



**STARLIGHT CULTURE
ENTERTAINMENT**

Starlight Culture Entertainment Group Limited
星光文化娛樂集團有限公司

(formerly known as Jimei International Entertainment Group Limited)

(前稱集美國際娛樂集團有限公司)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 1159

ANNUAL REPORT

2017 年報

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Corporate Information

公司資料

DIRECTORS

Executive Directors

- Mr. Yan Xu (*Chairman*) (appointed on 11 May 2017)
- Dr. Lam Yin Lok (*Chairman*) (resigned on 31 May 2017)
- Mr. Chau Chit (*Deputy Chairman*)
- Mr. Tsui Kin Ming (*Chief Financial Officer*)
(resigned on 31 May 2017)
- Mr. Luo Lei (*Chief Executive Officer*)
(appointed on 31 May 2017)
- Mr. Ng Kuen Hon (resigned on 28 February 2017)
- Ms. Chen Hong (appointed on 11 May 2017)
- Mr. Hung Ching Fung
- Mr. Li Haitian (appointed on 31 May 2017)

Non-Executive Directors

- Mr. Wang Shoulei (appointed on 25 August 2017)

Independent Non-Executive Directors

- Mr. Wong Wai Kwan (appointed on 31 May 2017)
- Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)
- Mr. Kong Chi Mo (appointed on 31 May 2017)
- Mr. Hong Tao (appointed on 31 May 2017)
- Mr. Daniel Domingos António (resigned on 31 May 2017)
- Mr. Kwok Chi Chung (resigned on 31 May 2017)
- Mr. Chow Wing Tung (resigned on 31 May 2017)

COMPANY SECRETARY

- Mr. Cheung Yiu Kuen

董事

執行董事

- 顏旭先生 (*主席*)
(於二零一七年五月十一日獲委任)
- 林英樂博士 (*主席*)
(於二零一七年五月三十一日辭任)
- 周哲先生 (*副主席*)
- 徐建明先生 (*首席財務官*)
(於二零一七年五月三十一日辭任)
- 羅雷先生 (*行政總裁*)
(於二零一七年五月三十一日獲委任)
- 吳權漢先生 (於二零一七年二月二十八日辭任)
- 陳虹女士 (於二零一七年五月十一日獲委任)
- 洪清峰先生
- 李海天先生 (於二零一七年五月三十一日獲委任)

非執行董事

- 王守磊先生 (於二零一七年八月二十五日獲委任)

獨立非執行董事

- 王偉軍先生 (於二零一七年五月三十一日獲委任)
- 魏明德先生 (於二零一七年五月三十一日獲委任)
- 江智武先生 (於二零一七年五月三十一日獲委任)
- 洪滔先生 (於二零一七年五月三十一日獲委任)
- Daniel Domingos António先生
(於二零一七年五月三十一日辭任)
- 郭志忠先生 (於二零一七年五月三十一日辭任)
- 周永東先生 (於二零一七年五月三十一日辭任)

公司秘書

- 張耀權先生

AUDIT COMMITTEE

Mr. Wong Wai Kwan (*Chairman*) (appointed on 31 May 2017)
Mr. Chow Wing Tung (*Chairman*) (resigned on 31 May 2017)
Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)
Mr. Kong Chi Mo (appointed on 31 May 2017)
Mr. Hong Tao (appointed on 31 May 2017)
Mr. Daniel Domingos António (resigned on 31 May 2017)
Mr. Kwok Chi Chung (resigned on 31 May 2017)

REMUNERATION COMMITTEE

Mr. Michael Ngai Ming Tak (*Chairman*)
(appointed on 31 May 2017)
Mr. Chow Wing Tung (*Chairman*) (resigned on 31 May 2017)
Mr. Wong Wai Kwan (appointed on 31 May 2017)
Mr. Kong Chi Mo (appointed on 31 May 2017)
Mr. Hong Tao (appointed on 31 May 2017)
Mr. Daniel Domingos António (resigned on 31 May 2017)
Mr. Kwok Chi Chung (resigned on 31 May 2017)

NOMINATION COMMITTEE

Mr. Chau Chit (*Chairman*) (appointed on 31 May 2017)
Dr. Lam Yin Lok (*Chairman*) (resigned on 31 May 2017)
Mr. Wong Wai Kwan (appointed on 31 May 2017)
Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)
Mr. Daniel Domingos António (resigned on 31 May 2017)
Mr. Kwok Chi Chung (resigned on 31 May 2017)

審核委員會

王偉軍先生 (*主席*)
(於二零一七年五月三十一日獲委任)
周永東先生 (*主席*)
(於二零一七年五月三十一日辭任)
魏明德先生 (於二零一七年五月三十一日獲委任)
江智武先生 (於二零一七年五月三十一日獲委任)
洪滔先生 (於二零一七年五月三十一日獲委任)
Daniel Domingos António先生
(於二零一七年五月三十一日辭任)
郭志忠先生 (於二零一七年五月三十一日辭任)

薪酬委員會

魏明德先生 (*主席*)
(於二零一七年五月三十一日獲委任)
周永東先生 (*主席*)
(於二零一七年五月三十一日辭任)
王偉軍先生 (於二零一七年五月三十一日獲委任)
江智武先生 (於二零一七年五月三十一日獲委任)
洪滔先生 (於二零一七年五月三十一日獲委任)
Daniel Domingos António先生
(於二零一七年五月三十一日辭任)
郭志忠先生 (於二零一七年五月三十一日辭任)

提名委員會

周哲先生 (*主席*)
(於二零一七年五月三十一日獲委任)
林英樂博士 (*主席*)
(於二零一七年五月三十一日辭任)
王偉軍先生 (於二零一七年五月三十一日獲委任)
魏明德先生 (於二零一七年五月三十一日獲委任)
Daniel Domingos António先生
(於二零一七年五月三十一日辭任)
郭志忠先生 (於二零一七年五月三十一日辭任)

Corporate Information

公司資料

ANTI-MONEY LAUNDERING COMMITTEE

Mr. Hung Ching Fung (*Chairman*) (appointed on 31 May 2017)

Mr. Kwok Chi Chung (*Chairman*) (resigned on 31 May 2017)

Mr. Yan Xu (appointed on 31 May 2017)

Ms. Chen Hong (appointed on 31 May 2017)

Mr. Li Haitian (appointed on 31 May 2017)

Mr. Wong Wai Kwan (appointed on 31 May 2017)

Mr. Kong Chi Mo (appointed on 31 May 2017)

Mr. Hong Tao (appointed on 31 May 2017)

Mr. Daniel Domingos António (resigned on 31 May 2017)

Mr. Tsui Kin Ming (resigned on 31 May 2017)

CREDIT COMMITTEE

Mr. Yan Xu (*Chairman*) (appointed on 31 May 2017)

Dr. Lam Yin Lok (*Chairman*) (resigned on 31 May 2017)

Ms. Chen Hong (appointed on 31 May 2017)

Mr. Li Haitian (appointed on 31 May 2017)

Mr. Tsui Kin Ming (resigned on 31 May 2017)

INVESTMENT STEERING COMMITTEE

Mr. Yan Xu (*Chairman*) (appointed on 31 May 2017)

Dr. Lam Yin Lok (*Chairman*) (resigned on 31 May 2017)

Ms. Chen Hong (appointed on 31 May 2017)

Mr. Li Haitian (appointed on 31 May 2017)

Mr. Wong Wai Kwan (appointed on 31 May 2017)

Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)

Mr. Kong Chi Mo (appointed on 31 May 2017)

Mr. Hong Tao (appointed on 31 May 2017)

Mr. Daniel Domingos António (resigned on 31 May 2017)

Mr. Kwok Chi Chung (resigned on 31 May 2017)

反洗黑錢委員會

洪清峰先生 (*主席*)

(於二零一七年五月三十一日獲委任)

郭志忠先生 (*主席*)

(於二零一七年五月三十一日辭任)

顏旭先生 (於二零一七年五月三十一日獲委任)

陳虹女士 (於二零一七年五月三十一日獲委任)

李海天先生 (於二零一七年五月三十一日獲委任)

王偉軍先生 (於二零一七年五月三十一日獲委任)

江智武先生 (於二零一七年五月三十一日獲委任)

洪滔先生 (於二零一七年五月三十一日獲委任)

Daniel Domingos António先生

(於二零一七年五月三十一日辭任)

徐建明先生 (於二零一七年五月三十一日辭任)

信貸委員會

顏旭先生 (*主席*)

(於二零一七年五月三十一日獲委任)

林英樂博士 (*主席*)

(於二零一七年五月三十一日辭任)

陳虹女士 (於二零一七年五月三十一日獲委任)

李海天先生 (於二零一七年五月三十一日獲委任)

徐建明先生 (於二零一七年五月三十一日辭任)

投資督導委員會

顏旭先生 (*主席*)

(於二零一七年五月三十一日獲委任)

林英樂博士 (*主席*)

(於二零一七年五月三十一日辭任)

陳虹女士 (於二零一七年五月三十一日獲委任)

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Daniel Domingos António先生

(於二零一七年五月三十一日辭任)

郭志忠先生 (於二零一七年五月三十一日辭任)

Corporate Information

公司資料

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1203, 12/F.
118 Connaught Road West
Hong Kong

AUDITORS

BDO Limited
Certified Public Accountants

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

The Bank of China (Hong Kong) Limited

WEBSITE

www.starlightcul.com.hk

註冊辦事處

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Bermuda

總辦事處及主要營業地點

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核數師

香港立信德豪會計師事務所有限公司
執業會計師

百慕達主要股份過戶登記處

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

股份過戶登記香港分處

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香港
皇后大道東183號
合和中心22樓

主要往來銀行

中國銀行(香港)有限公司

網址

www.starlightcul.com.hk

Chairman's Statement

主席報告

Dear shareholders,

On behalf of the board ("Board") of directors (the "Directors") of Starlight Culture Entertainment Group Limited (the "Company"), together with its subsidiaries (the "Group"), I present herewith to the shareholders of the Group the annual report and audited consolidated results of the Group for the year ended 31 December 2017.

RESULTS OF THE YEAR

During the year of 2017, the Group engaged in media and culture business, entertainment and gaming business as well as trading business. The Group's revenue was HK\$39,958,000 (2016: HK\$195,562,000) for the year ended 31 December 2017, with a gross loss of approximately HK\$3,203,000 as compared to a gross profit of approximately HK\$77,072,000 in the year of 2016. The Company recorded a loss for the year attributable to owners of the Company of HK\$294,439,000 (2016: HK\$39,766,000).

Basic loss per share for the year was approximately 49.15 HK cents (2016: 8.06 HK cents).

DIVIDEND

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

FUTURE PLANS AND PROSPECTS

The Group has established its media and culture business through engaging with Hollywood famous film directors during 2017. The Group shall continue to explore the possibility of further extending its business into the media market to further broaden its income sources. Leveraging on Mr. Yan Xu's and Mr. Luo Lei's extensive experience in the entertainment business and under the leadership of an experienced and energetic core management team, we have full confidence we can steadily develop our businesses. At the same time, the Group will strive to improve its performance in its trading business and its entertainment and gaming business.

致各股東：

本人謹代表星光文化娛樂集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）向本集團各股東提呈本集團截至二零一七年十二月三十一日止年度之年度報告及經審核綜合業績。

本年度業績

於二零一七年年末，本集團從事傳媒及文化業務、娛樂及博彩業務以及貿易業務。本集團截至二零一七年十二月三十一日止年度之收益為39,958,000港元（二零一六年：195,562,000港元），毛損為約3,203,000港元，而二零一六年之毛利為約77,072,000港元。本集團錄得本公司擁有人應佔年內虧損294,439,000港元（二零一六年：39,766,000港元）。

於本年度之每股基本虧損約為49.15港仙（二零一六年：8.06港仙）。

股息

董事會不建議派付截至二零一七年十二月三十一日止年度之末期股息。

未來計劃及展望

於二零一七年，本集團已通過聘請荷里活著名電影導演而建立其傳媒及文化業務。本集團將繼續發掘將其業務進一步拓展至傳媒市場之商機，以進一步擴闊其收入來源。憑藉顏旭先生及羅雷先生豐富的娛樂業務經驗及在經驗豐富並充滿活力的核心管理團隊的領導下，我們堅信本集團能夠穩健地發展其業務。同時，本集團將努力提升其貿易業務及娛樂及博彩業務方面的變現。

Chairman's Statement

主席報告

The Group shall strive to take a prudent approach in business development to safeguard a higher shareholder's return.

本集團將於業務發展中採取謹慎態度，以保障股東有較高的回報。

ACKNOWLEDGEMENTS

Finally, on behalf of the Board, I would like to express my sincere gratitude to the management and all the employees of the Group for their dedication. I would also like to thank our shareholders, suppliers, bankers and customers for their continuous support.

致謝

最後，對於本集團管理層及全體僱員的盡忠職守，本人謹代表董事會致以深切謝意。此外，就各股東、供應商、往來銀行及客戶對本集團的不斷支持，本人謹此致謝。

Mr. Yan Xu
Chairman

Hong Kong
29 March 2018

顏旭先生
主席

香港
二零一八年三月二十九日

Management Discussion and Analysis

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

The Group reported a loss attributable to owners of the Company of approximately HK\$294,439,000 for the year ended 31 December 2017 (2016: approximately HK\$39,766,000). The loss was mainly attributable to (i) the gross loss of approximately HK\$3.2 million recognized during the year of 2017 as compared to gross profit of approximately HK\$77.1 million recognized in the year of 2016; (ii) the decrease in impairment losses of approximately HK\$26 million; (iii) the loss on change in fair value of derivative financial liabilities of approximately HK\$29.9 million recognized during the year of 2017 as compared to a gain of approximately HK\$89.2 million recognized in the year of 2016 in relation to the convertible bonds issued by the Company; and (iv) an increase of approximately HK\$74.4 million in the Group's operating expenses for the year ended 31 December 2017 as a result of the exploration and development of the media and culture business.

Basic loss per share for the year amounted to approximately 49.15 HK cents (2016: 8.06 HK cents). Net liability of the Group were approximately HK\$110,445,000 as at 31 December 2017 as compared to net assets of approximately HK\$64,505,000 as at 31 December 2016. The net liability was attributable to the loss of the Group for the year ended 31 December 2017.

As at 31 December 2017, the Group's deficiency attributable to the owners of the Company amounted to HK\$69.0 million, representing a decrease in equity (leading to deficiency) of HK\$177.4 million over the Group's equity attributable to the owners of the Company of HK\$108.4 million as at 31 December 2016. The deficiency per share attributable to the owners of the Company as at 31 December 2017 was approximately HK\$0.10 (31 December 2016: net asset value per share attributable to the owners of the Company of approximately HK\$0.22).

業務及營運回顧

於截至二零一七年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約294,439,000港元（二零一六年：約39,766,000港元）。有關虧損主要源於(i)於二零一七年確認毛損約3,200,000港元，而二零一六年錄得毛利約77,100,000港元；(ii)減值虧損減少約26,000,000港元；(iii)二零一七年確認衍生金融負債公平值變動虧損約29,900,000港元，而二零一六年就本公司發行的可換股債券確認收益約89,200,000港元；及(iv)因開拓及發展傳媒及文化業務，截至二零一七年十二月三十一日止年度，本集團營運開支增加約74,400,000港元。

年內每股基準虧損約為49.15港仙（二零一六年：8.06港仙）。本集團於二零一七年十二月三十一日之淨負債約為110,445,000港元，而於二零一六年十二月三十一日之淨資產約為64,505,000港元。淨負債乃由於本集團截至二零一七年十二月三十一日止年度之虧損所致。

於二零一七年十二月三十一日，本公司擁有人應佔本集團虧絀為69.0百萬港元，較於二零一六年十二月三十一日的本公司擁有人應佔本集團權益108.4百萬港元減少權益（導致虧絀）177.4百萬港元。於二零一七年十二月三十一日，本公司擁有人應佔每股虧絀約為0.10港元（二零一六年十二月三十一日：本公司擁有人應佔每股資產淨值約0.22港元）。

Management Discussion and Analysis

管理層討論及分析

MATERIAL ACQUISITION AND DISPOSAL

During the year, the Group has acquired the entire equity interest in Starlight Legend Investment Limited. Details can be referred to the announcements of Company dated 13 December 2017 and 14 September 2017 and the circular of the Company dated 26 October 2017.

Except as disclosed above, there is no material acquisition and disposal conducted by the Group during the year that should be notified to the shareholders of the Company.

SEGMENTAL ANALYSIS

Entertainment and Gaming

Affected by the junket arrangement with NagaWorld, an indirectly wholly-owned subsidiary of NagaCorp Ltd. (“NagaCorp”) came to an end in early 2017, and under the tightened credit control over the Group’s gaming promotion business, this segment recorded a significant decrease in revenue and a gross loss for the year of 2017.

For the year ended 31 December 2017, the Group generated revenue and gross loss in the amount of approximately HK\$9.1 million (2016: HK\$193.1 million) and HK\$3.9 million (2016: gross profit of HK\$76.9 million) respectively from entertainment and gaming business.

Trading of chemical products, and energy conservation and environmental protection products

During the year ended 31 December 2017, the Group has shown improvement towards its trading businesses, its chemical products business, and energy conservation and environmental protection products business. The Group’s revenue amounted to HK\$30.9 million (2016: HK\$2,419,000), with a gross profit of HK\$870,000 (2016: HK\$152,000).

重大收購及出售事項

年內，本集團已收購Starlight Legend Investment Limited的全部股權，有關詳情請參閱本公司日期為二零一七年十二月十三日及二零一七年九月十四日之公告及本公司日期為二零一七年十月二十六日之通函。

除上文所披露者外，年內，本集團並未進行須知會本公司股東的重大收購及出售事項。

分部分析

娛樂及博彩

受與金界控股有限公司（「金界控股」）之間接全資附屬公司NagaWorld的中介人安排於二零一七年初結束影響，加之本集團的博彩推廣業務接受更加嚴格的賒賬控制，於二零一七年，此分部收入大幅減少並錄得毛虧。

截至二零一七年十二月三十一日止年度，本集團娛樂及博彩業務錄得收入及毛損分別約9,100,000港元（二零一六年：193,100,000港元）及3,900,000港元（二零一六年：毛利76,900,000港元）。

化工產品及節能環保產品貿易

於截至二零一七年十二月三十一日止年度，本集團的貿易業務、化工產品業務及節能環保產品業務有所提升。本集團錄得收益30,900,000港元（二零一六年：2,419,000港元），毛利為870,000港元（二零一六年：152,000港元）。

Management Discussion and Analysis

管理層討論及分析

Media and Culture

During the year ended 31 December 2017, the Group has engaged with the following famous Hollywood film directors to tap into the business of film production and distribution.

Engagement with Mr. Felix Gary Gray

With the commitment in further diversifying and enhancing the entertainment business of the Group so as to broaden the income sources, the Group has engaged Mr. Felix Gary Gray (“Mr. Gray”) on 28 June 2017 in relation to the development and production of motion picture projects, which enable the Group to tap into the business of film production and distribution.

Mr. Gray is an American film director, film producer, music video director and actor. In 2004, he won the “Best Director” award awarded by the American Black Film Festival and the “Outstanding Film Director” award awarded by the Black Reel Awards. He has directed a number of films such as “The Fate of the Furious (2017)”, “Straight Outta Compton (2015)”, “The Italian Job (2003)”, “The Negotiator (1998)” and “Set It Off (1996)”.

The accumulated record of worldwide box office of Mr. Gray’s films amounted to approximately US\$1,949.8 million.

During a term of three years, Mr. Gray will develop three theatrical motion picture projects (the “Project(s)”) (expected to be one Project per year) for the Group’s consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Gray for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative start dates, proposed locations, and suggested cast lists will be further discussed between the Group and Mr. Gray. Mr. Gray may participate in the production of such approved Project(s) as a director, a producer or an executive producer. Mr. Gray also agreed that he will not engage with other Chinese owned or controlled company for similar arrangement.

傳媒及文化

於截至二零一七年十二月三十一日止年度，本集團聘請以下著名荷里活電影導演，以開發電影製作及發行業務。

聘請Felix Gary Gray先生

為進一步豐富及提升本集團的娛樂業務從而擴闊收入來源，於二零一七年六月二十八日，本集團已就開發及製作電影項目聘請Felix Gary Gray先生（「Gray先生」），藉此涉足電影製作及發行業務。

Gray先生是美國的電影導演、電影製片人、音樂短片導演及演員。於二零零四年，他曾於美國黑人電影節獲「最佳導演獎」及黑膠捲獎的「優秀電影導演獎」（Outstanding Film Director award）。他曾執導多部電影，包括「狂野時速8（二零一七年）」、「衝出康普頓（二零一五年）」、「天羅盜網（二零零三年）」、「右數講（一九九八年）」及「辣姐妹（一九九六年）」。

Gray先生之電影之全球累計票房約為1,949,800,000美元。

於三年期內，Gray先生將開發三個電影項目（「項目」）（預期每年一個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與Gray先生進行磋商，以將有關項目投入製作，且本集團會與Gray先生進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期、建議地點及建議演員名單。Gray先生可能會以導演、製片人或執行製片人的身份參與獲批項目的製作。Gray先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

Management Discussion and Analysis

管理層討論及分析

Engagement with Mr. Roland Emmerich

The Group has also engaged Mr. Roland Emmerich (“Mr. Emmerich”), an America’s Hollywood film director, screenwriter and producer well-known for his disaster films, in July 2017, in relation to the development and production of motion picture projects.

Mr. Emmerich is an America’s Hollywood film director, screenwriter and producer, and is widely known for his disaster films. He has directed a number of popular films such as “Independence Day: Resurgence (2016: recorded worldwide box office of approximately US\$389 million*)”, “The Day After Tomorrow (2004: recorded worldwide box office of approximately US\$544 million*)”, “Godzilla (1998: recorded worldwide box office of approximately US\$379 million*)”, “Independence Day (1996: recorded worldwide box office of approximately US\$817 million*)”, “Stargate (1994: recorded worldwide box office of approximately US\$196 million*)” and “The Noah’s Ark Principle (1984)”. The accumulated record of worldwide box office of Mr. Emmerich’s films amounted to approximately US\$3,802 million*.

* Source: www.boxofficemojo.com

During a term of three years, Mr. Emmerich will develop three Projects (expected to be one Project per year) for the Group’s consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Emmerich for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative start dates, proposed locations, and suggested cast lists will be further discussed between the Group and Mr. Emmerich. Mr. Emmerich may participate in the production of such approved Project(s) as a director, a producer or an executive producer. Mr. Emmerich also agreed that he will not engage with other Chinese owned or controlled company for similar arrangement.

聘請Roland Emmerich先生

本集團亦已於二零一七年七月就開發及製作電影項目聘請Roland Emmerich先生（「Emmerich先生」）。Emmerich先生為美國荷里活電影導演、編劇及製片人，以災難電影廣為人知。

Emmerich先生為美國荷里活電影導演、編劇及製片人，以災難電影廣為人知。他曾執導多部熱門電影，包括「天煞地球反擊戰：復甦紀元（二零一六年：錄得全球票房約389,000,000美元*）」、「明日之後（二零零四年：錄得全球票房約544,000,000美元*）」、「哥斯拉（一九九八年：錄得全球票房約379,000,000美元*）」、「天煞地球反擊戰（一九九六年：錄得全球票房約817,000,000美元*）」、「星際之門（一九九四年：錄得全球票房約196,000,000美元*）」及「諾亞方舟原則（一九八四年）」。

Emmerich先生之電影之全球累計票房記錄約為3,802,000,000美元*。

* 資料來源：www.boxofficemojo.com

於三年期內，Emmerich先生將開發三個項目（預期每年一個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與Emmerich先生進行磋商，以將有關項目投入製作，且本集團與Emmerich先生將進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期、建議地點及建議演員名單。Emmerich先生可能會以導演、製片人或執行製片人的身份參與有關獲批項目的製作。Emmerich先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

Management Discussion and Analysis

管理層討論及分析

Engagement with each of Mr. Bryan Singer, Mr. Robert Zemeckis, Mr. Alan Taylor and Mr. Jonathan Murray Chu

After the engagement with each of Mr. Felix Gary Gray and Mr. Roland Emmerich for the development and production of motion picture projects, the Group has then successively engaged (i) Mr. Bryan Singer (“Mr. Singer”), (ii) Mr. Robert Zemeckis (“Mr. Zemeckis”), (iii) Mr. Alan Taylor (“Mr. Taylor”) and (iv) Mr. Jonathan Murray Chu (“Mr. Chu”) for the development and production of motion picture projects

Set out below is the brief biographies and cooperation details of each of Mr. Singer, Mr. Zemeckis, Mr. Taylor and Mr. Chu:

Mr. Singer is an American Hollywood film director, television series director, screenwriter and producer, being well known for action adventure films. He had directed various popular films, including “X-Men (2000: recorded worldwide box office of approximately US\$296.3 million*)”, “X2: X-Men United (2003: recorded worldwide box office of approximately US\$407.7 million*)”, “Superman Returns (2006: recorded worldwide box office of approximately US\$391.1 million*)”, “Valkyrie (2008: recorded worldwide box office of approximately US\$200.3 million*)”, “Jack the Giant Slayer (2013: recorded worldwide box office of approximately US\$198 million*)”, “X-Men: Days of Future Past (2014: recorded worldwide box office of approximately US\$747.9 million*)” and “X-Men: Apocalypse (2016: recorded worldwide box office of approximately US\$543.9 million*)”. He was also one of the producers and directors of the television series “House”. The accumulated record of worldwide box office of the seven aforesaid films amounted to approximately US\$2,784.9 million*.

聘請Bryan Singer先生、Robert Zemeckis先生、Alan Taylor先生及朱浩偉先生

在就開發及製作電影項目聘請Felix Gary Gray先生及Roland Emmerich先生後，本集團已就開發及製作電影項目陸續聘請(i) Bryan Singer先生（布萊恩辛格，「辛格先生」），(ii) Robert Zemeckis先生（羅伯特澤米基斯，「澤米基斯先生」），(iii) Alan Taylor先生（艾倫泰勒，「泰勒先生」）及(iv)朱浩偉先生（「朱先生」）。

下文簡述辛格先生、澤米基斯先生、泰勒先生及朱先生之履歷及合作詳情：

辛格先生為美國荷里活電影導演、電視劇導演、編劇及製片人，以動作冒險電影廣為人知。彼曾執導多部熱門電影，包括「X戰警（二零零零年：錄得全球票房約296,300,000美元*）」、「X戰警2（二零零三年：錄得全球票房約407,700,000美元*）」、「超人再起（二零零六年：錄得全球票房約391,100,000美元*）」、「行動代號：華爾奇麗雅（二零零八年：錄得全球票房約200,300,000美元*）」、「傑克：巨人戰紀（二零一三年：錄得全球票房約198,000,000美元*）」、「X戰警：未來昔日（二零一四年：錄得全球票房約747,900,000美元*）」及「X戰警：天啟（二零一六年：錄得全球票房約543,900,000美元*）」，亦為電視劇「怪醫豪斯」的監製及導演之一。上述七部電影之全球累計票房紀錄約為2,784,900,000美元*。

Management Discussion and Analysis

管理層討論及分析

During a term of three years, Mr. Singer will develop three Projects (expected to be one Project per year) for the Group's consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Singer for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative shooting dates, proposed locations and suggested cast lists will be further discussed between the Group and Mr. Singer. Mr. Singer will serve as the director of the first approved Project and participate in the production of other approved Project(s) as a director or producer. Mr. Singer also agreed that he will not engage with other Chinese owned or controlled companies for similar arrangements.

Mr. Zemeckis had been awarded Oscar Best Director and received several nominations. His magnum opuses include "Forrest Gump", "Back to the Future", "Back to the Future Part II", "Who Framed Roger Rabbit", "Cast Away" and "The Polar Express". The accumulated record of worldwide box office of Mr. Zemeckis's films amounted to approximately US\$4,243 million*.

During a term of three years, Mr. Zemeckis will develop six Projects (expected to be two Projects per year) for the Group's consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Zemeckis for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative shooting dates, proposed locations and suggested cast lists will be further discussed between the Group and Mr. Zemeckis. Mr. Zemeckis will serve as a director of all approved Project(s). Mr. Zemeckis also agreed that he will not engage with other Chinese owned or controlled companies for similar arrangements.

於三年期內，辛格先生將開發三個項目（預期每年一個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與辛格先生進行磋商，以將有關項目投入製作，且本集團會與辛格先生進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期、建議地點及建議演員名單。辛格先生會擔任第一部獲批項目的導演，而以導演或製片人的身份參與其他獲批項目的製作。辛格先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

澤米基斯先生曾獲得奧斯卡最佳導演殊榮及多次提名，彼之代表作包括「阿甘正傳」、「回到未來」、「回到未來2」、「威探闖通關」、「浩劫重生」及「北極特快」。澤米基斯先生之電影之全球累計票房記錄約為4,243,000,000美元*。

於三年期內，澤米基斯先生將開發六個項目（預期每年兩個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與澤米基斯先生進行磋商，以將有關項目投入製作，且本集團會與澤米基斯先生進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期、建議地點及建議演員名單。澤米基斯先生會擔任所有獲批項目之導演。澤米基斯先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

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Mr. Taylor is a famous American director across film and television industries. His major film works include “Thor: The Dark World (2013: recorded worldwide box office of approximately US\$644.6 million*)” and “Terminator Genisys (2015: recorded worldwide box office of approximately US\$440.6 million*)”. He had also participated in the shooting of certain popular television series as a director as follows: “The West Wing”, “Six Feet Under”, “Sex and the City”, “Lost”, “Rome”, “The Sopranos”, “Mad Men” and “Game of Thrones”.

The accumulated record of worldwide box office of Mr. Taylor’s films amounted to approximately US\$1,085 million.

During a term of three years, Mr. Taylor will develop six Projects (expected to be two Projects per year) for the Group’s consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Taylor for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative shooting dates, proposed locations and suggested cast lists will be further discussed between the Group and Mr. Taylor. Mr. Taylor will serve as the director of all approved Project(s). Mr. Taylor also agreed that he will not engage with other Chinese owned or controlled companies for similar arrangements. In addition, Mr. Taylor will provide the Company with a three year priority adoption right for his original projects. That means during the three-year term of cooperation, Mr. Taylor’s original projects or the projects of which controls over development or production owned by him and which he intends to develop will first be submitted to the Group for consideration.

Mr. Chu is a young and new prominent ethnic Chinese American film director and screenwriter. His magnum opuses include “G.I. Joe: Retaliation (2013: recorded worldwide box office of approximately US\$375.7 million*)”, “Now You See Me 2 (2016: recorded worldwide box office of approximately US\$334.9 million*)”, “Step Up 2: The streets” and “Step Up 3D”, in which the return on investment of “G.I. Joe: Retaliation” was considerably high. The accumulated record of worldwide box office of Mr. Chu’s films amounted to approximately US\$1,128 million.

泰勒先生是美國著名的橫跨影視多界的導演，其主要電影作品包括「雷神索爾2：黑暗世界（二零一三年：錄得全球票房約644,600,000美元*）」和「魔鬼終結者：創世契機（二零一五年：錄得全球票房約440,600,000美元*）」。亦作為導演參拍過以下若干熱門電視劇：「白宮風雲」、「六呎風雲」、「慾望城市」、「Lost檔案」、「羅馬的榮耀」、「黑道家族」、「廣告狂人」及「冰與火之歌：權利遊戲」。

泰勒先生之電影之全球累計票房約為1,085,000,000美元。

於三年期內，泰勒先生將開發六個項目（預期每年兩個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與泰勒先生進行磋商，以將該項目投入製作，且本集團會與泰勒先生進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期、建議地點及建議演員名單。泰勒先生會擔任所有獲批項目之導演。泰勒先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。此外，泰勒先生將給予本公司其原創項目三年的優先採納權，即三年合作期間，泰勒先生之原創項目或其擁有開發或製作控制權且其有意開發的項目，將首先提交給本集團考慮。

朱先生為新銳年輕華裔美國電影導演和編劇。彼之代表作品「特種部隊2：正面對決（二零一三年：錄得全球票房約375,700,000美元*）」、「出神入化2（二零一六年：錄得全球票房約334,900,000美元*）」、「舞力全開」及「舞力全開3D」，其中「特種部隊2：正面對決」之投資回報率相當高。朱先生之電影之全球累計票房約為1,128,000,000美元。

Management Discussion and Analysis

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During a term of three years, Mr. Chu will develop at least three Projects (expected to be one Project per year) for the Group's consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Chu for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative shooting dates and suggested cast lists will be further discussed between the Group and Mr. Chu. If all the three Projects are approved, Mr. Chu will serve as the director of two of the approved Projects and participate in the production of another approved Project as a producer. Mr. Chu also agreed that he will not engage with other Chinese owned or controlled companies for similar arrangement.

Engagement with Mr. Jonathan Liebesman

The Group has also engaged Mr. Jonathan Liebesman ("Mr. Liebesman") for the development and production of motion picture projects.

Mr. Liebesman is a famous Hollywood film director and his magnum opuses include "Battle: Los Angeles (2011: recorded worldwide box office of approximately US\$211.8 million*)", "Wrath of the Titans (2012: recorded worldwide box office of approximately US\$305.3 million*)" and "Teenage Mutant Ninja Turtles (2014: recorded worldwide box office of approximately US\$493.3 million*)". The accumulated record of worldwide box office of Mr. Liebesman's films amounted to approximately US\$1,109.7 million*.

During a term of three years, Mr. Liebesman will develop at least six Projects (expected to be two Projects per year) for the Group's consideration and approval. If the Group approves such Project(s), the Group will further negotiate with Mr. Liebesman for designating such Project(s) for production and further details of the production film package which including but not limited to fully developed screenplays, detailed production budgets, tentative shooting dates, proposed locations and suggested cast lists will be further presented to the Group by Mr. Liebesman.

於三年期內，朱先生將至少開發三個項目（預期每年一個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與朱先生進行磋商，以將該項目投入製作，且本集團會與朱先生進一步探討電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、製作預算的詳情、暫定開拍日期及建議演員名單。若三個項目均獲批准，朱先生會擔任兩部獲批項目之導演，並以製片人的身份參與另一獲批項目的製作。朱先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

聘請Jonathan Liebesman先生

本集團亦已就開發及製作電影項目聘請Jonathan Liebesman先生（「Liebesman先生」）。

Liebesman先生為著名荷里活電影導演，其代表作包括「異形侵略戰（二零一一年：錄得全球票房約211,800,000美元*）」、「狂神魔戰（二零一二年：錄得全球票房約305,300,000美元*）」及「忍者龜：變種新任務（二零一四年：錄得全球票房約493,300,000美元*）」。Liebesman先生之電影之全球累計票房約為1,109,700,000美元*。

於三年期內，Liebesman先生將開發至少六個項目（預期每年兩個項目），供本集團審議及批准。倘本集團批准有關項目，本集團將進一步與Liebesman先生進行磋商，以將有關項目投入製作，且Liebesman先生將向本集團呈報電影製作過程的其他詳情，包括但不限於撰寫完整的劇本、詳細的製作預算、暫定開拍日期、建議地點及建議演員名單。

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Mr. Liebesman will serve as a director of all approved Project(s). Mr. Liebesman also agreed that he will not engage with other Chinese owned or controlled companies for similar arrangements.

Marshall – Oscar’s nomination for Best Original Song at the 90th Oscars’ Academy Awards

In addition, as disclosed in MATERIAL ACQUISITION AND DISPOSAL of this report, the Group has acquired the entire equity interest in Starlight Legend Investment Limited during the year of 2017 (the “Acquisition”). The film product, namely Marshall, acquired by the Group through Acquisition received a nomination for Best Original Song at the 90th Academy Awards (“Oscars”).

For the year ended 31 December 2017, the Group has not yet generated revenue from media and culture business.

CAPITAL STRUCTURE

As at 31 December 2017, the Company’s deficiency attributable to its owners was approximately HK\$68,990,000 (equity attributable to its owners was approximately HK\$108,370,000 for the year ended 31 December 2016).

ASSESSMENT OF RECOVERABILITY OF THE AMOUNT OF TRADE AND OTHER RECEIVABLES

The Company had impairment loss on trade and other receivables of HK\$24.7 million for year ended 31 December 2017 (“2017 Impairment Loss”). For financial reporting purpose, the Group was required to assess the recoverability of the amount of trade and other receivables on an individual basis at each reporting date and to provide for impairment for those trade and other receivables which were considered irrecoverable. In determining the recoverability of a trade/gaming receivable, the Group considers any change in credit quality of the receivable from the date credit was initially granted up to the end of the reporting period.

Liebesman先生將擔任所有獲批准項目的導演。Liebesman先生亦同意其將不會與其他中資擁有或控制之公司接洽類似安排。

《馬歇爾》－第90屆奧斯卡金像獎最佳原創歌曲提名

此外，如本報告「重大收購及出售事項」所披露，本集團於二零一七年收購Starlight Legend Investment Limited的全部股權（「收購事項」）。本集團通過收購事項獲得的電影產品《馬歇爾》獲得第90屆奧斯卡金像獎（「奧斯卡」）最佳原創歌曲提名。

截至二零一七年十二月三十一日止年度，本集團的傳媒及文化業務尚未產生收益。

資本架構

於二零一七年十二月三十一日，本公司擁有人應佔虧絀約為68,990,000港元（截至二零一六年十二月三十一日止年度，本公司擁有人應佔權益約為108,370,000港元）。

評估貿易及其他應收款項的可收回性

本集團於截至二零一七年十二月三十一日止年度錄得貿易及其他應收款項減值虧損24,700,000港元（「二零一七年減值虧損」）。為財務報告目的，本集團須評估於各報告日期按個別基準評估貿易及其他應收款項的可收回性並就被視為不可收回的貿易及其他應收款項作出減值撥備。於釐定貿易／博彩應收款項的可收回性時，本集團會考慮自初始授出信貸之日直至報告期末應收款項信貸質素的任何變動。

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管理層討論及分析

Upon assessment on an individual basis, trade receivables and advance to patrons totaling HKD6.8 million and HKD17.9 million respectively were overdue and had no indication of the likelihood of recovery, and as such 2017 Impairment Loss was then recognized.

經按個別基準評估後，貿易應收款項及向客戶墊款之總額分別為6,800,000港元及17,900,000港元已逾期且並無可能收回之跡象，因此確認二零一七年減值虧損。

The below table provides for the ageing of those advances impaired in the year of 2017 of HKD24.7 million.

下表提供該等於二零一七年已減值之24,700,000港元墊款之賬齡分析。

Ageing of trade receivables impaired	已減值貿易應收款項的賬齡分析	Impairment amount in year of 2017 於二零一七年的減值金額
As at 31 December 2017	於二零一七年十二月三十一日	(HKD'million) (百萬港元)
0 – 30 days	0至30日	–
31 – 90 days	31至90日	–
91 – 365 days	91至365日	6.8
Over 1 year	超過1年	–
Total	總計	6.8

Ageing of the advance to patron impaired	已減值向客戶墊款的賬齡分析	Impairment amount in year of 2017 於二零一七年的減值金額
As at 31 December 2017	於二零一七年十二月三十一日	(HKD'million) (百萬港元)
0 – 30 days	0至30日	–
31 – 180 days	31至180日	–
181 – 365 days	181至365日	0.6
Over 1 year	超過1年	17.3
Total	總計	17.9

For the year ended 31 December 2017, the impairment of advance to patrons of HKD17.9 million was attributable to the total uncollected advance to 5 patrons.

截至二零一七年十二月三十一日止年度，向客戶墊款之減值17,900,000港元乃向五名客戶的未收回墊款總額所產生。

Management Discussion and Analysis

管理層討論及分析

For those trade and other receivables that are impaired, the Group continues to pursue collection efforts which include periodic reminder letters, phone contact, issue of demand letters, etc. During the year, the Group has discussions with several patrons and finalized their repayment plans which would be proceeded within the year of 2018. In addition, the Group has consulted with external legal counsel for advice on what actions can be taken against certain customers.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation by internally generated cash flow, short term loans, and through issuance of promissory note and convertible bonds.

Prudent financial management and selective investment criteria have enabled the Group to maintain a stable financial position. As at 31 December 2017, the Group's bank balances and cash amounted to approximately HK\$96,647,000 (2016: HK\$133,000,000).

As at 31 December 2017, the current ratio was approximately 0.56 (2016: approximately 3.29) based on current assets of approximately HK\$253,473,000 (2016: HK\$360,037,000) and current liabilities of approximately HK\$451,314,000 (2016: HK\$109,590,000).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong dollars, Renminbi, Australian dollars and U.S. dollars which have been relatively stable during the year. The Group was not exposed to material foreign exchange risk and has not employed any financial instruments for hedging purposes.

就出現減值的貿易及其他應收款項，本集團繼續開展收款行動，包括定期提醒函、電話聯絡、發出要求付款通知函等。年內，本集團與若干客戶進行討論並確定彼等的還款計劃，相關計劃將於二零一八年實行。此外，本集團已諮詢外聘法律顧問以尋求應就若干客戶開展的行動的意見。

流動資金及財政資源

本集團一般以內部產生之現金流量、短期貸款及透過發行承兌票據及可換股債券為其業務營運提供資金。

審慎財務管理及選擇性投資標準已令本集團之財政狀況維持穩健。於二零一七年十二月三十一日，本集團之銀行結餘及現金約為96,647,000港元（二零一六年：133,000,000港元）。

於二零一七年十二月三十一日，流動比率約為0.56（二零一六年：約3.29），此乃按流動資產約253,473,000港元（二零一六年：360,037,000港元）及流動負債約451,314,000港元（二零一六年：109,590,000港元）之基準計算。

匯率波動風險

本集團大部份資產、負債及商業交易均以港元、人民幣、澳元及美元計值，而該等貨幣於年內均相對穩定。本集團並無面臨重大外匯風險，故此並無採用任何金融工具作對沖用途。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 12 (2016: 43) employees in Hong Kong and Macau as at 31 December 2017. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also be invited to participate in the share option scheme of the Group.

CONTINGENT LIABILITY

On 14 September 2017, the Company entered into share purchase agreement with a related party, controlled by a director and a controlling shareholder of the Company for the acquisition of entire equity interest of Starlight Legend Investment Limited and its subsidiaries. According to the share purchase agreement, agreed payment is a contingent consideration that will be realised if the acquired business and the existing projects achieve their respective profit target, calculated on certain predetermined basis, during the designated period of time. For the year ended 31 December 2017, the contingent consideration payable is HK\$1,563,000.

Save as disclosed above, the Group had no significant contingent liability as at 31 December 2017 (2016: nil).

CHARGE ON ASSET

As at 31 December 2017, film product in the amount of approximately HKD16,682,000 was pledged to secure a bank borrowing of approximately HKD4,846,000. Save as disclosed above, there was no charge on asset of the Company as at 31 December 2017.

