\$30,000,000 was paid for such acquisition during that year. The acquisition was subsequently completed on 21 July 2016.

22. 收購附屬公司之已付按金

附註：

截至2016年6月30日止年度，本集團與耀琦控股有限公司及黃振隆先生（「該等賣方」）就收購玉皇朝多媒體已發行股本約78.64%及玉皇朝多媒體應付其中一名該等賣方之金額訂立買賣協議（「買賣協議」），現金代價為142,600,000港元。於該年度內已就有關收購支付可退還按金30,000,000港元。該收購隨後於2016年7月21日完成。

23. INVENTORIES

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Finished goods	製成品	131	152

Inventories represent food and beverage, consumable and other goods of cinema operation.

The cost of inventories recognised as expenses and included in “cost of sales” under continuing operations amounted to HK\$626,000 (2016:HK\$244,000).

23. 存貨

存貨指戲院營運之食品及飲料、消費品及其他商品。

確認為開支並計入持續經營業務項下之「銷售成本」之存貨成本為626,000港元（2016年：244,000港元）。

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24. FILM AND TV PROGRAMME RIGHTS

24. 電影及電視節目版權

		HK\$'000 千港元
Cost:	成本：	
At 1 July 2015, 30 June 2016 and 1 July 2016	於2015年7月1日、2016年6月30日及2016年7月1日	480,035
Exchange realignment	外匯調整	(161)
Acquisition of subsidiaries (note 39)	收購附屬公司(附註39)	16,198
Transfer from film and TV programme production in progress (note 25)	轉自製作中之電影及電視節目(附註25)	119
Written off	撇銷	(27,454)
Transfer to asset held for sale (note 34)	轉撥至持作出售資產(附註34)	(449,881)
At 30 June 2017	於2017年6月30日	18,856
Accumulated amortisation and impairment:	累計攤銷及減值：	
At 1 July 2015	於2015年7月1日	422,071
Amortisation for the year	年度內攤銷	1,527
Impairment loss recognised for the year	年度內確認之減值虧損	5,966
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	429,564
Amortisation for the year	年度內攤銷	4,556
Impairment loss recognised for the year	年度內確認之減值虧損	2,485
Written off	撇銷	(27,454)
Transfer to asset held for sale (note 34)	轉撥至持作出售資產(附註34)	(402,281)
At 30 June 2017	於2017年6月30日	6,870
Carrying amount:	賬面值：	
At 30 June 2017	於2017年6月30日	11,986
At 30 June 2016	於2016年6月30日	50,471

As at 30 June 2017 and 2016, the Group reviewed its library of film and TV programme rights regularly to reassess the estimated recoverable amounts of the film and TV programme rights with reference to marketability of each film and TV programme and current market condition. The estimated recoverable amounts of the film and TV programme rights was determined based on either net realisable values of film rights to be disposed of or a value-in-use calculation which uses the present value of the expected future cash flows arising from the sub-licensing and distribution of film and TV programme rights and subsequent to the completion of film and TV programme production, which was derived from discounting the projected future cash flows at a discount rate of 18% (2016: 10.57%).

於2017年及2016年6月30日，本集團參考每部電影及電視節目之可銷售性及當前市況定期檢討其片庫之電影及電視節目版權，以重新評估電影及電視節目版權之估計可收回金額。電影及電視節目版權之估計可收回金額乃以出售電影版權可變現淨值或使用價值計算方法釐定，該方法乃使用電影及電視節目版權再授特許及發行以及電影及電視節目製作完成後所產生之預期未來現金流量現值，透過以折現率18% (2016年：10.57%) 預測未來現金流量折現而得出。

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24. FILM AND TV PROGRAMME RIGHTS (continued)

Key assumptions for the value-in-use calculations relate to the estimation of cash inflow/outflow which include budgeted sales and gross margin, growth rate and discount rate. Such estimation is based on past experience and the management's expectations of the market development.

During the year, an impairment loss of HK\$2,485,000 (2016: HK\$5,966,000) was recognised in profit or loss. Such impairment was mainly attributable to certain films to be disposed of subsequent to the end of the reporting period (see note 34), of which their carrying amounts before the disposal were higher than the total sale proceeds received by the Group for such disposal. As a result, the management adjusted the carrying amounts of these films to their net realisable values as at 30 June 2017.

24. 電影及電視節目版權 (續)

使用價值計算方法之關鍵假設涉及估計現金流入／流出，包括預算銷售及毛利、增長率及折現率。該估計乃基於過去經驗及管理層預期之市場發展而得出。

本年度損益內確認減值虧損2,485,000港元(2016年:5,966,000港元)。有關減值主要由於報告期期末後出售若干電影(參見附註34)，其出售前之賬面金額高於本集團就出售所收取之銷售所得款項總額。因此，於2017年6月30日，管理層已將該等電影之賬面值調整至其可變現淨值。

25. FILM AND TV PROGRAMME PRODUCTION IN PROGRESS

25. 製作中之電影及電視節目

		HK\$'000 千港元
At 1 July 2015	於2015年7月1日	162,235
Additions	添置	33,083
Amounts refunded during the year	年度內退還金額	(38,000)
Transfer to other receivables	轉撥至其他應收款	(5,000)
Transfer to investments in film production	轉撥至於電影製作之投資	(44,145)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	108,173
Exchange realignment	外匯調整	(53)
Acquisition of subsidiaries (note 39)	收購附屬公司(附註39)	9,041
Additions	添置	202,678
Amounts refunded during the year	年度內退還金額	(37,100)
Transfer to investments in film production	轉撥至於電影製作之投資	(67,157)
Transfer to film and TV programme rights (note 24)	轉撥至電影及電視節目版權(附註24)	(119)
At 30 June 2017	於2017年6月30日	215,463

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26. INVESTMENTS IN FILM PRODUCTION

26. 於電影製作之投資

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Investments in film production	於電影製作之投資	1,683	15,647

The amount represents investments in a Hong Kong production house for co-production of films. The investments are governed by the relevant agreements whereby the Group is entitled to benefits generated from the distribution of these films based on the percentage of capital contributed in the film production projects.

During the year, the Group recognised the cost of investments in film production of HK\$18,586,000 (2016: HK\$8,447,000) and an impairment loss of HK\$62,845,000 (2016: HK\$20,651,000) based on the expected future revenue to be generated from the films with reference to their marketability and current market condition. The carrying amount of HK\$1,683,000 (2016: HK\$15,647,000) is expected to be recovered within 1 year and therefore, the amount is classified as current asset.

該金額為就共同製作電影而於一間香港製作公司作出之投資。投資受相關協議規管，據此，本集團有權根據於電影製作項目之注資百分比從該等電影之發行中獲益。

於本年度，本集團確認電影製作投資成本18,586,000港元（2016年：8,447,000港元），並參考其可銷售性及當前市況，按該等電影將產生之預期未來收入確認減值虧損62,845,000港元（2016年：20,651,000港元）。預期賬面值1,683,000港元（2016年：15,647,000港元）可於1年內收回，因此，該金額分類為流動資產。

27. TRADE RECEIVABLES

27. 貿易應收款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Trade receivables, net	貿易應收款淨額	16,642	5,544

The Group allows an average credit period of 30 to 180 days (2016: 30 to 180 days) to its customers. The ageing analysis of the trade receivables of the Group based on the invoice date at the end of the reporting period is as follows:

本集團給予其客戶平均30至180日（2016年：30至180日）之信貸期。以下為本集團於報告期期末按發票日期計之貿易應收款之賬齡分析：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
0 to 90 days	0至90日	9,992	5,544
91 to 180 days	91至180日	—	—
Over 180 days	180日以上	12,822	6,241
		22,814	11,785
Less: Impairment loss recognised in respect of trade receivables	減：就貿易應收款確認之減值虧損	(6,172)	(6,241)
		16,642	5,544

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27. TRADE RECEIVABLES (continued)

Trade receivables of HK\$6,650,000 (2016: Nil) were neither past due nor impaired. The outstanding amounts were contract bound. The management have assessed the credit history of the aforesaid trade receivables and concluded that there is no adverse change on the credit quality of these customers and considered these trade receivables are recoverable.

