



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

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



ANNUAL REPORT
2017/2018 年報

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Corporate Information And Key Dates

公司資料及重要日期

DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Liu Chui Ying

EXECUTIVE COMMITTEE

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

CORPORATE GOVERNANCE COMMITTEE

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

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

INVESTOR RELATIONS CONTACT

Email: ir491@emperorgroup.com

WEBSITE

<http://www.empculture.com>

STOCK CODE

Hong Kong Stock Exchange: 491

董事

執行董事

范敏嫦女士 (*主席*)
黃志輝先生
楊政龍先生
許佩斯女士

獨立非執行董事

伍海于先生
陳嬋玲女士
何達權先生

公司秘書

廖翠英女士

執行委員會

范敏嫦女士 (*主席*)
黃志輝先生
楊政龍先生
許佩斯女士

審核委員會

何達權先生 (*主席*)
伍海于先生
陳嬋玲女士

薪酬委員會

伍海于先生 (*主席*)
黃志輝先生
何達權先生

提名委員會

范敏嫦女士 (*主席*)
伍海于先生
何達權先生

企業管治委員會

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

核數師

國衛會計師事務所有限公司
執業會計師

投資者關係查詢

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網址

<http://www.empculture.com>

股份代號

香港聯合交易所: 491



Corporate Information And Key Dates

公司資料及重要日期

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

KEY DATES

Annual Results Announcement	20 September 2018
Annual General Meeting	13 November 2018

CORPORATE COMMUNICATIONS

This Annual Report (in both English and Chinese versions) is available to any shareholder of the Company either in printed form and on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company. In order to protect the environment, the Company highly recommends the shareholders to receive electronic copy of this Annual Report. Shareholders may have the right to change their choice of receipt of our future Corporate Communications at any time by reasonable notice in writing to the Company or the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, by post or by email at is-ecom@hk.tricorglobal.com.

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港灣仔
軒尼詩道288號
英皇集團中心
28樓

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

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

重要日期

年度業績公告	2018年9月20日
股東週年大會	2018年11月13日

公司通訊

本公司任何股東可選擇以印刷本或於香港聯合交易所有限公司網站(<http://www.hkexnews.hk>)及本公司網站收取本年報(中、英文版本)。為支持環保,本公司極力推薦各股東選擇收取本年報之電子版本。股東有權隨時以合理之書面通知,或透過郵寄或電郵(is-ecom@hk.tricorglobal.com)向本公司或本公司之香港股份過戶登記分處「卓佳登捷時有限公司」,更改所選擇日後收取公司通訊之方式。

Management Discussion and Analysis

管理層討論與分析

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

MARKET REVIEW

Over the past decade, film market in China has been growing rapidly. According to the market research conducted by Entgroup* (北京藝恩世紀數據科技股份有限公司), a leading research center of China entertainment industry, China was the world's second largest box-office market in 2017 with revenue of RMB52.4 billion, at a phenomenal growth rate of 15% year-on-year. In the first half of 2018, the box office reached RMB30.0 billion, soared by 17% as compared with the corresponding period last year.

The number of cinemas and screens in China has been increasing rapidly in recent years. As of 31 December 2017, there were about 9,300 cinemas and 52,700 screens in China, growing by folds within five years and surpassing those of the United States. In 2017, a massive number of 11,800 screens was added in China, at a pace of 32 new screens a day in this year. This underlines the growing popularity of cinemas and lays a solid foundation for the sustained growth of China's film industry.

* English name is for identification purpose only

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

市場回顧

過去十年間,中國電影市場呈快速增長。根據中國娛樂業的一間領先研究中心北京藝恩世紀數據科技股份有限公司進行的市場調查,於2017年,中國成為全球第二大票房市場,收益達人民幣524億元,按年大幅增長15%。於2018年上半年,票房收入達至人民幣300億元,較去年同期激增17%。

近年來,中國的戲院及影院銀幕數字亦迅速增長。於2017年12月31日,中國約有9,300間戲院及52,700個影院銀幕,在五年內實現倍數增長並超越美國。於2017年,中國大幅新增11,800個影院銀幕,即該年內每日增加32個新影院銀幕。此突顯戲院日益普及,為中國電影行業的可持續增長奠定了良好基礎。



Emperor Cinemas - Emperor Group Centre, Beijing
英皇電影城 - 北京英皇集團中心

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Overall Review

During the year ended 30 June 2018 (the “Year”), revenue of the Group increased by 103.0% to HK\$91.2 million (2017: HK\$44.9 million), driven by the growth of film exhibition income from an expanded cinema network.

Loss for the Year attributable to the owners of the Company was HK\$153.8 million (2017: HK\$62.3 million). Such increase is mainly due to (i) the increase in fair value loss derived from the financial assets under the segment of investment in securities; (ii) the increase in impairment loss on goodwill; and (iii) a non-recurring gain on disposal of associates which was recorded in the previous year. Basic loss per share was HK\$0.05 (2017: HK\$0.03).

Use of Proceeds from Equity Fund Raising

During the Year, the Group utilised part of the net proceeds of HK\$161.8 million raised from the issue of 1,000,000,000 ordinary shares of the Company subscribed by Giant Lead Profits Limited (now known as “Emperor Culture Group Holdings Limited”) at a subscription price of HK\$0.19 per share on 23 March 2017 (the “Subscription”) for expansion of cinema operation in mainland China and investment in a film project as intended. As at 30 June 2018, the remaining proceeds of HK\$20.6 million was retained at banks.

財務回顧

整體回顧

截至2018年6月30日止年度（「本年度」），受惠於戲院網絡拓展使電影放映收入增加，本集團收入增加103.0%至91,200,000港元（2017年：44,900,000港元）。

本公司擁有人應佔本年度虧損為153,800,000港元（2017年：62,300,000港元）。該增加乃主要由於(i)來自證券投資分類之金融資產之公允價值虧損增加；(ii)商譽減值虧損增加；及(iii)去年錄得出售聯營公司非經常性收益。每股基本虧損為0.05港元（2017年：0.03港元）。

股本資金籌集之所得款項用途

於本年度，本集團動用自Giant Lead Profits Limited（現稱「英皇文化產業集團控股有限公司」）於2017年3月23日按認購價每股0.19港元認購本公司發行之1,000,000,000股普通股（「認購事項」）而籌集之部分所得款項淨額161,800,000港元，按計劃用以拓展中國內地之戲院營運及電影項目投資。於2018年6月30日，所得款項餘額20,600,000港元存放於銀行內。



Emperor Cinemas - Hefei The Mixc
英皇電影城 - 合肥萬象城

Management Discussion and Analysis

管理層討論與分析



Emperor Cinemas - Emperor Group Centre, Beijing
英皇電影城 - 北京英皇集團中心

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources

The Group continued to fund its operations and capital expenditure by cash generated internally from its operations as well as the net proceeds from the Subscription. As at 30 June 2018, the Group's cash and bank balances amounted to HK\$264.1 million (2017: HK\$452.6 million) which are mainly denominated in Hong Kong dollars and Renminbi.

Total borrowings of the Group as at 30 June 2018 was HK\$60.4 million (2017: HK\$60.9 million) comprising the amounts due to non-controlling interests and related companies of HK\$44.9 million and HK\$15.5 million (2017: HK\$44.9 million and HK\$16.0 million) respectively, which are denominated in Hong Kong dollars and Renminbi, unsecured, interest-free and repayable on demand. The gearing ratio (expressed as a percentage of total borrowings over net asset value) was 8.0% (2017: 6.7%).

Exposure to Fluctuation in Exchange Rates and Related Hedges

The Group's cash and bank balances, income and expenditure are primarily denominated in Hong Kong dollars and Renminbi. The carrying amount of the Group's Renminbi denominated monetary net assets was only less than 10.0% of its net assets as at 30 June 2018. Hence, the Group's exposure to fluctuations in exchange rates is insignificant.

財務回顧 (續)

流動資金及財務資源

本集團繼續通過其營運內部產生之現金以及認購事項之所得款項淨額為其業務及資本支出提供資金。於2018年6月30日，本集團之現金及銀行結存為264,100,000港元（2017年：452,600,000港元），主要以港元及人民幣結算。

本集團於2018年6月30日之借貸總額為60,400,000港元（2017年：60,900,000港元），包括分別為44,900,000港元及15,500,000港元（2017年：44,900,000港元及16,000,000港元）之應付非控股權益款項及應付關連公司款項。該等款項以港元及人民幣結算、無抵押、免息及須按的要求償還。資產負債比率（即總借貸除以資產淨值之比率）為8.0%（2017年：6.7%）。

匯率波動風險及有關對沖

本集團之現金及銀行結存、收入及支出主要以港元及人民幣結算。於2018年6月30日，本集團以人民幣結算之貨幣資產淨值之賬面值僅佔其資產淨值10.0%以下。因此，本集團因匯率波動產生的風險並不重大。



Management Discussion and Analysis

管理層討論與分析



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FINANCIAL REVIEW (continued)

Profit Guarantee

Pursuant to the terms of the sale and purchase agreement (the “**S&P Agreement**”) dated 4 May 2016 entered into by a wholly-owned subsidiary of the Company with Jade Sparkle Holdings Limited and Mr. Wong Chun Loong (now known as “Mr. Huang Tony Jademan Xian Zhen”) (collectively referred to as the “**Vendors**”), both being independent third parties, in respect of the acquisition of approximately 78.64% equity interest in Jade Dynasty Multi-Media Limited and its subsidiaries (collectively referred to as “**JDMM Group**”), the Vendors have given a guarantee (the “**Profit Guarantee**”) to the Group that the audited consolidated net profit after tax of JDMM Group for each of the financial years ended/ending 31 December 2016, 31 December 2017 and 31 December 2018 (each of the “**Guarantee Period**”) would be no less than HK\$10.0 million (the “**Guaranteed Sum**”) for each of the Guaranteed Period.

In case the Profit Guarantee is not fulfilled in each of the Guaranteed Period, the Vendors shall pay 78.64% of the difference between the Guaranteed Sum and the audited consolidated profit after tax of JDMM Group (the “**Shortfall**”) to the Group, and for avoidance of doubt, if JDMM Group sustained a loss for such financial year, 78.64% of the Guaranteed Sum shall be payable by the Vendors to the Group.

財務回顧 (續)

溢利保證

根據本公司之一間全資擁有附屬公司與耀琦控股有限公司及黃振隆先生(現稱「黃顯朕先生」)(統稱「該等賣方」)(兩者均為獨立第三者)於2016年5月4日就收購玉皇朝多媒體有限公司及其附屬公司(統稱「玉皇朝多媒體集團」)約78.64%股權而訂立之買賣協議(「買賣協議」)條款,該等賣方已向本集團提供一項保證(「溢利保證」),即玉皇朝多媒體集團於截至2016年12月31日、2017年12月31日及2018年12月31日止三個財政年度(「各個保證期間」)之經審核除稅後綜合溢利於各個保證期間將不低於10,000,000港元(「保證金額」)。

倘於各個保證期間之溢利保證未能達成,該等賣方須按保證金額與玉皇朝多媒體集團之經審核綜合除稅後溢利間之差額(「差額」)之78.64%支付予本集團,以及為免存疑,倘玉皇朝多媒體集團於該財政年度錄得虧損,則該等賣方須向本集團支付保證金額之78.64%。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Profit Guarantee (continued)

For the year ended 31 December 2017, JDMM Group recorded a loss after tax and hence, the Vendors were obliged to pay the Shortfall of HK\$7.9 million, being 78.64% of the Guaranteed Sum to the Group. The Group had recorded the Shortfall as compensation income and compensation income receivable in its audited consolidated financial statements for the Year, and also demanded payment from the Vendors of the Shortfall pursuant to the terms of the S&P Agreement. The Shortfall was subsequently settled by the Vendors on 20 September 2018.

Disposals

- (a) On 3 July 2017, the Group completed the disposals of certain film rights at total cash consideration of HK\$47.6 million. No gain or loss on the disposals was recorded for the Year as the carrying amounts of these film rights had been adjusted to their net realisable values as at 30 June 2017. Details of the disposals were set out in the Company's announcements dated 30 November 2016 and 15 June 2017.
- (b) On 2 May 2018, the Company disposed of its entire interest in Corporate Fame Limited ("**Corporate Fame**") at a cash consideration of HK\$8.1 million, resulting in a loss on disposal of HK\$8,000 for the Year. Corporate Fame and its subsidiaries principally carried out the businesses of film and TV programme production and distribution, and investment in securities in the previous years.

財務回顧 (續)

溢利保證 (續)

截至2017年12月31日止年度，玉皇朝多媒體集團錄得除稅後虧損，因此，該等賣方須向本集團支付差額7,900,000港元，即保證金額之78.64%。本集團已於本年度之經審核綜合財務報表中，將差額以補償收入及應收補償收入列賬，並根據買賣協議條款向該等賣方提出差額付款要求。該等賣方其後已於2018年9月20日償付差額。

出售事項

- (a) 於2017年7月3日，本集團完成出售若干電影版權，總現金代價為47,600,000港元。由於該等電影版權之賬面金額已於2017年6月30日調整至其可變現淨值，故本年度概無錄得出售損益。出售之詳情已載列於本公司日期為2016年11月30日及2017年6月15日之公告內。
- (b) 於2018年5月2日，本公司出售其於Corporate Fame Limited ("**Corporate Fame**")之全部股權，現金代價為8,100,000港元，導致本年度產生出售虧損8,000港元。Corporate Fame及其附屬公司於過往年度主要從事電影及電視節目製作及發行以及證券投資業務。



Emperor Cinemas - Hefei The Mixc
英皇電影城 - 合肥萬象城

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Film Exhibition

The Group devotes to expand its film exhibition network in prominent locations through its label “**Emperor Cinemas**”. During the second half of the Year, four brand-new “**Emperor Cinemas**”, one immediately after another, were opened and commenced business. They are located in either large-scale commercial and entertainment complex or upscale residential areas including Shin Kong Place in Chongqing, Emperor Group Centre in Beijing, Donghai Garden in Shenzhen as well as New Town Mansion in Tuen Mun, Hong Kong. “**Emperor Cinemas**” are positioned as high-end premium cinemas equipped with advanced technologies including IMAX theatre system, ScreenX, 4DX or MX4D motion systems, D-Box seats and Dolby Atmos audio system. They also feature VIP houses and VIP lounges where the audiences can enjoy premium and exclusive entertainment services.

As at 30 June 2018, the Group ran five cinemas, offering a total of 54 houses with more than 6,200 seats. With rapid expansion of the film exhibition business, the revenue from this segment increased remarkably from HK\$31.8 million in the previous year to HK\$65.6 million for the Year, representing 106.0% growth. These new cinemas will not only bring in new income stream and stable return to the Group, but also lay a strong foundation for the Group’s film exhibition business.

Film and TV Programme Investment and Production and Others

During the Year, this segment generated a revenue of HK\$24.6 million (2017: HK\$26.3 million) to the Group which was mainly contributed by distribution and licensing income arisen from animation business and release of certain co-invested films.

業務回顧

電影放映

本集團致力透過其商標「**英皇電影城**」於黃金地段拓展其電影放映網絡。於本年度下半年，四個全新的「**英皇電影城**」相繼開業。該等電影城位於大型商業及娛樂中心或高尚住宅區，包括重慶新光天地、北京英皇集團中心、深圳東海繽紛天地以及香港屯門新都大廈。「**英皇電影城**」均定位為高端優質戲院，配備包括IMAX影院系統、ScreenX、4DX或MX4D動感系統、D-Box動感座椅及杜比全景聲音響系統等的先進技術。該等戲院亦特設貴賓影院及貴賓廳，讓觀眾可專享優質而獨有的娛樂服務。

於2018年6月30日，本集團運營五間戲院，擁有54間影院，逾6,200個坐席。隨著電影放映業務的快速擴展，此分類產生之收入由去年之31,800,000港元大幅增至本年度之65,600,000港元，增長106.0%。該等新戲院將不僅為本集團帶來新收入來源及穩定回報，亦會為本集團之電影放映業務奠定堅實基礎。

電影及電視節目投資與製作及其他

於本年度，本集團來自此分類之收入為24,600,000港元（2017年：26,300,000港元），主要來自動畫業務之發行及版權收入以及上映若干共同投資電影。



Emperor Cinemas - Shin Kong Place, Chongqing
英皇電影城 - 重慶新光天地

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW (continued)

Film and TV Programme Investment and Production and Others (continued)

As of 30 June 2018, the carrying values of the Group's film and TV programme rights and production in progress were HK\$14.0 million and HK\$150.8 million (2017: HK\$12.0 million and HK\$215.5 million) respectively whilst the carrying amount of the investments in film production was HK\$35.3 million (2017: HK\$1.7 million). During the Year, the Group recognised an impairment loss of investments in film production of HK\$37.0 million (2017: HK\$62.8 million).

Due to the change in market condition in the mainland China which caused the deferral of certain animation projects to be released and its expected income is affected, the management took a prudent view to forecast the production, distribution and licensing of animated TV episodes and theatrical films business. As a result, an impairment loss on goodwill of HK\$27.4 million (2017: HK\$2.6 million) was recognised for the Year.

Event Investment and Others

The segment of event investment and others derived a revenue of HK\$1.0 million (2017: HK\$0.9 million) for the Year. Revenue of this segment was contributed by two co-invested concerts. The Group continues to take a prudent approach in the selection of events to be invested.

Investment in Securities

During the Year, the Group did not have any transaction in relation to investment in listed securities (2017: transaction loss of HK\$14.1 million). Based on the stock market price of the securities portfolio held by the Group, a decrease in the fair value of HK\$31.7 million (2017: HK\$7.1 million) was recognised for the Year. As at 30 June 2018, the carrying amount of the listed securities held by the Group was HK\$20.7 million (2017: HK\$52.4 million).

業務回顧 (續)

電影及電視節目投資與製作及其他 (續)

於2018年6月30日，本集團之電影及電視節目版權以及製作中之電影及電視節目之賬面值分別為14,000,000港元及150,800,000港元（2017年：12,000,000港元及215,500,000港元），而於電影製作之投資賬面值則為35,300,000港元（2017年：1,700,000港元）。於本年度，本集團於電影製作之投資確認減值虧損37,000,000港元（2017年：62,800,000港元）。

由於受到中國大陸市場狀況變化之影響導致若干動畫項目之放映延遲及影響其預期收入，管理層持審慎態度預測動畫電視片集及戲院電影之製作、發行及授權業務，致使本年度確認商譽減值虧損27,400,000港元（2017年：2,600,000港元）。

表演項目投資及其他

於本年度，表演項目投資及其他分類產生之收入為1,000,000港元（2017年：900,000港元）。此分類之收入來自兩場聯合投資演唱會。本集團將繼續持審慎態度選擇所投資之表演項目。

證券投資

於本年度，本集團並無作出上市證券投資之任何交易（2017年：交易虧損為14,100,000港元）。根據本集團所持有之證券組合股票市價，本年度確認公允價值減少31,700,000港元（2017年：7,100,000港元）。於2018年6月30日，該等由本集團持有之上市證券之賬面值為20,700,000港元（2017年：52,400,000港元）。



Emperor Cinemas - Tuen Mun
英皇戲院 - 屯門新都商場

Management Discussion and Analysis

管理層討論與分析

EVENT AFTER THE END OF THE REPORTING PERIOD

On 24 May 2018, the Company and Emperor International Holdings Limited (“**Emperor International**”), a connected person of the Company, entered into a master tenancy agreement (the “**Master Leasing Agreement**”) which sets out a framework of the terms governing the tenancy transactions between the Group and the relevant members of Emperor International, details of which were set out in the announcement dated 24 May 2018 and the circular dated 17 July 2018 of the Company. The Master Leasing Agreement and the relevant annual cap were approved by the respective independent shareholders of the Company and Emperor International in August 2018.

PROSPECTS

As Chinese consumers enjoy stable increase in their disposable income and improvement on quality of life, their spending on entertainment is expected to grow by leaps and bounds. With rapid growth in box office and number of screens, it is believed that China is poised to become the largest film market in the world in future. Taking into account the strong fundamentals of Chinese economy and film market, the Group is still positive about the entertainment industry and will continue to extend coverage of “**Emperor Cinemas**” in first and second tier cities of mainland China as well as Hong Kong and Macau. The Group strives to maximise the exposure of “**Emperor Cinemas**” through a series of branding and marketing initiatives. Riding on an ongoing synergy with movie stars and pop singers under Emperor Entertainment Group, “**Emperor Cinemas**” will continue to receive positive publicity in China.

報告期末後事項

於2018年5月24日，本公司與英皇集團（國際）有限公司（「**英皇國際**」）（本公司之關連人士）訂立總租賃協議（「**總租賃協議**」），當中載列規管本集團與英皇國際有關成員公司之間租賃交易的框架條款，其詳情載列於本公司日期為2018年5月24日之公告及日期為2018年7月17日之通函內。總租賃協議及相關年度上限已於2018年8月獲本公司及英皇國際各自獨立股東之批准。

前景

隨著中國消費者的可支配收入穩定增長及生活水平提升，預期彼等的娛樂開支將跨越式增長。鑒於票房及影院銀幕數字迅速增長，相信中國將於未來成為全球最大電影市場。考慮到中國經濟及電影市場的強勁基礎，本集團仍對娛樂業持樂觀態度，並將繼續延伸「**英皇電影城**」之覆蓋至中國內地一二線城市、香港以及澳門。本集團致力透過一系列品牌及市場推廣舉措增加「**英皇電影城**」曝光度。憑藉與英皇娛樂集團旗下電影明星及流行歌手的協同效應，「**英皇電影城**」將繼續在中國獲得正面的公眾形象。



Emperor Cinemas - Shenzhen East Pacific Shopping Mall
英皇電影城 - 深圳東海繽紛天地

Management Discussion and Analysis

管理層討論與分析

PROSPECTS (continued)

The year ahead will continue to be a year of foundation building and expansion for the Group. The Group has reached a cinema co-operation strategic agreement with China Gezhouba Group Real Estate Development Co. Ltd., one of the leading property developers in mainland China, to jointly develop premium cinemas in potential cities in China. The co-operation allows the Group to preferentially secure prominent locations for the expansion of its film exhibition network and brings unique cinematic experiences to the audiences in town.

The Group is optimistic about the long-term sustained growth of China's film and entertainment market. The Group also strives to respond to forthcoming market opportunities with flexibility and decisiveness, and to expand according to a strategy that is both disciplined and forward thinking.

EMPLOYEES AND REMUNERATION POLICY

Following the expansion of cinema operation in Hong Kong and mainland China, the number of employees of the Group increased significantly from 95 staff as at 30 June 2017 to 316 staff as at 30 June 2018. Total staff costs including the directors' remuneration of the Company for the Year were HK\$28.4 million (2017: HK\$11.9 million). Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical and life insurance, provident funds and other competitive fringe benefits. To provide incentive or rewards to staff, the Company has adopted a share option scheme, particulars of which are set out in the section headed "Share Options" on pages 137 and 138 of this annual report.

前景 (續)

來年將為本集團繼續奠定其基礎及擴展之一年。本集團已與中國內地具領先地位之房地產開發商之一—中國葛洲壩集團房地產開發有限公司簽署電影院合作戰略協議，以於中國具潛力城市共同開發優質戲院。合作將令本集團優先進佔黃金地段，以擴展其電影放映網絡，並為城內觀眾帶來獨一無二的觀影體驗。

本集團對中國電影及娛樂市場的長遠持續增長持樂觀態度。本集團亦致力靈活果斷地回應隨之而來的市場機遇，並按照嚴謹及具前瞻性的策略進行擴張。

僱員及薪酬政策

隨著香港及中國內地戲院業務擴展，本集團之僱員數目由2017年6月30日之95名大幅增至2018年6月30日之316名。本年度之員工成本總額（包括本公司董事薪酬）為28,400,000港元（2017年：11,900,000港元）。僱員薪酬乃根據個人職責、能力及技術、經驗及表現以及市場薪酬水平釐定。員工福利包括醫療及人壽保險、公積金及其他具競爭性福利待遇。為鼓勵或嘉獎員工，本公司已採納一項購股權計劃，詳情載於本年報第137及138頁「購股權」一節。



Emperor Cinemas - Emperor Group Centre, Beijing
英皇電影城 - 北京英皇集團中心

Biographies of Directors and Senior Management

董事及高級管理層之履歷

EXECUTIVE DIRECTOR (CHAIRPERSON)

Ms. Fan Man Seung, Vanessa, aged 55, joined the Company in March 2017 as the Chairperson and Executive Director of the Company and has been responsible for the Group's strategic planning, business growth and development as well as overseeing different functions within the Group. She is also the Chairperson of the Executive Committee, the Nomination Committee and the Corporate Governance Committee as well as a director of certain subsidiaries of the Company. Ms. Fan is also a director of Emperor International (Stock Code: 163), Emperor Entertainment Hotel Limited (Stock Code: 296) ("**Emperor E Hotel**"), Emperor Watch & Jewellery Limited (Stock Code: 887) ("**Emperor W&J**") and Ulferts International Limited (Stock Code: 1711) ("**Ulferts International**"), all being associated corporations of the Company. Having over 29 years of corporate management experience, Ms. Fan possesses diversified experience in different businesses ranging from cinema development and operation to entertainment production and investment, property investment and development, hotel and hospitality, retailing of watch and jewellery, wholesaling and retailing of furniture, financial and securities services, artiste management as well as media and publication. She is a lawyer by profession in Hong Kong and a qualified accountant, and holds a Master's Degree in Business Administration.

EXECUTIVE DIRECTORS

Mr. Wong Chi Fai, aged 62, joined the Company in March 2017 as an Executive Director of the Company and has been responsible for the Group's strategic planning, business growth and development as well as overseeing the financial management of the Group. He is also a member of the Executive Committee and the Remuneration Committee as well as a director of certain subsidiaries of the Company. Mr. Wong is currently a director of four listed companies in Hong Kong, namely Emperor International, Emperor E Hotel, Emperor W&J and Ulferts International. Having over 30 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from cinema development and operation to entertainment production and investment, manufacturing, property investment and development, hotel and hospitality, retailing of watch and jewellery wholesaling and retailing of furniture, financial and securities services, artiste management as well as media and publication. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

執行董事 (主席)

范敏嫦女士，現年55歲，於2017年3月加盟本公司為主席兼執行董事，負責本集團之策略規劃、業務增長及發展，以及監察本集團內之不同功能。彼亦為本公司執行委員會、提名委員會及企業管治委員會主席以及本公司若干附屬公司之董事。范女士亦為英皇國際（股份代號：163）、英皇娛樂酒店有限公司（股份代號：296）（「**英皇娛樂酒店**」）、英皇鐘錶珠寶有限公司（股份代號：887）（「**英皇鐘錶珠寶**」）及歐化國際有限公司（股份代號：1711）（「**歐化國際**」）之董事，該等公司為本公司之相聯法團。范女士擁有逾29年之企業管理經驗，於多項業務包括戲院發展及營運以至娛樂製作及投資、物業投資及發展、酒店營運、鐘錶珠寶零售、傢俬批發及零售、金融證券服務、藝人管理及傳媒與出版業務等範疇具有廣泛經驗。彼具備香港專業律師資格及為合資格會計師，並持有工商管理碩士學位。

執行董事

黃志輝先生，現年62歲，於2017年3月加盟本公司為執行董事，負責本集團之策略規劃、業務增長及發展，以及監察本集團之財務管理。彼亦為本公司執行委員會及薪酬委員會成員以及本公司若干附屬公司之董事。黃先生現為四間香港上市公司之董事，分別為英皇國際、英皇娛樂酒店、英皇鐘錶珠寶及歐化國際。黃先生擁有逾30年之財務及管理經驗，於多項業務包括戲院發展及營運以至娛樂製作及投資、製造業、物業投資及發展、酒店營運、鐘錶珠寶零售、傢俬批發及零售、金融證券服務、藝人管理以及傳媒與出版業務等範疇具有廣泛經驗。彼為香港會計師公會會計師及特許公認會計師公會資深會員。

Biographies of Directors and Senior Management

董事及高級管理層之履歷

EXECUTIVE DIRECTORS (continued)

Mr. Yeung Ching Loong, Alexander, aged 32, joined the Company in March 2017 as an Executive Director of the Company. He is also a member of the Executive Committee of the Company. Mr. Yeung has almost 10 years of diversified experience in different businesses ranging from cinema development and operation to entertainment production and investment, property investment and development, hotel and hospitality, retailing of watch & jewellery, financial and securities services, artiste management as well as media and publication. Mr. Yeung is also an executive director of Emperor International, an associated company of the Company.

Ms. Shirley Percy Hughes, aged 55, joined the Company in March 2017 as an Executive Director of the Company. She is also a member of the Executive Committee of the Company. Ms. Hughes is currently engaged in the management of entertainment businesses involving production and distribution of music, TV programmes and motion pictures as well as event performance and artiste management. She was previously the Chief Executive Officer of New Media Group and has over 30 years' of experience in media and publishing business. Prior to that, she worked for Hong Kong Commercial Broadcasting Company Limited as Program Presenter and Producer as well as for Hong Kong Cable Television Limited as Channel Manager of Entertainment Channel and Controller for Program Development and Production for more than 10 years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Hoi Yue, aged 54, has been an Independent Non-executive Director of the Company since May 2002. He is also the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Nomination Committee of the Company. Mr. Ng is currently an executive director and the Deputy Chief Executive Officer of Asian Citrus Holdings Limited (Stock Code: 73) and an independent non-executive director of Ulferts International and Imperial Pacific International Holdings Limited (Stock Code: 1076), all are Hong Kong listed companies. He has been practising as a Certified Public Accountant in Hong Kong since 1989. Mr. Ng is a fellow member of The Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in England.