僱員及酬金政策

於二零一七年十二月三十一日，本集團僱用12名（二零一六年：43名）香港及澳門僱員。本集團之薪酬政策主要根據現時之市場薪酬水平，以及各公司及有關員工個別之表現為基準釐定。僱員亦可獲邀參與本集團之購股權計劃。

或然負債

於二零一七年九月十四日，本公司與一名關聯方（由本公司一名董事及控股股東控制）訂立購股協議，以收購Starlight Legend Investment Limited及其附屬公司的全部股權。根據購股協議，協定付款為一項或然代價，倘被收購的業務及現有項目達成各自溢利目標則會實現，該付款於特定時間段內按某一預先確定的基準計算。於截至二零一七年十二月三十一日止年度，應付或然代價為1,563,000港元。

除上文所披露者外，於二零一七年十二月三十一日，本集團概無重大或然負債（二零一六年：無）。

資產抵押

於二零一七年十二月三十一日，金額約16,682,000港元的電影產品已用作抵押獲授之銀行借貸約4,846,000港元。除上文所披露者外，於二零一七年十二月三十一日本公司並無其他資產抵押。

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MAJOR CORPORATE EVENT

Change of Company Name

The Change of Company Name and Change of Stock Short Name: Pursuant to the special resolutions passed by the Shareholders at the special general meeting of the Company held on 30 June 2017 and as certified by the Certificate of Incorporation on Change of Name and the Certificate of Secondary Name of the Company issued by the Registrar of Companies in Bermuda on 11 August 2017, the change of English name of the Company to “Starlight Culture Entertainment Group Limited” and the secondary name of the Company to “星光文化娛樂集團有限公司” came into effect from 6 July 2017. The Certificate of Registration of Alteration of the Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 24 August 2017, certifying the registration of the said new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from that date. With effect from 30 August 2017, the stock short name for trading in its Shares on The Stock Exchange of Hong Kong Limited has been changed to “STARLIGHT CUL” in English and to “星光文化” in Chinese.

The new name of the Company brings a fresh corporate image and more accurately reflects the Group’s commitment to diversifying its business in the future. As the management team has fully participated in formulating a clear development roadmap of the Group, we expect the business diversification approach to bring new momentum and start a new chapter in the development history of the Group.

重要企業事項

更改公司名稱

更改公司名稱及更改股份簡稱：根據股東在本公司於二零一七年六月三十日舉行的股東特別大會上通過的特別決議案並經百慕達公司註冊處處長於二零一七年八月十一日發出的更改名稱註冊證明書及第二名稱證明書證明，本公司之英文名稱變更為「Starlight Culture Entertainment Group Limited」，及本公司之第二名稱變更為「星光文化娛樂集團有限公司」已於二零一七年七月六日生效。香港公司註冊處於二零一七年八月二十四日發出註冊非香港公司變更名稱註冊證明書，確認本公司之上述新名稱已根據香港法例第622章公司條例第16部於香港註冊並自當日起生效。自二零一七年八月三十日，本公司股份於香港聯合交易所有限公司買賣的股份英文簡稱已變更為「STARLIGHT CUL」，股份中文簡稱變更為「星光文化」。

本公司的新名稱將帶來嶄新的企業形象並能更準確反映本集團未來致力於落實業務多元化的決心。由於管理團隊已充分參與本集團清晰的發展路線圖的制定，我們預計業務多元化路線將帶來新的發展動力並將開啟本集團發展史的新篇章。

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管理層討論及分析

Major acquisition and connected transaction

During the year, the Group has acquired the entire equity interest in Starlight Legend Investment Limited. Details can be referred to the announcements of Company dated 13 December 2017 and 14 September 2017 and the circular of the Company dated 26 October 2017.

Save as disclosed above, there is no other major event during the year that should be notified to the shareholders of the Company.

EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 14 September 2017 and 13 December 2017 and the circular of the Company dated 26 October 2017 (the “Circular”), in relation to, among other things, the acquisition of the entire equity interest in Starlight Legend Investment Limited (the “Acquisition”). Capitalised terms used herein shall have the meanings as defined in the Circular unless the context requires otherwise.

The Promissory Note issued by the Company in favour of the Vendor dated 13 December 2017 in the principal amount of USD12,884,615.38 as part of the consideration for the Acquisition is due for payment on 12 December 2018. On 29 March 2018, the Vendor entered into a side letter (the “Side Letter”) with the Company, pursuant to which the Vendor has irrevocably and unconditionally agreed and undertaken to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct a valuation of the Target Group as at 31 December 2018 (the “Updated Valuation”). The determination by the independent valuer shall be final and binding on the Vendor and the Company.

主要收購事項及關連交易

年內，本集團已收購Starlight Legend Investment Limited的全部股權。有關詳情，請參閱本公司日期為二零一七年十二月十三日及二零一七年九月十四日之公告及本公司日期為二零一七年十月二十六日之通函。

除上文所披露者外，年內並無任何其他須知會本公司股東的重大事項。

報告期後事項

謹此提述本公司日期為二零一七年九月十四日及二零一七年十二月十三日之公告，以及本公司日期為二零一七年十月二十六日之通函（「該通函」），內容有關（其中包括）收購Starlight Legend Investment Limited之全部股權（「收購事項」）。除文義另有所指外，本公告所用之詞彙具有該通函所界定之涵義。

本公司以賣方為受益人發行日期為二零一七年十二月十三日本金額為12,884,615.38美元之承兌票據，作為償付收購事項代價之一部分，其將於二零一八年十二月十二日到期償付。於二零一八年三月二十九日，賣方與本公司訂立一份附函（「該附函」），據此，賣方不可撤回、無條件地向本公司同意及承諾以下各項：

- (i) 賣方及本公司應共同委任一名獨立估值師對目標集團於二零一八年十二月三十一日之估值進行評估（「更新估值」）。獨立估值師之決定對賣方及本公司均將具有決定性及約束力。

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- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000 (the “Waiver”).
- (iii) The due date of the Promissory Note shall be extended until 12 December 2019.
- (ii) 倘更新估值低於25,000,000美元，則賣方不可撤回、無條件及完全地同意豁免及放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限（「該豁免」）。
- (iii) 承兌票據之到期日將延長至二零一九年十二月十二日。

The Vendor is wholly owned by Mr. Yan Xu, an executive Director, and thus is a connected person of the Company. The Waiver constitutes financial assistance provided by the Vendor to the Company. Since the Waiver is provided to the Company on normal commercial terms or better and no security will be provided over the assets of any member of the Group in relation to the Waiver, the Waiver is fully exempt from all reporting, announcement and independent shareholders’ approval requirements according to Rule 14A.90 of the Listing Rules.

賣方由本公司執行董事顏旭先生全資擁有，因而為本公司之關連人士。該豁免構成由賣方向本公司提供財務資助。由於該豁免乃按正常或更佳商業條款向本公司提供，且不會就該豁免提供本集團任何成員公司之資產作抵押，故該豁免獲豁免遵守上市規則第14A.90條有關申報、公告及獨立股東批准之規定。

Reason for the Vendor entering into the Side Letter

As disclosed in notes 18 and 35 of consolidated financial statements in this annual report, goodwill of HKD98,671,000 was recognized as an asset of the Company upon completion of acquisition of Target Group on 13 December 2017. An impairment loss of goodwill in the amount HKD43,844,000 was recognized and the carrying amount of goodwill as at 31 December 2017 was HKD54,827,000.

賣方簽署該附函之理由

誠如本年報綜合財務報表附註18及35所披露，於二零一七年十二月十三日完成收購目標集團後，商譽98,671,000港元已確認為本公司資產。商譽減值虧損43,844,000港元已確認及商譽於二零一七年十二月三十一日之賬面值為54,827,000港元。

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管理層討論及分析

Recognition of goodwill at acquisition and goodwill impairment

Reference is made to audited consolidated statements of financial position as at 31 July 2017 of Target Group (“Pre-acquisition Accounts”), as shown in page 5 of Appendix II and in page 2 of Appendix III of the circular of the Company dated 26 October 2017, which had a film product as current asset with a book value of approximately USD12,773,000 (equivalent to approximately HK\$99,629,000). This film product reflected a film, namely Marshall, which had not been released until October 2017.

Upon completion of acquisition of Target Group on 13 December 2017, the fair value of the above mentioned film product was determined to be approximately USD2,157,000 (equivalent to approximately HK\$16,855,000) in a valuation conducted by an independent valuer based on the discounted future cash flow of this film product over the next five years with reference to the accumulated boxing record of this film. With the decrease in value of film product and together with other factors, the goodwill generated from the Acquisition amounted to HK\$98,671,000.

As mentioned above, as at 31 December 2017, the recoverable amounts of the Target Group have been determined based on a value in use calculation by discounting future cash flows to be generated from the film production and investment projects over the next five years. Due to the possible delay or uncertainty in the production of some potential projects in the coming years, the management took a prudent approach to exclude those potential projects from the future cash flows in the calculation of value in use, and this resulted in a decrease in recoverable amount of the Target Group.

於收購時確認商譽及商譽減值

茲提述本公司日期為二零一七年十月二十六日的通函附錄二的第5頁及附錄三的第2頁所載目標集團於二零一七年七月三十一日的經審核綜合財務狀況表（「收購前賬目」），目標集團擁有一項賬面值約12,773,000美元（相當於約99,629,000港元）列為流動資產的電影產品。此電影產品指直至二零一七年十月方上映的電影《馬歇爾》。

於二零一七年十二月十三日完成收購目標集團後，上述電影產品的公平值在一名獨立估值師經參考此電影的累計票房根據此電影產品未來五年的折現未來現金流量進行的估值中被釐定為約2,157,000美元（相當於約16,855,000港元）。由於電影產品的價值降低及其他因素，收購事項產生的商譽為98,671,000港元。

如上文所述，於二零一七年十二月三十一日，目標集團的可收回金額已通過折算未來五年電影製作及投資項目將產生的未來現金流量按照在用價值計算而釐定。鑒於來年若干潛在項目的製作可能延遲或存在不確定性，管理層在計算在用價值時審慎地將該等潛在項目自未來現金流量剔除，從而導致目標集團的可收回金額減少。

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However, the Vendor is confident that those potential projects would be proceeded over the next five years although they might not be proceeded within one year and that the recoverable amounts of the Target Group should be no less than USD25,000,000, i.e. the Consideration for acquisition of Target Group. As such, the Vendor has agreed to extend the due date of the Promissory Note for one year to 12 December 2019 and has agreed to discount the principal value of the Promissory Note of an amount equivalent to the difference between the recoverable amounts of the Target Group as at 31 December 2018 and USD25,000,000, provided that the recoverable amounts of the Target Group as at 31 December 2018 is lower than USD25,000,000.

Details can also be referred to the Company's announcement – UPDATE ON MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST IN STARLIGHT LEGEND INVESTMENT LIMITED dated 29 March 2018.

There is no other major event after the reporting period that should be notified to the shareholders of the Company.

然而，賣方相信該等潛在項目將會在未來五年進行（儘管可能不會在一年內進行），並認為目標集團的可收回金額應不會少於25,000,000美元（即收購目標集團的代價）。因此，賣方已同意將承兌票據的到期日延後一年至二零一九年十二月十二日，並已同意，倘目標集團於二零一八年十二月三十一日的可收回金額低於25,000,000美元，則按目標集團於二零一八年十二月三十一日的可收回金額與25,000,000美元間的差額的同等金額折減承兌票據的本金額。

詳情亦可參閱本公司日期為二零一八年三月二十九日之公告－有關收購STARLIGHT LEGEND INVESTMENT LIMITED之全部股權之主要及關連交易之最新資料。

並無其他須知會本公司股東的重大報告期後事項。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of maintaining a high standard of corporate governance with an aim to protect the interest of shareholders.

The Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) including those revised code provisions which became effective on 1 April 2012, 1 September 2013 and 1 January 2016. During the year ended 31 December 2016, the Company complied with all applicable provisions of the Code for their respective applicable periods except for the deviations stated below:

Code Provision A.6.7

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, three of the independent non-executive directors was unable to attend the Company’s annual general meeting held on 30 June 2017.

THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group’s business strategic decisions and performances.

As at the date of this report, the Board comprised six Executive Directors, Mr. Yan Xu (Chairman), Mr. Chau Chit (Deputy Chairman), Mr. Luo Lei (Chief Executive Officer), Ms. Chen Hong, Mr. Hung Ching Fung and Mr. Li Haitian; one Non-executive Director, Wang Shoulei, and four Independent Non-executive Directors, Mr. Wong Wai Kwan, Mr. Michael Ngai Ming Tak, Mr. Kong Chi Mo and Mr. Hong Tao.

企業管治常規

本公司深知維持高水平企業管治藉以保障股東之利益之重要性。

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「該守則」),包括於二零一二年四月一日、二零一三年九月一日及二零一六年一月一日生效之該等經修訂守則條文。於截至二零一六年十二月三十一日止年度內,本公司已於其各自之適用期間內遵守該守則之所有適用條文,惟下文所述之偏離情況除外:

守則條文第A.6.7條

根據守則條文第A.6.7條,獨立非執行董事及其他非執行董事應出席股東大會並對股東之意見有公正了解。由於其他預先已安排之工作,有三名獨立非執行董事未能出席本公司於二零一七年六月三十日舉行之股東週年大會。

董事會

董事會負責領導及監控本公司並監察本集團之業務策略方針及表現。

於本報告日期,董事會由六名執行董事顏旭先生(主席)、周哲先生(副主席)、羅雷先生(行政總裁)、陳虹女士、洪清峰先生及李海天先生;一名非執行董事王守磊先生;以及四名獨立非執行董事王偉軍先生、魏明德先生、江智武先生及洪滔先生組成。

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The Independent Non-executive Directors of the Company are persons with academic and professional qualifications in the fields of accounting and appropriate expertise. They provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each Independent Non-executive Director gives an annual confirmation of his independence to the Company and the Company considers these directors to be independent under Rule 3.13 of the Listing Rules.

本公司之獨立非執行董事為於會計領域擁有學術及專業資格及適當專長之人士。彼等為有效履行董事會之職責及責任提供鼎力支持。各獨立非執行董事均向本公司作出其獨立性之年度確認，而本公司認為根據上市規則第3.13條，該等董事均為獨立人士。

Details of Directors' attendance records during the year ended 31 December 2017 are set out below:

於截至二零一七年十二月三十一日止年度內，董事出席會議記錄之詳情載列如下：

Directors	董事	AGM	Board	Meetings Attended/Held 出席次數/舉行會議次數			Anti-money Laundering Committee 反洗黑錢 委員會	Credit Committee 信貸委員會	Investment Steering Committee 投資督導 委員會
				Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會			
		股東週年大會	董事會						
Executive Directors		執行董事							
Dr. Lam Yin Lok (resigned on 31 May 2017)	林英樂博士 (於二零一七年五月三十一日辭任)	0/0	3/10		0/3			0/0	0/0
Mr. Tsui Kin Ming (resigned on 31 May 2017)	徐建明先生 (於二零一七年五月三十一日辭任)	0/0	8/10				0/0	0/0	
Mr. Ng Kuen Hon (resigned on 28 February 2017)	吳權漢先生 (於二零一七年二月二十八日辭任)	0/0	0/1						
Mr. Hung Ching Fung	洪清峰先生	1/1	19/21				0/0		
Mr. Chau Chit	周哲先生	1/1	21/21		1/1				
Mr. Yan Xu (appointed on 11 May 2017)	顏旭先生 (於二零一七年五月十一日獲委任)	1/1	12/16				0/0	0/0	0/0
Mr. Chen Hong (appointed on 11 May 2017)	陳虹女士 (於二零一七年五月十一日獲委任)	1/1	15/16				0/0	0/0	0/0
Mr. Luo Lei (appointed on 31 May 2017)	羅雷先生 (於二零一七年五月三十一日獲委任)	0/1	12/13						
Mr. Li Haitian (appointed on 31 May 2017)	李海天先生 (於二零一七年五月三十一日獲委任)	1/1	13/13				0/0	0/0	0/0
Non-executive Directors		非執行董事							
Mr. Wang Shoulei (appointed on 25 August 2017)	王守磊先生 (於二零一七年八月二十五日獲委任)	0/0	7/7						
Independent Non-executive Directors		獨立非執行董事							
Mr. Daniel Domingos António (resigned on 31 May 2017)	Daniel Domingos António先生 (於二零一七年五月三十一日辭任)	0/0	9/10	2/2	3/3	3/3	0/0		0/0
Mr. Kwok Chi Chung (resigned on 31 May 2017)	郭志忠先生 (於二零一七年五月三十一日辭任)	0/0	7/10	2/2	3/3	3/3	0/0		0/0
Mr. Chow Wing Tung (resigned on 31 May 2017)	周永東先生 (於二零一七年五月三十一日辭任)	0/0	8/10	2/2		3/3			
Mr. Wong Wai Kwan (appointed on 31 May 2017)	王偉軍先生(於二零一七年 五月三十一日獲委任)	0/1	12/13	1/1	1/1	1/1	0/0		0/0
Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)	魏明德先生(於二零一七年 五月三十一日獲委任)	0/1	13/13	1/1	1/1	1/1	0/0		
Mr. Kong Chi Mo (appointed on 31 May 2017)	江智武先生(於二零一七年 五月三十一日獲委任)	1/1	12/13	1/1		1/1	0/0		0/0
Mr. Hong Tao (appointed on 31 May 2017)	洪滔先生(於二零一七年 五月三十一日獲委任)	0/1	12/13	1/1		1/1	0/0		0/0

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Apart from the above regular board meetings of the year, the board of Directors will meet on other occasions when a board-level decision on a particular matter is required. The Directors receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting. The board of Directors has reserved for its decision or consideration matters covering corporate strategy, annual and interim results, Directors' appointment, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the board of Directors to the management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the board of Directors, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements, rules and regulations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Non-executive Directors of the Company including Independent Non-executive Directors, are appointed for terms of one year or three years. In addition, all Directors are subject to retirement by rotation and re-election at the annual general meeting pursuant to the Bye-laws of the Company.

According to the Company's Bye-laws, Directors appointed to fill casual vacancies shall hold office until the next following general meeting and can be eligible for re-appointment at that time.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Directors are continually encouraged to update themselves with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities.

All Directors are requested to provide the Company with their respective training records pursuant to the Code.

除年內上述董事會定期會議外，董事會將於須就特定事項作出董事會層面之決定之其他情況下舉行會議。董事於每次董事會會議前取得議程項目之詳情以作決定及委員會會議記錄。董事會保留其對企業策略、全年及中期業績、董事委任、繼任計劃、風險管理、重大收購、出售及資本交易，以及其他重大營運及財務事宜之決策或審議權。董事會向管理層作出特定委託之主要企業事宜包括編製全年及中期賬目以於公開報告前供董事會批准、執行董事會採納之業務策略及計劃、實行充分之內部監控制度及風險管理程序，以及遵守相關法例規定、規則及規例。

委任及重選董事

本公司之非執行董事（包括獨立非執行董事）以一年或三年任期獲委任。此外，全體董事須根據本公司之公司細則於股東週年大會上輪值退任並重選連任。

根據本公司之公司細則，獲委任以填補臨時空缺之董事之任期至下屆股東大會為止，及屆時可符合資格重選連任。

董事之持續專業發展

本公司持續鼓勵董事了解最新之法例及監管發展、業務及市場變動，以促進彼等履行其責任。

根據該守則，全體董事均須向本公司提供彼等各自之培訓記錄。

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During the year, the Directors have confirmed their participation in appropriate continuous professional development activities by ways of attending seminars or self-reading.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2017.

NOMINATION COMMITTEE

The Nomination Committee was established on 28 March 2012. It comprises two Independent Non-executive Directors and the Chairman of the Board, and is currently chaired by Mr. Chau Chit.

Its primary objectives include reviewing the structure, size and composition of the Board under diversified perspectives set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and review the Board Diversity Policy, as appropriate.

The Nomination Committee held four meetings during the year ended 31 December 2017.

年內，董事已確認，彼等透過出席研討會或自行閱讀而參加適當持續專業發展活動。

董事之證券交易

本公司已採納條款嚴格程度不遜於上市規則附錄十所載之交易規定標準之董事進行證券交易的行為守則。經向全體董事作出特定查詢後，各董事於截至二零一七年十二月三十一日止年度一直遵守該行為守則及交易規定標準以及其董事進行證券交易的行為守則。

提名委員會

提名委員會於二零一二年三月二十八日成立。提名委員會由兩名獨立非執行董事及董事會主席組成，及目前由周哲先生擔任主席。

其主要目的包括根據董事會成員多元化政策所載之多元化範疇（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期）檢討董事會之架構、規模及組成，物色符合資格成為董事會成員之合適人士，評估獨立非執行董事之獨立性，就與委任或重新委任董事之相關事宜向董事會作出推薦建議，以及檢討董事會成員多元化政策（如適用）。

於截至二零一七年十二月三十一日止年度，提名委員會已舉行四次會議。

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REMUNERATION COMMITTEE

Under the code provision B.1.1, the Company should establish a remuneration committee (the “Remuneration Committee”) with specific written terms of reference which deal clearly with its authority and duties. The roles and functions of the Remuneration Committee include the determination of the specific remuneration packages of all executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments, such as any compensation payable for loss or termination of their office or appointment, and make recommendations to the board of the remuneration of non-executive Directors.

As at the date of this report, members of the Remuneration Committee included:

Mr. Michael Ngai Ming Tak
Mr. Wong Wai Kwan
Mr. Kong Chi Mo
Mr. Hong Tao

Four meetings of the Remuneration Committee were held in 2017 to discuss remuneration related matters.

The Remuneration Committee has considered and reviewed the existing terms of employment contracts of the executive Directors and appointment letters of the non-executive Directors with reference to the factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and desirability of performance-based remuneration. The Remuneration Committee considers that the existing terms of employment contracts of the executive Directors and appointment letters of the non-executive Directors are fair and reasonable. Details of the emolument policy of the Directors are set out on page 79 of this report.

薪酬委員會

根據守則條文第B.1.1條，本公司應成立具有明確書面權責範圍之薪酬委員會（「薪酬委員會」），有關權責範圍清楚說明委員會之權限及職責。薪酬委員會之角色及職能包括釐定全體執行董事及本公司高級管理人員之特定薪酬待遇，包括實物福利、退休金權利及賠償金（包括喪失或終止職務或委任之任何應付賠償），並就非執行董事之薪酬向董事會作出推薦建議。

於本報告日期，薪酬委員會成員包括：

魏明德先生
王偉軍先生
江智武先生
洪滔先生

薪酬委員會於二零一七年舉行四次會議，以討論薪酬相關事宜。

薪酬委員會已參照包括可資比較公司所支付之薪金、董事付出之時間及職責、本公司其他職位之聘用條件及應否按表現釐定薪酬等因素，考慮及檢討執行董事聘用合約及非執行董事委任函之現有條款。薪酬委員會認為執行董事聘用合約及非執行董事委任函之現有條款屬公平合理。董事之酬金政策詳情載於本報告第79頁。

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AUDITOR'S REMUNERATION

The Company's external auditors are BDO Limited (the "Auditors"). The audit committee of the Group (the "Audit Committee") is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group. For the year ended 31 December 2017, the Auditors have performed audit service and their remuneration in respect of audit service is HK\$681,000.

AUDIT COMMITTEE

As required by Rule 3.21 of the Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process, risk management and internal control systems. As at the date of this report, members of the Audit Committee included:

Mr. Wong Wai Kwan
Mr. Michael Ngai Ming Tak
Mr. Kong Chi Mo
Mr. Hong Tao

The Audit Committee held three meetings during the year ended 31 December 2017.

The Audit Committee has discussed with the Auditors on the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2017, and is of the opinion that the preparation of the consolidated results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

The Audit Committee considered that the existing terms in relation to the appointment of the Group's external auditors are fair and reasonable.

核數師酬金

本公司之外聘核數師為香港立信德豪會計師事務所有限公司（「核數師」）。本集團之審核委員會（「審核委員會」）負責考慮委任外聘核數師及檢討外聘核數師所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。截至二零一七年十二月三十一日止年度，核數師已履行核數服務，彼等有關核數服務之酬金為681,000港元。

審核委員會

本公司已按照上市規則第3.21條之規定成立具有明確書面權責範圍之審核委員會，有關權責範圍清楚說明其權限及職責。其主要職責為檢討及監督本集團之財務報告程序、風險管理及內部監控系統。於本報告日期，審核委員會之成員包括：

王偉軍先生
魏明德先生
江智武先生
洪滔先生

於截至二零一七年十二月三十一日止年度，審核委員會已舉行三次會議。

審核委員會已與核數師就本集團採納之會計原則及慣例以及本集團截至二零一七年十二月三十一日止年度之綜合業績展開討論，並認為該等綜合業績之編製符合適用會計準則、上市規則及法律規定，並已作出充分披露。

審核委員會認為有關委任本集團外聘核數師之現有條款屬公平合理。

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ANTI-MONEY LAUNDERING COMMITTEE

An Anti-money Laundering Committee was established on 12 February 2015. At the date of this report, members composed of four Executive Director and three Independent Non-executive Directors. The Committee is responsible for reviewing the Company's anti-money laundering policy and procedures and making recommendations on any proposed changes to the Board, monitoring the implementation and compliance with the Company's standard operation procedures for anti-money laundering and reviewing such policy, as appropriate, and making recommendations on any revisions that may be required to the Board.

CREDIT COMMITTEE

A Credit Committee was established on 12 February 2015. At the date of this report, members composed of three Executive Directors. The Committee is responsible for reviewing of the Company's process and policies on credit approval and recovery and making recommendations on any proposed changes to the Board, monitoring the implementation and compliance with the Company's standard operation procedures for credit approval and recovery and reviewing such policy, as appropriate, and making recommendations on any revisions that may be required to the Board.

INVESTMENT STEERING COMMITTEE

An Investment Steering Committee was established in June 2010. At the date of this report, members composed of three Executive Director and four Independent Non-executive Directors. The Committee is responsible for the consideration, recommendation of potential investment projects. Ad-hoc meetings will be held when potential projects are identified. During the meeting, they will review individual project's position and action to be taken if necessary, and to recommend to the board for consideration and approval.

反洗黑錢委員會

反洗黑錢委員會於二零一五年二月十二日成立。於本報告日期，成員包括四名執行董事及三名獨立非執行董事。該委員會負責檢討本公司之反洗黑錢政策及程序，並就任何建議變動向董事會作出推薦意見、監控本公司反洗黑錢標準作業程序的實施及遵守情況，並檢討有關政策（如適用）及對董事會可能要求的任何修訂作出推薦意見。

信貸委員會

信貸委員會於二零一五年二月十二日成立。於本報告日期，成員包括三名執行董事。該委員會負責檢討本公司之信貸審批及追收程序及政策，並就任何建議變動向董事會作出推薦意見，以及監控本公司信貸審批及追收標準作業程序的實施及遵守情況，並檢討有關政策（如適用），對董事會可能要求的任何修訂作出推薦意見。

投資督導委員會

投資督導委員會於二零一零年六月成立。於本報告日期，成員包括三名執行董事及四名獨立非執行董事。該委員會負責考慮及建議潛在投資項目。臨時會議於已識別潛在項目時舉行。於會議上，彼等將檢討個別項目狀況及將採取之行動（如有需要），並向董事會作出推薦建議，以供考慮及批准。

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DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the Auditors to the shareholders of the Company are set out on pages 90 and 91 of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining an adequate risk management and internal control system and for reviewing its effectiveness on an annual basis, in respect of controls on financial, operational, compliance and risk management, to safeguard shareholders' interest and the Group's assets.

The risk management and internal control system are designed to provide reasonable, but not absolute, assurance. The system aims to eliminate, or otherwise manage, risks of failure in achieving the Company's objectives.

Main features of the risk management and internal control system

The objectives of the risk management and internal control framework of the Group include:

- to enhance corporate governance standards;
- to continuously establish and improve the company-wide and top-down approach risk management and internal control system;
- to strengthen the Group's risk management and internal control in compliance with the Main Board Listing Rules requirements; and
- to address on-going changes and challenges and reduce uncertainties.

董事及核數師對賬目之責任

董事對賬目之責任及核數師對本公司股東之責任載於本報告第90及91頁。

風險管理及內部監控

董事會整體負責就財務、營運、合規及風險管理等方面的監控維持充足之風險管理及內部監控制度並每年檢討其有效性，以保障股東利益及維護本集團資產。

風險管理及內部監控制度旨在提供合理而非絕對之保證。該制度旨在杜絕或管理無法達致本公司目標之風險。

風險管理及內部監控制度之主要特點

本集團風險管理及內部監控框架之目標包括：

- 提升企業管治水平；
- 持續建立及改善遍及全公司之自上而下風險管理及內部監控制度；
- 遵照主板上市規則，加強本集團之風險管理及內部監控；及
- 應對持續變動及挑戰，減少不明朗因素。

Corporate Governance Report

企業管治報告

Three-line defense risk management model

The Group has used a three-line defense risk management model to identify, assess, mitigate and manage risks. At the first line of defense, operational departments are responsible for identifying, assessing and monitoring risks associated with each business. The management, as the second line of defense, sets out policies and procedures, defines management structure, and provide guidance on risk management. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the third line of defense, the Audit Committee, with the assistance of the Group's internal audit department, ensures that the first and second lines of defense are effective through on-going assessment of the adequacy and effectiveness of the Group's risk management and internal control system.

Process Used to Identify, Evaluate and Manage Significant Risks
The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Identification

- Identifies risks that may affect the Group's businesses.

Assessment

- Assesses the risks identified by using the assessment baseline developed by the management; and
- Considers the impact on the business and the likelihood of their occurrence.

Responding

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

三道防線風險管理模式

本集團使用三道防線風險管理模式識別、評估、減輕及管理風險。營運部門於第一道防線負責識別、評估及監察與各項業務有關之風險，而管理層則設定政策及程序、界定管理架構及提供風險管理指引作為第二道防線。此舉確保了風險均在可接受之範圍內及第一道防線具有成效。於第三道防線，審核委員會在本集團內部審核部門之協助下，透過持續評估本集團風險管理及內部監控制度之充足性及有效性，確保第一道及第二道防線均有成效。

用於識別、評估及管理重大風險之程序
本集團用於識別、評估及管理重大風險之程序概述如下：

識別

- 識別可能影響本集團業務之風險。

評估

- 評估使用管理層制定之評估基線所識別之風險；及
- 考慮其對業務之影響及發生之可能性。

應對

- 透過比較風險評估之結果釐定風險之先後次序；及
- 釐定風險管理策略及內部監控程序，以防範、避免或減輕風險。

Corporate Governance Report

企業管治報告

Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place; and
- Reports the results of risk monitoring to the management and the Board regularly.

With the assistance of the Group's internal audit department for implementation of risk management framework, management promptly identifies risks, evaluates the likelihood and impact of risks, assesses the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the actions plans. A risk register is prepared to summarise the identified key risks, the assessment of risk and related risk mitigating actions and tabled for discussion by the Audit Committee, and for reporting to the Board through the Audit Committee members. The risk register summary facilitates the Board in reviewing the changes in the nature and extent of significant risks, the Group's ability to respond to changes in its business and the external environment, as well the scope and quality of management's ongoing risk monitoring and related mitigating internal control measures.

Internal Control

The Group's internal audit function is performed by an internal audit team. The team plays an important part in the assessment of the effectiveness of the internal control systems of the Group and reports directly to the Audit Committee on a regular basis. The team conducts internal audit reviews on material controls and compliance with policies and procedures of the Group. Plans and tools for corrective actions and control improvement are identified and communicated with operations management to address any issues or deficiencies identified. The team monitors the implementation of remediation plans and actions by the operations management and reports the outcome to the Audit Committee.

監察及報告

- 持續對風險進行定期監察，確保落實適當之內部監控程序；及
- 向管理層及董事會定期報告風險監察之結果。

在本集團內部審核部門之協助下，管理層執行風險管理框架，及時識別風險、評估風險之可能性及影響以及評估行動計劃之充分度，以管理該等風險及監察並評估行動計劃之有效性。我們編製了一份風險登記冊，當中概述已識別之主要風險、風險評估及相關降低風險措施，並將其列表供審核委員會討論及用於透過審核委員會成員向董事會作出匯報。風險登記冊當中的概要便於董事會檢討重大風險之性質及程度之變動、提升本集團應對業務及外部環境變動自能力以及有利於控制管理層之持續風險監察及相關內部監控紓減措施之範圍及質素。

內部監控

本集團之內部審核職能由內部審核團隊履行。該團隊於評估本集團內部監控制度的有效性方面起重要作用，其定期直接向審核委員會匯報。該團隊負責對本集團重大監控及政策與程序的合規情況進行內部審核檢討。該團隊與營運管理層溝通，就任何已發現的問題或不足之處釐定糾正及改善監控的方案及措施。該團隊監察營運管理層執行補救方案及措施的情況並向審核委員會匯報相關結果。

Corporate Governance Report

企業管治報告

During the year ended 31 December 2017, the Board conducted a review of the Group's system of internal control to ensure the effective and adequate risk management and internal control system and convened meetings regularly to discuss financial, operational and compliance controls and risk management functions.

Based on the foregoing, the Group concludes that the Group's risk management and internal control system, as well as resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, is adequate and effective.

WHISTLEBLOWING POLICY

The Audit Committee also ensures that proper whistleblowing policy is in place so that employees can report any concerns, including misconduct, impropriety or fraud in financial reporting matters and accounting practices, in confidence and without fear of recrimination, for a fair and independent investigation and the appropriate follow-up action. Employees can report these concerns to either the Group internal audit department or chairman of the Audit Committee. The identity of the whistleblower will be treated with the strictest confidence.

In 2017, no incidents of fraud or misconduct were reported from employees, Shareholders or stakeholders that had a material effect on the Company's financial statements or overall operations.

INSIDE INFORMATION

The Board ensures the inside information is kept strictly confidential until the relevant announcement is made. The Directors are not aware of any significant areas which need to be brought to the attention of the Shareholders.

截至二零一七年十二月三十一日止年度，董事會已對本集團之內部監控制度進行檢討，以確保風險管理及內部監控制度之有效性及充足性，並定期召開會議以討論財務、營運及合規監控以及風險管理職能。

基於上文所述，本集團認為，本集團之風險管理及內部監控制度以及資源、員工資格及經驗、培訓課程及本集團之會計、內部審核及財務報告職能的預算均屬充分及有效。

舉報政策

審核委員會亦確保落實適當的舉報政策，讓僱員能夠以無懼指摘的自信心態報告任何問題，包括財務報告事項及會計常規方面的失當行為、不當行為或欺詐，以便進行公正獨立的調查及採取適當跟進措施。僱員可向本集團內部審核部門或審核委員會主席報告該等問題，而舉報人的身份將受到嚴格保密。

於二零一七年，僱員、股東或持份者概無報告任何對本公司的財務報表或整體營運構成重大影響的欺詐或行為失當事件。

內幕消息

董事會確保內幕消息於刊發相關公告前維持絕對機密。董事並不知悉任何重大方面須提請股東垂注。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY'S TRAINING

During the year ended 31 December 2017, Mr. Cheung has received no less than 15 hours of relevant professional training to refresh his skills and knowledge.

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings can send a written request to the Board or the Secretary of the Company to request a Special General Meeting ("SGM").

The written request should be deposited at the principal place of business of the Company in Hong Kong at Room 1203, 12/F., 118 Connaught Road West, Hong Kong, for the attention of the Company Secretary.

The written request must state the resolution(s), accompanied by a statement of the matters referred in the proposed resolution(s) and signed by the shareholder(s) concerned.

The request will be verified with the Company's share registrar and upon its confirmation that the request is proper and in order, the Company will convene a SGM within twenty-one (21) days of the deposit of the request. The actual SGM shall be held within two (2) months after the deposit of the written request.

Putting Forward Proposals at Shareholders' Meeting

The procedures for shareholder(s) to put forward proposals at SGM include a written notice of those proposals being submitted by the shareholder(s) of the Company, addressed to the Board or the Company Secretary at the principal place of business of the Company in Hong Kong at Room 1203, 12/F., 118 Connaught Road West, Hong Kong.

公司秘書之培訓

於截至二零一七年十二月三十一日止年度內，張先生已接受不少於15小時之相關專業培訓以更新其技能及知識。

股東之權利

召開股東特別大會

持有賦有於股東大會上投票權之本公司繳足股本不少於十分之一的股東可向董事會或本公司之秘書發出書面要求以要求召開股東特別大會（「股東特別大會」）。

書面要求應遞交至本公司之香港主要營業地點，地址為香港干諾道西118號12樓1203室，註明公司秘書收啟。

書面要求必須列明決議案連同建議決議案內所提述之事項聲明，並經有關股東簽署。

該要求將由本公司之股份過戶登記處予以核實，並於其確認該要求屬適當及依序作出後，本公司將於遞交該要求後二十一(21)日內召開股東特別大會。實際股東特別大會將於遞交書面要求後兩(2)個月內舉行。

於股東大會上提出建議

股東於股東特別大會上提出建議之程序包括由本公司股東提交該等建議之書面通知，遞交至本公司之香港主要營業地點，地址為香港干諾道西118號12樓1203室，註明董事會或公司秘書收啟。

Corporate Governance Report

企業管治報告

Procedures for nomination of Directors for election

The procedures for shareholders to propose a person for election as a Director are available on the Company's website at www.starlightcul.com.hk.

提名董事參選之程序

股東提名人士參選董事之程序可於本公司網站 (www.starlightcul.com.hk)查閱。

AMENDMENT TO CONSTITUTIONAL DOCUMENT

During the year ended 31 December 2017, there were no significant changes to the Company's constitutional document.

修訂憲章文件

於截至二零一七年十二月三十一日止年度，本公司之憲章文件並無重大變動。

COMMUNICATION WITH SHAREHOLDERS

The Company discloses relevant information to shareholders through the Company's annual report and financial statements, the interim report, as well as the AGM. The AGM allows the Directors to meet and communicate with shareholders.

與股東的溝通

本公司透過本公司之年報及財務報表、中期報告以及股東週年大會向股東披露相關資料。股東週年大會可讓董事與股東會面及溝通。

To further promote effective communication, the corporate website is maintained to disseminate Company announcements and other relevant financial and non-financial information electronically on a timely basis.

為進一步促進有效溝通，本公司已設立公司網站，以電子方式及時發放本公司之公佈以及其他相關財務及非財務資料。

Environmental, Social and Governance Report

環境、社會及管治報告

The Company is of the view that sound environmental, social and governance (“ESG”) performance is important to the sustainable development of its business and community, and hence is committed to promoting environmental protection, social responsibility and effective corporate governance.

The Board is responsible for the Group’s ESG strategy and reporting. The Group has engaged the management and employees across all functions in order to identify relevant ESG issues and to assess their materiality to the Group’s business as well as the Company’s stakeholders stipulated below, through reviewing our operations and internal discussions. Disclosures relating to the material ESG issues identified have been included in this ESG Report pursuant to the requirements of Appendix 27 of the Listing Rules (the “ESG Guide”).

本公司認為，良好之環境、社會及管治（「環境、社會及管治」）表現對其業務及社區之可持續發展而言至關重要，因此，其致力於促進環境保護、社會責任及有效之企業管治。

董事會負責本集團之環境、社會及管治策略及匯報。本集團已促使管理層及所有職能層面之僱員參與進來，以透過審閱本集團之營運和進行內部商討，識別相關環境、社會及管治問題，並評估該等問題對本集團業務及下述本公司持份者之重要性。根據上市規則附錄二十七之規定（「環境、社會及管治指引」），有關所識別之重大環境、社會及管治問題之披露已載入本環境、社會及管治報告。

STAKEHOLDER

持份者參與

Stakeholders 持份者	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Government and regulatory authorities 政府及監管機關	<ul style="list-style-type: none"> - Compliance with laws and regulations - 遵守法律及法規 - Support economic development - 支持經濟發展 - proper tax payment - 妥當繳納稅款 	<ul style="list-style-type: none"> - Supervision on complying with local laws and regulations - 監督當地法律及法規的遵守情況 - Routing reports and taxes paid - 發送報告及支付稅款
Shareholders 股東	<ul style="list-style-type: none"> - Return on investments - 投資回報 - Corporate governance - 企業管治 - Business compliance - 業務合規 	<ul style="list-style-type: none"> - Regular reports and announcements - 定期報告及公告 - Regular general meetings - 定期股東大會 - Official website - 官方網站
Employees 僱員	<ul style="list-style-type: none"> - Employees’ compensation and benefits - 僱員補償及福利 - Career development - 職業發展 - Health and safety working environment - 健康安全的工作環境 	<ul style="list-style-type: none"> - Performance reviews - 表現檢討 - Regular meetings and trainings - 定期會議及培訓 - Emails, notice boards, hotline, caring activities with management - 電郵、布告板、熱線、與管理層進行關懷活動

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Customers 客戶	<ul style="list-style-type: none"> - Customer relationship - 客戶關係 - Protect the rights of customers - 保障客戶權利 	<ul style="list-style-type: none"> - Face-to-face meetings and on-site visits - 面對面會議及實地拜訪
Suppliers 供應商	<ul style="list-style-type: none"> - Fair and open procurement - 公平公開的採購 - Win-win cooperation - 雙贏合作 	<ul style="list-style-type: none"> - Suppliers' satisfactory assessment - 供應商滿意度評估 - Face-to-face meetings and on-site visits - 面對面會議及實地拜訪
General public 公眾人士	<ul style="list-style-type: none"> - Involvement in communities - 社區參與 - Business compliance - 業務合規 - Environmental protection awareness - 環保意識 	<ul style="list-style-type: none"> - Organization of community activities - 組織社區活動

Environmental, Social and Governance Report

環境、社會及管治報告

The table below shows the ESG issues which were determined to be material to the Group, together with the aspects on the ESG Guide to which they relate, based on the assessment performed by the Group. This ESG Report mainly covers the policies, initiatives and performance of the Group's business in relation to these issues, for the year ended 31 December 2017 (the "Reporting Period"):

下表列示根據本集團進行之評估所釐定之對本集團而言屬重大之環境、社會及管治問題，連同該等問題所涉及之環境、社會及管治指引層面。本環境、社會及管治報告主要涵蓋截至二零一七年十二月三十一日止年度（「報告期間」）與該等問題有關之本集團業務政策、措施及表現：

ESG aspects as set forth in ESG Guide

環境、社會及管治指引所載環境、社會及管治層面

Material ESG issues for the Group

對本集團而言屬重大之環境、社會及管治問題

A. Environmental

環境

A1 Emissions
排放物

Carbon dioxide emissions and waste management
二氧化碳排放物及廢物管理

A2 Use of resources
資源使用

Use of energy and water
能源及水使用

A3 The environment and natural resources
環境及天然資源

Air quality
空氣質素

Environmental, Social and Governance Report

環境、社會及管治報告

ESG aspects as set forth in ESG Guide 環境、社會及管治指引所載環境、社會及管治層面

Material ESG issues for the Group 對本集團而言屬重大之環境、社會及管治問題

B. Social 社會	
B1 Employment 僱傭	Labour practices 勞工常規
B2 Health and safety 健康與安全	Workplace health and safety 工作場所健康與安全
B3 Development and training 發展及培訓	Employee development and training 僱員發展及培訓
B4 Labour standards 勞工準則	Anti-child and forced Labour 反童工及強制勞工
B5 Supply chain management 供應鏈管理	Supplier management 供應商管理
B6 Product responsibility 產品責任	Product quality 產品質量
B7 Anti-corruption 反貪污	Anti-corruption and anti-money laundering 反貪污及反洗黑錢
B8 Community investment 社區投資	Community programs 社區項目

Note: Since the Group is principally engaged in entertainment and gaming business, trading business and media and culture, no substantial amounts of packaging materials were used in the Reporting Period. Therefore, disclosures relating to this aspect, as set forth in the ESG Guide, is not applicable to the Group and so has not been made.

附註：由於本集團主要從事娛樂及博彩業務、貿易業務以及傳媒及文化業務，故於報告期間內並無使用大量包裝材料。因此，有關環境、社會及管治指引所載此層面之披露並不適用於本集團，故並無作出有關披露。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL

The operation of the Group has limited impact on the environment. The main business of the Group is entertainment and gaming, media and culture, and trading, which is not the main cause of environmental pollution. Moreover, the business of the Group does not involve industrial activities and thus the total amount of emission, resources used and waste produced is low.