Trade receivables of HK\$6,172,000 (2016: HK\$6,241,000) that were past due for over 180 days were impaired. In determining the recoverability of trade receivables, the management consider any change in the credit quality of the trade receivables from the date credit were initially granted and up to the end of the reporting period. Accordingly, the management consider provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Movement in the allowance for doubtful debts is as follow:

27. 貿易應收款 (續)

貿易應收款6,650,000港元(2016年:無)既未逾期亦未減值。該等尚未償還金額受合約約束。管理層已評估上述貿易應收款之信用記錄,認為該等客戶之信貸質素並無重大變動且認為該等貿易應收款可收回。

已逾期超過180日之6,172,000港元(2016年:6,241,000港元)貿易應收款已減值。在釐定貿易應收款之收回可能性時,管理層考慮貿易應收款之信貸質素自初步授出信貸日期起及直至報告期期末之任何變動。因此,管理層認為須就貿易應收款作減值撥備至其可收回價值,並相信毋須就超出呆賬準備之差額進一步作出信貸撥備。

呆賬準備之變動如下:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At the beginning of the year	於年初	6,241	6,592
Impairment loss recognised for the year	年度內確認之減值虧損	-	599
Reversal of impairment loss during the year	年度內撥回之減值虧損	(69)	(351)
Disposal of subsidiaries	出售附屬公司	-	(599)
At the end of the year	於年末	6,172	6,241

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28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

28. 其他應收款、按金及預付款

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Other receivables, net (note (i))	其他應收款淨額(附註(i))	7,246	5,516
Compensation income receivable (note (ii))	應收補償收入(附註(ii))	7,864	-
Deposits and prepayments (note (iii))	按金及預付款(附註(iii))	38,443	25,998
Promissory note receivable (note (iv))	應收承兌票據(附註(iv))	-	65,000
		53,553	96,514

Notes:

- (i) As at 30 June 2016, other receivables included an amount of HK\$5,000,000 reclassified from film and TV programme production in progress upon terminations of film production contracts with production houses. During the year, an amount of HK\$3,000,000 had been impaired and the remaining HK\$2,000,000 has been settled subsequent to the end of the reporting period.
- (ii) The amount represents the shortfall payment as at 31 December 2016 in respect of the profit guarantee given by the Vendors to the Group in relation to the acquisition of JDMM Group (see note 39). Such amount has been settled subsequent to the end of the reporting period.
- (iii) As at 30 June 2017, the amount included a deposit of HK\$18,000,000 paid for a potential film investment subject to the fulfillment of terms and conditions of the relevant agreement. Such amount has been refunded subsequent to the end of the reporting period as the terms and conditions of the relevant agreements were not fulfilled.
- (iv) The amount represented part of the consideration receivable for the disposal of 60% equity interest in Lucrative Skill Group (see note 41), which was interest-free, unsecured and repayable to the Company within 1 year. During the year, the amount of the promissory note receivable was fully settled.

附註：

- (i) 於2016年6月30日，其他應收款包括於終止與製作公司的電影製作合約後自製作中之電影重新分類之5,000,000港元款項。於本年度，金額3,000,000港元已作減值撥備，餘款2,000,000港元則已於報告期期末結束後償付。
- (ii) 該金額為就收購玉皇朝多媒體集團該等賣方向本集團發出之溢利保證相關之於2016年12月31日之差額款項(參見附註39)。該款項已於報告期期末結束後償付。
- (iii) 於2017年6月30日，該款項包括潛在電影投資之已付按金18,000,000港元，惟須待有關協議之條款及條件獲達成後方可作實。由於有關協議之條款及條件未能達成，因此該款項已於報告期期末結束後退還。
- (iv) 該款項為出售Lucrative Skill集團60%股權之部分應收代價(見附註41)，為免息、無抵押及須於1年內償還予本公司。於本年度，應收承兌票據金額已悉數償付。

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29. CONTINGENT CONSIDERATION RECEIVABLE

Contingent consideration receivable represents the profit guarantee given by the Vendors to the Group in relation to the acquisition of JDMM Group (see note 39). Contingent consideration receivable has been designated as financial assets at FVTPL upon initial recognition and is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivable is as follows:

		2017 HK\$'000 千港元
At 1 July 2016	於2016年7月1日	-
Arising on acquisition of subsidiaries (note 39)	因收購附屬公司而產生(附註39)	8,145
Gain on fair value change for the year	本年度公允價值變動之收益	338
At 30 June 2017	於2017年6月30日	8,483

Pursuant to the S&P Agreement in relation to the acquisition of JDMM Group, the Vendors have given a guarantee to the Group that the audited consolidated profit after tax of JDMM Group for the three financial years ending 31 December 2016, 31 December 2017 and 31 December 2018 (each of the "Guaranteed Period") would be no less than HK\$10,000,000 (the "Guaranteed Sum") for each of the Guaranteed Period (the "Profit Guarantee").

In case the Profit Guarantee is not fulfilled for the corresponding year, the Vendors shall pay 78.64% of the difference between the Guaranteed Sum and the audited consolidated profit after tax of JDMM Group (the "Shortfall") to the Group. During the year ended 31 December 2016, the audited consolidated profit after tax of JDMM Group did not satisfy the Profit Guarantee. Hence, the Vendors are required to pay the Shortfall to the Group in accordance with the terms and condition stated in the S&P Agreement.

The fair value of the contingent consideration receivable as at 30 June 2017 is determined based on the valuation conducted by an independent firm of valuers, Flagship Consulting (Hong Kong) Limited, by using the income approach and a gain arising in fair value change of HK\$338,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

29. 應收或然代價

應收或然代價為就收購玉皇朝多媒體集團該等賣方向本集團發出之溢利保證(參見附註39)。應收或然代價於初始確認時指定為按公允價值計入損益之金融資產，並於報告期末按公允價值計量。應收或然代價之公允價值變動如下：

根據收購玉皇朝多媒體集團有關之買賣協議，該等賣方已向本集團提供溢利保證，即玉皇朝多媒體集團於截至2016年12月31日、2017年12月31日及2018年12月31日止三個財政年度(「各個保證期間」)之經審核除稅後綜合純利於各個保證期間將不低於10,000,000港元(「保證金額」)(「溢利保證」)。

倘相應年度之溢利保證未達成，該等賣方須按保證金額與玉皇朝多媒體集團之經審核綜合除稅後溢利間之差額(「差額」)之78.64%支付予本集團。截至2016年12月31日止年度，玉皇朝多媒體集團之經審核除稅後綜合純利並未符合溢利保證。因此，該等賣方須根據買賣協議所述之條款及條件向本集團支付差額。

於2017年6月30日應收或然代價之公允價值，乃根據獨立估值師「旗艦顧問(香港)有限公司」使用收益法進行之估值釐定，並於綜合損益及其他全面收益表內確認公允價值變動收益338,000港元。

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29. CONTINGENT CONSIDERATION RECEIVABLE (continued)

As at 30 June 2017, the contingent consideration receivable is analysed into current assets and non-current assets as follows:

		2017 HK\$'000 千港元
Analysed for reporting purpose as:	就呈報目的分析如下：	
Non-current assets	非流動資產	485
Current assets	流動資產	7,998
		8,483

29. 應收或然代價 (續)

於2017年6月30日，應收或然代價於流動及非流動資產項下分析如下：

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Listed securities:	上市證券：		
– Equity securities listed in Hong Kong at fair value	– 按公允價值列賬之香港上市股本證券	52,441	63,385

As at 30 June 2017 and 2016, all of the financial assets at FVTPL are equity securities listed in Hong Kong and denominated in HK\$, and were stated at their quoted price in the active market at the end of the reporting period.

A decrease in fair value of these financial assets at FVTPL of HK\$7,115,000 (2016: HK\$18,927,000) has been included in the consolidated statement of profit or loss and other comprehensive income.

30. 按公允價值計入損益之金融資產

於2017年及2016年6月30日，全部按公允價值計入損益之金融資產為於香港上市之股本證券及以港元計值，並按於報告期末在活躍市場之報價列賬。

該等按公允價值計入損益之金融資產之公允價值減少7,115,000港元（2016年：18,927,000港元）已計入綜合損益及其他全面收益表。

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31. INVESTMENT IN LISTED CORPORATE BOND

On 19 September 2016, the Group acquired a listed corporate bond with fixed coupon rate of 4% per annum in a principal amount of US\$8,000,000 (equivalent to approximately HK\$62,240,000). The listed corporate bond was initially measured at fair value and was subsequently sold on 10 March 2017.

During the year, the Group recognised listed corporate bond interest income of HK\$1,328,000 in profit or loss.