執行董事 (續)

楊政龍先生，現年32歲，於2017年3月加盟本公司為執行董事。彼亦為本公司執行委員會成員。楊先生於多項業務，包括戲院發展及營運以至娛樂製作及投資、物業投資及發展、酒店營運、鐘錶珠寶零售、金融證券服務、藝人管理以及傳媒與出版業務等範疇擁有接近10年之廣泛經驗。楊先生亦為英皇國際之執行董事，其為本公司之相聯法團。

許佩斯女士，現年55歲，於2017年3月加盟本公司為執行董事。彼亦為本公司執行委員會成員。許女士現從事娛樂業務（涵蓋音樂、電視節目及電影的製作及發行，以及表演項目及藝人管理）之管理工作。彼曾擔任新傳媒集團之行政總裁，於傳媒及出版業累積逾30年之經驗。此前，彼於香港商業廣播有限公司任職節目主持兼導播，以及於香港有線電視有限公司任職娛樂台台長和節目發展及製作總監合共超過10年。

獨立非執行董事

伍海于先生，現年54歲，自2002年5月出任本公司獨立非執行董事。彼亦為本公司薪酬委員會主席及審核委員會和提名委員會成員。伍先生現為亞洲果業控股有限公司（股份代號：73）之執行董事兼副行政總裁，並為歐化國際及博華太平洋國際控股有限公司（股份代號：1076）之獨立非執行董事，該三間公司均為香港上市公司。彼自1989年起在香港從事執業會計師工作。伍先生為英格蘭及威爾斯特許會計師公會、香港會計師公會及英國特許公認會計師公會資深會員。

Biographies of Directors and Senior Management

董事及高級管理層之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Ms. Chan Sim Ling, Irene, aged 55, has been an Independent Non-executive Director of the Company since July 2014. Ms. Chan is a member of the Audit Committee and the Corporate Governance Committee of the Company. She is a retired solicitor and with over 20 years' of experience as independent non-executive director of listed companies. Currently, she is also an independent non-executive director of two Hong Kong listed companies, Chinlink International Holdings Limited (Stock Code: 997) and Emperor W&J. Ms. Chan graduated from The University of Hong Kong with Bachelor's Degree in Laws.

Mr. Ho Tat Kuen, aged 44, has been an Independent Non-executive Director of the Company since November 2016. Mr. Ho is the Chairman of the Audit Committee as well as a member of the Remuneration Committee and Nomination Committee of the Company. He has been practising as a Certified Public Accountant in Hong Kong since 2009. He has over 20 years of experience in the accounting profession. Mr. Ho is a member of the Hong Kong Institute of Certified Public Accountants and The Taxation Institute of Hong Kong, and is a Certified Tax Adviser in Hong Kong.

獨立非執行董事 (續)

陳嬋玲女士，現年55歲，自2014年7月出任本公司獨立非執行董事。陳女士為本公司審核委員會及企業管治委員會成員。彼為退休律師，且具有作為多家上市公司獨立非執行董事職務超逾20年之經驗。彼現為普匯中金國際控股有限公司（股份代號：997）及英皇鐘錶珠寶兩間香港上市公司之獨立非執行董事。陳女士畢業於香港大學，持有法律學士學位。

何達權先生，現年44歲，自2016年11月出任本公司獨立非執行董事。何先生為本公司審核委員會主席兼薪酬委員會及提名委員會成員。彼自2009年起為香港執業會計師，擁有超逾20年的會計專業經驗。何先生為香港會計師公會及香港稅務學會成員，並為一名香港執業稅務顧問。

Report of the Directors

董事會報告

The board of directors of the Company (the “Board” or “Directors”) hereby presents this annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group principally engages in entertainment, media and cultural development business, particularly in the Greater China, which include (i) cinema development and operation; (ii) investment and production of films, TV programmes and other media related projects; (iii) investment in a variety of cultural events including music concerts, live shows and theatrical performances; and (iv) investment in securities. Details of the principal activities and other particulars of the Company’s principal subsidiaries are set out in note 43 to the consolidated financial statements.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group’s business, a discussion and analysis of the Group’s performance during the Year and an analysis of the likely future development of the Group’s business are set out in the Management Discussion and Analysis from pages 4 to 12 of this annual report. Description of the principal risks and uncertainties facing the Group are set out in the Corporate Governance Report from pages 30 to 51 of this annual report and notes 5(b) and 6 to the consolidated financial statements respectively.

Save as disclosed in the Management Discussion and Analysis and note 44 to the consolidated financial statements, there is no important event affecting the Company that had occurred since the end of the Year up to the date of this report.

In addition, discussion on the key relationships with the Company’s key stakeholders, the Group’s environmental policy and performance as well as compliance with relevant laws and regulations which have significant impact on the Company are set out in the Environmental, Social and Governance Report 2017/2018 of the Company.

SEGMENT INFORMATION

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

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 59.

The Board does not recommend the payment of any dividend for the Year (2017: Nil).

本公司董事會（「董事會」）或（「董事」）謹此提呈本年報及本集團於本年度之經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團主要從事娛樂、媒體及文化發展業務，特別是在大中華地區，包括(i)戲院發展及營運；(ii)電影、電視節目及其他媒體相關項目投資及製作；(iii)音樂會、現場演出及劇場表演之各類文化活動之投資；及(iv)證券投資。本公司之主要附屬公司之主要業務詳情及其他資料載於綜合財務報表附註43。

業務回顧及表現

於本年度內本集團業務之中肯回顧、本集團表現之討論與分析及本集團業務相當可能有的未來發展的分析乃載於本年報第4至12頁之管理層討論與分析。有關本集團面對之主要風險及不明朗因素之描述乃分別載於本年報第30至51頁之企業管治報告及綜合財務報表附註5(b)及6。

除管理層討論與分析及綜合財務報表附註44所披露者外，自本年度末直至本報告日期，概無發生影響本公司之重大事件。

此外，有關與本公司主要持份者之重要關係、本集團環保政策及表現及遵守對本公司有重大影響之相關法律及規例之討論載於本公司2017/2018年環境、社會及管治報告。

分類資料

本集團本年度按業務及地區分類之業績分析載於綜合財務報表附註8。

業績及股息

本集團於本年度之業績載於第59頁之綜合損益及其他全面收益表。

董事會不建議就本年度派付任何股息（2017年：無）。



Report of the Directors

董事會報告

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 152 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 34 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on pages 62 and 63.

DISTRIBUTABLE RESERVE OF THE COMPANY

As at 30 June 2018, the Company has no reserve available for distribution to the shareholders of the Company (the “Shareholders”) (2017: Nil).

EQUITY-LINKED AGREEMENTS

Other than the share option scheme adopted by the Company on 8 November 2011 (“Share Option Scheme”) as set out in note 34 to the consolidated financial statements, no equity-linked agreement was entered into by the Company during the Year or subsisted at the end of the Year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

PRE-EMPTIVE RIGHTS

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

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第152頁。

物業、機器及設備

本集團之物業、機器及設備之變動詳情載於綜合財務報表附註17。

股本

本公司之股本於本年度內之變動詳情載於綜合財務報表附註34。

儲備

本集團之儲備於本年度內之變動詳情載於第62及63頁之綜合權益變動表。

本公司可供分派之儲備

於2018年6月30日，本公司並無可供分派予本公司股東（「股東」）之儲備（2017年：無）。

股票掛鈎協議

除於綜合財務報表附註34所披露之本公司於2011年11月8日採納之購股權計劃（「購股權計劃」）外，於本年度內或於本年度末，本公司並無訂立股票掛鈎協議。

購回、出售或贖回本公司上市證券

本公司或其任何附屬公司於本年度內概無購回、出售或贖回本公司任何上市證券。

優先購買權

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

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, 81% of the Group's purchases were attributable to the Group's five largest suppliers with the largest supplier accounting for 43% of the Group's purchases. On the other hand, 31% of the Group's revenue was attributable to the Group's five largest customers with the largest customer accounting for 18% of the Group's revenue.

As at 30 June 2018, to the knowledge of the Directors, none of the Directors (other than Mr. Yeung Ching Loong, Alexander who is one of the eligible beneficiaries under The Albert Yeung Discretionary Trust (the "AY Trust")), their close associates or any Shareholders (other than Emperor Entertainment & Motion Picture Holdings Limited and its holding company, Albert Yeung Holdings Limited ("AY Holdings") as owned by the AY Trust) owning more than 5% of the Company's issued share capital had beneficial interests in the share capital of any of the above major customers or suppliers of the Group.

DIRECTORS OF THE COMPANY

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

Executive Directors

Ms. Fan Man Seung, Vanessa (*Chairperson*)
Mr. Wong Chi Fai
Mr. Yeung Ching Loong, Alexander
Ms. Shirley Percy Hughes
Mr. Albert Lee (*retired on 22 November 2017*)

Independent Non-executive Directors

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

Biographical details of the current Directors and senior management as at the date of this report are set out from pages 13 to 15 of this annual report. Details of the Directors' remuneration are set out in note 16 to the consolidated financial statements.

In accordance with the Bye-law 87(1) and 87(2) of the Company's Bye-Laws, Mr. Ng Hoi Yue and Mr. Ho Tat Kuen shall retire by rotation at the forthcoming annual general meeting ("**2018 AGM**"). Mr. Ho Tat Kuen, being eligible, offer himself for re-election thereat whilst Mr. Ng Hoi Yue who served as independent non-executive director of the Company ("**INED**") for over 16 years, being eligible but does not offer himself for re-election thereat.

主要客戶及供應商

於本年度，本集團首五大供應商應佔之採購額佔本集團採購總額81%，而最大供應商則佔本集團採購總額43%。另一方面，本集團首五大客戶應佔之收入佔本集團總收入31%，而最大客戶則佔本集團總收入18%。

於2018年6月30日，據董事所知，各董事（楊政龍先生除外，彼為The Albert Yeung Discretionary Trust（「AY Trust」）之合資格受益人之一）、彼等之緊密聯繫人或擁有本公司已發行股本5%以上之任何股東（英皇娛樂電影集團控股有限公司及其控股公司楊受成產業控股有限公司（「楊受成產業控股」）（由AY Trust擁有）除外），概無實益擁有上述本集團任何主要客戶或供應商股本中之任何權益。

本公司董事

於本年度內及截至本報告刊發日期，董事名單如下：

執行董事

范敏嫦女士（*主席*）
黃志輝先生
楊政龍先生
許佩斯女士
利雅博先生（*於2017年11月22日退任*）

獨立非執行董事

伍海于先生
陳嬋玲女士
何達權先生

於本報告日期現任董事及高級管理人員之履歷詳情載於本年報第13至15頁。董事薪酬詳情載於綜合財務報表附註16。

根據本公司章程細則第87(1)及87(2)條，伍海于先生及何達權先生將於應屆股東週年大會（「**2018年股東週年大會**」）上輪值退任。何達權先生符合資格並願意於股東週年大會上膺選連任，但伍海于先生擔任本公司獨立非執行董事（「**獨立非執行董事**」）逾16年，彼符合資格但不會於股東週年大會上膺選連任。

Report of the Directors

董事會報告

DIRECTORS OF THE COMPANY (continued)

None of the Directors offering themselves for re-election at the 2018 AGM 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).

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISIONS

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

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

At 30 June 2018, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

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

Name of Director 董事姓名	Capacity/ Nature of interests 身份/權益性質	Number of issued Shares held 所持已發行股份數目	Approximate% holding 概約持股百分比
Mr. Yeung Ching Loong, Alexander 楊政龍先生	Eligible beneficiary of the AY Trust AY Trust之合資格受益人	1,064,200,000	33.12%

Note:

These Shares were held by Emperor Culture Group Holdings Limited, a wholly-owned subsidiary of AY Holdings. AY Holdings in turn is owned by the AY Trust of which Mr. Yeung Ching Loong, Alexander is one of the eligible beneficiaries.

本公司董事 (續)

本公司或其任何附屬公司並無與任何擬於2018年股東週年大會膺選連任之董事訂有本集團不可於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

管理合約

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

獲准許的彌償條文

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

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2018年6月30日,董事及本公司主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有已載於本公司根據證券及期貨條例第352條指定存置之登記冊內之權益及淡倉,或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)之上市發行人董事進行證券交易之標準守則須另行知會本公司及聯交所之權益及淡倉如下:

於本公司每股面值0.01港元普通股之好倉

附註:

該等股份由英皇文化產業集團控股有限公司持有,其為楊受成產業控股之全資附屬公司。楊受成產業控股由AY Trust(楊政龍先生為AY Trust合資格受益人之一)擁有。

Report of the Directors

董事會報告

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

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

Save as disclosed above, as at 30 June 2018, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION

The Company has in place the Share Option Scheme under which the Directors may, at their discretion, grant options to employees, including any Director of the Company or its subsidiaries to subscribe for Shares, subject to the terms and conditions stipulated therein. Particulars of the Share Option Scheme are set out in note 34 to the consolidated financial statements. No option was granted under the Share Option Scheme since its adoption and up to 30 June 2018.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as stated above, at the end of the Year and at no time during the Year was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable Directors or chief executives of the Company or their spouse or children under 18 years of age to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 30 June 2018, the interests of Directors or their respective associates in the business which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group ("**Competing Business**") as required to be disclosed pursuant to the Listing Rules were as follows:

Nature of Competing Business:

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

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 (續)

於本公司每股面值0.01港元普通股之好倉 (續)

除上文所披露者外，於2018年6月30日，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份及債券中擁有任何權益或淡倉。

購股權

本公司設有一項購股權計劃，據此，董事可酌情授予本公司或其附屬公司之僱員（包括任何董事）購股權以認購股份，惟須受該計劃所載之條款及條件所規限。購股權計劃之詳情載列於綜合財務報表附註34。自其獲採納後及截至2018年6月30日，本公司並無根據購股權計劃授出任何購股權。

購買股份或債券之權利

除上文所述外，於本年度末及於本年度內任何時間，本公司或其任何控股公司、附屬公司或同系附屬公司概無參與任何安排，使董事或本公司主要行政人員或彼等之配偶或18歲以下子女可藉於收購本公司或任何其他法人團體之股份或債券而獲取利益。

董事於競爭業務之利益

於2018年6月30日，董事或彼等各自之聯繫人於被認為與根據上市規則須予披露之本集團業務直接或間接構成競爭或可能構成競爭之業務（「**競爭業務**」）中擁有之權益如下：

競爭業務之性質：

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

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS (continued)

Interests in Competing Business:

董事於競爭業務之利益 (續)

於競爭業務之權益:

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

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

So far as is known to any Director or chief executive of the Company, as at 30 June 2018, the following persons or corporation (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO ("DI Register") or as otherwise notified to the Company were as follows:

其他人士於股份及相關股份之權益及淡倉

就任何董事或本公司主要行政人員所知，於2018年6月30日，以下人士或法團（除董事或本公司主要行政人員外）於股份或相關股份中擁有或被視為或當作擁有本公司根據證券及期貨條例第336條須備存登記冊（「權益登記冊」）所記錄或另行知會本公司之權益或淡倉如下：

Report of the Directors

董事會報告

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

Long position in the Shares

其他人士於股份及相關股份之權益及淡倉 (續)

於股份之好倉

Name 名稱／姓名	Capacity/Nature of interests 身份／權益性質	Number of Shares 股份數目	Approximate% holding 概約持股百分比
AY Holdings 楊受成產業控股	Interest in a controlled corporation 於受控制公司之權益	1,064,200,000 (Note 1) (附註1)	33.12%
STC International Limited	Trustee of the AY Trust AY Trust之受託人	1,064,200,000 (Note 1) (附註1)	33.12%
Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung") 楊受成博士(「楊博士」)	Founder of the AY Trust AY Trust之創立人	1,064,200,000 (Note 1) (附註1)	33.12%
	Interest in a controlled corporation 於受控制公司之權益	97,000,000	3.02%
Ms. Luk Siu Man, Semon 陸小曼女士	Interest of spouse 配偶權益	1,161,200,000 (Note 2) (附註2)	36.14%
Golden Skill Limited	Beneficial owner 實益擁有人	350,000,000	10.89%
Mr. Tse Nicholas 謝靈鋒先生	Interest in a controlled corporation 於受控制公司之權益	350,000,000 (Note 3) (附註3)	10.89%

Notes:

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

All interests stated above represent long positions. As at 30 June 2018, no short positions were recorded in the DI Register.

Save as disclosed above, as at 30 June 2018, the Directors or chief executives of the Company were not aware of any person or corporation (not being a Director and chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in DI Register or otherwise notified to the Company.

附註:

1. 該等股份乃上文「董事及主要行政人員於股份、相關股份及債權證之權益及淡倉」一節所載楊政龍先生被視為擁有權益之股份之相同股份。
2. 鑒於陸小曼女士為楊博士之配偶，因此亦被視為擁有楊博士持有之股份之權益。
3. 該等股份與Golden Skill Limited所持有之股份相同。

所有上述權益均為好倉。於2018年6月30日，權益登記冊內概無任何淡倉記錄。

除上文所披露者外，於2018年6月30日，董事或本公司主要行政人員並不知悉任何人士或法團（並非董事或本公司主要行政人員）於任何股份或相關股份中擁有或被視為或當作擁有權益登記冊所記錄或另行知會本公司之任何權益或淡倉。



Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

During the Year, the Group had the following transactions with connected persons (as defined in the Listing Rules) of the Company:

(A) Renting of properties

(i) Definitive Leasing Agreements

董事於重大交易、安排或合約之權益及關連交易

於本年度，本集團與本公司關連人士（定義見上市規則）進行下列交易：

(A) 物業租賃

(i) 正式租賃協議

Name of counterparty 對方名稱	Date of agreement (D/M/Y) 協議日期 (日/月/年)	Leased premises 租賃物業	Major terms 主要條款	Amount of rental paid during the Year 本年度之已付租金
Emperor (Beijing) Real Estate Development Co. Limited* (英皇(北京)房地產開發有限公司)* ("Emperor (Beijing) Real Estate") (「英皇(北京)房地產」)	05/05/2017	Partial floor of each of B1, B2M, B2, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, The People's Republic of China (the "PRC") together with the usage of one outdoor LED advertising space and one outdoor space 中華人民共和國(「中國」)北京朝陽區建外大街丁12號英皇集團中心第B1、B2M、B2各部分樓層連同一個戶外LED屏幕廣告位及一個戶外店招廣告位	Term: 05/05/2017 – 04/05/2027 with an option to renew for 5 more years 租期： 2017年5月5日至2027年5月4日，可選擇續期多5年 Rentals: (1) Monthly base rent (i.e. effective rental: RMB331,419 per month) or turnover rent (i.e. 7.5% to 18% of the cinema box-office sales excluding turnover taxation and levies), whichever is higher; and (2) Concession stall rental: 7.5% of the sales of concession stall excluding turnover taxation 租金： (1) 每月基本租金（即實際租金：每月人民幣331,419元）或提成租金（即影院票房收入（不含流轉稅及徵費）之7.5%至18%），以較高者為準；及 (2) 小賣部收入提成租金：小賣部營業額（不含流轉稅）之7.5%	RMB3,903,000 (equivalent to HK\$4,619,000) 人民幣 3,903,000元 (相等於 4,619,000港元)

Report of the Directors

董事會報告

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

董事於重大交易、安排或合約之權益及關連交易 (續)

(A) Renting of properties (continued)

(A) 物業租賃 (續)

(i) Definitive Leasing Agreements (continued)

(i) 正式租賃協議 (續)

Name of counterparty 對方名稱	Date of agreement (D/M/Y) 協議日期 (日/月/年)	Leased premises 租賃物業	Major terms 主要條款	Amount of rental paid during the Year 本年度之已付租金
Emperor (Beijing) Real Estate* 英皇(北京)房地產*	31/10/2017	Unit 03, 27th Floor, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC 中國北京朝陽區建外大街丁12號英皇集團中心27樓03室	Term: 01/11/2017-31/10/2022 租期: 2017年11月1日至2022年10月31日 Effective rental: RMB39,466 per month 實際租金: 每月人民幣39,466元	RMB316,000 (equivalent to HK\$374,000) 人民幣 316,000元 (相等於 374,000港元)
Emperor (Beijing) Real Estate* 英皇(北京)房地產*	28/02/2018	Unit 08, 27th Floor, Emperor Group Centre, D12 Jianwai Dajie, Chaoyang District, Beijing, the PRC 中國北京朝陽區建外大街丁12號英皇集團中心27樓08室	Term: 01/03/2018-28/02/2021 租期: 2018年3月1日至2021年2月28日 Effective rental: RMB32,487 per month 實際租金: 每月人民幣32,487元	RMB130,000 (equivalent to HK\$154,000) 人民幣 130,000元 (相等於 154,000港元)

Report of the Directors

董事會報告

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

董事於重大交易、安排或合約之權益及關連交易 (續)

(A) Renting of properties (continued)

(A) 物業租賃 (續)

(i) Definitive Leasing Agreements (continued)

(i) 正式租賃協議 (續)

Name of counterparty 對方名稱	Date of agreement (D/M/Y) 協議日期 (日/月/年)	Leased premises 租賃物業	Major terms 主要條款	Amount of rental paid during the Year 本年度之已付租金
Thyme Company Limited* 泰美有限公司*	24/08/2017	Shop Nos. 301 & 302 (known as The Cinema Space) and Shop Nos. 305B & 305C, Second Floor (Level 3) of New Town Mansion, No. 2 Tuen Lee Street, Tuen Mun, New Territories, Hong Kong 香港新界屯門 屯利街2號新都大廈 2樓(第3層)301及 302號舖(稱影院區域) 與305B及305C號舖	Term: 01/09/2017- 31/08/2023 with an option to renew for a further term of 6 years 租期: 2017年9月1日至2023年8月31日, 可選擇續期多6年 Rental: Monthly base rent (i.e. effective rental: HK\$550,000 per month) or turnover rent (i.e. 20% of the gross box-office sales), whichever is higher 租金: 每月基本租金(即實際租金: 每月550,000港元)或提成租金(即影院總票房收入之20%), 以較高者為準	HK\$5,500,000 5,500,000港元

* These companies are indirectly wholly-owned subsidiaries of Emperor International.

* 該等公司為英皇國際之間接全資附屬公司。

Report of the Directors

董事會報告

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

(A) Renting of properties (continued)

(ii) Master Leasing Agreement

On 24 May 2018, the Company and Emperor International entered into the Master Leasing Agreement which sets out a framework of the terms governing all existing and future tenancy/licence transaction(s) between members of the Group as tenants and relevant members of Emperor International as landlords regarding the leasing of properties. The Master Leasing Agreement shall commence on 24 May 2018 and expire on 31 March 2021 subject to the approvals of the respective independent shareholders of Emperor International and the Company which were obtained in August 2018.

(B) Purchasing furniture and obtaining furniture procurement consultancy services

On 15 January 2018, AY Holdings entered into an agreement (“**Master Furniture Agreement**”) with Ulferts International. Pursuant to the Master Furniture Agreement, Ulferts International and its subsidiaries (collectively referred to as “**Ulferts Group**”) shall (i) sell products and provide furniture procurement consultancy services to members of Emperor Group (including the Group) in relation to their projects and investments, or for their own consumption; (ii) sell furniture coupons to members of Emperor Group for their own consumption and for the consumption of their clients as a marketing strategy of their projects and (iii) provide such other types of ancillary services and any transaction of revenue nature in the ordinary course of business of Ulferts Group, commencing from 29 January 2018 and up to 31 March 2020. The services provided or to be provided by Ulferts Group to the Group are governed by the Master Furniture Agreement. During the Year, HK\$899,000 and HK\$2,076,000 were paid for the purchase of furniture and the obtaining of furniture procurement consultancy services respectively.

Note:

As the Company, Emperor International and Ulferts International (as the case may be) are indirectly controlled by the AY Trust, both Emperor International and Ulferts International (as the case may be) are the connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the aforesaid definitive leasing agreements, the Master Leasing Agreement and the Master Furniture Agreement constitute continuing connected transactions for the Company. Mr. Yeung Ching Loong, Alexander, a Director, has deemed interest in the transactions by virtue of being one of the eligible beneficiaries of the AY Trust.

董事於重大交易、安排或合約之權益及關連交易 (續)

(A) 物業租賃 (續)

(ii) 總租賃協議

於2018年5月24日，本公司與英皇國際訂立總租賃協議，當中載列規管本集團之成員公司（作為租戶）與英皇國際之相關成員公司（作為業主）之間有關物業租賃的所有現有及未來租賃／許可交易的框架條款。總租賃協議將於2018年5月24日生效並於2021年3月31日屆滿，須經英皇國際及本公司各獨立股東之批准方告作實（已於2018年8月取得）。

(B) 購買傢俬及取得傢俬採購諮詢服務

於2018年1月15日，楊受成產業控股與歐化國際訂立一份協議（「**總傢俬協議**」）。根據總傢俬協議，自2018年1月29日起至2020年3月31日止，歐化國際及其附屬公司（統稱為「**歐化集團**」）將(i)向英皇集團之成員公司（包括本集團）銷售產品及提供有關其項目及投資或彼等自身消費的諮詢服務，(ii)向英皇集團銷售傢俬禮券，供自身使用及其客戶消費，作為其項目的營銷策略及(iii)於歐化集團一般業務過程中提供之該等其他類別配套服務及進行之屬收入性質的任何交易。歐化集團向本集團已提供或將提供的服務受總傢俬協議規管。於本年度，就購買傢俬以及取得傢俬採購諮詢服務分別已支付899,000港元及2,076,000港元。

附註：

由於本公司、英皇國際及歐化國際（視情況而定）均由AY Trust間接控制，故根據上市規則第14A章，英皇國際及歐化國際（視情況而定）為本公司之關連人士。因此，前述正式租賃協議、總租賃協議及總傢俬協議均構成本公司之持續關連交易。楊政龍先生（作為董事）為AY Trust之合資格受益人之一，故彼被視為於交易中擁有權益。



Report of the Directors

董事會報告

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

Compliance with disclosure requirements

Save as the "Rental expenses to related companies" in the amount of HK\$10,647,000, the "Purchase of furniture from a related company" and the "Consultancy service fee to a related company" for the Year as shown in note 41 – "Material Related Party Transactions" to the consolidated financial statements which constituted connected transactions of the Company under Chapter 14A of the Listing Rules, all other transactions as shown in the note thereon are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirement in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

Auditor's Letter on disclosed continuing connected transactions

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

The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group ("Disclosed CCTs") as set out from pages 23 to 26 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditor's Letter has been provided by the Company to the Stock Exchange.

Confirmation of Independent Non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs have reviewed the Disclosed CCTs and the Auditor's Letter and have confirmed that these transactions have been entered into by the Group:

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

董事於重大交易、安排或合約之權益及關連交易 (續)

遵守披露規定

除綜合財務報表附註41 – 「重大關連人士交易」所示本年度「向關連公司支付租金費用」之10,647,000港元、「向關連公司購買傢俬」及「向關連公司支付諮詢服務費」為根據上市規則第14A章構成本公司持續關連交易外，附註所載之所有其他交易乃根據上市規則第14A章獲豁免遵守公告、匯報、年度審閱及股東批准規定之關連交易。本公司已就上述持續關連交易遵守上市規則第14A章之披露規定。

有關已披露持續關連交易之核數師函件

本公司核數師已獲委聘根據香港會計師公會頒佈之香港鑒證業務準則第3000號(經修定)項下之《非審核或審閱過往財務資料鑒證工作》及參照實務說明第740號《關於香港上市規則所述持續關連交易的核數師函件》(「核數師函件」)，就本集團之持續關連交易作出匯報。

核數師已按照上市規則第14A.56條發出無保留意見函件，當中載有刊於本年報第23至26頁有關本集團已披露之持續關連交易(「已披露持續關連交易」)之鑒證發現及結論。核數師函件之副本已由本公司提供予聯交所。

獨立非執行董事之確認

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

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

Report of the Directors

董事會報告

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

Confirmation of Independent Non-executive Directors (continued)

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

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EMOLUMENT POLICY

The emoluments of the Directors are decided by the Board as recommended by the Remuneration Committee having regard to a written remuneration policy (which ensures a clear link to business strategy and a close alignment with the Shareholders' interest and current best practice). Remuneration should be paid with reference to the Board's corporate goals and objectives, the salaries paid by comparable companies, time commitment and responsibilities of the Executive and Non-executive Directors, internal equity of employment conditions across the Group and applicability of performance-based remuneration. The Directors' fees are paid in line with market practice. No individual should determine his or her own remuneration.

Employees' remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Remuneration package includes, as the case may be, basic salaries, Directors' fees, contribution to pension schemes, discretionary bonus relating to the financial performance of the Group and individual performance, and other competitive fringe benefits such as medical and life insurances. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 16 to the consolidated financial statements.

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

董事於重大交易、安排或合約之權益及關連交易 (續)

獨立非執行董事之確認 (續)

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

獨立非執行董事獨立性之確認

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

薪酬政策

董事之薪酬由董事會根據薪酬委員會參照書面報酬政策（確保與業務戰略有明確聯繫及與股東利益和目前最佳做法保持一致）。薪酬應參照董事會的企業目標及目的、可予以比較公司所支付的薪金、執行及非執行董事所投入的時間及職責、本集團內部僱傭條件的一致性及其與表現掛鈎的薪酬之適用性而支付。董事袍金則按市場慣例支付。並無個別人士可自行釐定其酬金。

僱員薪酬乃按照個別人士之職責、能力及技能、經驗及表現以及市場薪金水平釐定。薪酬待遇包括（視情況而定）基本工資、董事袍金、退休金計劃供款、與本集團財務表現及個人表現掛鈎之酌情花紅及其他具有競爭力之額外福利（如醫療及人壽保險）。董事及本集團五名最高薪酬人士之薪酬詳情載列於綜合財務報表附註16。

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

Report of the Directors

董事會報告

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 30 to 51.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

A resolution will be submitted to the 2018 AGM to re-appoint of HLB Hodgson Impey Cheng Limited as auditor of the Company.

