



STARLIGHT CULTURE
ENTERTAINMENT

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

(formerly known as Jimei International Entertainment Group Limited)
(前稱集美國際娛樂集團有限公司)

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 1159

Annual Report
2018
年報



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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Gao Qun (*Chairman*)
(appointed on 5 October 2018)
Mr. Yan Xu (*Chairman*)
(retired on 29 June 2018)
Mr. Chau Chit (*Deputy Chairman*)
Mr. Luo Lei (*Chief Executive Officer*)
Ms. Chen Hong
Mr. Hung Ching Fung
Mr. Li Haitian

Non-Executive Directors

Mr. Wang Shoulei

Independent Non-Executive Directors

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

COMPANY SECRETARY

Mr. Cheung Yiu Kuen

AUDIT COMMITTEE

Mr. Wong Wai Kwan (*Chairman*)
Mr. Michael Ngai Ming Tak
Mr. Kong Chi Mo
Mr. Hong Tao

REMUNERATION COMMITTEE

Mr. Michael Ngai Ming Tak (*Chairman*)
Mr. Wong Wai Kwan
Mr. Kong Chi Mo
Mr. Hong Tao

董事

執行董事

高群先生 (*主席*)
(於二零一八年十月五日獲委任)
顏旭先生 (*主席*)
(於二零一八年六月二十九日退任)
周哲先生 (*副主席*)
羅雷先生 (*行政總裁*)
陳虹女士
洪清峰先生
李海天先生

非執行董事

王守磊先生

獨立非執行董事

王偉軍先生
魏明德先生
江智武先生
洪滔先生

公司秘書

張耀權先生

審核委員會

王偉軍先生 (*主席*)
魏明德先生
江智武先生
洪滔先生

薪酬委員會

魏明德先生 (*主席*)
王偉軍先生
江智武先生
洪滔先生



Corporate Information 公司資料

NOMINATION COMMITTEE

Mr. Chau Chit (*Chairman*)
Mr. Wong Wai Kwan
Mr. Michael Ngai Ming Tak

提名委員會

周哲先生 (主席)
王偉軍先生
魏明德先生

ANTI-MONEY LAUNDERING COMMITTEE

Mr. Hung Ching Fung (*Chairman*)
Mr. Yan Xu (retired on 29 June 2018)
Ms. Chen Hong
Mr. Li Haitian
Mr. Wong Wai Kwan
Mr. Kong Chi Mo
Mr. Hong Tao

反洗黑錢委員會

洪清峰先生 (主席)
顏旭先生 (於二零一八年六月二十九日退任)
陳虹女士
李海天先生
王偉軍先生
江智武先生
洪滔先生

CREDIT COMMITTEE

Mr. Yan Xu (*Chairman*)
(retired on 29 June 2018)
Ms. Chen Hong
Mr. Li Haitian

信貸委員會

顏旭先生 (主席)
(於二零一八年六月二十九日退任)
陳虹女士
李海天先生

INVESTMENT STEERING COMMITTEE

Mr. Yan Xu (*Chairman*)
(retired on 29 June 2018)
Ms. Chen Hong
Mr. Li Haitian
Mr. Wong Wai Kwan
Mr. Michael Ngai Ming Tak
Mr. Kong Chi Mo
Mr. Hong Tao

投資督導委員會

顏旭先生 (主席)
(於二零一八年六月二十九日退任)
陳虹女士
李海天先生
王偉軍先生
魏明德先生
江智武先生
洪滔先生

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Corporate Information

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

AUDITORS

Ernst & Young

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

The Bank of China (Hong Kong) Limited

WEBSITE

www.starlightcul.com.hk

總辦事處及主要營業地點

香港
干諾道西118號
12樓1203室

核數師

安永會計師事務所

百慕達主要股份過戶登記處

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

股份過戶登記香港分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

中國銀行（香港）有限公司

網址

www.starlightcul.com.hk



Chairman's Statement 主席報告

Dear shareholders,

On behalf of the board ("Board") of directors (the "Directors") of Starlight Culture Entertainment Group Limited (the "Company"), together with its subsidiaries (the "Group"), I present herewith to the shareholders of the Group the annual report and audited consolidated results of the Group for the year ended 31 December 2018.

RESULTS OF THE YEAR

During the year of 2018, the Group engaged in media and culture business, trading business as well as entertainment and gaming business. The Group's revenue was HK\$73,485,000 (2017: HK\$39,958,000) for the year ended 31 December 2018, with a gross profit of approximately HK\$37,982,000 as compared to a gross loss of approximately HK\$3,203,000 in the year of 2017. The Company recorded a loss for the year attributable to owners of the Company of HK\$49,606,000 (2017: HK\$294,439,000).

Basic loss per share for the year was approximately 7.36 HK cents (2017: 49.15 HK cents).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018.

FUTURE PLANS AND PROSPECTS

The Group continued to develop its media and culture business and started to record revenue from this business during 2018. With the leadership of an experienced and energetic core management team, we have full confidence we can steadily develop our business. The Group will also strive to improve its performance in its trading business and its entertainment and gaming business.

致各股東：

本人謹代表星光文化娛樂集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）向本集團股東提呈本集團截至二零一八年十二月三十一日止年度之年度報告及經審核綜合業績。

本年度業績

於二零一八年年度，本集團從事傳媒及文化業務、貿易業務以及娛樂及博彩業務。本集團截至二零一八年十二月三十一日止年度之收益為73,485,000港元（二零一七年：39,958,000港元），毛利為約37,982,000港元，而二零一七年之毛損為約3,203,000港元。本公司錄得本公司擁有人應佔年內虧損49,606,000港元（二零一七年：294,439,000港元）。

於本年度之每股基本虧損約為7.36港仙（二零一七年：49.15港仙）。

股息

董事會不建議派付截至二零一八年十二月三十一日止年度之末期股息。

未來計劃及展望

於二零一八年，本集團繼續發展其傳媒及文化業務，並開始錄得該項業務之收益。在經驗豐富並充滿活力的核心管理團隊的領導下，我們堅信我們能夠穩健地發展其業務。本集團將努力提升其貿易業務以及娛樂及博彩業務方面的表現。

Chairman's Statement

主席報告

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

ACKNOWLEDGEMENTS

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

Mr. Gao Qun
Chairman

Hong Kong
30 April 2019

本集團將於業務發展中採取謹慎態度，以保障股東有較高的回報。

致謝

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

高群先生
主席

香港
二零一九年四月三十日



Management Discussion and Analysis

管理層討論及分析

FURTHER UPDATE ON MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST IN STARLIGHT LEGEND INVESTMENT LIMITED

有關收購STARLIGHT LEGEND INVESTMENT LIMITED之全部股權之主要及關連交易之進一步更新

Reference is made to the announcements of the Company dated 14 September 2017 and 13 December 2017 and the circular of the Company dated 26 October 2017 (the “Circular”) relating to, among other things, the acquisition of the entire equity interest in Starlight Legend Investment Limited (the “Acquisition”) and the update announcement of the Company dated 29 March 2018 (the “Update Announcement”) relating to, among other things, the Side Letter. Capitalised terms used herein shall have the meanings as defined in the Circular and the Update Announcement unless the context requires otherwise.