On 10 March 2017, the Group disposed of the listed corporate bond at a consideration of US\$8,030,000 (equivalent to approximately HK\$62,475,000) and a gain on disposal of the listed corporate bond of HK\$413,000, net of related transaction cost of HK\$5,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

32. INVESTMENT IN CONVERTIBLE BOND

On 20 January 2016, the Group acquired a convertible bond with fixed coupon rate of 8% per annum in a principal amount of US\$10,000,000. The convertible bond was subsequently sold on 20 June 2016.

31. 上市公司債券之投資

於2016年9月19日，本集團購入本金金額8,000,000美元（相當於約62,240,000港元），固定票息率為每年4厘之上市公司債券。該上市公司債券於初始時按公允值計量及其後於2017年3月10日出售。

於本年度，本集團於損益內確認上市公司債券利息收入1,328,000港元。

於2017年3月10日，本集團按代價8,030,000美元（相當於約62,475,000港元）出售上市公司債券並於綜合損益及其他全面收益表內確認出售上市公司債券收益413,000港元（經扣除相關交易成本5,000港元）。

32. 可換股債券之投資

於2016年1月20日，本集團購入本金金額為10,000,000美元的可換股債券，固定票息率為每年8厘。該可換股債券其後於2016年6月20日出售。

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32. INVESTMENT IN CONVERTIBLE BOND (continued)

The fair values of the convertible bond and its components on initial recognition are determined based on the valuation conducted by an independent firm of valuers, Flagship Consulting (Hong Kong) Limited. On initial recognition, the fair value of the debt component of the convertible bond is determined using the prevailing market interest rate of similar non-convertible debts and is carried at amortised cost subsequently. The effective interest rate is 15%. The fair value of the embedded conversion options of the convertible bond as at 20 January 2016 (acquisition date) and 20 June 2016 (disposal date) are calculated using the Binomial Model. The inputs into the model were as follows:

		20 January 2016 2016年1月20日	20 June 2016 2016年6月20日
Share price	股價	HK\$1.00港元	HK\$0.97港元
Conversion price	兌換價	HK\$1.26港元	HK\$1.26港元
Time to maturity	到期期限	2.49 years 2.49年	2.07 years 2.07年
Risk-free rate	無風險收益率	0.95%	0.75%
Dividend yield	股息率	0.00%	0.00%
Volatility	波幅	50.04%	37.77%

Key assumptions of the valuation are as follows:

- Risk-free rate is referred to the yield to maturity of the United State Treasury notes with similar terms as at the 20 January 2016 (acquisition date) and 20 June 2016 (disposal date).
- Credit rating is based on a financial ratio analysis to estimate the credit rating of the convertible bond based on the Standard and Poor's credit rating criteria.

For the year ended 30 June 2016, the Group recognised a decrease in fair value of the derivative component of the convertible bond of HK\$2,713,000 and a convertible bond interest income of HK\$5,734,000 in profit or loss. In June 2016, the Group disposed of the convertible bond at a consideration of HK\$82,088,000 and a gain on disposal of the convertible bond of HK\$1,533,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

32. 投資可換股債券 (續)

可換股債券及其組成部分之公允價值於初始確認時按獨立估值師行「旗艦顧問(香港)有限公司」進行之估值釐定。於初始確認時，可換股債券的負債部分之公允價值乃按類似不可轉換債務的現行市場利率釐定，並其後按攤銷成本列賬。實際利率為15厘。可換股債券的嵌入式換股權之公允價值於2016年1月20日(收購日期)及2016年6月20日(出售日期)均按照二項式模型計算。該模型所使用的輸入數據載列如下：

關鍵估值假設載列如下：

- 無風險收益率指具有類似期限的美國國庫券於2016年1月20日(收購日期)及2016年6月20日(出售日期)的到期收益率。
- 信用評級乃根據財務比率分析作出，以根據標準普爾信用評級標準估計可換股債券的信用評級。

截至2016年6月30日止年度，本集團於損益內確認可換股債券衍生部分之公允價值減少2,713,000港元及可換股債券利息收入5,734,000港元。於2016年6月，本集團以代價82,088,000港元出售可換股債券並於綜合損益及其他全面收益表內確認出售可換股債券收益1,533,000港元。

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33. CASH AND BANK BALANCES

33. 現金及銀行結存

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	452,616	398,515

Notes:

- (i) At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$73,078,000 (2016: HK\$8,884,000).
- (ii) Cash at banks earn interests at prevailing market rates which range from 0.01% to 0.73% (2016: 0.01% to 0.35%) per annum.
- (iii) The conversion of RMB denominated balances into foreign currencies and the remittance of foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

附註：

- (i) 於報告期期末，以人民幣計值之本集團現金及銀行結存為73,078,000港元（2016年：8,884,000港元）。
- (ii) 銀行現金按介乎0.01厘至0.73厘（2016年：0.01厘至0.35厘）之間的現行市場年利率計息。
- (iii) 當以人民幣計值之結存兌換為外幣及以外幣計值之銀行結存及現金匯出中國時，須遵守中國政府頒佈之外匯管制之相關條例及規例。

34. ASSET CLASSIFIED AS HELD FOR SALE

34. 分類為持作出售之資產

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Film rights	電影版權	47,600	-

During the year, the Group entered into certain sale and purchase agreements with an independent third party (the "Purchaser") pursuant to which the Group would sell the film rights to the Purchaser upon the terms and conditions therein contained. Cash consideration for the disposal of HK\$47,600,000 had been duly received at the end of the reporting period.

The aforesaid amount was the contract price for sales representing the fair value less costs to sell of the film rights which is categorised under Lever 2 of fair value hierarchy. The sale of film rights was not completed as at 30 June 2017 and the film rights have been presented as asset classified as held for sale in the consolidated statement of financial position in accordance with HKFRS 5.

於本年度，本集團已與一名獨立第三方（「買方」）訂立若干買賣協議，據此本集團將根據其所載條款及條件向買方出售電影版權。有關出售之現金代價47,600,000港元已於報告期期末正式收取。

上述金額乃為出售之合約代價（即電影版權之公允價值減出售成本，並歸入公允價值等級之第2級）。出售電影版權於2017年6月30日尚未完成，故電影版權根據香港財務報告準則第5號已列入綜合財務狀況表之分類為持作出售之資產。

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35. TRADE AND OTHER PAYABLES

35. 貿易及其他應付款

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	貿易應付款	11,614	8,323
Accruals	應計費用	12,613	12,531
Deposits received for disposal of film rights (note 34)	已收出售電影版權之按金 (附註34)	47,600	–
Deposits received from customers	已收客戶按金	34,223	6,388
Other payables	其他應付款	5,837	11,502
		111,887	38,744

The following is an ageing analysis of trade payables of the Group based on the invoice date at the end of the reporting period:

以下為本集團於報告期期末按發票日期計之貿易應付款之賬齡分析：

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
0 to 90 days	0至90日	5,036	1,508
Over 90 days	90日以上	6,578	6,815
		11,614	8,323

36. AMOUNTS DUE TO RELATED COMPANIES/NON-CONTROLLING INTERESTS

Members of the key management and shareholders of the Group have controlling interests over these related companies.

The amounts are unsecured, interest-free and repayable on demand.

36. 應付關連公司／非控股權益款項

本集團之主要管理層成員及股東於該等關連公司擁有控股權益。

該等款項為無抵押、免息及須按要求償還。

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37. DEFERRED TAXATION

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years.

37. 遞延稅項

本年度及過往年度確認之主要遞延稅項資產／（負債）及有關變動如下。

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Fair value adjustment arising from acquisition of subsidiaries 自收購附屬 公司產生之 公允價值調整 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2015	於2015年7月1日	443	5,975	(6,445)	(27)
Credited to profit or loss	計入損益	-	-	561	561
Disposal of subsidiaries (note 41)	出售附屬公司（附註41）	(443)	(5,975)	5,884	(534)
At 30 June 2016 and 1 July 2016	於2016年6月30日及 2016年7月1日	-	-	-	-
Acquisition of subsidiaries (note 39)	收購附屬公司（附註39）	-	-	(405)	(405)
Credited to profit or loss (note 13)	計入損益（附註13）	-	-	163	163
At 30 June 2017	於2017年6月30日	-	-	(242)	(242)

As at 30 June 2017, the Group had tax losses of HK\$496,278,000 (2016: HK\$440,346,000) available for offset against future profits. The tax losses of the Group might be carried forward indefinitely, except for an amount of HK\$53,901,000 (2016: HK\$15,715,000) which will expire in 5 years from the year of assessment. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profit streams.