On behalf of the Board

Fan Man Seung, Vanessa
Chairperson

Hong Kong, 20 September 2018

企業管治

本公司採納之主要企業管治常規載列於第30至51頁之企業管治報告內。

充裕公眾持股量

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

核數師

一項續聘國衛會計師事務所有限公司為本公司核數師之決議案將於2018年股東週年大會上提呈。

代表董事會

主席
范敏嫦

香港，2018年9月20日

Corporate Governance Report

企業管治報告

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

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

THE BOARD

Board Composition

As at 30 June 2018, the Board comprised seven Directors, with four Executive Directors (including the Chairperson) and three INEDs. The composition of the Board represents a diversified mixture of age, gender, educational and cultural background, skills, knowledge, length of service and professional expertise in management, legal, accounts and finance and corporate development which is beneficial to the business development of the Company. The profile of the Directors are set out from pages 13 to 15 of this annual report under the “Biographies of the Directors and Senior Management” section.

Chairperson and Chief Executive Officer

Ms. Vanessa Fan is the Chairperson of the Board who is responsible for providing leadership and management of the Board. The Executive Directors are responsible for the day-to-day management of the Group’s businesses. The Board considers that such segregation of duties functions effectively.

With the support of the company secretary of the Company (“Company Secretary”), Ms. Vanessa Fan, as the Chairperson of the Board, ensures that all Directors receive, in a timely manner, adequate information and are properly briefed on issues arising at the board meeting. She is responsible for ensuring that the Board works effectively and performs its responsibilities. She holds meeting with the INEDs without the executive Directors present at least once a year.

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

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

董事會

董事會組成

於2018年6月30日，董事會由七名董事（四名執行董事（包括主席）及三名獨立非執行董事）組成。董事會由多元化成員組成，擁有不同年齡、性別、教育及文化背景、技能、知識、服務任期並集合管理、法律、會計及財務以及企業發展方面之專才，有利本公司之業務發展。各董事之履歷載於本年報第13至15頁「董事及高級管理層之履歷」一節。

主席及行政總裁

范女士為董事會主席，負責帶領及管理董事會。執行董事負責本集團業務之日常管理。董事會認為，該等職責分配可有效地運作。

在本公司公司秘書（「公司秘書」）之協助下，范女士作為董事會主席，確保全體董事可及時收取充份資訊，及於董事會會議上均獲適當知悉當前的事項。彼負責確保董事會有效地運作及履行其職責。彼與獨立非執行董事每年最少舉行一次沒有執行董事出席的會議。

Corporate Governance Report

企業管治報告

THE BOARD *(continued)*

Independent Non-executive Directors

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

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

Roles and Responsibilities of the Board

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

Relationship between the Board Members

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

Directors' Insurance

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

董事會 (續)

獨立非執行董事

獨立非執行董事均為於法律、會計或審計方面擁有寶貴經驗及專長之專業人士，就將於董事會會議上討論之事宜提供中立觀點及作出獨立判斷。彼等之初步任期為三年，其後按年自動重續，惟可由任何一方發出書面通知提早終止。獨立非執行董事之任期亦須根據本公司之章程細則輪值退任及可膺選連任。

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

董事會之角色及責任

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

董事會成員間之關係

董事會成員之間概無任何關係（包括財務、業務、家屬或其他重大／相關關係）。

董事之保險

本公司已就董事可能會面對之法律訴訟作出適當之投保安排。

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Delegation to the Management

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

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

董事會 (續)

授權予管理層

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

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Induction, Support and Professional Development of Directors

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

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

董事會 (續)

董事之啟導、支援及專業發展

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

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

Name of Directors	董事姓名	Topics on training covered (Notes) 所涵蓋之培訓主題(附註)
Ms. Fan Man Seung, Vanessa	范敏嫦女士	(a), (b), (c) & (d)
Mr. Wong Chi Fai	黃志輝先生	(a), (b), (c) & (d)
Mr. Yeung Ching Loong, Alexander	楊政龍先生	(a), (b), (c) & (d)
Ms. Shirley Percy Hughes	許佩斯女士	(a), (b), (c) & (d)
Mr. Ng Hoi Yue	伍海于先生	(a), (b) & (c)
Ms. Chan Sim Ling, Irene	陳嬋玲女士	(a), (b) & (c)
Mr. Ho Tat Kuen	何達權先生	(a), (b) & (c)
Mr. Albert Lee (retired on 22 November 2017)	利雅博先生 (已於2017年11月22日退任)	(a), (b), (c) & (d)

Notes 附註:

- (a) Corporate Governance 企業管治
- (b) Regulatory 監管
- (c) Finance 財務
- (d) Industry specific 行業相關

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Directors' Attendance and Time Commitment

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

董事會 (續)

董事之出席情況及時間投入

於本年度董事出席會議之情況如下:

Name of Directors 董事姓名	No. of meetings attended/held 出席會議/舉行會議次數						
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Corporate Governance Committee 企業管治委員會	Executive Committee 執行委員會	General Meeting 股東大會
Executive Directors 執行董事							
Ms. Fan Man Seung, Vanessa (Note 1) 范敏嫦女士(附註1)	7/7	N/A 不適用	N/A 不適用	1/1	1/1	4/4	1/1
Mr. Wong Chi Fai 黃志輝先生	7/7	N/A 不適用	1/1	N/A 不適用	N/A 不適用	4/4	1/1
Mr. Yeung Ching Loong, Alexander 楊政龍先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	4/4	0/1
Ms. Shirley Percy Hughes 許佩斯女士	7/7	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Mr. Albert Lee (Note 2) 利雅博先生(附註2)	1/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Independent Non-executive Directors 獨立非執行董事							
Mr. Ng Hoi Yue (Note 3) 伍海于先生(附註3)	7/7	2/2	1/1	1/1	N/A 不適用	N/A 不適用	1/1
Ms. Chan Sim Ling, Irene 陳嬋玲女士	7/7	2/2	N/A 不適用	N/A 不適用	1/1	N/A 不適用	1/1
Mr. Ho Tat Kuen (Note 4) 何達權先生(附註4)	7/7	2/2	1/1	1/1	N/A 不適用	N/A 不適用	1/1
Total number of meetings held 舉行會議之總數:	7	2	1	1	1	4	1

Notes:

1. Chairperson of the Board, Executive Committee, Nomination Committee and Corporate Governance Committee
2. Mr. Albert Lee retired as director in the annual general meeting of the Company held on 22 November 2017 ("2017 AGM")
3. Chairman of the Remuneration Committee
4. Chairman of the Audit Committee

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

附註:

1. 董事會、執行委員會、提名委員會及企業管治委員會主席
2. 利雅博先生於2017年11月22日舉行之本公司股東週年大會(「2017股東週年大會」)上退任董事
3. 薪酬委員會主席
4. 審核委員會主席

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



Corporate Governance Report

企業管治報告

THE BOARD *(continued)*

Board Meetings and Proceedings

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

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

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

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

Board Committees

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

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

董事會 (續)

董事會會議及程序

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

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

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

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

董事委員會

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

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

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企業管治報告

THE BOARD (continued)

Board Committees (continued)

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

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

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

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

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

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

- i. reviewed with the finance personnel and/or the external auditors the effectiveness of audit process and the accounting principles and practices adopted by the Group, and the accuracy and fairness of the annual consolidated financial statements for the financial year ended 30 June 2017 ("**Previous Year**") and the interim consolidated financial statements for the six months ended 31 December 2017;
- ii. reviewed with the finance personnel the effectiveness of the risk management and internal control systems of the Group during the Previous Year;

董事會 (續)

董事委員會 (續)

1. 執行委員會 (於2015年1月28日成立)

執行委員會由四名執行董事組成，即范女士（委員會主席）、黃志輝先生、楊政龍先生及許佩斯女士。執行委員會之主要職責為(a)就與本集團投資、管理及營運有關之事項制定業務政策及作出決定；(b)檢討防止賄賂之政策以及考慮、批准及處理與其有關之事項；及(c)擁有董事會之所有權力及授權，惟董事會不時採納之「需要董事會決定及授權之事項之正式預定計劃表」所載指定由全體董事會作決定之事項除外。

2. 審核委員會 (於1998年12月4日成立)

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

審核委員會具體書面職權範圍可於聯交所及本公司網站查閱。審核委員會主要負責(a)就委任、重新委任及罷免外聘核數師提供推薦意見；(b)檢討及監察外聘核數師之獨立性以及審核程序之客觀性及有效性；(c)批准外聘核數師之酬金及委聘條款；及(d)審閱財務資料及監察財務報告制度、風險管理及內部監控系統。審核委員會於本年度內舉行了兩次會議。

審核委員會於本年度履行之工作概要載列如下：

- i. 與財務人員及／或外聘核數師審閱本集團所採納之核數程序以及會計原則及實務之成效，以及截至2017年6月30日止財政年度（「**上年度**」）之年度綜合財務報表及截至2017年12月31日止六個月之中期綜合財務報表之準確性及公平性；
- ii. 與財務人員檢討上年度本集團風險管理及內部監控系統之成效；

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Board Committees (continued)

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

- iii. annual review of the non-exempt continuing connected transactions of the Group for the Year; and
- iv. recommended the Board on the re-appointment of external auditors at the 2017 AGM.

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

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

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. The Remuneration Committee is primarily responsible for making recommendation to the Board on (a) the Company's policies and structure for all remuneration of Directors and senior management; (b) the remuneration of INEDs; and (c) the specific remuneration packages for individual Executive Directors and senior management. Details of the remuneration of each of the Directors for the Year are set out in note 16 to the consolidated financial statements. The Remuneration Committee held one meeting during the Year.

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

- i. reviewed the Directors' fee and made recommendation to the Board;
- ii. reviewed the current remuneration structure/package of the Executive Directors and senior management and recommended to the Board on their specific packages; and
- iii. reviewed the Terms of Reference of the Remuneration Committee and made recommendation to the Board.

董事會 (續)

董事委員會 (續)

2. 審核委員會 (於1998年12月4日成立) (續)

- iii. 本年度內本集團非豁免持續關連交易之年度審閱; 及
- iv. 於2017年股東週年大會上就重新委聘外聘核數師向董事會提供推薦建議。

3. 薪酬委員會 (於2005年10月26日成立)

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

薪酬委員會之具體書面職權範圍可於聯交所及本公司網站查閱。薪酬委員會之主要職責為 (a) 就本公司之董事及高級管理層之薪酬政策及架構; (b) 獨立非執行董事之薪酬; 及 (c) 個別執行董事及高級管理層之特定薪酬待遇向董事會提供推薦意見。本年度各董事之薪酬詳情載於綜合財務報表附註16。薪酬委員會於本年度內舉行了一次會議。

薪酬委員會於本年度履行之工作概要載列如下:

- i. 檢討董事袍金, 並向董事會提供推薦建議;
- ii. 檢討執行董事及高級管理層之現時薪酬架構/待遇, 並建議董事會批准彼等之特定待遇; 及
- iii. 檢討薪酬委員會職權範圍並向董事會提供推薦建議。

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Board Committees (continued)

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

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

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

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

- i. reviewed the structure, size and diversity of the Board;
- ii. reviewed the independence of INEDs;
- iii. reviewed the confirmation from Directors on time commitment in performing their duties as Directors; and
- iv. recommended the Board on the re-election of Directors at the 2017 AGM.

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

董事會 (續)

董事委員會 (續)

4. 提名委員會 (於2012年3月23日成立)

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

提名委員會之具體書面職權範圍可於聯交所及本公司網站查閱。提名委員會之主要職責包括：(a)檢討董事會的架構、人數及成員多元性；(b)檢討董事會多元化政策；(c)釐定董事提名之政策及物色合適之董事候選人；(d)就董事委任、重新委任、重選或調任以及董事繼任計劃向董事會提出建議；(e)評核獨立非執行董事的獨立性；及(f)檢討各董事所投入的時間。提名委員會於本年度內舉行了一次會議。

提名委員會於本年度履行之工作概要載列如下：

- i. 檢討董事會的架構、人數及多元化；
- ii. 檢討獨立非執行董事之獨立性；
- iii. 檢討董事就履行擔任董事職責所投入時間而作出之確認；及
- iv. 於2017年股東週年大會上就重選董事向董事會提供推薦意見。

董事會所採納之董事會多元化政策旨在從最廣義角度實現董事會多元化，以根據本公司業務性質而具備適當所需技巧、經驗及多樣的觀點與角度。甄選董事會候任人乃根據多項多元化準則，包括(但不止於)性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。提名委員會亦將評估任何建議重選董事或任何獲提名委任為董事之候任人之優點及為董事會帶來之貢獻，並按客觀準則評選，充份考慮董事會成員多元化之裨益，以完善本公司之企業策略。

Corporate Governance Report

企業管治報告

THE BOARD (continued)

Board Committees (continued)

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

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

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

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

董事會 (續)

董事委員會 (續)

5. 企業管治委員會 (於2015年8月14日成立)

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

企業管治委員會於本年度履行之工作概要載列如下：

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

Corporate Governance Report

企業管治報告

SECURITIES TRANSACTIONS OF DIRECTORS

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists a company in achieving its business objectives. Internal control policies and procedures within the Group are with the primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control systems.

A review has been conducted on (i) the internal control measures and procedures covering all material controls, including financial, operational and compliance controls; and (ii) risk management functions of the Group for the Year as follows:

董事之證券交易

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

問責及審核

財務匯報

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

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

風險管理及內部監控

內部監控對成功經營及日常業務營運至關重要，並能協助公司達成其業務目標。本集團之內部監控政策及程序的主要目標為就風險管理及內部監控系統之基本框架提供一般指引及推薦意見。

本年度已就以下方面進行檢討本集團的：(i)內部監控措施及程序，涵蓋所有重大監控，包括財務、營運及合規監控；及(ii)風險管理職能：

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

A. Goals and Objectives

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems (“**Systems**”). The Systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable but not absolute, assurance against misstatement or losses.

The key objectives of the Systems include:

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

B. Governance Control

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

The Board

- responsible for the Systems and reviewing their effectiveness;
- oversee the Systems on an ongoing basis with the assistance of Audit Committee;
- ensure the maintenance of appropriate and effective Systems;
- define management structure with clear lines of responsibility and limit of authority; and
- determine the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives and formulate the Group’s risk management strategies.

風險管理及內部監控 (續)

A. 目標及方針

董事會知悉董事會之職責乃確保本公司設立及維持合適及有效之風險管理及內部監控系統(「該等系統」)。該等系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

該等系統的主要目標包括：

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

B. 管治監控

該等系統的監控架構如下：

董事會

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

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

B. Governance Control (continued)

Audit Committee

- review and discuss the Systems with the management annually to ensure that the management has performed its duty to have effective Systems. This discussion includes the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions;
- review the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment (as detailed below);
- review and discuss annually the significant control failings or weaknesses that are identified and raised by the auditors; and
- consider major findings on internal control matters raised by internal or external auditors and make recommendations to the Board.

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

- design, implement and monitor the Systems properly and ensure the Systems are executed effectively;
- monitor risks and take measures to mitigate risks in day-to-day operations;
- give prompt responses to, and following up the findings on internal control matters raised by internal or external auditors; and
- provide confirmation to the Board on the effectiveness of the Systems.

Internal Audit Department

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

風險管理及內部監控 (續)

B. 管治監控 (續)

審核委員會

- 每年檢討並與管理層討論該等系統，以確保管理層履行其職責以維持該等系統之有效性。此討論涵蓋本公司在會計及財務匯報職能方面的資源、員工資歷及經驗、培訓課程及有關預算是否足夠；
- 檢討重大風險的性質及程度，以及本公司應對其業務及外部環境變化（如下文所詳述）的能力；
- 每年檢討並討論經核數師識別及提出的重大監控失誤或不足；及
- 考慮內部或外部核數師提出之有關內部監控事宜的重要調查結果並向董事會作出推薦意見。

管理層 (包括業務單位、部門及分部主管)

- 妥善設計、實施及監督該等系統，並確保該等系統有效地執行；
- 監督風險並採取措施降低日常營運風險；
- 對內部或外聘核數師提出之有關內部監控事宜之調查結果作出及時的回應及跟進；及
- 向董事會提供對該等系統之有效性的確認。

內部審核部門

- 對該等系統在財務、經營及合規等所有重大監控方面之充足性及有效性進行分析及獨立評估；及
- 就審核檢討結果或違規情況（如有）提醒管理層，並就實施必要措施及行動以加強本集團內部監控向管理層提出建議。內部審核檢討及協定行動計劃之結果會向審核委員會及董事會報告。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

C. Risk Management

(1) Risk Management Process

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

The management is entrusted with duties to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority. Risks are evaluated by the Board and the management based on (i) the severity of the impact of the risks on the Group's financial results; (ii) the probability that the risks will occur; and (iii) the velocity or speed at which risks could occur.

Based on the risk evaluation, the Company will manage the risk as follows:

- **Risk elimination** - The management may identify and implement certain changes or controls that in effect eliminate the risk entirely.
- **Risk mitigation** - The management may implement risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level or contingency plan for possible loss scenarios.
- **Risk control and monitoring** - It involves making decisions regarding which risks are acceptable and how to address those that are not. Accidents and other situations involving loss or near-loss will be investigated and properly documented as part of the effort to manage risks.
- **Risk retention** - The management may decide that the risk rating is low enough that the risk is acceptable level and no action is required. The risk will continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

風險管理及內部監控 (續)

C. 風險管理

(1) 風險管理過程

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

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監控及傳達與任何活動、職務或程序有關的風險。董事會及管理層根據(i)風險對於本公司財務業績影響的嚴重程度；(ii)發生風險的可能性；及(iii)風險可能發生的速度進行風險評估。

根據風險評估，本公司將按以下方式管理風險：

- **風險排除**—管理層可確定及實施若干變動或監控，完全排除風險。
- **減低風險水平**—管理層可實施風險緩解計劃，旨在使風險之可能性、速度或嚴重性降低至可接受水平或就潛在虧損情況預備應急方案。
- **風險監控及監察**—涉及決定那類風險可予接受及如何應對不可接受的風險。作為管理風險之一部份，將對涉及損失或接近損失事故及其他情況進行調查並妥為存檔。
- **維持風險水平**—管理層可釐定風險評級較低而風險屬可接受水平，毋須採取任何措施。作為風險管理計劃的一部分，將繼續監察風險以確保風險不會上升至不可接受水平。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

C. Risk Management (continued)

(2) Significant risks and strategies

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

(a) Inherent risk - Entertainment business

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

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

(b) Inherent risk - Securities investment

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

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

風險管理及內部監控 (續)

C. 風險管理 (續)

(2) 重大風險及策略

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

(a) 固有風險－娛樂業務

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

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

(b) 固有風險－證券投資

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

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

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

C. Risk Management (continued)

(2) Significant risks and strategies (continued)

(c) Strategic risk - Competition

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

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

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

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

風險管理及內部監控 (續)

C. 風險管理 (續)

(2) 重大風險及策略 (續)

(c) 戰略風險－競爭

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

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

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

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

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

C. Risk Management (continued)

(2) Significant risks and strategies (continued)

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

D. Internal Controls

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

1. Operational

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

2. Financial

- Effective financial control is a vital element of internal control. It helps in identifying and managing liabilities to ensure that the Group is not unnecessarily exposed to avoidable financial risks. It also contributes to the safeguarding of assets from inappropriate use or loss, including the prevention and detection of fraud and errors.
- In order to achieve effective financial control, a set of measures have been implemented to tighten the control on cash flow. All payments are required to be properly checked and approved. Proper accounting and financial records shall be maintained to support financial budgets, monthly management accounts and reports.
- Regular reviews and audits are carried out to ensure that the preparation of financial statements is carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

風險管理及內部監控 (續)

C. 風險管理 (續)

(2) 重大風險及策略 (續)

本公司已竭盡全力管理上述風險及繼續關注任何日後可能新浮現之風險。

D. 內部監控

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

1. 營運方面

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

2. 財務方面

- 有效財務監控乃內部監控至關重要之一環。財務監控能協助識別及管理負債，以確保本集團不會在無必要情況下涉及可以避免之財務風險，亦有利於保障資產，使資產不會被不當使用或遭受損失，包括防止及偵測欺詐及錯誤情況出現。
- 為達到有效之財務監控，本公司已實行一套措施以加強現金流量控制。所有付款均須進行適當審查及批核。會計及財務記錄會妥善置存以為財務預算、每月管理賬目及報告提供依據。
- 本公司定期進行檢討及審核，確保財務報表之編製符合一般公認會計原則、本集團之會計政策及適用之法律與法規。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

D. Internal Controls (continued)

3. Compliance

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

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

E. Management Confirmation

The Board has received a written confirmation from the management on the effectiveness of the Systems of the Group. The Audit Committee and the Boards, upon reviewing the Systems, were not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the Group's operational, financial and compliance areas of the Systems.

風險管理及內部監控 (續)

D. 內部監控 (續)

3. 合規方面

以下政策及程序為防衛合規之監控：

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

E. 管理層確認

董事會已接獲管理層就本集團該等系統的有效性的書面確認。審核委員會及董事會於檢討該等系統後，並不知悉任何將對本集團該等系統於營運、財務及合規方面之有效運作及充足性所產生不利影響的重大事宜。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

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

Shareholders and investors are welcome to visit the Company's website to raise enquiries through our Investor Relations Department whose contact details are available on the Company's website and the "Corporate Information and Key Dates" of this annual report.

Separate resolutions were proposed at the general meetings for such substantial issues, including the re-election of retiring Directors. The Company's notice to Shareholders for the 2017 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of all other general meetings were sent to Shareholders at least 10 clear business days before the meetings.

The Chairperson of the 2017 AGM and the chairman/members of the Board Committees and the external auditors were available at the 2017 AGM to answer questions from the Shareholders. With the assistance of the Company Secretary, the Chairperson of the meetings had explained the procedures for conducting a poll during the meetings.

The forthcoming annual general meeting will be held on 13 November 2018 which will be conducted by way of poll.

與股東之溝通

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

本公司歡迎股東及投資者瀏覽本公司網站及透過投資者關係部提出查詢，投資者關係部之聯繫方式可於本公司網站及本年報「公司資料及重要日期」部分內查閱。

重大事項(包括退任董事之重選)之決議案均會於股東大會上單獨提呈。本公司之2017年股東週年大會通告已於大會舉行前至少足20個營業日向股東發送，而就所有其他股東大會而言，已在有關大會舉行前至少足10個營業日向股東發送有關通告。

2017年股東週年大會主席及董事會委員會主席／成員以及外聘核數師均有出席2017年股東週年大會以回答股東之提問。在公司秘書協助下，大會之主席已就投票表決之程序於大會上作出闡釋。

應屆股東週年大會將於2018年11月13日舉行，會上之表決將以股數投票方式進行。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

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

Convening a Special General Meeting (“SGM”) and Putting Forward Proposals at such Meeting

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

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

股東之權利

根據企業管治守則須予披露之股東若干權利概要如下：

召開股東特別大會（「股東特別大會」）及在該會上提呈決議案

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

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

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (continued)

Convening a Special General Meeting ("SGM") and Putting Forward Proposals at such Meeting (continued)

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the principal office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Proposing a Person for Election as a Director

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

Enquiries from Shareholders

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

CONSTITUTIONAL DOCUMENTS

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

股東之權利 (續)

召開股東特別大會(「股東特別大會」)及在該會上提呈決議案(續)

根據百慕達1981年公司法，持有不少於本公司已繳足股本(賦有於本公司股東大會上投票之權利)二十分之一(5%)之登記股東(不論人數)或不少於100名有關登記股東可以書面方式向本公司要求(a)向有權接收下一屆股東大會通告之股東發出通知，以告知任何可能於該大會上正式動議並擬於會上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。要求須經所有遞交要求人士簽署，並連同足以應付本公司相關開支之合理款項於(倘為對決議案通知之要求)大會舉行前不少於6個星期或(倘為任何其他要求)大會舉行前不少於1個星期送達本公司之主要辦事處。惟倘在遞交要求後6個星期或較短期間內之日期召開股東週年大會，則該要求雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

提名人士參選董事

股東提名人士參選董事之程序可於本公司網站查閱。

股東查詢

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

組織章程文件

於本年度，本公司之組織章程文件並無任何重大變動。

Corporate Governance Report

企業管治報告

AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditors to ensure objectivity and the effectiveness of the audit process of the consolidated financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's auditors, HLB Hodgson Impey Cheng Limited is independent and has recommended the Board to re-appoint it as the Company's auditors at the 2018 AGM. During the Year, HLB Hodgson Impey Cheng Limited has rendered audit services and certain non-audit services to the Group and the remuneration paid/payable to it by the Group is set out as follows:

核數師之獨立性及酬金

審核委員會獲授權根據適用之準則檢討及監督核數師之獨立性，以確保審計綜合財務報表過程中之客觀性及有效性。審核委員會之成員認為，本公司之核數師國衛會計師事務所有限公司屬獨立人士，並向董事會作出推薦建議，建議於2018年股東週年大會上續聘彼為本公司之核數師。於本年度，國衛會計師事務所有限公司曾向本集團提供審核服務及若干非審核服務，而本集團已付／應付予彼之酬金載列如下：

Service rendered 已提供之服務	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Statutory audit 法定審核	800
Non-audit services 非審核服務	-

Independent Auditors' Report

獨立核數師報告



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

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 告羅士打大廈
Hong Kong 31樓

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EMPEROR CULTURE GROUP LIMITED

(incorporated in Bermuda with limited liability)

致英皇文化產業集團有限公司股東之獨立核數師 報告

(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Emperor Culture Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 59 to 151 which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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.

意見

本行已審核載於第59至151頁英皇文化產業集團有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表，其中包括於2018年6月30日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

本行認為，綜合財務報表已按照香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於2018年6月30日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見基準

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

關鍵審核事項

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



Independent Auditors' Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matters 關鍵審核事項	How our audit addressed the key audit matter 本行之審核如何處理關鍵審核事項
<p>Impairment assessment on goodwill 商譽之減值評估</p> <p>Refer to note 18 to the consolidated financial statements 參閱綜合財務報表附註18</p> <p>As at 30 June 2018, the Group had goodwill of HK\$68,260,000 relating to the production, distribution and licensing of animated TV episode and theatrical film business. 於2018年6月30日，貴集團就動畫電視片集及戲院電影之製作、發行及授權業務擁有商譽68,260,000港元。</p> <p>The management performed impairment assessment of goodwill and concluded that an impairment loss on goodwill of HK\$27,354,000 was recognised in profit or loss. 管理層已對商譽進行減值評估，並決定於損益內確認商譽減值虧損27,354,000港元。</p> <p>This conclusion was based on value-in-use model that required the significant management's judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure. 此結論乃基於使用價值模型作出，並需要管理層就折現率及相關現金流作出重大判斷，尤其是未來收益增長及資本開支。</p> <p>Independent external valuation was obtained in order to support the management's estimates. 已取得獨立外部估值以支持管理層之估計。</p>	<p>Our procedures in relation to the impairment assessment included: 本行就減值評估之審核程序包括：</p> <ul style="list-style-type: none">• Evaluation of the independent valuer's competence, capabilities, independence and objectivity; 評估獨立估值師之才幹、能力、獨立性及客觀性；• Discussion with the management on their planned strategies around business expansion, revenue stream, growth strategies and cost initiatives, and obtained the list of secured contracts; 與管理層討論其有關業務拓展之已計劃策略、收入來源、增長策略及成本舉措，並獲取已作實合約之清單；• Assessing the appropriateness of the key assumptions made by the management, including growth rates, profit margin and expected changes in capital expenditure with reference to current market circumstances and using our valuation experts; 評估管理層所採用之關鍵假設之合適性，包括增長率、利潤率以及參照現行市場狀況預期資本開支之變化及利用本行之估值專家；• Testing the appropriateness of key inputs applied by the management in preparing the cash flow forecasts against historical performance, including revenue, cost of sales and operating expenses, with reference to the future strategic plans of the Group in respect of the cash-generating unit; and 測試管理層就歷史表現（包括收入、銷售成本及經營開支），參考貴集團之現金產生單位按未來策略計劃而編製之現金流量預測所應用之主要輸入數據之適當性；及• Assessing the assumption on the long-term growth rates in the forecast and the discount rate with reference to the cost of capital of the Group. 參考貴集團之資本開支評估預測中之長期增長率以及折現率之假設。 <p>We found the key assumption were supported by the available evidence. 本行認為，關鍵假設已獲所得證據支持。</p>

Independent Auditors' Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項 (續)

Key audit matters

關鍵審核事項

How our audit addressed the key audit matter

本行之審核如何處理關鍵審核事項

Impairment assessment on film and TV programme rights, film and TV programme production in progress and investments in film production

電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資之減值評估

Refer to notes 21, 22 and 23 to the consolidated financial statements

參閱綜合財務報表附註21、22及23

As at 30 June 2018, the Group had film and TV programme rights, film and TV programme in progress and investments in film production with the carrying amounts of HK\$14,031,000, HK\$150,797,000 and HK\$35,302,000 respectively.

於2018年6月30日，貴集團之電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資賬面值分別為14,031,000港元、150,797,000港元及35,302,000港元。

The management performed impairment assessment of film and TV programmes rights, film and TV programme production in progress and investments in film production and concluded that an impairment loss of HK\$37,046,000 in respect of investments in film production was recognised in profit or loss.

管理層已對電影及電視節目版權、製作中之電影及電視節目以及於電影製作之投資進行減值評估，並決定於電影製作之投資於損益內確認減值虧損37,046,000港元。

Impairment of film and TV programme rights and investments in film production were assessed based on value-in-use model that required the use of discount rate and the underlying cash flows, in particular, future revenue growth and capital expenditure.