However, the Group understands that it is the responsibility of all corporations to ensure that emission of pollutants and consumption of resources are minimized and carbon footprints are produced. For such purpose, the Group has identified the following goals to reduce consumption of resources:

Goals

- Reducing emission of carbon dioxide
- Reducing consumption of resources
- Reducing production of waste

During the Reporting Period, the Group was in compliance with the rules and regulations related to environmental protection and did not identify any violations that were related to environmental protection and had significant impact on the Group.

EMISSION

There were mainly two types of greenhouse gases emissions of the Group during the current fiscal year, including (but not limited to) direct emission from vehicles, and indirect emissions from purchased electricity in offices.

As at 31 December 2017, the Group's vehicles travelled 18,085 km in total. Total emission of nitrogen oxides and sulfur dioxide amounted to 16 kg and 26 g respectively. Particle emission amounted to 1.5 kg while carbon dioxide emission amounted to 4.3 tonnes. The vehicles were monitored and inspected by the system on a regular basis to keep them in the best conditions in order to increase fuel consumption efficiency and ensure road safety.

A. 環境

本集團的營運對環境的影響甚微。本集團經營的主要業務為娛樂及博彩、傳媒及文化及文化及貿易業務，所在領域並非環境污染的主要源頭。此外，本集團的業務亦不涉及工業活動，因此排放、資源使用和廢棄物產生方面的總量亦甚低。

然而，本集團了解到確保污染物的排放和資源的消耗降至最低並減少碳足跡是所有企業的責任。為此，本集團制定了以下減少資源消耗的目標：

目標

- 減低二氧化碳排放量
- 減少能源消耗
- 減少廢物產生

於報告期內，本集團遵守與環保相關的法規，並無涉及與環境保護相關並對本集團有重大影響的已確認違規事件。

排放

本集團本會計年度主要的溫室氣體排放主要為兩種，包括（但不限於）車輛的直接排放及辦公室購買電力的間接排放。

截至2017年12月31日，本集團車輛總行駛公里為18,085公里。總氮氧化物及二氧化硫的排放量分別為16千克和26克，而顆粒排放量則為1.5千克，二氧化碳排放量為4.3噸。車輛採用了系統監察檢查，定期進行例行檢查使車輛維持於最佳狀態，藉此提高燃料耗用效率及確保道路安全。

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For purchased electricity in offices, the Group encourages the employees to set the air conditioners at the most comfortable temperature and switch them off and switch off lights when it is not necessary so as to reduce emission of greenhouse gases. The Group has also put notices at eye-catching areas in the offices to remind our employees about energy saving in the course of business.

USE OF RESOURCES

The Group has always been promoting sustainability by assuming the social responsibility of environmental protection in the course of business and, on the premise of minimizing the impact on the environment, creating unlimited possibilities with limited resources. In this regard, the Group attaches great importance to employees' environmental awareness, thus has put forth a number of initiatives with the goal of "green office", educating employees about how to fully utilize the resources and save energy. The Group aims at maximizing the efficiency of our resources in commercial aspect while eliminating waste and contributing to the society in social aspect.

The Group also embraces its responsibility in environmental protection throughout the course of office administration and daily operation. Apart from adhering to the principle of recycling and reducing use, the Group is committed to creating green offices to minimize the impact on the environment. In light of the nature of the business of the Group, the consumption of energy, electricity, water and other natural resources in the offices are limited. Power consumed by the Group for the current fiscal year amounted to 69,388 kWh (5.782 kwh per employee) and total carbon dioxide emission amounted to 54.8 tonnes, mainly due to daily consumption in the offices.

辦公室購買電力方面，本集團鼓勵僱員將辦公室空調設定在最舒適溫度及於不必要時將空調及燈具關閉，以減少溫室氣體排放。此外，本集團亦於辦公室當眼位置張貼告示，提醒僱員注意用電，在業務中積極實踐節約能源。

資源使用

本集團一向致力推廣可持續發展，在營運同時擔當起保護環境的社會責任，在減低對環境造成影響的大前提下，以有限的資源創造無限可能。而其中本集團對僱員的環保意識極其重視，以「綠色辦公室」為目標設立多項措施，務求令員工明白如何在經營時既充分利用資源，又能節約能源。在商業層面能發揮資源最大效能，在社會層面能杜絕浪費，回饋社會。

本集團於整個辦公室管理及日常營運過程亦秉承對環境負責之態度。除了堅守循環再用及減少使用的原則，同時實踐綠色辦公室，達至盡量減少公司對環境的影響。鑒於本集團的業務性質，只有在辦公室以內範圍之資源運用，較少使用能源、電力、水及其他天然資源。本集團本會計年度的電力消耗為69,388千瓦時（每名僱員5.782千瓦時），總二氧化碳排放量為54.8噸，主要產生自辦公室日常消耗。

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Below are measures taken by the Group in saving energy:

- Adopting double-sided printing and promoting use of recycled paper;
- Switching off unused lights and electric appliances to reduce energy consumption;
- Keeping the room temperature at a comfortable level and switching off the air conditioners when not necessary;
- Switching off the air conditioners and lights after office hour and when they are not in use;
- Requiring employees to turn their computers and other devices to the sleep mode or switch them off when leaving the office (including visiting clients and having lunch); and
- Conducting regular maintenance for office equipment (such as air conditioners, computers, lights, refrigerators and paper shredders) to ensure normal operation.

As per the business nature of the Group, water consumption is very limited, mainly daily water consumption by the employees in offices during business hours. The domestic sewage of the Group does not include hazardous wastewater and is directly discharged to the municipal sewer pipeline. In order to reduce wastewater, employees of the Group are encouraged to save water. In the Reporting Period, water consumption amounted to 2 m³ (0.16 m³ per employee).

以下是本集團已實施在節能省電方面的措施：

- 採用雙面列印及複印、推廣環保用紙；
- 關掉不使用的照明及電器來減少能源消耗；
- 把室溫保持在攝氏舒適的溫度及於不必要時將其關閉；
- 關掉非辦公時間及閒置房間中的空調和燈；
- 員工於上班時間離開辦公室位置期間（包括到訪客戶及午膳），需將電腦及其他設備設置為睡眠狀態或將其關掉；以及
- 定期保養以確保辦公室設備（如空調、電腦、電燈、雪櫃、碎紙機等）有效運行。

基於本集團業務性質，水消耗極少，主要產生自員工於工作時間在辦公室的日常用水，不含有害廢水，生活污水直接排放到市政污水管道。為了減少污水的產生量，本集團鼓勵員工節約用水，而報告期內，耗水量為2立方米（每名僱員0.16立方米）。

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DATA ON GREENHOUSE GAS EMISSION

溫室氣體排放數據

KPI 1.2 & 2.1	關鍵績效指標1.2及2.1	Unit 單位	Data 數據
Vehicles	車輛	18,085 km 18,085公里	CO2: 4.3 tonnes 二氧化碳：4.3噸
Power consumption	用電	69,388 kWh 69,388千瓦時	CO2: 54.8 tonnes 二氧化碳：54.8噸
Total	統計		Total CO2: 59.1 tonnes 總二氧化碳：59.1噸

PRODUCTION OF WASTE

Solid waste of the Group is mainly produced in the daily operation of the offices, including daily paper consumption, office paper waste and food waste made by employees. All domestic waste is collected and disposed by the property management office of the office building on a regular basis.

The Group is committed to reduce waste production. The Group encourages the employees to recycle stationery and reduce waste with an aim to prevent waste production at the initial stage. Moreover, the Group has adopted a digital operation method to centralize all documents and regularly educates its employees about environmental protection. For example, the employees are required to print double-sided and reuse paper printed single-sided in order to save and reduce the use of paper and other natural resources. Permission is also required for printing in the offices for statistical and adjustment purposes on the use of paper, so that resource utilization can be enhanced.

The Group has established appropriate measures for disposal of computers and related products such as printers and toner cartridges. Unused digital products are transferred or reused while obsolete accessories and used toner cartridges are collected by third party companies for recycling.

In case it is necessary to dispose of an item, the Group encourages our employees to collect and classify the waste before disposing so as to reduce the negative impact on the environment.

廢棄物產生

本集團所產生的固體廢物主要來自辦公室的日常運作，包括日常用紙、辦公文件廢物、及員工食品廢物等。所有生活垃圾均由辦公樓所屬的物業管理處定期統一收集處理。

本集團致力以減少廢棄物產生，本集團鼓勵僱員回收文儀用品以及減少浪費，從源頭開始減少廢棄品的產生。此外，本集團採用電子化的營運模式集中處理文件檔案，並且定期向僱員傳達環保訊息，如要求僱員雙面列印和重複使用單面複印的紙張，以節約及減少使用紙張等天然資源。另外，辦公室亦會設置列印權限，對用紙情況進行統計及調整，提高資源利用率。

本集團對電腦主機及其周邊用品，如打印機、碳粉盒等，建立適當的處理措施。本集團會轉讓或重用多餘的電子商品，已老化的配件或已用的打印機碳粉盒則交由第三方公司回收，實行循環再造。

如必須棄置物品，本集團亦鼓勵僱員收集廢物及進行分類後才棄置，以減低對環境的負面影響。

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B. SOCIAL

B1 Employment

Labour practices

To ensure that the Group is able to operate according to professional and ethical labour practices, the Group has developed clear work processes with robust control mechanisms which have been clearly communicated to all employees. Certain policies to govern employees' affairs such as payroll, attendance and termination are clearly set out in staff appointment letters in compliance with Hong Kong Employment Ordinance. USA, Macau, PRC, Australia and Kingdom of Cambodia offices are in compliance with the relevant labour laws and regulations locally respectively.

The Group also aims to promote the diversity of workforce, including in terms of age, gender and nationality, as well as a culture of equal opportunity. The management regularly reviews the Group's remuneration policy in relation to relevant market standards.

B2 Health and safety

Workplace health and safety

The Group has established a set of policies which is focused on maintaining a healthy and safe working environment, and which includes the following requirements:

- The facilities operated by employees should meet safety and health standards; and
- relevant information and training should be provided to employees in respect of risks to their health and safety which may arise out of their work.

The Group did not violate any health and safety laws and regulations of USA, Australia, Kingdom of Cambodia, PRC, Macau and Hong Kong, where applicable, during the Reporting Period.

B. 社會

B1僱傭

勞工常規

為確保本集團能夠根據專業及道德的勞工常規進行營運，本集團已制定附帶嚴格監控機制之清晰工作程序，並已就此與全體僱員進行明確溝通。為遵守香港僱傭條例，若干管治薪資、出勤及終止僱傭等僱員事務之政策已列明於員工任命書。位於美國、澳門、中國、澳洲及柬埔寨王國之辦事處分別遵守本地之相關勞工法例及規例。

本集團亦旨在於年齡、性別及國籍以及平等機會文化等方面促進勞動力的多元化。管理層定期參照相關市場標準檢討本集團之薪酬政策。

B2健康與安全

工作場所健康與安全

本集團已設立一整套以維護健康與安全工作環境為重心之政策，該等政策包括以下規定：

- 僱員所操作之設施須符合安全與健康準則；及
- 須向僱員提供有關彼等於工作中可能遇到之健康與安全風險之資料及培訓。

於報告期間，本集團並無違反美國、澳洲、柬埔寨王國、中國、澳門及香港之任何健康與安全法例及法規（如適用）。

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The Group has established a mechanism for monitoring occupational health and safety, as well as procedures for dealing with related risks. The Group engages employees in the determination of appropriate occupational health and safety precautionary measures. Accident reporting and investigation procedures have also been adopted for the follow-up of any health and safety incidents.

Regular inspections and management review of health and safety have been performed to ensure the effectiveness of the policies and measures.

B3 Development and training

Employee development and training

The Group strives to promote the long-term development of its employees by providing learning opportunities that broaden their skills and make them valuable assets to the Group.

Internal training and external seminars are offered to employees including in the areas of finance, governance, rules and regulations, supervisory and managerial skills, as well as various technical training courses relating to their respective job duties.

B4 Labour standards

Anti-child and forced labour

The Group strictly prohibits the use of child and forced labour in the Group, and is totally committed to creating a work environment which respects human rights.

In addition to having well-established recruitment processes requiring background checks on candidates and formalised reporting procedures to address any exceptions found, the Group also performs regular reviews and inspections to detect the existence of any child or forced labour in the operations.

本集團已設立監督職業健康與安全之機制以及處理相關風險之程序。本集團讓僱員參與釐定適當的職業健康與安全預防措施。我們亦就跟進任何健康與安全事故採納了事故匯報及調查程序。

我們一直對健康與安全進行定期視察及管理檢討，以確保有關政策及措施行之有效。

B3發展及培訓

僱員發展及培訓

本集團不遺餘力地透過提供能提升僱員技能之種種學習機會促進彼等之長期發展，培養彼等成為本集團之寶貴資產。

我們亦向僱員提供內部培訓及外部研討會，涵蓋範圍有財務、管治、規則及規例、監督及管理技能以及與彼等各自工作職責有關之各類技術培訓課程。

B4勞工準則

反童工及強制勞工

本集團嚴格禁止在其內部使用童工及強制勞工，並全心全意致力於創造尊重人權之工作環境。

除具備要求對求職者進行背景審查之完善招募程序及制定解決任何所發現之例外情況的匯報程序外，本集團亦定期進行檢討及視察，以查明營運中是否存在任何童工或強制勞工。

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B5 Supply chain management

Supplier management

The Group interacts with a number of suppliers for trading businesses. We have established and implemented supplier management policies and procedures to manage the risks associated with our supply chain, including those associated with environmental, social and governance practices.

B6 Product responsibility

With the traded products entirely sourced from suppliers regarding our trading businesses, the group has established and implemented product quality checking policies and procedures to manage the risks associated with our traded products to mitigate risk related to health and safety, advertising, labelling and privacy matters relating to products and services.

The Group did not violate any related laws and regulations of USA, Australia, Kingdom of Cambodia, PRC, Macau and Hong Kong, where applicable, during the Reporting Period.

B5 供應鏈管理

供應商管理

本集團就進行貿易業務與數名供應商互有往來。我們制定並執行供應商管理政策和程序，以管理與供應鏈有關之風險，包括該等與環境、社會及管治常規有關之風險。

B6 產品責任

由於就我們的貿易業務而言所買賣之產品完全採購自供應商，本集團已制定並執行產品品質檢查政策和程序，以管理與所買賣產品有關之風險，降低有關產品及服務的健康與安全、廣告、標籤及私隱事宜之風險。

於報告期間，本集團並無違反美國、澳洲、柬埔寨王國、中國、澳門及香港之任何相關法例及法規（如適用）。

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B7 Anti-corruption

Ant-corruption and anti-money laundering

The Group has in place a number of policies addressing anti-corruption, such as acceptance of gifts, and conflicts of interest, which provide guidance to employees in this area. The Group has also established policies and procedures to deal with anti-money laundering in its operations.

In addition, the Group has established prevention system by setting up communication channels for faults and anti-corruption reporting. The whistle-blowing system can handle any breach of laws and regulations.

Relevant articles on anti-corruption and anti-money laundering are provided to employees for their study and reference in order to raise their awareness of the code of conduct as well as related procedures and guidelines.

During the Reporting Period, no legal case regarding corruption was brought against the Group or its employees. Also, there were no cases of non-compliance with laws and regulations on anti-money laundering in USA, Australia, Kingdom of Cambodia, PRC, Macau and Hong Kong.

B8 Community investment

Community programs

The Group has been supporting sports and other charitable activities many years. During the Reporting Period, the Group arranged several sports activities to promote health and community involvement.

B7反貪污

反貪污及反洗黑錢

本集團設有解決反貪污（例如接受禮物）及利益衝突之數項政策，當中訂明就此方面給予僱員之指引。本集團亦制定處理營運中的反洗黑錢活動之政策及程序。

此外，本集團透過設立供用於匯報失責及反貪污之溝通渠道制定預防制度。舉報制度可處理任何違反法例及規例之情況。

我們向僱員提供便於彼等學習和參考之相關反貪污及反洗黑錢文章，以提高彼等對行為守則以及相關程序及指引之認知度。

於報告期間，本集團或其僱員概無被起訴貪污訴訟案件。此外，我們亦無違反美國、澳洲、柬埔寨王國、中國、澳門及香港反洗黑錢法例及規例之個案。

B8社區投資

社區項目

多年來，本集團一直支持各類體育及其他慈善活動。於報告期間，本集團安排多項體育活動，以提升健康及社區參與。

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環境、社會及管治報告

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

聯交所《環境、社會及管治報告指引》索引

Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
A. Environmental			
A. 環境			
Aspect A1: Emissions			
層面A1：排放物			
General Disclosure 一般披露		Environmental 環境	
Information on: 有關廢氣及溫室氣體排放、向水及土地的排 污、有害及無害廢棄物的產生等的：			
(a) the policies; and (a) 政策；及			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (b) 遵守對發行人有重大影響的相關法律及規例的資料。			
A1.1 The types of emissions and respective emissions data A1.1 排放物種類及相關排放數據		Emissions 排放	
A1.2 Greenhouse gas emissions in total A1.2 溫室氣體總排放量		Emissions 排放	

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Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
A1.3 Total hazardous waste produced A1.3 所產生有害廢棄物總量		Not applicable 不適用	During the course of business, the Company did not produce any chemical or medical-related hazardous waste. 本公司業務營運過程中並無產生任何化學或醫療相關的有害廢棄物。
A1.4 Total non-hazardous waste produced A1.4 所產生無害廢棄物總量		Not applicable 不適用	During the course of business, the Company did not produce a large amount of non-hazardous waste, therefore, it did not include the data of non-hazardous waste in the calculation this time. 本公司業務營運過程中並無產生大量無害廢棄物，因此本公司此次未有把無害廢棄物之數據納入計算範圍內。
A1.5 Description of measures to mitigate emissions and results achieved A1.5 描述減低排放量的措施及所得成果		Emissions 排放	
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved A1.6 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果		Waste production 廢棄物產生	

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Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
Aspect A2: Use of Resources 層面A2：資源使用			
General Disclosure 一般披露		Environmental 環境	
Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。			
A2.1 Direct and/or indirect energy consumption by type A2.1 按類型劃分的直接及／或間接能源總耗量 資源使用		Use of resources 資源使用	
A2.2 Water consumption in total and intensity A2.2 總耗水量及密度		Use of resources 資源使用	
A2.3 Description of energy use efficiency initiatives and results achieved A2.3 描述能源使用效益計劃及所得成果		Use of resources 資源使用	
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved A2.4 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果		Use of resources 資源使用	
A2.5 Total packaging material used for finished products A2.5 製成品所用包裝材料的總量		Not applicable 不適用	

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Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源			
General Disclosure 一般披露		Environmental 環境	
Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。			
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		Use of resources	
A3.1 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動		資源使用	

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Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
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B. Social

B. 社會

Aspect B1: Employment

層面B1：僱傭

General Disclosure
一般披露

Employment
僱傭

Information on:

有關薪酬及解僱、招聘及
晉升、工作時數、假期、
平等機會、多元化、反歧視
以及其他待遇及福利的：

- (a) the policies; and
- (a) 政策；及
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
- (b) 遵守對發行人有重大影響的相關法律及規例資料。

Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
Aspect B2: Health and Safety 層面B2：健康與安全			
General Disclosure 一般披露		Health and safety 健康與安全	
Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：			
(a) the policies; and (a) 政策；及			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. (b) 遵守對發行人有重大影響的相關法律及規例資料。			
Aspect B3: Development and Training 層面B3：發展及培訓			
General Disclosure 一般披露		Development and training 發展及培訓	
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。			

Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
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Aspect B4: Labour Standards 層面B4：勞工準則

General Disclosure
一般披露

Labour standards
勞工準則

Information on:
有關防止童工或強制勞工的：

- (a) the policies; and
(a) 政策；及
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. Labour standards.
(b) 遵守對發行人有重大影響的相關法律及規例資料。

Aspect B5: Supply Chain Management 層面B5：供應鏈管理

General Disclosure
一般披露

Supply chain management
供應鏈管理

Policies on managing environmental and social risks of the supply chain.
管理供應鏈的環境及社會風險政策。

Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
Aspect B6: Product Responsibility 層面B6：產品責任			
General Disclosure 一般披露		Product responsibility 產品責任	
Information on: 有關提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：			
(a) the policies; and (a) 政策；及			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Product responsibility	
(b) 遵守對發行人有重大影響的相關法律及規例資料。		產品責任	
Aspect B7: Anti-corruption 層面B7：反貪污			
General Disclosure 一般披露		Anti-corruption 反貪污	
Information on: 有關防止賄賂、勒索、欺詐及洗黑錢：			
(a) the policies; and (a) 政策；及			
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.			
(b) 遵守對發行人有重大影響的相關法律資料。			

Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators (KPIs) 關鍵績效指標(KPI)	ESG Report 《環境、社會及管治報告》	Section containing disclosures 披露章節	Remarks 備註
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Aspect B8: Community Investment 層面B8：社區投資

General Disclosure
一般披露

Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.

有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。

Community investment

社區投資

Directors' Profiles

董事簡介

EXECUTIVE DIRECTORS

Mr. Yan, aged 48, Mr. Yan was accredited as an Economist with a specialty in Management by the Personnel Department of Sichuan Province* (四川省人事廳) in 2003. He has 20 years of experience in property development in the PRC and extensive experience in the entertainment business through investment in various companies, and financing films. Mr. Yan is the legal representative and an executive director of Chengdu Xuhe Property Development Group* (成都旭和房地產開發有限公司), a company established in the PRC. He is also the legal representative and an executive director of Sichuan Xuhe Film Company Limited* (四川旭和影業有限公司), a company established in the PRC.

Mr. Chau Chit ("Mr. Chau"), aged 53, was an Executive Director of the Company on 22 July 2013. Mr. Chau currently serves as the chairman of the Hong Kong Jiangyin Trade Association and the vice president of Federation of HK Jiangsu Community Organisations Limited. He holds a bachelor degree in chemistry from Zhejiang University and an EMBA degree (Executive Master of Business Administration) from Zhejiang University.

Mr. Chau was appointed as an executive director and as the Chairman of Vision Fame International Holding Limited (a company listed on the main board of the Stock Exchange in Hong Kong (stock code: 1315)) on 22 July 2015 and 23 September 2015 respectively. He was re-designated to Co-Chairman and appointed as the chief executive officer of Vision Fame International Holding Limited on 1 March 2017.

Mr. Chau was appointed as an executive director and the chief executive officer of Sino Stride Technology (Holdings) Ltd (Stock Code: 8177). Mr. Chau was appointed an executive director, the managing director, the chairman of the executive committee and a member of the investment committee of HNA International Investment Holdings Limited (Stock Code: 521) in June 2006. Mr. Chau resigned his positions at HNA International Investment Holdings Limited with effect from 24 October 2013.

執行董事

顏先生，48歲。顏先生於二零零三年獲四川省人事廳授予專業管理經濟師稱號。彼擁有20年中國房地產開發經驗及透過投資於多家公司及電影融資於娛樂業擁有豐富經驗。顏先生為成都旭和房地產開發有限公司(於中國成立之公司)之法定代表及執行董事。彼亦為四川旭和影業有限公司(於中國成立之公司)之法定代表及執行董事。

周哲先生(「周先生」)，53歲，自二零一三年七月二十二日起獲委任為本公司執行董事。周先生現為香港江陰商會會長及香港江蘇社團總會有限公司副會長。彼持有浙江大學化學系學士學位並持有浙江大學高級行政人員工商管理碩士學位(EMBA)。

周先生分別於二零一五年七月二十二日及二零一五年九月二十三日獲委任為允升國際控股有限公司(一間於香港聯交所主板上市之公司(股份代號: 1315))之執行董事及主席。彼於二零一七年三月一日調任為允升國際控股有限公司之聯席主席並獲委任為行政總裁。

周先生曾獲委任為中程科技集團有限公司(股份代號: 8177)之執行董事兼行政總裁。周先生於二零零六年六月獲委任為海航國際投資集團有限公司(股份代號: 521)之執行董事、董事總經理、執行委員會主席以及投資委員會成員。周先生已辭任於海航國際投資集團有限公司之職務，自二零一三年十月二十四日起生效。

Directors' Profiles

董事簡介

Mr. Luo Lei (羅雷), aged 47, is a television and film director and producer. He has been in the television and film industry for over 15 years, and has directed several Chinese mid- and long-length television series and films, including the television series 愛在陽光燦爛時 (Love in Sunshine*), 芙蓉花開 (Blossoms of Hibiscus Flowers*), 那一些往事 (Cheng Du Wang Shi*), 雪域雄鷹 (Snow Region Eagles*), and the film 熊貓與阿西的故事 (The Story of Panda and Assi*). He also has extensive working experience in the film and television advertisement industry.

Ms. Chen, aged 46, obtained a Master's Degree in Economics from Shanghai University of Finance and Economics in 2004, and is the angel investor of Shanghai Ma Shang Fei Yang Calculation Technology Company Limited* (上海馬上飛揚計算機技術有限公司). Ms. Chen is an experienced investor with investments covering technology and telecommunication sectors and has interest in various PRC-based technology and/or telecommunication related companies, and listed companies in Hong Kong.

Mr. Hung Ching Fung ("Mr. Hung"), aged 34, was appointed as an Executive Director of the Company on 27 September 2014. Mr. Hung obtained a Bachelor Degree in Commerce from Macquarie University in Australia in 2007. Mr. Hung worked as an auditor in Deloitte Touche Tohmatsu and Grant Thornton from 2007 to 2010. Mr. Hung is a full member of CPA Australia. Mr. Hung has been the Financial Controller of Jimei Group since 2010 and has been an executive director of Cloud Investment Holdings Limited (previously known as China Bio Cassava Holdings Limited), a company whose shares are listed on the Stock Exchange (stock code: 8129), since August 2013. He was a non-executive director of Asa Resource Group Plc, a company whose shares are listed on the Alternative Investment Market of London Stock Exchange Plc. (AIM code: asa.l) from September 2015 to July 2017.

羅雷先生，47歲，是影視導演製片人。彼投身電視電影業逾15年，曾導演多部中國中長篇電視劇及影片，其中包括電視劇《愛在陽光燦爛時》、《芙蓉花開》、《那一些往事》、《雪域雄鷹》及影片《熊貓與阿西的故事》。彼在影視廣告行業亦有豐富的工作經驗。

陳女士，46歲，於二零零四年獲得上海財經大學經濟學碩士學位，亦為上海馬上飛揚計算機技術有限公司之天使投資人。陳女士為資深投資者，投資覆蓋技術及通訊領域。彼亦於多家總部位於中國的技術及／或通訊相關公司及香港上市公司擁有權益。

洪清峰先生（「洪先生」），34歲，於二零一四年九月二十七日獲委任為本公司執行董事。洪先生於二零零七年獲得澳洲麥考瑞大學(Macquarie University)商科學士學位。洪先生於二零零七年至二零一零年期間於德勤•關黃陳方會計師行及均富會計師行任職核數師。洪先生為澳洲註冊會計師公會之正式會員。洪先生自二零一零年起擔任集美集團之財務總監及自二零一三年八月起擔任雲信投資控股有限公司（前稱中國生物資源控股有限公司，該公司股份於聯交所上市（股份代號：8129））之執行董事。自二零一五年九月至二零一七年七月，洪先生擔任Asa Resource Group Plc（該公司股份於倫敦證券交易所另類投資市場上市（AIM代號：asa.l））之非執行董事。

Directors' Profiles

董事簡介

Mr. Li Haitian (李海天), aged 25, graduated from the China Central Radio and TV University (now known as The Open University of China) with a major in finance in 2014, and was registered and approved as a securities broker by the Securities Association of China in 2013. Mr. Li worked at CITIC Securities Co., Ltd. from 2013 to 2017, and has experience in investment financing and securities brokerage. He has acted as a sole financial adviser in the financing of first round share capital of Chengdu Century Club International Traveling Limited* (成都嘉誠世紀國際旅行社有限公司) in 2015 and the fund raising and issue of units of the new media film fund of Dahan Investment Asset Management (Beijing) Company Limited* (大瀚投資基金管理(北京)有限公司) from 2016 to 2017, and has extensive experience in providing financial services related to the entertainment industry.

NON-EXECUTIVE DIRECTORS

Mr. Wang, aged 34, graduated from Shanghai International Studies University with a master's degree in Economics in 2009. He is currently the head of the debt capital market department and structured finance department of Zhongtai International Capital Limited (中泰國際融資有限公司), responsible for monitoring the operation of the debt capital market department and structured finance department. Prior to that, he had acted as the general manager of the greater Shanghai region of Zhongtai Financial International Limited (中泰金融國際有限公司), responsible for the development in the Hong Kong market.

Mr. Wang has also been a non-executive director of Yuhua Energy Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 02728), since April 2017.

李海天先生, 25歲, 於二零一四年畢業於中國中央廣播電視大學(現稱國家開放大學)金融系, 於二零一三年獲中國證券業協會登記及批准為證券經紀人。李先生於二零一三年至二零一七年就職於中信證券股份有限公司, 於投融資及證券經紀方面擁有經驗。彼作為獨家金融顧問於二零一五年參與了成都嘉誠世紀國際旅行社有限公司的首輪股權融資及於二零一六年至二零一七年參與了大瀚投資基金管理(北京)有限公司的新媒體電影基金的募集及發行, 擁有豐富的娛樂產業金融服務經驗。

非執行董事

王先生, 34歲, 於二零零九年畢業於上海外國語大學, 持有經濟學碩士學位。彼目前為中泰國際融資有限公司債務資本市場部及結構融資部主管, 負責監察債務資本市場部及結構融資部之運作。在此之前, 彼擔任中泰金融國際有限公司大上海地區總經理, 負責發展香港市場。

自二零一七年四月起, 王先生亦為裕華能源控股有限公司(其股份於聯交所主板上市(股份代號: 02728))之非執行董事。

Directors' Profiles

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Wai Kwan (王偉軍), aged 49, obtained a bachelor's degree in accountancy from City University of Hong Kong in 1992 and a master's degree in business administration from Washington University in St. Louis, U.S.A. in 2009. He is a member of The Hong Kong Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. Currently, Mr. Wong is the Chief Financial Controller of Thinktank Learning Inc., and previously was the general manager of the financial audit department of Shanghai Fosun High Technology (Group) Co., Ltd., a wholly owned subsidiary of Fosun International Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 00656). Mr. Wong has extensive working experience in the audit and consulting areas, particularly in initial public offerings, risk management and mergers and acquisitions. Mr. Wong was an independent non-executive director of Shougang Concord Technology Holdings Limited (now known as HNA Holding Group Co. Limited), whose shares are listed on the Main Board of the Stock Exchange (stock code: 00521) and a member of each of the audit committee, the nomination committee and the remuneration committee of that company, for the period from June 2010 to October 2013.

Mr. Wong was previously appointed an independent non-executive director of the Company from September 2013 to November 2014 and served as a member of each of the audit committee, the nomination committee, the remuneration committee and the investment steering committee of the Company. He has been an independent non-executive director of Vision Fame International Holding Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 01315) since July 2015 and is a member of each of the audit committee and nomination committee of that company.

He has been a non-executive director of Vobile Group Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 03738) since June 21, 2017 and is a member of the audit committee of that company.

獨立非執行董事

王偉軍先生，49歲，於一九九二年取得香港城市大學會計學學士學位及於二零零九年取得美國聖路易斯華盛頓大學工商管理碩士學位。彼為香港會計師公會會員及英國特許公認會計師公會會員。王先生現時為美國星騰科國際教育集團有限公司財務總監，曾任復星國際有限公司（其股份於聯交所主板上市（股份代號：00656））之全資附屬公司上海復星高科技（集團）有限公司之財務審計部門之總經理。王先生在審計及諮詢方面，尤其在首次公開發售、風險管理及併購方面，擁有豐富的工作經驗。王先生曾於二零一零年六月至二零一三年十月擔任首長科技集團有限公司（現稱海航實業集團股份有限公司，其股份於聯交所主板上市（股份代號：00521））之獨立非執行董事，並於同一時期任該公司審核委員會、提名委員會及薪酬委員會之成員。

王先生曾於二零一三年九月至二零一四年十一月期間出任本公司獨立非執行董事，並曾任本公司審核委員會、提名委員會、薪酬委員會及投資督導委員會之成員。彼於二零一五年七月至今出任允升國際控股有限公司（其股份於聯交所主板上市（股份代號：01315））之獨立非執行董事，並任該公司審核委員會及提名委員會之成員。

彼於二零一七年六月二十一日至今出任阜博集團有限公司（其股份於聯交所主板上市（股份代號：03738））之非執行董事，並任該公司審核委員會之成員。

Directors' Profiles 董事簡介

Mr. Michael Ngai Ming Tak (魏明德), aged 50, obtained a master degree from University of Cambridge in 1991. He is the Chairman of The Red Group Investment Limited and was previously the Managing Director of UBS Investment Bank. He has a wealth of experience in the international financial sector. Mr. Ngai is also a member of the National Committee of the Chinese People's Political Consultative Conference, a Standing Committee member of the Heilongjiang Provincial Committee of the People's Political Consultative Conference, Fellow Commoner and Development Advisory Council Member of Clare Hall, University of Cambridge, Council Member and Chairman of the Institutional Advancement Committee of Lingnan University, member of the Barristers Disciplinary Tribunal Panel, and a member of the Administrative Appeals Board.

Mr. Kong Chi Mo (江智武) ("Mr. Kong"), aged 42, has over 19 years of experience in accounting, auditing, financial management, corporate finance, investor relations, company secretarial affairs and corporate governance. Presently, Mr. Kong holds the position of independent non-executive director in Aowei Holding Limited, Huazhang Technology Holding Limited, ZACD Group Ltd. and AK Medical Holdings Limited whereas in China Vanadium Titano-Magnetite Mining Company Limited ("China Vanadium"), he holds the position of Company Secretary and Authorised Representative. All these public companies are listed on the main board or growth enterprise market of the Hong Kong Stock Exchange.

魏明德先生，50歲，於一九九一年取得英國劍橋大學碩士學位。彼現時擔任德瑞集團有限公司主席，並曾出任瑞士投資銀行董事總經理，在國際金融業擁有豐富經驗。魏先生亦是中國人民政治協商會議全國委員會委員、中國人民政治協商會議黑龍江省委員會常務委員會委員、英國劍橋大學克萊爾學堂院士同席人及發展顧問會議成員、香港嶺南大學校董會成員及大學發展委員會主席、香港大律師紀律審裁團成員以及香港行政上訴委員會委員。

江智武先生（「江先生」），42歲，江先生於會計、審計、財務管理、企業融資、投資者關係、公司秘書事務及企業管治方面擁有逾19年之經驗。江先生目前擔任奧威控股有限公司、華章科技控股有限公司、ZACD Group Ltd.及愛康醫療控股有限公司獨立非執行董事，擔任中國鈮鈦磁鐵礦業有限公司（「中國鈮鈦」）公司秘書兼授權代表。所有該等公眾公司均於香港聯交所主板或GEM上市。

Directors' Profiles

董事簡介

Prior to this, he was the independent non-executive director of CAA Resources Limited, a company also listed on the main board of the Hong Kong Stock Exchange from April 2013 to August 2017. Mr. Kong was the executive director and chief financial officer of China Vanadium from October 2013 to May 2015 and from May 2008 to May 2015, respectively. Mr. Kong worked at KPMG from October 1999 to December 2007 and was promoted to senior manager during his term of office. Prior to joining KPMG, Mr. Kong worked as a finance trainee in Hutchison Telecommunications (Hong Kong) Limited from June 1997 to March 1998, and as an associate in PricewaterhouseCoopers from March 1998 to October 1999.

Mr. Kong obtained his Bachelor's Degree in Business Administration from The Chinese University of Hong Kong in December 1997. Mr. Kong has been a fellow of The Association of Chartered Certified Accountants since February 2008, a member of The Hong Kong Institute of Directors since May 2010, a fellow of each of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators since February 2012, an ordinary member of Hong Kong Securities and Investment Institute since October 2017 and a full member of Hong Kong Investor Relations Association since November 2017.

在此之前，江先生自二零一三年四月至二零一七年八月擔任香港聯交所主板上市公司CAA Resources Limited的獨立非執行董事。江先生自二零一三年十月至二零一五年五月以及自二零零八年五月至二零一五年五月分別出任中國鈦鈷的執行董事及財務總監。江先生於一九九九年十月至二零零七年十二月任職於畢馬威會計師事務所，於任期內晉升為高級經理。在加入畢馬威會計師事務所前，江先生於一九九七年六月至一九九八年三月期間在和記電訊（香港）有限公司擔任財務實習生，並於一九九八年三月至一九九九年十月期間在羅兵咸永道會計師事務所擔任助理。

江先生在一九九七年十二月取得香港中文大學工商管理學士學位。江先生自二零零八年二月起成為英國特許公認會計師公會資深會員、自二零一零年五月起成為香港董事學會會員、自二零一二年二月起成為香港特許秘書公會及特許秘書及行政人員公會資深會員、自二零一七年十月起成為香港證券及投資學會普通會員及自二零一七年十一月起成為香港投資者關係協會有限公司正式會員。

Directors' Profiles 董事簡介

Mr. Hong (洪滔), aged 40, obtained a master's degree in business administration from the Asian Institute of Management in 2006. Mr. Hong has around 15 years of working experience in the PRC, the United Kingdom and Hong Kong and experience in project development and investment as well as corporate governance in the energy, aviation and real estate fields. Mr. Hong previously worked at Yunnan Power Grid Co., Ltd. from 1999 to 2004, and was a business consultant at C&C Business Solutions Limited from 2006 to 2008. Mr. Hong served as deputy manager of the board office of Honghua Group Limited (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00196)) from 2008 to 2012, board secretary of Xiangyu Dredging Holdings Limited (now known as China Dredging Environment Protection Holdings Limited) (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00871)) from 2012 to 2013 and Head of Investment of Yue Da Holdings Limited (now known as Yue Da Mining Holdings Limited) (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00629)) from 2013 to 2015.

洪滔先生，40歲，於二零零六年取得Asian Institute of Management之工商管理碩士學位。洪先生於中國、英國及香港三地擁有約15年的工作經驗，並於能源、航空及房地產領域的項目發展及投資以及企業管治方面擁有相關經驗。洪先生早前於一九九九年至二零零四年期間曾就職於雲南電網公司，其後於二零零六年至二零零八年期間擔任C&C Business Solutions Limited之業務顧問。於二零零八年至二零一二年期間，洪先生曾任宏華集團有限公司（為一間股份於聯交所主板上市之公司，股份代號：00196）董事會秘書辦公室副主任；於二零一二年至二零一三年期間曾任翔宇疏浚控股有限公司（現稱中國疏浚環保控股有限公司，為一間股份於聯交所主板上市之公司，股份代號：00871）董事會秘書；及於二零一三年至二零一五年期間曾任悅達控股有限公司（現稱悅達礦業控股有限公司，為一間股份於聯交所主板上市之公司，股份代號：00629）投資總監。

Directors' Report

董事會報告書

The Directors have pleasure in presenting their annual report and the audited consolidated financial statements of Starlight Culture Entertainment Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 33 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of comprehensive income on page 94 of the annual report.

BUSINESS REVIEW

The Group reported a loss attributable to owners of the Company of approximately HK\$294,439,000 for the year ended 31 December 2017 as compared with a loss of approximately HK\$39,766,000 in the year of 2016. The loss was mainly attributable to (i) the gross loss of approximately HK\$3.2 million recognized during the year of 2017 as compared to gross profit of approximately HK\$77.1 million recognized in the year of 2016; (ii) the decrease in impairment losses of approximately HK\$26 million; (iii) the loss on change in fair value of derivative financial liabilities of approximately HK\$29.9 million recognized during the year of 2017 as compared to a gain of approximately HK\$89.2 million recognized in the year of 2016 in relation to the convertible bonds issued by the Company; and (iv) an increase of approximately HK\$74.4 million in the Group's operating expenses for the year ended 31 December 2017 as a result of the exploration and development of the media and culture business.

董事會欣然提呈星光文化娛樂集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度之年報及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，其附屬公司之業務載於綜合財務報表附註33。

業績

本集團截至二零一七年十二月三十一日止年度之業績載於年報第94頁之綜合全面收益表。

業務回顧

於截至二零一七年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約294,439,000港元(二零一六年：約39,766,000港元)。有關虧損主要源於(i)於二零一七年確認毛損約3,200,000港元，而二零一六年錄得毛利約77,100,000港元；(ii)減值虧損減少約26,000,000港元；(iii)二零一七年確認衍生金融負債公平值變動虧損約29,900,000港元，而二零一六年就本公司發行的可換股債券確認收益約89,200,000港元；及(iv)因開拓及發展傳媒及文化業務，截至二零一七年十二月三十一日止年度，本集團營運開支增加約74,400,000港元。

Directors' Report

董事會報告書

Basic loss per share for the year amounted to approximately 49.15 HK cents (2016: approximately 8.06 HK cents). Net liabilities of the Group were approximately HK\$110,445,000 as at 31 December 2017 as compared to net assets of approximately HK\$64,505,000 as at 31 December 2016. The net liabilities was attributable to the loss of the Group for the year ended 31 December 2017.

Key risks factors

The following section lists out the key risks and uncertainties which the Group faces. It is a non-exhaustive list and there may be other risks and uncertainties in addition to the key risks factors outlined below. Besides, this report does not constitute a recommendation or advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

1. We are subject to the credit risk of our gaming patrons and trading customers.
2. Local taxation may increase and tax liability may increase for future amendment of tax rules.
3. A weakening in economic and credit market conditions may adversely affect tourism and the profitability of our entertainment business.

Future development and important events after the end of the financial year

Looking ahead, the business environment remains very challenging as downward pressure on economy of the PRC, the global financial and economic conditions are expected to remain unstable. Nevertheless, the Group will cautiously review and adjust the business strategies from time to time, and seek the best returns to maximise value of the Shareholders.

年內每股基準虧損約為49.15港仙（二零一六年：約8.06港仙）。本集團於二零一七年十二月三十一日之淨負債約為110,445,000港元，而於二零一六年十二月三十一日之淨資產約為64,505,000港元。淨資產減少（導致淨負債）乃由於本集團截至二零一七年十二月三十一日止年度之虧損所致。

主要風險因素

下節列明本集團所面對之主要風險及不明朗因素。此清單並不詳盡，而除下文所列之主要風險因素外，其他風險及不明朗因素亦可能存在。此外，本報告並不構成任何人士投資本公司證券之推薦意見或意見，且建議投資者於投資本公司證券前自行作出判斷或諮詢彼等本身之投資顧問。

1. 我們面對博彩客戶及貿易客戶之信貸風險。
2. 未來稅則之修訂將導致本地稅收及稅項負債或有增加。
3. 經濟及信貸市場狀況日益衰退或對旅遊業及我們娛樂業務的盈利能力造成不利影響。

財政年度結束後之未來發展及重要事件

展望未來，由於中國經濟之下行壓力、全球金融及經濟狀況預期繼續不穩，營商環境仍然充滿十足挑戰。然而，本集團將不時審慎檢討及調整業務策略，務求實現最佳回報以將股東價值最大化。

Directors' Report

董事會報告書

Environmental policies and performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. We are aware that, minimizing the consumption of resources and adoption of best environmental practices in the business process of the Group to the extent practicable is our underlying commitment to preserving and improving the environment. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopts effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives include recycling of used papers, energy saving and water saving.

The Board is pleased to present you the environmental, social and governance report (the “ESG Report”) set out on pages 37 to 57 of this report which depicts the performance on the sustainability of the Group.