於2017年6月30日，本集團稅項虧損496,278,000港元（2016年：440,346,000港元）可用於抵銷未來溢利。本集團之稅項虧損可無限期結轉，惟為數53,901,000港元（2016年：15,715,000港元）之款項將於評估年度起5年內屆滿。由於不能預測未來之溢利情況，故並無就該等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	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 July 2015, 30 June 2016, 1 July 2016 and 30 June 2017	於2015年7月1日、2016年 6月30日、2016年7月1日 及2017年6月30日	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
At 1 July 2015, 30 June 2016 and 1 July 2016	於2015年7月1日、2016年 6月30日及2016年7月1日	2,213,340,890	22,133
Issue of new shares by subscription (note)	通過認購發行新股份(附註)	1,000,000,000	10,000
At 30 June 2017	於2017年6月30日	3,213,340,890	32,133

Note:

On 19 December 2016, the Company entered into a subscription agreement with Giant Lead which conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 1,000,000,000 new shares at a subscription price of HK\$0.19 per share (the "Subscription"). The Subscription was completed on 23 March 2017 and the proceeds from the Subscription, before expenses, amounted to HK\$190,000,000.

Details of the Subscription were set out in the announcement jointly made by Giant Lead and the Company dated 22 December 2016 and 23 March 2017 and in the circular issued by the Company dated 3 March 2017.

附註：

於2016年12月19日，本公司與Giant Lead訂立認購協議，該公司有條件同意認購及本公司有條件同意配發及發行合共1,000,000,000股新股份，認購價為每股0.19港元（「認購事項」）。認購事項已於2017年3月23日完成，而認購事項之所得款項（扣除開支前）為190,000,000港元。

認購事項之詳情載列於Giant Lead與本公司聯合刊發日期為2016年12月22日及2017年3月23日之公告以及本公司刊發日期為2017年3月3日之通函。

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For the year ended 30 June 2017 截至2017年6月30日止年度

38. SHARE CAPITAL (continued)

Share options

The Company has adopted a share option scheme (the “Scheme”) on 8 November 2011. The major terms of the Scheme are summarised as follows:

1. Purpose of the Scheme: To enable to Group to grant options to eligible participants to subscribe for shares in the Company as incentive or rewards for their contribution to the Group.
2. Eligibility: Eligible participants include employees, including any Directors, its subsidiaries or any entity in which any member of the Group holds an equity interest.
3. (a) Total number of shares available for issue as at 21 September 2017 (i.e. the date of this report) under the Scheme: 221,334,089 shares;
(b) Percentage of the issued shares that it represents as at the date of this report: 6.89%.
4. Maximum entitlement of each eligible participant under the Scheme:
 - (a) not to exceed 1% of the shares in issue in any 12-month period unless approved by the shareholders;
 - (b) options granted to substantial shareholders or independent non-executive Directors or their respective associates in any one year exceeding the higher of 0.10% of the shares in issue and with a value in excess of HK\$5,000,000 must be approved by the shareholders.
5. Period within which the shares must be taken up under an option: At any time from the date of acceptance of the option to such a date determined by the board of Directors (the “Board”) but in any event not exceeding 10 years from the date of grant.
6. Minimum period for which an option must be held before it can be exercised: No minimum period unless otherwise determined by the Board.

38. 股本 (續)

購股權

本公司於2011年11月8日採納一項購股權計劃(「該計劃」)。該計劃之主要條款概述如下:

1. 該計劃之目的:讓本集團向合資格參與者授予購股權以認購本公司股份,以作為其對本集團所作貢獻之獎勵或獎賞。
2. 資格:合資格參與者包括僱員(包括任何董事)、其附屬公司或本集團任何成員公司持有股權之任何實體。
3. (a) 根據該計劃於2017年9月21日(即本報告日期)可予發行之股份總數目:221,334,089股股份;
(b) 於本報告日期其佔已發行股份之百分比:6.89%。
4. 該計劃項下每名合資格參與者可獲授權益上限:
 - (a) 除非獲股東批准,否則在任何12個月內不得超過已發行股份之1%;
 - (b) 於任何一年內向主要股東或獨立非執行董事或彼等各自之聯繫人授出之購股權,若超過已發行股份之0.10%及價值超過5,000,000港元(以較高者為準)須經股東批准。
5. 行使購股權項下股份之期限:於接納購股權日期起至董事會(「董事會」)釐定之有關日期內之任何時間,惟於任何情況下,不得超過授出日期起計10年。
6. 購股權行使前必須持有之最短期限:除非董事會另行釐定,否則並無最短期限。

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38. SHARE CAPITAL (continued)

Share options (continued)

7. (a) Price payable on application or acceptance of the option: HK\$1.00;
 - (b) The period within which payments or calls must or may be made: Within 28 days from the date of grant;
 - (c) Period within which loans for such purposes of the payments or calls must be repaid: Not applicable.
8. Basis for determining the exercise price:

The exercise price is determined by the Board (subject to adjustment) and will not be less than the highest of (a) the closing price of the share as stated in the Stock Exchange's daily quotation sheet for trades in one or more board lots of Shares on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a share.

9. The remaining life of the Scheme: Approximately 4 years (expiring on 7 November 2021).

During the year, no option was outstanding, granted, exercised, cancelled or lapsed under the Scheme.

39. BUSINESS COMBINATION

(a) Acquisition of JDMM Group

On 4 May 2016, the Group entered into the S&P Agreement with the Vendors in relation to investment in production, distribution and licensing of animated TV episodes and theatrical films in Hong Kong, the PRC and overseas countries through the acquisition of approximately 78.64% equity interest in JDMM Group and the shareholder's loan owned by JDMM to one of the Vendors at a cash consideration of HK\$142,600,000. The cash consideration had been settled and paid by the Group to the Vendors in the following manners:

- (i) a refundable deposit in the amount of HK\$30,000,000 was paid in cash within 1 month after the execution of the S&P Agreement; and

38. 股本 (續)

購股權 (續)

7. (a) 申請或接納購股權時所須繳付的代價：1.00港元；
 - (b) 必須或可能付款或通知付款之期限：授出日期起計28日內；
 - (c) 償還作付款或通知付款用途的貸款期限：不適用。
8. 釐定行使價之基準：

行使價(可進行調整)乃由董事會釐定，惟不得低於下列最高者：(a)於授予日期買賣一手或以上股份在聯交所每日報價表所示之股份收市價；(b)於緊接授予日期前五個交易日股份在聯交所每日報價表所示之平均收市價；及(c)股份面值。

9. 該計劃尚餘之年期：約4年(於2021年11月7日屆滿)。

於本年度內，該計劃項下概無購股權尚未行使、獲授出、獲行使、被註銷或已告失效。

39. 業務合併

(a) 收購玉皇朝多媒體集團

於2016年5月4日，本集團就有關投資香港、中國及海外國家動畫電視片集及戲院電影之製作、發行及授權與該等賣方就透過收購玉皇朝多媒體集團約78.64%股權以及玉皇朝多媒體應付予該等賣方其中一名股東之貸款訂立一份買賣協議，現金代價為142,600,000港元。該現金代價已由本集團按下列方式結算及支付予該等賣方：

- (i) 30,000,000港元之可退還訂金於簽立買賣協議後一個月內以現金支付；及

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39. BUSINESS COMBINATION (continued)

(a) Acquisition of JDMM Group (continued)

- (ii) the remaining balance in the sum of HK\$112,600,000 was paid in cash upon completion of the acquisition.

The acquisition was completed on 21 July 2016 (the “**Completion Date**”) and had been accounted for using the acquisition method.

The following tables summarise the consideration paid for this acquisition and the fair value of identifiable assets acquired and liabilities assumed at the acquisition date.

		2017 HK\$'000 千港元
Consideration satisfied by cash	以現金支付之代價	142,600
Less: Contingent consideration receivable (note 29)	減：應收或然代價（附註29）	(8,145)
Total consideration	代價總額	134,455

Note: Shortfall payment in respect of Profit Guarantee

Pursuant to the S&P Agreement, the Vendors have given a guarantee to the Group that the audited consolidated net profit after tax of JDMM Group for each of the Guaranteed Period would be no less than the Guaranteed Sum for each of the Guaranteed Period.

In case the Profit Guarantee is not fulfilled for the corresponding year, the Vendors shall pay the Shortfall to the Group, and for the avoidance of doubt, if JDMM Group sustained a loss for such financial year, 78.64% of the Guaranteed Sum shall be payable by the Vendors to the Group.