As disclosed in the Update Announcement, the Vendor entered into the Side Letter with the Company on 29 March 2018, pursuant to which the Vendor irrevocably and unconditionally agreed and undertook to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct the Updated Valuation (i.e. a valuation of the Target Group as at 31 December 2018). The determination by the independent valuer shall be final and binding on the Vendor and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to the Waiver (i.e. to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000).
- (iii) The due date of the Promissory Note shall be extended until 12 December 2019.

謹此提述本公司日期為二零一七年九月十四日及二零一七年十二月十三日之公告及本公司日期為二零一七年十月二十六日之通函（「該通函」），內容有關（其中包括）收購Starlight Legend Investment Limited之全部股權（「收購事項」），以及本公司日期為二零一八年三月二十九日之更新公告（「更新公告」），內容有關（其中包括）該附函。除文義另有所指外，本年報所用之詞彙具有該通函及更新公告所界定之涵義。

誠如更新公告所披露，於二零一八年三月二十九日，賣方與本公司訂立附函，據此，賣方不可撤回及無條件地向本公司同意及承諾以下各項：

- (i) 賣方及本公司應共同委任一名獨立估值師對目標集團於二零一八年十二月三十一日之估值進行更新估值。獨立估值師之決定對賣方及本公司均將具有決定性及約束力。
- (ii) 倘更新估值低於25,000,000美元，則賣方不可撤回、無條件及完全地同意豁免（即放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限）。
- (iii) 承兌票據之到期日將延至二零一九年十二月十二日。

Management Discussion and Analysis

管理層討論及分析

On 9 April 2019, a valuation report was delivered by the independent valuer jointly appointed by the Company and the Vendor for the purpose of the Side Letter, which states that the value of the Target Group as at 31 December 2018 was US\$7,500,000, being the Updated Valuation for the purpose of the Side Letter. As such and pursuant to the Side Letter, the amount of the principal amount of the Promissory Note to be waived and forgone by the Vendor shall be US\$17,500,000, being US\$25,000,000 minus US\$7,500,000. Given that the principal amount of the Promissory Note is US\$12,884,615.38, the principal amount of the Promissory Note shall be reduced from US\$12,884,615.38 to US\$0. Further, as no interest is payable on the principal amount of the Promissory Note, the Company shall have no further obligation whatsoever to the Vendor under the Promissory Note with effect from 9 April 2019.

The Company recognized: (a) a gain on fair value change in the amount of approximately HK\$91.4 million attributable to the reduction in the principal amount of the Promissory Note pursuant to the Waiver; and (b) a loss on impairment of goodwill in the amount of approximately HK\$54.8 million attributable to the reduction in the value of the Target Group as at 31 December 2018 taking into account the Updated Valuation.

ISSUE OF BONDS UNDER GENERAL MANDATE

On 26 April 2019, the Company and each of the three subscribers (who are independent third parties to the Company) entered into the subscription agreements ("Subscription Agreements"), pursuant to which each of the subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the unsecured redeemable bonds ("Bonds") with conditional conversion rights in an aggregate principal amount of HK\$180,000,000 ("CB Proceeds").

On 28 April 2019, the CB Proceeds was received by the Company and the CB Proceeds net of related expenses was utilized to repay part of the short-term liabilities of the Company.

The details of the Bonds and the CB Proceeds can be referred to the Company's announcement dated 28 April 2019.

於二零一九年四月九日，本公司與賣方就該附函共同委聘的獨立估值師交付估值報告，當中列明目標集團於二零一八年十二月三十一日之估值為7,500,000美元（即就該附函而言之更新估值）。因此，根據該附函，賣方將豁免及放棄之承兌票據本金額為17,500,000美元（即25,000,000美元減去7,500,000美元）。鑒於承兌票據之本金額為12,884,615.38美元，故此承兌票據之本金額將由12,884,615.38美元減少至零美元。此外，由於毋須就承兌票據之本金額支付利息，故此自二零一九年四月九日起本公司毋須根據承兌票據對賣方承擔任何其他責任。

經計及更新估值，本公司已確認：(a)承兌票據之本金額因豁免而減少所帶來的公平值變動收益約91,400,000港元；及(b)目標集團於二零一八年十二月三十一日之價值減少所產生的商譽減值虧損約54,800,000港元。

根據一般授權發行債券

於二零一九年四月二十六日，本公司與三名認購人（均為本公司之獨立第三方）分別訂立認購協議（「認購協議」），據此，認購人已各自有條件同意認購，而本公司已有條件同意發行本金總額為180,000,000港元（「可換股債券所得款項」）且附帶有條件轉換權之無抵押可贖回債券（「債券」）。

於二零一九年四月二十八日，本公司已收取可換股債券所得款項，並已利用可換股債券所得款項（扣除相關開支）償還本公司之部分短期負債。

有關債券及可換股債券所得款項之詳情可參閱本公司日期為二零一九年四月二十八日之公告。



Management Discussion and Analysis

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

業務及營運回顧

The Group reported a loss attributable to owners of the Company of approximately HK\$49,606,000 for the year ended 31 December 2018 (2017: approximately HK\$294,439,000). The loss was mainly attributable to (i) the gain on change in fair value of derivative financial liabilities of approximately HK\$36 million recognized during the year of 2018 as compared to a loss of approximately HK\$30 million recognized in the year of 2017 in relation to the convertible bonds issued by the Company; (ii) the gain on change in fair value of a promissory note of HK\$91,431,000; (iii) the overall decrease in operating expenses, administrative expenses and finance costs of approximately HK\$40 million; and (iv) the gross profit of approximately HK\$38 million recognized during the year of 2018 as compared to gross loss of approximately HK\$3 million recognized in the year of 2017.

Basic loss per share for the year amounted to approximately 7.36 HK cents (2017: 49.15 HK cents). Net liability of the Group were approximately HK\$163,352,000 (2017: HK\$110,445,000). The net liability was attributable to the loss of the Group for the year ended 31 December 2018.

As at 31 December 2018, the Group's deficiency attributable to the owners of the Company amounted to HK\$117.3 million (2017: HK\$69.0 million), representing an increase in deficiency of HK\$48.3 million. The deficiency per share attributable to the owners of the Company as at 31 December 2018 was approximately HK\$0.17 (31 December 2017: HK\$0.10).

於截至二零一八年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約49,606,000港元（二零一七年：約294,439,000港元）。虧損減少主要源於(i)就本公司發行之可換股債券，於二零一八年確認衍生金融負債公平值變動收益約36,000,000港元，而於二零一七年確認虧損約30,000,000港元；(ii)承兌票據公平值變動收益91,431,000港元；(iii)營運開支、行政開支及融資成本整體減少約40,000,000港元；及(iv)於二零一八年確認毛利約38,000,000港元，而於二零一七年確認毛損約3,000,000港元。

年內每股基本虧損約為7.36港仙（二零一七年：49.15港仙）。本集團淨負債約為163,352,000港元（二零一七年：110,445,000港元）。淨負債乃由於本集團截至二零一八年十二月三十一日止年度之虧損所致。

於二零一八年十二月三十一日，本公司擁有人應佔本集團虧絀為117,300,000港元（二零一七年：69,000,000港元），增加虧絀48,300,000港元。於二零一八年十二月三十一日，本公司擁有人應佔每股虧絀約為0.17港元（二零一七年十二月三十一日：0.10港元）。

MATERIAL ACQUISITION AND DISPOSAL

重大收購及出售事項

During the year, the Group has disposed the entire equity interest in Jimei Entertainment Overseas Development Limited and Sino Green Energy International Co., Limited. Details can be referred to the announcement of Company dated 17 December 2018.