Relationship with suppliers, customers, employees and other stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group's medium and long-term goals. The Company creates a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

Compliance with the relevant laws and regulations

In relation to human resources, the Group is committed to complying with the requirements of the ordinances relating to disability, gender, family status and racial discrimination, as well as the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to occupational safety of employees of the Group, so as to safeguard the interests and well-being of its employees.

環境政策及表現

本集團致力於實現其經營所在之環境及社區的長期可持續發展。我們知悉，我們保護及改善環境之相關承諾是於本集團業務過程中盡量降低資源消耗及在實際可行情況下盡可能採取最佳環境常規。本集團以愛護環境之方式行事，致力於遵守有關環境保護之法例及法規，並採取有效措施實現有效使用資源、節約能源及減少廢物。我們的環保措施包括回收已用紙張、節省能源及節省用水。

董事會欣然向閣下呈報載於本報告第37至57頁之環境、社會及管治報告（「環境、社會及管治報告」），該報告描述有關本集團可持續發展之表現。

與供應商、客戶、僱員及其他持份者之關係

本集團明白維持與供應商、客戶、僱員及其他持份者之良好關係對達致其中長期目標而言至關重要。本公司創立了激勵員工之框架及正式溝通渠道，以維持與僱員及其他持份者之穩健關係。

遵守相關法例及規例

就人力資源而言，本集團致力於遵守有關殘疾、性別、家庭崗位及種族歧視的條例、僱傭條例、最低工資條例及有關本集團僱員職業安全之條例的要求，以保障僱員之權益及福祉。

Directors' Report

董事會報告書

There is no reported case of non-compliance with relevant laws and regulations in relation to the groups' entertainment and gaming business as well as trading business.

SHARE CAPITAL

There was no movement in the authorised share capital of the Company during the year. Details of the movement in the issued share capital of the Company are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 98 of the annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company had no distributable reserves at 31 December 2017 calculated under The Companies Act 1981 of Bermuda (as amended). The Company's share premium account, in the amount of HK\$196,230,000 at 31 December 2017 (2016: HK\$76,385,000) may be distributed in the form of fully paid bonus shares.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

概無有關本集團娛樂及博彩業務以及貿易業務之違反相關法例及法規的呈報個案。

股本

於年內，本公司之法定股本概無變動。本公司之已發行股本變動詳情載於綜合財務報表附註29。

儲備

本集團於年內之儲備變動詳情載於年報第98頁之綜合權益變動表。

本公司之可供分派儲備

根據百慕達一九八一年公司法（經修訂）計算，於二零一七年十二月三十一日，本公司概無可供分派儲備。本公司於二零一七年十二月三十一日為數196,230,000港元之股份溢價賬（二零一六年：76,385,000港元）可以繳足股本紅股股份之方式予以分派。

根據百慕達一九八一年公司法（經修訂），本公司之繳入盈餘賬可供分派。然而，在下列情況下，本公司不得宣派或派付股息或從繳入盈餘作出分派：

- (a) 本公司現時或作出派付後將無力償還到期債務；或
- (b) 本公司資產之可變現價值將因分派而少於其負債、已發行股本及股份溢價賬之總和。

Directors' Report

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the largest one and five largest customers accounted for 37% and 82% respectively of the total sales for the year. Purchases from the largest one and five largest suppliers accounted for 33% and 73% respectively of the total purchases for the year.

None of the directors, their associates or any shareholders of the Company (which to the knowledge of the directors of the Company own more than 5% of the Company's share capital) had any interest in the five largest suppliers or customers.

DIRECTOR'S INTERESTS IN COMPETING BUSINESSES

During the year, the interests of Directors of the Company in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company ("Competing Business") as required to be disclosed pursuant to the Listing Rules were as follows:

1. Core Business Activities of the Company

- (1) Entertainment and Gaming business
- (2) Trading business
- (3) Media and Culture business

主要客戶及供應商

於本年度內，向最大客戶及五大客戶的銷售分別佔本年度總銷售額之37%及82%。向最大供應商及五大供應商的採購分別佔本年度總採購額之33%及73%。

本公司各董事、彼等之聯繫人士或任何股東（據本公司董事所知擁有本公司5%以上股本）概無擁有五大供應商或客戶之任何權益。

董事於競爭業務之權益

於本年度，本公司董事於與本公司業務直接或間接構成或可能構成競爭之業務（「競爭業務」）內之權益根據上市規則之規定披露如下：

1. 本公司之核心業務活動

- (1) 娛樂及博彩業務
- (2) 貿易業務
- (3) 傳媒及文化業務

Directors' Report

董事會報告書

2. Interests in Competing Business

Name of Director 董事姓名	Name of Company 公司名稱	Nature of Interest 權益性質	Competing Business 競爭業務 (Note) (附註)
Lam Yin Lok (resigned on 31 May 2017) 林英樂 (於二零一七年 五月三十一日辭任)	International Junket Promoter Company Limited 國際博彩中介一人有限公司	Director and sole shareholder 董事及唯一股東	(1)
	Clark Resort Travel and Amusement Corp. 克拉克渡假旅遊娛樂集團有限公司*	Director and controlling shareholder 董事及控股股東	(1)
Ng Kuen Hon (resigned on 28 February 2017) 吳權漢 (於二零一七年 二月二十八日辭任)	Clark Resort Travel and Amusement Corp. 克拉克渡假旅遊娛樂集團有限公司*	Chairman 主席	(1)

* For identification purpose only

Note: Such businesses may be conducted through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors of the Company is interested in any business apart from the Company's businesses which compete or is likely to compete, either directly or indirectly with businesses of the Company.

DEED OF NON-COMPETITION

Dr. Lam Yin Lok and Reach Luck International Limited ("Reach Luck"), being the controlling shareholders of the Company, entered into a deed of non-competition ("Deed of Non-Competition") dated 19 September 2014, details of which have been set out in the paragraph headed "6. MATERIAL CONTRACTS" in the section headed "APPENDIX V – General Information" of the Composite Document jointly issued by Reach Luck and the Company dated 26 September 2014, and the paragraph headed "Deed of Non-Competition" in the section headed "Letter from the Board" of the Circular issued by the Company dated 18 August 2014.

2. 於競爭業務之權益

Name of Director 董事姓名	Name of Company 公司名稱	Nature of Interest 權益性質	Competing Business 競爭業務 (Note) (附註)
Lam Yin Lok (resigned on 31 May 2017) 林英樂 (於二零一七年 五月三十一日辭任)	International Junket Promoter Company Limited 國際博彩中介一人有限公司	Director and sole shareholder 董事及唯一股東	(1)
	Clark Resort Travel and Amusement Corp. 克拉克渡假旅遊娛樂集團有限公司*	Director and controlling shareholder 董事及控股股東	(1)
Ng Kuen Hon (resigned on 28 February 2017) 吳權漢 (於二零一七年 二月二十八日辭任)	Clark Resort Travel and Amusement Corp. 克拉克渡假旅遊娛樂集團有限公司*	Chairman 主席	(1)

* 僅供識別之用

附註： 有關業務可能透過附屬公司、聯營公司或按其他投資形式進行。

除上文所披露者外，本公司概無董事於與本公司業務直接或間接構成或可能構成競爭的任何業務（本公司業務除外）內擁有權益。

不競爭契據

本公司之控股股東林英樂博士及迎彩國際有限公司（「迎彩」）於二零一四年九月十九日訂立不競爭契據（「不競爭契據」），有關詳情載於迎彩及本公司於二零一四年九月二十六日聯合刊發之綜合文件內「附錄五—一般資料」一節「6. 重大合約」一段及本公司於二零一四年八月十八日刊發之通函「董事會函件」一節「不競爭契據」一段。

Directors' Report

董事會報告書

The Company has received the annual declarations from Reach Luck and Dr. Lam on compliance with their undertakings under the Deed of Non-Competition. The Independent Non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Compliance have been complied with by Reach Luck and Dr. Lam.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Chairman

Mr. Yan Xu (appointed on 31 May 2017)
Dr. Lam Yin Lok (resigned on 31 May 2017)

Chief Executive Officer

Mr. Luo Lei (appointed on 31 May 2017)

Executive Directors

Mr. Chau Chit (Deputy Chairman)
Ms. Chen Hong (appointed on 11 May 2017)
Mr. Tsui Kin Ming (resigned on 31 May 2017)
Mr. Ng Kuen Hon (resigned on 28 February 2017)
Mr. Hung Ching Fung
Mr. Li Haitian (appointed on 31 May 2017)

Non-executive Directors

Mr. Wang Shoulei (appointed on 25 August 2017)

Independent Non-executive Directors

Mr. Wong Wai Kwan (appointed on 31 May 2017)
Mr. Michael Ngai Ming Tak (appointed on 31 May 2017)
Mr. Kong Chi Mo (appointed on 31 May 2017)
Mr. Hong Tao (appointed on 31 May 2017)
Mr. Daniel Domingos António
(resigned on 31 May 2017)
Mr. Kwok Chi Chung (resigned on 31 May 2017)
Mr. Chow Wing Tung (resigned on 31 May 2017)

本公司已接獲迎彩及林博士有關遵守其於不競爭契據項下之承諾之年度聲明。獨立非執行董事已審閱合規情況及確認迎彩及林博士已遵守不競爭契據項下之所有承諾。

董事

於年內及直至本報告日期為止，董事如下：

主席

顏旭先生（於二零一七年五月三十一日獲委任）
林英樂博士（於二零一七年五月三十一日辭任）

行政總裁

羅雷先生（於二零一七年五月三十一日獲委任）

執行董事

周哲先生（副主席）
陳虹女士（於二零一七年五月十一日獲委任）
徐建明先生（於二零一七年五月三十一日辭任）
吳權漢先生（於二零一七年二月二十八日辭任）
洪清峰先生
李海天先生（於二零一七年五月三十一日獲委任）

非執行董事

王守磊先生（於二零一七年八月二十五日獲委任）

獨立非執行董事

王偉軍先生（於二零一七年五月三十一日獲委任）
魏明德先生（於二零一七年五月三十一日獲委任）
江智武先生（於二零一七年五月三十一日獲委任）
洪滔先生（於二零一七年五月三十一日獲委任）
Daniel Domingos António先生
(於二零一七年五月三十一日辭任)
郭志忠先生（於二零一七年五月三十一日辭任）
周永東先生（於二零一七年五月三十一日辭任）

Directors' Report

董事會報告書

In accordance with Bye-laws 86(2), 87(1) and 87(2) of the Company's bye-laws, Mr. Hung Ching Fung, Mr. Chau Chit, Mr. Yan Xu, Ms. Chen Hong, and Mr. Wang Shoulei shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

根據本公司之公司細則第86(2)、87(1)及87(2)條，洪清峰先生、周哲先生、顏旭先生、陳虹女士以及王守磊先生須於本公司應屆股東週年大會上告退，惟符合資格並願意重選連任。

於應屆股東週年大會上建議重選連任的各董事並無與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出的年度確認。本公司認為所有獨立非執行董事均為獨立人士。

Directors' Report

董事會報告書

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

As at 31 December 2017, the interests or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were disclosed to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), or as recorded in the register required to be kept under 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 ("Model Code") set out in the Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules") were as follows:

Ordinary shares of HK\$0.1 each of the Company (Long positions)

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

於二零一七年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須披露予本公司及香港聯合交易所有限公司（「聯交所」），或記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據聯交所證券上市規則（「上市規則」）附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所之權益或淡倉如下：

本公司每股面值0.1港元之普通股（好倉）

Name of Director		Number of ordinary shares held	Approximate percentage of issued share capital
董事姓名		持有個人權益之普通股數目	佔已發行股本之概約百分比
Mr. Yan Xu	顏旭先生	390,313,514	57.95%
Mr. Chau Chit	周哲先生	49,693,600	7.38%
Mr. Hung Ching Fung	洪清峰先生	1,500,000	0.22%
Ms. Chen Hong	陳虹女士	200,400	0.03%

Directors' Report

董事會報告書

Save as disclosed above, as at 31 December 2017, none of the Directors nor the Chief Executive of the Company nor their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise disclosed to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

During the year of 2017, the Company has acquired Starlight Legend Investment Limited from the Vendor which is wholly owned and controlled by Mr. Yan Xu, the controlling shareholder and chairman of the Company. Details can be referred to the Company's announcements dated 14 September 2017 and 13 December 2017, and the Company's circular dated 26 October 2017.

Save as disclosed above, no contract of significance in relation to the Group's business (as defined in the Listing Rules) to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

除上文所披露者外，於二零一七年十二月三十一日，概無本公司董事或主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部之第7及8分部規定須披露予本公司及聯交所，或記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

董事於重大合約之權益

於二零一七年，本公司向賣方（由本公司控股股東兼主席顏旭先生全資擁有並控制）收購Starlight Legend Investment Limited。有關詳情，請參閱本公司日期為二零一七年九月十四日及二零一七年十二月十三日的公告及日期為二零一七年十月二十六日的通函。

除上文所披露者外，本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益而於年終時或本年度任何時間內仍然存續之有關本集團業務之重大合約（定義見上市規則）。

Directors' Report

董事會報告書

PERMITTED INDEMNITY PROVISION

The Bye-laws of the Company provide that each Director, secretary or other officer of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them may incur or sustain in or about the execution of the duties in their respective offices. The Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

The above provision for the benefit of the Directors is currently in force and was in force throughout the year.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2012 ("Share Option Scheme"). No options have been granted under the Share Option Scheme since its adoption.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

獲准許彌償條文

本公司的公司細則規定本公司每名董事、秘書或本公司其他高管，就其各自的職務執行其職責時可能產生或招致或與之有關的所有訴訟、費用、收費、損失、損害及開支，均可從本公司的資產及溢利獲得彌償。本公司已就其董事可能會面對的法律訴訟辦理及投購適當的保險。

上述有關董事利益的條文於目前及本年度內一直有效。

購股權計劃

本公司於二零一二年六月一日採納一項購股權計劃（「購股權計劃」）。自採納以來，概無根據購股權計劃授出購股權。

董事收購股份或債權證之權利

除本公司之購股權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

Directors' Report

董事會報告書

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

主要股東之權益及淡倉

As at 31 December 2017, so far as was known to the Directors and the Chief Executive of the Company, the following persons (other than any director and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

於二零一七年十二月三十一日，就本公司董事及主要行政人員所知，以下人士（本公司任何董事及主要行政人員除外）於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文而須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉，或另行知會本公司及聯交所之權益或淡倉：

Name of shareholder 股東姓名／名稱	Capacity 身份	Number of ordinary shares held 所持普通股數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比 (Note 1) (附註1)
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP) (為及代表Zhongtai Dingfeng Classified Fund SP行事)	Person having a security interest in shares (note 2) 於股份擁有證券權益人士 (附註2)	419,007,114 (L)	62.21%
Zhongtai International Asset Management Limited 中泰國際資產管理有限公司	Investment manager (note 3) 投資經理(附註3)	419,007,114 (L)	62.21%
Cosmic Leader Holdings Limited	Beneficial owner (note 4) 實益擁有人(附註4)	369,313,514 (L)	54.83%
Rare Jewels Limited	Beneficial owner (note 4) 實益擁有人(附註4)	21,000,000 (L)	3.12%
Yan Xu 顏旭	Interest held by controlled corporation (note 4) 受控制法團持有之權益(附註4)	390,313,514 (L)	57.95%
Mega Start Limited	Beneficial owner (note 5) 實益擁有人(附註5)	49,693,600 (L)	7.38%
Chau Chit 周哲	Interest held by controlled corporation (note 5) 受控制法團持有之權益(附註5)	49,693,600 (L)	7.38%

Directors' Report

董事會報告書

Notes:

- (L) All the shares are long positions.
1. The percentages are calculated based on the total number of issued shares of the Company of 673,564,799 shares as at 31 December 2017.
 2. Based on the information available to the Company, Qilu International Funds SPC is an exempted segregated portfolio company incorporated in the Cayman Islands and is acting for and on behalf of Zhongtai Dingfeng Classified Fund SP.
 3. Based on the information available to the Company, Zhongtai International Asset Management Limited is the investment manager of Qilu International Funds SPC.
 4. The entire issued share capital of Cosmic Leader Holdings Limited is beneficially owned as to 80% by Mr. Yan Xu. By virtue of the Securities and Futures Ordinance, Mr. Yan Xu is deemed to be interested in the 369,313,514 shares of Cosmic Leader Holdings Limited. In addition, the entire issued share capital of Rare Jewels Limited is wholly and beneficially owned by Mr. Yan Xu. By virtue of the Securities and Futures Ordinance, Mr. Yan Xu is deemed to be interested in the 21,000,000 shares of Rare Jewels Limited.
 5. The entire issued share capital of Mega Start Limited is wholly and beneficially owned by Mr. Chau Chit. By virtue of the Securities and Futures Ordinance, Mr. Chau Chit is deemed to be interested in the 49,693,600 shares of the Company.

Save as disclosed above, the Company had not been notified and is not aware of any other persons who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 December 2017.

附註：

- (L) 所有股份均為好倉。
1. 該等百分比乃根據於二零一七年十二月三十一日之本公司已發行股份總數673,564,799股計算。
 2. 根據本公司可得資料，Qilu International Funds SPC為於開曼群島註冊成立的獲豁免獨立投資組合公司，為及代表Zhongtai Dingfeng Classified Fund SP行事。
 3. 根據本公司可得資料，中泰國際資產管理有限公司為Qilu International Funds SPC之投資經理。
 4. Cosmic Leader Holdings Limited的全部已發行股本由顏旭先生實益擁有80%權益。根據證券及期貨條例，顏旭先生被視為於369,313,514股Cosmic Leader Holdings Limited股份中擁有權益。此外，Rare Jewels Limited的全部已發行股本由顏旭先生實益擁有。根據證券及期貨條例，顏旭先生被視為於21,000,000股Rare Jewels Limited股份中擁有權益。
 5. Mega Start Limited之全部已發行股本乃由周哲先生全資實益擁有。根據證券及期貨條例，周哲先生被視為於49,693,600股本公司股份中擁有權益。

除上文所披露者外，於二零一七年十二月三十一日，本公司並無獲知會且不知悉任何其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉。

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

2014 Convertible Notes

On 11 July 2014, the Company entered into a subscription agreement with Reach Luck International Limited to issue the 3-year zero coupon Convertible Notes with an aggregate principal amount of HK\$55,650,000, and the subscription was completed on 19 September 2014.

The Convertible Notes are denominated in Hong Kong dollars and are convertible at the option of the bondholder at any time after the date of issuance up to and including the date which is five business days prior to the maturity date of 19 September 2017, into new shares of the Company at a price of HK\$0.35 per share, subject to anti-dilutive adjustments. Upon full conversion a total of 159,000,000 new ordinary shares would be issued by the Company. The Company shall redeem any Convertible Notes which remain outstanding on the maturity date at its principal amount. As at 31 December 2017, HK\$55,650,000 of the Convertible Notes was converted into 158,999,999 shares of the Company.

2015 Convertible Bonds

On 5 November 2015, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have severally and conditionally agreed to subscribe, and the Company has conditionally agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$365,000,000, in respect of the issue and allotment of an aggregate of 73,000,000 Shares to the Subscribers at the Subscription Price of HK\$5 per Subscription Share.

可換股證券、認股權證或類似權利

二零一四年可換股票據

於二零一四年七月十一日，本公司與迎彩國際有限公司訂立認購協議以發行本金總額為55,650,000港元的三年期零票息可換股票據，且認購事項已於二零一四年九月十九日完成。

可換股票據以港元列值，且債券持有人可選擇於發行日期後直至到期日二零一七年九月十九日前第五個營業日當日（包括該日）止隨時按每股股份0.35港元的價格將有關可換股票據兌換為本公司之新股份（可予反攤薄調整）。於悉數兌換後，本公司將發行合共159,000,000股新普通股。本公司須於到期日按本金額贖回任何仍未償還之可換股票據。於二零一七年十二月三十一日，55,650,000港元之可換股票據乃兌換為158,999,999股本公司股份。

二零一五年可換股債券

於二零一五年十一月五日，本公司與認購人訂立認購協議，據此，認購人已各自有條件同意認購，而本公司已有條件同意發行本金總額為365,000,000港元的可換股債券，涉及按認購價每股認購股份5港元向認購人發行及配發合共73,000,000股股份。

Directors' Report

董事會報告書

Among the aggregate principal amount of HK\$365,000,000, Subscriptions of Convertible Bonds in an aggregate principal amount of HK\$315,000,000 were completed on 2 December 2015. The net proceeds were approximately HK\$314,700,000. Based on the initial Conversion Price of HK\$5.00 per Conversion Share, a maximum number of 63,000,000 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds. As at 31 December 2017, none of the Convertible Bonds was converted into shares of the Company.

Saved as disclosed above, the Company had no outstanding convertible securities, warrants or other similar rights as at 31 December 2017 and there has been no exercise of any convertible securities, warrants or similar rights during the year.

RELATED PARTY TRANSACTIONS

Related party transactions entered into for the year are set out in note 28 to the consolidated financial statements.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is based on their merits, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, upon considering the Group's operating results, individual performance and comparable market statistics.

The Company has adopted the Share Option Scheme as an incentive to directors and eligible employees.

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 on a pro-rata basis to existing shareholders.

於本金總額365,000,000港元當中，本金總額315,000,000港元的可換股債券的認購事項已於二零一五年十二月二日完成。所得款項淨額約為314,700,000港元。根據初步轉換價每股轉換股份5.00港元，於行使可換股債券所附之轉換權利時可能須配發及發行最高數目為63,000,000股的轉換股份。於二零一七年十二月三十一日，概無可換股債券獲兌換為本公司股份。

除上文所披露者外，於二零一七年十二月三十一日，本公司並無尚未行使之可換股證券、認股權證或其他類似權利，而年內亦無任何可換股證券、認股權證或類似權利獲行使。

關聯方交易

於年內進行之關聯方交易載於綜合財務報表附註28。

酬金政策

本集團僱員之酬金政策根據僱員之表現、資格及能力釐定。

本公司董事之酬金由薪酬委員會於考慮本集團經營業績、個人之表現及可比較市場數據後決定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。

股份優先購買權

本公司之公司細則或百慕達法律均無關於股份優先購買權之規定，要求本公司須向現有股東按比例發售新股。

Directors' Report

董事會報告書

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

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of the issued share capital of the Company throughout the year ended 31 December 2017.

CORPORATE GOVERNANCE

The Board recognises the importance of maintaining a high standard of corporate governance with an aim to protect the interests of shareholders. A report on the principal corporate governance practices adopted by the Company is set out on pages 24 to 36 of the annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2017.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Mr. Yan Xu

Chairman

Hong Kong

29 March 2018

購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

足夠之公眾持股量

根據公開可得資料及就董事所知，本公司確認於截至二零一七年十二月三十一日止年度其已發行股本一直具有足夠之公眾持股量。

企業管治

董事會認同維持高水平企業管治以保障股東權益之重要性。有關本公司所採納之主要企業管治常規之報告載於年報第24至36頁。

審核委員會

審核委員會已審閱本集團截至二零一七年十二月三十一日止年度之綜合財務報表。

核數師

本公司將於應屆股東週年大會上提呈一項續聘香港立信德豪會計師事務所有限公司為本公司核數師之決議案。

代表董事會

顏旭先生

主席

香港

二零一八年三月二十九日

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF STARLIGHT CULTURE ENTERTAINMENT GROUP LIMITED (formerly known as Jimei International Entertainment Group Limited)

(incorporated in Bermuda with limited liability)

致星光文化娛樂集團有限公司各股東

(前稱集美國際娛樂集團有限公司)

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Starlight Culture Entertainment Group Limited (formerly known as Jimei International Entertainment Group Limited) (the "Company") and its subsidiaries (together the "Group") set out on pages 94 to 226, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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.

意見

我們已審核載於第94至226頁的星光文化娛樂集團有限公司(前稱集美國際娛樂集團有限公司)(「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表,此綜合財務報表包括於二零一七年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)對貴集團於二零一七年十二月三十一日的財務狀況以及截至該日止年度之綜合財務表現及綜合現金流量作出真實而公平的反映,並已根據香港公司條例的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 to the consolidated financial statements, which stated the Group incurred a loss attributable to owner of the Company of HK\$294,439,000 and at the end of reporting period, the Group had net current liabilities and net liabilities of approximately HK\$197,841,000 and HK\$110,455,000 respectively. As stated in note 3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as going concerns. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the “Material Uncertainty Related to Going Concern” section, we have determined the matters described below to be the key audit matters to be communicated in our report.

意見基準

我們根據香港會計師公會頒佈之香港核數準則（「香港核數準則」）進行我們之審核。我們於該等準則項下之責任於本報告「核數師就審核綜合財務報表須承擔的責任」一節詳述。我們根據香港會計師公會之專業會計師道德守則（「守則」）獨立於貴集團，我們已遵照守則履行我們之其他道德責任。我們相信我們所獲得的審核憑證乃充足和適當地為我們的意見提供基礎。

有關持續經營的重大不確定因素

我們提請垂注綜合財務報表附註3，當中稱貴集團錄得貴公司擁有人應佔虧損294,439,000港元，於報告期末，貴集團流動負債淨額及負債淨額分別約為197,841,000港元及110,455,000港元。如附註3所述，該等狀況顯示存在可能令貴集團的持續經營能力產生重大疑問的重大不確定因素。我們就此發表無保留意見。

關鍵審核事項

關鍵審核事項為就我們之專業判斷而言，對我們審核本期間之綜合財務報表最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的，且我們不會對該等事項提供單獨的意見。除「有關持續經營的重大不確定因素」一節所述的事項外，吾等已確定以下事項為將載述於我們報告中的關鍵審核事項。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Significant business combinations

During the year, the Group acquired 100% equity interests in Starlight Legend Investment Limited (“Starlight Legend”) at total consideration of approximately HK\$161,015,000. The acquisition constituted business combinations for accounting purpose.

The accounting for business combination is an area of focus due to the significance of the transactions and the judgements involved, including the identification and valuation of assets acquired and liabilities assumed. Any error made in the identification and/or valuation of these assets and liabilities may have a significant impact on the consolidated financial statements.

Up to the date of approval of these consolidated financial statements, the initial accounting for the acquisition of Starlight Legend during the year ended 31 December 2017 was determined provisionally in the consolidated financial statements as the corresponding valuations had not been completed.

Refer to accounting policies per note 4 and note 35 to the consolidated financial statements for further details.

Our response:

Our procedures in relation to the significant business combinations included:

- Obtaining and reviewing the terms of the share purchase agreement and other documents in relation to the acquisition;
- Challenging the reasonableness of key assumptions based on our knowledge and understanding of the businesses and markets; and
- Reconciling input data to supporting evidence, such as approved budgets and evaluating the reasonableness of the budgets.

關鍵審核事項 (續)

重大業務合併

年內，貴集團收購Starlight Legend Investment Limited (「Starlight Legend」)的全部股權，總代價約為161,015,000港元。該收購事項構成就會計處理而言的業務合併。

由於交易及所涉判斷(包括識別及評估所收購資產及所承擔負債)屬重大，因此業務合併的會計處理屬於重點關注範疇。識別及／或評估該等資產及負債中的任何錯誤均可對綜合財務報表產生重大影響。

截至此等綜合財務報表獲批准當日，由於相關估值工作尚未完成，因此於截至二零一七年十二月三十一日止年度收購Starlight Legend的初步會計處理屬暫定。

有關進一步詳情，請參閱綜合財務報表附註4會計政策及附註35。

我們的應對：

我們就重大業務合併執行的程序包括：

- 取得並審閱購股協議之條款及與收購事項相關的其他資料；
- 根據我們對相關業務及市場的知識及了解，對主要假設的合理性提出疑問；及
- 將輸入數據與經批准預算等支持證據作對比，並評估預算的合理性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Valuation of contingent consideration payable for business acquisition

As at 31 December 2017, the Group had contingent consideration payables of approximately HK\$1,563,000, which will be payable when certain conditions are met between year 2017 and 2021.

The Group recognised contingent consideration payable at fair value at the date of acquisition and as at 31 December 2017. These fair value measurements require management's estimation and significant judgment on post-acquisition performance of the acquired business and discount rate used.

Any resulting gain or loss is recognised in the consolidated profit and loss account.

We focused on this area as the assessment made by management involved significant estimates and judgments in relation to the post-acquisition performance of individual businesses and discount rates applied, which may be affected by unexpected changes in future market or economic conditions or significant events or circumstances related to the acquired business.

Refer to the contingent consideration of acquisition of subsidiaries per note 5 and note 27 to the consolidated financial statements for further details.

關鍵審核事項 (續)

就業務收購應付或然代價的評估

於二零一七年十二月三十一日，貴集團應付或然代價約為1,563,000港元，應在二零一七年至二零二一年期間於若干條件達成時支付。

貴集團於收購日期及於二零一七年十二月三十一日按公平值確認應付或然代價。該等公平值計量需要管理層對所收購業務的收購後表現及所使用的折現率作出估計及重大判斷。

所產生的的任何收益或虧損於綜合損益賬內確認。

我們重點關注此範疇，乃由於管理層所作評估涉及與各單獨業務的收購後表現及所應用的折現率有關的重大估計及判斷，而相關表現及折現率或會受到未來市場或經濟狀況的意外變動或與所收購業務相關的重大事件或狀況的影響。

有關進一步詳情，請參閱綜合財務報表附註5及附註27所述之收購附屬公司之或然代價。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

Valuation of contingent consideration payable for business acquisition (continued)

Our response:

Our audit procedures in relation to the valuation assessment included:

- Checking the contingent consideration payable calculation prepared by management against the formula stated in the sale and purchase agreement;
- Evaluating performance forecasts used in the contingent consideration payable calculation and tested the mathematical accuracy of the underlying calculation of consideration payable and agreed them to the financial projection prepared by management for the specific financial period stipulated by the sales and purchase agreement;
- Analysing the key assumptions adopted by management with reference to their business plan and historical actual results to assess the quality of management's financial projection; and
- Comparing the discount rates used by management against market information and internal data.

Recoverability of receivables from trading and gaming businesses

Receivables from trading and gaming businesses mainly comprise trade receivables and amounts due from gaming patrons. Trade debtors and gaming patrons are obliged to settle amounts due according to the terms mutually agreed by both parties. Management determines the allowance for irrecoverable debts on a regular basis and reassesses the estimates to recognise impairment on the receivables at the reporting dates and did not identify any impairment not being recorded.

關鍵審核事項 (續)

就業務收購應付或然代價的評估 (續)

我們的應對：

我們就估值評估執行的審核程序包括：

- 對照買賣協議所列公式核對管理層編製的應付或然代價計算；
- 評估計算應付或然代價中使用的表現預測，測試應付代價相關計算的算術準確性並將其與管理層就買賣協議規定的特定財務期間編製的財務預測作對比；
- 參考管理層的業務計劃及過往實際業績，分析管理層採納的主要假設以評估管理層財務預測的質素；及
- 將管理層所使用的折現率與市場資料及內部數據作對比。

貿易及博彩業務應收款項的可收回性

貿易及博彩業務應收款項主要包括貿易應收款項及應收博彩客戶款項。貿易應收款項債務人及博彩客戶須根據雙方共同協定的條款結付到期款項。管理層定期釐定不可收回債項的撥備及於報告日期重新評估確認應收款項減值使用的估計，並認為並無任何未計提減值。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Recoverability of receivables from trading and gaming businesses *(continued)*

We identified the recoverability of the receivables from trading and gaming businesses as key audit matter due to the size of the trade receivables past due as at 31 December 2017 and the significant management judgement used to evaluate the recoverability of such balances.

Refer to the provisions in respect of recoverability of trade and other receivables critical accounting judgement per note 5, accounting policies per note 4 and note 19 to the consolidated financial statements for further details.

Our response:

Our procedures in relation to recoverability of receivables from trading and gaming businesses included:

- We assessed the judgment and estimation adopted by management in respect of provision on doubtful debts and impairment testing;
- We checked the calculation of the recoverable amount of receivables from trading and gaming businesses based on estimation adopted by management; and
- We checked the adequacy of disclosure of the valuation of the receivables.

關鍵審核事項 (續)

貿易及博彩業務應收款項的可收回性 (續)

我們將貿易及博彩業務應收款項的可收回性識別為關鍵審核事項，乃因為於二零一七年十二月三十一日逾期貿易應收款項的數額及用於評估該等結餘可收回性的重大管理層判斷。

有關進一步詳情，請參閱綜合財務報表附註5所述貿易及其他應收款項可收回性的關鍵會計判斷、附註4會計政策及附註19。

我們的應對：

我們就貿易及博彩業務應收款項可收回性執行的程序包括：

- 我們評估管理層就呆賬撥備及減值測試所採納的判斷及估計；
- 我們根據管理層採用的估計檢查貿易及博彩業務應收款項可收回金額的計算；及
- 我們檢查應收款項估值的披露是否充分。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Impairment of goodwill and film product

The Group has recognised goodwill of approximately HK\$54,827,000, net of impairment of HK\$43,844,000 recognised for the year ended 31 December 2017 and film products of HK\$16,855,000 arising from the acquisition of Starlight Legend near the end of the reporting period.

Management has performed impairment tests and concluded that an impairment loss of HK\$43,844,000 should be recognised in relation to goodwill during the year. This conclusion was based on the estimation of the recoverable amount of the cash generating units ("CGUs") using the value-in-use ("VIU calculation") model or the assets-based approach that required significant judgements with respect to the inputs to the VIU calculation.

Refer to impairment of goodwill and estimated impairment of film products per note 5, accounting policies per note 4 and note 18 and note 20 to the consolidated financial statements for further details.

Our response:

Our audit procedures in relation to the impairment assessment included:

- Evaluating the valuation specialists' competence, capabilities and objectivity;
- Assessing the appropriateness of the valuation methodologies, including the VIU calculations and the assets-based approach, used by the valuation specialists and management to estimate the recoverable amount of the CGUs;

關鍵審核事項 (續)

商譽及電影產品減值

貴集團於截至二零一七年十二月三十一日止年度確認商譽約54,827,000港元，當中扣除減值約43,844,000港元，並於接近報告期末確認來自收購Starlight Legend的電影產品16,855,000港元。

於年內，管理層已進行減值測試，並認為應就商譽確認減值虧損43,844,000港元。此結論乃使用在用價值（「在用價值計算」）模型或資產基礎法（須就在用價值計算的輸入數據作出重大判斷）根據對現金產生單位（「現金產生單位」）可收回金額的估計得出。

有關進一步詳情，請參閱綜合財務報表附註5商譽減值及電影產品估計減值、附註4會計政策以及附註18及附註20。

我們的應對：

我們就減值評估執行的審核程序包括：

- 評估估值專家的才幹、能力及客觀性；
- 評估估值專家及管理層為估計現金產生單位的可收回金額所用的估值方法（包括在用價值計算及資產基礎法）的恰當性；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

Impairment of goodwill and film product

(continued)

Our response: (continued)

- Challenging the reasonableness of key assumptions based on our knowledge and understanding of the businesses and markets;
- Reconciling input data to supporting evidence, such as approved budgets and evaluating the reasonableness of the budgets; and
- Evaluating the sensitivity of the impairment tests to changes in key assumptions.

Valuation of financial instruments

The Group's derivative financial liabilities (Tranche 2) are recorded at fair value in the statement of financial position. These were grouped into level 3 fair value hierarchy measurements respectively in accordance with HKFRS 13 Fair Value Measurement.

We focused on this area because fair value changes recognised in profit or loss may be misstated due to the application of inappropriate valuation techniques which often involve the exercise of significant management judgement and the use of assumptions and estimates. We identified and assessed the following risks that could lead to inaccurate fair values:

- Inputs such as the Company's own credit risk, discount rate, volatilities, which are subject to significant judgment.

Refer to the fair value measurement critical accounting judgement per note 5, accounting policies per note 4 and note 26 to the consolidated financial statements.

關鍵審核事項 (續)

商譽及電影產品減值 (續)

我們的應對：(續)

- 根據我們對相關業務及市場的知識及了解，對主要假設的合理性提出疑問；
- 將輸入數據與經批准預算等支持證據作對比，並評估預算的合理性；及
- 評估減值測試對主要假設變動的敏感性。

金融工具的估值

貴集團的衍生金融負債（第二批）乃按公平值於財務狀況表列賬。該等衍生金融負債根據香港財務報告準則第13號分別歸類入第三級公平值計量。

我們重點關注此範疇乃因估值技術經常涉及作出重大管理層判斷以及使用假設及估計，而應用不適當的估值技術可能導致於損益確認的公平值變動出現錯誤陳述。我們已識別及評估下列可能導致公平值不準確的風險：

- 貴公司自身的信貸風險、折現率、波動性等涉及重大判斷的輸入值。

請參閱綜合財務報表附註5有關公平值計量重要會計判斷、附註4會計政策及附註26。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Valuation of financial instruments *(continued)*

Our response:

Our procedures in relation to valuation of financial instruments included:

- Utilising our valuation specialists to assess the valuation model and methodologies;
- Testing the selection criteria of instrument comparables with reference to active markets which have similar terms of the financial instrument;
- Assessing the financial statement disclosure of the fair value hierarchy assigned to the instrument, including sensitivity to key inputs and the Group's exposure to valuation risk;
- Checking input data to supporting evidence and considering its reasonableness; and
- Evaluating the competence, capabilities, and objectivity of the management's valuation expert.

OTHER INFORMATION IN THE ANNUAL REPORT

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

關鍵審核事項 *(續)*

金融工具的估值 *(續)*

我們的應對：

我們就金融工具估值執行的程序包括：

- 動用我們的估值專家評估估值模式及方法；
- 類似條款參考類似條款金融工具所在活躍市場，測試可比較工具的甄選標準；
- 評估工具所用公平值層級的財務報表披露資料，包括主要輸入數據的敏感度及貴集團面臨的估值風險；
- 比對輸入數據與支持憑證，並考慮其合理性；及
- 評估管理層估值專家的才幹、能力及客觀性。

年報的其他資料

董事負責編製其他資料。其他資料包括貴公司年報所載之資料，惟不包括綜合財務報表及我們就此作出之核數師報告。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION IN THE ANNUAL REPORT *(continued)*

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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS 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 directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

年報的其他資料 (續)

我們有關綜合財務報表之意見並不涵蓋其他資料，我們亦並不就此發表任何形式之核證結論。

就我們對綜合財務報表之審核而言，我們之責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。我們就此並無須報告之事項。

董事就綜合財務報表須承擔之責任

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按照香港公司條例之披露規定編製綜合財務報表，以作出真實而公平的反映，以及作出董事確定所需之有關內部監控，以使編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於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，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

董事亦須負責監督 貴集團的財務報告流程。審核委員會協助董事履行此方面的職責。

Independent Auditor's Report

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

核數師就審核綜合財務報表須承擔之責任

我們的目標，是對整體綜合財務報表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，並出具包括我們意見的核數師報告。本報告根據百慕達一九八一年公司法第90條僅向閣下（作為整體），除此以外，不作其他用途。我們概不就本報告之內容向任何其他人士負責或承擔責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決策，則有關的錯誤陳述可被視作重大。

根據香港審計準則進行審核工作時，我們運用專業判斷，於整個審核過程中抱持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，就該等風險設計及執行相應的審核程序，以及取得充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，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。

Independent Auditor's Report

獨立核數師報告

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

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

核數師就審核綜合財務報表須承擔之責任 (續)

- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對 貴集團內部監控的效能發表意見。
- 評估董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審核憑證決定是否存在對 貴集團持續經營的能力構成重大疑問的事件或情況的相關重大不確定性。倘我們認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露資料。倘有關的披露資料不足，則我們應當發表非無保留意見。我們的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表（包括披露資料）的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。

Independent Auditor's Report

獨立核數師報告

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

- 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.