The fair value of the Profit Guarantee as at Completion Date amounted to HK\$8,145,000 and was recorded as contingent consideration receivable in the consolidated statement of financial position.

39. 業務合併（續）

(a) 收購玉皇朝多媒體集團（續）

- (ii) 餘額112,600,000港元於完成收購時以現金支付。

收購事項已於2016年7月21日（「**完成日期**」）完成並已使用收購法入賬。

下表總結就該收購所支付之代價及於收購日期所收購之可識別資產及所承擔負債之公允價值。

附註：溢利保證有關之差額付款

根據買賣協議，該等賣方已向本集團提供一項保證，即玉皇朝多媒體集團於各個保證期間之經審核除稅後綜合純利於各個保證期間將不低於保證金額。

倘相應年度之溢利保證未達成，該等賣方須支付差額予本集團，以及為避免疑義，倘玉皇朝多媒體集團於該財政年度錄得虧損，則該等賣方須向本集團支付保證金額之78.64%。

溢利保證於完成日期之公允價值為8,145,000港元並於綜合財務狀況表內入賬列為應收或然代價。

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綜合財務報表附註

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39. BUSINESS COMBINATION (continued)

(a) Acquisition of JDMM Group (continued)

39. 業務合併 (續)

(a) 收購玉皇朝多媒體集團 (續)

		2017 HK\$'000 千港元
Fair values of identifiable assets acquired and liabilities assumed	所收購之可識別資產及所承擔負債之公允價值	
Property, plant and equipment	物業、廠房及設備	188
Intangible asset	無形資產	27,336
Film and TV programme rights	電影及電視節目版權	16,198
Film and TV programme production in progress	製作中之電影及電視節目	9,041
Investment in film production	於電影製作之投資	720
Trade receivables	貿易應收款	14,304
Deposits and prepayments	按金及預付款	588
Cash and cash equivalents	現金及現金等價物	867
Trade and other payables	貿易及其他應付款	(23,876)
Amount due to a shareholder of JDMM	應付玉皇朝多媒體一名股東之款項	(3,967)
Deferred tax liability	遞延稅項負債	(405)
Total identifiable net assets	可識別資產總淨值	40,994
Non-controlling interests	非控股權益	(8,756)
Assignment of shareholder's loan	轉讓股東貸款	3,967
Goodwill arising on acquisition	收購產生之商譽	98,250
Total consideration	代價總額	134,455
Net cash outflow arising from the acquisition:	自收購產生之現金流出淨額：	
Consideration paid in cash	已付現金代價	(142,600)
Less: Deposit paid in prior year	減：去年已付按金	30,000
		(112,600)
Cash and cash equivalents acquired	所收購之現金及現金等價物	867
		(111,733)

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綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

39. BUSINESS COMBINATION (continued)

(a) Acquisition of JDMM Group (continued)

The fair value and the gross contractual amount of trade receivables as at the Completion Date amounted to HK\$14,304,000, of which no balance was expected to be uncollectible.

In addition, the non-controlling interests of JDMM Group was recognised at their proportionate share of identifiable net assets acquired.

JDMM Group was acquired so as to complement the Group's expansion strategy and step into the rapid expansion of animation market.

Acquisition-related costs of HK\$465,000 had been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017.

Included in the Group's revenue and loss for the year ended 30 June 2017 are HK\$705,000 and HK\$7,628,000 respectively attributable from JDMM Group since the Completion Date.

Had JDMM Group been consolidated from 1 July 2016, the consolidated statement of profit or loss and other comprehensive income would show pro forma revenue of HK\$739,000 and loss of HK\$7,257,000.

(b) Acquisition of Sino Spirit Group (as defined below)

On 7 December 2015, the Group entered into an agreement with an independent third party in relation to investment in a newly established cinema in the PRC through the acquisition of 55% equity interest in Sino Spirit International Limited ("Sino Spirit") and its subsidiary (collectively referred to as "Sino Spirit Group") and the respective percentage of sharing of the shareholder's loan due to such independent third party at a cash consideration of HK\$45,596,000. The acquisition was completed on 7 December 2015. Sino Spirit Group is principally engaged in cinema operation in the PRC.

39. 業務合併 (續)

(a) 收購玉皇朝多媒體集團 (續)

於完成日期，貿易應收款之公允價值及合約總金額為14,304,000港元，其中概無結餘預期無法收回。

此外，玉皇朝多媒體集團之非控股權益已按其分佔所收購之可識別資產淨值之比例確認。

收購玉皇朝多媒體集團可完善本集團之擴張策略並進軍急速擴張中之動漫市場。

收購相關成本465,000港元已計入截至2017年6月30日止年度綜合損益及其他全面收益表之行政開支內。

本集團截至2017年6月30日止年度之收入及虧損中分別有705,000港元及7,628,000港元來自完成日期後之玉皇朝多媒體集團。

倘玉皇朝多媒體集團自2016年7月1日獲合併，綜合損益及其他全面收益表將顯示備考收入739,000港元及虧損7,257,000港元。

(b) 收購Sino Spirit集團 (定義見下文)

於2015年12月7日，本集團就有關在中國投資一間新成立的戲院與一名獨立第三方就透過收購Sino Spirit International Limited (「Sino Spirit」)及其附屬公司(以下統稱「Sino Spirit集團」)之55%股權及相關百分比之應付該名獨立第三方之股東貸款訂立一份協議，現金代價為45,596,000港元。該收購於2015年12月7日完成。Sino Spirit集團主要於中國從事戲院營運。

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39. BUSINESS COMBINATION (continued)

(b) Acquisition of Sino Spirit Group (as defined below) (continued)

The following table summarises the consideration paid for this acquisition and the fair value of identifiable assets acquired and liabilities assumed at the acquisition date.

39. 業務合併 (續)

(b) 收購Sino Spirit集團 (定義見下文) (續)

下表總結就該收購所支付之代價及於收購日期所收購之可識別資產及所承擔負債之公允價值。

		2016 HK\$'000 千港元
Fair values of identifiable assets acquired and liabilities assumed	所收購之可識別資產及所承擔負債之公允價值	
Property, plant and equipment	物業、廠房及設備	55,645
Inventories	存貨	283
Trade receivables	貿易應收款	115
Other receivables, deposits and prepayments	其他應收款、按金及預付款	21,624
Cash and cash equivalents	現金及現金等價物	52,467
Trade and other payables	貿易及其他應付款	(47,231)
Amount due to the shareholder of Sino Spirit	應付Sino Spirit股東之款項	(82,901)
Total identifiable net assets	總可識別資產淨值	2
Non-controlling interests	非控股權益	(1)
Assignment of 55% shareholder's loan	轉讓55%之股東貸款	45,595
Total cash consideration paid	已付總現金代價	45,596
Net cash inflow arising from the acquisition:	自收購產生之現金流入淨額:	
Cash consideration paid	已付現金代價	(45,596)
Cash and cash equivalents acquired	所收購之現金及現金等價物	52,467
		6,871

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39. BUSINESS COMBINATION (continued)

(b) Acquisition of Sino Spirit Group (as defined below) (continued)

The fair value and the gross contractual amount of trade and other receivables at the date of acquisition amounted to HK\$4,103,000 of which no balance was expected to be uncollectible.

In addition, the non-controlling interests of Sino Spirit Group was recognised at their proportionate share of identifiable net assets acquired.

Sino Spirit Group was acquired so as to complement the Group's expansion strategy and to tap into the rapid expansion of the PRC film exhibition market.

Acquisition-related costs of HK\$60,000 had been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016.

Included in the Group's revenue and loss for the year ended 30 June 2016 were HK\$12,887,000 and HK\$16,322,000 respectively attributable from Sino Spirit Group since the acquisition date.

Had Sino Spirit Group been consolidated from 1 July 2015, the consolidated statement of profit or loss and other comprehensive income would show pro-forma revenue of HK\$12,887,000 and loss of HK\$16,298,000.