電影及電視節目版權以及於電影製作之投資之減值評估乃基於使用價值模型（須使用折現率及相關現金流，尤其是未來收益增長及資本開支）作出。

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

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

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

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

Our procedures in relation to the impairment assessment included:

本行就減值評估之審核程序包括：

- Discussion with the management on their planned schedule and the stage of completion in respect of the films and TV programmes; 與管理層討論其有關電影及電視節目之已計劃策略及完成階段；
- Understanding the procedures taken by management in estimating the projected distribution income of film and TV programme rights and investments in film production and assessing the reasonableness of such estimation; 了解管理層就估計電影及電視節目版權以及於電影製作之投資之預計發行收入時所採取之程序以及評估該等估計之合理性；
- Assessing the methodology adopted by the management and the appropriateness of key assumptions based on our knowledge of the relevant industry; 根據本行於相關行業的知識評估管理層所採用之方法及關鍵假設之合適性；
- Challenging the reasonableness of key assumption based on our knowledge of the relevant industry; 根據本行對相關行業之認識對主要假設之合理性提出質疑；
- Checking, on a sample basis, the accuracy and relevance of the input data used. 抽樣檢查所用輸入數據之準確性及相關性。

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

本行認為，關鍵假設已獲所得證據支持。



Independent Auditors' Report

獨立核數師報告

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料承擔責任。其他資料包括載入年報之資料，但不包括載入綜合財務報表及本行的核數師報告的資料（「其他資料」）。

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

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

董事及審核委員會就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平之綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會負責監督 貴集團之財務報告流程。

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

核數師就審核綜合財務報表之責任

本行的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見之核數師報告。本行僅根據百慕達1981年公司法第90條向閣下（作為整體）報告本行的意見，除此之外，本報告概無其他用途。本行不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審核綜合財務報表之責任 (續)

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

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

本行還向審核委員會提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditors' Report

獨立核數師報告

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

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

The engagement director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

核數師就審核綜合財務報表之責任 (續)

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

出具本獨立核數師報告的審計項目董事為郭梓俊。

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 20 September 2018

國衛會計師事務所有限公司
執業會計師

郭梓俊
執業證書編號：P06901

香港，2018年9月20日



Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 30 June 2018 截至2018年6月30日止年度

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收入	7	91,202	44,925
Cost of sales	銷售成本		(42,972)	(37,460)
Gross profit	毛利		48,230	7,465
Other revenue	其他收益	9	10,552	16,726
Selling and distribution expenses	銷售及發行費用		(19,245)	(7,399)
Administrative expenses	行政開支		(98,745)	(41,272)
Other operating expenses	其他經營支出	10	(67,448)	(72,477)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動		(31,691)	(7,115)
Loss from operations	經營業務之虧損	10	(158,347)	(104,072)
Loss on disposal of subsidiaries	出售附屬公司之虧損	37	(8)	-
Gain on disposal of associates	出售聯營公司之收益	38	-	34,825
Finance costs	財務成本	11	-	(6)
Loss before taxation	除稅前虧損		(158,355)	(69,253)
Taxation credit	稅項抵免	13	242	175
Loss for the year	年度虧損		(158,113)	(69,078)
Other comprehensive income for the year	年度其他全面收益			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目:</i>			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額		3,216	100
Other comprehensive income for the year, net of tax	年度除稅後其他全面收益		3,216	100
Total comprehensive loss for the year	年度全面虧損總額		(154,897)	(68,978)
Loss for the year attributable to:	應佔年度虧損:			
Owners of the Company	本公司擁有人		(153,797)	(62,327)
Non-controlling interests	非控股權益		(4,316)	(6,751)
			(158,113)	(69,078)
Total comprehensive loss for the year attributable to:	應佔年度全面虧損總額:			
Owners of the Company	本公司擁有人		(151,473)	(61,825)
Non-controlling interests	非控股權益		(3,424)	(7,153)
			(154,897)	(68,978)
Loss per share attributable to the owners of the Company:	本公司擁有人應佔每股虧損:	14		
Basic and diluted	基本及攤薄		HK\$(0.05)港元	HK\$(0.03)港元

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

附隨的附註構成此等綜合財務報表不可分割之部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 30 June 2018 於2018年6月30日

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	236,902	72,241
Goodwill	商譽	18	68,260	95,614
Intangible assets	無形資產	19	27,661	25,489
Contingent consideration receivable	應收或然代價	26	—	485
			332,823	193,829
Current assets	流動資產			
Inventories	存貨	20	894	131
Film and TV programme rights	電影及電視節目版權	21	14,031	11,986
Film and TV programme production in progress	製作中之電影及電視節目	22	150,797	215,463
Investments in film production	於電影製作之投資	23	35,302	1,683
Trade receivables	貿易應收款	24	12,227	16,642
Other receivables, deposits and prepayments	其他應收款、按金及預付款	25	64,432	53,553
Contingent consideration receivable	應收或然代價	26	7,210	7,998
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	27	20,750	52,441
Cash and bank balances	現金及銀行結存	29	264,142	452,616
			569,785	812,513
Asset classified as held for sale	分類為持作出售之資產	30	—	47,600
			569,785	860,113
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	31	101,045	111,887
Amounts due to related companies	應付關連公司款項	32	15,553	16,049
Amount due to non-controlling interests	應付非控股權益款項	32	44,870	44,870
			161,468	172,806
Net current assets	流動資產淨值		408,317	687,307
Total assets less current liabilities	總資產減流動負債		741,140	881,136
Non-current liability	非流動負債			
Deferred tax liability	遞延稅項負債	33	—	242
Net assets	資產淨值		741,140	880,894

Consolidated Statement of Financial Position

綜合財務狀況表

At 30 June 2018 於2018年6月30日

	Note 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備		
Share capital	股本	32,133	32,133
Reserves	儲備	720,573	872,046
Non-controlling interests	非控股權益	752,706 (11,566)	904,179 (23,285)
Total equity	權益總額	741,140	880,894

Approved and authorised for issue by the Board of Directors on 20 September 2018 and signed on its behalf by:

於2018年9月20日經董事會批准及授權刊發，並由下列董事代表簽署：

Ms. Fan Man Seung, Vanessa

范敏嫦女士

Executive Director

執行董事

Mr. Wong Chi Fai

黃志輝先生

Executive Director

執行董事

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

附隨的附註構成此等綜合財務報表不可分割之部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2018 截至2018年6月30日止年度

		Attributable to the owners of the Company 本公司擁有人應佔								
		Capital redemption						Non-controlling interests		Total
		Share capital	Share premium	reserve	Contributed surplus	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本贖回儲備	繳納盈餘	匯兌儲備	累計虧損	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(note (i)) (附註(i))	(note (ii)) (附註(ii))	(note (iii)) (附註(iii))	(note (iv)) (附註(iv))				
At 1 July 2016	於2016年7月1日	22,133	733,016	50	58,658	(2,640)	(35,040)	776,177	(24,888)	751,289
Loss for the year	年度虧損	-	-	-	-	-	(62,327)	(62,327)	(6,751)	(69,078)
Other comprehensive income/(loss) for the year	年度其他全面收益/ (虧損)	-	-	-	-	502	-	502	(402)	100
Total comprehensive income/(loss) for the year	年度全面收益/ (虧損)總額	-	-	-	-	502	(62,327)	(61,825)	(7,153)	(68,978)
Issue of new shares by subscription	自認購發行新股份	10,000	180,000	-	-	-	-	190,000	-	190,000
Non-controlling interests arising from acquisition of subsidiaries (note 35)	收購附屬公司所得之非控股權益 (附註35)	-	-	-	-	-	-	-	8,756	8,756
Share issuing expenses	股份發行開支	-	(173)	-	-	-	-	(173)	-	(173)
At 30 June 2017 and 1 July 2017	於2017年6月30日及 2017年7月1日	32,133	912,843	50	58,658	(2,138)	(97,367)	904,179	(23,285)	880,894
Loss for the year	年度虧損	-	-	-	-	-	(153,797)	(153,797)	(4,316)	(158,113)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	2,324	-	2,324	892	3,216
Total comprehensive income/(loss) for the year	年度全面收益/ (虧損)總額	-	-	-	-	2,324	(153,797)	(151,473)	(3,424)	(154,897)
Elimination upon disposal of subsidiaries (note 37)	出售附屬公司時對銷 (附註37)	-	-	-	-	-	-	-	15,143	15,143
At 30 June 2018	於2018年6月30日	32,133	912,843	50	58,658	186	(251,164)	752,706	(11,566)	741,140

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

附隨的附註構成此等綜合財務報表不可分割之部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30 June 2018 截至2018年6月30日止年度

Notes:

- (i) Share premium
The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.
- (ii) Capital redemption reserve
Capital redemption reserve arose on the cancellation of repurchased shares and accordingly reduction of nominal value of share capital of the Company.
- (iii) Contributed surplus
The contributed surplus of the Group represents the amount transferred from the capital account due to the capital reduction and share premium reduction as a result of the capital reorganisation of the Company took effect on 8 May 2014.

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

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

附註：

- (i) 股份溢價
股份溢價賬之應用受百慕達1981年公司法第40條規管。
- (ii) 資本贖回儲備
資本贖回儲備源自註銷已購回股份及相應削減本公司股本面值。
- (iii) 繳納盈餘
本集團之繳納盈餘指因本公司於2014年5月8日生效之股本重組而進行股本削減及股份溢價削減而從資本賬轉撥之金額。

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

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

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30 June 2018 截至2018年6月30日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash flows from operating activities	來自經營活動之現金流量		
Loss before taxation:	除稅前虧損:	(158,355)	(69,253)
Adjustments for:	調整項目:		
Amortisation of film and TV programme rights	電影及電視節目版權攤銷	7,150	4,556
Amortisation of intangible assets	無形資產攤銷	2,015	1,847
Cost of investments in film production	於電影製作之投資成本	6,430	18,586
Depreciation of property, plant and equipment	物業、機器及設備之折舊	16,387	8,975
Impairment loss recognised in respect of:	就下列各項確認之減值虧損:		
– goodwill	– 商譽	27,354	2,636
– film and TV programme rights	– 電影及電視節目版權	–	2,485
– investments in film production	– 於電影製作之投資	37,046	62,845
– trade and other receivables	– 貿易及其他應收款	1,775	3,000
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	35	33
Loss/(gain) on fair value change in respect of contingent consideration receivable	應收或然代價之公允價值變動虧損/(收益)	1,273	(338)
Change in fair value of financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動	31,691	7,115
Written off of film and TV programme production in progress	製作中之電影及電視節目撇銷	120	–
Loss on disposal of subsidiaries	出售附屬公司之虧損	8	–
Decrease in fair value of listed corporate bond on initial recognition	初始確認時上市公司債券之公允價值減少	–	1,511
Finance costs	財務成本	–	6
Interest income	利息收入	(1,890)	(862)
Dividend income	股息收入	–	(4,860)
Listed corporate bond interest income	上市公司債券利息收入	–	(1,328)
Reversal of impairment loss recognised in respect of trade receivables	貿易應收款確認之減值虧損撥回	–	(69)
Gain on disposal of associates	出售聯營公司之收益	–	(34,825)
Operating cash flows before movement in working capital	未計營運資金變動前之經營現金流量	(28,961)	2,060
(Increase)/decrease in inventories	存貨(增加)/減少	(763)	19
Increase in film and TV programme production in progress	製作中之電影及電視節目增加	(40,094)	(165,578)
(Increase)/decrease in trade and other receivables, deposits and prepayments	貿易及其他應收款、按金及預付款(增加)/減少	(7,297)	52,947
Increase in investment in listed corporate bond	上市公司債券投資增加	–	(183)
Decrease in financial assets at fair value through profit or loss	按公允價值計入損益之金融資產減少	–	3,829
Increase in trade and other payables	貿易及其他應付款增加	70,311	43,000
Cash used in operations	用於經營業務之現金	(6,804)	(63,906)
Income tax paid	已繳所得稅	–	(5)
Net cash used in operating activities	用於經營活動之現金淨額	(6,804)	(63,911)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30 June 2018 截至2018年6月30日止年度

	Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash flows from investing activities	來自投資活動之現金流量		
Interest received	已收利息	1,890	862
Dividend received	已收股息	—	4,860
Purchase of property, plant and equipment	購買物業、機器及設備	(178,948)	(22,466)
Additions of intangible assets	無形資產添置	(4,187)	—
Net cash outflow on disposal of subsidiaries	出售附屬公司之現金流出淨額	(1,731)	—
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	—	(113,139)
Net cash inflow on disposal of associates	出售聯營公司之現金流入淨額	—	34,825
Net cash used in investing activities	用於投資活動之現金淨額	(182,976)	(95,058)
Cash flows from financing activities	來自融資活動之現金流量		
Advances from related companies	關連公司之墊款	40	16,049
Repayments to related companies	償還關連公司款項	40	—
Proceeds from issue of new shares by subscription	自認購發行新股份之所得款項	—	190,000
Advances from non-controlling interests	非控股權益之墊款	—	7,088
Interest expense paid	已付利息開支	—	(6)
Share issuing expenses	股份發行開支	—	(173)
Net cash (used in)/generated from financing activities	(用於)／來自融資活動之現金淨額	(854)	212,958
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(190,634)	53,989
Effect of foreign exchange rate changes	匯率變動之影響	2,160	112
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	452,616	398,515
Cash and cash equivalents at the end of the year, representing cash and bank balances	年末之現金及現金等價物，即現金及銀行結存	264,142	452,616

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

附隨的附註構成此等綜合財務報表不可分割之部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 27 March 1992 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). According to the register of substantial shareholders maintained by the Company as at 30 June 2018, Emperor Culture Group Holdings Limited (“**Emperor Culture Holdings**”), Albert Yeung Holdings Limited (“**AY Holdings**”), STC International Limited (“**STC International**”) are substantial corporate shareholders of the Company. The ultimate controlling party of Emperor Culture Holdings is AY Holdings which is held by STC International as the trustee of The Albert Yeung Discretionary Trust (the “**AY Trust**”) as set up by Dr. Yeung Sau Shing, Albert. The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information and Key Dates” section of the annual report.

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

The Company acts as an investment holding company and is also engaged in investment in securities. The principal activities of its subsidiaries are set out in note 43.

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

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

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendments)	As part of Annual Improvements to HKFRSs 2014-2016 Cycle

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

1. 公司資料

本公司為一間於1992年3月27日在百慕達根據百慕達1981年公司法（經修訂）註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「**聯交所**」）上市。根據本公司於2018年6月30日置存之主要股東登記冊，英皇文化產業集團控股有限公司（「**英皇文化控股**」）、楊受成產業控股有限公司（「**楊受成產業控股**」）、STC International Limited（「**STC International**」）為本公司的主要法團股東。英皇文化控股的最終控制人為楊受成產業控股，而楊受成產業控股由STC International（即楊受成博士成立之The Albert Yeung Discretionary Trust（「**AY Trust**」）的受託人）持有。本公司之註冊辦事處及主要營業地點之地址披露於本年報「公司資料及重要日期」一節。

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

本公司為一間投資控股公司，並同時從事證券投資。其附屬公司之主要業務載於附註43。

2. 應用新訂及經修訂香港財務報告準則（「**香港財務報告準則**」）

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

香港會計準則第7號（修訂）	披露計劃
香港會計準則第12號（修訂）	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號（修訂）	作為香港財務報告準則2014年至2016年週期之年度改善的一部分

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKAS 7 (Amendments), Disclosure Initiative

The amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 40 to the consolidated financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 40 to the consolidated financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements.

New and revised standards, amendments and interpretations (collectively referred to as “new and amendments to HKFRSs”) in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 9 (Amendments)	Prepayment from Contracts with Negative Compensation ²
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 15 (Amendments)	Clarifications to HKFRS 15, Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第7號（修訂）「披露計劃」

香港會計準則第7號之修訂規定實體須向財務報表使用者提供披露資料，以評估融資活動產生之負債變動，包括現金及非現金變動。此外，該等修訂亦規定，如金融資產過往產生的現金流量或未來的現金流量為計入融資活動的現金流量，則需要披露該等金融資產之變動。

具體而言，該等修訂要求作出以下的披露：(i) 融資現金流量之變動；(ii) 取得或失去附屬公司或其他業務之控制權之變動；(iii) 匯率變動之影響；(iv) 公允價值變動；及(v) 其他變動。

有關該等項目期初及期末結餘之對賬將於綜合財務報表附註40內提供。誠如該等修訂之過渡條文，本集團並無披露去年之比較資料。除綜合財務報表附註40內之額外披露外，應用該等修訂並無對本集團綜合財務報表產生影響。

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

本集團並未提前應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號（修訂）	提早還款特性及負補償 ²
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（修訂）	澄清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16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預收（付）對價 ¹
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅的不確定性之處理 ²

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

New and revised standards, amendments and interpretations (collectively referred to as “new and amendments to HKFRSs”) in issue but not yet effective (continued)

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 4 (Amendments)	Applying HKFRS 9, Financial Instruments with HKFRS 4, Insurance Contracts ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement ²
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle ¹
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures ²
HKAS 40 (Amendments)	Transfers of Investment Property ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021, or when apply HKFRS 9 or HKFRS 15.

HKFRS 9, Financial Instruments

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

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

香港財務報告準則第2號(修訂)	股份付款交易之分類及計量 ¹
香港財務報告準則第4號(修訂)	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂)	投資者及其聯營公司或合營企業之間的資產銷售或注資 ³
香港會計準則第19號(修訂)	計劃修訂、縮減或結算 ²
香港會計準則第28號(修訂)	作為香港財務報告準則2014年至2016年週期之年度改善的一部分 ¹
香港會計準則第28號(修訂)	於聯營公司及合營企業的長期權益 ²
香港會計準則第40號(修訂)	投資物業之轉讓 ¹
香港財務報告準則(修訂)	香港財務報告準則2015年至2017年週期之年度改善 ²

¹ 於2018年1月1日或其後開始之年度期間生效，允許提早應用。

² 於2019年1月1日或其後開始之年度期間生效，允許提早應用。

³ 於待釐定之日期或其後開始之年度期間生效。

⁴ 於2021年1月1日或其後開始之年度期間，或於應用香港財務報告準則第9號或香港財務報告準則第15號時生效。

香港財務報告準則第9號「金融工具」

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKFRS 9, Financial Instruments (continued)

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39, Financial Instruments: Recognition and measurement, are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss (“FVTPL”), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, Financial Instruments: Recognition and Measurement, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

與本集團有關之香港財務報告準則第9號之主要規定載述如下：

- 屬香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產其後均須按攤銷成本或公允價值計量。具體而言，目的為收取合約現金流量之業務模式下持有以及附有純粹作本金及尚未償還本金之利息付款之合約現金流量之債務投資，一般於其後之會計期間結束時按攤銷成本計量。目的為收取合約現金流量及出售金融資產之業務模式下持有以及金融資產合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金之利息的債務工具，一般按透過其他全面收益之公允價值計量。所有其他債務投資及股權投資均於其後之報告期末按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列之股權投資（非持作買賣）公允價值之其後變動，一般僅股息收入於損益內確認。
- 香港財務報告準則第9號規定，就指定為按公允價值計入損益（「按公允價值計入損益」）列賬之金融負債的計量而言，因金融負債信貸風險有變而導致其公允價值變動之金額於其他全面收益內呈列，除非於其他全面收益確認該負債信貸風險變動的影響會產生或增加損益的會計錯配則作別論。金融負債信貸風險之公允價值變動其後不會重新分類至損益。根據香港會計準則第39號「金融工具：確認及計量」，指定為按公允價值計入損益之金融負債的全部公允價值變動金額均於損益內呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKFRS 9, Financial Instruments (continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transaction eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Group's financial instruments and risk management policies as at 30 June 2018, the directors of the Company (the “**Directors**”) anticipate the following potential impacts on initial application of HKFRS 9:

(i) Classification and measurement

The financial assets held by the Group include equity instruments that are currently classified as financial assets at FVTPL. All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under HKAS 39.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

- 就金融資產減值而言，與香港會計準則第39號項下按已發生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期計入預期信貸虧損及有關該等預期信貸虧損之變動，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。
- 根據目前適用之香港會計準則第39號，新訂一般對沖會計法規定保留三種對沖會計處理機制。根據香港財務報告準則第9號，新規定為合資格作對沖會計處理之各類交易提供更大之靈活性，特別是增加合資格作為對沖工具之工具類別以及合資格作對沖會計處理之非金融項目之風險成分類別。此外，追溯成效定量測試已撤銷。新規定亦引入增加披露有關實體風險管理活動之規定。

根據本集團於2018年6月30日之金融工具及風險管理政策，本公司董事（「**董事**」）預期首次應用香港財務報告準則第9號具以下潛在影響：

(i) 分類及計量

本集團持有之金融資產包括現時分類為按公允價值計入損益之金融資產的股本投資。所有其他金融資產及金融負債將繼續按現時根據香港會計準則第39號採納的相同基準計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKFRS 9, Financial Instruments (continued)

(ii) Impairment

In general, the Directors anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group. Based on the assessment by the Directors, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by the Group as at 1 July 2018 would have no significant change as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on loan and other receivables. No further impairment recognised under expected credit loss model would adjust the opening accumulated losses as at 1 July 2018.

HKFRS 15, Revenue from Contracts with Customers

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號「金融工具」（續）

(ii) 減值

一般而言，董事預期應用香港財務報告準則第9號的預期信貸虧損模式將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量的金融資產以及其他須作出減值撥備項目的尚未產生信貸虧損提前撥備。根據董事評估，倘本集團應用預期信貸虧損模式，本集團將於2018年7月1日確認的累計減值虧損金額與香港會計準則第39號項下確認的累計金額並無重大變動，主要由於已就貸款及其他應收款作出預期信貸虧損撥備。按預期信貸虧損模式確認之進一步減值將不會對於2018年7月1日的期初累計虧損作出調整。

香港財務報告準則第15號「來自客戶合約之收入」

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKFRS 15, Revenue from Contracts with Customers (continued)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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

The Directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the Directors do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

HKFRS 16, Leases

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

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

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號「來自客戶合約之收入」（續）

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

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

董事預期日後應用香港財務報告準則第15號可能導致作出更多披露，然而，董事預期應用香港財務報告準則第15號將不會對於各報告期確認收益之時間及金額造成重大影響。

香港財務報告準則第16號「租賃」

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

HKFRS 16, Leases (continued)

Furthermore, extensive disclosures are required by HKFRS 16.

At 30 June 2018, the Group has non-cancellable operating lease commitments of HK\$262,233,000 as disclosed in note 39(a) to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Statement of compliance

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

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號「租賃」（續）

此外，香港財務報告準則第16號亦要求更廣泛之披露。

誠如綜合財務報表附註39(a)披露，本集團於2018年6月30日有不可撤銷的經營租賃承擔262,233,000港元。初步評估顯示該等安排符合租賃的定義，以致本集團將就所有該等租賃確認使用權資產及相應負債，除非該等租賃於香港財務報告準則第16號應用時符合低價值或短期租賃的條件。此外，新規定之應用可能引致上文所示之計量、呈列及披露有所變動。然而，在董事完成詳細審閱前無法提供財務影響的合理估計。

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

3. 主要會計政策概要

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

(a) 合規聲明

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, Share-based Payment, leasing transactions that are within the scope of HKAS 17, Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2, Inventories or value in use in HKAS 36, Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策概要 (續)

(b) 編制基準

綜合財務報表乃按歷史成本法編製，惟若干金融資產以公允價值計算。歷史成本一般以交換貨品及服務時給予代價之公允價值為基準計算。根據香港財務報告準則編製綜合財務報表須運用若干關鍵會計估計，亦需要管理層於應用本集團會計政策過程中作出其判斷。

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Specially, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

3. 主要會計政策概要 (續)

(c) 綜合賬目基準

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

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

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

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

損益及其他全面收益之各組成部分乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

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

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

(d) Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12, Income Taxes and HKAS 19, Employee Benefits respectively;

3. 主要會計政策概要 (續)

(c) 綜合賬目基準 (續)

於附屬公司之非控股權益與本集團所佔之權益分開呈報。

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

(d) 業務合併

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

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

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangement of the acquiree are measured in accordance with HKFRS 2, Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5, Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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

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

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

- 與被收購方以股份支付安排或本集團為取代被收購方之以股份支付安排而訂立之以股份支付安排相關之負債或權益性工具於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組合）根據該項準則計量。

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

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

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

Acquisition of a subsidiary that not constituting a business

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

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

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

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

收購一間不構成業務之附屬公司

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill

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

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

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

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

(f) Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 主要會計政策概要 (續)

(e) 商譽

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

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

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

倘出售有關現金產生單位,於釐定出售損益金額時會計入應佔商譽金額。

(f) 於聯營公司之權益

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Interests in associates (continued)

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

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the interest in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

3. 主要會計政策概要 (續)

(f) 於聯營公司之權益 (續)

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Interests in associates (continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36, Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

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

3. 主要會計政策概要 (續)

(f) 於聯營公司之權益 (續)

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Non-current assets held for sale

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

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

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

(h) Property, plant and equipment

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

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

3. 主要會計政策概要 (續)

(g) 持作出售非流動資產

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

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

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

(h) 物業、機器及設備

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

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

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

Leasehold improvement	:	20%
Furniture, fixtures and equipment	:	20%
Machinery	:	20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策概要 (續)

(h) 物業、機器及設備 (續)

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

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

租賃物業裝修	:	20%
傢俬、固定裝置及設備	:	20%
機器	:	20%

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets

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

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

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

(i) Trademarks

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

(ii) Production rights

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

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

3. 主要會計政策概要 (續)

(i) 無形資產

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

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

本集團之無形資產之類別概述如下：

(i) 商標

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

(ii) 製作版權

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Film and TV programme rights

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

(k) Film and TV programme production in progress

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

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

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(m) Revenue recognition

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

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

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

3. 主要會計政策概要 (續)

(j) 電影及電視節目版權

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

(k) 製作中之電影及電視節目

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

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

(l) 存貨

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

(m) 收入確認

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

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

授出電影及電視節目發行權之收入於電影之母帶交付客戶時確認及該金額能可靠地衡量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition (continued)

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

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

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

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

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

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

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

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

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

3. 主要會計政策概要 (續)

(m) 收入確認 (續)

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

電影放映所得之票房收入於出售電影戲票予顧客及電影上映時確認。

屏幕廣告收入於有關廣告及節目根據相關協議放映時確認。

貨品銷售之收入於貨品交付及貨品所有權之重大風險及回報已轉移至買家時確認。

表演項目投資之收入於表演項目完成時確認。

證券投資銷售按交易日基準確認。

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

證券投資所得股息收入於股東收取股息之權利確立時確認。

補償收入於本集團根據相關協議之條款確立其獲得收取有關款項之權利時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Foreign currencies

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

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(o) Leasing

All leases are classified as operating leases.

The Group as lessee

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

3. 主要會計政策概要 (續)

(n) 外幣

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

貨幣項目結算及貨幣項目的重新換算所產生之匯兌差額於其產生期間於損益內確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之通行匯率換算為本集團之呈列貨幣（即港元），而收入及開支項目乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動，於此情況下，則採用於交易當日之匯率。所產生之匯兌差額（如有）乃於其他全面收益確認及於權益內之匯兌儲備項下累計（倘適用，則歸屬於非控股權益）。

於出售海外業務（即出售本集團於該海外業務之全部權益，或出售涉及失去包含海外業務附屬公司之控制權、出售涉及失去包含海外業務之合營企業之共同控制權，或出售涉及失去對包含海外業務之聯營公司之重大影響）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

(o) 租賃

所有租賃列為經營租賃。

本集團作為承租人

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

(i) Financial assets

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

3. 主要會計政策概要 (續)

(p) 金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時確認。

金融資產及金融負債於初始時按公允價值計量。直接與收購或發行金融資產及金融負債(按公允價值計入損益之金融資產及金融負債除外)有關之交易成本於初始確認時加入金融資產或金融負債之公允價值或自其中扣除(如適用)。直接與收購按公允價值計入損益之金融資產或金融負債有關之交易成本則即時於損益內確認。

(i) 金融資產

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

實際利率法

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

按公允價值計入損益之金融資產

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

倘金融資產屬下列情況，則分類為持作買賣：

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

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

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性；或
- 該金融資產構成一組金融資產或金融負債或同時兩者的一部分，並根據本集團制定的風險管理或投資策略管理及以公允價值評估其表現，且有關分組之資料按此基準向內部提供；或
- 其構成包含一項或多項嵌入式衍生工具的合約的一部分，而香港會計準則第39號允許將整個組合合約(資產或負債)指定為按公允價值計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at FVTPL (continued)

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

Embedded derivatives

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

Loans and receivables

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

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

Impairment of financial assets

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

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

按公允價值計入損益之金融資產 (續)

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

嵌入式衍生工具

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

貸款及應收賬款

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

利息收入按實際利率確認，惟短期應收賬款（於確認利息屬微不足道時）除外。

金融資產之減值

金融資產（按公允價值計入損益者除外）會於各報告期末評估減值跡象。倘有客觀證據表明，金融資產於初始確認後發生一項或多項事件導致其估計未來現金流量受到影響，則金融資產須考慮作出減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

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

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

金融資產之減值 (續)

就所有其他金融資產而言，客觀減值證據包括：

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets (continued)

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

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

(ii) Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

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

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(i) 金融資產 (續)

金融資產之減值 (續)

就所有金融資產而言，金融資產之賬面值直接按減值虧損扣減，惟貿易應收款除外，其賬面值乃透過使用撥備賬目扣減。倘貿易應收款被認為無法收回，則與撥備賬目撇銷。過往被撇銷之款項其後收回則計入損益。

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

(ii) 金融負債及權益性工具

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

權益性工具

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

其他金融負債

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

(iii) Derecognition

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

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

3. 主要會計政策概要 (續)

(p) 金融工具 (續)

(ii) 金融負債及權益性工具 (續)

實際利率法

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

利息支出以實際利率基準確認。

(iii) 終止確認

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation, as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries, interests in associates and interests in jointly controlled entities except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策概要 (續)

(q) 稅項

所得稅開支指本期應付稅項及遞延稅項之總額。

本期稅項

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

遞延稅項

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation (continued)

Deferred tax (continued)

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(r) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策概要 (續)

(q) 稅項 (續)

遞延稅項 (續)

遞延稅項資產之賬面值乃於各報告期末進行檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債根據於報告期末已頒佈或大體上已頒佈之稅率（及稅法），按預期於清償負債或變現資產期間適用之稅率計量。

遞延稅項負債及資產之計量反映於報告期末本集團預期收回或清償有關資產及負債賬面值之稅務影響。

年度本期及遞延稅項

本期及遞延稅項於損益確認，惟遞延稅項涉及於其他全面收益確認或直接於權益確認之項目除外，於此情況下，本期及遞延稅項亦會分別於其他全面收益或直接於權益確認。倘業務合併之初始會計處理產生本期稅項或遞延稅項，則稅務影響計入業務合併之會計處理。

(r) 有形及無形資產（商譽除外）減值

本集團於各報告期末檢討其具有限可使用年期之有形及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則估計該資產之可收回金額以釐定減值虧損（如有）之程度。倘個別資產之可收回金額不能作出估計，本集團則估算該資產所屬現金產生單位之可收回金額。倘本集團能確定一個合理及一貫之分配基準，則企業資產亦分配至個別現金產生單位，否則將分配至可確定合理及一貫之分配基準之最小現金產生單位組別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of tangible and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(s) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. 主要會計政策概要 (續)

(r) 有形及無形資產 (商譽除外) 減值 (續)

可收回金額乃公允價值減出售成本與使用價值之較高者。在評估使用價值時，本集團會使用稅前折現率將估計未來現金流量折現至其現值，該折現率反映貨幣時間價值之當前市場評估及估計未來現金流量未經調整之資產之特定風險。

倘估計一項資產 (或現金產生單位) 之可收回金額少於其賬面值，則該資產 (或現金產生單位) 之賬面值會扣減至其可收回金額。減值虧損即時於損益內確認。

當減值虧損其後撥回，則該資產 (或現金產生單位) 之賬面值會增至重新估計之可收回數額，但增加後之賬面值不得超過該資產 (或現金產生單位) 於過往年度若未確認減值虧損時所釐定之賬面值。減值虧損撥回即時於損益內確認。

(s) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款及原定於3個月或以內到期之其他短期高流通量之投資。

(t) 撥備

當本集團因過往事件而有現有責任 (法律或推定)，並本集團將可能須償付該責任及該責任金額能可靠地估計時確認撥備。

確認為撥備之金額為於報告期末就償付現有責任所需之代價之最佳估計，當中已考慮涉及有關責任之風險及不確定因素。倘撥備以償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值 (倘貨幣時間價值之影響重大)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. When inflow is virtually certain, an asset is recognised.