年內，本集團已出售Jimei Entertainment Overseas Development Limited及中國綠能實業有限公司的全部股權。有關詳情請參閱本公司日期為二零一八年十二月十七日之公告。

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

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

Management Discussion and Analysis

管理層討論及分析

SEGMENTAL ANALYSIS

Media and Culture

During the year ended 31 December 2018, the Group has continued to develop its media and culture business. The Group's revenue amounted to HK\$55.4 million (2017: HK\$NIL), with a gross profit of HK\$37.2 million (2017: HK\$NIL).

Up to 31 December 2018, the Group has the following investment in movies and TV series, as well as projects incubating by directors.

Investment in Movies and TV Series

The movie "Marshall", which was obtained by the Group through acquisition, is internationally distributed by Sony Pictures Worldwide Acquisitions Inc., and distributed by Open Road Films, LLC in North America. The movie is produced by Paula Wagner, an experienced Hollywood producer, and starring Chadwick Boseman, the leading actor of "Black Panther", and Sterling K. Brown, an Emmy Award winner and the leading actor of "This Is Us". The movie was nominated for Oscar Best Original Song (theme song: Stand Up For Something) and received Top Ten Films of African American Film Critics Association Awards, Audience Choice Award of Chicago International Film Festival, Annual Song Award of Hollywood Film Awards, Best Original Song Award of Annual Satellite Awards as well as 18 other internationally renowned awards nominations. The Group arranged the investment in the epic drama film "Midway", directed by the well-known director Roland Emmerich (who has entered into an agreement with the Group), produced by Mark Gordon and starring Woody Harrelson, Mandy Moore and Luke Evans. It started principal photography in 2018 and is expected to be released in 2019. In terms of distribution, Summit Entertainment, LLC is responsible for the U.S., Bona Film Group is responsible for the Greater China area and Accelerate Global Content, LLC is responsible for overseas sales. The Deadline Magazine has provided extensive coverage in this regard and the commentary described the movie as "one of the biggest movies on-sale at Cannes". To date, excluding the Greater China area, overseas pre-sales has exceeded US\$30 million. The movie is also the first World War II film of Roland Emmerich. It is adapted from the true stories of the Battle of Midway and tells rarely known stories of war heroes. The total budget is approximately US\$100 million.

分部分析

傳媒及文化

於截至二零一八年十二月三十一日止年度，本集團繼續發展其傳媒及文化業務。本集團的收入為55,400,000港元（二零一七年：無），毛利為37,200,000港元（二零一七年：無）。

截至二零一八年十二月三十一日，本集團已投資下列電影及電視劇以及導演孵化項目。

電影及電視劇投資

本集團通過收購事項獲得的電影《馬歇爾》由索尼影業全球併購有限公司(Sony Pictures Worldwide Acquisitions Inc.)進行國際發行，開路影業有限責任公司(Open Road Films, LLC)進行北美發行，並由好萊塢資深製片人寶拉·瓦格納(Paula Wagner)製作，《黑豹》男主角查德維克·博斯曼(Chadwick Boseman)以及艾美獎獲得者《我們這一天》主角斯特爾林·K·布朗(Sterling K. Brown)主演，獲得包括奧斯卡最佳原創歌曲提名（主題曲《Stand Up For Something》）、非洲裔美國影評人協會獎十佳電影獎、芝加哥國際電影節觀眾選擇獎、好萊塢電影獎年度歌曲獎、金衛星獎最佳原創歌曲獎及其他18項國際知名獎項提名。本集團組投，由本集團簽約的著名導演羅蘭·艾默里奇(Roland Emmerich)導演，馬克·戈登(Mark Gordon)製片，伍迪·哈里森(Woody Harrelson)、曼迪·摩爾(Mandy Moore)和盧克·伊萬斯(Luke Evans)主演的史詩類劇情片《中途島》(Midway)已於二零一八年開拍，預計將於二零一九年上映。該電影由獅門頂峰娛樂有限公司(Summit Entertainment, LLC)負責美國發行，博納影業集團(Bona Film Group)負責大中華地區發行，Accelerate Global Content有限公司(Accelerate Global Content, LLC)負責海外地區銷售。《好萊塢新聞前線》(Deadline)雜誌對此已進行大幅報道，評論稱該部電影為「戛納電影節上銷售的最重量級的電影之一」。截至目前，除大中華地區以外的海外預售就已超3,000萬美金。該電影也是德裔導演羅蘭·艾默里奇首部二戰題材電影，根據中途島戰役真實故事改編，講述了鮮為人知的戰爭英雄故事，總投資預算將近一億美金。



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The movie “Crazy Rich Asians”, which is invested and released by Warner Bros. Pictures, co-invested by the Group and directed by director Jon M. Chu (who has entered into an agreement with the Group), is released in August 2018. The film is adapted from a best-selling novel written by Kevin Kwan under the same title, which has a solid reader base. The movie stars Constance Wu, Henry Golding, Michelle Yeoh, and etc. The highly anticipated movie is the first major film that is not a period piece in Hollywood in two and a half decades to feature an all ethnically Asian cast. It will also subvert Asian stereotype. Since the trailer was rolled out, it has been viewed by tens of millions of times. As the first adapted work of the novel series, there is also expectation for it to develop into commercially successful film series where the stories of the two sequels mainly take place in China. To date, according to box office mojo, its worldwide gross is \$238,532,921.

The thriller/crime film “The Widow”, which is directed by Neil Jordan who won the Academy Award for Best Original Screenplay and starring French actress Isabelle Huppert who has been nominated for the Academy Award for Best Actress, is now in post-production. Currently, international sales of the movie are undertaken by veteran sales agency Sierra/Affinity. To date, international sales is anticipated to be US\$9.5 million. The movie premieres at the Toronto International Film Festival in September 2018 and is released in March 2019.

The historical period TV series “Empress” invested and produced by the Group is set to be developed for 10 seasons with 10 to 12 episodes in each season. As the first English-language TV series narrating the legendary story of Wu Zetian, the project is intended to invite directors such as James Wan, Robert Zemeckis, Jon M. Chu and Roland Emmerich to be the directors for the pilot. Meanwhile, negotiation on the possibility of establishing a movie studio in Shaanxi for the “Empress” project with Shaanxi Broadcast and Television Group (陝西廣電集團) is currently ongoing. The movie of the same name is also in the process of filming.