39. 業務合併 (續)

(b) 收購Sino Spirit集團 (定義見下文) (續)

於收購日期，貿易及其他應收款之公允價值及合約總金額為4,103,000港元，當中概無餘額預期無法收回。

此外，Sino Spirit集團之非控股權益已按其分佔所收購之可識別資產淨額之比例確認。

收購Sino Spirit集團可完善本集團之擴張策略，並進軍中國迅速增長中之電影放映市場。

收購相關成本60,000港元已計入截至2016年6月30日止年度綜合損益及其他全面收益表之行政開支內。

本集團截至2016年6月30日止年度之收入及虧損中分別有12,887,000港元及16,322,000港元來自收購日期後之Sino Spirit集團。

倘Sino Spirit集團自2015年7月1日獲合併，綜合損益及其他全面收益表將顯示備考收入12,887,000港元及虧損16,298,000港元。

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40. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 14 December 2016, the Group completed the acquisition of 100% equity interest of Major Marketing Communications Limited (“MMCL”) (now known as “Emperor Cinemas (China) Limited”) and its subsidiaries (collectively referred to as “MMCL Group”) from an independent third party at a cash consideration of HK\$12,245,000. MMCL Group is principally engaged in the cinema development and operation in the PRC while the relevant cinemas were still under construction at the end of the reporting period.

The acquisition has been accounted for as an acquisition of assets and liabilities. The net cash outflow arising from the acquisition of MMCL Group was HK\$1,406,000.

41. DISPOSAL OF SUBSIDIARIES

Disposal of Anyone Holdings Limited (“AHL”)

On 11 April 2016, the Group disposed of its entire interest in AHL to an independent third party at a cash consideration of HK\$38,000,000 which resulted a gain on disposal of HK\$18,039,000 for the year ended 30 June 2016. AHL is the legal and beneficial owner of a property located in Hong Kong. Details of this disposal are set out in the Company’s announcement dated 8 April 2016.

Disposal of Lucrative Skill Group

On 14 April 2016, the Group disposed of its 60% equity interest in Lucrative Skill Group to an independent third party at a consideration of HK\$95,000,000, which was satisfied by cash of HK\$30,000,000 and an issuance of a promissory note in a principal amount of HK\$65,000,000 to the Company. A loss on disposal of HK\$79,184,000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016. Lucrative Skill Group was principally engaged in provision of post production services which includes conducting post production work on advertisements, featured films, TV programmes, music video, internet and mobile applications content, visual matters on corporate events, etc in Hong Kong and the PRC. Details of this disposal are set out in the Company’s announcement dated 22 January 2016 and circular dated 24 March 2016.

40. 透過收購附屬公司收購資產

於2016年12月14日，本集團完成向一名獨立第三方收購名將市場傳訊有限公司（「名將市場傳訊」）（現稱為「英皇電影城（中國）有限公司」）及其附屬公司（以下統稱「名將市場傳訊集團」），現金代價為12,245,000港元。名將市場傳訊集團主要於中國從事戲院發展及營運，而相關戲院於報告期期末仍在興建中。

收購已按收購資產及負債方式計入。收購名將市場傳訊集團所產生之現金流出淨額為1,406,000港元。

41. 出售附屬公司

出售Anyone Holdings Limited（「AHL」）

於2016年4月11日，本集團向一名獨立第三方出售其於AHL之全部股權，現金代價為38,000,000港元，因而於截至2016年6月30日止年度內獲得出售所得收益18,039,000港元。AHL為位於香港之一項物業的合法及實益擁有人。該出售之詳情已載於本公司日期為2016年4月8日之公告內。

出售Lucrative Skill集團

於2016年4月14日，本集團向一名獨立第三方出售其於Lucrative Skill集團之60%股權，代價為95,000,000港元，乃以現金30,000,000港元及向本公司發行本金金額為65,000,000港元之承兌票據支付。出售所產生之虧損79,184,000港元已於截至2016年6月30日止年度之綜合損益及其他全面收益表內確認。Lucrative Skill集團主要從事於香港及中國提供後期製作服務，包括就廣告、劇情電影、電視節目、音樂視頻、互聯網及手機應用內容、企業表演項目視覺效果等進行後期製作工作。該出售之詳情已載於本公司日期為2016年1月22日之公告及2016年3月24日之通函內。

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41. DISPOSAL OF SUBSIDIARIES (continued)

Summary of the effect on disposals of the above subsidiaries and joint venture is as follows:

41. 出售附屬公司 (續)

出售上述附屬公司之影響概述如下:

		AHL HK\$'000 千港元	2016 Lucrative Skill Group Lucrative Skill集團 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	19,579	19,280	38,859
Intangible asset	無形資產	-	35,663	35,663
Deferred tax assets	遞延稅項資產	-	6,418	6,418
Goodwill	商譽	-	106,082	106,082
Trade receivables	貿易應收款	-	28,443	28,443
Other receivables, deposits and prepayments	其他應收款、按金及預付款	52	4,552	4,604
Cash and cash equivalents	現金及現金等價物	-	25,003	25,003
Trade and other payables	貿易及其他應付款	-	(18,084)	(18,084)
Amount due to a director	應付一名董事款項	-	(235)	(235)
Bank borrowings	銀行借貸	-	(2,999)	(2,999)
Tax payable	應付稅項	-	(1,651)	(1,651)
Deferred tax liability	遞延稅項負債	-	(5,884)	(5,884)
Net assets disposed of	出售資產淨額	19,631	196,588	216,219
Total consideration received, net (see below)	已收總代價淨額 (見下文)	37,670	94,180	131,850
Net assets disposed of	出售資產淨額	(19,631)	(196,588)	(216,219)
Exchange reserve realised	已變現外匯儲備	-	(1,066)	(1,066)
Non-controlling interests	非控股權益	-	24,290	24,290
Gain/(loss) on disposal	出售所得收益/(虧損)	18,039	(79,184)	(61,145)
Consideration of the disposals are satisfied by:	以下列方式支付出售代價:			
Cash	現金	38,000	30,000	68,000
Promissory note	承兌票據	-	65,000	65,000
		38,000	95,000	133,000
Less: Professional fees paid	減: 已付專業費用	(330)	(820)	(1,150)
Total consideration received, net	已收總代價淨額	37,670	94,180	131,850
Net cash inflow arising from the disposals:	自出售產生之現金流入淨額:			
Cash consideration received, net of the fees paid	已收現金代價 (扣除有關已付費用)	37,670	29,180	66,850
Cash and cash equivalents disposed of	所出售之現金及現金等價物	-	(25,003)	(25,003)
		37,670	4,177	41,847

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42. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations:	持續經營業務：		
Operating leases rentals paid or payable for the year in respect of rented premises	年度內就租賃物業已付或應付之經營租賃租金	7,702	5,461

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases, in respect of rented premises, which fall due as follows:

		2017	2016
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	1年內	12,317	6,189
In the second to fifth year inclusive	第2至第5年(包括首尾兩年在內)	76,828	32,068
Over five years	5年以上	150,499	48,441
		239,644	86,698

The leases are mainly negotiated for an average term of 1 to 15 years (2016: 1 to 10 years) and the rentals are pre-determined at fixed amounts except for certain leases of which contingent rentals are charged based on the percentage of sales generated from the cinema premises pursuant to the terms and conditions as set out in the relevant tenancy agreements. The contingent rental expense recognised during the year was HK\$152,000 (2016: HK\$53,000). As the future sales could not be reliably determined, the lease commitments presented above is based on the existing committed monthly minimum lease payments.

42. 承擔

(a) 經營租賃承擔

本集團作為承租人

於報告期期末，本集團根據有關租賃物業之不可撤銷經營租賃須履行之未來最低租金款項承擔於以下年期屆滿：

經磋商之租賃主要平均為期1至15年(2016年：1至10年)及租金為預先釐定及以定額計算。惟若干租賃之或然租金乃根據有關協議之條款及條件按自戲院物業賺取之銷售額之百分比支付。於本年度已確認之或然租金費用為152,000港元(2016年：53,000港元)。由於未來銷售無法可靠釐定，上述租約承擔以現有已承擔之每月最低租金金額為基準。

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42. COMMITMENTS (continued)

(b) Capital commitments

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Contracted for but not provided in the consolidated financial statements, net of amounts paid, in respect of:	就下列各項已訂約但未於綜合財務報表中撥備之款項 (扣除已付款項):		
- Acquisition of property, plant and equipment	- 購置物業、廠房及設備	61,781	1,062
- Investments in film production	- 於電影製作之投資	-	83,587
- Acquisition of subsidiaries	- 收購附屬公司	-	112,600

42. 承擔 (續)

(b) 資本承擔

43. MATERIAL RELATED PARTY TRANSACTIONS

(a) During the year, the Group had the following material transactions with related parties:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Printing fee to a related company	向關連公司支付印刷費用	23	-
Professional fee to a related company	向關連公司支付專業費用	80	-
Rental expense to a related company (note)	向關連公司支付租金費用 (附註)	713	-
Reimbursement of administrative expenses to a related company	償付關連公司之行政開支	1,117	-

43. 重大關連人士交易

(a) 於本年度，本集團與關連人士訂立下列重大交易：

The above related companies are controlled by the AY Trust and the amounts disclosed above represent material transactions between the Group and related companies on and after 23 March 2017 upon completion of the Subscription made by Giant Lead which is ultimately owned by the AY Trust.