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

BDO Limited

Certified Public Accountants

Lee Ka Leung, Daniel

Practising Certificate Number: P01220

Hong Kong

29 March 2018

核數師就審核綜合財務報表須承擔之責任 (續)

- 就 貴集團中實體或業務活動的財務資料獲取充分及適當的審核證據，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們僅對我們之審核意見承擔責任。

我們與審核委員會溝通（其中包括）審核工作的計劃範圍及時間安排以及重大審核發現，包括我們在審核期間識別出內部監控的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通所有可能合理地被認為會影響我們獨立性的關係及其他事項，以及相關防範措施（倘適用）。

從與董事溝通的事項中，我們決定哪些事項對本期間綜合財務報表的審核最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們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利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司

執業會計師

李家樑

執業證書編號：P01220

香港

二零一八年三月二十九日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	7	39,958	195,562
Cost of goods sold and services provided	已售貨品及已提供服務成本		(43,161)	(118,490)
Gross (loss)/profit	毛(損)/利		(3,203)	77,072
Other revenue	其他收益	8	746	1,193
Operating expenses	經營開支	10	(78,304)	(3,938)
Administrative expenses	行政開支		(34,262)	(42,780)
Impairment loss on goodwill	商譽減值虧損	18	(43,844)	-
Impairment loss on available-for-sale investments	可供出售投資減值虧損		(3,000)	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	15	(5,132)	(1,740)
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	19	(24,753)	(100,855)
(Loss)/gain on change in fair value of derivative financial liabilities	衍生金融負債之公平值變動(虧損)/收益	26	(29,893)	89,221
Finance costs	融資成本	9	(77,351)	(68,736)
Reversal of impairment loss on trade receivables	貿易應收款項減值虧損撥回	19	1,017	-
Loss before income tax expense	除所得稅開支前虧損	10	(297,979)	(50,563)
Income tax expense	所得稅開支	11	-	(331)
Loss for the year	年內虧損		(297,979)	(50,894)
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange difference on translating of foreign operations	兌換海外業務產生之匯兌差額		(3,381)	(843)
Increase/(decrease) in fair value of available-for-sale investments	可供出售投資之公平值增加/(減少)		1,108	(2,006)
Release of investment revaluation reserve to profit or loss for impairment loss on available-for-sale investments	就可供出售投資減值虧損將投資重估儲備轉撥至損益		2,000	-
Other comprehensive income for the year, net of tax	年內其他全面收益(稅後)		(273)	(2,849)
Total comprehensive income for the year	年內全面收益總額		(298,252)	(53,743)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the year, attributable to:	應佔年內虧損：			
- Owners of the Company	- 本公司擁有人		(294,439)	(39,766)
- Non-controlling interests	- 非控股權益	34	(3,540)	(11,128)
			(297,979)	(50,894)
Total comprehensive income for the year, attributable to:	應佔年內全面收益總額：			
- Owners of the Company	- 本公司擁有人		(294,778)	(42,560)
- Non-controlling interests	- 非控股權益	34	(3,474)	(11,183)
			(298,252)	(53,743)
Loss per share	每股虧損	13		
- Basic	- 基本		HK cents港仙 (49.15)	HK cents港仙 (8.06)
- Diluted	- 攤薄		HK cents港仙 (49.15)	HK cents港仙 (8.50)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	11,187	12,410
Club debenture	會所債券	16	320	-
Available-for-sale investments	可供出售投資	17	9,313	9,205
Film product	電影產品	20	13,312	-
Goodwill	商譽	18	54,827	-
			88,959	21,615
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	19	153,456	227,037
Film product	電影產品	20	3,370	-
Bank balances and cash	銀行結餘及現金	21	96,647	133,000
			253,473	360,037
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	22	26,672	14,924
Amount due to a related company	應付一間關聯公司款項	23	-	2,519
Amounts due to non-controlling interest of subsidiaries	應付附屬公司非控股權益款項	24	22,985	22,580
Borrowings and Bank loan	借貸及銀行貸款	25	12,799	12,220
Promissory note	承兌票據	36	95,226	-
Derivative financial liabilities	衍生金融負債	26	36,153	6,260
Convertible bonds	可換股債券	26	256,562	50,028
Current tax liabilities	當期稅項負債		917	1,059
			451,314	109,590
Net current (liabilities)/assets	淨流動(負債)/資產		(197,841)	250,447
Total assets less current liabilities	總資產減流動負債		(108,882)	272,062
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	26	-	207,557
Contingent consideration payable	應付或然代價	27	1,563	-
			1,563	207,557
Net (liabilities)/assets	淨(負債)/資產淨值		(110,445)	64,505

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity	權益			
Share capital	股本	29	67,356	49,356
Reserves	儲備		(136,346)	59,014
Equity attributable to owners of the Company	本公司擁有人應佔權益		(68,990)	108,370
Non-controlling interests	非控股權益	34	(41,455)	(43,865)
Total (deficiency)/equity	(虧絀)/權益總額		(110,445)	64,505

The consolidated financial statements on pages 94 to 226 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

第94頁至第226頁之綜合財務報表於二零一八年三月二十九日獲董事會通過及授權刊發，並由下列董事會代表簽署：

Yan Xu
顏旭

Chairman and Director
主席兼董事

Chau Chit
周哲

Deputy Chairman and Director
副主席兼董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owner of the company 本公司擁有人應佔							Non-controlling interests		Total
		Share capital	Share premium	Capital redemption reserve	Investment revaluation reserve	Convertible bonds reserve	Exchange reserve	Retained earnings/ losses	Total	Non-controlling interests	Total
		股本	股份溢價	贖回儲備	重估儲備	債券儲備	匯兌儲備	(保留盈利/ 累計虧損)	合計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(note i) (附註i)		(note ii) (附註ii)	(note iii) (附註iii)					
At 1 January 2016	於二零一六年一月一日	49,356	76,385	1,564	702	20,427	(1,349)	3,845	150,930	(32,682)	118,248
Loss for the year	年內虧損	-	-	-	-	-	-	(39,766)	(39,766)	(11,128)	(50,894)
Exchange difference on translating of foreign operations	兌換海外業務產生之匯兌差額	-	-	-	-	-	(788)	-	(788)	(55)	(843)
Decrease in fair value of available-for-sale investments	可供出售投資公平值減少	-	-	-	(2,006)	-	-	-	(2,006)	-	(2,006)
Other comprehensive income	其他全面收益	-	-	-	(2,006)	-	(788)	-	(2,794)	(55)	(2,849)
Total comprehensive income	全面收益總額	-	-	-	(2,006)	-	(788)	(39,766)	(42,560)	(11,183)	(53,743)
At 31 December 2016	於二零一六年十二月三十一日	49,356	76,385	1,564	(1,304)	20,427	(2,137)	(35,921)	108,370	(43,865)	64,505
Loss for the year	本年度虧損	-	-	-	-	-	-	(294,439)	(294,439)	(3,540)	(297,979)
Exchange difference on translating of foreign operations	兌換海外業務產生之匯兌差額	-	-	-	-	-	(3,447)	-	(3,447)	66	(3,381)
Increase in fair value of available-for-sale investments	可供出售投資公平值增加	-	-	-	1,108	-	-	-	1,108	-	1,108
Release of investment revaluation reserve to profit or loss for impairment loss on available-for-sale investments	就可供出售投資減值虧損將投資重估儲備轉撥至損益	-	-	-	2,000	-	-	-	2,000	-	2,000
Other comprehensive income	其他全面收益	-	-	-	3,108	-	(3,447)	-	(339)	66	(273)
Total comprehensive income	全面收益總額	-	-	-	3,108	-	(3,447)	(294,439)	(294,778)	(3,474)	(298,252)
Share issued upon conversion of convertible bonds	轉換可換股債券時發行股份	15,900	57,265	-	-	(20,427)	-	-	52,738	-	52,738
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	-	-	-	-	5,884	5,884
Share issued upon completion of acquisition of subsidiaries	於完成收購附屬公司時發行股份	2,100	62,580	-	-	-	-	-	64,680	-	64,680
At 31 December 2017	於二零一七年十二月三十一日	67,356	196,230	1,564	1,804	-	(5,584)	(330,360)	(68,990)	(41,455)	(110,445)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

Notes:

- (i) The share premium of the Group represents the amount subscribed for share capital in excess of nominal value.
- (ii) The investment revaluation reserve represents the cumulative gains/losses arising on recognising financial assets classified as available-for-sale investments at fair value.
- (iii) The convertible bonds reserve represents the equity components of the convertible bonds issued. The convertible bonds issued are split into their liability and equity components at initial recognition at the fair values of each of the convertible bonds.

附註：

- (i) 本集團之股份溢價乃指認購股本金額超出面值之金額。
- (ii) 投資重估儲備乃指因確認分類為按公平值計量之可供出售投資之金融資產而產生的累計收益／虧損。
- (iii) 可換股債券儲備乃指已發行可換股債券之權益部分。已發行可換股債券於初步按公平值確認各可換股債券時，被分為負債及權益部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量		
Loss before income tax expense	除所得稅開支前虧損	(297,979)	(50,563)
Adjustments for:	按下列各項調整：		
Interest income	利息收入	(341)	(317)
Dividend income	股息收入	(330)	(343)
Finance costs	融資成本	77,351	68,736
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,299	1,261
Loss/(gain) on change in fair value of derivative financial liabilities	衍生金融負債公平值變動之虧損／(收益)	29,893	(89,221)
Impairment loss on goodwill	商譽減值虧損	43,844	–
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	5,132	1,740
Impairment loss on available-for-sale investments	可供出售投資減值虧損	3,000	–
Amortisation of film product	電影產品攤銷	173	–
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	24,753	100,855
Reversal of impairment loss on trade and other receivables	貿易及其他應收款項減值虧損撥回	(1,017)	–
Operating (loss)/profit before working capital change	營運資金變動前之經營(虧損)／溢利	(114,222)	32,148
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少／(增加)	85,625	(90,723)
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加／(減少)	4,805	(79,390)
Decrease in amount due to a related company	應付一間關聯公司款項減少	(2,519)	–
Cash used in operations	用於經營之現金	(26,311)	(137,965)
Income taxes paid	已付所得稅	(222)	(239)
Net cash used in operating activities	用於經營業務之現金淨額	(26,533)	(138,204)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash flows from investing activities	投資業務之現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(4,811)	(963)
Purchases of available-for-sale investments	購買可供出售投資	–	(5,275)
Purchase of club debenture	購買會所債券	(320)	–
Cash from acquisition of subsidiary	來自收購附屬公司之現金	5,556	–
Loans receivable	應收貸款	20,330	(20,330)
Dividend income	股息收入	330	343
Interest received	已收利息	33	45
Net cash generated from/ (used in) investing activities	來自／(用於)投資業務之現金淨額	21,118	(26,180)
Cash flows from financing activities	融資業務之現金流量		
Advance from a non-controlling interest of subsidiary	來自一間附屬公司非控股權益之墊款	256	1,680
Proceeds from borrowings	來自借貸之所得款項	5,999	5,000
Repayment of borrowings	償還借貸之款項	(12,220)	–
Interest paid	已付利息	(25,200)	(25,200)
Net cash used in financing activities	用於融資業務之現金淨額	(31,165)	(18,520)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(36,580)	(182,904)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	133,000	316,193
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等值項目之影響	227	(289)
Cash and cash equivalents at the end of the year, represented by bank balances and cash	年末之現金及現金等值項目，指銀行結餘及現金	96,647	133,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. GENERAL

Starlight Culture Entertainment Group Limited (formerly known as Jimei International Entertainment Group Limited) (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are at Unit 3, 12/F, No. 118 Connaught Road West, Hong Kong, respectively.

The Company’s parent is Cosmic Leader Holdings Limited and the directors of the Company (the “Directors”) consider its ultimate holding company is Cosmic Leader Holdings Limited and the ultimate controlling shareholder is Mr. Yan Xu, with effect from April 2017. Cosmic Leader Holdings Limited is incorporated in the Republic of Seychelles.

The Company is an investment holding company where the Group, comprising the Company and its subsidiaries as detailed in note 33, is principally engaged in entertainment and gaming business, and trading of chemical products, and energy conservation and environmental protection products, and media and culture business.

1. 一般事項

星光文化娛樂集團有限公司（前稱為集美國際娛樂集團有限公司）（「本公司」）在百慕達註冊成立為一家獲豁免有限公司及其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址為香港干諾道西118號12樓3室。

本公司之母公司為Cosmic Leader Holdings Limited，本公司之董事（「董事」）認為本公司之最終控股公司為Cosmic Leader Holdings Limited，最終控股股東為顏旭先生（自二零一七年四月起生效）。Cosmic Leader Holdings Limited於塞舌爾共和國註冊成立。

本公司為一間投資控股公司，而本集團（包括本公司及其附屬公司）（詳情載於附註33）主要從事娛樂及博彩業務、化工產品以及節能及環保產品貿易業務以及傳媒及文化業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective 1 January 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the notes to the cashflow statement, note 37(b). Comparative information for prior year has not been provided in account with the transitional provision set out in the amendments.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these consolidated financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

2. 採用香港財務報告準則（「香港財務報告準則」）

(a) 採用新訂／經修訂香港財務報告準則－二零一七年一月一日起生效

香港會計準則第7號之修訂本	主動披露
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產
香港財務報告準則二零一四年至二零一六年週期之年度改進	香港財務報告準則第12號之修訂本，披露於其他實體之權益

香港會計準則第7號之修訂本－主動披露

該等修訂引入其他披露，讓財務報表之使用者可評估融資活動所產生負債變動。

採納該等修訂已導致於現金流量表附註呈列額外披露（附註 37(b)）。並未根據該等修訂所載的過渡性條文提供上年度的比較資料。

香港會計準則第12號之修訂本－就未變現虧損確認遞延稅項資產

該等修訂涉及確認遞延稅項資產並澄清若干必要考慮因素，包括如何就與按公平值計量的債務工具相關之遞延稅項資產入賬。

由於經澄清的處理方式與本集團先前確認遞延稅項資產的方式一致，因此採納該等修訂對該等綜合財務報表並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2017 (continued)

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity’s interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(a) 採用新訂／經修訂香港財務報告準則－二零一七年一月一日生效（續）

香港財務報告準則二零一四年至二零一六年週期之年度改進－香港財務報告準則第12號之修訂本，披露於其他實體之權益

根據年度改進程序頒佈的該等修訂對目前不清晰的準則作出細微且不緊迫的變動。該等修訂包括香港財務報告準則第12號之修訂本「披露於其他實體的權益」以澄清香港財務報告準則第12號之披露規定（披露概要財務資料的規定除外）亦適用於一間實體的根據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」分類為持作出售的於其他實體的權益或已終止經營業務。

由於後一處理方式與本集團先前處理有關根據香港財務報告準則第5號分類為持作出售的其於其他實體權益或已終止經營業務的其於其他實體的權益的方式一致，因此採納香港財務報告準則第12號的修訂本對該等財務報表並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards ¹
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transaction ¹
HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HKFRS 16	Leases ²
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效且與本集團之綜合財務報表潛在相關的新訂／經修訂香港財務報告準則。本集團目前有意在該等準則生效之日應用相關變動。

香港財務報告準則二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號之修訂本，首次採納香港財務報告準則 ¹
香港財務報告準則第2號之修訂本	以股份為基礎付款交易之分類及計量 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約之收入 ¹
香港財務報告準則第15號之修訂本	來自客戶合約之收入（香港財務報告準則第15號之澄清） ¹
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價 ¹
香港財務報告準則第16號	租賃 ²
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理的不確定因素 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則二零一四年至二零一六年週期之年度改進－香港財務報告準則第1號之修訂本，首次採納香港財務報告準則

根據年度改進程序頒佈的該等修訂對目前不清晰的準則作出細微且不緊迫的變動。該等修訂包括香港財務報告準則第1號之修訂本「首次採納香港財務報告準則」，其中刪去與已結束因而不再適用之會計期間有關的過渡條文豁免。

香港財務報告準則第2號之修訂本－以股份為基礎付款交易之分類及計量

該等修訂就歸屬及非歸屬條件對計量以下各項時之影響所作會計處理作出規定：以現金結算以股份為基礎付款；預扣稅責任具有淨額結算特徵之以股份為基礎付款交易；以及交易類別由現金結算變更為權益結算之以股份為基礎付款條款及條件之修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at Fair Value Through Other Comprehensive Income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at Financial Assets and Liabilities at Fair Value Through Profit or Loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號－金融工具

香港財務報告準則第9號引入金融資產分類及計量的新規定。按目的為持有資產以收取合約現金流的業務模式持有的債務工具（業務模式測試）以及具產生現金流的合約條款且僅為支付本金及未償還本金利息的債務工具（合約現金流特徵測試），一般按攤銷成本計量。倘該實體業務模式的目的是為持有及收取合約現金流以及出售金融資產，則符合合約現金流特徵測試的債務工具按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量。實體可於初步確認時作出不可撤銷的選擇，以按公平值計入其他全面收益計量並非持作買賣的股本工具。所有其他債務及股本工具為按公平值計入損益（「按公平值計入損益」）計量之金融資產及負債。

香港財務報告準則第9號就並非按公平值計入損益的所有金融資產納入新的預期虧損減值模式（取代香港會計準則第39號的已產生虧損模式）以及新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9 – Financial Instruments (continued)

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

With respect to the Group’s financial assets currently classified as “available-for-sale”, these are investments in equity securities which the Group has the option to irrevocably designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group plans to elect this designation option for the investments held on 1 January 2018 and will recognise any subsequent fair value changes in respect of these investments in other comprehensive income as they arise. More detailed assessment will be performed by the Group.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號－金融工具（續）

香港財務報告準則第9號沿用香港會計準則第39號項下金融負債的確認、分類及計量規定，惟指定按公平值計入損益的金融負債除外，而負債信貸風險變動引致的公平值變動金額於其他全面收益確認，除非會產生或擴大會計錯配風險則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號終止確認金融資產及金融負債的規定。

於二零一七年，本集團已對採納香港財務報告準則第9號的影響進行詳細評估。與分類及計量以及減值規定相關的預期影響概述如下：

(a) 分類及計量

本集團目前分類為「可供出售」的金融資產為對權益性證券的投資，本集團可選擇於過渡至香港財務報告準則第9號時不可撤銷地將其指定為按公平值計入其他全面收益（不能撥回）。本集團擬選擇對二零一八年一月一日所持有的投資作出該項指定，倘該等投資於其後發生任何公平值變動，則將於發生時於其他全面收益確認。本集團將進行更詳細的評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 9 – Financial Instruments (continued)

(a) Classification and measurement (continued)

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of the financial liability’s credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group on adoption of HKFRS 9.

(b) Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group has assessed how its impairment provisions would be affected by the new model. So far it has concluded that there would be no material impact for the application of the new impairment requirements.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號－金融工具（續）

(a) 分類及計量（續）

香港財務報告準則第9號項下金融負債的分類及計量規定與香港會計準則第39號無重大變化，惟香港財務報告準則第9號規定指定為按公平值計入損益的金融負債的公平值變動倘因金融負債的信貸風險變動所引致，則須於其他全面收益確認，而不得重新分類至損益。本集團目前並無任何指定為按公平值計入損益的金融負債，故於採納香港財務報告準則第9號時，此項新規定不會對本集團產生任何影響。

(b) 減值

香港財務報告準則第9號的新減值模式以「預期信貸虧損」模式取代香港會計準則第39號的「已產生虧損」模式。根據預期信貸虧損模式，其將不再需要在確認減值虧損前發生虧損事件。相反，一間實體須確認並計量十二個月的預期信貸虧損或可使用年期內的預期信貸虧損，惟視乎資產、事實及情況而定。本集團已評估其減值撥備將如何受新模式所影響。迄今為止所得的結論為其對新減值規定的應用不會產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 15 – Revenue from Contracts with customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第15號－來自客戶合約之收入

本項新準則設立一個單獨的收入確認框架。該框架的核心原則為實體應確認收入以用金額描述轉讓承諾商品或服務予客戶，該金額反映預期該實體有權就交換該等商品及服務所收取的代價。香港財務報告準則第15號將取代現行收入確認指引（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號要求透過五個步驟確認收入：

- 第一步： 識別與客戶的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至各履約責任
- 第五步： 於各履約責任完成時確認收入

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 15 – Revenue from Contracts with customers (continued)

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim period within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption. Management is currently assessing the effects of applying the new standard on the Group’s financial statements.

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

Management is currently assessing the effects of applying the new standard on the Group’s financial statements.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第15號－來自客戶合約之收入（續）

香港財務報告準則第15號包含與特定收入相關的特定指引，該等指引或會更改香港財務報告準則現時應用之方法。該準則亦對收入相關的披露作出大幅質化與量化改進。

該準則允許以全面追溯或經修訂追溯方式予以採納。新準則在於二零一八年一月一日或之後開始之年度報告期間的首個中期期間生效並允許提前採納。管理層正在評估應用該新準則對本集團財務報表的影響。

香港財務報告準則第15號之修訂本－來自客戶合約之收入（香港財務報告準則第15號之澄清）

香港財務報告準則第15號之修訂包括對識別履行責任作出之澄清；應用委託人及代理人；知識產權許可；及過渡規定。

管理層正在評估應用該新準則對本集團財務報表的影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HK(IFRIC)–Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港（國際財務報告詮釋委員會）－詮釋第22號－外幣交易及預付代價

該詮釋就如何為釐定用於涉及以外幣支付或收取預付代價的交易的匯率而釐定交易日期，以及如何確認非貨幣資產或非貨幣負債提供指引。該詮釋明確指出，釐定首次確認相關資產、開支或收益（或當中部分）所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第16號－租賃

香港財務報告準則第16號於生效日期將取代香港會計準則第17號「租賃」及相關詮釋，引入單一承租人會計處理模式並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括承租人合理肯定會行使選擇權延續租賃或行使中止租賃選擇權之情況下，將於選擇權期間內作出之付款。就根據前訂準則香港會計準則第17號分類為經營租賃之租賃而言，此會計處理方法與承租人會計法顯著不同。

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綜合財務報表附註

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HKFRS 16 – Leases (continued)

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will primarily affect the Group’s accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港財務報告準則第16號－租賃（續）

就出租人會計法而言，香港財務報告準則第16號大致沿用香港會計準則第17號之出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且對兩類租賃進行不同會計處理。

香港財務報告準則第16號將主要影響本集團作為租賃承租人而就目前分類為經營租賃的物業、廠房及設備所作的會計處理。應用新的會計模式預期會導致資產及負債增加，並影響租賃期間於損益表中確認費用的時間。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港（國際財務報告詮釋委員會）－詮釋第23號－所得稅處理的不確定因素

該詮釋透過就如何反映所得稅會計處理涉及之不確定性因素之影響提供指引，為香港會計準則第12號「所得稅」的規定提供支持。根據該詮釋，實體須釐定分開或集中考慮各項不確定稅項處理，以更佳預測不確定性因素的解決方法。實體亦須假設稅務機關將會查驗其有權檢討的金額，並在作出上述查驗時全面知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性因素解決方法的方法來反映釐定稅項涉及的不確定性因素。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

- (b) New/revised HKFRSs that have been issued but are not yet effective (continued)

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments (continued)

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply interpretation from its effective date. The interpretation is not expected to have any significant impact on the Group’s financial statements.

Except as described above, the Directors of the Company anticipate that the application of other new and amendments to HKFRSs and Interpretations will have no material impact on the results and the financial position of the Group in the foreseeable future.

2. 採用香港財務報告準則（「香港財務報告準則」）（續）

- (b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則（續）

香港（國際財務報告詮釋委員會）－詮釋第23號－所得稅處理的不確定因素（續）

實體必須釐定是否考慮分開處理各項不確定的稅項或將其他一項或多項不確定稅項合併處理。實體應採用能更好預測不確定性的解決方法。該詮釋於二零一九年一月一日或之後開始的年度報告期間生效，但可應用若干過渡性寬免。本集團將於其生效日期起應用該詮釋。預期該詮釋不會對本集團的財務報表產生重大影響。

除上文所述者外，本公司董事預期應用其他新訂及經修訂香港財務報告準則及詮釋將不會對本集團於可預見將來的業績及財務狀況構成重大影響。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

During the year, the Group incurred a loss attributable to owners of the Company of HK\$294,439,000 for the year ended 31 December 2017 and at the end of reporting period, the Group had net current liabilities and net liabilities of approximately HK\$197,841,000 and HK\$110,445,000 respectively. These conditions indicate the existence of a material uncertainty which may cast doubt on the Group’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

3. 編製基準

合規聲明

綜合財務報表乃按照所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「香港財務報告準則」）及香港公司條例之披露規定而編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）規定的適用披露。

計量基準及持續經營假設

綜合財務報表乃以歷史成本為編製基準，惟下文所載會計政策內闡釋之若干金融工具乃按公平值計量。

年內，本集團錄得截至二零一七年十二月三十一日止年度本公司擁有人應佔虧損294,439,000港元，於報告期末，本集團流動負債淨額及負債淨額分別為約197,841,000港元及110,445,000港元。該等狀況顯示存在可能令本集團的持續經營能力產生疑問的重大不確定因素，因此，本集團可能無法在日常業務過程中變現其資產及清償其負債。

鑒於該等狀況，本公司董事在評估本集團是否擁有充足的財務資源以繼續營運時，已考慮本集團的未來流動資金及表現以及其可得的財務資源。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. BASIS OF PREPARATION (continued)

Basis of measurement and going concern assumption (continued)

The directors have been taking various initiatives to improve the Group's operating cash flows, which include:

- The Group obtained consent from the existing Convertible Bond holders, with principal amount of approximately HK\$315,000,000 due on 1 December 2018, to extend the due date of the captioned Convertible Bond for a year till 2 December 2019 upon the request by the Company before the due date;
- The Group obtained consent from the existing Promissory Note holder, with principal amount of approximately HK\$100,500,000 (equivalent to approximately US\$12,885,000) due on 12 December 2018, to extend the due date of the captioned Promissory Note for a year till 12 December 2019;
- The Group is actively considering disposal of available-for-sale investments;
- The Group has substantially expanded its media and culture business during the year with business acquisitions (details in Note 35). The directors of the Company expect that income from this business segment and related film licensing income will contribute operating cash flows to the Group in the coming years;
- The Group is actively considering raising new capital by obtaining new bank borrowings and carrying out fund raising activities including but not limited to rights issue, open offer, placing of new shares and issuance of other convertible bonds.

3. 編製基準 (續)

計量基準及持續經營假設 (續)

董事已採取多項舉措以改善本集團的營運現金流量，其中包括：

- 本集團取得本金額約為315,000,000港元並於二零一八年十二月一日到期的可換股債券現有持有人的同意，在本公司於到期日前要求後將上述可換股債券的到期日延後一年至二零一九年十二月二日；
- 本集團取得本金額約為100,500,000港元（相當於約12,885,000美元）並於二零一八年十二月十二日到期的承兌票據現有持有人的同意，將上述承兌票據的到期日延後一年至二零一九年十二月十二日；
- 本集團正在積極考慮出售可供出售投資；
- 年內，本集團通過業務收購已經大幅擴充其傳媒及文化業務（詳情載於附註35）。本公司董事預計，未來年度此業務分部產生的收入及相關電影授權收入將為本集團的營運現金流量作出貢獻；
- 本集團積極考慮通過獲取新銀行借貸及開展融資活動（包括但不限於供股、公開發售、配售新股及發行其他可換股債券）的方式籌集新資金。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. BASIS OF PREPARATION (continued)

Basis of measurement and going concern assumption (continued)

In the opinion of the directors of the Company, after considering the Group's forecast and projections, operation as well as capital expenditure and the above financing arrangements of the Group, the Group is expected to have sufficient liquidity to finance its operations for the next twelve months subsequent to end of reporting period. Therefore, the consolidated financial statements of the Group have been prepared on a going concern basis.

Should the aforesaid financing arrangement cannot be realised, the Group may not be able to continue in business as a going concern, adjustments would have to be made to adjust the value of assets to their estimated realisable values, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3. 編製基準 (續)

計量基準及持續經營假設 (續)

經考慮本集團的預測、營運及資本開支以及本集團上述融資安排，本公司董事認為，本集團預計將擁有充足的流動資金為其在報告期末後未來十二個月的營運提供資金。因此，本集團的綜合財務報表乃按持續經營基準編製。

倘上述融資安排未能實現，則本集團可能無法繼續持續經營，在此情況下，將須作出調整以將資產價值調整至其估計可變現價值，將非流動資產及負債分別重新分類為流動資產及負債，並對可能產生的任何其他負債作出撥備。該等潛在調整的影響並未於綜合財務報表內反映。

編製符合香港財務報告準則的綜合財務報表需要管理層作出會影響政策的應用及呈報的資產、負債、收入及開支的金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為在此情況下屬合理的各類其他因素，其結果構成就無法從其他來源明顯得出的資產及負債的賬面值作出判斷的基準。實際結果可能不同於該等估計。

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3. BASIS OF PREPARATION (continued)

Basis of measurement and going concern assumption (continued)

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.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in consolidated financial statements.

Functional and presentation currency

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 except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

3. 編製基準 (續)

計量基準及持續經營假設 (續)

估計及相關假設會持續檢討。倘若會計估計修訂只影響估計修訂期間，則有關修訂會在該期間確認；或倘若有關修訂既影響當期亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

管理層於應用香港財務報告準則時作出的對綜合財務報表有重大影響的判斷及估計不確定因素之主要來源載於綜合財務報表內。

功能及呈列貨幣

綜合財務報表乃以本公司的功能貨幣港元（「港元」）呈列。除另有指明者外，所有價值已四捨五入至最接近千位數。

4. 主要會計政策

業務合併及綜合賬目基準

綜合財務報表由本公司及其附屬公司（「本集團」）之財務報表組成。集團內公司間交易及結餘連同未變現溢利均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，惟交易提供所轉移資產之減值憑證時除外，此時虧損於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and basis of consolidation (continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 主要會計政策 (續)

業務合併及綜合賬目基準 (續)

於本年度收購或出售的附屬公司之業績自收購日期起或直至出售日期止(如適用)載於綜合全面收益表。附屬公司之財務報表將於必要時作出調整以使其會計政策與本集團其他成員公司所用的會計政策貫徹一致。

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購之可識別資產及所承擔負債則主要按收購當日之公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量,而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇按公平值或按應佔被收購方可識別資產淨值之比例計量相當於目前於附屬公司擁有權之非控股權益。除非香港財務報告準則規定適用其他計量基準,否則所有其他非控股權益按公平值計量。所產生之收購相關成本列作開支,除非其產生自發行股本工具,在此情況下,有關成本自權益中扣除。

由收購方將予轉讓之任何或然代價按收購日期之公允值確認。其後對代價之調整僅於調整源自於計量期(最長為收購日期起12個月)內所取得有關於收購日期之公允值之新資料時方與商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and basis of consolidation (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal 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 previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

4. 主要會計政策 (續)

業務合併及綜合賬目基準 (續)

倘本集團失去對附屬公司之控制權，出售損益乃由(i)已收代價之公平值及任何保留權益之公平值總和與(ii)附屬公司的資產(包括商譽)及負債以及任何非控股權益之先前賬面值之間的差額計算。先前於其他全面收益內確認有關附屬公司之款額按出售相關資產或負債時所規定之相同的方式入賬。

於收購事項後，相當於目前於附屬公司擁有權益之非控股權益之賬面值為該等權益於初步確認時之款額加該等非控股權益應佔權益其後變動之部分。即使會導致該等非控股權益出現虧絀結餘，全面收益總額仍歸屬於有關非控股權益。

附屬公司

附屬公司乃指本公司可對其行使控制權的被投資方。倘下列三項因素全部存在，則本公司控制被投資方：對被投資方擁有權力、就被投資方可變回報承受風險或享有權利及能夠運用其權力影響該等可變回報。當事實及情況顯示任何該等控制權因素可能發生變動，則會重新評估控制權。

倘本公司擁有實際能力引導投資對象相關活動，而毋須持有大多數投票權，則存在實際控制權。釐定實際控制權是否存在時，本公司考慮所有相關事實及情況，包括：

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsidiaries (continued)

The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;

Substantive potential voting rights held by the Company and other parties who hold voting rights;

Other contractual arrangements; and

Historic patterns in voting attendance.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Impairment of non-financial assets paragraph as below), and whenever there is an indication that the unit may be impaired.

4. 主要會計政策 (續)

附屬公司 (續)

相對其他持有投票權人士的數量及分散情況，本公司投票權的數量多少；

本公司及其他持有投票權人士所持有的實際潛在投票權；

其他合同安排；及

參與投票的歷史模式。

於附屬公司之投資按成本減減值虧損（如有）計入本公司的財務狀況表。附屬公司的業績由本公司根據已收及應收股息列賬。

商譽

倘可識別資產及負債之公平值高於所付代價之公平值、於被收購方非控股權益之金額與收購方先前所持被收購方股本權益之收購日公平值的總額，則超出部分於重估後於收購日期在損益確認。

商譽按成本減去減值虧損計量。就減值測試而言，收購產生之商譽分配予預期會受惠於收購協同效益之各相關現金產生單位。現金產生單位為產生現金流入且該現金流入基本上獨立於其他資產或資產組別現金流入的最小可識別資產組合。獲分配商譽之現金產生單位每年透過將賬面值與可收回金額（見下文非金融資產減值一段）作比較而進行減值測試，亦於有跡象顯示該單位可能減值時進行減值測試。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

4. 主要會計政策 (續)

商譽 (續)

就財務年度內進行收購所產生之商譽而言，獲分配商譽之現金產生單位於該財務年度結束前進行減值測試。當現金產生單位之可收回金額少於該單位賬面值時，減值虧損會首先分配至撇減該單位獲分配之任何商譽之賬面值，然後基於該單位內各資產之賬面值按比例分配至該單位之其他資產。然而，分配至各項資產之虧損將不會令個別資產之賬面值減少至低於其公平值減出售成本（如可計量）或其在用價值（如可釐定）（以較高者為準）。商譽之減值虧損於損益確認，不會於後續期間撥回。

物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及累計減值虧損（如有）列賬。

物業、廠房及設備成本包括其購買價格及收購有關項目直接應佔之成本。

僅於與項目有關之未來經濟利益可能流入本集團，而該項目之成本能可靠計量時，其後成本才會計入資產之賬面值或確認為獨立資產（如適用）。重置部分之賬面值不會確認。所有其他維修及保養於其產生之財政期間於損益內確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Furniture and fixtures	4 years
Office equipment	4 years
Motor vehicles	3 ¹ / ₃ years
Land and building	40 years
Leasehold improvements	Over the remaining life of the leases but not exceeding 2 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Leasing

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

4. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備之折舊乃於其估計可使用年期內以直線法計算，以撇銷其成本或估值（經扣除預計剩餘價值）。於各報告期末，對可使用年期、剩餘價值及折舊方法進行檢討，並於適當時作出調整。有關可使用年期如下：

傢俬及裝置	4年
辦公室設備	4年
汽車	3 ¹ / ₃ 年
土地及樓宇	40年
租賃物業裝修	按剩餘租賃期計算，但不超過2年

倘資產之賬面值高於其估計可收回金額，則會立即撇減至其可收回金額。

出售物業、廠房及設備項目之盈虧，乃出售所得款項淨額與有關資產賬面值之差額，於出售時在損益中確認。

租賃

租約條款列明將所有權的絕大部分風險及回報轉移予承租人的租約分類為融資租約。所有其他租約則被分類為經營租約。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

Film products and film production in progress

Film products represent proportional distribution rights and legal copyrights of films, television programmes and television drama series produced by the Group or acquired by the Group. Film products are stated at cost less accumulated amortisation and identified impairment loss. Costs of film products comprise fees paid and payable under agreements, direct costs/expenses incurred during the production of films and TVs, fees for the reproduction and/or distribution of films and TVs. Amortisation is calculated using the straight-line method to allocate the cost of film and TV copyrights over their estimated useful lives which are determined based on individual title basis and ranged from within one year to five years after the showing of the respective film, or the delivery of master tapes of the respective TVs.

4. 主要會計政策 (續)

租賃 (續)

本集團作為承租人

根據融資租約持有的資產按公平值或(如屬較低者)最低租賃付款的現值初始確認為資產。相應的租賃承擔列作負債。租賃付款分析為資本及利息。利息部分於租期內在損益內扣除，計算方式為使利息於租賃負債中佔一個固定比例。資本部分則可用作削減應付出租人的結餘。

根據經營租賃應付的租金總額於租賃年期內以直線法於損益內確認。所收取的租賃優惠會作為總租金開支的不可分割的一部分在租賃年期內確認。

電影產品及在製電影

電影產品指本集團製作或本集團取得之電影、電視節目及電視劇之按比例發行權及合法版權。電影產品乃按成本減累計攤銷及已識別減值虧損列賬。電影產品的成本包括根據協議已付及應付之費用、電影及電視製作期間產生之直接成本／開支、複製及／或發行電影及電視之費用。在預計可使用年期內採用直線法對電影及電視版權的成本進行攤銷。預計可使用年期以單個項目為基礎來確定，時間範圍為相關電影上映後或相關電視節目母帶交付後一年內至五年。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Film products and film production in progress (continued)

Film production in progress are accounted for on a film-by-film basis and are stated at cost less accumulated impairment losses, if any. Cost of film production in progress includes production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of a film. Upon completion, these films under production are reclassified as film rights.

Impairment assessment of the film products and film production in progress is assessed on an annual basis or whenever events or changes in circumstances indicate that the carrying amount is below the recoverable amount, where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment loss is recognised in the consolidated statement of profit or loss. The recoverable amounts of the film products and film production in progress are determined and reviewed on a title-by-title basis and are based on their fair value that include unobservable inputs and assumptions derived from the Group.

Financial instruments

Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

4. 主要會計政策 (續)

影片及在製電影 (續)

在製電影乃按單一電影之基準計算，並按成本減去累計減值虧損（如有）入賬。在製電影之成本包括製作成本、服務成本、直接勞工成本、於製作電影時耗費之設施及原料。於完成製作後，該等在製電影將重新分類為電影版權。

電影產品及在製電影的減值評估按年進行，或當有事項或情況變動顯示賬面值低於可收回金額時，在合適情況下亦會確認減值虧損以將資產減至其可收回金額。此等減值虧損會在綜合損益表內確認。電影產品及在製電影的可收回金額以單個項目為基礎，按其公允價值（包括非可觀察輸入數據及本集團提供的假設）釐定及審閱。

金融工具

金融資產

本集團視乎所購入資產之目的，於初始確認時進行金融資產分類。按公平值計入損益之金融資產乃按公平值初始計量，而所有其他金融資產則按公平值另加收購金融資產直接應佔之交易成本初始計量。以常規方式購買或出售之金融資產均按交易日基準予以確認及取消確認。以常規方式購買或出售是指根據合約條款規定在相關市場中之規則或慣例通常約定之時限內交付資產所進行之金融資產購買或出售。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses. These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

該等資產為無活躍市場報價而附帶固定或可釐定付款之非衍生金融資產，主要通過向顧客供應貨品與服務而產生（貿易應收賬款），亦包括其他種類之合約貨幣性資產。於初始確認後，該等資產採用實際利率法按攤銷成本，減任何已識別減值虧損列賬。

可供出售金融資產

該等資產被界定為待售或不計入金融資產其他分類之非衍生金融資產。經初步確認後，該等資產按公平值列賬，其公平值變動於其他全面收益確認，惟減值虧損及貨幣工具之匯兌收益及虧損（於損益內確認）除外。

就在活躍市場並無報價及其公平值未能可靠計量之可供出售股本投資，以及與該等無報價股本工具有關並須於交付時結算之衍生工具而言，乃按成本減任何已識別減值虧損計量。該等資產被界定為待售或不計入金融資產其他分類之非衍生金融資產。經初步確認後，該等資產按公平值列賬，其公平值變動於其他全面收益確認，惟減值虧損及貨幣工具之匯兌收益及虧損（於損益內確認）除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

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

For loans and receivables

An impairment loss is recognised in profit or loss and directly reduces the carrying amount of financial asset when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

4. 主要會計政策 (續)

金融工具 (續)

金融資產減值虧損

本集團會於各報告期末評估是否有任何客觀證據顯示金融資產出現減值。倘有客觀證據顯示金融資產的估計未來現金流量因於初始確認資產後發生之一項或多項事件而受到能可靠估計之影響，則該金融資產出現減值。減值證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；或
- 因財務困難導致該金融資產之活躍市場消失。

貸款及應收款項

當有客觀證據顯示資產出現減值時，減值虧損會於損益確認及直接扣減金融資產之賬面值，並按該資產之賬面值與按原實際利率貼現之估計未來現金流量現值之差額計量。金融資產的賬面值會透過使用撥備賬作出扣減。當金融資產的任何部分被釐定為不可收回時，則其與有關金融資產之撥備賬沖銷。

Notes to the Consolidated Financial Statements

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment loss on financial assets (continued)

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For available-for-sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

4. 主要會計政策 (續)

金融工具 (續)

金融資產減值虧損 (續)

可供出售金融資產

倘公平值減少構成減值之客觀證據，虧損金額於權益扣除並於損益確認。

倘投資公平值增加客觀上與確認減值虧損後發生之事件有關，則可供出售債務投資之減值虧損其後會於損益撥回。

就可供出售股本投資而言，任何減值虧損後之公平值增加於其他全面收益確認。

就按成本列賬之可供出售股本投資而言，減值虧損金額乃按資產賬面值與經按類似金融資產之現行市場回報率貼現之估計未來現金流量現值兩者之差額計量。該減值虧損不予撥回。

金融負債

本集團視乎負債產生之目的，將其金融負債分類。透過損益以公平值列賬的金融負債初始按公平值計量，而按攤銷成本計量之金融負債則初始按公平值扣除所產生之直接應佔成本計量。

透過損益以公平值列賬的金融負債

透過損益以公平值列賬的金融負債包括持作交易之金融負債及於初始確認時指定為透過損益以公平值列賬的金融負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

金融工具 (續)

金融負債 (續)

透過損益以公平值列賬的金融負債 (續)

倘金融負債以短期出售為目的購買，則其分類為持作交易。衍生工具（包括分開列示的嵌入式衍生工具）亦可列為持作交易，除非其指定為有效對沖工具。持作交易負債的損益於損益確認。

倘一份合約包括一項或者多項嵌入式衍生工具，整份組合合約可指定為透過損益以公平值列賬的金融負債，惟該嵌入式衍生工具並無顯著改變現金流量或明確禁止嵌入式衍生工具單獨計量則除外。

倘滿足以下標準，金融負債於初始確認時可被指定為透過損益以公平值列賬：(i)該指定可抵銷或顯著減少以不同基準計量負債或確認其損益所產生之迥異處理；(ii)負債為一組金融負債之一部分，其管理與按公平值基準評估之表現，均按一套規範之風險管理策略進行；或(iii)該金融負債包含須獨立入賬之嵌入式衍生工具。

於初始確認後，透過損益以公平值列賬的金融負債按公平值計量，而公平值變動於其產生期間於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Convertible loan notes

Convertible loan notes contain liability and equity components

Convertible loan notes issued by the Company that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible loan notes equity reserve).

4. 主要會計政策 (續)

金融工具 (續)

金融負債 (續)

按攤銷成本計量之金融負債

按攤銷成本計量之金融負債(包括貿易及其他應付款項、借貸以及本集團發行之可換股貸款票據之債務部分)，隨後按攤銷成本採用實際利率法計量。相關利息開支於損益內確認。當負債終止確認時，以及在攤銷過程中，收益或虧損於損益內確認。

可換股貸款票據

可換股貸款票據包含負債及權益部分

本公司所發行之可換股貸款票據同時包括負債及轉換期權部分，於初始確認時分別歸類至其各自之項目。倘轉換期權將透過以固定金額之現金或其他金融資產換取固定數目之本公司本身之股本工具結算，則分類為股本工具。

於初始確認時，負債部分之公平值乃按類似之非可換股債務之現行市場利率釐定。發行可換股貸款票據之所得款項與分配至負債部分之公平值之差額(即可讓持有人將貸款票據轉換為權益之轉換期權)列入權益(可換股貸款票據權益儲備)。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Convertible loan notes (continued)

Convertible loan notes contain liability and equity components (continued)

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible loan notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to share capital). Where the option remains unexercised at the expiry dates, the balance stated in convertible loan notes equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Convertible loan notes contain liability component and conversion option derivative

Convertible loan notes issued by the Company that contain both liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, the conversion option derivative is recognised at fair value. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as liability.

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method, until extinguished on conversion or maturity. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

4. 主要會計政策 (續)

金融工具 (續)

可換股貸款票據 (續)

可換股貸款票據包含負債及權益部分 (續)

於往後期間，可換股貸款票據之負債部分採用實際利率法按攤銷成本列賬。權益部分，即可將負債部分兌換為本公司普通股之期權，將保留於可換股貸款票據權益儲備內，直至所附期權獲行使為止（在此情況下，可換股貸款票據權益儲備之結餘將轉撥至股本）。倘期權於到期日尚未獲行使，可換股貸款票據權益儲備之結餘將轉撥至保留盈利。兌換期權或期權到期時將不會確認任何損益。

可換股貸款票據包含負債部分及轉換期權衍生工具

本公司所發行之可換股貸款票據同時包括負債及轉換期權部分，於初始確認時分別歸類至其各自之項目。並非透過以固定金額之現金或其他金融資產換取固定數目之本公司本身之股本工具結算之轉換期權為轉換期權衍生工具。於發行日期，轉換期權衍生工具按公平值確認。所得款項超出初始確認為衍生部分金額之任何部分確認為負債。

於往後期間，可換股貸款票據之負債部分採用實際利率法按攤銷成本列賬，直至轉換時註銷或票據到期。轉換期權衍生工具按公平值計量，而公平值變動於損益確認。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Convertible loan notes (continued)

Convertible loan notes contain liability component and conversion option derivative (continued)

When the notes are converted, the carrying amount of the liability portion together with the fair value of the conversion derivative at the time of conversion are transferred to share capital as consideration for the shares issued. When the notes are redeemed, and difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and conversion option components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity/the conversion option derivative is recognised in profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策 (續)

金融工具 (續)

可換股貸款票據 (續)

可換股貸款票據包含負債部分及轉換期權衍生工具 (續)

倘票據獲轉換，負債部分之賬面值連同轉換衍生工具之公平值於轉換時轉撥至股本，作為已發行股份之代價。倘票據獲贖回，贖回金額與兩個部分賬面值之差額乃於損益確認。

與發行可換股貸款票據有關之交易成本，按所得款項之分配比例撥往負債及轉換期權部分。與權益部分有關之交易成本直接於權益內扣除／轉換期權衍生工具即時於損益確認。有關負債部分之交易成本計入負債部分之賬面值，並於可換股貸款票據期間採用實際利率法攤銷。

實際利率法

實際利率法乃計算金融資產或金融負債的攤銷成本及按有關期間攤分利息收入或利息開支的方法。實際利率乃將估計未來現金收入或支出按金融資產或負債的預期年期或(倘合適)較短期間準確折現之利率。

股本工具

本公司已發行之股本工具按已收所得項款扣除直接發行成本後入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Revenue recognition

Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Revenue from entertainment and gaming business represents revenue from gaming promotion operations which is recognised upon share of the net gaming wins and losses from the gaming tables.