華納兄弟影業(Warner Bros. Pictures)投資發行、本集團參投的，且由本集團的簽約導演—朱浩偉導演的電影《摘金奇緣》(暫譯名)(Crazy Rich Asians)，已於二零一八年八月上映。該部電影改編自關凱文(Kevin Kwan)的同名暢銷小說，擁有堅實廣大的讀者基礎。演員陣容包括吳恬敏、亨利•高丁、楊紫瓊等，該部備受期待的電影是好萊塢25年來第一部非年代全亞裔陣容電影，《摘金奇緣》將顛覆的刻板印象。其預告片一經發佈，已獲得了上千萬的點擊量。作為系列小說的第一部改編作品，《摘金奇緣》還將發展為具有商業潛力系列電影，且其後兩本書籍故事的主要發生地點都在中國。截至目前，根據box office mojo的記錄，它的全球票房為238,532,921美元。

曾獲得奧斯卡最佳原創劇本獎的尼爾•喬丹導演，曾獲得奧斯卡最佳女主提名的法國演員伊莎貝•雨蓓主演的驚悚／犯罪類電影《遺孀》，已進入後期製作階段。目前該部電影由資深國際銷售公司Sierra/Affinity公司進行國際銷售，目前國際地區總銷售額預計950萬美金。該電影已於二零一八年九月的多倫多電影節首映，且已於二零一九年三月上映。

本集團投資拍攝的歷史傳奇大劇《中國女皇》，預計10季，每季10-12集，作為講述武則天傳奇故事的首部英文電視劇，項目擬邀請溫子仁、羅伯特•澤米基斯、朱浩偉、羅蘭•艾默里奇等導演作為試播集導演，同時目前亦在陝西與陝西廣電集團就《中國女皇》項目洽談商議建設影視城的可能性。同名電影亦在籌拍中。

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Projects Incubating by Directors

With the commitment in further diversifying and enhancing the entertainment business of the Group so as to broaden the income sources, the Group has engaged 11 film directors, namely James Wan, Roland Emmerich, Jon M. Chu, Bryan Singer, Robert Zemeckis, Alan Taylor, Jonathan Liebesman, F. Gary Gray, Sylvester Stallone, Nattawut Poonpiriya and Sam Raimi in relation to the development and production of motion picture projects, which enable the Group to tap into the business of film production and distribution. Reference may be made to the Company's announcement dated 22 July 2018 for details of the profile of some of the film directors and the projects under development.

Trading of Chemical Products, and Energy Conservation and Environmental Protection Products

During the year ended 31 December 2018, the revenue generated from the Group's trading of chemical products, and energy conservation and environmental protection products business amounted to HK\$17.7 million (2017: HK\$30.9 million), with a gross profit of HK\$530,000 (2017: HK\$870,000).

Entertainment and Gaming

For the year ended 31 December 2018, under the tightened credit control policy of the Group, the revenue generated from the Group's entertainment and gaming business amounted to HK\$394,000 (2017: HK\$9.1 million), with a gross profit of HK\$290,000 (2017: gross loss of HK\$3.9 million).

CAPITAL STRUCTURE

As at 31 December 2018, the Company's deficiency attributable to its owners was approximately HK\$117,290,000 (2017: HK\$68,990,000).

導演孵化項目

為致力於進一步多元化及提升本集團娛樂業務以擴大收入來源，本集團已就開發及製作電影項目聘請11位電影導演，即溫子仁(James Wan)、羅蘭•艾默里奇(Roland Emmerich)、朱浩偉(Jon M. Chu)、布萊恩•辛格(Bryan Singer)、羅伯特•澤米吉斯(Robert Zemeckis)、艾倫•泰勒(Alan Taylor)、喬納森•裡貝斯曼(Jonathan Liebesman)、F.加里•格雷(F. Gary Gray)、西爾維斯特•史泰龍(Sylvester Stallone)、納塔吾•彭皮裡亞(Nattawut Poonpiriya)及森•溫美(Sam Raimi)，以令本集團開發電影製作及發行業務。有關部分電影導演介紹及孵化項目的詳情，請參閱本公司日期為二零一八年七月二十二日之公告。

化工產品及節能環保產品貿易

於截至二零一八年十二月三十一日止年度，本集團錄得化工產品及節能環保產品貿易收益17,700,000港元（二零一七年：30,900,000港元），毛利為530,000港元（二零一七年：870,000港元）。

娛樂及博彩

截至二零一八年十二月三十一日止年度，本集團實行緊縮信貸政策，本集團娛樂及博彩業務產生的收益為394,000港元（二零一七年：9,100,000港元），毛利為290,000港元（二零一七年：毛損3,900,000港元）。

資本架構

於二零一八年十二月三十一日，本公司擁有人應佔虧絀約為約117,290,000港元（二零一七年：68,990,000港元）。



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LIQUIDITY AND FINANCIAL RESOURCES

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

Prudent financial management and selective investment criteria have enabled the Group to maintain a stable financial position. As at 31 December 2018, the Group's bank balances and cash amounted to approximately HK\$26,907,000 (2017: HK\$96,647,000).

As at 31 December 2018, the current ratio was approximately 0.88 (2017: approximately 0.56) based on current assets of approximately HK\$435,811,000 (2017: HK\$253,473,000) and current liabilities of approximately HK\$494,820,000 (2017: HK\$451,314,000).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

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

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 35 (2017: 57) employees as at 31 December 2018. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also be invited to participate in the share option scheme of the Group.

流動資金及財政資源

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

審慎財務管理及選擇性投資標準令本集團之財政狀況維持穩健。於二零一八年十二月三十一日，本集團之銀行結餘及現金約為26,907,000港元（二零一七年：96,647,000港元）。

於二零一八年十二月三十一日，流動比率約為0.88（二零一七年：約0.56），此乃按流動資產約435,811,000港元（二零一七年：253,473,000港元）及流動負債約494,820,000港元（二零一七年：451,314,000港元）之基準計算。

匯率波動風險

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

僱員及酬金政策

於二零一八年十二月三十一日，本集團僱用35名（二零一七年：57名）僱員。本集團之薪酬政策主要根據現時之市場薪酬水平，以及各公司及有關員工個別之表現為基準釐定。僱員亦可獲邀參與本集團之購股權計劃。

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CONTINGENT LIABILITY

On 14 September 2017, the Company entered into share purchase agreement with a related party, controlled by the then director and controlling shareholder of the Company for the acquisition of entire equity interest of Starlight Legend Investment Limited and its subsidiaries. According to the share purchase agreement, agreed payment is a contingent consideration that will be realised if the acquired business and the existing projects achieve their respective profit target, calculated on certain predetermined basis, during the designated period of time. For the year ended 31 December 2018, the contingent consideration payable is nil (2017: HK\$1,563,000).

Save as disclosed above, the Group had no significant contingent liability as at 31 December 2018.

MAJOR CORPORATE EVENT

Side Letter Regarding A Major Acquisition and Connected Transaction

Reference is made to the Company's 2017 annual report's section "Event After The Reporting Period", and details can also be referred to the Company's announcement – UPDATE ON MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST IN STARLIGHT LEGEND INVESTMENT LIMITED dated 29 March 2018.

On 29 March 2018, the Vendor entered into a side letter (the "Side Letter") with the Company, pursuant to which the Vendor has irrevocably and unconditionally agreed and undertaken to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct a valuation of the Target Group as at 31 December 2018 (the "Updated Valuation"). The determination by the independent valuer shall be final and binding on the Vendor and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000 (the "Waiver").