Note: Continuing connected transaction

On 5 May 2017, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement with the related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 10 years from 5 May 2017 to 4 May 2027 with an option for renewal of additional 5 years until 4 May 2032. The transaction contemplated under the tenancy agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 5 May 2017.

上述關連公司由AY Trust控制，以及上文所披露之金額指於2017年3月23日及之後於Giant Lead (由AY Trust最終擁有) 完成認購事項後本集團與該等關連公司進行之重大交易。

附註：持續關連交易

於2017年5月5日，本公司之間接全資附屬公司 (作為租戶) 與一間關連公司 (作為業主) 訂立租賃協議，據此該關連公司同意向該附屬公司出租協定物業，租期自2017年5月5日起至2027年5月4日止為期10年 (可選擇續期5年直到2032年5月4日)。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2017年5月5日之公告。

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43. MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (b) Details of balances with related companies/non-controlling interests at the end of the reporting period are set out in the consolidated statement of financial position and note 36.
- (c) The key management personnel of the Company are the Directors. Details of their remunerations are set out in note 17.

43. 重大關連人士交易 (續)

- (b) 於報告期末，與關連公司／非控股權益之結餘詳情載列於綜合財務狀況表及附註36。
- (c) 本公司主要管理人員為董事。彼等之薪酬詳情載列於附註17。

44. FINANCIAL INFORMATION OF THE COMPANY

44. 本公司之財務資料

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current assets	非流動資產		
Intangible assets	無形資產	–	–
Investment in subsidiaries	於附屬公司之投資	537,073	480,228
		537,073	480,228
Current assets	流動資產		
Other receivables, deposits and prepayments	其他應收款、按金及預付款	251	312
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	4,165	5,286
Cash and bank balances	現金及銀行結存	364,300	291,357
		368,716	296,955
Current liability	流動負債		
Trade and other payables	貿易及其他應付款	1,610	1,004
		1,610	1,004
Net current assets	流動資產淨值	367,106	295,951
Net assets	資產淨值	904,179	776,179
Capital and reserves	股本及儲備		
Share capital	股本	32,133	22,133
Reserves (note)	儲備(附註)	872,046	754,046
		904,179	776,179

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44. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note:

44. 本公司之財務資料 (續)

附註：

		Share premium	Capital redemption reserves	Contributable surplus	Accumulated profits/(losses)	Total
		股份溢價	資本贖回儲備	繳納盈餘	累計溢利 / (虧損)	總計
		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
At 1 July 2015	於2015年7月1日	733,016	50	58,658	70,608	862,332
Loss for the year	年度虧損	-	-	-	(108,286)	(108,286)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-
Total comprehensive income for the year	年度全面收益總額	-	-	-	(108,286)	(108,286)
At 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日	733,016	50	58,658	(37,678)	754,046
Loss for the year	年度虧損	-	-	-	(61,827)	(61,827)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	(61,827)	(61,827)
Issue of new shares by subscription	通過認購發行新股份	180,000	-	-	-	180,000
Shares issuing expenses	股份發行開支	(173)	-	-	-	(173)
At 30 June 2017	於2017年6月30日	912,843	50	58,658	(99,505)	872,046

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45. PARTICULARS OF SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the Company's principal subsidiaries as at 30 June 2017 and 2016 are set out as follows:

45. 附屬公司詳情

(a) 附屬公司一般資料

於2017年及2016年6月30日，本公司主要附屬公司之詳情載列如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Nominal value of issued shares/registered capital 已發行股本/註冊資本	Proportion of nominal value of issued shares/registered capital held by the Company 本公司所持有已發行股本/註冊資本之比例				Principal activities 主要業務
			Direct 直接		Indirect 間接		
			2017	2016	2017	2016	
Corporate Fame Limited	BVI 英屬處女群島	US\$1 1美元	100%	100%	-	-	Investment holding 投資控股
Dragon Animation Limited 龍動畫有限公司	Hong Kong 香港	HK\$100 100港元	-	-	78.64%	-	Animated product development 動畫產品開發
Emperor Cinema Group Limited (formerly known as "Beyond Oasis Limited") 英皇電影城集團有限公司 (前稱「Beyond Oasis Limited」)	BVI 英屬處女群島	US\$1 1美元	100%	-	-	-	Investment holding 投資控股
Emperor Cinema Management Limited 英皇電影城管理有限公司	Hong Kong 香港	HK\$1 1港元	-	-	100%	-	Cinema operation 戲院營運
Goldcore Holdings Limited	BVI 英屬處女群島	US\$1 1美元	100%	100%	-	-	Investment holding 投資控股
JDMM 玉皇朝多媒體	Samoa 薩摩亞	US\$14,000 14,000美元	-	-	78.64%	-	Production, distribution and licensing of animations 動畫片集之製作、發行及授權
Mega-Vision Pictures Limited 影王朝有限公司	Hong Kong 香港	HK\$1 1港元	-	-	80%	80%	Film and TV programme production and distribution 電影及電視節目製作、投資及發行
Mega-Vision Productions Limited ("Mega Vision") 劇王朝有限公司(「劇王朝」)	Hong Kong 香港	HK\$10,000,000 10,000,000港元	-	-	80%	80%	Film and TV programme production and distribution 電影及電視節目製作、投資及發行
Multi-Wide Limited 顯茂有限公司	Hong Kong 香港	HK\$1 1港元	-	-	100%	100%	Film and event investments and investment in securities 電影及表演項目投資與 證券投資
MMCL 名將市場傳訊	Hong Kong 香港	HK\$2 2港元	-	-	100%	-	Investment holding 投資控股

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45. PARTICULARS OF SUBSIDIARIES (continued)

(a) General information of subsidiaries (continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Nominal value of issued shares/registered capital 已發行股本/註冊資本	Proportion of nominal value of issued shares/registered capital held by the Company 本公司所持有已發行股本/註冊資本之比例				Principal activities 主要業務
			Direct 直接		Indirect 間接		
			2017	2016	2017	2016	
See Entertainment Limited 漢文化娛樂有限公司	Hong Kong 香港	HK\$1 1港元	-	-	100%	100%	Provision of event management services 提供表演項目管理服務
See Movie Limited 漢文化電影有限公司	Hong Kong 香港	HK\$1 1港元	-	-	100%	100%	Film and TV programme production and distribution 電影及電視節目製作及發行
Sino Spirit	BVI 英屬處女群島	US\$100 100美元	-	-	55%	55%	Investment holding 投資控股
Yulang Film and Animation Culture Limited 玉郎影視動畫文化有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	-	-	78.64%	-	Production, distribution and licensing of animations 動畫片集之製作、發行及授權
南京玉郎鴻鷹影視文化有限公司	The PRC 中國	RMB15,000,000* 人民幣15,000,000元*	-	-	78.64%	-	Film and TV programme production and distribution 電影及電視節目製作及發行
英皇電影城(安徽)有限公司	The PRC 中國	RMB32,800,000* 人民幣32,800,000元*	-	-	55%	55%	Cinema operation 戲院營運
英皇電影城(北京)有限公司	The PRC 中國	RMB30,000,000* 人民幣30,000,000元*	-	-	100%	-	Cinema operation 戲院營運
英皇電影城(重慶)有限公司	The PRC 中國	RMB33,000,000* 人民幣33,000,000元*	-	-	100%	-	Cinema operation 戲院營運
英皇電影城(成都)有限公司	The PRC 中國	RMB23,500,000* 人民幣23,500,000元*	-	-	100%	-	Cinema operation 戲院營運

Registered capital

All are ordinary share capital unless otherwise stated.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

45. 附屬公司詳情 (續)

(a) 附屬公司一般資料 (續)

註冊資本

除另有列明者外，全部均為普通股股本。

上表所列之本公司附屬公司，乃董事認為對本集團之業績或資產具重大影響之附屬公司。董事認為，一併列出其他附屬公司之詳情將會使有關資料過於冗長。

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45. PARTICULARS OF SUBSIDIARIES (continued)

(a) General information of subsidiaries (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2017	2016
Investment holding and others 投資控股及其他	Hong Kong 香港	3	–
	BVI 英屬處女群島	6	5

None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.