4. 主要會計政策 (續)

金融工具 (續)

終止確認

本集團在與金融資產有關的未來現金流量合約權利屆滿，或金融資產已轉讓且該轉讓根據香港會計準則第39號符合終止確認標準時，終止確認金融資產。

金融負債於有關合約所訂明之責任解除、註銷或屆滿時終止確認。

倘本集團因重新磋商負債條款而向債權人發行本身之股本工具以償付全部或部分金融負債，所發行之股本工具即已付代價，並按有關金融負債或當中部分註銷當日之公平值初步確認及計量。倘已發行股本工具之公平值無法可靠計量，則計量股本工具以反映已註銷金融負債之公平值。已註銷金融負債或當中部分之賬面值與已付代價間之差額乃於年內之損益中確認。

收益確認

來自銷售貨品之收益在所有權之風險及回報轉移時（即交付及所有權已轉移予客戶時）確認。

來自娛樂及博彩業務之收益指來自博彩推廣業務之收益（該收益乃於分佔娛樂桌之淨輸贏後確認）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Dividend income is recognised when the right to receive the dividend is established.

Interest income is accrued on time basis on the principal outstanding at the applicable interest rate.

Revenue from rendering of services is recognised when services are provided.

Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4. 主要會計政策 (續)

收益確認 (續)

股息收入於收取股息之權利確立時確認。

利息收入以適用利率就未償還本金按時間基準累計。

提供服務之收益於提供服務時確認。

所得稅

本年度所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之損益，就所得稅而言毋須課稅或不可扣減之項目作出調整，按於報告期末已頒佈或實質上已頒佈的稅率計量。

所得稅乃於損益內確認，惟倘與其他全面收益確認或於權益直接確認之項目有關，則亦於其他全面收益確認或直接於權益中確認。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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.

4. 主要會計政策 (續)

所得稅 (續)

遞延稅項乃就用於財務報告目的之資產及負債的賬面值與用於稅務目的之相應金額之間的暫時差額確認。除商譽以及不影響會計或應課稅溢利的已確認資產及負債外，會就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產於有可能動用應課稅溢利抵銷可抵扣暫時差額的情況確認。遞延稅項乃按適用於預期變現資產或清償負債賬面值的方式以及於報告期末已頒佈或實質上已頒佈的稅率計量。

遞延稅項負債乃按因於附屬公司、聯營公司及共同控制實體之投資而產生的應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額很可能不會於可見將來撥回之情況除外。

外幣

集團實體以其業務營運所處的主要經濟環境的貨幣（「功能貨幣」）以外的貨幣進行的交易，按進行交易時通用的匯率入賬。外幣貨幣資產及負債則以報告期末的當前匯率換算。以外幣列值並按公平值列賬的非貨幣項目按釐定公平值之日通用的匯率重新換算。以外幣歷史成本計量的非貨幣項目不會重新換算。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

Employee benefits

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

4. 主要會計政策 (續)

外幣 (續)

結算及重新換算貨幣項目時產生的匯兌差額會於產生期間在損益確認。重新換算以公平值列賬之非貨幣項目所產生的匯兌差額計入期內損益，惟重新換算有關盈虧於其他全面收益內確認的非貨幣項目產生的差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

綜合賬目時，海外業務的收支項目以年內平均匯率換算為本集團的呈列貨幣（即港元），除非期內匯率大幅波動，在此情況下，則按進行該等交易時通用的相若匯率換算。所有海外業務的資產及負債均以報告期末通用的匯率換算。所產生的匯兌差額（如有）於其他全面收益確認，並於權益內累計入賬為匯兌儲備（少數股東權益應佔匯兌儲備（如適用））。於換算構成本集團於所涉海外業務的部分投資淨額的長期貨幣項目時，在集團實體獨立財務報表的損益內確認的匯兌差額重新分類至其他全面收益，並於權益內累計入賬為匯兌儲備。

僱員福利

短期僱員福利

短期僱員福利是指預計在僱員提供相關服務的年度報告期末後十二個月以前將全數結付的僱員福利（離職福利除外）。短期僱員福利於僱員提供相關服務的年度內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) and a defined contribution provident fund under Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) are recognised as expenses when employees have rendered service entitling them to the contributions.

Contribution to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. The contributions to the central pension scheme are recognised as an expense in profit or loss when the services are rendered by the employees.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model; and
- investments in subsidiaries

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

4. 主要會計政策 (續)

僱員福利 (續)

退休福利成本

向強制性公積金計劃(「強積金計劃」)及職業退休計劃條例項下定額供款公積金(「職業退休計劃」)之供款於僱員提供服務而符合享有供款資格時確認為開支。

定額供款退休金計劃之供款乃於僱員提供服務時在損益內確認為開支。中央退休金計劃之供款乃於僱員提供服務時在損益內確認為開支。

非金融資產減值

本集團於各報告期末審閱下列資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損或過往已確認之減值虧損是否已不存在或減少：

- 物業、廠房及設備(根據成本模式)；及
- 於附屬公司之投資

倘資產的可收回金額(即公平值減出售成本與在用價值兩者之較高者)估計少於其賬面值時，則資產賬面值將減至其可收回金額。減值虧損隨即確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策 (續)

非金融資產減值 (續)

倘隨後撥回減值虧損，資產的賬面值將增至其可收回金額的經修訂估計金額，惟經調高的賬面值不得超逾假設於過往年度並無就資產確認減值虧損而應已釐定的賬面值。減值虧損撥回隨即確認為收入。

在用價值乃根據使用除稅前折現率貼現至其現值的預期自資產產生之估計未來現金流量釐定，該折現率反映目前市場對金錢時間值及該資產之特定風險之評估。

撥備及或然負債

當本集團須就過往事件承擔法律或推定責任，而履行有關責任很可能會導致經濟利益外流，且該經濟利益可作出可靠估計時，本集團會就時間或金額不定之負債確認撥備。

倘經濟利益外流之可能性不大，或無法就有關金額作出可靠估計，則該責任將披露為或然負債，惟經濟利益外流之可能性極低則除外。須視乎一宗或多宗未來事件是否發生方可確定存在與否之可能責任亦會被披露為或然負債，惟經濟利益外流之可能性極低則除外。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) 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).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

4. 主要會計政策 (續)

關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親家族成員與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同係附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體之聯營公司或合營企業（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合營企業）。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (v) 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。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策 (續)

關連人士 (續)

(b) (續)

- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
- (viii) 實體、或集團之任何成員公司(為集團之一部分)向集團或本公司母公司提供管理層成員服務。

有關人士之近親家族成員為預期於該人士與實體交易時將影響該人士或受該人士影響之該等家族成員，包括：

- (i) 該人士之子女及配偶或家庭伴侶；
- (ii) 該人士配偶或家庭伴侶之子女；及
- (iii) 該人士或其配偶或家庭伴侶之受養人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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. Key sources of estimation uncertainty are as follows:

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 reviews on whether the assumptions made on useful lives continue to be valid.

Fair value measurement

A number of assets and liabilities included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

5. 重要會計判斷及估計不確定因素之主要來源

於應用附註4所述本集團之會計政策時，本公司董事須作出有關未能從其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際結果可能不同於該等估計。估計及相關假設乃按持續經營基準予以檢討。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計之修訂於修訂及未來期間內予以確認。估計不確定因素之主要來源如下：

物業、廠房及設備的可使用年期

本集團根據香港會計準則第16號的規定估計物業、廠房及設備的可使用年期，從而釐定所須列賬的折舊支出。本集團於購入資產時，根據過往經驗、資產的預期使用量、損耗程度，以及技術會否因市場需求或資產產能有變而變成過時，估計其可使用年期。本集團亦會於每年作出檢討，以判斷為可使用年期所作出的假設是否仍有效。

公平值計量

計入本集團綜合財務報表之多項資產及負債須按公平值計量，及／或作出公平值披露。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Fair value measurement *(continued)*

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

5. 重要會計判斷及估計不確定因素之主要來源 (續)

公平值計量 (續)

本集團金融及非金融資產及負債的公平值計量盡量利用市場可觀察的輸入及數據。於釐定公平值計量時使用之輸入，乃根據所利用之估值技術中使用的輸入之可觀察程度而分類為不同級別（「公平值等級」）：

- 第一級：相同項目於活躍市場之報價（未經調整）；
- 第二級：除第一級輸入外之可直接或間接觀察之輸入；
- 第三級：無法觀察之輸入（即並非源自市場之數據）。

分類為上述等級的項目乃基於所使用對該項目公平值計量產生重大影響之最低等級輸入確定。等級之間項目轉撥於其產生期間確認。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Impairment of property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation, where appropriate, and impairment losses. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the non-current asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. In estimating the recoverable amounts of the non-current assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

5. 重要會計判斷及估計不確定因素之主要來源 (續)

物業、廠房及設備的減值虧損

物業、廠房及設備按成本減累計折舊(如適用)及減值虧損列賬。當出現事件或情況改變顯示未必能收回賬面值時,則會對該等賬面值是否存在減值進行檢討。減值虧損按非流動資產賬面值超過其可收回金額的差額確認。可收回金額即公平值減出售成本與在用價值兩者之較高者。於估計非流動資產的可收回金額時,須作出多項假設,包括與非流動資產有關的未來現金流量和折現率。倘若未來事項不符合相關假設,則須對可收回金額作出調整,而此舉可能會影響本集團的經營業績或財務狀況。

商譽減值

於釐定商譽是否減值時,須對獲分派商譽之現金產生單位之使用價值作出估計。計算使用價值時,董事須估計預期源自現金產生單位之未來現金流及適合折現率,以計算現值。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Provisions in respect of recoverability of trade and other receivables

The Group's management determines the allowance for irrecoverable debts on a regular basis. The estimate is based on the credit history of the debtor's past default experience and the current market condition. When the Group's management determines that there are indicators of significant financial difficulties of the debtors such as default or delinquency in payments, allowance for debts are estimated. The Group's management reassesses the estimates at the reporting dates.

When the Group's management determines the debts are uncollectible, they are written off against the allowance account for the debts.

Estimated impairment of film product

At the end of the reporting period, the management of the Group assesses the impairment on film product with reference to its recoverable amount. The assessment was made on a film-by-film basis. The recoverable amount of the film product was determined based on the higher of Fair Value less costs of disposal and value-in-use.

If the recoverable amount is lower than the carrying amount, the carrying amount of the film product will be written down to its recoverable amount. The Group's estimation of impairment provision of film product reflects the management's best estimate of future cash flows expected to be generated from film product.

Based on the management assessment's on the recoverability of film product, the directors of the Company determined that no impairment provision for the film product was made during the year ended 31 December 2017.

5. 重要會計判斷及估計不確定因素之主要來源 (續)

貿易及其他應收款項的可收回性撥備

本集團管理層定期釐定不可收回債務之撥備金額。按債務人過往欠款情況之信貸記錄及當前市場狀況為基準進行估計。當本集團管理層確信債務人出現重大財政困難之跡象(例如未能或拖延償還欠款),將會就債務估算撥備。本集團管理層將於報告日期重新評估有關估計。

當本集團管理層確信債務屬不可收回,則自有關債務之撥備賬撇銷。

電影產品的估計減值

於報告期末,本集團管理層參考電影產品的可收回金額後,對其減值進行評估。評估按單部電影基準進行。電影產品的可收回金額根據公平值減出售成本與在用價值之較高者計算。

倘可收回金額低於賬面值,則電影產品的賬面值將撇減至其可收回金額。本集團就電影產品所做減值撥備的估計反映管理層對電影產品預計產生之未來現金流量的最佳估計。

基於管理層對電影產品之可收回性的評估,本公司董事確定於截至二零一七年十二月三十一日止年度不對電影產品作出減值撥備。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Accounting for film product

The costs of film product, are amortised by straight-line method to allocate the cost of film over their estimated useful lives.

The Group is required to estimate the length of year that such film product will bring the economic benefits into the Group in order to ascertain the useful lives as well as the amount of amortisation charges for each reporting period. The appropriateness of the amortisation estimate requires the use of judgment and estimates with reference to the prevailing and future market conditions and the expected audience favour of the film product. Changes in these estimates and assumptions could have a material effect on the amortisation expenses.

Contingent consideration of acquisition of subsidiaries

The business acquisition of the Group during the year has involved post-acquisition performance-based contingent considerations. The Group follows the requirement of HKFRS 3 to recognise the fair value of those contingent considerations for acquisition, as of the respective acquisition date as part of the consideration transferred in exchange for the acquired subsidiary. These fair value measurements require, among other things, significant estimation of post-acquisition performance of the acquired subsidiary and significant judgement on time value of money. Contingent consideration shall be remeasured at their fair value resulting from events or factors emerging after the acquisition date, with any resulting gain or loss recognised in the consolidated statements of comprehensive income in accordance with HKFRS 3.

5. 重要會計判斷及估計不確定因素之主要來源 (續)

電影產品會計處理

電影產品的成本乃採用直線法於電影的估計可使用年期將分配其成本而進行攤銷。

本集團須估計有關電影產品將為本集團帶來經濟利益的年限以確定可使用年期及各報告期的攤銷費用金額。適當地估計攤銷須參照當前及未來市況以及預期觀眾對電影產品的喜好作出判斷及估計。當該等估計及假設出現改變，可能會對攤銷開支造成重大影響。

收購附屬公司的或然代價

本集團於年內的業務收購已涉及以收購後按業務表現為基礎計算的或然代價。本集團遵照香港財務報告準則第3號的規定確認該等收購的或然代價於各自收購日期的公平值為換取所收購附屬公司時已轉讓代價的一部分。該等公平值計量需要（其中包括）對所收購附屬公司的收購後表現作出重大估計及對貨幣時間值作出重大判斷。或然代價將應按其由因收購日期後出現合併的事件或因素導致的公平值重新計量，任何由此產生的損益收益或虧損根據香港財務報告準則第3號於綜合全面收益表確認。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Contingent consideration of acquisition of subsidiaries *(continued)*

As stated in note 27, there was a contingent consideration payable of HK\$1,563,000 as at 31 December 2017. The contingent consideration is measured at fair value taking into account the management's estimate on post-acquisition financial profitability of specified projects. Agreed payment is a contingent consideration that will be realised if the acquired businesses and the existing projects achieve their respective profit target, calculated on certain predetermined basis, during the designated period of time. Consequently, the actual consideration payable may vary according to the future performance of the acquired subsidiaries and the aforementioned specified projects, and the liabilities provided reflect estimates of such future performances. The Group recognises the fair value of those contingent consideration for acquisitions, as of their respective acquisition dates, as part of the consideration transferred in exchange for the acquired business. The fair value measurement requires, among other things, significant estimation of post-acquisition performance of the acquired businesses and significant judgement on time value of money.

Going concern

As disclosed in note 3, the directors have prepared the consolidated financial statements on a going concern basis as they are of opinion that the Group has adequate sources of liquidity to fund the Group's working capital and to meet its debt obligations as they become due based on the cash flow forecast prepared by the directors. Any adverse result on the actual future cash flow would affect the Group's ability to continue as a going concern.

5. 重要會計判斷及估計不確定因素之主要來源 (續)

收購附屬公司的或然代價 (續)

如附註27所述，於二零一七年十二月三十一日，應付或然代價為1,563,000港元。或然代價乃經計及管理層對收購後特定項目的財務盈利能力的估計按公平值計量。協定付款為一項或然代價，倘被收購的業務及現有項目達成各自溢利目標則會實現，該付款於特定時間段內按某一預先確定的基準計算。因此，應支付的實際代價可能因所收購的附屬公司及上述特定項目的未來表現而不同，負債撥備反應了對相關未來表現的估計。本集團將收購事項的該等或然代價於其各自收購日期的公平值確認為用於交換已收購業務的轉讓代價的一部分。公平值計量需要（其中包括）對被收購業務於收購後表現的重大估計及對貨幣時間價值的重大判斷。

持續經營

如附註3披露，董事已按持續經營基準編製綜合財務報表，因為彼等認為根據彼等所編製的現金流量預測，本集團擁有充足的流動資金來源，可為本集團營運資金撥資，並於債務責任到期時履行。實際未來現金流出現任何不利結果均會對本集團持續經營的能力造成影響。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Media and culture business— Investment, production and distribution of entertainment content such as films and drama series.
- Entertainment and gaming business – receiving commission and services income from casino entertainment and gaming promotion services; and
- Chemical products, and energy conservation and environmental protection products – trading of chemical products, and energy conservation and environmental protection products.

6. 分部資料

本集團按主要經營決策者（「主要經營決策者」）所審閱並賴以作出決策的報告釐定其經營分部。

本集團擁有三個可報告分部。由於各項業務提供不同產品及服務且需要不同的業務策略，故該等分部分開管理。以下為本集團各可報告分部業務之概要：

- 傳媒及文化業務—投資、製作及發行電影及電視劇等娛樂內容。
- 娛樂及博彩業務—娛樂場娛樂及博彩推廣服務之佣金及服務收入；及
- 化工產品以及節能及環保產品—化工產品以及節能及環保產品貿易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

Segment revenue, results, assets and liabilities

The following is an analysis of the Group's revenue and results by operating segments:

For the year ended 31 December 2017

6. 分部資料 (續)

分部收益、業績、資產及負債

以下為本集團按經營分部劃分之收益及業績分析：

截至二零一七年十二月三十一日止年度

		Media and culture business segment	Entertainment and gaming business segment	Chemical products, and energy conservation and environmental protection products segment	Total
		傳媒及文化業務分部	娛樂及博彩業務分部	化工產品以及節能及環保產品分部	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(Note 1)			
		(附註1)			
Revenue – External sales	收益 – 外部銷售	-	9,098	30,860	39,958
Segment loss	分部虧損	(126,743)	(17,906)	(12,416)	(157,065)
Unallocated income(expense) items:	未分配收入(開支)項目:				
Central administration costs and directors' salaries *	中央行政成本及董事薪金*				(33,807)
Other revenue	其他收益				102
Loss on change in fair value of derivative financial liabilities (note 26)	衍生金融負債公平值變動之虧損(附註26)				(29,893)
Finance costs **	融資成本**				(77,316)
Loss before income tax expense	除所得稅開支前虧損				(297,979)
Segment Assets	分部資產	192,052	46,999	12,027	251,078
Segment Liabilities	分部負債	21,068	29,172	11,789	62,029

Note 1: The Group has commenced the new business segment of media and culture during the year which is mainly involved in the business of film production in the United States.

* The costs mainly represent directors' remuneration, staff costs in Hong Kong, entertainment costs, legal and professional fees, rental expenses incurred by the Company for central administrative function.

** Certain finance costs are allocated to operating segments.

附註1：本集團已於年內開啟傳媒及文化新業務分部，主要從事在美國開展電影製作業務。

* 成本主要指本公司就中央行政職能而產生之董事酬金、於香港之員工成本、招待費、法律及專業費用及租金開支。

** 若干融資成本分配至經營分部。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

Segment revenue, results, assets and liabilities (continued)

For the year ended 31 December 2016

6. 分部資料 (續)

分部收益、業績、資產及負債 (續)

截至二零一六年十二月三十一日止年度

		Entertainment and gaming business segment 娛樂及博彩 業務分部 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products segment 化工產品以及 節能及環保 產品分部 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Revenue – External sales	收益 – 外部銷售	193,143	2,419	195,562
Segment loss	分部虧損	(41,337)	(4,426)	(45,763)
Unallocated income(expense) items:	未分配收入 (開支) 項目:			
Central administration costs and directors' salaries *	中央行政成本及董事薪金*			(25,633)
Other revenue	其他收益			348
Gain on change in fair value of derivative financial liabilities (note 26)	衍生金融負債公平值 變動之收益 (附註26)			89,221
Finance costs (note 9)	融資成本 (附註9)			(68,736)
Loss before income tax expense	除所得稅開支前虧損			(50,563)
Segment Assets	分部資產	296,874	12,753	309,627
Segment Liabilities	分部負債	32,564	4,909	37,473

* The costs mainly represent directors' remuneration, staff costs in Hong Kong, entertainment costs, legal and professional fees, rental expenses incurred by the Company for central administrative function.

* 成本主要指本公司就中央行政職能而產生之董事酬金、於香港之員工成本、招待費、法律及專業費用及租金開支。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

6. 分部資料 (續)

Segment assets and liabilities

The reconciliation between the segment assets and liabilities and the respective consolidated balances is as follows:

分部資產及負債

分部資產及負債與各自綜合結餘之間對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Assets	資產		
Segment assets	分部資產	251,078	309,627
Bank balances and cash **	銀行結餘及現金**	66,189	59,430
Other unallocated assets	其他未分配資產	25,165	12,595
Consolidated assets	綜合資產	342,432	381,652
Liabilities	負債		
Segment liabilities	分部負債	62,029	37,473
Convertible bonds (note 26)	可換股債券(附註26)	256,562	257,585
Derivative financial liabilities (note 26)	衍生金融負債(附註26)	36,153	6,260
Borrowings	借貸	-	12,220
Promissory note (note 36)	承兌票據(附註36)	95,226	-
Contingent consideration payable (note 27)	應付或然代價(附註27)	1,563	-
Other unallocated liabilities	其他未分配負債	1,344	3,609
Consolidated liabilities	綜合負債	452,877	317,147

** Certain bank balances and cash are allocated to operating segments

** 若干銀行結餘及現金乃分配至經營分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

6. 分部資料 (續)

Other segment information

其他分部資料

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

	Media and culture business segment 傳媒及文化業務分部 HK\$'000 千港元	Entertainment and gaming business segment 娛樂及博彩業務分部 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products segment 化工產品以及節能及環保產品分部 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets: 定期提供予主要經營決策者但在計量分部損益或分部資產時並無計及之款項：					
Additions to non-current assets 添置非流動資產	68,517	-	4,904	177	73,598
Depreciation of property, plant and equipment 物業、廠房及設備折舊	-	255	714	330	1,299
Impairment loss on property, plant and equipment 物業、廠房及設備減值虧損	7	1,209	2,493	1,423	5,132
Impairment loss on available-for-sale investments 可供出售投資減值虧損	-	-	-	3,000	3,000
Impairment loss on goodwill 商譽減值虧損	43,844	-	-	-	43,844
Reversal of impairment loss on trade receivables 貿易應收款項減值虧損撥回	-	-	(1,017)	-	(1,017)
Impairment loss on trade and other receivables 貿易及其他應收款項減值虧損	-	17,913	6,840	-	24,753
Loss on change in fair value of derivative financial liabilities 衍生金融負債公平值變動之虧損	-	-	-	29,893	29,893
Finance costs 融資成本	30	-	5	77,316	77,351

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

6. 分部資料 (續)

Other segment information (continued)

其他分部資料 (續)

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

	Entertainment and gaming business segment 娛樂及博彩 業務分部 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products segment 化工產品以及 節能及環保 產品分部 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元	
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:	定期提供予主要經營決策者但在計量分部損益或分部資產時並無計及之款項：				
Additions to non-current assets	添置非流動資產	14	449	5,775	6,238
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	299	394	568	1,261
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	1,740	-	-	1,740
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	99,819	1,036	-	100,855
Gain on change in fair value of derivative financial liabilities	衍生金融負債公平值變動之收益	-	-	89,221	89,221
Finance costs	融資成本	-	-	68,736	68,736

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

Information about major customers

Revenue from major customers of the corresponding years contributing over 10% of total revenue of the Group are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A	客戶A	14,792	-
Customer B	客戶B	8,635	-
Customer C	客戶C	4,231	-
Customer D	客戶D	1,083	99,324
Customer E	客戶E	-	77,351
		28,741	176,675

The revenue from Customers A, B and C for the year ended 31 December 2017 is contributed from chemical products, and energy conservation and environmental protection products segment. Revenue from Customers D and E for the year ended 31 December 2016 is contributed from gaming and entertainment business segment.

Save as disclosed above, none of the individual customers contributing over 10% of total revenue for both years.

6. 分部資料 (續)

有關主要客戶之資料

於相應年度來自佔本集團收益總額逾10%的主要客戶的收益載列如下：

截至二零一七年十二月三十一日止年度來自客戶A、B及C之收益由化工產品以及節能及環保產品分部所貢獻。截至二零一六年十二月三十一日止年度來自客戶D及E之收益由博彩及娛樂業務分部所貢獻。

除上文所披露者外，兩個年度內均無個別客戶貢獻超過總收益之10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. SEGMENTAL INFORMATION (continued)

Geographical information

The Group's operations are mainly located in Australia, the Kingdom of Cambodia and the People's Republic of China excluding Hong Kong ("PRC") and United States of America.

The following table provides an analysis of revenue from external customers derived from operations in countries outside Hong Kong, irrespective of the origin of the goods and information about its non-current assets by geographical location of the assets.

6. 分部資料 (續)

地區資料

本集團之經營主要位於澳洲、柬埔寨王國及中華人民共和國（不包括香港）（「中國」）及美利堅合眾國。

下表提供來自香港以外國家經營產生之外部客戶收益之分析（不論貨品原產地）及按資產所在地區劃分之有關其非流動資產之資料。

		Revenue from external customers 來自外部客戶之收益	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Australia	澳洲	7,272	181,927
Kingdom of Cambodia	柬埔寨王國	1,826	11,216
PRC	中國	30,860	2,419
		39,958	195,562

		Non-current assets 非流動資產	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Hong Kong	香港	1,106	1,748
Australia	澳洲	8,713	10,100
Kingdom of Cambodia	柬埔寨王國	–	76
PRC	中國	1,311	486
United States of America	美利堅合眾國	68,516	–
		79,646	12,410

Note: Non-current assets exclude available-for-sale investments.

附註：非流動資產不包括可供出售投資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

7. REVENUE

The Group is engaged in film production and investment, entertainment and gaming as well as trading of chemical products, and energy conservation and environmental protection products business. Revenue represents income from gaming promotion arrangement, which is recognised upon share of the net gaming wins and losses, other service income from patrons in relation to provision of ancillary casino betting and travel related services and the net invoiced value of sales for the year. No income from film production and investment was generated in the year.

7. 收益

本集團從事電影製作及投資、娛樂及博彩以及化工產品以及節能及環保產品貿易業務。收益指年內來自博彩推廣安排之收入（按應佔博彩贏款及輸款淨額確認）、顧客之其他服務收入（涉及提供輔助娛樂場下注及旅行相關服務）及銷售之發票淨額。年內電影製作及投資並未產生收入。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Sales of goods	銷售貨品	30,860	2,419
Promotion commission	推廣佣金	2,827	185,829
Rendering of services	提供服務	6,271	7,314
		39,958	195,562

8. OTHER REVENUE

8. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest income	利息收入	341	317
Dividend income	股息收入	330	343
Other income	其他收入	75	533
		746	1,193

9. FINANCE COSTS

9. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Effective interests on borrowings wholly repayable within five years:	須於五年內悉數償還之借貨之實際利息：		
Convertible bonds (note 26)	可換股債券（附註26）	76,915	68,191
Promissory Notes (note 36)	承兌票據（附註36）	283	-
Borrowings	借貨	153	545
		77,351	68,736

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. LOSS BEFORE INCOME TAX EXPENSE

10. 除所得稅開支前虧損

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax expense for the year is arrived at after charging/ (crediting):	年內除所得稅開支前虧損乃經扣除／(抵免)以下各項後達致：		
Directors' remuneration (note 12)	董事薪酬(附註12)	9,534	8,961
Other employee costs	其他員工成本		
– Salaries and other benefits	– 薪金及其他福利	13,225	19,860
– Retirement benefits scheme contribution	– 退休福利計劃供款	464	465
		13,689	20,325
Total employee costs	員工總成本	23,223	29,286
Auditor's remuneration	核數師酬金	681	580
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,299	1,261
Cost of sales	銷售成本	29,990	2,267
Operating expense (note)	經營開支(附註)	78,304	3,938
Impairment loss on goodwill	商譽減值虧損	43,844	–
Impairment loss on available-for-sale investments	可供出售投資減值虧損	3,000	–
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	5,132	1,740
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	24,753	100,855
Reversal of impairment loss on trade and other receivables	貿易及其他應收款項減值虧損撥回	(1,017)	–

Note: During the year ended 31 December 2017, included in operating expenses of approximately HK\$78,018,000 (2016: Nil) was film agency fee paid to Etech International, Inc, which in the opinion of directors of the Company is an independent third party, in relation to the referral and successful arrangement of 6 film directors to sign movie pictures production and development agreements with the Group.

附註：於截至二零一七年十二月三十一日止年度，經營開支約為78,018,000港元(二零一六年：零)，乃就引介並成功安排6名電影導演與本集團簽訂電影製作及開發協議而支付予Etech International, Inc(本公司董事認為其屬獨立第三方)的電影拍攝代理費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax for the year	年內即期稅項		
– Australian income tax	– 澳洲所得稅	–	310
– Kingdom of Cambodia tax on profits	– 柬埔寨王國利得稅	–	21
Income tax expense	所得稅開支	–	331

Australian income tax has been provided at the rate of 30% (2016: 30%) on the estimated assessable profits for both years.

Under the Cambodian law on Taxation and Prakas of Tax on Profit, the standard tax rate on profit in Kingdom of Cambodia is 20% (2016: 20%) for the both years.

For the years ended 31 December 2017 and 2016, no provision for Hong Kong Profits Tax has been made as the Group has no assessable income derived from Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, tax rate of the PRC subsidiaries is 25% for both years.

Under the Law of the United States Enterprise Income tax, the tax rate of 39.8% (2016: nil) on the estimated assessable profit is applied on the USA subsidiaries.

11. 所得稅開支

綜合全面收益表之稅項金額指：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax for the year	年內即期稅項		
– Australian income tax	– 澳洲所得稅	–	310
– Kingdom of Cambodia tax on profits	– 柬埔寨王國利得稅	–	21
Income tax expense	所得稅開支	–	331

於兩個年度，澳洲所得稅以估計應課稅溢利按30%之稅率（二零一六年：30%）撥備。

根據柬埔寨稅法及利得稅法令，本年度及上年度於柬埔寨王國溢利之標準稅率為20%（二零一六年：20%）。

截至二零一七年及二零一六年十二月三十一日止年度，由於本集團於香港並無任何應課稅收入，因此並無作出香港利得稅撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司於兩個年度之稅率均為25%。

根據美國企業所得稅法，於美國的附屬公司的估計應課稅溢利適用39.8%的稅率（二零一六年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax expense:	除所得稅開支前虧損：	(297,979)	(50,563)
Tax calculated at domestic tax rates of 16.5% (2016: 16.5%)	按國內稅率16.5%計算之稅項 (二零一六年：16.5%)	(49,166)	(8,344)
Effect of different tax rate of subsidiary operating in other jurisdiction	在其他司法權區經營之 附屬公司稅率不同之影響	(12,565)	(1,808)
Effect of tax loss not recognised	未確認稅項虧損之影響	61,764	10,569
Tax effect of temporary differences not recognised	未確認暫時性差異之稅務影響	(33)	(86)
Income tax expense	所得稅開支	-	331

A deferred tax asset has not been recognised for the following:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unused tax losses	未動用稅項虧損	70,006	68,631

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

At 31 December 2017, the Group's unused tax losses of HK\$68,364,000 (2016: HK\$67,907,000) are available indefinitely for offsetting against any future taxable profits of the subsidiary in which the losses arose. Under the current tax legislation of the PRC, tax loss of HK\$1,642,000 (2016: HK\$724,000) can be carried forward for five years since the year the loss is incurred. This unrecognised tax loss is loss of approximately HK\$1,642,000 (2016: HK\$724,000) that will expire at various dates up to and including 2022 (2016: up to and including 2021).

11. 所得稅開支 (續)

本年度之所得稅開支與綜合全面收益表所列之除稅前虧損對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before income tax expense:	除所得稅開支前虧損：	(297,979)	(50,563)
Tax calculated at domestic tax rates of 16.5% (2016: 16.5%)	按國內稅率16.5%計算之稅項 (二零一六年：16.5%)	(49,166)	(8,344)
Effect of different tax rate of subsidiary operating in other jurisdiction	在其他司法權區經營之 附屬公司稅率不同之影響	(12,565)	(1,808)
Effect of tax loss not recognised	未確認稅項虧損之影響	61,764	10,569
Tax effect of temporary differences not recognised	未確認暫時性差異之稅務影響	(33)	(86)
Income tax expense	所得稅開支	-	331

並未就以下項目確認遞延稅項資產：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unused tax losses	未動用稅項虧損	70,006	68,631

由於未來溢利流無法預測，因此並未就未動用稅項虧損確認遞延稅項資產。

於二零一七年十二月三十一日，本集團未動用稅項虧損為68,364,000港元（二零一六年：67,907,000港元），可無限用於抵扣產生虧損的附屬公司的任何未來應課稅溢利。根據中國現行稅法，1,642,000港元的稅項虧損（二零一六年：724,000港元）可自相關虧損產生之年度起結轉五年。未確認稅項虧損約為1,642,000港元（二零一六年：724,000港元），將於截至二零二二年（包括當年）（二零一六年：截至二零二一年（包括當年））的多個不同日期屆滿。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION AND HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of the seventeen (2016: nine) directors were as follow:

(a) Directors' and key management's remuneration

For the year ended 31 December 2017

Name of directors	董事姓名	Other emoluments 其他酬金			Total 合計 HK\$'000 千港元
		Fee 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	
Executive directors:	執行董事：				
Mr. Yan Xu (i)	顏旭先生(i)	767	-	-	767
Mr. Chen Hong (i)	陳虹女士(i)	767	-	-	767
Mr. Luo Lei (ii)	羅雷先生(ii)	1,055	-	-	1,055
Mr. Li Haitian (ii)	李海天先生(ii)	351	-	-	351
Mr. Chau Chit	周哲先生	-	3,250	18	3,268
Mr. Hung Ching Fung	洪清峰先生	960	-	-	960
Dr. Lam Yin Lok (iii)	林英樂博士(iii)	500	-	-	500
Mr. Ng Kuen Hon (iv)	吳權漢先生(iv)	200	10	-	210
Mr. Tsui Kin Ming (v)	徐建明先生(v)	700	-	8	708
		5,300	3,260	26	8,586
Non-executive director:	非執行董事：				
Mr. Wang Shoulei (vi)	王守磊先生(vi)	84	-	-	84
Independent non-executive directors:	獨立非執行董事：				
Mr. Ngai Ming Tak (ii)	魏明德先生(ii)	141	-	-	141
Mr. Wong Wai Kwan (ii)	王偉軍先生(ii)	141	-	-	141
Mr. Kong Chi Mo (ii)	江智武先生(ii)	141	-	-	141
Mr. Hong Tao (ii)	洪滔先生(ii)	141	-	-	141
Mr. Daniel Domingos António (iii)	Daniel Domingos António先生(iii)	100	-	-	100
Mr. Chow Wing Tung (iii)	周永東先生(iii)	100	-	-	100
Mr. Kwok Chi Chung (iii)	郭志忠先生(iii)	100	-	-	100
		864	-	-	864
Total directors' emoluments	董事酬金總額	6,248	3,260	26	9,534

12. 董事及主要管理層薪酬以及最高薪僱員

已付或應付予十七位(二零一六年：九位)董事各自的酬金如下：

(a) 董事及主要管理層薪酬

截至二零一七年十二月三十一日止年度

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12. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION AND HIGHEST PAID EMPLOYEES

(continued)

(a) Directors' and key management's remuneration (continued)

For the year ended 31 December 2016

Name of directors	董事姓名	Fee 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 合計 HK\$'000 千港元
			Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	
Executive directors:					
Mr. Chau Chit		-	3,000	18	3,018
Mr. Hung Ching Fung		960	-	-	960
Dr. Lam Yin Lok (iii)		1,200	-	-	1,200
Mr. Wong Kwok Leung, Kennis (iv)		169	-	-	169
Mr. Ng Kuen Hon (iv)		1,200	60	-	1,260
Mr. Tsui Kin Ming (v)		1,617	-	17	1,634
		5,146	3,060	35	8,241
Independent non-executive directors:					
Mr. Daniel Domingos António (iii)		Daniel Domingos António先生(iii)	240	-	240
Mr. Chow Wing Tung (iii)		周永東先生(iii)	240	-	240
Mr. Kwok Chi Chung (iii)		郭志忠先生(iii)	240	-	240
		720	-	-	720
Total directors' emoluments	董事酬金總額	5,866	3,060	35	8,961

12. 董事及主要管理層薪酬以及最高薪僱員 (續)

(a) 董事及主要管理層薪酬 (續)

截至二零一六年十二月三十一日止年度

Name of key management	主要管理層姓名	Fee 袍金 HK\$'000 千港元	Other emoluments 其他酬金		Total 合計 HK\$'000 千港元
			Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利計劃供款 HK\$'000 千港元	
Mr. Tsui Kin Ming (v)	徐建明先生(v)	-	63	1	64

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION AND HIGHEST PAID EMPLOYEES

(continued)

(a) Directors' and key management's remuneration *(continued)*

- (i) Appointed on 11 May 2017.
- (ii) Appointed on 31 May 2017.
- (iii) Resigned on 31 May 2017.
- (iv) Resigned on 28 February 2017.
- (v) The executive director, Tsui Kin Ming, was appointed on 15 January 2016. Mr. Tsui received a total emoluments of approximately HK\$1,698,000 for the year ended 31 December 2016. The amount included remuneration of approximately HK\$64,000 received before the date of appointment as Executive Director. Mr. Tsui has resigned on 31 May 2017.
- (vi) Appointed on 25 August 2017.

No emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office and no directors have waived any emoluments in both years.

12. 董事及主要管理層薪酬以及最高薪僱員 (續)

(a) 董事及主要管理層薪酬 (續)

- (i) 於二零一七年五月十一日獲委任。
- (ii) 於二零一七年五月三十一日獲委任。
- (iii) 於二零一七年五月三十一日辭任。
- (iv) 於二零一七年二月二十八日辭任。
- (v) 徐建明先生於二零一六年一月十五日獲委任為執行董事。截至二零一六年十二月三十一日止年度，徐先生已收取酬金總額約1,698,000港元。該金額包括彼獲委任為執行董事當日前已收取酬金約64,000港元。徐先生於二零一七年五月三十一日辭任。
- (vi) 於二零一七年八月二十五日獲委任。

於該兩個年度，本集團概無給予董事酬金作為彼等加入或於加入本集團時之獎金或離職補償，且概無董事放棄任何酬金。

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12. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION AND HIGHEST PAID EMPLOYEES

(continued)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, four were directors (2016: Four) of the Company whose emoluments are included in the directors above. The emolument of the remaining one (2016: One) individual was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	762	1,294
Retirement benefits	退休福利	18	-
		780	1,294

Their emoluments were within the following bands:

彼等之薪酬介乎下列範圍：

		2017 二零一七年 No. of individuals 人數	2016 二零一六年 No. of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1	-
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至 1,500,000港元	-	1
HK\$1,500,000 to HK\$2,000,000	1,500,000港元至 2,000,000港元	-	-
		1	1

12. 董事及主要管理層薪酬以及最高薪僱員 (續)

(b) 五位最高薪人士

本集團五位最高薪人士中，四名為本公司董事（二零一六年：四名），其薪酬載於上文董事資料。餘下一名（二零一六年：一名）人士之薪酬如下：

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. LOSS PER SHARE

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

13. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss	虧損		
Loss for the purpose of basic loss per share	用於計算每股基本虧損之虧損	(294,439)	(39,766)
Effects of dilutive potential ordinary shares:	普通股潛在攤薄效應：		
Gain on change in fair value of derivatives component of convertible bonds (note 26)	可換股債券衍生工具部分之公平值變動之收益 (附註26)	-	(89,221)
Interest on convertible bonds (note 26)	可換股債券利息 (附註26)	-	68,191
Loss for the purpose of diluted loss per share	每股攤薄虧損之虧損	(294,439)	(60,796)

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用於計算每股基本虧損的普通股加權平均數	599,077	493,565
Effect of dilutive potential ordinary shares:	普通股潛在攤薄效應：		
- Convertible bonds	- 可換股債券	-	222,000
Weighted average number of ordinary shares for the purpose of diluted loss per share	用於計算每股攤薄虧損的普通股加權平均數	599,077	715,565

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. LOSS PER SHARE *(continued)*

For the year ended 31 December 2017, diluted loss per share is equal to the basic loss per share as there was no diluted potential ordinary shares in issue during the year ended 31 December 2017. The computation of diluted loss per share did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in decrease in loss per share for the year then ended.

14. DIVIDENDS

No dividend has been paid or declared during each of the years ended 31 December 2017 and 2016. The Directors do not recommend the payment of a final dividend for 2017 (2016: nil).

13. 每股虧損 (續)

截至二零一七年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相等，此乃由於截至二零一七年十二月三十一日止年度並無已發行的攤薄性潛在普通股。計算每股攤薄虧損並無假設本公司之尚未兌換可換股債券獲兌換，原因為該等可換股債券的行使將會導致截至該日止年度之每股虧損減少。

14. 股息

截至二零一七年及二零一六年十二月三十一日止年度各年內並無派付或宣派任何股息。董事並不建議派付二零一七年之末期股息（二零一六年：無）。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Furniture and fixtures 傢俬及裝置	Office equipment 辦公室設備	Land and building 土地及樓宇	Motor vehicles 汽車	Leasehold improvements 租賃物業裝修	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本						
At 1 January 2016	於二零一六年一月一日	108	2,401	11,960	1,158	228	15,855
Additions	添置	-	963	-	-	-	963
Impairment loss (note)	減值虧損 (附註)	-	-	(1,740)	-	-	(1,740)
Exchange realignment	匯兌調整	-	(37)	-	(76)	-	(113)
At 31 December 2016	於二零一六年十二月三十一日	108	3,327	10,220	1,082	228	14,965
Additions	添置	168	223	-	1,623	2,797	4,811
Acquisition of subsidiaries	收購附屬公司	15	35	-	277	-	327
Impairment loss (note)	減值虧損 (附註)	(9)	(2,141)	(1,019)	-	(1,963)	(5,132)
Exchange realignment	匯兌調整	-	47	-	150	86	283
At 31 December 2017	於二零一七年十二月三十一日	282	1,491	9,201	3,132	1,148	15,254
Accumulated depreciation	累計折舊						
At 1 January 2016	於二零一六年一月一日	58	264	70	745	228	1,365
Charge for the year	年內支出	27	684	209	341	-	1,261
Exchange realignment	匯兌調整	-	(8)	-	(63)	-	(71)
At 31 December 2016	於二零一六年十二月三十一日	85	940	279	1,023	228	2,555
Charge for the year	年內支出	26	423	209	429	212	1,299
Exchange realignment	匯兌調整	-	33	-	95	85	213
At 31 December 2017	於二零一七年十二月三十一日	111	1,396	488	1,547	525	4,067
Net book value	賬面淨值						
At 31 December 2017	於二零一七年十二月三十一日	171	95	8,713	1,585	623	11,187
At 31 December 2016	於二零一六年十二月三十一日	23	2,387	9,941	59	-	12,410

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15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Note: During the year ended 31 December 2017, the Group has incurred segment loss in entertainment and gaming business segment, chemical products, and energy conservation and environmental protection product segments and media and culture business segment, impairment loss of approximately HK\$9,000, HK\$2,141,000, HK\$1,019,000 and HK\$1,963,000 were recognised in profit or loss to write down the carrying amount of furniture and fixtures, office equipment, land and building and leasehold improvements to its recoverable amount of HK\$171,000, HK\$95,000, HK\$8,713,000 and HK\$623,000 respectively.

The recoverable amount of land and buildings, motor vehicles and office equipment were determined based on the fair value less costs of disposal, estimated by reference to recent market transactions in similar assets adjusted for differences in condition. The fair value less costs of disposal of the land and building, motor vehicles and office equipment are classified as a level 3 measurement.

During the year ended 31 December 2017, impairment loss of approximately HK\$1,963,000 represented the write-down of certain leasehold improvements as the Group had refurbishment of the office.