或然負債

於二零一七年九月十四日，本公司與一名關聯方（由本公司當時的董事及控股股東控制）訂立購股協議，以收購Starlight Legend Investment Limited及其附屬公司的全部股權。根據購股協議，協定付款為一項或然代價，倘被收購的業務及現有項目達成各自溢利目標則會實現，該付款於特定時間段內按某一預先確定的基準計算。於截至二零一八年十二月三十一日止年度，應付或然代價為零港元（二零一七年：1,563,000港元）。

除上文所披露者外，於二零一八年十二月三十一日，本集團概無重大或然負債。

重要企業事項

有關主要收購事項及關連交易之附函

茲提述本公司之二零一七年年報「報告期後事項」一節，詳情亦可參閱本公司日期為二零一八年三月二十九日之公告－「有關收購STARLIGHT LEGEND INVESTMENT LIMITED之全部股權之主要及關連交易之最新資料」。

於二零一八年三月二十九日，賣方與本公司訂立一份附函（「該附函」），據此，賣方不可撤回、無條件地向本公司同意及承諾以下各項：

- (i) 賣方及本公司應共同委任一名獨立估值師對目標集團於二零一八年十二月三十一日之估值進行評估（「更新估值」）。獨立估值師之決定對賣方及本公司均將具有決定性及約束力。
- (ii) 倘更新估值低於25,000,000美元，則賣方不可撤回、無條件及完全地同意豁免及放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限（「該豁免」）。



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(iii) The due date of the Promissory Note shall be extended until 12 December 2019.

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

EVENT AFTER THE REPORTING PERIOD

Details of events after the reporting period has been disclosed in note 46 to financial Statements of page 254 of this report.

Other than disclosed above, there is no major event after the reporting period that should be notified to the shareholders of the Company.

THE IMPAIRMENT LOSS ON GOODWILL OF HK\$54,800,000 (“IMPAIRMENT”) AND THE INDEPENDENT VALUATION OF STARLIGHT LEGEND INVESTMENT LIMITED (“TARGET GROUP”) AS AT 31 DECEMBER 2018

In accordance with the Group’s accounting policies and HKAS 36 Impairment of Assets, a cash-generating unit (“CGU”) to which goodwill has been allocated is tested for impairment annually, by comparing its amount with its recoverable amount, and whenever there is an indication that the CGU may be impaired.

The Company engaged an international accounting firm (“Independent Valuer”), to provide service to the Company to assess the Target Group’s valuation (“2018 Valuation”) as at 31 December 2018. The 2018 Valuation, which was prepared for the purpose of impairment testing in accordance with HKAS 36 Impairment of Assets, comprised the valuation of the Target Group’s existing and potential projects on their estimated future cash flows or net asset values (as the case may be) assessed individually.

The table below sets out the valuation method, the details of the value of inputs used and assumptions for the 2018 Valuation used for performing the assessment of the Impairment as well as those used in the valuation of the Target Group as at 31 December 2017 (“2017 Valuation”) for reference:

(iii) 承兌票據之到期日將延長至二零一九年十二月十二日。

除上文所披露者外，年內並無任何其他須知會本公司股東的重大事項。

報告期後事項

報告期後事項的詳情已披露於本報告第254頁財務報表附註46。

除上文所披露者外，概無重大報告期後事項而須知會本公司股東。

商譽之減值虧損54,800,000港元 (「減值」) 及 STARLIGHT LEGEND INVESTMENT LIMITED (「目標集團」) 於二零一八年十二月三十一日之獨立估值

根據本集團之會計政策及香港會計準則第36號資產減值，獲分配商譽的現金產生單位 (「現金產生單位」) 每年透過將其金額與可收回金額作比較而進行減值測試，亦於有跡象顯示現金產生單位可能減值時進行減值測試。

本公司委聘一家國際會計師事務所 (「獨立估值師」) 為本公司提供服務，以評估目標集團於二零一八年十二月三十一日之估值 (「二零一八年估值」)。二零一八年估值乃根據香港會計準則第36號資產減值減值測試編製，包括按照估計未來現金流量或資產淨值 (視情況而定) 個別評估之目標集團現有及潛在項目之估值。

下表載列用於進行減值評估之二零一八年估值以及用於目標集團於二零一七年十二月三十一日之估值 (「二零一七年估值」) 之估值方法及所用之輸入數據及假設之詳情以供參考：

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The valuation method of the 2018 Valuation and 2017 Valuation was adopted to comply with the Group's accounting policies and HKAS 36 Impairment of Assets.

為遵守本集團之會計政策及香港會計準則第36號資產減值，已採納二零一八年估值及二零一七年估值之估值方法。

Date of valuation 估值日期	31 December 2018 二零一八年十二月三十一日	31 December 2017 二零一七年十二月三十一日
Valuation methodology	Income approach – discounted cash flow method (for A) and excess net asset/liability value (for B)	Income approach – discounted cash flow method (for A) and excess net asset/liability value (for B)
估值方法	收入法－貼現現金流量法（用於A）及溢餘資產淨值／負債淨額（用於B）	收入法－貼現現金流量法（用於A）及溢餘資產淨值／負債淨額（用於B）
Subject	Target Group (i.e. Starlight Legend Investment Limited and its subsidiaries)	Target Group (i.e. Starlight Legend Investment Limited and its subsidiaries)
主體	目標集團（即Starlight Legend Investment Limited及其附屬公司）	目標集團（即Starlight Legend Investment Limited及其附屬公司）
Projection period (Note 1)	2019 to 2025	2018 to 2022
預測期（附註1）	二零一九年至二零二五年	二零一八年至二零二二年
Present value of future cash flows (A) (Note 2)	Present value of future cash flows	Present value of future cash flows
未來現金流量之現時價值(A)（附註2）	未來現金流量之現時價值	未來現金流量之現時價值
	Projects 項目	Projects 項目
	Crazy Rich Asians 《瘋狂亞洲富豪》	Crazy Rich Asians 《瘋狂亞洲富豪》
	Greta 《葛麗塔》	Greta 《葛麗塔》
	Empress 《中國女皇》	Empress 《中國女皇》
	Marshall 《馬歇爾》	Marshall 《馬歇爾》
	Total 總計	Total 總計
	US\$9,758,000美元	US\$10,343,000美元
Excess net assets (liabilities) (B) (Note 3)	(US\$4,031,000)	US\$6,400,000
溢餘資產淨值（負債淨額）(B)（附註3）	(4,031,000美元)	6,400,000美元
Valuation amount (A+B) (rounded)	US\$7,500,000	US\$16,400,000
估值金額(A+B)（已約整）	7,500,000美元	16,400,000美元
Discount rate (Note 4)	18% – 25%	27%
折現率（附註4）		
Summary of major assumptions for (A)	Only those movies/TV projects which are concretely committed by the Target Group or after post production stage are considered in the projection. Therefore, revenue was estimated based on the actual/expected total box office amount for three movie/TV projects namely: Empress, Greta (The Widow), and Crazy Rich Asians, whilst Mass Extinction was not included. Marshall was not included in the project as it was expected to have no future cash inflow to the Company. China Death Squad would not be produced in future and was impaired.	Only those movies/TV projects which are concretely committed by the Target Group or after post production stage are considered in the projection. Therefore, revenue was estimated based on the actual/expected total box office amount for four movie/TV projects namely: Marshall, Empress, Greta (The Widow), and Crazy Rich Asians, whilst Mass Extinction and China Death Squad were not included.
(A)之主要假設概要	預測僅考慮目標集團具體承諾或於後期製作階段後之該等電影／電視項目。因此，收益乃按三個電影／電視項目：《中國女皇》、《葛麗塔》（《遺孀》）及《瘋狂亞洲富豪》（惟並不包括《大滅絕》）之實際／預計票房總額而估計。由於預期不會為本公司帶來未來現金流入，因此預測並無計入《馬歇爾》。《China Death Squad》未來將不會投入製作，且已作出減值。	預測僅考慮目標集團具體承諾或於後期製作階段後之該等電影／電視項目。因此，收益乃按四個電影／電視項目：《馬歇爾》、《中國女皇》、《葛麗塔》（《遺孀》）及《瘋狂亞洲富豪》（惟並不包括《大滅絕》及《China Death Squad》）之實際／預計票房總額而估計。