於報告期期末，本公司擁有對本集團而言並不重大之其他附屬公司。該等附屬公司之主要業務概述如下：

各附屬公司於年末或本年度內任何時間概無任何借貸資本。

45. 附屬公司詳情 (續)

(a) 附屬公司一般資料 (續)

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45. PARTICULARS OF SUBSIDIARIES (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

45. 附屬公司詳情 (續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情

下表載列擁有重大非控股權益之本公司非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation/operation 註冊成立/營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之擁有權權益及投 票權比例		(Loss)/profit allocated to non-controlling interests 分配予非控股權益 之(虧損)/溢利		Accumulated non-controlling interests 累計非控股權益	
		2017	2016	2017	2016	2017	2016
		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
JDMM [^] 玉皇朝多媒體 [^]	Samoa, Hong Kong and the PRC/ Hong Kong and the PRC 薩摩亞、香港及中國/ 香港及中國	21.36%	-	(1,629)	-	7,106	-
Mega-Vision* 劇王朝*	Hong Kong 香港	20%	20%	32	(48)	(15,352)	(15,384)
Sino Spirit [#]	BVI and the PRC/the PRC 英屬處女群島及中國/中國	45%	45%	(5,154)	(7,345)	(15,039)	(9,504)

[^] Representing JDMM Group

* Representing Mega-Vision and its subsidiary, Mega-Vision Pictures Limited (collectively referred to as "Mega-Vision Group")

[#] Representing Sino Spirit Group

[^] 指玉皇朝多媒體集團

* 指劇王朝及其附屬公司影王朝有限公司(統稱「劇王朝集團」)

[#] 指Sino Spirit集團

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

45. PARTICULARS OF SUBSIDIARIES (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

		JDMM Group 玉皇朝多媒體集團		Mega-Vision Group 劇王朝集團		Sino Spirit Group Sino Spirit集團	
		2017 HK\$'000 千港元	2016 HK\$'000 千港元	2017	2016	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current assets	流動資產	41,912	-	10,425	9,996	23,900	19,116
Non-current assets	非流動資產	25,840	-	37	114	50,304	59,317
Current liabilities	流動負債	(34,244)	-	(18,066)	(12,349)	(107,623)	(99,554)
Non-current liabilities	非流動負債	(242)	-	(125,788)	(131,312)	-	-
Revenue	收入	705	-	4,574	4,217	31,829	12,887
Costs, other revenue, expenses and taxation	成本、其他收益、開支及稅項	(8,333)	-	(4,415)	(4,455)	(43,282)	(29,209)
Profit/(loss) for the year	年度溢利/(虧損)	(7,628)	-	159	(238)	(11,453)	(16,322)
Net cash inflow/(outflow) from operating activities	經營活動之現金流入/(流出)淨額	247	-	10,251	(10,323)	(6,310)	(31,503)
Net cash outflow from investing activities	投資活動之現金流出淨額	(345)	-	-	-	(584)	(10,740)
Net cash (outflow)/inflow from financing activities	融資活動之現金(流出)/流入淨額	-	-	(5,524)	(5)	12,753	476
Net cash inflow/(outflow)	現金流入/(流出)淨額	(98)	-	4,727	(10,328)	5,859	(41,767)

The above details do not include the financial information of Lucrative Skill Group which was owned as to 60% by the Group before the disposal on 14 April 2016. Details of the financial information of Lucrative Skill Group are set out in notes 14 and 41.

上述詳情不包括Lucrative Skill集團之財務資料，本集團於2016年4月14日出售前擁有其60%權益。Lucrative Skill集團之財務資料詳情載於附註14及41。

45. 附屬公司詳情 (續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2017 截至2017年6月30日止年度

46. EVENTS AFTER THE END OF REPORTING PERIOD

(a) Disposal of film rights

On 3 July 2017, the Group completed the disposal of certain film rights to the Purchaser at total cash consideration of HK\$47,600,000 upon the written confirmation made by the Purchaser to confirm the release of the Group's obligation in the sale and purchase agreements. Since the carrying amount of those film rights had been adjusted to the fair value less costs to sell at the end of the reporting period, the Group recorded no gain or loss upon completion of such disposal. Details of the disposal were set out in the Company's announcement dated 30 November 2016 and 15 June 2017.

(b) Tenancy agreement

On 24 August 2017, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement ("Tenancy Agreement") with a related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 6 years from 1 September 2017 to 31 August 2023 with an option for renewal of additional 6 years until 31 August 2029. The transaction contemplated under the Tenancy Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 24 August 2017.

47. MAJOR NON-CASH TRANSACTION

The Group entered into the following major non-cash investing activity which was not reflected in the consolidated statement of cash flows:

On 21 July 2016, the Group completed the acquisition of approximately 78.64% issued share capital in JDMM at a consideration of HK\$134,455,000 in which part of the consideration was satisfied by a refundable deposit of HK\$30,000,000 paid during the year ended 30 June 2016.

48. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 21 September 2017.

46. 報告期期末事項

(a) 出售電影版權

於2017年7月3日，於買方書面通知以確認解除本集團於買賣協議的義務後，本集團完成向買方出售若干電影版權，總現金代價為47,600,000港元。由於該等電影版權之賬面值於報告期末已調整至公允價值減出售成本，本集團於完成該等出售時並無錄得收益或虧損。有關出售之詳情載列於本公司日期為2016年11月30日及2017年6月15日之公告。

(b) 租賃協議

於2017年8月24日，本公司之間接全資附屬公司（作為租戶）與一間關連公司（作為業主）訂立租賃協議（「租賃協議」），據此該關連公司同意向該附屬公司出租協定物業，租期自2017年9月1日起至2023年8月31日止為期6年（可選擇續期6年直到2029年8月31日）。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2017年8月24日之公告。

47. 主要非現金交易

本集團已進行以下主要非現金投資活動，其並未於綜合現金流量表內反映：

於2016年7月21日，本集團完成收購玉皇朝多媒體約78.64%已發行股本，代價為134,455,000港元，其中部分代價乃通過截至2016年6月30日止年度之可退還訂金30,000,000港元支付。

48. 授權刊發綜合財務報表

本綜合財務報表於2017年9月21日獲董事會批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

RESULTS

業績

		Year ended 30 June 截至6月30日止年度				
		2013 HK\$'000 千港元 (Restated) (重列)	2014 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收入	23,253	54,437	85,332	24,251	44,925
Loss before taxation	除稅前虧損	(54,695)	(65,051)	(28,354)	(48,680)	(69,253)
Taxation (charge)/credit	稅項(支出)/抵免	-	-	(17)	-	175
Loss for the year from continuing operations	持續經營業務之年度虧損	(54,695)	(65,051)	(28,371)	(48,680)	(69,078)
Discontinued operation	已終止經營業務					
Loss for the year from discontinued operation*	已終止經營業務之年度虧損*	-	-	(48,873)	(28,747)	-
Loss for the year	年度虧損	(54,695)	(65,051)	(77,244)	(77,427)	(69,078)
(Loss)/profit attributable to:	由下列人士應佔年度(虧損)/溢利:					
Owners of the Company	本公司擁有人	(52,842)	(66,832)	(75,115)	(106,015)	(62,327)
Non-controlling interests	非控股權益	(1,853)	1,781	(2,129)	28,588	(6,751)
		(54,695)	(65,051)	(77,244)	(77,427)	(69,078)

ASSETS AND LIABILITIES

資產與負債

		At 30 June 於6月30日				
		2013 HK\$'000 千港元 (Restated) (重列)	2014 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元
Total assets	總資產	304,482	529,597	956,210	827,832	1,053,942
Total liabilities	總負債	(63,997)	(45,180)	(98,307)	(76,543)	(173,048)
Net assets	資產淨值	240,485	484,417	857,903	751,289	880,894
Capital and reserves attributable to:	由下列人士應佔股本及儲備:					
Owners of the Company	本公司擁有人	258,574	500,725	884,464	776,177	904,179
Non-controlling interests	非控股權益	(18,089)	(16,308)	(26,561)	(24,888)	(23,285)
		240,485	484,417	857,903	751,289	880,894

* The discontinued operation represented the post production service segment which was disposed of by the Group during the year ended 30 June 2016.

* 已終止經營業務指本集團截至2016年6月30日止年度出售之後期製作服務分類。



英皇文化產業集團有限公司
Emperor Culture Group Limited