(v) Employee benefits

- (i) Salaries, annual bonuses, paid annual leaves, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to contributions.

3. 主要會計政策概要 (續)

(t) 撥備 (續)

倘支付撥備所需之部分或全部經濟利益預期可向第三方收回，且甚為肯定能收取賠償及應收賬款金額能可靠地計量，則該應收賬款可確認為資產。

(u) 或然負債及或然資產

或然負債為過往事件產生之可能責任，其存在與否僅由一件或以上非本集團能全面控制之未來不確定事件是否發生所確定。或然負債亦可為過往未確認事件產生之現有責任，未確認之原因為可能將無須流出經濟資源或責任款額未能可靠地計量。本集團不會確認或然負債，惟會於綜合財務報表附註披露。倘流出之可能性改變以至流出變為可能，則會將或然負債確認為撥備。

或然資產為過往事件產生之可能資產，其存在僅由發生或不發生一項或多項本集團無法全面控制之未來事件而確定。資產於實際確定經濟利益流入時確認。

(v) 僱員福利

- (i) 薪金、年度花紅、有薪年假、外遊費用津貼及本集團非金錢福利成本於本集團僱員提供相關服務之年度計算。倘上述付款或償付遞延處理而影響屬重大，則該等款項會按現值列賬。
- (ii) 向定額供款退休福利計劃之付款於僱員已提供使彼等有權享受供款之服務時確認為一項開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

(iii) The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the consolidated statement of profit or loss. The total amount to be expensed over the vesting period is determined with reference to the fair value of the share options granted. At the end of the reporting period, the Company revises its estimates of the number of share options that are expected to become exercisable that become vested. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of profit or loss, and a corresponding adjustment to equity in the consolidated statement of financial position will be made over the remaining vesting period.

(iv) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(w) Related parties

A party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control over the Group; or
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.

3. 主要會計政策概要 (續)

(v) 僱員福利 (續)

(iii) 就僱員提供服務而授予購股權之公允價值於綜合損益表確認為開支。於歸屬期內列作開支之總金額乃參考所授購股權之公允價值釐定。於報告期末，本公司修訂其對預期可行使及已歸屬之購股權數目所作之估計，並於綜合損益表確認修訂原有估計（如有）所產生之影響，以及於綜合財務狀況表內相應調整餘下歸屬期之權益。

(iv) 終止聘用福利於及僅於本集團具備詳細、正式及不可能撤回方案之情況下，明確表示終止聘用或因採取自願離職措施而提供福利時，方予確認。

(w) 關連人士

某方倘有下述情況會被視為與本集團有關連：

- (i) 倘某個別人士屬下列情況，則該個別人士或其近親與本集團有關連：
 - (1) 於本集團有控制權或共同控制權；或
 - (2) 對本集團能施以重大影響力；或
 - (3) 為本集團或其母公司之主要管理人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties (continued)

(ii) An entity is related to the Group if any of the following conditions applies:

- (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
- (2) one entity is an associate or a jointly controlled entities of the other entity (or an associate or a jointly controlled entities of a member of a group of which the other entity is a member); or
- (3) both entities are jointly controlled entities of the same third party; or
- (4) one entity is a jointly controlled entities of a third entity and the other entity is an associate of the third entity; or
- (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; or
- (6) the entity is controlled or jointly controlled by a person identified in (i); or
- (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (8) the entity, or any member of a group of which it is apart, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between a group entity and a related party, regardless of whether a price is charged.

Close members of a family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 主要會計政策概要 (續)

(w) 關連人士 (續)

(ii) 倘符合下列任何條件，即實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）；或
- (2) 一間實體為另一實體之聯營公司或共同控制實體（或另一實體為成員公司之集團旗下成員公司之聯營公司或共同控制實體）；或
- (3) 兩間實體均為同一第三方之共同控制實體；或
- (4) 一間實體為第三方實體之共同控制實體，而另一實體為該第三方實體之聯營公司；或
- (5) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；或
- (6) 該實體受(i)所識別人士控制或共同控制；或
- (7) 於(i)(1)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）主要管理人員；或
- (8) 該實體或其所屬集團內任何成員公司為本集團或其母公司提供主要管理人員服務。

關連人士交易指本集團實體與關連人士之間進行之資源、服務或責任轉讓，而不論是否收取價格。

個別人士之近親為於與該實體進行交易時可能預期影響該人士或受該人士影響之家族成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of trade and other receivables

The provision of impairment loss on trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. In determining whether impairment is required, the Group takes into consideration the ageing status and likelihood of collection. When the recoverability of trade and other receivables are called into doubts, specific provision of impairment loss on trade and other receivables is made on the difference between the estimated future cash flows expected to receive being discounted using the original effective interest rate and the carrying value.

4. 重大會計判斷及估計不確定因素之主要來源

於應用附註3所述本集團之會計政策時，管理層須就從其他來源不顯而易見之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及認為屬有關之其他因素而作出。實際結果可能有別於該等估計。

該等估計及相關假設會持續檢討。倘若會計估計修訂僅影響修訂估計期間，則有關修訂會在該期間確認。倘若有關修訂影響修訂期間及未來期間，則有關修訂會在當期及未來期間確認。

估計不確定因素之主要來源

以下為涉及未來之關鍵假設及於報告期末估計不確定因素之其他主要來源（彼等均可能存在導致須對下一財政年度資產及負債賬面值作出大幅調整之重大風險）。

(a) 貿易及其他應收款減值

本集團乃基於對可收回性之評估、賬目之賬齡分析及管理層之判斷，對貿易及其他應收款作減值虧損撥備。於釐定是否需減值時，本集團考慮賬齡情況及收回之可能性。當對貿易及其他應收款之可收回性有懷疑時，將就貿易及其他應收款作特殊減值虧損撥備，其為按原實際利率折現而估計預期收取之未來現金流量與賬面值之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(b) Impairment of film and TV programme rights

At the end of each reporting period, the management performs review of the carrying amount of each of the film and TV programme rights by reference to its estimated total projected revenues from each film and TV programme, which is based on the historical performance and incorporating factors such as the past box office record of the lead actors and actresses, the genre of the film, pre-release market research, the expected number of theatres that the film will be released to and the anticipated performance in the home entertainment, television and other ancillary markets, and agreement for future sales. The residual values of each of the film and TV programme rights are continually evaluated based on the changes in consumer demand.

(c) Impairment of film and TV programme production in progress

The management regularly reviews the recoverability of the Group's film and TV programme production in progress with reference to its intended use and current market environment and its expectation of future income to be generated from these films and TV programmes. In determining the recoverable amounts of the film and TV programme production in progress, the Group takes into consideration of the distribution and license agreements entered into by the Group or its co-investment partner and the current market environment to project the expected cash flows to be received through box office receipts and distribution and licensing income. Impairment is recognised when the recoverable amount is expected to be less than the carrying amounts of the film and TV programme production in progress.

(d) Impairment of investments in film production

In assessing the recoverability of investments in film production, the management assesses the credibility of the counterparties, the progress of the related film production and the market condition. The management determines the provision for impairment of investments in film production taking into account the estimation of cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

(b) 電影及電視節目版權減值

於各報告期末，管理層經參考每部電影及電視節目所估計之預測收入總額，以檢討每項電影及電視節目版權之賬面值。上述收入預測乃基於以往表現及綜合男女主角過去票房紀錄、電影種類、預先所作市場調查、預計放映電影之影院數目以及家居娛樂、電視及其他配套市場之預期表現，以及未來銷售之協議等各項因素而作出。本集團會持續根據消費者需求之轉變評估每項電影及電視節目版權之餘值。

(c) 製作中之電影及電視節目減值

管理層經參考製作中之電影及電視節目的擬定用途及目前市場環境，以及預期該等電影及電視節目可產生之未來收入後，定期檢討本集團的製作中之電影及電視節目的可收回性。於釐定製作中之電影的可收回金額時，本集團於計及其或聯合投資方所訂立之發行及授權協議之代價及目前市場環境後，預測從票房收入及發行和授權收入中所得之現金流量。減值於可收回金額預期少於製作中之電影及電視節目的賬面值時確認。

(d) 於電影製作之投資減值

於評估電影製作之投資之可收回性時，管理層會評估對手方之信譽、相關電影製作之過程以及市場狀況。管理層計及現金流之估計後釐定電影製作之投資減值撥備。倘實際未來現金流量少於預期，則可能出現重大減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(e) Impairment of goodwill

The Group performs annual review on impairment of goodwill in accordance with the accounting policy of the Group. The recoverable amounts of CGUs are determined based on value-in-use calculation. This calculation requires the use of estimates and assumptions made by the management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculation.

(f) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual review on whether the assumptions made on useful lives continue to be valid.

(g) Fair value measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management is responsible for determination of the appropriate valuation techniques and inputs for the fair value measurements.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 5, 26, 27 and 28 respectively provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

(e) 商譽減值

本集團根據本集團之會計政策每年對商譽減值進行檢討。現金產生單位之可收回金額根據使用價值計算釐定。此計算要求管理層對業務之未來營運、除稅前折現率以及與使用價值計算有關之其他假設進行估計及假設。

(f) 物業、機器及設備之可使用年期

根據香港會計準則第16號，本集團估計物業、機器及設備之可使用年期，以釐定將予記賬之折舊開支金額。本集團於購入資產時估計可使用年期，此乃根據以往經驗、預期用途、資產之耗損及因市場需求或資產之服務輸出量之變動導致技術性過時作出評估。本集團亦每年檢討對可使用年期所作假設是否仍然有效。

(g) 公允價值計量及估值程序

就財務報告而言，本集團部份資產及負債按公允價值計量。管理層負責釐定公允價值計量之適當估值技巧及輸入數據。

本集團使用包含並非基於市場可觀察數據之輸入數據之估值技巧，以估計若干類型金融工具之公允價值。附註5、26、27及28分別提供釐定各種資產及負債之公允價值所使用的估值技巧、輸入數據及關鍵假設有關於詳情資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

(h) Current income taxes

The Group's subsidiaries that operate in Hong Kong and The People's Republic of China (the "PRC") are subject to income tax. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

(h) 本期所得稅

本集團於香港及中華人民共和國(「中國」)營運之附屬公司須繳納所得稅。釐定所得稅撥備時需要作出重大判斷。於日常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。本集團按照會否出現額外應繳稅項之估計為基準而確認預期稅務事宜所產生之負債。

倘該等事宜之最終稅務結果與初始記賬之金額不同，有關差額將會影響作出有關決定期內之所得稅。

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and bank balances)	貸款及應收賬款(包括現金及銀行結存)	348,224	513,145
Financial assets at FVTPL	按公允價值計入損益之金融資產	27,960	60,924
		376,184	574,069
Financial liabilities	金融負債		
Amortised cost	攤銷成本	153,385	166,077

(b) Financial risk management objectives and policies

The Group's major financial instruments include investments in film production, trade and other receivables, deposits, contingent consideration receivable, financial assets at FVTPL, cash and bank balances, trade and other payables and amounts due to related companies/non-controlling interests. Details of these financial instruments are disclosed in respective notes. The risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

5. 金融工具

(a) 金融工具之分類

(b) 財務風險管理目標和政策

本集團之主要金融工具包括於電影製作之投資、貿易及其他應收款、按金、應收或然代價、按公允價值計入損益之金融資產、現金及銀行結存、貿易及其他應付款以及應付關聯公司/非控股權益款項。該等金融工具之詳情在相關附註中披露。有關該等金融工具之風險包括市場風險(包括外幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險，及如何減低該等風險之政策載於下文。管理層管理及監察該等風險，確保以適時及有效之方式實行合適之措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risk

(i) Foreign currency risk

The Group mainly operates in Hong Kong and the PRC, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities denominated in a currency that is not the functional currency of the individual group companies and net investments in foreign operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Liabilities 負債		Assets 資產	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元
RMB	人民幣	91,701	41,983	108,213	81,277

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's sensitivity to a 5% increase or decrease in HK\$ against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year ended for a 5% change in foreign currency rates. A positive number below indicates a decrease in the Group's loss where the HK\$ strengthen 5% against the relevant currency. For a 5% weakening of the HK\$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balance below would be negative.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

本集團就金融工具所面臨之風險類型或本集團管理及計量該等風險之方式並無變化。

市場風險

(i) 外幣風險

本集團主要在香港及中國經營，並承受不同貨幣產生之匯兌風險，主要與人民幣（「人民幣」）有關。匯兌風險自未來商業交易、已確認資產及負債（以個別集團公司功能貨幣以外貨幣列值），以及海外業務之淨投資產生。

本集團以外幣計值之貨幣資產和貨幣負債於報告期末之賬面值如下：

敏感度分析

本集團主要面對人民幣波動之影響。

下表詳述本集團對港元兌人民幣升值或貶值5%之敏感度。5%是內部向主要管理人員匯報外幣風險時所用之敏感度比率，並代表管理層對外幣匯率合理可能變動之評估。敏感度分析包括以外幣計值之未平倉貨幣項目，並於年底調整其換算，以反映外幣匯率之5%變動。以下正數反映若港元兌相關貨幣升值5%，本集團虧損將會減少。若港元兌相關貨幣貶值5%，對虧損將產生相反的等額影響，而下表餘額將會是負數。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis (continued)

		Impact of RMB 人民幣影響	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit or loss	溢利或虧損	(826)	(1,965)

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and also exposed to cash flow interest rate risk in relation to variable-rate bank deposits. The Group currently does not have policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank deposits at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for variable-rate bank deposits is used when reporting interest rate risk internally to key management personnel and represents the management's assessment of the reasonably possible change in interest rates.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

敏感度分析 (續)

董事認為，敏感度分析並不能代表固有之外幣風險，因為於報告期末之年末風險並不能反映本年度之風險。

(ii) 利率風險

利率風險乃有關金融工具公允價值或現金流量因市場利率變動而波動之風險。本集團面臨與定息銀行存款相關之公允價值利率風險及與浮息銀行存款相關之現金流量利率風險。本集團目前並無有關利率風險之現金流量對沖政策。然而，管理層監控利率風險並將於需要時考慮對沖重大利率風險。

敏感度分析

下列敏感度分析按於報告期末之浮息銀行存款之利率風險釐定。編製該分析時乃假設於報告期末之未平倉金融工具於全年均未平倉。浮息銀行存款按10個基點之增加或減少是內部向主要管理人員匯報利率風險時所用之水準，並代表管理層對利率合理可能變動之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis (continued)

If interest rates for the variable-rate bank deposits had been 10 basis points (2017: 10 basis points) higher and all other variables were held constant, the Group's loss for the year would decrease by HK\$112,000 (2017: HK\$110,000).

If the interest rates had been lower in an opposite magnitude and all other variables were held constant, the potential effect on the Group's loss for the year would be equal and opposite.

(iii) Other price risks

Equity security price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to equity security price risk arising from individual equity investments classified as financial assets at FVTPL.

Sensitivity analysis

The sensitivity analyses below indicates the approximate change in the Group's loss for the year and other components of equity in response to the reasonably possible changes in the relevant stock market prices, to which the Group has significant exposure at the end of the reporting period.

In response to the reasonably possible change in the market price of the listed securities, if the equity price had been 5% higher or lower, the Group's loss for the year would decrease or increase by HK\$1,038,000 (2017: HK\$2,622,000).

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析 (續)

若浮息銀行存款利率上升10個基點(2017年:10個基點)及所有其他可變因素均維持不變,本集團年度虧損將會減少112,000港元(2017年:110,000港元)。

若利率降低同等幅度及所有其他可變因素均維持不變,對本集團年度虧損將造成同等及相反之潛在影響。

(iii) 其他價格風險

股本證券價格風險與金融工具之公允價值或未來現金流量將基於市價變動(利率及匯率變動除外)而波動之風險有關。本集團須承受分類為按公允價值計入損益之金融資產之個別股本投資產生之股本證券價格風險。

敏感度分析

以下敏感度分析顯示本集團於報告期末承受重大風險之相關股票市價出現可能之合理變動時,本集團年內虧損及權益其他組成部分出現之概約變動。

就上市證券之市價出現可能之合理變動時,倘股價上升或下跌5%,本集團年度虧損將減少或增加1,038,000港元(2017年:2,622,000港元)。

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綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 30 June 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 50% (2017: 40%) and 90% (2017: 93%) of the total trade receivables which were due from the Group's largest customer and the five largest customers respectively within film and TV programme production and investment operation and cinema operation (2017: film and TV programme production and investment operation, event investment operation and cinema operation). The Directors consider that there is no significant credit risk on the trade receivables from the five largest customers given their strong financial background and good creditability. The remaining trade receivables balances are spread over a number of customers.

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

信貸風險

於2018年6月30日，本集團因交易對方未能履行責任而將令本集團招致財務虧損之最大信貸風險，乃來自綜合財務狀況表所列各項已確認金融資產之賬面值。

為將信貸風險降至最低，管理層已委派一支團隊負責釐定信貸限額、信貸審批及其他監控程式，以確保採取跟進措施收回逾期債務。此外，本集團於報告期末檢討其個別貿易債項及債務投資之可收回金額，以確保就不能收回之金額作出足夠減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。

由於對手為國際信貸評級機構所指定具有高信貸評級之銀行，因此，流動資金之信貸風險有限。

本集團之貿易應收款總額存有集中信貸風險分別為50% (2017年：40%) 及90% (2017年：93%)，乃來自本集團電影及電視節目製作及投資營運及戲院營運 (2017年：電影及電視節目製作及投資營運、表演項目投資營運及戲院營運) 之最大客戶及首五大客戶。董事認為來自首五大客戶之貿易應收款之信貸風險並不重大，因彼等之財務狀況穩健及信貸記錄良好。其餘貿易應收款結餘乃分散於大量客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group manages liquidity risk by maintaining adequate bank deposits and cash, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2018, based on the existing levels of bank balances, the Group will be able to meet its future cash flow requirements. Accordingly, the management considers that the Group's liquidity risk is minimal.

The following table details remaining contractual maturity for its non-derivative financial liabilities that will result in cash outflow and has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows.

		Weighted average effective interest rate 加權平均實際利率	Within 1 year or repayable on demand 少於1年或按 要求償還 HK\$'000 千港元	Within 2 to 5 years 2年至5年內 HK\$'000 千港元		Over 5 years 5年以上 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Total carrying amount 總賬面值 HK\$'000 千港元
2018	2018年							
Non-derivative financial liabilities:	非衍生金融負債:							
Trade and other payables	貿易及其他應付款	-	92,962	-	-	-	92,962	92,962
Amounts due to related companies	應付關連公司款項	-	15,553	-	-	-	15,553	15,553
Amount due to non-controlling interests	應付非控股權益款項	-	44,870	-	-	-	44,870	44,870
			153,385	-	-	-	153,385	153,385
2017	2017年							
Non-derivative financial liabilities:	非衍生金融負債:							
Trade and other payables	貿易及其他應付款	-	105,158	-	-	-	105,158	105,158
Amounts due to related companies	應付關連公司款項	-	16,049	-	-	-	16,049	16,049
Amount due to non-controlling interests	應付非控股權益款項	-	44,870	-	-	-	44,870	44,870
			166,077	-	-	-	166,077	166,077

5. 金融工具 (續)

(b) 財務風險管理目標和政策 (續)

流動資金風險

本集團透過維持充足銀行存款及現金、監察預測及實際現金流量以及配對金融資產及負債之到期時間表，藉以管理流動資金風險。

於2018年6月30日，根據現時銀行結餘水平，本集團將能夠滿足其未來現金流要求。因此，管理層認為本集團之流動資金風險甚微。

下表詳述將導致現金流出之非衍生金融負債之餘下合約到期日及根據本集團須還款最早日期之金融負債之未折現現金流量作出。下表已包括主要現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The following table shows an analysis of the financial assets recorded at fair value by the fair value hierarchy:

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2018	2018年				
Financial assets at FVTPL:	按公允價值計入損益之金融資產:				
Contingent consideration receivable	應收或然代價	—	—	7,210	7,210
Equity securities listed in Hong Kong	在香港上市之股本證券	20,750	—	—	20,750
		20,750	—	7,210	27,960
2017	2017年				
Financial assets at FVTPL:	按公允價值計入損益之金融資產:				
Contingent consideration receivable	應收或然代價	—	—	8,483	8,483
Equity securities listed in Hong Kong	在香港上市之股本證券	52,441	—	—	52,441
		52,441	—	8,483	60,924

The fair value of the financial assets traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These financial assets are included in Level 1.

5. 金融工具 (續)

(c) 公允價值計量

按經常性基準以公允價值計量之本集團金融資產之公允價值

本集團若干金融資產於各報告期末按公允價值計量。下表提供此等金融資產之公允價值如何釐定之資料(尤其是所採用之估值技巧及輸入數據),以及根據公允價值計量之輸入數據之可觀察程度公允價值計量所歸入之公允價值等級(第1至3級)。

下表列示按公允價值層級劃分之以公允價值入賬之金融資產之分析:

於活躍市場買賣之金融資產之公允價值乃基於報告期末之市場報價計算。如可自交易所、證券商、經紀、行業組織、定價服務或監管機構隨時及定期取得報價,而該等價格乃按公平基準實際及定期發生市場交易之價格,則有關市場被視為活躍市場。本集團所持有金融資產所採用之市場報價為現時買入價。此類金融資產分類於第1級。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

As described in note 26 to the consolidated financial statements, the fair value of contingent consideration receivable in relation to the acquisition of Jade Dynasty Multi-Media Limited (“JDMM”) and its subsidiaries (collectively referred to as “JDMM Group”) are measured at fair value under the income approach and are taken into consideration of whether the Profit Guarantee (as defined in note 26) is probable to be fulfilled. The unobservable inputs used in respect of the valuation are (i) expected future profitability for three scenarios and (ii) probability distribution of three different conditions.

The fair value measurement is negatively correlated to the expected results of JDMM Group.

The Directors have engaged with an independent firm of valuers, Flagship Appraisals and Consulting Limited (“Flagship”) (formerly known as “Flagship Consulting (Hong Kong) Limited”) to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the asset, the management worked closely with Flagship to establish the appropriate valuation techniques and inputs to the model and reported the findings to the Directors at the end of reporting period to explain the cause of fluctuations in fair value of the asset.

Information about the valuation techniques and inputs used in determining the fair value of contingent consideration receivable are disclosed above.

The following table presents the changes in contingent consideration receivable which is classified as Level 3 instrument:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
At the beginning of the year	於年初	8,483	–
Arising on acquisition of subsidiaries (note 35)	收購附屬公司時產生 (附註35)	–	8,145
(Loss)/gain on fair value change for the year	年度公允價值變動 (虧損)/收益	(1,273)	338
At the end of the year	於年末	7,210	8,483

5. 金融工具 (續)

(c) 公允價值計量 (續)

按經常性基準以公允價值計量之本集團 金融資產之公允價值 (續)

誠如綜合財務報表附註26所述，有關收購玉皇朝多媒體有限公司（「玉皇朝多媒體」）及其附屬公司（統稱「玉皇朝多媒體集團」）之應收或然代價之公允價值乃按收益法以公允價值計量，並經計及溢利保證（定義見附註26）是否可達致。所使用有關估值的無法觀察輸入數據為(i)三個假設的預期未來盈利能力及(ii)三種不同情況下的盈利能力分配。

公允價值計量與玉皇朝多媒體集團之預期業績是負相關關係。

董事已委聘獨立估值師旗艦資產評估顧問有限公司（「旗艦」）（前稱「旗艦顧問（香港）有限公司」）釐定用於公允價值計量之適當估值技巧及輸入數據。

於估計資產之公允價值時，管理層緊密配合旗艦以確立適合模型的估值技巧及輸入數據，並於報告期末向董事匯報結果以說明該資產公允價值波動的原因。

於釐定應收或然代價之公允價值所使用之估值技巧及輸入數據資料於上文披露。

下表呈列分類為第3級工具之應收或然代價之變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Due to the variety of basis of determination used in profit forecast, it is not practicable to provide any meaningful sensitivity in relation to the critical assumptions concerning future profitability of acquired business and the potential impact on the fair value change on the contingent consideration receivable at the end of reporting period.

However, if the probability of worst and best scenarios is 5% lower or higher and the probability of normal scenarios is 10% lower or higher, there will not be any material impact on the fair value change of the contingent consideration receivable (2017: within 1%). If the expected result after tax of the acquired business is 10% lower or higher, there will not be any material impact on the fair value change of the contingent consideration receivable (2017: within 1%).

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the events or change in circumstances that caused the transfer.

Other than disclosed above, the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of all other financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their corresponding fair values. As at 30 June 2017, the fair value of the asset classified as held for sale was HK\$47,600,000, which was measured at the lower of its carrying amount or fair value less costs to sell.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

5. 金融工具 (續)

(c) 公允價值計量 (續)

按經常性基準以公允價值計量之本集團金融資產之公允價值 (續)

由於溢利預測使用的釐定基礎各有不同，於報告期末就有關購入業務之未來盈利及應收或然代價公允價值變動之潛在影響的重大假設而作出任何具意義的敏感度分析可行性不大。

儘管如此，若最差及最佳情況的可能性減少或增加5%及正常情況的可能性減少或增加10%，將不會對應收或然代價之公允價值變動造成重大影響(2017年：1%以內)。若購入業務的預期除稅後業績減少或增加10%，將不會對應收或然代價之公允價值變動造成重大影響(2017年：1%以內)。

於本年度，第1級與第2級之間並無轉撥，亦無轉撥至或轉撥出第3級。

本集團之政策為於引致轉撥之事件或情況變動日期確認公允價值層級之間的轉入及轉出。

除上文所披露者外，其他金融資產及金融負債之公允價值乃按公認定價模式進行折現現金流量分析釐定。

董事認為，於各報告期末按攤銷成本入賬之所有其他金融資產及金融負債之賬面值與其相應之公允價值相若。於2017年6月30日，分類為持作出售之資產之公允價值為47,600,000港元，乃按其賬面值與公允價值減出售成本之較低者計量。

6. 資本風險管理

本集團管理其資本，以確保本集團之實體將可持續經營，並透過優化債務及權益結餘為持份者帶來最大回報。與過往年度相比，本集團之整體策略維持不變。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. CAPITAL RISK MANAGEMENT (continued)

The capital structure of the Group consists of debts (which include amounts due to related companies/non-controlling interests, as disclosed in note 32), net of cash and bank balances and equity attributable to the owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through issue of new shares, new borrowings raising and repayment of borrowings.

7. REVENUE

An analysis of the Group's revenue is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cinema operation	戲院營運	65,578	31,829
Film and TV programme production and investment and others	電影及電視節目製作與投資及其他	24,633	26,251
Event investment and others	表演項目投資及其他	991	902
Investment in securities	證券投資	—	(14,057)
		91,202	44,925

8. SEGMENT INFORMATION

For the purposes of resource allocation and assessment of segment performance, information reported to the Executive Directors of the Company, being the chief operating decision makers (the "CODM"), focus on types of goods or services delivered or provided.