Management Discussion and Analysis

管理層討論及分析

Date of valuation
估值日期

31 December 2018
二零一八年十二月三十一日

31 December 2017
二零一七年十二月三十一日

- Total box office revenue was adopted or forecasted by the management with reference to the historical box office revenue to production cost ratio of similar project types available from public resources such as IMDb, etc. In general, contracted movie distributors usually recognize and pays back the movie production company by periodical instalment based on the box office income. Expected box office revenue was netted with movie distribution fee as well as shared portion with theatres to arrive at net revenue.
- 票房總收益乃由管理層參考於公開資料來源（例如IMDb等）可得之類似項目類型之過往票房收益與製作成本比率而採納及預測。一般而言，合約電影發行商通常按票房收入確認及定期向電影製作公司分期還款。預計票房收益已扣除電影發行費以及電影院分佔之部分以得出收益淨額。
- Operating expenses includes sales and marketing expense and general administrative expenses. Budgeted by the management, with possible increase in traveling frequency, employee headcount, consultancy fee, inflation, etc., operating expenses in 2019 for all projects was estimated to be approximately USD 2.7 million. As operating expenses was allocated to projects in future forecasted period and it was assumed that the number of on-going projects directly relates to the amount of operating expenses, the operating expenses was estimated to increase 2.5% year-on-year but would drop when the number of on-going projects drops in the forecasted period.
- 經營開支包括銷售及市場推廣開支及一般行政開支。據管理層作出之預算，連同差旅頻率、員工人數、諮詢費、通脹等之可能增加，估計二零一九年所有項目之經營開支約為2,700,000美元。由於經營開支已分配至未來預測期間之項目，且假設進行中項目的數目與經營開支金額直接相關，故經營開支估計將按年增長2.5%，惟當預測期間進行中項目的數目減少時，經營開支將會下降。
- Working capital requirement for the movie/TV projects was estimated based on the change in advance receipt and change in inventory/receivables derived from the management's forecasted cashflow.
- 電影／電視項目之營運資金需要乃按管理層之預測現金流量所得出之預收金額之變動及存貨／應收款項之變動而估計。
- Standard income tax rate of 21% in the United States was applied in the calculation.
- 已於計算中應用美國之標準所得稅率21%。
- The financial projections were prepared by the management with due care and consideration reflecting the reasonable estimate of future relevant events.
- 財務預測乃由管理層經審慎考慮而編製，為反映日後相關事件之合理估計。
- Total box office revenue was adopted or forecasted by the management with reference to the historical box office revenue to production cost ratio of similar project types available from public resources such as IMDb, etc. In general, contracted movie distributors usually recognize and pays back the movie production company by periodical instalment based on the box office income. Expected box office revenue was netted with movie distribution fee as well as shared portion with theatres to arrive at net revenue.
- 票房總收益乃由管理層參考於公開資料來源（例如IMDb等）可得之類似項目類型之過往票房收益與製作成本比率而採納及預測。一般而言，合約電影發行商通常按票房收入確認及定期向電影製作公司分期還款。預計票房收益已扣除電影發行費以及電影院分佔之部分以得出收益淨額。
- Operating expenses includes sales and marketing expense and general administrative expenses. Budgeted by the management, with possible increase in traveling frequency, employee headcount, consultancy fee, inflation, etc., operating expenses in 2018 was estimated to be approximately USD 6 million. Operating expenses in future forecasted period was estimated to encounter 10% year-on-year increment.
- 經營開支包括銷售及市場推廣開支及一般行政開支。據管理層作出之預算，連同差旅頻率、員工人數、諮詢費、通脹等之可能增加，估計二零一八年之經營開支約為6,000,000美元。未來預測期間之經營開支估計將按年增長10%。
- Working capital requirement for the movie/TV projects was estimated based on the change in advance receipt and change in inventory/receivables derived from the management's forecasted cashflow.
- 電影／電視項目之營運資金需要乃按管理層之預測現金流量所得出之預收金額之變動及存貨／應收款項之變動而估計。
- Standard income tax rate of 21% in the United States was applied in the calculation.
- 已於計算中應用美國之標準所得稅率21%。
- The financial projections were prepared by the management with due care and consideration reflecting the reasonable estimate of future relevant events.
- 財務預測乃由管理層經審慎考慮而編製，為反映日後相關事件之合理估計。

Management Discussion and Analysis

管理層討論及分析

Date of valuation 估值日期	31 December 2018 二零一八年十二月三十一日	31 December 2017 二零一七年十二月三十一日
	- There will be no major changes in the existing political, legal, fiscal and economic conditions in countries in which the Company will carry on its business. - 本公司將進行之業務所在之國家之現時政治、法律、財務及經濟狀況將並無重大變動。 - There will be no major changes in the current taxation law in countries in which the Company operates. - 本公司經營所在之國家之現時稅法將並無重大變動。 - Future exchange rates and interest rates will not differ materially from those prevailing market expectations. - 日後匯率及利率與現行市場預期者將並無重大分別。 - The availability of finance will not be a constraint on the future growth of the Company's operation. - 融資之可用性將不會對本公司業務之未來增長造成限制。 - The Company will retain and have competent management, key personnel, and technical staff to support its ongoing operation. - 本公司將留聘及擁有具才能之管理層、主要人員及技術人員以支持其持續經營。 - Industry trends and market conditions for related industries will not deviate significantly from economic forecast. - 相關行業之行業趨勢及市場狀況將不會與經濟預測有重大差別。	- There will be no major changes in the existing political, legal, fiscal and economic conditions in countries in which the Company will carry on its business. - 本公司將進行之業務所在之國家之現時政治、法律、財務及經濟狀況將並無重大變動。 - There will be no major changes in the current taxation law in countries in which the Company operates. - 本公司經營所在之國家之現時稅法將並無重大變動。 - Future exchange rates and interest rates will not differ materially from those prevailing market expectations. - 日後匯率及利率與現行市場預期者將並無重大分別。 - The availability of finance will not be a constraint on the future growth of the Company's operation. - 融資之可用性將不會對本公司業務之未來增長造成限制。 - The Company will retain and have competent management, key personnel, and technical staff to support its ongoing operation. - 本公司將留聘及擁有具才能之管理層、主要人員及技術人員以支持其持續經營。 - Industry trends and market conditions for related industries will not deviate significantly from economic forecast. - 相關行業之行業趨勢及市場狀況將不會與經濟預測有重大差別。
Further details of excess assets/liabilities (Note 3) 溢餘資產／負債之進一步詳情 (附註3)	Excess Assets – These mainly include certain early development costs of remote movie project (projects Mass Extinction), pre-investment payments to a contracted film director and cash. 溢餘資產—主要包括遠期電影項目(《大滅絕》)之若干早期開發成本、向合約電影導演支付之投資前付款及現金。 Excess Liabilities – These mainly include certain debts and non-operating net liabilities. 溢餘負債—主要包括若干債務及非經營性負債淨額。	These mainly include certain early development costs of remote movie projects (projects Mass Extinction and China Death Squad) and pre-investment payments to a contracted film director. 其主要包括遠期電影項目(《大滅絕》及《China Death Squad》項目)之若干早期開發成本及向合約電影導演支付之投資前付款。