For the year ended 31 December 2016, an impairment loss of HK\$1,740,000 was recognised to write the carrying amount of the building to its recoverable amount of HK\$9,941,000.

15. 物業、廠房及設備 (續)

附註：截至二零一七年十二月三十一日止年度，本集團娛樂及博彩業務分部、化工產品以及節能及環保產品分部以及傳媒及文化業務分部錄得分部虧損，於損益已確認分別約為9,000港元、2,141,000港元、1,019,000港元及1,963,000港元之減值虧損將傢俬及裝置、辦公室設備、土地及樓宇、租賃物業裝修賬面值撇減至其可收回金額分別為171,000港元、95,000港元、8,713,000港元及623,000港元。

土地及樓宇、汽車及辦公室設備的可收回金額乃根據公平值減出售成本（經參考類似資產的近期市場交易（已就狀況差異作出調整）作出的估計）而釐定。土地及樓宇、汽車及辦公室設備的公平值減出售成本被分類為第3級的計量。

於截至二零一七年十二月三十一日止年度，減值虧損約1,963,000港元為因本集團裝修辦公室而導致的若干租賃裝修撇減。

截至二零一六年十二月三十一日止年度，已確認1,740,000港元之減值虧損將樓宇賬面值撇減至其可收回金額9,941,000港元。

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16. CLUB DEBENTURE

16. 會所債券

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Club Debenture as at 31 December 於十二月三十一日之會所債券	320	–

At the end of the reporting period, the club debenture is stated at cost less accumulated impairment losses.

於報告期末，會所債券乃按成本減累計減值虧損列賬。

As at 31 December 2017, the Directors considered that there was no impairment of the club debenture since the market price less costs to sell was higher than its carrying value.

於二零一七年十二月三十一日，由於市場價減銷售成本高於其賬面值，因此董事認為會所債券並無出現減值。

17. AVAILABLE-FOR-SALE INVESTMENTS

17. 可供出售投資

Amounts comprised:

金額包括：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value (note) 於香港上市之權益證券，公平值（附註）	9,313	9,205

Note: The fair value is based on the quoted prices of the respective securities in active markets.

附註：公平值乃根據各證券於活躍市場之報價計算得出。

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18. GOODWILL

The amount of goodwill capitalised as an asset recognised in the consolidated statement of financial position, arising from business combinations, is as follows:

18. 商譽

因業務合併產生的於綜合財務狀況表確認的資本化為資產的商譽金額如下：

		2017 二零一七年 HK\$'000 千港元
Cost	成本	
Acquired through business combination (note 35)	透過業務合併收購 (附註35)	98,671
At 31 December	於十二月三十一日	98,671
Impairment	減值	
Impairment loss recognised for the year	年內確認減值虧損	43,844
At 31 December	於十二月三十一日	43,844
Net carrying amount	賬面淨值	
At 31 December	於十二月三十一日	54,827

As at 31 December 2017, goodwill represented the amount attributable to the acquisition of Starlight Legend and its subsidiaries (collectively referred to as "Starlight Legend Group"), details of which are set out in note 35. The goodwill acquired through business combination had been allocated to cash-generating units (the "Media CGUs"), which is related to the media and culture reportable segment for impairment testing.

於二零一七年十二月三十一日，商譽為收購 Starlight Legend 及其附屬公司（統稱「Starlight Legend 集團」）產生的金額，有關詳情載於附註 35。透過業務合併取得商譽已分配至與傳媒及文化可呈報分部有關的現金產生單位（「傳媒現金產生單位」）以進行減值測試。

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18. GOODWILL (continued)

During the year ended 31 December 2017, the management of the Group determined that an impairment loss of HK\$43,844,000 should be recognised in relation to goodwill in the Media CGUs (2016: nil). The recoverable amounts of the Media CGUs have been determined based on a value-in-use calculation. The value in use is determined by discounting the future cash flows to be generated from the film production and investment projects over the next five years, using a pre-tax discount rate of 21% (2016: nil) per annum. No projection has been extrapolated for any subsequent years beyond this 5-years cash flow forecast. 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 film production business. Budgeted gross margin and revenue were based on market data and expectations associated with the film production industry.

After year ended date, there is new Promissory Note arrangement, details refer to note 43 and "Event After The Reporting Period" section under Management Discussion and Analysis.

18. 商譽 (續)

截至二零一七年十二月三十一日止年度，本集團管理層釐定，應就傳媒現金產生單位的商譽確認減值虧損43,844,000港元（二零一六年：零）。傳媒現金產生單位的可收回金額乃根據在用價值計算而確定。在用價值使用每年21%（二零一六年：零）的除稅前折現率將未來五年將自電影製作及投資項目產生的未來現金流量折現而確定。本集團並無就此五年現金流量預測後續任何年份作出任何預測。在用價值計算的主要假設乃涉及折現率及預算毛利率及收益的假設。本集團使用反映當前市場對貨幣時間價值及電影製作業務的特定風險的評估的利率估計折現率。預算毛利率及收益乃根據與電影製作行業相關的市場數據及預期確定。

於年結日後，訂有新承兌票據安排，詳情請參閱附註43及管理層討論及分析中「報告期後事項」一節。

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables from trading business (notes (i), (iv))	貿易業務之貿易應收款項 (附註(i)及(iv))	6,214	5,197
Advances to patrons (notes (ii), (v))	向客戶墊款 (附註(ii)及(v))	31,189	162,835
Amounts due from casinos (notes (iii), (vi))	應收娛樂場款項 (附註(iii)及(vi))	3,329	30,753
Film project prepayment (note (vii))	電影項目預付款項 (附註(vii))		
– Prepayment to film directors	– 預付予電影導演的款項	91,542	–
– Prepayment to film/television series production	– 電影／電視劇製作預付款項	13,305	–
Other receivables	其他應收款項		
– Loan receivable	– 應收貸款	–	20,330
– Prepayments	– 預付款項	675	812
– Trade and other deposits paid	– 貿易及其他已付按金	7,202	7,110
		153,456	227,037

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19. TRADE AND OTHER RECEIVABLES

(continued)

The Group generally allows credit periods of 30 to 180 days (2016: 30 to 180 days) to its trade customers from trading business and credit period of 90 days (2016: 90 days) to its patrons from entertainment and gaming business. The Group generally does not charge interest for credit granted. The Group did not hold any collateral from the trade debtors in trading business but may require personal cheque or other acceptable forms of security from patrons. The Group has a rental deposit paid to a director's company of approximately HK\$358,000 during the year.

- (i) Trade debtors from trading business with the following ageing analysis, based on invoice dates, as of the end of reporting period:

19. 貿易及其他應收款項 (續)

本集團一般給予其貿易業務之貿易客戶30至180日(二零一六年:30至180日)之信貸期並授予其娛樂及博彩業務之客戶90日(二零一六年:90日)之信貸期。本集團通常不會就其所授的信貸收取利息。本集團並無就其貿易業務之貿易應收賬項持有任何抵押品,但會要求其客戶的個人支票或其他可接受形式之抵押。年內,本集團向一名董事的公司支付租賃按金約358,000港元。

- (ii) 截至報告期末,貿易業務之貿易應收賬項按發票日期呈列之賬齡分析如下:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	2,642	349
31 to 90 days	31至90日	-	15
91 to 180 days	91至180日	68	-
181 to 365 days	181至365日	7,669	2,343
Over 1 year	超過1年	2,675	3,526
		13,054	6,233
Impairment loss on trade and other receivables	貿易及其他應收款項減值虧損	(6,840)	(1,036)
		6,214	5,197

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19. TRADE AND OTHER RECEIVABLES

(continued)

- (ii) Advances to patrons with the following ageing analysis, based on the date of credit granted, as of the end of reporting period:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	-	4,714
31 to 180 days	31至180日	-	65,342
181 to 365 days	181至365日	7,342	139,857
Over 1 year	超過1年	160,987	67,653
		168,329	277,566
Allowance for doubtful debt	呆賬撥備	(137,140)	(114,731)
		31,189	162,835

- (iii) Amounts due from casinos with the following ageing analysis, based on the date of credit granted, as of the end of reporting period:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	-	30,753
31 to 90 days	31至90日	-	-
91 to 365 days	91至365日	3,329	-
		3,329	30,753

19. 貿易及其他應收款項 (續)

- (ii) 截至報告期末，向客戶墊款按授出信貸日期進行之賬齡分析如下：

- (iii) 截至報告期末，應收娛樂場款項按授出信貸日期進行之賬齡分析如下：

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19. TRADE AND OTHER RECEIVABLES

(continued)

- (iv) The ageing of trade debtors from trading business which are past due but not impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	2,642	349
Past due but not impaired	已逾期但未減值		
0 to 30 days past due	逾期0至30日	68	2,358
31 to 90 days past due	逾期31至90日	-	-
91 to 365 days past due	逾期91至365日	910	2,490
Over 1 year past due	逾期超過1年	2,594	-
		6,214	5,197

19. 貿易及其他應收款項 (續)

- (iv) 已逾期但未減值之貿易業務之貿易應收賬項之賬齡如下：

- (v) The ageing of advances to patrons which are past due but not impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	-	33,408
Past due but not impaired	已逾期但未減值		
0 to 30 days past due	逾期0至30日	-	22,286
31 to 180 days past due	逾期31至180日	716	100,464
181 to 365 days past due	逾期181至365日	30,473	6,677
		31,189	162,835

- (v) 已逾期但未減值之向客戶墊款之賬齡如下：

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19. TRADE AND OTHER RECEIVABLES

(continued)

(vi) The ageing of amounts due from casinos which are past due but not impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	—	30,753
Past due but not impaired	已逾期但未減值		
0 to 30 days past due	逾期0至30日	—	—
31 to 180 days past due	逾期31至180日	—	—
181 to 365 days past due	逾期181至365日	3,329	—
		3,329	30,753

The balance which are past due but not impaired relate to a number of customers who have a good track record with the Group during the year.

19. 貿易及其他應收款項 (續)

(vi) 已逾期但未減值之應收娛樂場款項之賬齡如下：

年內已逾期但未減值之餘額與若干於本集團有良好往績記錄的客戶有關。

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19. TRADE AND OTHER RECEIVABLES

(continued)

(vii) Prepayment to film directors represent advance payments to four directors for their services in the preparation of motion picture development proposal and the development cost to be incurred by them in the course of work, while prepayment to film/television series production represent the production cost incurred for one movie and one TV series projects in progress.

The below table reconciled the impairment loss of trade and other receivable for the year:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	115,767	15,413
Impairment loss recognised	已確認減值虧損	24,753	100,855
Reversal of impairment loss recognised	已確認減值虧損撥回	(1,017)	-
Exchange realignment	匯兌調整	4,477	(501)
At 31 December	於十二月三十一日	143,980	115,767

The Group and the Company recognised impairment loss based on the accounting policy stated in note 4.

The Group closely monitors the granting of credit period and periodically reviews the recoverability of each trade receivable and each advance to patrons. None of the trade and bills receivables and advances to patrons that are neither past due nor impaired has any default payment history. Before accepting any new customer or patron, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers and patrons are reviewed periodically. Management considers that these third parties have sufficient financial capacities to repay.

19. 貿易及其他應收款項 (續)

(vii) 預付予電影導演的款項為向四名導演就其籌備電影開發計劃中付出的服務及其工作過程中將產生的開發費用而預付的款項，而電影／電視劇製作預付款項為進行中的一項電影及一項電視劇項目產生的製作費用。

下表載列年內貿易及其他應收款項減值虧損之對賬：

本集團及本公司根據附註4所載的會計政策確認減值虧損。

本集團密切監察信貸的授出並定期審閱各項貿易應收款項及向客戶墊款的可收回性。該等既未逾期亦未減值的貿易應收款項及應收票據均無任何拖延付款的記錄。在接納新客戶前，本集團會評估潛在客戶的信貸質素並確定客戶的信貸額度。授予客戶的信貸額度定期予以檢討。管理層認為該等第三方擁有充足的財務能力能夠償還相關款項。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

19. TRADE AND OTHER RECEIVABLES

(continued)

For the prepayments to film directors and film/television series production, the Group closely monitors the progress of utilisation of the prepayment and periodically reviews the recoverability of each prepayment.

19. 貿易及其他應收款項 (續)

就預付予電影導演的款項及電影／電視劇製作預付款項而言，本集團密切監察預付款項的使用進度並定期檢討各筆預付款項的可收回性。

20. FILM PRODUCT

20. 電影產品

		2017 二零一七年 HK\$'000 千港元
Cost:	成本：	
Addition through business combination	透過業務合併添置	16,855
At 31 December	於十二月三十一日	16,855
Accumulated amortisation:	累計攤銷：	
Amortisation for the year	年內攤銷	(173)
At 31 December	於十二月三十一日	(173)
Net carrying amount	賬面淨值	
At 31 December	於十二月三十一日	16,682
Classified as:	分類為：	
Current portion	流動部分	3,370
Non-current portion	非流動部分	13,312
		16,682

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

20. FILM PRODUCT *(continued)*

Amortisation charge of approximately HK\$173,000 with respect to film product has been included in cost of goods sold and service provided in the consolidated statement of comprehensive income. The Group reviewed its film product regularly to reassess the estimated recoverable amounts of the film product with reference to marketability of each film and current market condition. The estimated recoverable amounts of the film product was determined based on 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 product subsequent to the completion of film production, which was derived from discounting the projected future cash flows at a discount rate of 27%.

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 market comparable data and management's expectations of the market development.

Since the recoverable amount based on the aforementioned value-in-use calculation was not less than the carrying amount, no impairment provision for the film product was made during the year ended 31 December 2017.

20. 電影產品 (續)

有關電影產品的攤銷支出約173,000港元已計入綜合全面收益表內已售貨品及已提供服務成本。本集團定期檢討其電影產品以參考各電影的市場可行性及當前市場狀況重新評估電影產品的可收回金額。電影產品的估計可收回金額乃根據在用價值計算（使用在電影製作完成後轉授及發行電影產品產生的預期未來現金流量按27%的折現率折算的現值）而釐定。

在用價值計算的主要假設與現金流入／流出的估計（包括預算銷售額以及毛利率、增長率及折現率）有關。該估計乃基於市場可比較數據及管理層對市場發展的預期。

於截至二零一七年十二月三十一日止年度，由於根據上述在用價值計算而確定的可收回金額不低於賬面值，因此並未就電影產品作出減值撥備。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

21. BANK BALANCES AND CASH

Bank balances denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Renminbi ("RMB")	人民幣(「人民幣」)	3,879	2,621
United States dollars ("USD")	美元(「美元」)	5,833	3,093
Macau Pataca ("MOP")	澳門元(「澳門元」)	12	78
Australian Dollar ("AUD")	澳元(「澳元」)	1,803	3,564

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$3,879,000. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

21. 銀行結餘及現金

以相關集團實體之功能貨幣以外之貨幣計值之銀行結餘載列如下：

於報告期末，本集團以人民幣計值之現金及銀行結餘約為3,879,000港元。人民幣不能自由兌換為其他貨幣，惟根據中國內地之外匯管理條例以及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

22. TRADE AND OTHER PAYABLES

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade payables from trading business (note (i))	貿易業務之貿易應付款項(附註(i))	3,177	1,393
Amounts due to casinos (note (ii))	應付娛樂場之款項(附註(ii))	2,478	3,353
Amounts due to patrons (note (iii))	應付客戶之款項(附註(iii))	1,176	583
Other payables and accruals	其他應付款項及應計費用	7,096	5,490
Trade deposits received	已收貿易按金	1,024	4,105
Film agency fee payable	應付電影拍攝代理費用	11,721	-
		26,672	14,924

22. 貿易及其他應付款項

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

22. TRADE AND OTHER PAYABLES

(continued)

- (i) Ageing analysis of the trade payables from trading business, based on invoice dates, at the respective reporting dates are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	-	133
31 to 90 days	31至90日	-	703
91 to 365 days	91至365日	2,628	-
Over 1 year	超過1年	549	557
		3,177	1,393

- (ii) Ageing analysis of the amounts due to casinos, based on the date of credit granted, at the respective reporting dates are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	-	378
31 to 90 days	31至90日	-	600
91 to 365 days	91至365日	2,478	2,375
		2,478	3,353

22. 貿易及其他應付款項 (續)

- (i) 貿易業務之貿易應付款項按發票日期於各報告日期之賬齡分析如下：

- (ii) 應付娛樂場之款項按授出信貸日期於各報告日期之賬齡分析如下：

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22. TRADE AND OTHER PAYABLES

(continued)

(iii) Ageing analysis of the amounts due to patrons, based on the date of credit granted, at the respective reporting dates are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	0至30日	–	23
31 to 90 days	31至90日	–	448
91 to 365 days	91至365日	808	112
Over 365 days	超過365日	368	–
		1,176	583

The Group has a trade deposit received from director's company with the amount of approximately HK\$302,000 during the year.

年內，本集團向一名董事的公司收取貿易按金約302,000 港元。

23. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company controlled by a director of the Company is unsecured, interest free and repayable on demand.

23. 應付一間關聯公司款項

應付一間由本公司一名董事控制的一間關聯公司的款項為無抵押、免息及應按要求償還。

24. AMOUNTS DUE TO NON-CONTROLLING INTEREST OF SUBSIDIARIES

The amounts due to non-controlling interest of subsidiaries are unsecured, interest free and have no fixed maturity date.

24. 應付附屬公司非控股權益款項

應付附屬公司非控股權益款項為無抵押、免息且並無固定到期日。

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25. BORROWINGS AND BANK LOAN

25. 借貸及銀行貸款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank loan and other loans	銀行貸款及其他貸款		
Interest-bearing loans	計息貸款—無抵押(附註i)		
– unsecured (note i)		7,953	12,220
Bank loan – secured (note ii)	銀行貸款—有抵押(附註ii)	4,846	–
		12,799	12,220

(i) The interest-bearing loans of HK\$7,953,000 at 31 December 2017 are repayable on 19 March 2018 and 31 December 2018. Interest is charged at 2% and 15% per annum. The interest-bearing loan of HK\$12,220,000 at 31 December 2016 were repaid on 27 and 28 February 2017. Interest is charged at 6% per annum.

(ii) The bank loan of USD\$620,171 at 31 December 2017 is repayable on 19 May 2018 and secured by film product as set out in note 20. Interest is charged at 4% per annum.

At 31 December, total loans were scheduled to repay as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	12,799	12,220

The amounts due are repayable by the scheduled repayment date in the loan agreements with no repayment on demand clause stated.

(i) 於二零一七年十二月三十一日之計息貸款7,953,000港元須於二零一八年三月十九日及二零一八年十二月三十一日償還。利息分別按每年2厘及15厘計算。於二零一六年十二月三十一日之計息貸款12,220,000港元已於二零一七年二月二十七日及二十八日償還。利息按每年6厘計算。

(ii) 於二零一七年十二月三十一日之銀行貸款620,171美元須於二零一八年五月十九日償還，並以附註20所載的電影產品作擔保。利息按每年4厘計算。

於十二月三十一日，貸款總額預計於以下時間償還：

該等應付款項應於貸款協議所載預訂還款日期前償還，相關協議中並無訂明按要償還條款。

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26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL LIABILITIES

(i) Zero-coupon Tranche 1 Bonds due 2017

On 11 July 2014, the Company entered into a subscription agreement with a then independent investor (“bondholder”) to issue the 3-year Zero Coupon Convertible Bonds with an aggregate principal amount of HK\$55,650,000. The subscription was completed on 19 September 2014 and the Company issued the Tranche 1 Convertible Bonds. The consideration of the Tranche 1 Convertible Bonds was used to finance the establishment of the Group’s entertainment and gaming business.

The Tranche 1 Convertible Bonds are denominated in Hong Kong dollars and are convertible at the option of the bondholder at any time after the date of issuance up to and including the date which is five business days prior to the maturity date of 19 September 2017, into new shares of the Company at a price of HK\$0.35 per share, subject to anti-dilutive adjustments.

Upon full conversion, a total of 159,000,000 new ordinary shares would be issued by the Company. During the year ended 31 December 2017, the Tranche 1 Convertible Bonds at the principal amount of HK\$55,650,000 were fully converted into ordinary shares of the Company and total number of ordinary shares converted was approximately 158,999,999 (Note 29).

The Tranche 1 Convertible Bonds contain liability and equity components. The equity component is included in the equity headed “convertible bonds reserve”.

The fair value of the liability component of the convertible bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan. The effective interest rate of the liability component is approximately 16% per annum.

26. 可換股債券／衍生金融負債

(i) 於二零一七年到期之第一批零息債券

於二零一四年七月十一日，本公司與當時的獨立投資者（「債券持有人」）訂立認購協議，以發行三年零息可換股債券，本金總額為55,650,000港元。認購事項已於二零一四年九月十九日完成，而本公司已發行第一批可換股債券。第一批可換股債券之代價已用於撥支建立本集團娛樂及博彩業務。

第一批可換股債券以港元計值，且債券持有人可選擇於發行日期後直至到期日二零一七年九月十九日前五個營業日（包括當日）之前的任何時間，以每股0.35港元之價格（可進行反攤薄調整）將其兌換為本公司之新股份。

獲悉數兌換後，本公司將發行合共159,000,000股新普通股。於截至二零一七年十二月三十一日止年度，本金額為55,650,000港元的第一批可換股債券已悉數轉換為本公司普通股，已兌換普通股總數約為158,999,999股（附註29）。

第一批可換股債券包含負債及權益部分。權益部分以權益項下之「可換股債券儲備」呈列。

可換股債券負債部分於發行日期之公平值由獨立估值師依據同等非可換股貸款按現行市場利率貼現之估計未來現金流出之現值而釐定。負債部分之實際利率約為每年16%。

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26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL LIABILITIES *(continued)*

(ii) 8% coupon Tranche 2 Bonds due 2018

On 5 November 2015, the Company entered into a subscription agreement with seven independent investors (“Subscribers”) to conditionally issue the 3 years redeemable convertible bonds of the Company in an aggregate principal amount of HK\$365,000,000 at 8% coupon rate per annum. On 2 December 2015, the subscriptions were completed and convertible bonds of HK\$315,000,000 were issued with maturity on 1 December 2018 (the “Tranche 2 Convertible Bonds”) by the Company to certain Subscribers (“Bondholders 2”). The consideration of the Tranche 2 Convertible Bonds was used as general working capital of the Group and as funds for future development of the existing business of the Group, including development of the entertainment and gaming business in Australia and Cambodia.

The Tranche 2 Convertible Bonds are denominated in Hong Kong dollars and are convertible at the option of the Bondholders 2 at any time on or after the 90th day of the date of issuance up to and prior to the maturity date of 1 December 2018, into new shares of the Company at a price of HK\$5 per share, subject to adjustment on the occurrence of dilutive or concentrative event.

Upon full conversion a total of 63,000,000 new ordinary shares would be issued by the Company. The Company shall redeem any Tranche 2 Convertible Bonds which remain outstanding on the maturity date at its principal amount together with the outstanding interest.

26. 可換股債券／衍生金融負債 (續)

(ii) 於二零一八年到期之第二批8%息票債券

於二零一五年十一月五日，本公司與七名獨立投資者（「認購人」）訂立認購協議，以有條件發行本公司三年期可贖回可換股債券，本金總額為365,000,000港元，年息為8%。於二零一五年十二月二日，認購事項經已完成，本公司已向若干認購人（「第二批債券持有人」）發行315,000,000港元於二零一八年十二月一日到期之可換股債券（「第二批可換股債券」）。第二批可換股債券之代價已用作本集團一般營運資金，及作為日後發展本集團現有業務之資金，包括於澳洲及柬埔寨發展娛樂及博彩業務。

第二批可換股債券以港元計值，且第二批債券持有人可選擇於發行日期後第90日當日或之後至到期日二零一八年十二月一日之前的任何時間，以每股5港元之價格（可於攤薄或集中事項發生時進行調整）兌換為本公司之新股份。

獲悉數兌換後，本公司將發行合共63,000,000股新普通股。本公司應按其本金額連同未支付利息贖回於到期日尚未兌換之任何第二批可換股債券。

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26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL LIABILITIES (continued)

The Tranche 1 and Tranche 2 Convertible Bonds recognised in the consolidated statement of financial position at the date of issuance on 19 September 2014 and 2 December 2015 respectively are calculated as follows:

		Tranche 2 Convertible Bonds 第二批 可換股債券	Tranche 1 Convertible Bonds 第一批 可換股債券
		HK\$'000 千港元	HK\$'000 千港元
Face value of Convertible Bonds issued	已發行可換股債券之面值	315,000	55,650
Equity component on initial recognition upon issuance of Convertible Bonds	發行可換股債券後初始確認的權益部分	-	(20,427)
Derivative financial liabilities component on initial recognition upon issuance of Convertible Bonds	發行可換股債券後初始確認的衍生金融負債部分	(147,720)	-
Liability component on initial recognition upon issuance of Convertible Bonds, i.e. 2 December 2015/19 September 2014	發行可換股債券後 (即二零一五年十二月二日/ 二零一四年九月十九日) 初始確認的負債務部分	167,280	35,223

The Tranche 2 Convertible Bonds contain liability component and derivative component. The derivative component is measured at fair value on initial recognition while any excess of proceeds over the amount initially recognised as the derivative component is recognised as a financial liability. The fair value of derivative components of the convertible bonds at the issue date was valued by an independent valuer. The fair value of the derivative financial liability valued by the independent valuer is based on valuation technique whose variables include that uses only data from observable market. The effective interest rate of the liability component is approximately 31% per annum.

26. 可換股債券／衍生金融負債 (續)

分別於發行日期二零一四年九月十九日及二零一五年十二月二日在綜合財務狀況表中確認之第一批及第二批可換股債券計算如下：

第二批可換股債券包含負債部分及衍生部分。衍生部分於初始確認時按公平值計量，而所得款項超逾初始確認為衍生部分之金額確認為金融負債。可換股債券於發行日期衍生部分之公平值由獨立估值師評估。由獨立估值師評估之衍生金融負債之公平值乃基於變量僅包含可觀察市場數據之估值方法。負債部分之實際利率約為每年31%。

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26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL LIABILITIES (continued)

The carrying values of the liability component of the Tranche 1 and Tranche 2 Convertible Bonds recognised in the consolidated statement of financial position at the end of the reporting period are as follows:

Tranche 1 Convertible Bonds

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	50,028	42,954
Interest charge for the year	年度之利息支出	2,710	7,074
Conversion of convertible bonds*	轉換可換股債券*	(52,738)	-
At 31 December	於十二月三十一日	-	50,028
Categorised as:	分類為：		
Convertible bonds – current liabilities	可換股債券 – 流動負債	-	50,028
Convertible bonds – non-current liabilities	可換股債券 – 非流動負債	-	-
		-	50,028

The interest charge of the Tranche 1 Convertible Bonds for the year ended 31 December 2017 is calculated using the effective interest method by applying an effective interest rate of 16% (2016:16%) to the liability component.

* On 30 March 2017 and 8 June 2017, Convertible Bonds with amount of HK\$24,266,000 and HK\$28,472,000 respectively were converted to subscribe for a total of 158,999,999 ordinary shares in the Company.

26. 可換股債券／衍生金融負債 (續)

於報告期末在綜合財務狀況表中確認之第一批及第二批可換股債券負債部分之賬面值如下：

第一批可換股債券

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	50,028	42,954
Interest charge for the year	年度之利息支出	2,710	7,074
Conversion of convertible bonds*	轉換可換股債券*	(52,738)	-
At 31 December	於十二月三十一日	-	50,028
Categorised as:	分類為：		
Convertible bonds – current liabilities	可換股債券 – 流動負債	-	50,028
Convertible bonds – non-current liabilities	可換股債券 – 非流動負債	-	-
		-	50,028

截至二零一七年十二月三十一日止年度，第一批可換股債券之利息支出乃採用實際利率法，按負債部分之實際利率16%（二零一六年：16%）計算。

* 於二零一七年三月三十日及二零一七年六月八日，金額分別為24,266,000港元及28,472,000港元的可換股債券已獲轉換以認購本公司合共158,999,999股普通股。

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26. CONVERTIBLE BONDS/DERIVATIVE FINANCIAL LIABILITIES (continued)

26. 可換股債券／衍生金融負債 (續)

Tranche 2 Convertible Bonds

第二批可換股債券

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	207,557	171,640
Interest charge for the year	年度之利息支出	74,205	61,117
Interest payment	利息付款	(25,200)	(25,200)
At 31 December	於十二月三十一日	256,562	207,557
Categorised as:	分類為：		
Convertible bonds – current liabilities	可換股債券－流動負債	256,562	–
Convertible bonds – non-current liabilities	可換股債券－非流動負債	–	207,557
		256,562	207,557

The interest charge of the Tranche 2 Convertible Bonds for the year ended 31 December 2017 is calculated using the effective interest method by applying an effective interest rate of approximately 31% (2016: 31%) to the liability component.

截至二零一七年十二月三十一日止年度，第二批可換股債券之利息支出乃採用實際利率法，按負債部分之實際利率約31%（二零一六年：31%）計算。

Derivative component (Tranche 2) – classified as current liabilities

分類為流動負債的衍生部分（第二批）

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	6,260	95,481
Loss/(Gain) on change in fair value of derivative financial liabilities	衍生金融負債公平值變動之虧損／（收益）	29,893	(89,221)
At 31 December	於十二月三十一日	36,153	6,260

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27. CONTINGENT CONSIDERATION PAYABLE

27. 應付或然代價

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Arising from business combination	業務合併所產生	1,563	–
At 31 December	於十二月三十一日	1,563	–

On 14 September 2017, the Company entered into share purchase agreement with a related party, controlled by a director and a shareholder of the Company for the acquisition of entire equity interest of Starlight Legend Group. On 13 December 2017, the Group completed the acquisition at an aggregate consideration of HK\$161,015,000, details of the acquisition are set out in note 35.

According to the share purchase agreement, if the cash dividends received by the Group or its relevant subsidiaries in the course of operating those existing projects operated by the Starlight Legend Group for three years immediately following specified period pursuant to the terms of share purchase agreement have exceeded the total amount of consideration share and promissory note issued plus the relevant interest according to the term of the share purchase agreement, the vendor shall be entitled to 30% of all excess mentioned above.

Agreed payment is a contingent consideration that will be realised if the acquired businesses and the existing projects achieve their respective profit target, calculated on certain predetermined basis, during the designated period of time.

於二零一七年九月十四日，本公司與一名關聯方（由本公司一名董事及股東控制）訂立購股協議以收購Starlight Legend集團的全部股權，本集團已於二零一七年十二月十三日完成該收購事項，總代價為161,015,000港元，收購事項之詳情載於附註35。

根據購股協議，倘本集團或其相關附屬公司在緊隨購股協議條款規定的期間後三年在經營Starlight Legend集團所經營的現有項目中收到的現金股息超過根據購股協議條款所發行的代價股份及承兌票據總金額加相關利息，則賣方有權收取上述超出金額的30%。

協定付款為一項或然代價，倘被收購的業務及現有項目達成各自溢利目標則會實現，該付款於特定時間段內按某一預先確定的基準計算。

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27. CONTINGENT CONSIDERATION PAYABLE (continued)

The Group recognises the fair value of those contingent consideration for acquisitions, as of their respective acquisition dates as part of the consideration transferred in exchange for the acquired business. The fair value measurement require, among other things, significant estimation of post-acquisition performance of the acquired businesses and significant judgement on time value of money.

For details in relation to the contingent consideration payable for the acquisition of the Starlight Legend Group, please refer to the Company's Circulars dated 26 October 2017.

27. 應付或然代價 (續)

本集團將收購事項的該等或然代價於其各自收購日期的公平值確認為用於交換已收購業務的轉讓代價的一部分。公平值計量需要(其中包括)對被收購業務於收購後表現的重大估計及對貨幣時間價值的重大判斷。

有關收購Starlight Legend集團的應付或然代價的詳情，請參閱本公司日期為二零一七年十月二十六日之通函。

28. RELATED PARTY DISCLOSURES

During the year and at the end of the reporting period, the Group had the following transactions and balance respectively with related parties. These transactions do not constitute either disclosable connected transaction or continuous connected transaction as defined under Chapter 14A of the Listing Rules.

28. 關聯人士披露

年內及於報告期末，本集團與關聯人士分別擁有下列交易及結餘。該等交易並不構成上市規則第14A章所界定之須予披露的關連交易或持續性關連交易。

(i) Particulars of rental expenses paid to a related party

(i) 已付一名關聯人士之租金開支詳情

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
A related company – controlled by a director of the Company	一間關聯公司 — 由本公司一名董事控制	425	–
A director of the Company	本公司一名董事	–	360

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28. RELATED PARTY DISCLOSURES

(continued)

(ii) Key management compensation

The remuneration of the key management of the Group during the year was as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short-term benefits	短期福利	9,508	8,989
Retirement benefits scheme contributions	退休福利計劃供款	26	36
		9,534	9,025

The remuneration of directors and other members of key management is determined by the board of directors having regard to the performance of individual and market trends.

董事及其他主要管理層成員之薪酬由董事會經參考個人表現及市場趨勢釐定。

(iii) Particulars of utilities expenses paid to a related party

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
A related company – controlled by the directors or their close family members	一間關聯公司 – 由董事或其親屬控制	18	41

(iv) Connected transaction in relation the acquisition

During the year ended 31 December 2017, the Group acquired the entire equity interest of Starlight Legend Group from a controlling shareholder at an aggregate consideration of HK\$161,015,000, details of the acquisition is set out in note 35.

28. 關聯人士披露 (續)

(ii) 主要管理人員薪酬

年內本集團主要管理人員薪酬如下：

(iii) 已付一名關聯人士公用事業開支詳情

(iv) 有關收購事項的關連交易

於截至二零一七年十二月三十一日止年度，本集團向一名控股股東收購Starlight Legend集團之全部股權，總代價為161,015,000港元，收購事項之詳情載於附註35。

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29. SHARE CAPITAL

29. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		
Authorised:	法定：		
At 1 January 2016, 31 December 2016 and 2017	於二零一六年一月一日、 二零一六年及二零一七年 十二月三十一日	20,000,000,000	2,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2016, 31 December 2016 and 1 January 2017 (par value of HK\$0.10 each)	於二零一六年一月一日、 二零一六年十二月三十一日及 二零一七年一月一日 (每股面值0.10港元)	493,564,800	49,356
Share issued upon conversion of convertible bonds (note i)	於可換股債券獲轉換時 發行的股份(附註i)	158,999,999	15,900
Share issued upon completion of acquisition of a subsidiary (note ii)	於完成收購一間附屬公司時 發行的股份(附註ii)	21,000,000	2,100
At 31 December 2017	於二零一七年十二月三十一日	673,564,799	67,356

Note (i) During the year ended 31 December 2017, certain convertible bonds (Tranche 1) were converted to subscribe for a total of 158,999,999 ordinary shares in the Company. HK\$15,900,000 was transferred to share capital and balances of HK\$36,838,000 was transferred to the share premium account. An amount of HK\$20,427,000 was also transferred to share premium account from convertible bonds equity reserves upon the conversion of convertible bonds.

附註(i) 於截至二零一七年十二月三十一日止度，若干可換股債券(第一批)獲轉換以認購合共158,999,999股本公司普通股，其中15,900,000港元及餘下36,838,000港元分別已轉撥至股本及股份溢價賬。20,427,000港元亦已於轉換可換股債券時從可換股債券權益儲備轉撥至股份溢價賬。

Note (ii) On 13 December 2017, a total of 21,000,000 ordinary share in the Company was allotted and issued for partial settlement of total consideration of the acquisition at a market price of HK\$3.08 per share at the date of acquisition. HK\$2,100,000 was transferred to share capital and balance of HK\$62,580,000 was transferred to the share premium amount.

附註(ii) 於二零一七年十二月十三日，本公司配發及發行合共21,000,000股普通股以部分清償按於收購日期每股3.08港元的市價進行之收購事項之總代價。2,100,000港元及餘下62,580,000港元已分別轉撥至股本及股份溢價賬。

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30. SHARE OPTION SCHEME

At the annual general meeting of the Company on 1 June 2012, an ordinary resolution to propose a new share option scheme (the “2012 Share Option Scheme”) has been passed. The 2012 Share Option Scheme was thus approved and adopted at the general meeting and subsequently approval has been granted by the Stock Exchange. The 2012 Share Option Scheme is valid and effective for 10 years commencing from the adoption date (i.e. 1 June 2012). The number of shares, which may be issued upon exercise of all outstanding options granted under the 2012 Share Option Scheme and other schemes adopted by the Group, is not permitted to exceed 30% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted under the 2012 Share Option Scheme and other schemes adopted by the Group in aggregate is not permitted to exceed 10% of the shares of the Company in issue at the adoption date. The total number of shares in respect of which options may be granted to any individual is not permitted to exceed (i) 0.1% of the shares of the Company in issue, and (ii) HK\$5,000,000 in aggregate value based on the closing price of the shares at the date of each grant, at any 12-month period unless such grant is approved by independent shareholders at general meeting.

Consideration of HK\$1 is payable by the grantee on the acceptance of option granted. Option may be exercised from the date of acceptance of the offer of such option to the earlier of the date on which such option lapses and 10 years from the offer date of that option. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing prices of the shares on the Stock Exchange on the date of the grant of the options, the average of the closing prices of the shares for the five trading days immediately preceding the date of the grant of the options.

Since the adoption of the above schemes, no share options have been granted under the 2012 Share Option Scheme up to 31 December 2017.

30. 購股權計劃

在本公司於二零一二年六月一日舉行之股東週年大會上，建議一項新購股權計劃（「二零一二年購股權計劃」）之普通決議案已獲通過。二零一二年購股權計劃因此於股東大會上獲批准及採納，且隨後由聯交所授出批准。二零一二年購股權計劃乃由採納日期（即二零一二年六月一日）起計十年內有效。行使根據二零一二年購股權計劃及本集團採納之其他計劃授出之所有尚未行使購股權而可能發行之股份數目，不得超過任何時間本公司已發行股份之30%。根據二零一二年購股權計劃及本集團採納之其他計劃可能授出之購股權之有關股份總數不得超過採納日期本公司已發行股份之10%。於任何十二個月期間，可能向任何人士授出之購股權之有關股份總數不得超過(i)本公司已發行股份之0.1%及(ii)根據於各授出日期股份之收市價計算之總價值之5,000,000港元，除非有關授出獲獨立股東於股東大會上批准則另作別論。

承授人接納獲授之購股權時須支付代價1港元。購股權可由接納該等購股權建議日期起至該購股權失效日期及購股權建議日期起滿十年當日（以較早者為準）止期間行使。行使價由本公司董事釐定，並將不低於購股權授出日期股份於聯交所之收市價、緊接購股權授出日期前五個交易日股份之平均收市價之較高者。

自採納以上計劃以來，截至二零一七年十二月三十一日概無根據二零一二年購股權計劃授出任何購股權。

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31. RETIREMENT BENEFITS SCHEMES

The Group participates in Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The retirement benefits scheme contributions charged to profit or loss represent contributions payable to the MPF schemes by the Group at specified rates.

The employees of one of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the central pension scheme.

During the year ended 31 December 2017, the retirement benefits scheme contributions are approximately HK\$490,000 (2016: HK\$500,000).

32. CAPITAL COMMITMENTS

The Group did not have any significant capital commitment as at 31 December 2017 and 2016.

31. 退休福利計劃

本集團於二零零零年十二月參與根據強制性公積金條例設立之強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團之資產分開持有，交由信託人控制。

於損益扣除之退休福利計劃供款乃本集團按指定之供款率向強積金計劃支付之供款。

本集團於中國內地營運之附屬公司所聘之僱員，須參與由當地市政府營辦之中央退休金計劃。有關供款於根據中央退休金計劃規則成為應付時於全面收益表扣除。

於截至二零一七年十二月三十一日止年度，退休福利計劃之供款約為490,000港元（二零一六年：500,000港元）。

32. 資本承擔

於二零一七年及二零一六年十二月三十一日，本集團並無任何重大資本承擔。

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33. INVESTMENTS IN SUBSIDIARIES

33. 於附屬公司之投資

Particulars of the Company's subsidiaries as at 31 December 2017 and 2016 are as follows:

於二零一七年及二零一六年十二月三十一日，本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本面值	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Fortune Appraise Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Provision of services to patrons 向客戶提供服務
Fortune Global Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Provision of services to patrons 向客戶提供服務
Fortune Paradise Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Fortune Sky Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Provision of services to patrons 向客戶提供服務
Fortune Uberty Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Fortune Zillion Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Innovative Era Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Property holding 物業持有
JEASD Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Provision of gaming promotion activities 提供博彩推廣活動
Jimei Entertainment Australia Development Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Provision of gaming promotion activities 提供博彩推廣活動

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33. INVESTMENTS IN SUBSIDIARIES

(continued)

33. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股股本/註冊資本面值	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Jimei Entertainment Cambodia Development Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$10,000 Ordinary share 普通股10,000美元	51%	-	51%	Provision of gaming promotion activities 提供博彩推廣活動
Jimei Entertainment Company Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
JENZD Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Jimei Entertainment Holdings Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Jimei Entertainment Investments Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
JEPD Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Jimei Entertainment Overseas Development Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Jimei Global Entertainment (Macau) Company Limited 集美環球娛樂(澳門)有限公司	Corporation 公司	Macau 澳門	MOP \$25,000 25,000澳門幣	100%	-	100%	Inactive 暫無營業
Jimei Global Management (Macau) Company Limited 集美環球管理(澳門)有限公司	Corporation 公司	Macau 澳門	MOP \$25,000 25,000澳門幣	100%	-	100%	Provision of management services to group companies 為集團公司提供管理服務

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33. INVESTMENTS IN SUBSIDIARIES

(continued)

33. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本面值	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Jimei International Investments Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Jimei Management Holdings Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Ostar International Entertainment Ply Ltd	Corporation 公司	Australia 澳洲	AUD\$200 200澳元	51%	-	51%	Provision of entertainment project services 提供娛樂項目服務
Sino Green Energy International Co., Limited 中國綠能實業有限公司	Corporation 公司	Hong Kong 香港	HK\$1 Ordinary share 普通股1港元	100%	-	100%	Trading in chemical products 買賣化工產品
Sino Green Energy Investment Co., Limited 中國綠能投資有限公司	Corporation 公司	Hong Kong 香港	HK\$1 Ordinary share 普通股1港元	100%	-	100%	Investment holding 投資控股
Sino Yale Holdings Ltd	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Surin Development Ltd.	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Zhejiang Sino Green Energy Technology Company Limited 浙江中港綠能環境科技有限公司	Wholly foreign owned enterprise 外商獨資企業	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100%	-	100%	Trading in energy conservation and environmental protection products 買賣節能及環保產品

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33. INVESTMENTS IN SUBSIDIARIES

(continued)

33. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital/ 已發行及繳足普通股 股本/註冊資本面值	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Star Media International Limited (i)	Corporation 公司	Republic of Seychelles 塞舌爾共和國	US\$1 Ordinary share 普通股1美元	100%	-	100%	Film investment 電影投資
Star Promise Global Limited (ii)	Corporation 公司	British Virgin Island 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Starry Ample Limited (iii)	Corporation 公司	British Virgin Island 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	-	100%	Inactive 暫無營業
Hong Kong Star Media Culture Limited (iv) 香港星傳媒文化有限公司(iv)	Corporation 公司	Hong Kong 香港	HK\$100 100港元	100%	-	100%	Inactive 暫無營業
Hong Kong Star Media Management Limited (v) 香港星傳媒管理有限公司(v)	Corporation 公司	Hong Kong 香港	HK\$100 100港元	100%	-	100%	Inactive 暫無營業
霍爾果斯星河信息諮詢有限公司 (vi)	Wholly foreign owned enterprise 外商獨資企業	The PRC 中國	RMB5,000,000 人民幣5,000,000元	100%	-	100%	Provision of management services to group companies 向集團公司提供 管理服務
Starlight Legend Investment Limited (vii)	Corporation 公司	Republic of Seychelles 塞舌爾共和國	US\$1 Ordinary share 普通股1美元	100%	100%	-	Investment holding 投資控股
Starlight Media Inc. (vii)	Corporation 公司	United State of America 美利堅合眾國	US\$1,000,000 Ordinary share 普通股1,000,000美元	100%	-	100%	Media and movie operation 傳媒及電影業務
Marshall Holding, LLC (vii)	Corporation 公司	United State of America 美利堅合眾國	US\$7,138,000 Ordinary share 普通股7,138,000美元	51%	-	51%	Investment holding 投資控股

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33. INVESTMENTS IN SUBSIDIARIES

(continued)

33. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股 股本/註冊資本面值	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團 實際權益	Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Marshall Film, LLC (vii)	Corporation 公司	United State of America 美利堅合眾國	US\$8,413,867 Ordinary share 普通股8,413,867美元	46.15%	-	90.49%	Media and movie operation 傳媒及電影業務
Marshall Movie, Inc. (vii)	Corporation 公司	United State of America 美利堅合眾國	US\$20,000 Ordinary share 普通股20,000美元	46.15%	-	100%	Media and movie operation 傳媒及電影業務

None of the subsidiaries had issued any debt securities at the end of the year.