In the manner consistent with the way in which information is reported internally to the CODM for the purposes of resource allocation and performance assessment, the business activities of the Group are organised into the following operating segments:

- Cinema operation
- Film and TV programme production and investment and others (including production, distribution and licensing of animated TV episodes and theatrical films)
- Event investment and others (including artiste management and music productions)
- Investment in securities

6. 資本風險管理 (續)

本集團之資本架構包括債務(包括應付關連公司/非控股權益款項,於附註32披露),經扣除現金及銀行結存及本公司擁有人應佔權益(包括已發行股本及儲備)。

董事定期檢討股本架構。作為此檢討之一部分,董事考慮資本成本及各類資本之相關風險。根據董事建議,本集團將透過發行新股、新造借貸及償還借貸平衡其整體資本架構。

7. 收入

本集團之收入分析如下:

8. 分類資料

就分配資源及評估分類表現而言,向本公司執行董事(即主要營運決策者(「主要營運決策者」))呈報之資料乃以所交付或提供之貨品或服務種類為重點。

為符合內部呈報予主要營運決策者作出資源分配及表現評估的資料之方式,本集團之業務分為下列經營分類:

- 戲院營運
- 電影及電視節目製作與投資及其他(包括動畫電視片集及戲院電影之製作、發行及授權)
- 表演項目投資及其他(包括藝人及模特兒管理以及音樂製作)
- 證券投資

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. SEGMENT INFORMATION (continued)

Information regarding the Group's reportable segments is presented below:

(a) Segment revenue and results

8. 分類資料 (續)

本集團之報告分類資料呈列如下：

(a) 分類收入及業績

		Film and TV programme production and investment and others				Event investment and others	Investment in securities	Consolidated
		Cinema operation	電影及電視節目製作與投資及其他	電影及電視節目製作與投資及其他	表演項目投資及其他	證券投資	綜合	
		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	
2018	2018年							
Segment revenue	分類收入	65,578	24,633	991	–	–	91,202	
Segment results	分類業績	(65,838)	(57,066)	991	–	–	(121,913)	
Interest income	利息收入						1,890	
Loss on fair value change in respect of contingent consideration receivable	應收或然代價之公允價值變動虧損						(1,273)	
Unallocated corporate expenses	未攤分企業開支						(5,360)	
Change in fair value of financial assets at FVTPL	按公允價值計入損益之金融資產之公允價值變動						(31,691)	
Loss from operations	經營業務之虧損						(158,347)	
Loss on disposal of subsidiaries	出售附屬公司之虧損						(8)	
Loss before taxation	除稅前虧損						(158,355)	

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

8. 分類資料 (續)

(a) 分類收入及業績 (續)

		Cinema operation 戲院營運	Film and TV programme production and investment and others 電影及電視 節目製作與 投資及其他	Event investment and others 表演項目 投資及其他	Investment in securities 證券投資	Consolidated 綜合
		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	2017年					
Segment revenue	分類收入	31,829	26,251	902	(14,057)	44,925
Segment results	分類業績	(18,944)	(65,103)	902	(9,410)	(92,555)
Interest income	利息收入					862
Gain on fair value change in respect of contingent consideration receivable	應收或然代價之公允 價值變動收益					338
Unallocated corporate expenses	未攤分企業開支					(5,602)
Change in fair value of financial assets at FVTPL	按公允價值計入損益之 金融資產之公允價值 變動					(7,115)
Loss from operations	經營業務之虧損					(104,072)
Gain on disposal of associates	出售聯營公司之收益					34,825
Finance costs	財務成本					(6)
Loss before taxation	除稅前虧損					(69,253)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment revenue in the current year (2017: Nil). During the year ended 30 June 2017, segment revenue in respect of investment in securities represented the difference between the total sale proceeds of HK\$83,667,000 and the total investment costs of those securities disposed of during that year.

Segment results represent the profit earned/(loss suffered) by each segment without allocation of interest income, central administration costs which mainly include Directors' emoluments and corporate legal and professional fees, fair value changes in respect of contingent consideration receivable and financial assets at FVTPL, and the relevant loss/gain on disposal of subsidiaries and associates. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

上述呈報之分類收入乃來自對外客戶之收入。本年度並無分類間之收入(2017年：無)。截至2017年6月30日止年度，有關證券投資之分類收入乃為總銷售所得款項83,667,000港元與該年度出售該等證券之總投資成本之差額。

分類業績指各分類在未計及利息收入、中央行政費用(主要包括董事酬金和企業法律及專業費用)、與應收或然代價及按公允價值計入損益之金融資產有關之公允價值變動，以及出售附屬公司及聯營公司有關之虧損/收益時所賺取之收益/(蒙受之虧損)。此乃呈報予主要營運決策者作出資源分配及評估分類表現之方式。

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綜合財務報表附註

8. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

8. 分類資料 (續)

(b) 分類資產及負債

		Film and TV programme production and investment and others		Event investment and others	Investment in securities	Consolidated
		Cinema operation	電影及電視節目製作與投資及其他	表演項目投資及其他	證券投資	綜合
		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
2018	2018年					
Segment assets	分類資產	295,459	321,955	–	20,750	638,164
Unallocated assets	未攤分資產					264,444
Consolidated assets	綜合資產					902,608
Segment liabilities	分類負債	139,906	19,814	–	–	159,720
Unallocated liabilities	未攤分負債					1,748
Consolidated liabilities	綜合負債					161,468
2017	2017年					
Segment assets	分類資產	91,616	454,127	2,880	52,441	601,064
Unallocated assets	未攤分資產					452,878
Consolidated assets	綜合資產					1,053,942
Segment liabilities	分類負債	71,490	98,555	–	–	170,045
Unallocated liabilities	未攤分負債					3,003
Consolidated liabilities	綜合負債					173,048

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than unallocated head office and corporate assets that are not attributable to segments; and
- all liabilities are allocated to reportable segments other than unallocated corporate financial liabilities that are not attributable to segments.

為了監察分類表現及於不同分類間分配資源：

- 除未攤分總辦事處及企業資產未能歸類至各分類以外，所有資產均分配至報告分類；及
- 除未攤分企業金融負債未能歸類至各分類以外，所有負債均分配至報告分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. SEGMENT INFORMATION (continued)

(c) Other segment information

8. 分類資料 (續)

(c) 其他分類資料

		Cinema operation 戲院營運 HK\$'000 千港元	Film and TV programme production and investment and others 電影及電視節 目製作與投資 及其他 HK\$'000 千港元	Event investment and others 表演項目 投資及其他 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2018	2018年					
Additions to property, plant and equipment	添置物業、機器及設備	178,885	63	–	–	178,948
Amortisation of film and TV programme rights	電影及電視節目版權攤銷	–	7,150	–	–	7,150
Amortisation of intangible assets	無形資產攤銷	–	2,015	–	–	2,015
Cost of investments in film production	於電影製作之投資成本	–	6,430	–	–	6,430
Depreciation of property, plant and equipment	物業、機器及設備之折舊	16,314	73	–	–	16,387
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	–	35	–	–	35
Impairment loss recognised in respect of:	就下列各項確認之減值虧損：					
– goodwill	– 商譽	–	27,354	–	–	27,354
– investments in film production	– 於電影製作之投資	–	37,046	–	–	37,046
– trade receivables	– 貿易應收款	–	1,775	–	–	1,775
Written off of film and TV programme production in progress	製作中之電影及電視節目撇銷	–	120	–	–	120
2017	2017年					
Additions to property, plant and equipment	添置物業、機器及設備	22,122	532	–	–	22,654
Amortisation of film and TV programme rights	電影及電視節目版權攤銷	–	4,556	–	–	4,556
Amortisation of intangible assets	無形資產攤銷	–	1,847	–	–	1,847
Cost of investment in film production	於電影製作之投資成本	–	18,586	–	–	18,586
Depreciation of property, plant and equipment	物業、機器及設備之折舊	8,750	225	–	–	8,975
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	1	32	–	–	33
Impairment loss recognised in respect of:	就下列各項確認之減值虧損：					
– goodwill	– 商譽	–	2,636	–	–	2,636
– film and TV programme rights	– 電影及電視節目版權	–	2,485	–	–	2,485
– investment in film production	– 於電影製作之投資	–	62,845	–	–	62,845
– other receivables	– 其他應收款	–	3,000	–	–	3,000
Reversal of impairment loss recognised in respect of trade receivables	貿易應收款確認之減值虧損撥回	–	(69)	–	–	(69)

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. SEGMENT INFORMATION (continued)

(d) Geographical information

The Group's revenue from external customers by location of sales and information about its non-current assets by location of assets are detailed as below:

		Revenue from external customers		Non-current assets*	
		2018	2017	2018	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The PRC	中國	57,509	40,848	235,739	72,204
Hong Kong	香港	33,693	2,890	95,921	121,140
Macau	澳門	—	—	1,163	—
Hungary	匈牙利	—	1,177	—	—
Others	其他	—	10	—	—
		91,202	44,925	332,823	193,344

* The above non-current assets have excluded the financial instruments such as contingent consideration receivable.

(e) Information about major customers

Revenue from one (2017: one) major customer contributing over 10% of the Group's revenue for the year was HK\$16,745,000 (2017: HK\$20,697,000), which were derived from the segment of film and TV programme production and investment and others.

8. 分類資料 (續)

(d) 地域資料

本集團按銷售地域分佈之有關對外客戶之收入及其按資產地域分佈之非流動資產資料詳列如下：

* 上述之非流動資產並不包括金融工具（例如：應收或然代價）。

(e) 主要客戶資料

於本年度，佔本集團收入10%以上之一名（2017年：一名）主要客戶之收入為16,745,000港元（2017年：20,697,000港元），乃來自電影及電視節目製作與投資及其他分類。

9. OTHER REVENUE

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	1,890	862
Compensation income	補償收入	7,864	7,864
Dividend income	股息收入	—	4,860
Exchange gain, net	匯兌收益淨額	146	—
Gain on fair value change in respect of contingent consideration receivable (note 26)	應收或然代價公允價值變動之收益 (附註26)	—	338
Listed corporate bond interest income (note 28)	上市公司債券之利息收入 (附註28)	—	1,328
Sundry income	雜項收入	652	1,474
		10,552	16,726

9. 其他收益

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. LOSS FROM OPERATIONS

10. 經營業務之虧損

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Loss from operations has been arrived at after charging/(crediting):	經營業務之虧損已扣除／(計入)下列各項：		
Auditor's remuneration for audit services	核數服務之核數師酬金	800	850
Amortisation of film and TV programme rights (included in cost of sales)	電影及電視節目版權攤銷 (計入銷售成本)	7,150	4,556
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷 (計入行政開支)	2,015	1,847
Cost of investments in film production (included in cost of sales)	於電影製作之投資成本 (計入銷售成本)	6,430	18,586
Cost of inventories sold (included in cost of sales)	已售存貨成本 (計入銷售成本)	1,493	626
Depreciation of property, plant and equipment	物業、機器及設備之折舊	16,387	8,975
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	35	33
Loss/(gain) on fair value change in respect of contingent consideration receivable* (note 26)	應收或然代價公允價值變動虧損／(收益)* (附註26)	1,273	(338)
Impairment loss recognised in respect of:	就下列各項確認之減值虧損：		
– goodwill*	– 商譽*	27,354	2,636
– film and TV programme rights*	– 電影及電視節目版權*	–	2,485
– investments in film production*	– 於電影製作之投資*	37,046	62,845
– trade and other receivables*	– 貿易及其他應收款*	1,775	3,000
Operating leases in respect of rented premises	租賃物業之經營租賃	27,760	7,702
Written off of film and TV programme production in progress	製作中之電影及電視節目撇銷	120	–
Exchange (gain)/loss, net	匯兌(收益)／虧損淨額	(146)	97
Reversal of impairment loss recognised in respect of trade receivables	貿易應收款確認之減值虧損撥回	–	(69)

* The aggregation of these items (other than the gain on fair value change in respect of contingent consideration receivable of HK\$338,000 for the year ended 30 June 2017) are included in "Other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

* 該等項目之總額(除截至2017年6月30日年度止之應收或然代價公允價值變動收益338,000港元外)均計入綜合損益及其他全面收益表內之「其他經營支出」。

11. FINANCE COSTS

During the year ended 30 June 2017, the amount represented bank charges.

11. 財務成本

截至2017年6月30日止年度，有關金額乃指銀行手續費。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12. EMPLOYEE BENEFIT EXPENSES

12. 僱員福利開支

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	26,230	11,187
Retirement benefit scheme contributions	退休福利計劃供款	2,176	757
		28,406	11,944

Retirement benefit scheme

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of independent trustees. The Group and each employee make mandatory contributions of 5% of relevant payroll costs with monthly cap of HK\$1,500 to the scheme.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a certain percentage of its payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the scheme.

Equity compensation benefits

Share Options

The Company operates a share option scheme, details of which are set out under the heading "Share Options" in note 34.

退休福利計劃

本集團為旗下所有合資格香港僱員營辦強制性公積金計劃。該計劃之資產由獨立信託人控制之基金持有，並與本集團之資產分開。本集團與每名僱員按相關薪金成本的5%向計劃作出強制性供款，上限為每月1,500港元。

本集團之中國附屬公司之僱員乃為由中國政府管理之國家管理退休福利計劃之成員。本集團須按僱員薪酬之某個百分比向該等退休福利計劃供款。本集團對該等退休福利計劃須承擔之責任僅限於按照該計劃之規定進行供款。

股票補償福利

購股權

本公司設有一項購股權計劃，有關詳情載於附註34「購股權」一節。

13. TAXATION CREDIT

Taxation credit comprises:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Hong Kong Profits Tax:	香港利得稅：		
Current tax	本期稅項	—	—
Over-provision in prior year	去年超額撥備	—	12
		—	12
Deferred taxation	遞延稅項	242	163
		242	175

13. 稅項抵免

稅項抵免包括：

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. TAXATION CREDIT (continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit derived from Hong Kong for both years.

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Macau subsidiary is subject to Macau Complementary Tax at the maximum progressive rate of 12% on the estimated assessable profits for the year (2017: N/A). No provision for the PRC Enterprise Income Tax and Macau Complementary Tax have been made in the consolidated financial statements as the Group has no assessable profits arising in the PRC and Macau for both years.

The taxation credit for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

13. 稅項抵免 (續)

香港利得稅乃根據兩個年度之估計應課稅溢利按稅率16.5%計算。由於本集團於兩個年度並無自香港產生應課稅溢利，因此，並無於綜合財務報表計提香港利得稅撥備。

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法之實施規定，中國附屬公司之稅率由2008年1月1日起訂為25%。澳門附屬公司於本年度按估計應課稅溢利之最高累進稅率12%繳納澳門所得補充稅（2017年：不適用）。由於本集團於兩個年度並無自中國及澳門產生任何應課稅溢利，因此，並無於綜合財務報表計提中國企業所得稅及澳門所得補充稅撥備。

年度稅項抵免與綜合損益及其他全面收益表內之除稅前虧損對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Loss before taxation	除稅前虧損	(158,355)	(69,253)
Tax rate in relevant tax jurisdictions	按相關司法管轄區之稅率計算之稅項	30,984	12,639
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減開支之稅務影響	(16,357)	(6,522)
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	349	8,165
Tax effect of estimated tax losses not recognised	未確認預期稅項虧損之稅務影響	(17,682)	(15,180)
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時差異之稅務影響	242	163
Utilisation of estimated tax losses previously not recognised	動用先前未確認之預期稅項虧損	2,705	896
Over-provision in prior year	去年超額撥備	—	12
Others	其他	1	2
Taxation credit for the year	年度稅項抵免	242	175

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

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

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損所用之本公司擁有人應佔虧損	(153,797)	(62,327)
		Number of shares 股份數目 '000 千股	Number of shares 股份數目 '000 千股
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損所用之普通股加權平均股數	3,213,341	2,487,313

For the years ended 30 June 2018 and 2017, the diluted loss per share was the same as the basic loss per share as there was no dilutive potential ordinary shares for both years.

15. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 30 June 2018 (2017: Nil).

14. 本公司擁有人應佔每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

截至2018年及2017年6月30日止年度，每股攤薄虧損與每股基本虧損均相同，乃由於兩個年度內並無具潛在攤薄影響之普通股。

15. 股息

董事會不建議就截至2018年6月30日止年度派付任何股息（2017年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The emoluments paid or payable to each of the Directors during the years ended 30 June 2018 and 2017 are as follows:

16. 董事酬金及五名最高薪酬人士

(a) 董事酬金

截至2018年及2017年6月30日止年度，已付或應付各董事之酬金如下：

Name of Director	董事姓名	Fees	Salaries	Discretionary	Retirement	Total
		袍金	薪金	bonus	benefit	
		HK\$'000	HK\$'000	HK\$'000	contributions	HK\$'000
		千港元	千港元	千港元	退休福利 計劃供款	千港元
2018	2018年					
<i>Executive Directors</i>	<i>執行董事</i>					
Ms. Fan Man Seung, Vanessa ¹	范敏嫦女士 ¹	175	-	-	-	175
Mr. Wong Chi Fai ²	黃志輝先生 ²	175	-	-	-	175
Mr. Yeung Ching Loong, Alexander ²	楊政龍先生 ²	175	-	-	-	175
Ms. Shirley Percy Hughes ²	許佩斯女士 ²	175	-	-	-	175
Mr. Albert Lee ³	利雅博先生 ³	59	-	-	-	59
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>					
Mr. Ng Hoi Yue	伍海于先生	198	-	-	-	198
Ms. Chan Sim Ling, Irene	陳熾玲女士	190	-	-	-	190
Mr. Ho Tat Kuen ⁴	何達權先生 ⁴	190	-	-	-	190
		1,337	-	-	-	1,337
2017	2017年					
<i>Executive Directors</i>	<i>執行董事</i>					
Ms. Fan Man Seung, Vanessa ¹	范敏嫦女士 ¹	38	-	-	-	38
Mr. Wong Chi Fai ²	黃志輝先生 ²	38	-	-	-	38
Mr. Yeung Ching Loong, Alexander ²	楊政龍先生 ²	38	-	-	-	38
Ms. Shirley Percy Hughes ²	許佩斯女士 ²	38	-	-	-	38
Mr. Albert Lee ³	利雅博先生 ³	38	-	-	-	38
Mr. Direk Lim ⁵	Direk Lim先生 ⁵	201	-	-	-	201
Dr. Fan Rongzhang ⁶	范榮彰博士 ⁶	81	-	-	-	81
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>					
Mr. Ng Hoi Yue	伍海于先生	190	-	-	-	190
Ms. Chan Sim Ling, Irene	陳熾玲女士	180	-	-	-	180
Mr. Ho Tat Kuen ⁴	何達權先生 ⁴	109	-	-	-	109
Mr. Li Fui Lung, Danny ⁷	李魁隆先生 ⁷	87	-	-	-	87
		1,038	-	-	-	1,038

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' emoluments (continued)

Notes:

- ¹ Appointed as Executive Director on 31 March 2017 and becomes Chairperson of the board of directors (the "Board") since 20 April 2017.
- ² Appointed as Executive Directors on 31 March 2017.
- ³ Appointed and retired as Executive Director on 31 March 2017 and 22 November 2017 respectively.
- ⁴ Appointed as Independent Non-executive Director on 23 November 2016.
- ⁵ Resigned as Executive Director and ceased to be Chairman of the Board on 20 April 2017.
- ⁶ Resigned as Executive Director on 20 April 2017.
- ⁷ Retired as Independent Non-executive Director on 23 November 2016.

(b) Five highest paid individuals

The five highest paid individuals did not include any director of the Company for the year (2017: included three directors), details of whose emoluments are set out above. The aggregate emoluments of the five (2017: the remaining two) highest paid individuals for both years are as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,755	1,473
Retirement benefit scheme contributions	退休福利計劃供款	153	27
		2,908	1,500

The emoluments of those individuals are within the following bands:

		Number of individuals 人數	
		2018	2017
Nil to HK\$1,000,000	零至1,000,000港元	4	2
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至 2,000,000港元	1	-
		5	2

For the years ended 30 June 2018 and 2017, no emoluments were paid by the Group to the five highest paid individuals, including the Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. Except as disclosed above, none of the Directors has waived or agreed to waive any emolument during both years.

16. 董事酬金及五名最高薪酬人士 (續)

(a) 董事酬金 (續)

附註：

- ¹ 於2017年3月31日獲委任為執行董事及自2017年4月20日起成為本公司董事會(「董事會」)主席。
- ² 於2017年3月31日獲委任為執行董事。
- ³ 分別於2017年3月31日及2017年11月22日獲委任及退任。
- ⁴ 於2016年11月23日獲委任為獨立非執行董事。
- ⁵ 於2017年4月20日辭任執行董事及不再為董事會主席。
- ⁶ 於2017年4月20日辭任執行董事。
- ⁷ 於2016年11月23日退任獨立非執行董事。

(b) 五名最高薪酬人士

本年度五名最高薪酬人士並不包括本公司任何董事(2017年：包括三名董事)，其酬金詳情刊載於上文。於兩個年度支付予五名(2017年：餘下兩名)最高薪酬人士之酬金總額如下：

該等人士酬金之組別如下：

截至2018年及2017年6月30日止年度，本集團概無向五名最高薪酬人士(包括董事)支付酬金，作為吸引彼等加入本集團或於加入本集團時之獎勵或作為離職補償。除上述披露者外，該兩個年度內概無董事放棄或同意放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

		Construction in progress 在建工程 HK\$'000 千港元	Leasehold improvement 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及 設備 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：					
At 1 July 2016	於2016年7月1日	–	29,180	7,717	28,933	65,830
Exchange realignment	匯兌調整	–	(402)	(90)	(396)	(888)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	–	–	188	–	188
Additions	添置	21,474	345	644	3	22,466
Disposals	出售	–	–	(33)	–	(33)
At 30 June 2017 and 1 July 2017	於2017年6月30日及 2017年7月1日	21,474	29,123	8,426	28,540	87,563
Exchange realignment	匯兌調整	635	862	209	844	2,550
Additions	添置	163,532	4,915	1,506	8,995	178,948
Disposals	出售	–	–	(1,166)	–	(1,166)
Transfer	轉撥	(181,245)	119,397	4,325	57,523	–
Disposal of subsidiaries	出售附屬公司	–	–	(147)	–	(147)
At 30 June 2018	於2018年6月30日	4,396	154,297	13,153	95,902	267,748
Accumulated depreciation and impairment:	累計折舊及減值：					
At 1 July 2016	於2016年7月1日	–	1,708	1,905	2,786	6,399
Exchange realignment	匯兌調整	–	(15)	(3)	(34)	(52)
Charged for the year	年度扣除	–	2,902	1,668	4,405	8,975
At 30 June 2017 and 1 July 2017	於2017年6月30日及 2017年7月1日	–	4,595	3,570	7,157	15,322
Exchange realignment	匯兌調整	–	137	66	212	415
Charged for the year	年度扣除	–	7,481	2,075	6,831	16,387
Eliminated on disposals	出售時對銷	–	–	(1,131)	–	(1,131)
Disposal of subsidiaries	出售附屬公司	–	–	(147)	–	(147)
At 30 June 2018	於2018年6月30日	–	12,213	4,433	14,200	30,846
Carrying amount:	賬面值：					
At 30 June 2018	於2018年6月30日	4,396	142,084	8,720	81,702	236,902
At 30 June 2017	於2017年6月30日	21,474	24,528	4,856	21,383	72,241

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. GOODWILL

18. 商譽

		HK\$'000 千港元
Cost:	成本：	
At 1 July 2016	於2016年7月1日	—
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	98,250
At 30 June 2017, 1 July 2017 and 30 June 2018	於2017年6月30日、2017年7月1日及 2018年6月30日	98,250
Accumulated impairment:	累計減值：	
At 1 July 2016	於2016年7月1日	—
Impairment loss recognised for the year	年度確認之減值虧損	2,636
At 30 June 2017 and 1 July 2017	於2017年6月30日及2017年7月1日	2,636
Impairment loss recognised for the year	年度確認之減值虧損	27,354
At 30 June 2018	於2018年6月30日	29,990
Carrying amount: At 30 June 2018	賬面值： 於2018年6月30日	68,260
At 30 June 2017	於2017年6月30日	95,614

Goodwill represents the amount attributable to the acquisition of JDMM Group, details of which are set out in note 35. The goodwill is primarily attributable to the significant synergies expected to arise in connection with the production, distribution and licensing of animated TV episodes and theatrical films business.

Impairment test on goodwill

The goodwill is allocated to the production, distribution and licensing of animated TV episodes and theatrical films operation.

As at 30 June 2018, the management considered that the profitability and the operating performance of the production, distribution and licensing of animated TV episodes and theatrical films business was affected by the change in the market condition in the PRC which causes the deferral of certain animation projects to be released and its expected income is affected. Hence, the management took a prudent view to forecast the production, distribution and licensing of animated TV episodes and theatrical films business.

商譽乃指自收購玉皇朝多媒體集團所產生之金額，其詳情載於附註35。商譽主要歸屬於預期將產生重大協同效應之動畫電視片集及戲院電影之製作、發行及授權業務。

商譽之減值測試

商譽被分配至動畫電視片集及戲院電影之製作、發行及授權業務。

於2018年6月30日，管理層認為，動畫電視片集及戲院電影之製作、發行及授權業務之盈利能力及營運表現受到中國市場狀況變化之影響，導致若干動畫項目之放映延遲及影響其預期收入。因此，管理層持審慎態度預測動畫電視片集及戲院電影之製作、發行及授權業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. GOODWILL (continued)

Impairment test on goodwill (continued)

The recoverable amount of the goodwill was assessed by the Directors with reference to the valuation carried out by an independent firm of valuers, Flagship, as at 30 June 2018. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation were those regarding the discount rate and budgeted gross margin and revenue. The Group estimated discount rate using the rate that reflected current market assessments of the time value of money and the risks specific to the production, distribution and licensing of animated TV episodes and theatrical films business. Budgeted gross margin and revenue were based on past practices and expectations associated with the production, distribution and licensing of animated TV episodes and theatrical films industry.

As at 30 June 2018, the Group had prepared 2-years cash flow forecast derived from the most recent financial budget of the production, distribution and licensing of animated TV episodes and theatrical films business using a pre-tax discount rate of 19% (2017: 18%) per annum and the projection are extrapolated using a constant growth rate of 3% (2017: 3%) per annum for subsequent years. Since the recoverable amount was less than the carrying amount, an impairment loss of HK\$27,354,000 (2017: HK\$2,636,000) for goodwill was recognised for the year ended 30 June 2018.

18. 商譽 (續)

商譽之減值測試 (續)

於2018年6月30日，該商譽之可收回金額由董事會參考獨立估值師行旗艦進行之估值進行評估。估值按使用價值基準進行評估。使用價值計算之關鍵假設為該等有關折現率及預算毛利及收入之假設。本集團使用反映當前市場對貨幣時間價值及動畫電視片集及戲院電影之製作、發行及授權業務之特定風險評估之費率估計折現率。預算毛利及收入乃基於動畫電視片集及戲院電影之製作、發行及授權行業之過往慣例及預期而得出。

於2018年6月30日，本集團就動畫電視片集及戲院電影之製作、發行及授權根據最新財務預算編製兩年現金流量預測，使用稅前折現年利率19% (2017年：18%) 及其後年度每年3% (2017年：3%) 之持續增長率推算而得出。由於可收回金額低於其賬面值，因此，於截至2018年6月30日止年度確認商譽減值虧損27,354,000港元 (2017年：2,636,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. INTANGIBLE ASSETS

19. 無形資產

		Trademarks 商標 HK\$'000 千港元	Production rights 製作版權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本:			
At 1 July 2016	於2016年7月1日	81	–	81
Acquisition of subsidiaries (note 35)	收購附屬公司 (附註35)	–	27,336	27,336
At 30 June 2016 and 1 July 2017	於2016年6月30日及 2017年7月1日	81	27,336	27,417
Additions	添置	–	4,187	4,187
Written off	撇銷	(81)	–	(81)
At 30 June 2018	於2018年6月30日	–	31,523	31,523
Accumulated amortisation and impairment:	累計攤銷及減值:			
At 1 July 2016	於2016年7月1日	81	–	81
Amortisation for the year	年度攤銷	–	1,847	1,847
At 30 June 2017 and 1 July 2017	於2017年6月30日及 2017年7月1日	81	1,847	1,928
Amortisation for the year	年度攤銷	–	2,015	2,015
Written off	撇銷	(81)	–	(81)
At 30 June 2018	於2018年6月30日	–	3,862	3,862
Carrying amount: At 30 June 2018	賬面值: 於2018年6月30日	–	27,661	27,661
At 30 June 2017	於2017年6月30日	–	25,489	25,489

The following useful lives are used in the calculation of amortisation:

Trademarks	5 years
Production rights	Over the contract terms

The above intangible assets are amortised on a straight-line basis over the relevant periods.

攤銷按以下可用年期計算：

商標	5年
製作版權	按合約年期

以上無形資產以直線法於相關期間內進行攤銷。

20. INVENTORIES

20. 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Finished goods	製成品	894	131

Inventories represent food and beverage, consumable and other goods of cinema operation. The cost of inventories recognised as expenses and included in "cost of sales" amounted to HK\$1,493,000 (2017:HK\$626,000).