Notes:

1. In 2017 Valuation, there was a cut-off at the end of 5th year of the forecast period.

In 2018 Valuation, there was no such cut-off and hence 2018 Valuation covered a period of 7 years during which the projects were estimated to recognise revenue for the Target Group.

附註：

1. 二零一七年估值截至預測期間第五年年末。

二零一八年估值並無截至上述日期，因此二零一八年估值期包含七年，此期間之項目估計確認為目標集團之收益。



Management Discussion and Analysis

管理層討論及分析

2. In 2017 Valuation, since the discount rate for all projects was the same, there was no assignment of operating expenses and the net income of all projects was aggregated and its present value was arrived at after discounted by one discount rate.

In 2018 Valuation, the Independent Valuer adopted different discount rates for the three projects which were in different stages, and as such operating expenses were assigned to each project and a present value of each project was arrived at after discounting by their respective discount rates.

3. In 2017 Valuation, certain debts and liabilities were included in working capital of the projects and were finally reflected in the present value of future cash flows.

In 2018 Valuation, certain debts and liabilities were reflected in the excess net assets/liabilities.

4. In 2017 Valuation, a blended discount rate of 27% was used for all projects by valuer.

In 2018 Valuation, discount rates of 18-25% were used for the three projects as the Independent Valuer considered that the three projects were in different stages and had different risk profiles as at 31 December 2018.

Impairment losses on film prepayments, film investments and film product totalling approximately HK\$29.3 million for the year ended 31 December 2018 (the “Film Impairments”)

The Film Impairments were assessed by the Company internally by comparing the recoverable amounts of film prepayments, film investments and film product to its book values.

The recoverable amounts of film prepayments, film investments and film product were estimated from the discounted projected future cash flow of the relevant assets.

2. 於二零一七年估值中，由於所有項目的折現率相同，因此並無分配經營開支且已將所有項目之收益淨額加總並按同一折現率折現後得出其現值。

於二零一八年估值中，獨立估值師就三個處於不同階段的項目採用不同的折現率，因此有關經營開支已分配至每個項目並按其各自的折現率折現後得出每個項目之現值。

3. 於二零一七年估值中，若干債務及負債已計入項目之營運資金並最終於未來現金流量之現值中反映。

於二零一八年估值中，若干債務及負債於溢餘資產淨值／負債淨額中反映。

4. 於二零一七年估值中，估值師就所有項目採用27%之混合折現率。

於二零一八年估值中，由於獨立估值師認為三個項目於二零一八年十二月三十一日處於不同階段並具有不同程度的風險，因此就該三個項目採用18-25%之折現率。

截至二零一八年十二月三十一日止年度，電影預付款項、電影投資及電影產品的減值虧損合共約29,300,000港元（「電影減值」）

本公司透過比較電影預付款項、電影投資及電影產品的可收回金額與其賬面值內部評估電影減值。

電影預付款項、電影投資及電影產品的可收回金額乃根據相關資產的貼現預計未來現金流量估計。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) including those revised code provisions which became effective on 1 April 2012, 1 September 2013, 1 January 2016 and 1 January 2019. During the year ended 31 December 2018, the Company complied with all applicable provisions of the Code for their respective applicable periods except for the deviations stated below:

CODE PROVISION A.6.7

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged commitments, three of the independent non-executive directors and one non-executive director were unable to attend the Company’s annual general meeting held on 29 June 2018.

CODE PROVISION E.1.2

Under code provision E.1.2, chairman of the board should attend the annual general meeting. Due to other pre-arranged commitments, the then chairman of the Board was unable to attend the Company’s annual general meeting held on 29 June 2018.

企業管治常規

本公司深知維持高水平企業管治藉以保障股東之利益之重要性。

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「該守則」），包括於二零一二年四月一日、二零一三年九月一日、二零一六年一月一日及二零一九年一月一日生效之該等經修訂守則條文。於截至二零一八年十二月三十一日止年度內，本公司已於其各自之適用期間內遵守該守則之所有適用條文，惟下文所述之偏離情況除外：

守則條文第A.6.7條

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會並對股東之意見有公正了解。由於其他預先已安排之工作，有三名獨立非執行董事及一名非執行董事未能出席本公司於二零一八年六月二十九日舉行之股東週年大會。

守則條文第E.1.2條

根據守則條文第E.1.2條，董事會主席應出席股東週年大會。由於其他預先已安排之工作，時任董事會主席未能出席本公司於二零一八年六月二十九日舉行之股東週年大會。

Corporate Governance Report

企業管治報告

THE BOARD

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

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

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

Details of Directors' attendance records during the year ended 31 December 2018 are set out below:

董事會

董事會負責領導及監控本公司並監察本集團之業務策略方針及表現。

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

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

於截至二零一八年十二月三十一日止年度內，董事出席會議記錄之詳情載列如下：

		Meetings Attended/Held 出席次數／舉行會議次數								
Directors	董事	AGM	Board	Audit Committee	Nomination Committee	Remuneration Committee	Executive Committee	Anti-money Laundering Committee	Credit Committee	Investment Steering Committee
		股東週年大會	董事會	審核委員會	提名委員會	薪酬委員會	執行委員會	反洗黑錢委員會	信貸委員會	投資督導委員會
Executive Directors		執行董事								
Mr. Hung Ching Fung	洪清峰先生	1/1	12/18					0/0		
Mr. Chau Chit	周哲先生	1/1	17/18		2/2		0/0			
Mr. Yan Xu (retired on 29 June 2018)	顏旭先生 (於二零一八年六月二十九日退任)	0/1	5/8					0/0	0/0	0/0
Ms. Chen Hong	陳虹女士	0/1	17/18				0/0	0/0	0/0	0/0
Mr. Luo Lei	羅雷先生	0/1	14/18					0/0		
Mr. Li Haitian	李海天先生	0/1	15/18				0/0	0/0	0/0	0/0
Mr. Gao Qun (appointed on 5 October 2018)	高群先生 (於二零一八年十月五日獲委任)	0/0	2/3							
Non-executive Directors		非執行董事								
Mr. Wang Shoulei	王守磊先生	0/1	5/18							
Independent Non-executive Directors		獨立非執行董事								
Mr. Wong Wai Kwan	王偉軍先生	0/1	18/18	5/5	2/2	2/2		0/0		0/0
Mr. Michael Ngai Ming Tak	魏明德先生	0/1	13/18	4/5	1/2	1/2				0/0
Mr. Kong Chi Mo	江智武先生	1/1	16/18	5/5		2/2		0/0		0/0
Mr. Hong Tao	洪滔先生	0/1	14/18	5/5		2/2		0/0		0/0

Corporate Governance Report

企業管治報告

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

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

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

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

委任及重選董事

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

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

董事之持續專業發展

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

根據該守則，全體董事均須向本公司提供彼等各自之培訓記錄。



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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2018.