該等附屬公司於年末概無發行任何債務證券。

- | | |
|---|---|
| (i) Star Media International Limited was established on 24 April 2017 in Republic of Seychelles. | (i) Star Media International Limited 於二零一七年四月二十四日在塞舌爾共和國成立。 |
| (ii) Star Promise Global Limited was established on 21 December 2017 in British Virgin Islands. | (ii) Star Promise Global Limited於二零一七年十二月二十一日在英屬處女群島成立。 |
| (iii) Starry Ample Limited was established on 27 December 2017 in British Virgin Islands. | (iii) Starry Ample Limited於二零一七年十二月二十七日在英屬處女群島成立。 |
| (iv) Hong Kong Star Media Culture Limited was established on 16 June 2017 in Hong Kong. | (iv) 香港星傳媒文化有限公司於二零一七年六月十六日在香港成立。 |
| (v) Hong Kong Star Media Management Limited was established on 21 June 2017 in Hong Kong. | (v) 香港星傳媒管理有限公司於二零一七年六月二十一日在香港成立。 |
| (vi) 霍爾果斯星河信息諮詢有限公司 was established on 14 July 2017 in the People's Republic of China. | (vi) 霍尔果斯星河信息咨询有限公司於二零一七年七月十四日在中華人民共和國成立。 |
| (vii) Starlight Legend Investment Limited, Starlight Media Inc., Marshall Holding, LLC, Marshall Film, LLC and Marshall Movie, Inc were acquired on 13 December 2017. | (vii) Starlight Legend Investment Limited、Starlight Media Inc.、Marshall Holding, LLC、Marshall Film, LLC及Marshall Movie, Inc.於二零一七年十二月十三日收購。 |

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. NON-CONTROLLING INTERESTS

Jimei Entertainment Cambodia Development Limited, and Marshall Holding, LLC which are both 51% owned subsidiaries of the Company, have material non-controlling interests (“NCI”). The non-controlling interests of other non-wholly owned subsidiaries considered to be immaterial and therefore be excluded.

Summarised financial information in relation to the NCI of Jimei Entertainment Cambodia Development Limited, before intra-group eliminations, are presented below:

34. 非控股權益

Jimei Entertainment Cambodia Development Limited及Marshall Holding, LLC均為由本公司擁有51%的附屬公司，擁有重大非控股權益（「非控股權益」）。其他非全資附屬公司的非控股權益被視為不重大，因此並無計入。

有關Jimei Entertainment Cambodia Development Limited於集團間抵銷前的非控股權益的財務資料概述如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	1,743	9,154
Loss for the year	年內虧損	(5,673)	(22,265)
Total comprehensive income for the year	本年度全面收益總額	(5,673)	(22,265)
Loss allocated to NCI	已分配予非控股權益之虧損	2,780	10,910
Dividends paid to NCI	已支付予非控股權益之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash flows generated from operating activities	經營活動所得現金流量	2,216	41,404
Cash flows generated from investing activities	投資活動所得現金流量	-	32
Cash flows used in financing activities	融資活動所用現金流量	(3,279)	(40,754)
Net cash (outflow) inflow	現金（流出）流入淨額	(1,063)	682
At 31 December	於十二月三十一日		
Current assets	流動資產	13,206	13,523
Non-current assets	非流動資產	-	76
Current liabilities	流動負債	(107,847)	(102,563)
Net liabilities	負債淨額	(94,641)	(88,964)
Accumulated non-controlling interests	累計非控股權益	(46,374)	(43,592)

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

34. NON-CONTROLLING INTERESTS

(continued)

Summarised financial information in relation to the NCI of Marshall Holding, LLC, before intra-group eliminations, are presented below:

34. 非控股權益 (續)

有關Marshall Holding, LLC於集團間抵銷前的非控股權益的財務資料概述如下：

		2017 二零一七年 HK\$'000 千港元
For the year ended 31 December		
Revenue	截至十二月三十一日止年度 收益	-
Loss for the year	年內虧損	(202)
Total comprehensive income for the year	本年度全面收益總額	(202)
Loss allocated to NCI	已分配予非控股權益之虧損	99
Dividends paid to NCI	已支付予非控股權益之股息	-
For the year ended 31 December		
Cash flows generated from operating activities	截至十二月三十一日止年度 經營活動所得現金流量	1
Cash flows generated from investing activities	投資活動所得現金流量	-
Cash flows generated from financing activities	融資活動所得現金流量	-
Net cash inflow	現金流入淨額	1
At 31 December		
Current assets	於十二月三十一日 流動資產	46,706
Non-current assets	非流動資產	-
Current liabilities	流動負債	(36,582)
Net assets	資產淨值	10,124
Accumulated non-controlling interests	累計非控股權益	4,207

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

On 13 December 2017, the Group completed the acquisition of entire equity interest of the Starlight Legend Group from a controlling shareholder and also a director of the Company with effect from April 2017 at an aggregate consideration of HK\$161,015,000.

The principal activities of the Starlight Legend Group is set out in Note 33 to the consolidated financial statements.

The fair values of net assets acquired at the date of acquisition are as follows:

35. 收購附屬公司

於二零一七年十二月十三日，本集團完成向本公司一名控股股東兼董事（自二零一七年四月起生效）收購Starlight Legend集團之全部股權，總代價為161,015,000港元。

Starlight Legend集團主要業務載於綜合財務報表附註33。

於收購日期收購的淨資產的公平值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	327
Film product (note a)	電影產品（附註a）	16,855
Prepayments, deposits and other receivables (note b)	預付款項、按金及其他應收款項（附註b）	58,637
Bank and cash balances	銀行及現金結餘	5,556
Other payables	其他應付款項	(8,306)
Bank loan	銀行貸款	(4,844)
Total identifiable net assets at provisional fair value	可識別淨資產總額按臨時公平值	68,225
Non-controlling interests (note c)	非控股權益 （附註c）	(5,881)
Goodwill arising on acquisition (note 18)	收購所產生之商譽（附註18）	98,671
Total consideration	總代價	161,015
Total consideration satisfied by:	以下列方式清償的總代價：	
Ordinary shares (note d)	普通股（附註d）	64,680
Promissory note (note 36)	承兌票據（附註36）	94,772
Contingent consideration payable (note 27)	應付或然代價（附註27）	1,563
		161,015
Net cash outflow arising on acquisition:	收購所產生的現金流出淨額：	
Bank and cash balances acquired	已收購銀行及現金結餘	5,556
		5,556

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35. ACQUISITION OF SUBSIDIARIES

(continued)

Notes:

- (a) The film product represents a motion picture held by one of the subsidiaries of the Starlight Legend Group.
- (b) The amount contains prepayment to film directors and prepayment to film/television series production in course of production of entertainment content including films and drama series.
- (c) The amount represents the non-controlling interest in the subsidiaries of the Starlight Legend as at the acquisition date.
- (d) The amount represent issue of 21,000,000 ordinary shares at HK\$3.08 per share, which is the market value as at the date of acquisition, with a total share consideration of approximately HK\$64,680,000.

The Group has appointed an independent professional valuer to perform valuations at the date of acquisition for the purpose of accounting for the acquisition of the Starlight Legend Group according to HKFRS 3.

The initial accounting for the above acquisition in the consolidated financial statements has been determined provisionally as the Group is awaiting the final result of an independent valuation in relation to property, plant and equipment, film product, prepayment, deposits and other receivables and other net assets acquired in the transaction and contingent consideration payable for the acquisition of the Starlight Legend Group. The valuation has not been completed by the date of the approval of the consolidated financial statements. Accordingly, the amounts of identifiable net assets in contingent consideration payable and goodwill as stated above may be subsequently adjusted.

35. 收購附屬公司 (續)

附註：

- (a) 電影產品指Starlight Legend集團一間附屬公司所持有的電影。
- (b) 該金額包括向電影導演的預付款項及電影及電視劇等娛樂內容製作中預付的電影／電視劇製作款項。
- (c) 該金額為於收購日期Starlight Legend 附屬公司的非控股權益。
- (d) 該金額為按每股3.08港元（於收購日期之市價）發行21,000,000普通股，總股份代價約為64,680,000港元。

本集團已委聘一名獨立專業估值師於收購日期進行估值以根據香港財務報告準則第3號對收購Starlight Legend集團進行會計處理。

上述收購於綜合財務報表內的初步會計處理屬暫定，原因是本集團正在等待有關物業、廠房及設備、電影產品、預付款項、按金及其他應收款項及交易中取得的其他淨資產以及就收購Starlight Legend集團應付或然代價的獨立估值的最終結果。截至綜合財務報表批准當日，該估值尚未完成。因此上述應付或然代價及商譽的可識別淨資產金額後續或會予以調整。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(continued)

The fair value of contingent consideration payable is determined provisionally using monte carlo simulation valuation method which is awaiting the final result of an independent valuation.

For further details in relation to the contingent consideration payable for the acquisition of the Starlight Legend Group, please refer to the Company's Circulars dated 26 October 2017.

The goodwill arising on the acquisition is attributable to broaden the revenue base of the Group so as to enhance the overall competitive ability of the Group.

Impairment provision for goodwill of HK\$ 43.8 million with reference to the management's estimation was made during the year ended 31 December 2017.

Since acquisition, the Starlight Legend Group has no revenue and make a loss of HK\$627,839 to the Group. If the acquisition of Starlight Legend Group effected during the year had been taken place at the beginning of the year, the revenue and loss of the Group would have been HK\$39,958,000 and HK\$330,672,000 respectively.

Acquisition-related costs amounting to HK\$4.7 million have been excluded from the consideration transferred and have been recognised as an expense in profit or loss under other operating expenses.

The Group has selected to measure the non-controlling interests at their proportionate interests in the identifiable assets and liabilities of the Starlight Legend Group.

35. 收購附屬公司 (續)

應付或然代價之公平值乃按蒙特卡羅模擬估值法而暫定釐定，仍有待獨立估值的最終結果。

就收購Starlight Legend集團的應付或然代價的進一步詳情，請參閱本公司日期為二零一七年十月二十六日之通函。

收購事項產生的商譽乃來自擴闊本集團的收入基礎從而增強本集團的整體競爭力所致。

於截至二零一七年十二月三十一日止年度，參考管理層的估計作出商譽減值撥備43,800,000港元。

自收購後，Starlight Legend集團並無收益且為本集團帶來虧損627,839港元。倘於年內完成的收購Starlight Legend集團事項於年初發生，則本集團的收益及虧損將分別為39,958,000港元及330,672,000港元。

收購事項相關費用4,700,000港元已自轉讓代價中扣除，並已確認為開支，計入損益內的其他營運開支。

本集團選擇按非控股權益於Starlight Legend集團的可識別資產及負債的權益比例計量相關非控股權益。

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36. PROMISSORY NOTE

Promissory Note – Current portion

		2017 二零一七年 HK\$'000 千港元
Issuance of promissory note (note 35)	發行承兌票據(附註35)	94,772
Imputed interest	名義利息	283
Exchange realignment	匯兌調整	171
At 31 December	於十二月三十一日	95,226

On 13 December 2017, the Company issued a promissory note with a principal amount of US\$12,884,615 (equivalent to HK\$100,500,000), as part of the consideration for the acquisition of entire equity interests in the Starlight Legend Group. The promissory note is unsecured, interest free, and with a maturity date of 12 December 2018, which is 12 months from the completion date of the business acquisition (defined in note 35). The promissory note is measured at amortised cost using the effective interest rate method with the effective interest rate at 6% per annum.

As at 31 December 2017, all promissory notes are carried at zero coupon rate.

After year end date, there is new arrangement for Promissory Note, details refer to note 43 and “Event After The Reporting Period” section under Management Discussion and Analysis.

36. 承兌票據

承兌票據－當期部分

於二零一七年十二月十三日，本公司發行本金額為12,884,615美元（相當於約100,500,000港元）的承兌票據作為收購Starlight Legend集團全部股權代價的一部分。承兌票據為無抵押、免息及到期日為二零一八年十二月十二日，即業務收購（定義見附註35）完成日期後12個月。承兌票據使用實際利率法按攤銷成本計量，實際利率為每年6%。

於二零一七年十二月三十一日，所有承兌票據按零息票率列賬。

於年結日後，訂有有關承兌票據的新安排，詳情請參閱附註43及管理層討論及分析中「報告期後事項」一節。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

37. NOTES SUPPORTING CASH FLOW STATEMENT

37. 現金流量表附註

(a) Cash and cash equivalents comprise:

(a) 現金及現金等值項目包括：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cash available on demand (note 21)	於要求時可獲得之現金 (附註21)	96,647	133,000
Significant non-cash transactions are as follows:	重大非現金交易如下：		
<i>Investment activities</i>	<i>投資活動</i>		
Equity consideration for business combination (note 35)	業務合併之股權代價 (附註35)	64,680	-
Promissory note issued for business transaction (note 36)	為商業交易發行承兌票據 (附註36)	94,772	-
<i>Financing activities</i>	<i>融資活動</i>		
Conversion of convertible bonds into Share (note 26)	兌換可換股債券為股份 (附註26)	52,738	-

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

37. NOTES SUPPORTING CASH FLOW STATEMENT (continued)

37. 現金流量表附註 (續)

(b) Reconciliation of liabilities arising from financing activities:

(b) 融資活動所產生負債之對賬：

		Borrowings and bank loan (note 25) 借貸及銀行貸款 (附註25) HK\$'000 千港元	Amount due to non-controlling interest 應付非控股權益款項 HK\$'000 千港元	Promissory note (note 36) 承兌票據 (附註36) HK\$'000 千港元	2015 Convertible bonds (note 26) 二零一五年可換股債券 (附註26) HK\$'000 千港元	2014 Convertible bonds (note 26) 二零一四年可換股債券 (附註26) HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	12,2201	22,580	-	207,557	50,028	292,385
Changes from cash flows:	現金流量變動：						
Proceeds from new bank loans	新銀行貸款之所得款項	5,999	-	-	-	-	5,999
Repayment of bank loans	償還銀行貸款	(12,220)	-	-	-	-	(12,220)
Interest payment	利息付款	-	-	-	(25,200)	-	(25,200)
Advance from non-controlling interest	來自非控股權益之墊款	-	256	-	-	-	256
Total changes from financing cash flows:	融資現金流量變動總額：	(6,221)	256	-	(25,200)	-	(31,165)
Other changes:	其他變動：						
Interest expenses	利息開支	-	-	283	74,205	2,710	77,198
Conversion into shares	兌換為股份	-	-	-	-	(52,738)	(52,738)
Issue for acquisition of subsidiary	因收購附屬公司而發行	-	-	94,772	-	-	94,772
Acquisition of subsidiaries	收購附屬公司	6,800	-	-	-	-	6,800
Exchange realignment	匯兌調整	-	149	171	-	-	320
		6,800	149	95,226	74,205	(50,028)	126,352
At 31 December 2017	於二零一七年十二月三十一日	12,799	22,985	95,226	256,562	-	387,572

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

38. 控股公司財務狀況表

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	162	1,739
Available-for-sale investments	可供出售投資	9,313	9,205
Investment in subsidiaries	於附屬公司之投資	161,015	–
		170,490	10,944
Current assets	流動資產		
Other receivables	其他應收款項	15,692	1,651
Amounts due from subsidiaries	應收附屬公司款項	50,311	272,156
Bank balances and cash	銀行結餘及現金	66,189	59,430
		132,192	333,237
Current liabilities	流動負債		
Other payables	其他應付款項	1,346	3,611
Borrowings	借貸	–	12,220
Promissory note	承兌票據	95,226	–
Derivative financial liabilities	衍生金融負債	36,153	6,260
Amounts due to subsidiaries	應付附屬公司款項	50,881	–
Convertible bonds	可換股債券	256,562	50,028
		440,168	72,119
Net current (liabilities)/ assets	淨流動(負債)/資產	(307,976)	261,118
Total assets less current liabilities	總資產減流動負債	(137,486)	272,062

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

38. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

38. 控股公司財務狀況表 (續)

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券		-	207,557
Contingent consideration payable	應付或然代價		1,563	-
Net assets	資產淨值		(139,049)	64,505
EQUITY	權益			
Share capital	股本		67,356	49,356
Reserves	儲備	39	(206,405)	15,149
Total (deficiency) equity	(虧絀) 權益總額		(139,049)	64,505

Yan Xu
顏旭
Chairman and Director
主席兼董事

Chau Chit
周哲
Deputy Chairman and Director
副主席兼董事

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

39. RESERVES

39. 儲備

		Company 本公司					
		Share premium	Capital redemption reserve	Investment revaluation reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	投資重估儲備 HK\$'000 千港元	可換股 債券儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	76,385	1,564	702	20,427	(30,187)	68,891
Loss for the year	本年度虧損	-	-	-	-	(51,736)	(51,736)
Decrease in fair value of available-for-sale investments	可供出售投資公平價值減少	-	-	(2,006)	-	-	(2,006)
Total comprehensive income for the year	本年度全面收益總額	-	-	(2,006)	-	(51,736)	(53,742)
At 31 December 2016	於二零一六年十二月三十一日	76,385	1,564	(1,304)	20,427	(81,923)	15,149
Loss for the year	本年度虧損	-	-	-	-	(324,080)	(324,080)
Increase in fair value of available-for-sale investments	可供出售投資公平價值增加	-	-	1,108	-	-	1,108
Release of investment revaluation reserve to profit or loss for impairment loss on available-for-sale investments	就可供出售投資減值虧損將投資重估儲備轉撥至損益	-	-	2,000	-	-	2,000
Total comprehensive income for the year	本年度全面收益總額	-	-	3,108	-	(324,080)	(320,972)
Share issued upon conversion of convertible bonds	兌換可換股債券時發行股份	57,265	-	-	(20,427)	-	36,838
Share issued upon completion of acquisition of a subsidiary	完成收購一間附屬公司後發行股份	62,580	-	-	-	-	62,580
At 31 December 2017	於二零一七年十二月三十一日	196,230	1,564	1,804	-	(406,003)	(206,405)

40. LEASES

40. 租約

Operating leases – lessee

The lease payments recognised as an expenses are as follows:

經營租約 – 租賃人

確認為開支之租賃款項如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Minimum leases payments paid under operating leases	根據經營租約已付之最低租賃款項	3,864	2,360

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40. LEASES (continued)

Operating leases – lessee (continued)

At the end of reporting period, the Group had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	不超過一年	3,594	1,934
Later than one year and not later than five years	超過一年但不超過五年	4,906	1,431
		8,500	3,365

Operating lease payment represents rentals payable by the Group for leased offices with a term of 1 to 3 years. None of the leases include contingent rentals.

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt and equity attributable to owners of the Company. This includes the convertible bonds amounting to HK\$256,562,000 (2016: HK\$257,585,000) disclosed in note 26, and equity attributable to owners of the Company, comprising issued share capital amounting to approximately HK\$67,356,000 (2016: HK\$49,356,000) and various reserves less accumulated losses (2016: less accumulated loss) amounting to approximately HK\$136,346,000 (2016: HK\$59,014,000), totalling deficiency of HK\$68,990,000 (2016: equity of HK\$108,370,000).

40. 租約 (續)

經營租約－租賃人 (續)

於報告期末，本集團根據不可撤銷經營租約之未付最低承擔之到期情況如下：

經營租賃款項指本集團就租用辦公室（租期為一至三年）應付之租金。該等租賃並不包括或然租金。

41. 資本風險管理

本集團透過優化債務及股本平衡而管理其資本以確保本集團各實體將能夠持續經營並同時為股東帶來最大回報。本集團之整體策略較去年並無變動。

本集團之資本架構包括債務及本公司擁有人應佔權益。此包括於附註26披露之256,562,000港元（二零一六年：257,585,000港元）之可換股債券，及虧絀總額為68,990,000港元（二零一六年：權益108,370,000港元）之本公司擁有人應佔權益，其中包括金額約為67,356,000港元的已發行股本（二零一六年：49,356,000港元）及金額約為136,346,000港元（二零一六年：59,014,000港元）之各類儲備減累計虧損（二零一六年：減累計虧損）。

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41. CAPITAL RISK MANAGEMENT

(continued)

The directors of the Company review the capital structure regularly. 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 the payment of dividends, new share issues or share buybacks, as well as the issue of new debt or the redemption of existing debt.

41. 資本風險管理 (續)

本公司董事定期審閱資本架構。作為審閱的一部分，董事考慮與各類資本有關的資本成本及風險。本集團將按董事之推薦建議透過派付股息、發行新股或股份購回以及新增債務或贖回現有債務，以平衡其整體資本架構。

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

42. 金融工具

(a) 金融工具類別

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale investments	可供出售投資	9,313	9,205
Loans and receivables (including cash and cash equivalents) (note)	貸款及應收款項 (包括現金及現金等值項目) (附註)	157,886	359,225
Financial liabilities	金融負債		
Derivative financial liability	衍生金融負債	36,153	6,260
Financial liabilities measured at amortised cost (note)	按攤銷成本計量之金融負債 (附註)	414,244	309,828

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

Note:

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables excluding prepayment, trade and other payables, amount due to non-controlling interests of subsidiaries, amount due to a related company, convertible bonds, and borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables, amounts due to non-controlling interest of subsidiaries, amount due to a related company, borrowings approximates then fair value.

The fair value of convertible bonds carried at amortised cost as at 31 December 2017 is approximately HK\$280,000,000 (2016:HK\$363,949,000). The fair value is determined using discounted cash flow models and is classified as level 3 in the fair value hierarchy. Significant inputs include the discount rate used to reflect the credit risks of the Company.

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade and other receivables, bank balances and cash, trade and other payables, short-term loans and convertible bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk and equity price risk), credit risk, interest rate risk and liquidity risk. 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 policies on how to mitigate these risks.

42. 金融工具 (續)

(a) 金融工具類別 (續)

附註：

並非按公平值計量之金融工具包括現金及現金等值項目、貿易及其他應收款項（不包括預付款項）、貿易及其他應付款項、應付附屬公司非控股權益款項、應付一間關聯公司款項、可換股債券及借貸。

由於本身屬短期性質，現金及現金等值項目、貿易及其他應收款項、貿易及其他應付款項、應付附屬公司非控股權益款項、應付一間關聯公司款項及借貸之賬面值與其公平值相若。

於二零一七年十二月三十一日按攤銷成本列賬之可換股債券之公平值約為280,000,000港元（二零一六年：363,949,000港元）。公平值採用折現現金流量模型釐定及分類為公平值層級之第三級。主要輸入數據包括用於體現本公司信貸風險之折現率。

(b) 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、貿易及其他應收款項、銀行結餘及現金、貿易及其他應付款項、短期貸款及可換股債券。有關該等金融工具之詳情已於相關附註披露。與該等金融工具有關之風險包括市場風險（貨幣風險及股權價格風險）、信貸風險、利率風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時及有效地採取適當措施。有關如何降低該等風險之政策概無作出變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

(i) Currency risk

The Group operates in Hong Kong and PRC with most of the transactions denominated and settled in Hong Kong dollars ("HK\$"), USD, RMB, AUD or MOP.

All the Group's borrowings are denominated in either HK\$ or USD.

In view of the fact that the HK\$ is pegged to the USD, the Group does not expect any significant movements in USD/HK\$ exchange rate.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

		2017 二零一七年 AUD'000 千澳元	2016 二零一六年 AUD'000 千澳元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade and other receivables	貿易及其他應收款項	2,528	26,249	13,886	8,573
Bank balances and cash	銀行結餘及現金	296	636	3,233	2,350
Trade and other payables	貿易及其他應付款項	(158)	(481)	(4,793)	(896)
Short-term loan	短期貸款	-	-	(5,000)	-
Overall net exposure	整體風險淨額	2,666	26,404	7,326	10,027

Sensitivity analysis

The following table indicates the approximate change in the Group's loss for the year and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. The number below indicates an increase/decrease in loss and other equity where the HK\$ strength weakens against the relevant currency.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

本集團於香港及中國經營業務，大部分交易以港元（「港元」）、美元、人民幣、澳元或澳門幣列值及結算。

本集團所有借貸均以港元或美元列值。

鑒於港元與美元掛鈎，本集團預期美元兌港元匯率不會出現任何重大波動。

於報告期末，本集團以外幣列值之貨幣資產之賬面值如下：

敏感度分析

下表顯示於報告期末，本集團擁有重大風險之匯率合理可能變動所帶來之本集團年內虧損及綜合權益其他部分之概約變動。敏感度分析包括集團公司間以放款人或借款人功能貨幣以外之貨幣列值的結餘。以下數目顯示倘港元兌相關貨幣升值／貶值，則虧損及其他權益增加／減少。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

42. 金融工具 (續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策 (續)

Market risk (continued)

市場風險 (續)

(i) Currency risk (continued) Sensitivity analysis (continued)

(i) 貨幣風險 (續) 敏感度分析 (續)

		2017 二零一七年		2016 二零一六年	
		Increase in foreign exchange rate	Effect on loss for the year and other equity 對年內 虧損及其他 權益之影響 HK\$'000 千港元	Increase in foreign exchange rate	Effect on loss for the year and other equity 對年內 虧損及其他 權益之影響 HK\$'000 千港元
RMB	人民幣	1%	93	2%	180
AUD	澳元	1%	139	1%	1,197

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

敏感度分析在確定時乃假設於報告期末匯率之變動已發生，並已套用於集團各實體；另外亦假設衍生及非衍生金融工具之貨幣風險於該日已存在，亦假設所有其他變數（尤其是利率）維持不變。

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綜合財務報表附註

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42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that the pegged rate between the HK\$ and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' loss for the year and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2016.

(ii) Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities that accounted for as available-for-sale investments of the Group. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If the prices of the respective equity securities had been 10% higher/lower, investment revaluation reserve of the Group as at 31 December 2017 would increase/decrease by HK\$931,300 (2016: HK\$920,500) as a result of the changes in fair value of the listed equity available-for-sale investments held by the Group.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

上述之變動代表管理層對直至下一個年度報告日期止期間的匯率合理可能變動之評估。就此而言，現假定港元與美元之聯繫匯率將不會因美元兌其他貨幣的價值之任何變動而受到重大影響。上表所列示分析之結果代表對集團各實體按各自功能貨幣計算並按報告期末之匯率換算為港元以供呈列之用的年內虧損及權益之影響總額。該分析乃以二零一六年之同一基準進行。

(ii) 股價風險

本集團透過其於上市股本證券之投資（入賬列為本集團之可供出售投資）而承受股價風險。本集團之股價風險主要集中於在聯交所報價之股本工具。

敏感度分析

以下敏感度分析乃根據於報告日期承受之股價風險而釐定。倘各自之股本證券價格上升／下降10%，則本集團於二零一七年十二月三十一日之投資重估儲備將因本集團所持有之可供出售投資之上市股本公平值變動而增加／減少931,300港元（二零一六年：920,500港元）。

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綜合財務報表附註

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42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

In order to minimise the credit risk arising from the financial assets held by the Group, the Group reviews the recoverable amount of each individual trade and other debt at each end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company consider that the Group's credit risk is significantly reduced.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluation focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Debtors with balance that are past due are requested to settle all outstanding balances before any further credit is granted. Normally the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of 31 December 2017, there is concentration of credit risk with respect to the receivables, as three customer (2016: One) is responsible for more than 10% of the Group's trade and other receivables. In addition, the Group has concentration of credit risk on liquid funds which are deposited with several banks with good reputation. Other than the above, the Group does not have any other significant concentration of credit risk.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

為減低本集團持有之金融資產所產生之信貸風險，本集團會於各報告期末審閱各個別貿易及其他債務之可收回金額，以確保就無法收回金額計提足夠減值虧損。就此，本公司管理層認為，本集團之信貸風險已大大降低。

就貿易及其他應收款項而言，已對要求信貸額超過一定金額之各客戶進行個別信貸評估。該等評估集中於客戶過往支付到期款項之紀錄及現時之付款能力，並考慮到客戶之具體資料及與該客戶所處經濟環境有關之資料。結欠逾期餘款之債務人於獲授任何進一步信貸前，會被要求結清所有尚未償還之餘款。一般而言，本集團並無向客戶取得抵押品。

本集團面對之信貸風險主要受各客戶個別特質所影響。於二零一七年十二月三十一日期終時，應收款項有集中信貸風險，此乃由於三名客戶（二零一六年：一名）佔本集團貿易及其他應收款項之比例超過10%。此外，本集團之流動資金信貸風險集中，該等資金存放於信譽良好之多家銀行內。除上文所述者外，本集團並無任何其他重大之信貸風險集中。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk

The Group's fair value interest-rate risk mainly arises from borrowings, convertible bonds, and other loan receivables as disclosed in Notes 25, 26 and 19 respectively. Borrowings, convertible bonds, and other loan receivables were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no cash flow interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

利率風險

本集團之公平值利率風險主要來自附註25、26及19分別披露之借貸、可換股債券及其他應收貸款。該等借貸、可換股債券及其他應收貸款乃按固定利率計息，這使本集團面臨公平值利率風險。本集團並無現金流量利率風險，原因為並無按浮動利率計息之借貸。本集團並無使用任何對沖潛在利率波動的財務工具。

下表詳列本集團借貸於報告期末的利率狀況。

		Group 本集團			
		2017 二零一七年		2016 二零一六年	
		Effective interest rate (%)	HK\$	Effective interest rate (%)	HK\$
		實際利率(%)	港元	實際利率(%)	港元
Borrowings	借貸	2-15%	12,799	6%	12,220
Convertible bonds	可換股債券	31%	256,562	16-31%	257,585
Other loan receivables	其他應收貸款	-	-	8%	(20,330)
Promissory note	承兌票據	6%	95,226		-
Total net borrowings	淨借貸總額		364,587		249,475
Net fixed rate borrowings as a percentage of total net borrowings	淨定息借貸佔淨借貸總額的百分比		100%		100%

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綜合財務報表附註

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42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The interest rates and terms of repayment of the Group's borrowings, convertible bonds and other loan receivables are disclosed in note 25, 26, 19 respectively to the consolidated financial statements.

At 31 December 2017, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's loss for the year and accumulated losses by approximately HK\$0.67 million (2016: decrease Group's loss for the year HK\$1.3 million).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

The analysis is performed on the same basis for 2016.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

利率風險 (續)

本集團借貸、可換股債券及其他應收貸款之利率及還款期限分別披露於綜合財務報表的附註25、26及19。

於二零一七年十二月三十一日，倘利率整體增加100個基點，而其他變數維持不變，則估計本集團之年內虧損及累計虧損將減少約670,000港元（二零一六年：本集團之年內虧損減少1,300,000港元）。

上述敏感度分析乃經假設利率變動已於報告期末發生釐定，並已套用於釐定於該日存續之借貸面臨之利率風險。增加或減少100個基點為管理層對利率於直至下個年度報告日期之期間的合理可能變動的評估。

該分析乃按與二零一六年相同的基準進行。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the Group's contractual maturity for its financial liabilities based on the agreed repayment terms. The tables for non-derivative financial liabilities have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

本集團內個別經營實體負責其本身的現金管理，包括將現金盈餘作短期投資，以及借入貸款以滿足預期現金需求，惟倘借貸超過若干預定授權水準，則須獲得母公司董事會批准。

本集團採取之政策為定期監控現時及預期流動資金需求，確保維持充裕現金儲備，以滿足其短期及較長期流動資金需求。

下表乃根據協定還款條款列載本集團金融負債之合約到期日詳情。就非衍生金融負債而言，該表乃根據本集團可被要求支付款項最早日期之金融負債之未貼現現金流編製。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

42. 金融工具 (續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策 (續)

Liquidity and interest risk table

流動資金及利息風險表

	Weighted average effective interest rate	Less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	加權平均實際利率	少於一年	超過一年但不超過兩年	超過兩年但不超過五年	未貼現現金流總額	於十二月三十一日之賬面值
	%	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2017						
Non-derivative financial liabilities						
Trade and other payables		26,672	-	-	26,672	26,672
Amounts due to non-controlling interest of subsidiaries		22,985	-	-	22,985	22,985
Borrowings						
- interest bearing	2 to 15	13,060	-	-	13,060	12,799
Promissory note	6	100,500	-	-	100,500	95,226
Convertible bonds						
- liability component (Note)	31	340,200	-	-	340,200	256,562
		503,417	-	-	503,417	414,244
2016						
Non-derivative financial liabilities						
Trade and other payables		14,924	-	-	14,924	14,924
Amount due to a related company		2,519	-	-	2,519	2,519
Amount due to a non-controlling interest of a subsidiary		22,580	-	-	22,580	22,580
Borrowings						
- interest bearing	6	12,340	-	-	12,340	12,220
Convertible bonds						
- liability component (Note)	16 to 31	80,850	340,200	-	421,050	257,585
		133,213	340,200	-	473,413	309,828

Note: This is categorised based on contractual term of redemption at maturity on the assumption that there are no redemption or conversion of the convertible bonds before maturity.

附註：此乃根據假設於到期前並無贖回或轉換可換股債券而於到期時贖回之合約條款分類。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements recognised in the statement of financial position

(i) *Financial instruments measured at fair value*

HKFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy should have the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

42. 金融工具 (續)

(c) 於財務狀況表確認之公平值計量

(i) 按公平值計量之金融工具

香港財務報告準則第13號要求實體採用公平值層級(反映於作出計量時採用之輸入值之重要性)分類公平值計量。公平值層級應包括以下級別:

- (a) 同類資產或負債於活躍市場之報價(未經調整)(第一級);
- (b) 除第一級所包括之報價外,資產或負債之可直接(即價格)或間接(即從價格得出)觀察所得輸入值(第二級);及
- (c) 並非依據可觀察之市場數據而釐定之資產或負債之輸入值(不可觀察之輸入值)(第三級)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

42. 金融工具 (續)

(c) Fair value measurements recognised in the statement of financial position (continued)

(c) 於財務狀況表確認之公平值計量 (續)

(i) Financial instruments measured at fair value (continued)

(i) 按公平值計量之金融工具 (續)

As at 31 December 2017, the financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

於二零一七年十二月三十一日，於財務狀況表按公平值計量的金融資產及負債分為以下公平值層級：

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Asset	資產				
Available-for-sale investments	可供出售投資	9,313	-	-	9,313
Liability	負債				
Derivative financial liability	衍生金融負債	-	-	(36,153)	(36,153)
Contingent consideration payable	應付或然代價	-	-	(1,563)	(1,563)
Net fair values	公平值淨額	9,313	-	(37,716)	(28,403)

As at 31 December 2016, the financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

於二零一六年十二月三十一日，於財務狀況表按公平值計量的金融資產及負債分為以下公平值層級：

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Asset	資產				
Available-for-sale investments	可供出售投資	9,205	-	-	9,205
Liability	負債				
Derivative financial liability	衍生金融負債	-	-	(6,260)	(6,260)
Net fair values	公平值淨額	9,205	-	(6,260)	2,945

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements recognised in the statement of financial position (continued)

(i) Financial instruments measured at fair value (continued)

There have been no transfers between the levels in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Information about Level 1 fair value measurement

Available-for-sale investments represent the Group's investments in listed securities in Hong Kong, amounted to HK\$9,313,000 (2016: HK\$9,205,000) as set out in note 17, is based on Level 1 measurement which is determined by quoted prices in active markets.

Information about Level 3 fair value measurement

The fair value of derivative financial instrument is determined using binomial option pricing model and the significant unobservable input used in the fair value measurement is the expected volatility. The fair value measurement is positively correlated to the expected volatility. As at 31 December 2017, it is estimated that while all other variables held constant, an increase in the expected volatility by 5% would have increased the Group's loss by HK\$3,494,000 (2016: HK\$1,503,000) while a decrease in the expected volatility by 5% would have decreased the Group's loss by HK\$3,530,000 (2016: HK\$1,888,000) for the derivative component of Convertible Bond.

42. 金融工具 (續)

(c) 於財務狀況表確認之公平值計量 (續)

(i) 按公平值計量之金融工具 (續)

於報告期內，各層級之間無轉撥。用於計量公平值之方法及估值技術與以往的報告期相比並無改變。

有關第一級公平值計量之資料

可供出售投資指本集團於香港上市證券之投資，金額為9,313,000港元（二零一六年：9,205,000港元）（誠如附註17所載），該金額乃根據第一級計量（按活躍市場之報價釐定）計算。

有關第三級公平值計量之資料

衍生金融工具之公平值乃採用二項式期權定價模型釐定，而公平值計量所採用之重大不可觀察輸入值為預期波幅。公平值計量與預期波幅有正相關性。於二零一七年十二月三十一日，就可換股債券衍生工具部分而言，估計倘所有其他可變因素維持不變，而預期波幅上升5%，則本集團之虧損將增加3,494,000港元（二零一六年：1,503,000港元）；而預期波幅下跌5%，則本集團之虧損將減少3,530,000港元（二零一六年：1,888,000港元）。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements recognised in the statement of financial position (continued)

(i) Financial instruments measured at fair value (continued)

Information about Level 3 fair value measurement (continued)

Significant inputs as follows:

Derivative financial liability – Convertible Bond derivative component

42. 金融工具 (續)

(c) 於財務狀況表確認之公平值計量 (續)

(i) 按公平值計量之金融工具 (續)

有關第三級公平值計量之資料 (續)

有關重大輸入值如下：

衍生金融負債－可換股債券衍生工具部分

		2017 二零一七年	2016 二零一六年
Underlying stock price	相關股價	HK\$3.08 per share 每股3.08港元	HK\$1.45 per share 每股1.45港元
Conversion price	換股價	HK\$5 per share 每股5港元	HK\$5 per share 每股5港元
Risk-free rate	無風險利率	1.039%	1.032%
Expected volatility	預期波幅	84.83%	63.36 %
Expected dividend yield	預期股息率	-	-
Discount rate	折現率	9.188%	7.436 %

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements recognised in the statement of financial position (continued)

(i) Financial instruments measured at fair value (continued)

Information about Level 3 fair value measurement (continued)

The fair value of contingent consideration payable is determined using monte carlo simulation valuation method and the significant unobservable input used in the fair value measurement is the expected revenue drift rate. The fair value measurement is positively correlated to the expected revenue drift rate. As at 31 December 2017, it is estimated that while all other variables held constant, an increase in the expected revenue drift rate by 5% would have increased the Group's loss by HK\$2,779,000 (2016: HK\$Nil) while a decrease in the expected revenue drift rate by 5% would have decreased the Group's loss by HK\$1,387,000 (2016: HK\$Nil) for the contingent consideration payable.

Significant inputs as follows:

Contingent consideration payable component

Number of simulation

Annualized revenue drift rate

Annualized revenue volatility

Discount rate

模擬值

年化收益偏移率

年化收益波幅

折現率

2017
二零一七年

5,000

156%

56%

27%

42. 金融工具 (續)

(c) 於財務狀況表確認之公平值計量 (續)

(i) 按公平值計量之金融工具 (續)

有關第三級公平值計量之資料 (續)

應付或然代價之公平值乃採用蒙地卡羅模擬估值法釐定，而公平值計量中採用之重大不可觀察輸入值為預期收益偏移率。公平值計量與預期收益偏移率正相關。於二零一七年十二月三十一日，就應付或然代價而言，估計倘所有其他可變因素維持不變，而預期收益偏移率上升5%，則本集團之虧損將增加2,779,000港元（二零一六年：零港元）；而預期收益偏移率下跌5%，則本集團之虧損將減少1,387,000港元（二零一六年：零港元）。

重大輸入值如下：

應付或然代價部分

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

43. EVENTS AFTER THE REPORTING PERIOD

On 29 March 2018, Rare Jewels Limited (the “Vendor”), a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Yan, the Vendor entered into a side letter (the “Side Letter”) with the Company, pursuant to which the Vendor has irrevocably and unconditionally agreed and undertaken to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct a valuation of Starlight Legend Group as at 31 December 2018 (the “Updated Valuation”). The determination by the independent valuer shall be final and binding on the Vendor and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000.
- (iii) The due date of the Promissory Note shall be extended until 12 December 2019.

44. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2018.

43. 報告期後事項

於二零一八年三月二十九日，Rare Jewels Limited（「賣方」，一間於英屬處女群島註冊成立的有限公司並由顏先生全資擁有）與本公司訂立一份附函（「該附函」），據此，賣方不可撤回、無條件地向本公司同意及承諾以下各項：

- (i) 賣方及本公司應共同委任一名獨立估值師對Starlight Legend集團於二零一八年十二月三十一日之估值進行評估（「更新估值」）。獨立估值師之決定對賣方及本公司均將具有決定性及約束力。
- (ii) 倘更新估值低於25,000,000美元，則賣方不可撤回、無條件及完全地同意豁免及放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限。
- (iii) 承兌票據之到期日將延長至二零一九年十二月十二日。

44. 批准綜合財務報表

本綜合財務報表乃經董事會於二零一八年三月二十九日批准及授權刊發。

Financial Summary

財務總表

RESULTS

業績

For the year ended 31 December
截至十二月三十一日止年度

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue (including continuing and discontinued operations)	收益 (包括持續及終止經營業務)	75,791	52,165	194,857	195,562	39,958
Profit (loss) before taxation	除稅前溢利 (虧損)	338,037	(17,736)	(23,026)	(50,563)	(297,979)
Income tax (expense) credit	所得稅 (開支) 抵免	6,274	-	(961)	(331)	-
Profit (loss) for the year attributable to owners of the Company	年度溢利 (虧損) 本公司擁有人應佔	344,311	(17,736)	(23,987)	(50,894)	(297,979)
Profit (loss) for the year attributable to non-controlling interests	非控股權益應佔	344,311	(17,736)	8,734	(39,766)	(294,439)
		-	-	(32,721)	(11,128)	(3,540)

ASSETS AND LIABILITIES

資產及負債

As at 31 December
於十二月三十一日

		2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	總資產	139,457	191,258	553,785	381,652	342,432
Total liabilities	總負債	(106,104)	(46,560)	(435,537)	(317,147)	(452,877)
		33,353	144,698	118,248	64,505	(110,445)
Equity attributable to owners of the Company	權益 本公司擁有人應佔	33,353	144,698	150,930	108,370	(68,990)
Equity attributable to non-controlling interests	非控股權益應佔	-	-	(32,682)	(43,865)	(41,455)
Total	總計	33,353	144,698	118,248	64,505	(110,445)