存貨指戲院營運之食品及飲料、消費品及其他商品。確認為開支並計入「銷售成本」之存貨成本為1,493,000港元(2017年:626,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. FILM AND TV PROGRAMME RIGHTS

21. 電影及電視節目版權

		HK\$'000 千港元
Cost:	成本:	
1 July 2016	2016年7月1日	480,035
Exchange realignment	匯兌調整	(161)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	16,198
Transfer from film production in progress (note 22)	轉自製作中之電影(附註22)	119
Written off	撇銷	(27,454)
Transfer to asset held for sale (note 30)	轉撥至持作出售資產(附註30)	(449,881)
At 30 June 2017 and 1 July 2017	於2017年6月30日及2017年7月1日	18,856
Exchange realignment	匯兌調整	524
Transfer from film production in progress (note 22)	轉自製作中之電影(附註22)	8,745
Disposal of subsidiaries	出售附屬公司	(2,700)
At 30 June 2018	於2018年6月30日	25,425
Accumulated amortisation and impairment:	累計攤銷及減值:	
At 1 July 2016	於2016年7月1日	429,564
Amortisation for the year	年度攤銷	4,556
Impairment loss recognised for the year	年度確認之減值虧損	2,485
Written off	撇銷	(27,454)
Transfer to asset held for sale (note 30)	轉撥至持作出售資產(附註30)	(402,281)
At 30 June 2017 and 1 July 2017	於2017年6月30日及2017年7月1日	6,870
Exchange realignment	匯兌調整	74
Amortisation for the year	年度攤銷	7,150
Disposal of subsidiaries	出售附屬公司	(2,700)
At 30 June 2018	於2018年6月30日	11,394
Carrying amount:	賬面值:	
At 30 June 2018	於2018年6月30日	14,031
At 30 June 2017	於2017年6月30日	11,986

As at 30 June 2018 and 2017, the Group reviewed its library of film and TV programme rights regularly to reassess the estimated recoverable amounts of the film and TV programme rights with reference to marketability of each film and TV programme and current market condition. The estimated recoverable amounts of the film and TV programme rights was determined based on either net realisable values of film rights to be disposed of or a value-in-use calculation which uses the present value of the expected future cash flows arising from the sub-licensing and distribution of film and TV programme rights and subsequent to the completion of film and TV programme production, which was derived from discounting the projected future cash flows at a discount rate of 19% (2017: 18%).

Key assumptions for the value-in-use calculations relate to the estimation of cash inflow/outflow which include budgeted sales and gross margin, growth rate and discount rate. Such estimation is based on past experience and management's expectations of the market development.

於2018年及2017年6月30日，本集團參考每部電影及電視節目之可銷售性及當前市況定期檢討其片庫之電影及電視節目版權，以重新評估電影及電視節目版權之估計可收回金額。電影及電視節目版權之估計可收回金額乃以出售電影版權可變現淨值或使用價值計算方法釐定，該方法乃使用電影及電視節目版權再授特許及發行以及電影及電視節目製作完成後所產生之預期未來現金流量現值，透過以折現率19%（2017年：18%）預測未來現金流量折現而得出。

使用價值計算方法之關鍵假設涉及估計現金流入／流出，包括預算銷售及毛利、增長率及折現率。該估計乃基於過去經驗及管理層預期之市場發展而得出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21. FILM AND TV PROGRAMME RIGHTS (continued)

During the year, no impairment loss on film and TV programme rights was recognised in the consolidated statement of profit or loss. During the year ended 30 June 2017, the impairment loss of HK\$2,485,000 was mainly attributable to certain films to be disposed of subsequent to the end of that reporting period (see note 30), of which their carrying amounts before the disposal were higher than the total sale proceeds received by the Group for such disposal. As a result, the management adjusted the carrying amounts of these films to their net realisable values as at 30 June 2017.

22. FILM AND TV PROGRAMME PRODUCTION IN PROGRESS

		HK\$'000 千港元
At 1 July 2016	於2016年7月1日	108,173
Exchange realignment	匯兌調整	(53)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	9,041
Additions	添置	202,678
Amounts refunded during the year	年度退還金額	(37,100)
Transfer to investments in film production	轉撥至於電影製作之投資	(67,157)
Transfer to film and TV programme rights (note 21)	轉撥至電影及電視節目版權(附註21)	(119)
At 30 June 2017 and 1 July 2017	於2017年6月30日及2017年7月1日	215,463
Exchange realignment	匯兌調整	438
Additions	添置	40,094
Transfer to investments in film production	轉撥至於電影製作之投資	(78,072)
Transfer to film and TV programme rights (note 21)	轉撥至電影及電視節目版權(附註21)	(8,745)
Amounts refunded during the year	年度退還金額	(18,261)
Written off	撇銷	(120)
At 30 June 2018	於2018年6月30日	150,797

23. INVESTMENTS IN FILM PRODUCTION

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Investments in film production	於電影製作之投資	35,302	1,683

The amount represents investments in certain production houses for co-production of films. The investments are governed by the relevant agreements whereby the Group is entitled to benefits generated from the distribution of these films based on the percentage of capital contributed in the film production projects.

During the year, the Group recognised the cost of investments in film production of HK\$6,430,000 (2017: HK\$18,586,000) and an impairment loss of HK\$37,046,000 (2017: HK\$62,845,000) based on the expected future revenue to be generated from the films with reference to their marketability and current market condition. Over-contribution on investments in film production of HK\$977,000 (2017: HK\$410,000) was transferred to trade and other receivables. The carrying amount of HK\$35,302,000 (2017: HK\$1,683,000) is expected to be repaid within 1 year and therefore, the amount is classified as current asset.

21. 電影及電視節目版權 (續)

於本年度，概無於綜合損益表內就電影及電視節目版權確認減值虧損。截至2017年6月30日止年度，有關2,485,000港元之減值虧損主要由於該報告期末後出售若干電影（參見附註30），其出售前之賬面金額高於本集團就出售所收取之銷售所得款項總額。因此，於2017年6月30日，管理層已將該等電影之賬面值調整至其可變現淨值。

22. 製作中之電影及電視節目

23. 於電影製作之投資

該金額為就共同製作電影而於若干製作公司作出之投資。投資受相關協議規管，據此，本集團有權根據於電影製作項目之注資百分比從該等電影之發行中獲益。

於本年度，本集團確認電影製作投資成本6,430,000港元（2017年：18,586,000港元），並參考其可銷售性及當前市況，按該等電影將產生之預期未來收入確認減值虧損37,046,000港元（2017年：62,845,000港元）。於電影製作之投資所超出之投入金額977,000港元（2017年：410,000港元）已轉撥至貿易及其他應收款。預期賬面值35,302,000港元（2017年：1,683,000港元）可於1年內收回，因此，該金額分類為流動資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24. TRADE RECEIVABLES

24. 貿易應收款

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables, net	貿易應收款淨額	12,227	16,642

The Group allows an average credit period of 30 to 180 days (2017 30 to 180 days) to its customers. The ageing analysis of the trade receivables of the Group based on the invoice date at the end of the reporting period is as follows:

本集團給予其客戶平均30至180日(2017年：30至180日)之信貸期。以下為本集團於報告期末按發票日期計之貿易應收款之賬齡分析：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
0 to 90 days	0至90日	12,302	9,992
91 to 180 days	91至180日	-	-
Over 180 days	180日以上	1,700	12,822
		14,002	22,814
Less: Impairment loss recognised in respect of trade receivables	減：就貿易應收款確認之減值虧損	(1,775)	(6,172)
		12,227	16,642

Trade receivables of HK\$12,227,000 (2017: HK\$16,642,000) were neither past due nor impaired. Included in trade receivables are amounts of HK\$1,700,000 (2017: HK\$6,650,000) that were contract bound. The Directors have assessed the credit history of the aforesaid trade receivables and concluded that there is no adverse change on the credit quality of these customers and considered these trade receivables are recoverable.

貿易應收款12,227,000港元(2017年：16,642,000港元)既未逾期亦未減值。貿易應收款中包括1,700,000港元(2017年：6,650,000港元)受合約約束。董事會已評估上述貿易應收款之信用記錄，認為該等客戶之信貸質素並無重大變動且認為該等貿易應收款可收回。

Included in allowance for doubtful debts are individually impaired trade receivables from customers with an aggregate balance of HK\$1,775,000 (2017: HK\$6,172,000) since the Directors consider the outstanding balances from these customers are in doubt. In determining the recoverability of trade receivables, the Directors consider any change in the credit quality of the trade receivables from the date credit were initially granted and up to the end of the reporting period. Accordingly, the Directors consider provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

呆賬撥備包括總賬面值為1,775,000港元(2017年6,172,000港元)之單獨減值應收客戶貿易款項，乃因董事認為該等客戶之未償還結餘未必可收回。在釐定貿易應收款之收回可能性時，董事會考慮貿易應收款自初始授出信貸日期起及直至報告期末之任何信貸質素變動。因此，董事會認為須就貿易應收款作減值撥備至其可收回價值，並相信毋須就超出呆賬撥備之差額進一步作出信貸撥備。

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綜合財務報表附註

24. TRADE RECEIVABLES (continued)

Movement in the allowance for doubtful debts is as follow:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
At the beginning of the year	於年初	6,172	6,241
Impairment loss recognised for the year	年度確認之減值虧損	1,775	-
Reversal of impairment loss recognised during the year	年度確認之減值虧損撥回	-	(69)
Disposal of subsidiaries	出售附屬公司	(6,172)	-
At the end of the year	於年末	1,775	6,172

24. 貿易應收款 (續)

呆賬撥備之變動如下:

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Other receivables, net	其他應收款淨額	1,068	7,246
Compensation income receivable (note (i))	應收補償收入 (附註(i))	7,864	7,864
Deposits and prepayments (note (ii))	按金及預付款 (附註(ii))	55,500	38,443
		64,432	53,553

25. 其他應收款、按金及預付款

Notes:

- (i) The amount of HK\$7,864,000 (2017: HK\$7,864,000) represents the shortfall payment as at 31 December 2017 and 2016 in respect of the profit guarantee given by Jade Sparkle Holdings Limited and Mr. Wong Chun Loong (now known as "Mr. Huang Tony Jademan Xian Zhen") (collectively referred to as the "Vendors") to the Group in relation to the acquisition on JDMM Group (see note 35).
- (ii) As at 30 June 2018, the amount included rental and utility deposits of HK\$27,596,000 (2017: HK\$9,096,000) for cinema and office premises and value-added tax recoverable of HK\$19,103,000 (2017: HK\$7,710,000) derived from payments on purchases of property, plant and equipment and construction works for cinemas in the PRC.

As at 30 June 2017, the amount included a deposit of HK\$18,000,000 (2018: Nil) paid for a potential film investment subject to the fulfillment of terms and conditions of the relevant agreement. Such amount was refunded during the year as the terms and conditions of the relevant agreement were not fulfilled.

附註:

- (i) 為數7,864,000港元(2017年:7,864,000港元)之金額乃耀琦控股有限公司及黃振隆先生(現稱「黃顯朕先生」)(統稱「該等賣方」)就收購玉皇朝多媒體集團向本集團提供於2017年及2016年12月31日之溢利保證之差額款項(參見附註35)。
- (ii) 於2018年6月30日,該款項包括戲院及辦公室物業之租金及水電按金27,596,000港元(2017年:9,096,000港元)以及自購買物業、機器及設備及中國戲院建築工程付款所產生之可收回增值稅19,103,000港元(2017年:7,710,000港元)。

於2017年6月30日,該款項包括潛在電影投資之已付按金18,000,000港元(2018年:無),惟須待有關協議之條款及條件獲達成後方可作實。由於有關協議之條款及條件未能達成,因此,該款項已於報告期末結束後退還。

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26. CONTINGENT CONSIDERATION RECEIVABLE

Contingent consideration receivable represents the profit guarantee given by the Vendors to the Group in relation to the acquisition of JDMM Group (see note 35). Contingent consideration receivable has been designated as financial assets at FVTPL upon initial recognition and is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivable is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
At the beginning of the year	於年初	8,483	–
Arising on acquisition of subsidiaries (note 35)	收購附屬公司產生(附註35)	–	8,145
(Loss)/gain on fair value change for the year	年度公允價值變動 (虧損)/收益	(1,273)	338
At the end of the year	於年末	7,210	8,483

Pursuant to the sale and purchase agreement in relation to the acquisition of JDMM Group (“S&P Agreement”), the Vendors have given a guarantee to the Group that the audited consolidated profit after tax of JDMM Group for the three financial years ended/ending 31 December 2016, 31 December 2017 and 31 December 2018 (each of the “Guaranteed Period”) would be no less than HK\$10,000,000 (the “Guaranteed Sum”) for each of the Guaranteed Period (the “Profit Guarantee”).

In case the Profit Guarantee is not fulfilled for the corresponding year, the Vendors shall pay 78.64% of the difference between the Guaranteed Sum and the audited consolidated profit after tax of JDMM Group (the “Shortfall”) to the Group. During the year ended 31 December 2017 and 2016, the audited consolidated profit after tax of JDMM Group did not satisfy the Profit Guarantee. Hence, the Vendors are required to pay the Shortfall to the Group in accordance with the terms and condition stated in the S&P Agreement.

The fair value of the contingent consideration receivable is determined based on the valuation conducted by an independent firm of valuers, Flagship, by using the income approach and a loss on fair value change of HK\$1,273,000 (2017: a gain of HK\$338,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

26. 應收或然代價

應收或然代價為該等賣方就收購玉皇朝多媒體集團向本集團提供之溢利保證(參見附註35)。應收或然代價於初始確認時指定為按公允價值計入損益之金融資產，並於報告期末按公允價值計量。應收或然代價之公允價值變動如下：

根據收購玉皇朝多媒體集團之買賣協議(「買賣協議」)，該等賣方已向本集團提供溢利保證，即玉皇朝多媒體集團於截至2016年12月31日、2017年12月31日及2018年12月31日止三個財政年度(「各個保證期間」)之經審核除稅後綜合溢利於各個保證期間將不低於10,000,000港元(「保證金額」)(「溢利保證」)。

倘相應年度之溢利保證未達成，該等賣方須按保證金額與玉皇朝多媒體集團之經審核綜合除稅後溢利間之差額(「差額」)之78.64%支付予本集團。截至2017年及2016年12月31日止年度，玉皇朝多媒體集團之經審核除稅後綜合溢利並未符合溢利保證，因此，該等賣方須根據買賣協議所述之條款及條件向本集團支付差額。

應收或然代價之公允價值乃根據獨立估值師旗艦使用收益法進行之估值釐定，並於綜合損益及其他全面收益表內確認公允價值變動虧損1,273,000港元(2017年：收益338,000港元)。

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綜合財務報表附註

26. CONTINGENT CONSIDERATION RECEIVABLE (continued)

The contingent consideration receivable is analysed into current assets and non-current assets as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Analysed for reporting purpose as:	就呈報目的分析如下：		
Non-current assets	非流動資產	—	485
Current assets	流動資產	7,210	7,998
		7,210	8,483

26. 應收或然代價 (續)

應收或然代價於流動及非流動資產項下分析如下：

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Listed securities:	上市證券：		
– Equity securities listed in Hong Kong at fair value	– 按公允價值列賬之香港上市股本證券	20,750	52,441

27. 按公允價值計入損益之金融資產

As at 30 June 2018 and 2017, all of the financial assets at FVTPL are equity securities listed in Hong Kong and denominated in HK\$, and were stated at their quoted price in the active market at the end of the reporting period.

A decrease in fair value of these financial assets at FVTPL of HK\$31,691,000 (2017: HK\$7,115,000) has been included in the consolidated statement of profit or loss and other comprehensive income.

於2018年及2017年6月30日，所有按公允價值計入損益之金融資產為於香港上市之股本證券及以港元計值，並按於報告期末在活躍市場之報價列賬。

該等按公允價值計入損益之金融資產之公允價值減少31,691,000港元(2017年：7,115,000港元)已計入綜合損益及其他全面收益表。

28. INVESTMENT IN LISTED CORPORATE BOND

On 19 September 2016, the Group acquired a listed corporate bond with fixed coupon rate of 4% per annum in a principal amount of US\$8,000,000 (equivalent to approximately HK\$62,240,000). The listed corporate bond was subsequently sold on 10 March 2017.

The fair value of the listed corporate bond on initial recognition was determined based on the valuation conducted by an independent firm of valuers, Flagship. On initial recognition, the fair value of the listed corporate bond was determined using the prevailing market interest rate of companies with similar quality to the issuer of the bond and was carried at amortised cost subsequently. The effective interest rate was 4.60%.

During the year ended 30 June 2017, the Group recognised listed corporate bond interest income of HK\$1,328,000 in profit or loss.

28. 上市公司債券之投資

於2016年9月19日，本集團購入本金金額8,000,000美元(相當於約62,240,000港元)，固定票息率為每年4厘之上市公司債券。該上市公司債券其後已於2017年3月10日出售。

上市公司債券之公允價值於初始確認時按獨立估值師行旗艦進行之估值釐定。於初始確認時，上市公司債券之公允價值乃按具備類似債券發行人質素之公司之現行市場利率釐定，且其後按攤銷成本列賬。實際利率為4.60厘。

截至2017年6月30日止年度，本集團於損益內確認上市公司債券利息收入1,328,000港元。

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綜合財務報表附註

28. INVESTMENT IN LISTED CORPORATE BOND (continued)

On 10 March 2017, the Group disposed of the listed corporate bond at a consideration of approximately US\$8,030,000 (equivalent to approximately HK\$62,475,000) and a gain on disposal of the listed corporate bond of HK\$413,000, net of related transaction cost of HK\$5,000 was recognised in the consolidated statement of profit or loss and other comprehensive income.

29. CASH AND BANK BALANCES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	264,142	452,616

Notes:

- At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$92,550,000 (2017: HK\$73,078,000).
- Cash at banks earn interests at prevailing market rates which range from 0.01% to 2.04% (2017: 0.01% to 0.73%) per annum.
- The conversion of RMB denominated balances into foreign currencies and the remittance of foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

30. ASSET CLASSIFIED AS HELD FOR SALE

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Film rights	電影版權	—	47,600

During the year ended 30 June 2017, the Group entered into certain sale and purchase agreements with an independent third party (the "Purchaser") pursuant to which the Group would sell the film rights to the Purchaser upon the terms and conditions therein contained.

As at 30 June 2017, the amount of HK\$47,600,000 represented the fair value less cost to sell. The sale of film rights was not completed as at 30 June 2017 and the film rights had been presented as asset classified as held for sale in the consolidated statement of financial position in accordance with HKFRS 5. On 3 July 2017, the sale of film rights was completed.

28. 上市公司債券之投資 (續)

於2017年3月10日，本集團按代價約8,030,000美元（相當於約62,475,000港元）出售上市公司債券並於綜合損益及其他全面收益表內確認出售上市公司債券收益413,000港元（經扣除相關交易成本5,000港元）。

29. 現金及銀行結存

附註：

- 於報告期末，以人民幣計值之本集團現金及銀行結存為92,550,000港元（2017年：73,078,000港元）。
- 銀行現金按介乎0.01厘至2.04厘（2017年：0.01厘至0.73厘）之間的現行市場年利率計息。
- 當以人民幣計值之結存兌換為外幣及以外幣計值之銀行結存及現金匯出中國時，須遵守中國政府頒佈之外匯管制之相關條例及規例。

30. 分類為持作出售之資產

截至2017年6月30日止年度，本集團已與一名獨立第三方（「買方」）訂立若干買賣協議，據此，本集團將根據其所載條款及條件向買方出售電影版權。

於2017年6月30日，金額47,600,000港元乃為公允價值減出售成本。出售電影版權於2017年6月30日尚未完成，故電影版權根據香港財務報告準則第5號已列入綜合財務狀況表之分類為持作出售之資產。於2017年7月3日，出售電影版權已完成。

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綜合財務報表附註

31. TRADE AND OTHER PAYABLES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade payables	貿易應付款	5,684	11,614
Accruals	應計費用	21,346	12,613
Deposits received for disposal of film rights (note 30)	已收出售電影版權之按金(附註30)	—	47,600
Receipt in advance	預收款項	10,934	34,223
Other payables (note)	其他應付款(附註)	63,081	5,837
		101,045	111,887

Note:

Other payables mainly comprise of (a) HK\$50,652,000 (2017: HK\$3,863,000) for consideration payable to independent third parties for enhancement and expansion of cinemas and (b) HK\$3,528,000 (2017: Nil) payable to a film investor in respect of the film financing.

The following is an ageing analysis of trade payables of the Group based on the invoice date at the end of the reporting period:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
0 to 90 days	0至90日	5,684	5,036
Over 90 days	90日以上	—	6,578
		5,684	11,614

32. AMOUNTS DUE TO RELATED COMPANIES/NON-CONTROLLING INTERESTS

Members of the key management and shareholders of the Group have controlling interests over these related companies.

The amounts are unsecured, interest-free and repayable on demand.

33. DEFERRED TAX LIABILITY

The following is the deferred tax liability recognised and movements thereon during the current and prior years.

		Fair value adjustment arising from acquisition of subsidiaries 收購附屬公司所得 之公允價值調整 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2016	於2016年7月1日	—	—
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	(405)	(405)
Credited to profit or loss (note 13)	計入損益(附註13)	163	163
At 30 June 2017 and 1 July 2017	於2017年6月30日及 2017年7月1日	(242)	(242)
Credited to profit or loss (note 13)	計入損益(附註13)	242	242
At 30 June 2018	於2018年6月30日	—	—

31. 貿易及其他應付款

附註：

其他應付款主要包括(a)就改善及擴張戲院需付予獨立第三方為數50,652,000港元(2017年：3,863,000港元)之應付代價及(b)就電影融資需付予一名電影投資者為數3,528,000港元(2017年：無)之款項。

以下為本集團於報告期末按發票日期計之貿易應付款之賬齡分析：

32. 應付關連公司／非控股權益款項

本集團之主要管理層成員及股東於該等關連公司擁有控股權益。

該等款項為無抵押、免息及須按要求償還。

33. 遞延稅項負債

本年度及過往年度確認之遞延稅項負債及有關變動如下。

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33. DEFERRED TAX LIABILITY (continued)

As at 30 June 2018, the Group had tax losses of approximately HK\$233,210,000 (2017: HK\$496,278,000) available for offset against future profits. The tax losses of the Group might be carried forward indefinitely, except for an amount of HK\$74,488,000 (2017: HK\$53,901,000) which will expire in 5 years from the year of assessment. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profit streams.

33. 遞延稅項負債 (續)

於2018年6月30日，本集團稅項虧損233,210,000港元(2017年：496,278,000港元)可用於抵銷未來溢利。本集團之稅項虧損可無限期結轉，惟為數74,488,000港元(2017年：53,901,000港元)之款項將於評估年度起5年內屆滿。由於不能預測未來之溢利情況，故並無就該等稅項虧損確認遞延稅項資產。

34. SHARE CAPITAL

34. 股本

		Number of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.01 each At 1 July 2016, 30 June 2017, 1 July 2017 and 30 June 2018	法定： 每股面值0.01港元之普通股 於2016年7月1日、 2017年6月30日、 2017年7月1日及 2018年6月30日	50,000,000,000	500,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 July 2016	已發行及繳足： 每股面值0.01港元之普通股 於2016年7月1日	2,213,340,890	22,133
Issue of new shares by subscription (note)	自認購發行新股份(附註)	1,000,000,000	10,000
At 30 June 2017, 1 July 2017 and 30 June 2018	於2017年6月30日、 2017年7月1日及 2018年6月30日	3,213,340,890	32,133

Note:

On 19 December 2016, the Company entered into a subscription agreement with Giant Lead Profits Limited (now known as "Emperor Culture Group Holdings Limited") which conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue a total of 1,000,000,000 new shares at a subscription price of HK\$0.19 per share (the "Subscription"). The Subscription was completed on 23 March 2017 and the proceeds from the Subscription, before expenses, amounted to HK\$190,000,000.

Details of the Subscription were set out in the announcement jointly made by Giant Lead Profits Limited and the Company dated 22 December 2016 and 23 March 2017 and in the circular issued by the Company dated 3 March 2017.

附註：

於2016年12月19日，本公司與Giant Lead Profits Limited(現稱「英皇文化產業集團控股有限公司」)訂立認購協議，該公司有條件同意認購及本公司有條件同意配發及發行合共1,000,000,000股新股份，認購價為每股0.19港元(「認購事項」)。認購事項已於2017年3月23日完成，而認購事項之所得款項(扣除開支前)為190,000,000港元。

認購事項之詳情載列於Giant Lead Profits Limited與本公司聯合刊發日期為2016年12月22日及2017年3月23日之公告以及本公司刊發日期為2017年3月3日之通函內。

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綜合財務報表附註

34. SHARE CAPITAL (continued)

Share options

The Company has adopted a share option scheme (the "Scheme") on 8 November 2011. The major terms of the Scheme are summarised as follows:

1. Purpose of the Scheme: To enable the Group to grant options to eligible participants to subscribe for shares in the Company as incentive or rewards for their contribution to the Group.
2. Eligibility: Eligible participants include employees, including any Directors, its subsidiaries or any entity in which any member of the Group holds an equity interest.
3. (a) Total number of shares available for issue as at 20 September 2018 (i.e. the date of this report) under the Scheme: 221,334,089 shares;
(b) Percentage of the issued shares that it represents as at the date of this report: 6.89%.
4. Maximum entitlement of each eligible participant under the Scheme:
 - (a) not to exceed 1% of the shares in issue in any 12-month period unless approved by the shareholders;
 - (b) options granted to substantial shareholders or independent non-executive Directors or their respective associates in any one year exceeding the higher of 0.10% of the shares in issue and with a value in excess of HK\$5,000,000 must be approved by the shareholders.
5. Period within which the shares must be taken up under an option: At any time from the date of acceptance of the option to such a date determined by the Board but in any event not exceeding 10 years from the date of grant.
6. Minimum period for which an option must be held before it can be exercised: No minimum period unless otherwise determined by the Board.
7. (a) Price payable on application or acceptance of the option: HK\$1.00;
(b) The period within which payments or calls must or may be made: Within 28 days from the date of grant;
(c) Period within which loans for such purposes of the payments or calls must be repaid: Not applicable.

34. 股本 (續)

購股權

本公司於2011年11月8日採納一項購股權計劃(「該計劃」)。該計劃之主要條款概述如下:

1. 該計劃之目的: 讓本集團向合資格參與者授予購股權以認購本公司股份, 以作為其對本集團所作貢獻之獎勵或獎賞。
2. 資格: 合資格參與者包括僱員(包括任何董事)、其附屬公司或本集團任何成員公司持有股權之任何實體。
3. (a) 根據該計劃於2018年9月20日(即本報告日期)可予發行之股份總數目: 221,334,089股股份;
(b) 於本報告日期其佔已發行股份之百分比: 6.89%。
4. 該計劃項下每名合資格參與者可獲授權益上限:
 - (a) 除非獲股東批准, 否則在任何12個月內不得超過已發行股份之1%;
 - (b) 於任何一年內向主要股東或獨立非執行董事或彼等各自之聯繫人授出之購股權, 若超過已發行股份之0.10%及價值超過5,000,000港元(以較高者為準)須經股東批准。
5. 行使購股權項下股份之期限: 於接納購股權日期起至董事會釐定之有關日期內之任何時間, 惟於任何情況下, 不得超過授出日期起計10年。
6. 購股權行使前必須持有之最短期限: 除非董事會另行釐定, 否則並無最短期限。
7. (a) 申請或接納購股權時所須繳付的代價: 1.00港元;
(b) 必須或可能付款或通知付款之期限: 授出日期起計28日內;
(c) 償還作付款或通知付款用途的貸款期限: 不適用。

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綜合財務報表附註

34. SHARE CAPITAL (continued)

Share options (continued)

8. Basis for determining the exercise price:

The exercise price is determined by the Board (subject to adjustment) and will not be less than the highest of (a) the closing price of the share as stated in the Stock Exchange's daily quotation sheet for trades in one or more board lots of Shares on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a share.

9. The remaining life of the Scheme: approximately 3 years (expiring on 7 November 2021).

During the year, no option was outstanding, granted, exercised, cancelled or lapsed under the Scheme.

34. 股本 (續)

購股權 (續)

8. 釐定行使價之基準:

行使價(可進行調整)乃由董事會釐定,惟不得低於下列最高者:(a)於授予日期買賣一手或以上股份在聯交所每日報價表所示之股份收市價;(b)於緊接授予日期前五個交易日股份在聯交所每日報價表所示之平均收市價;及(c)股份面值。

9. 該計劃尚餘之年期:約3年(於2021年11月7日屆滿)。

於本年度,該計劃項下概無購股權尚未行使、獲授出、獲行使、被註銷或已告失效。

35. BUSINESS COMBINATION

Acquisition of JDMM Group

On 4 May 2016, the Group entered into the S&P Agreement with the Vendors in relation to investment in production, distribution and licensing of animated TV episodes and theatrical films in Hong Kong, mainland China and overseas countries through the acquisition of approximately 78.64% equity interest in JDMM Group and the shareholder's loan owned by JDMM to one of the Vendors at a cash consideration of HK\$142,600,000. The cash consideration had been settled and paid by the Group to the Vendors in the following manners:

- (i) a refundable deposit in the amount of HK\$30,000,000 was paid in cash within 1 month after the execution of the S&P Agreement; and
- (ii) the remaining balance in the sum of HK\$112,600,000 was paid in cash upon completion of the acquisition.

The acquisition was completed on 21 July 2016 (the "Completion Date") and had been accounted for using the acquisition method.

The following tables summarise the consideration paid for this acquisition and the fair value of identifiable assets acquired and liabilities assumed at the acquisition date.

35. 業務合併

收購玉皇朝多媒體集團

於2016年5月4日,本集團就有關投資香港、中國大陸及海外國家動畫電視片集及戲院電影之製作、發行及授權與該等賣方就透過收購玉皇朝多媒體集團約78.64%股權以及玉皇朝多媒體應付予該等賣方其中一名之股東貸款訂立一份買賣協議,現金代價為142,600,000港元。該現金代價已由本集團按下列方式結算及支付予該等賣方:

- (i) 30,000,000港元之可退還訂金於簽立買賣協議後一個月內以現金支付;及
- (ii) 餘額112,600,000港元於完成收購時以現金支付。

收購已於2016年7月21日(「完成日期」)完成並已使用收購法入賬。

下表總結就該收購所支付之代價及於收購日期所收購之可識別資產及所承擔負債之公允價值。

		2017 HK\$'000
Consideration satisfied by cash	以現金支付之代價	142,600
Less: Contingent consideration receivable (note 26)	減: 應收或然代價(附註26)	(8,145)
Total consideration	代價總額	134,455

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. BUSINESS COMBINATION (continued)

Acquisition of JDMM Group (continued)

Note: Shortfall payment in respect of Profit Guarantee

Pursuant to the S&P Agreement, the Vendors have given a guarantee to the Group that the audited consolidated net profit after tax of JDMM Group for each of the Guaranteed Period would be no less than the Guaranteed Sum for each of the Guaranteed Period.

In case the Profit Guarantee is not fulfilled for the corresponding year, the Vendors shall pay the Shortfall to the Group, and for the avoidance of doubt, if JDMM Group sustained a loss for such financial year, 78.64% of the Guaranteed Sum shall be payable by the Vendors to the Group.

The fair value of the Profit Guarantee as at Completion Date amounted to HK\$8,145,000 and was recorded as contingent consideration receivable in the consolidated statement of financial position.

35. 業務合併 (續)

收購玉皇朝多媒體集團 (續)

附註：溢利保證有關之差額付款

根據買賣協議，該等賣方已向本集團發出一項保證，即玉皇朝多媒體集團於各個保證期間之經審核除稅後綜合溢利於各個保證期間將不低於保證金額。

倘相應年度之溢利保證未達成，該等賣方須支付差額予本集團，以及為免生疑問，倘玉皇朝多媒體集團於該財政年度錄得虧損，則該等賣方須向本集團支付保證金額之78.64%。

溢利保證於完成日期之公允價值為8,145,000港元並於綜合財務狀況表內入賬列為應收或然代價。

		2017 HK\$'000 千港元
Fair values of identifiable assets acquired and liabilities assumed	所收購之可識別資產及所承擔負債之公允價值	
Property, plant and equipment	物業、機器及設備	188
Intangible assets	無形資產	27,336
Film and TV programme rights	電影及電視節目版權	16,198
Film and TV programme production in progress	製作中之電影及電視節目	9,041
Investment in film production	於電影製作之投資	720
Trade receivables	貿易應收款	14,304
Deposits and prepayments	按金及預付款	588
Cash and cash equivalents	現金及現金等價物	867
Trade and other payables	貿易及其他應付款	(23,876)
Amount due to a shareholder of JDMM	應付玉皇朝多媒體一名股東之款項	(3,967)
Deferred tax liability	遞延稅項負債	(405)
Total identifiable net assets	可識別資產總淨值	40,994
Non-controlling interests	非控股權益	(8,756)
Assignment of shareholder's loan	轉讓股東貸款	3,967
Goodwill arising on acquisition	收購產生之商譽	98,250
Total consideration	代價總額	134,455
Net cash outflow arising from the acquisition:	自收購產生之現金流出淨額：	
Consideration paid in cash	已付現金代價	(142,600)
Less: Deposit paid in prior year	減：去年已付按金	30,000
		(112,600)
Cash and cash equivalents acquired	所收購之現金及現金等價物	867
		(111,733)

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. BUSINESS COMBINATION (continued)

Acquisition of JDMM Group (continued)

The fair value and the gross contractual amount of trade and other receivables as at the Completion Date amounted to HK\$14,304,000, of which no balance was expected to be uncollectible.

In addition, the non-controlling interests of JDMM Group was recognised at their proportionate share of identifiable net assets acquired.

JDMM Group was acquired so as to complement the Group's expansion strategy and step into the rapid expansion of animation market.

Acquisition-related costs of HK\$465,000 had been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017.

For the period from the acquisition date (i.e. 21 July 2016) to 30 June 2017, the Group's results included revenue of HK\$705,000 and loss of HK\$7,628,000 from JDMM Group. Had the combination taken place at the beginning of that year, the revenue and the loss of the Group for the year ended 30 June 2017 would have been HK\$44,959,000 and HK\$68,707,000 respectively.

36. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 14 December 2016, the Group completed the acquisition of 100% equity interest of Emperor Cinemas (China) Limited (formerly known as "Major Marketing Communications Limited") and its subsidiaries (collectively referred to as "**Emperor Cinemas (China) Group**") from an independent third party at a cash consideration of HK\$12,245,000. Emperor Cinemas (China) Group is principally engaged in the cinema development and operation in the PRC while the relevant cinemas were still under construction at the end of that reporting period.

The acquisition has been accounted for as an acquisition of assets and liabilities. The net cash outflow arising from the acquisition of Emperor Cinemas (China) Group is HK\$1,406,000.

35. 業務合併 (續)

收購玉皇朝多媒體集團 (續)

於完成日期，貿易及其他應收款之公允價值及合約總金額為14,304,000港元，其中概無結餘預期無法收回。

此外，玉皇朝多媒體集團之非控股權益已按其分佔所收購之可識別資產淨值之比例確認。

收購玉皇朝多媒體集團可完善本集團之擴張策略並進軍急速擴張中之動漫市場。

收購相關成本465,000港元已計入截至2017年6月30日止年度綜合損益及其他全面收益表之行政開支內。

自收購日期（即2016年7月21日）至2017年6月30日期間，本集團之業績中包括來自玉皇朝多媒體集團之收入705,000港元及虧損7,628,000港元。倘合併於該年度初發生，則本集團截至2017年6月30日止年度之收入及虧損將分別為44,959,000港元及68,707,000港元。

36. 透過收購附屬公司收購資產

於2016年12月14日，本集團完成向一名獨立第三方收購英皇電影城（中國）有限公司（前稱「名將市場傳訊有限公司」）及其附屬公司（統稱「**英皇電影城（中國）集團**」），現金代價為12,245,000港元。英皇電影城（中國）集團主要於中國從事戲院發展及營運，而相關戲院於該報告期末仍在興建中。

收購已按收購資產及負債方式計入。收購英皇電影城（中國）集團產生之現金流出淨額為1,406,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37. DISPOSAL OF SUBSIDIARIES

On 2 May 2018, the Group disposed of its 100% equity interest in Corporate Fame Limited together with its subsidiaries (collectively referred to as “**Corporate Fame Group**”) to an independent third party at a cash consideration of HK\$8,100,000 which resulted in a loss on disposal of HK\$8,000. Corporate Fame Group was principally engaged in film and TV programme production and distribution and provision of event management services in previous years.

No disposal-related costs has been charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2018.

Summary of the effect on disposal of Corporate Fame Group is as follows:

		2018 HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	—
Film and TV programme rights	電影及電視節目版權	—
Trade receivables	貿易應收款	—
Other receivables, deposits and prepayments	其他應收款、按金及預付款	35
Cash and bank balances	現金及銀行結存	9,831
Trade and other payables	貿易及其他應付款	(16,901)
Net liabilities disposed of	出售之負債淨額	(7,035)
Consideration received	已收代價	8,100
Net liabilities disposed of	出售之負債淨額	7,035
Non-controlling interests	非控股權益	(15,143)
Loss on disposal	出售虧損	(8)
Net cash outflow arising from the disposal:	自出售產生之現金流出淨額:	
Cash consideration received	已收現金代價	8,100
Cash and bank balances disposed of	所出售現金及銀行結存	(9,831)
		(1,731)

38. DISPOSAL OF ASSOCIATES

On 9 November 2016, the Group entered into (i) a sale and purchase agreement in relation to disposal of 5% shareholding interest in TVB Pay Vision Holdings Limited and its subsidiaries (collectively referred to “**TVBP Group**”) to an independent third party at a cash consideration of HK\$35,000,000; and (ii) a termination agreement of the shareholders’ agreement dated 22 May 2012 pursuant to which the rights and obligations bound to the shareholders under the shareholders’ agreement were terminated. The disposal was completed on 9 November 2016 and the Group recorded a gain on disposal of HK\$34,825,000 after deduction of the carrying amount of the associates of nil balance and the related professional fees of HK\$175,000. Following completion of the disposal and the termination agreement became effective, the Group has no significant influence over TVBP Group and TVBP Group ceased to be associates of the Group thereafter.

37. 出售附屬公司

於2018年5月2日，本集團以現金代價8,100,000港元出售Corporate Fame Limited連同其附屬公司（統稱「**Corporate Fame集團**」）之100%股權予一名獨立第三方，導致出售虧損8,000港元。Corporate Fame集團於過往年度主要從事電影及電視節目製作及發行以及提供表演節目管理服務。

並無與出售事項相關之成本計入截至2018年6月30日止年度綜合損益及其他全面收益表之行政開支內。

出售Corporate Fame集團之影響概要如下：

38. 出售聯營公司

於2016年11月9日，本集團訂立(i)買賣協議，內容有關向一名獨立第三方出售無綫收費電視有限公司及其附屬公司（統稱「**收費電視控股集團**」）5%股權，現金代價為35,000,000港元；及(ii)終止協議以終止日期為2012年5月22日之股東協議，據此終止協議項下股東之權利及義務。出售於2016年11月9日完成，經扣除聯營公司之零賬面值及相關專業費用175,000港元後，本集團錄得出售收益34,825,000港元。隨著完成出售及終止協議生效後，本集團對收費電視控股集團再無重大影響，而收費電視控股集團自此不再為本集團之聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Operating leases rentals paid or payable for the year in respect of rented premises	27,760	7,702

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases, in respect of rented premises, which fall due as follows:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	31,064	12,317
In the second to fifth year inclusive	133,954	76,828
Over fifth years	97,215	150,499
	262,233	239,644

The leases are mainly negotiated for an average term of 1-15 years (2017: 1-10 years) and the rentals are pre-determined and fixed.

In addition to the minimum lease payments described above, the Group has commitments to pay contingent rent based on the sales of the cinema premises pursuant to the terms and conditions as set out in the respective tenancy agreements. As the future sales could not be reliably determined, the relevant contingent rent has not been included in the above table.

於報告期末，本集團根據有關租賃物業之不可撤銷經營租賃須履行之未來最低租金款項承擔於以下年期屆滿：

經磋商之租賃主要平均為期1至15年（2017年：1至10年）及租金為預先釐定及以定額計算。

於上述最低租金款項外，本集團之或然租金承擔乃根據有關租賃協議所載之條款及條件按戲院物業之銷售額支付。由於未來銷售無法可靠釐定，相關或然租金並未計入上表。

(b) Capital commitments

(b) 資本承擔

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Contracted for but not provided the consolidated financial statements, net of amounts paid, in respect of: – Acquisition on property, plant and equipment	2,049	61,781

Notes to the Consolidated Financial Statements

綜合財務報表附註

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Amounts due to related companies 應付關聯公司款項 HK\$'000 千港元
At 1 July 2017	於2017年7月1日	16,049
Exchange realignment	匯兌調整	358
Advances from related companies	關聯公司之墊款	46,165
Repayments to related companies	償還關聯公司款項	(47,019)
At 30 June 2018	於2018年6月30日	15,553

40. 融資活動所產生之負債對賬

下表詳述本集團融資活動產生之負債之變動，包括現金及非現金變動。融資活動所產生負債指於本集團綜合現金流量表內分類為融資活動所產生之現金流量或未來現金流量之負債。

41. MATERIAL RELATED PARTY TRANSACTIONS

(a) During the year, the Group had the following material transactions with related parties:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Event investment costs paid to a related company	向關連公司支付表演項目投資成本	2,790	—
Purchases of furniture from a related company (note (i))	向關連公司購買傢俬(附註(i))	899	—
Consultancy fee to a related company (note (i))	向關連公司支付諮詢費(附註(i))	2,076	—
Professional fees to related companies	向關連公司支付專業費用	580	80
Rental expenses to related companies (note (ii), (iii), (iv) and (v))	向關連公司支付租金費用(附註(ii)、(iii)、(iv)及(v))	10,770	713
Sales of merchandising goods to related parties	向關連方出售商品	193	—
Reimbursement of administrative expenses to a related company	償付關連公司之行政開支	7,908	1,117

The above related companies are controlled by the AY Trust and the amounts for the year ended 30 June 2017 disclosed above represented material transactions between the Group and related companies on and after 23 March 2017 upon completion of the Subscription made by Emperor Culture Holdings, which was ultimately owned by the AY Trust.

41. 重大關連人士交易

(a) 於本年度，本集團與關連人士訂立下列重大交易：

上述關連公司由AY Trust控制，以及上文所披露截至2017年6月30日止年度之金額乃指於2017年3月23日及之後於英皇文化控股（由AY Trust最終擁有）完成認購事項後本集團與該等關連公司進行之重大交易。

Notes to the Consolidated Financial Statements

綜合財務報表附註

41. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: The amounts included the following continuing connected transactions:

- (i) On 15 January 2018, a related company controlled by the AY Trust entered into an agreement with Ulferts International Limited ("Ulferts International"). Pursuant to the agreement, Ulferts International and its subsidiaries (collectively referred to as "Ulferts Group") shall (i) sell products and provide furniture procurement consultancy services to members of Emperor Group (including the Group) in relation to their projects and investments, or for their own consumption; (ii) sell furniture coupons to members of Emperor Group for their own consumption and for the consumption of their clients as a marketing strategy of their projects and (iii) provide such other types of ancillary services and any transaction of revenue nature in the ordinary course of business of Ulferts Group, commencing from 29 January 2018 and up to 31 March 2020. Further details of the continuing connected transaction were set out in the Company's announcement dated 16 March 2018.
- (ii) On 5 May 2017, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement with a related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 10 years from 5 May 2017 to 4 May 2027 with an option for renewal of additional 5 years until 4 May 2032. The transaction contemplated under the tenancy agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 5 May 2017.
- (iii) On 24 August 2017, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement with a related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 6 years from 1 September 2017 to 31 August 2023 with an option for renewal of additional 6 years until 31 August 2029. The transaction contemplated under the tenancy agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 24 August 2017.
- (iv) On 31 October 2017, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement with a related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 5 years from 1 November 2017 to 31 October 2022. The transaction contemplated under the tenancy agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 31 October 2017.

41. 重大關連人士交易 (續)

附註：該等款項包括下列之持續關連交易：

- (i) 於2018年1月15日，AY Trust控制之一間關連公司與歐化國際有限公司（「歐化國際」）訂立一份協議。根據協議，自2018年1月29日起至2020年3月31日止，歐化國際及其附屬公司（統稱「歐化集團」）可(i)向英皇集團成員公司（包括本集團）就彼等之項目及投資或自身消費銷售產品及提供傢俬採購諮詢服務；(ii)向英皇集團成員公司銷售傢俬禮券，供自身使用及其客戶消費，作為彼等項目的營銷策略；及(iii)於歐化集團一般業務過程中提供之該等其他類別配套服務及進行屬收入性質的任何交易。持續關連交易之進一步詳情載於本公司日期為2018年3月16日之公告內。
- (ii) 於2017年5月5日，本公司一間接全資附屬公司（作為租戶）與一間關連公司（作為業主）訂立一份租賃協議，據此該關連公司同意向該附屬公司出租協定物業，租期自2017年5月5日起至2027年5月4日止為期10年（可選擇續期5年直至2032年5月4日止）。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2017年5月5日之公告內。
- (iii) 於2017年8月24日，本公司一間接全資附屬公司（作為租戶）與一間關連公司（作為業主）訂立一份租賃協議，據此該關連公司同意向該附屬公司出租協定物業，租期自2017年9月1日起至2023年8月31日止為期6年（可選擇續期6年直至2029年8月31日止）。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2017年8月24日之公告內。
- (iv) 於2017年10月31日，本公司一間接全資附屬公司（作為租戶）與一間關連公司（作為業主）訂立一份租賃協議，據此該關連公司同意向該附屬公司出租協定物業，租期自2017年11月1日起至2022年10月31日止為期5年。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2017年10月31日之公告內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

41. MATERIAL RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

- (v) On 28 February 2018, an indirect wholly-owned subsidiary of the Company as tenant, entered into a tenancy agreement with a related company as landlord which agreed to lease the agreed premises to the subsidiary for a term of 3 years from 1 March 2018 to 28 February 2021. The transaction contemplated under the tenancy agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Further details of the continuing connected transaction were set out in the Company's announcement dated 28 February 2018.
- (b) Details of balances with related companies/non-controlling interests at the end of the reporting period are set out in note 32.
- (c) The key management personnel of the Company are the Directors. Details of their remunerations are set out in note 16.

41. 重大關連人士交易 (續)

附註：(續)

- (v) 於2018年2月28日，本公司一間接全資附屬公司(作為租戶)與一間關連公司(作為業主)訂立一份租賃協議，據此該關連公司同意向該附屬公司出租協定物業，租期自2018年3月1日起至2021年2月28日止為期3年。租賃協議項下擬進行之交易構成上市規則第14A章項下本公司之一項持續關連交易。該持續關連交易之進一步詳情載列於本公司日期為2018年2月28日之公告內。
- (b) 於報告期末，與關連公司/非控股權益之結餘詳情載於附註32。
- (c) 本公司主要管理人員為董事。彼等之薪酬詳情載列於附註16。

42. FINANCIAL INFORMATION OF THE COMPANY

42. 本公司之財務資料

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產		
Intangible assets	無形資產	—	—
Investment in subsidiaries	於附屬公司之投資	585,772	537,073
		585,772	537,073
Current assets	流動資產		
Other receivables, deposits and prepayments	其他應收款、按金及預付款	304	251
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	3,578	4,165
Cash and bank balances	現金及銀行結存	164,801	364,300
		168,683	368,716
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款	1,247	1,344
Amount due to a related company	向關連公司支付費用	502	266
		1,749	1,610
Net current assets	流動資產淨值	166,934	367,106
Net assets	資產淨值	752,706	904,179
Capital and reserves	股本及儲備		
Share capital	股本	32,133	32,133
Reserves (note)	儲備(附註)	720,573	872,046
Total equity	權益總額	752,706	904,179

Notes to the Consolidated Financial Statements

綜合財務報表附註

42. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note:

42. 本公司之財務資料 (續)

附註：

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserves 資本贖回儲備 HK\$'000 千港元	Contributable surplus 繳納盈餘 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2016	於2016年7月1日	733,016	50	58,658	(37,678)	754,046
Loss for the year	年度虧損	-	-	-	(61,827)	(61,827)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	(61,827)	(61,827)
Issue of new shares by subscription	自認購發行新股份	180,000	-	-	-	180,000
Shares issuing expenses	股份發行開支	(173)	-	-	-	(173)
At 30 June 2017 and 1 July 2017	於2017年6月30日及2017年7月1日	912,843	50	58,658	(99,505)	872,046
Loss for the year	年度虧損	-	-	-	(151,473)	(151,473)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	(151,473)	(151,473)
At 30 June 2018	於2018年6月30日	912,843	50	58,658	(250,978)	720,573

Notes to the Consolidated Financial Statements

綜合財務報表附註

43. PARTICULARS OF SUBSIDIARIES

(a) General information of subsidiaries

Particulars of the Company's principal subsidiaries as at 30 June 2018 and 2017 are set out as follows:

43. 附屬公司詳情

(a) 附屬公司一般資料

於2018年及2017年6月30日，本公司主要附屬公司之詳情載列如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Nominal value of issued shares/ registered capital 已發行股本/註冊 資本	Proportion of nominal value of issued shares/registered capital held by the Company 本公司所持有已發行股本/ 註冊資本之比例				Principal activities 主要業務
			Direct 直接		Indirect 間接		
			2018	2017	2018	2017	
Dragon Animation Limited 龍動畫有限公司	Hong Kong 香港	HK\$100 100港元	—	—	78.64%	78.64%	Animated product development 動畫產品開發
Emperor Cinema Group Limited 英皇電影城集團有限公司	British Virgin Islands ("BVI") 英屬處女群島 ("英屬處女群 島")	US\$1 1美元	100%	100%	—	—	Investment holding 投資控股
Emperor Cinema Management Limited 英皇電影城管理有限公司	Hong Kong 香港	HK\$1 1港元	—	—	100%	100%	Cinema operation 戲院營運
Goldcore Holdings Limited	BVI 英屬處女群島	US\$1 1美元	100%	100%	—	—	Investment holding 投資控股
JDMM 玉皇朝多媒體	Samoa 薩摩亞	US\$14,000 14,000美元	—	—	78.64%	78.64%	Production, distribution and licensing of animations 動畫片集之 製作、發行及授權
Multi-Wide Limited 顯茂有限公司	Hong Kong 香港	HK\$1 1港元	—	—	100%	100%	Film and event investments and investment in securities 電影及表演項目投資 與證券投資
Emperor Cinemas (China) Limited 英皇電影城(中國)有限公司	Hong Kong 香港	HK\$2 2港元	—	—	100%	100%	Investment holding 投資控股
Sino Spirit International Limited ("Sino Spirit") ("Sino Spirit")	BVI 英屬處女群島	US\$100 100美元	—	—	55%	55%	Investment holding 投資控股
Yulang Film and Animation Culture Limited 玉郎影視動畫文化有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	—	78.64%	78.64%	Production, distribution and licensing of animations 動畫片集之 製作、發行及授權

Notes to the Consolidated Financial Statements

綜合財務報表附註

43. PARTICULARS OF SUBSIDIARIES

(continued)

(a) General information of subsidiaries (continued)

43. 附屬公司詳情 (續)

(a) 附屬公司一般資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Nominal value of issued shares/ registered capital 已發行股本/註冊 資本	Proportion of nominal value of issued shares/registered capital held by the Company 本公司所持有已發行股本/ 註冊資本之比例				Principal activities 主要業務
			Direct 直接		Indirect 間接		
			2018	2017	2018	2017	
英皇電影城(澳門)有限公司	Macau 澳門	MOP\$25,000 25,000澳門元	—	—	100%	—	Cinema operation 戲院營運
英皇電影城(安徽)有限公司	The PRC 中國	RMB32,800,000# 人民幣 32,800,000元#	—	—	55%	55%	Cinema operation 戲院營運
英皇電影城(北京)有限公司	The PRC 中國	RMB38,000,000#^ 人民幣 38,000,000元#^	—	—	100%	100%	Cinema operation 戲院營運
英皇電影城(重慶)有限公司	The PRC 中國	RMB33,000,000# 人民幣 33,000,000元#	—	—	100%	100%	Cinema operation 戲院營運
英皇電影城(成都)有限公司	The PRC 中國	RMB23,500,000# 人民幣 23,500,000元#	—	—	100%	100%	Cinema operation 戲院營運
南京玉郎鴻鷹影視文化有限公司	The PRC 中國	RMB15,000,000# 人民幣 15,000,000元#	—	—	78.64%	78.64%	Film and TV programme production and distribution 電影及電視節目 製作及發行

Registered capital

^ The amount represents the registered capital of 英皇電影城(北京)有限公司 including its branch 英皇電影城(北京)有限公司深圳分公司

Notes:

- (i) All are ordinary share capital unless otherwise stated.
- (ii) None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.
- (iii) The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

註冊資本

^ 該金額指英皇電影城(北京)有限公司(包括英皇電影城(北京)有限公司深圳分公司)之註冊資本

附註:

- (i) 除另有列明者外,全部均為普通股股本。
- (ii) 各附屬公司於年末或本年度內任何時間概無任何借貸資本。
- (iii) 上表所列之本公司附屬公司,乃董事認為對本集團之業績或資產具重大影響之附屬公司。董事認為,一併列出其他附屬公司之詳情將會使有關資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

43. PARTICULARS OF SUBSIDIARIES

(continued)

(a) General information of subsidiaries (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2018	2017
Investment holding and others 投資控股及其他	Hong Kong 香港	3	2
	BVI 英屬處女群島	2	2

None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.

43. 附屬公司詳情 (續)

(a) 附屬公司一般資料 (續)

於報告期末，本公司擁有對本集團而言並不重大之其他附屬公司。該等附屬公司之主要業務概述如下：

各附屬公司於年末或本年度內任何時間概無任何借貸資本。

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

(b) 擁有重大非控股權益之非全資附屬公司之詳情

下表載列擁有重大非控股權益之本公司非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation/operation 註冊成立/營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之擁有權益及投票權比例		Loss allocated to non-controlling interests 分配予非控股權益之虧損		Accumulated non-controlling interests 累計非控股權益	
		2018	2017	2018	2017	2018	2017
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
JDMM [^] 玉皇朝多媒體 [^]	Samoa, Hong Kong and the PRC/ Hong Kong and the PRC 薩摩亞、香港及中國/ 香港及中國	21.36%	21.36%	(352)	(1,629)	6,780	7,106
Sino Spirit [#]	BVI and the PRC/the PRC 英屬處女群島及中國/中國	45%	45%	(4,173)	(5,154)	(18,346)	(15,039)

[^] Representing JDMM Group
[#] Representing Sino Spirit and its subsidiaries

[^] 指玉皇朝多媒體集團
[#] 指Sino Spirit及其附屬公司

Notes to the Consolidated Financial Statements

綜合財務報表附註

43. PARTICULARS OF SUBSIDIARIES

(continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

43. 附屬公司詳情 (續)

(b) 擁有重大非控股權益之非全資附屬公司之詳情 (續)

		JDMM 玉皇朝多媒體		Sino Spirit	
		2018	2017	2018	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Current assets	流動資產	27,460	41,912	26,025	23,900
Non-current assets	非流動資產	28,015	25,840	43,364	50,304
Current liabilities	流動負債	(23,733)	(34,244)	(110,157)	(107,623)
Non-current liabilities	非流動負債	—	(242)	—	—
Revenue	收入	16,673	705	38,292	31,829
Costs, other revenue, expenses and taxation	成本、其他收益、開支及稅項	(18,321)	(8,333)	(47,565)	(43,282)
Loss for the year	年度虧損	(1,648)	(7,628)	(9,273)	(11,453)
Net cash inflow/(outflow) from operating activities	經營活動之現金流入／(流出)淨額	4,298	247	2,445	(6,310)
Net cash outflow from investing activities	投資活動之現金流出淨額	(4,253)	(345)	(609)	(584)
Net cash inflow from financing activities	融資活動之現金流入淨額	—	—	5	12,753
Net cash inflow/(outflow)	現金流入／(流出)淨額	45	(98)	1,841	5,859

The above details do not include the financial information of Mega-Vision Productions Limited and its subsidiary, Mega-Vision Pictures Limited (collectively referred to as "Mega-Vision Group") which was owned as to 80% by the Group before the disposal on 2 May 2018. Details of the financial information of Mega-Vision Group are set out in note 37.

上述詳情不包括劇王朝有限公司及其附屬公司影王朝有限公司(統稱「劇王朝集團」)(於2018年5月2日出售前由本集團擁有80%權益)之財務資料。劇王朝集團之財務資料詳情載於附註37。

Notes to the Consolidated Financial Statements

綜合財務報表附註

44. EVENT AFTER THE END OF REPORTING PERIOD

On 24 May 2018, the Company and Emperor International Holdings Limited (“**Emperor International**”), a connected person of the Company, entered into a master leasing agreement (“**Master Leasing Agreement**”) which sets out a framework of the terms governing the tenancy transactions between the Group and the relevant members of Emperor International, details of which were set out in the announcement dated 24 May 2018 and the circular dated 17 July 2018 of the Company. The Master Leasing Agreement and the relevant annual cap were approved by the respective independent shareholders of the Company and Emperor International in August 2018.

45. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 20 September 2018.

44. 報告期末後事項

於2018年5月24日，本公司與英皇集團（國際）有限公司（「**英皇國際**」）（本公司之關連人士）訂立總租賃協議（「**總租賃協議**」），當中載列規管本集團與英皇國際有關成員公司間之租賃交易的框架條款，其詳情載列於本公司日期為2018年5月24日之公告及本公司日期為2018年7月17日之通函內。總租賃協議及相關年度上限於2018年8月獲本公司及英皇國際各自獨立股東之批准。

45. 授權刊發綜合財務報表

本綜合財務報表於2018年9月20日獲董事會批准及授權刊發。

Five-year Financial Summary

五年財務概要

The following is a summary of the published results and the assets and liabilities of the Group for the five years ended 30 June 2018:

截至2018年6月30日止五個年度本集團之已公布業績以及資產及負債概要載列如下：

RESULTS

業績

		Year ended 30 June 截至6月30日止年度				
		2014	2015	2016	2017	2018
		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
Continuing operations	持續經營業務					
Revenue	收入	54,437	85,332	24,251	44,925	91,202
Loss before taxation	除稅前虧損	(65,051)	(28,354)	(48,680)	(69,253)	(158,355)
Taxation (charge)/credit	稅項(支出)/抵免	-	(17)	-	175	242
Loss for the year from continuing operations	持續經營業務之年度虧損	(65,051)	(28,371)	(48,680)	(69,078)	(158,113)
Discontinued operation	已終止經營業務					
Loss for the year from discontinued operation*	已終止經營業務之年度虧損*	-	(48,873)	(28,747)	-	-
Loss for the year	年度虧損	(65,051)	(77,244)	(77,427)	(69,078)	(158,113)
Profit/(loss) attributable to:	由下列人士應佔年度溢利/(虧損)：					
Owners of the Company	本公司擁有人	(66,832)	(75,115)	(106,015)	(62,327)	(153,797)
Non-controlling interests	非控股權益	1,781	(2,129)	28,588	(6,751)	(4,316)
		(65,051)	(77,244)	(77,427)	(69,078)	(158,113)

ASSETS AND LIABILITIES

資產與負債

		At 30 June 於6月30日				
		2014	2015	2016	2017	2018
		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
Total assets	總資產	529,597	956,210	827,832	1,053,942	902,608
Total liabilities	總負債	(45,180)	(98,307)	(76,543)	(173,048)	(161,468)
Net assets	資產淨值	484,417	857,903	751,289	880,894	741,140
Capital and reserves attributable to:	由下列人士應佔股本及儲備：					
Owners of the Company	本公司擁有人	500,725	884,464	776,177	904,179	752,706
Non-controlling interests	非控股權益	(16,308)	(26,561)	(24,888)	(23,285)	(11,566)
		484,417	857,903	751,289	880,894	741,140

* The discontinued operation represented the post production service segment which was disposed of by the Group during the year ended 30 June 2016.

* 已終止經營業務指本集團截至2016年6月30日止年度出售之後期製作服務分類。



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