NOMINATION COMMITTEE

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

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

The Nomination Committee held two meetings during the year ended 31 December 2018.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board. The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender appropriate for the requirements of the business development of the Group.

年內，董事已確認，彼等透過出席研討會或自行閱讀而參加適當持續專業發展活動。

董事之證券交易

本公司已採納條款嚴格程度不遜於上市規則附錄十所載之交易規定標準之董事進行證券交易的行為守則。經向全體董事作出特定查詢後，各董事於截至二零一八年十二月三十一日止年度一直遵守該行為守則及交易規定標準以及各董事進行證券交易的行為守則。

提名委員會

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

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

於截至二零一八年十二月三十一日止年度，提名委員會已舉行兩次會議。

董事會成員多元化政策

董事會採納董事會成員多元化政策，旨在列明達至董事會成員多元化之方法。本公司旨在促進及維持董事會各董事在適合本集團的業務發展要求方面的技能、經驗、知識、專長、文化、獨立身份、年齡及性別方面趨向多元化。

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REMUNERATION COMMITTEE

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

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

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

Two meetings of the Remuneration Committee were held in 2018 to discuss remuneration related matters.

The Remuneration Committee has considered and reviewed the existing terms of employment contracts of the executive Directors and appointment letters of the non-executive Directors with reference to the factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Company and desirability of performance-based remuneration. The Remuneration Committee considers that the existing terms of employment contracts of the executive Directors and appointment letters of the non-executive Directors are fair and reasonable. Details of the emolument policy of the Directors are set out on page 72 of this report.

薪酬委員會

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

於本報告日期，薪酬委員會成員包括：

魏明德先生
王偉軍先生
江智武先生
洪滔先生

薪酬委員會於二零一八年舉行兩次會議，以討論薪酬相關事宜。

薪酬委員會已參照包括可資比較公司所支付之薪金、董事付出之時間及職責、本公司其他職位之聘用條件及應否按表現釐定薪酬等因素，考慮及檢討執行董事聘用合約及非執行董事委任函之現有條款。薪酬委員會認為執行董事聘用合約及非執行董事委任函之現有條款屬公平合理。董事之酬金政策詳情載於本報告第72頁。



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AUDITOR'S REMUNERATION

The Company's external auditors are Ernst & Young (the "Auditors"). The audit committee of the Group (the "Audit Committee") is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Group. For the year ended 31 December 2018, the Auditors have performed audit service and their remuneration in respect of audit service is HK\$810,000.

AUDIT COMMITTEE

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

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

The Audit Committee held five meetings during the year ended 31 December 2018.

The Audit Committee has discussed with the Auditors on the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2018, and is of the opinion that the preparation of the consolidated results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

核數師酬金

本公司之外聘核數師為安永會計師事務所（「核數師」）。本集團之審核委員會（「審核委員會」）負責考慮委任外聘核數師及檢討外聘核數師所執行之任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。截至二零一八年十二月三十一日止年度，核數師已履行核數服務，彼等有關核數服務之酬金為810,000港元。

審核委員會

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

王偉軍先生
魏明德先生
江智武先生
洪滔先生

於截至二零一八年十二月三十一日止年度，審核委員會已舉行五次會議。

審核委員會已與核數師就本集團採納之會計原則及慣例以及本集團截至二零一八年十二月三十一日止年度之綜合業績展開討論，並認為該等綜合業績之編製符合適用會計準則、上市規則及法律規定，並已作出充分披露。

審核委員會認為有關委任本集團外聘核數師之現有條款屬公平合理。

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ANTI-MONEY LAUNDERING COMMITTEE

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

EXECUTIVE COMMITTEE

An Executive Committee was established on 13 April 2018. At the date of this report, members composed of four Executive Directors. The Committee is responsible for monitoring the day-to-day operation of the Company and any of the Company's subsidiaries ("Subsidiary") from time to time and should be reported to the Board.

CREDIT COMMITTEE

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

反洗黑錢委員會

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

執行委員會

執行委員會乃於二零一八年四月十三日成立。於本報告日期，成員包括四名執行董事。該委員會負責監察本公司及本公司不時之附屬公司（「附屬公司」）的日常運作並向董事會報告。

信貸委員會

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



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INVESTMENT STEERING COMMITTEE

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

投資督導委員會

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

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Directors' responsibilities for the accounts and the responsibilities of the Auditors to the shareholders of the Company are set out on pages 79 to 82 of this report.

董事及核數師對賬目之責任

董事對賬目之責任及核數師對本公司股東之責任載於本報告第79至82頁。

RISK MANAGEMENT AND INTERNAL CONTROL

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

風險管理及內部監控

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

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

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

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Main features of the risk management and internal control system

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

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

風險管理及內部監控制度之主要特點

本集團風險管理及內部監控框架之目標包括：

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

Three-Line defense risk management model

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

三道防線風險管理模式

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



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

Identification

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

Assessment

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

Responding

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

Monitoring and Reporting

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

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

用於識別、評估及管理重大風險之程序

本集團用於識別、評估及管理重大風險之程序概述如下：

識別

- 識別可能影響本集團業務之風險。

評估

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

應對

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

監察及報告

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

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

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Internal Control

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

During the year ended 31 December 2018, the Board conducted a review of the Group's system of internal control to ensure the effective and adequate risk management and internal control system and convened meetings regularly to discuss financial, operational and compliance controls and risk management functions.

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

WHISTLEBLOWING POLICY

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

In 2018, no incidents of fraud or misconduct were reported from employees, Shareholders or stakeholders that had a material effect on the Company's financial statements or overall operations.

內部監控

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

截至二零一八年十二月三十一日止年度，董事會已對本集團之內部監控制度進行檢討，以確保風險管理及內部監控制度之有效性及充足性，並定期召開會議以討論財務、營運及合規監控以及風險管理職能。

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

舉報政策

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

於二零一八年，僱員、股東或持份者概無報告任何對本公司的財務報表或整體營運構成重大影響的欺詐或行為失當事件。



Corporate Governance Report 企業管治報告

INSIDE INFORMATION

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

COMPANY SECRETARY'S TRAINING

During the year ended 31 December 2018, Mr. Cheung has received no less than 15 hours of relevant professional training to refresh his skills and knowledge.

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

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

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

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

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

Putting Forward Proposals at Shareholders' Meeting

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

內幕消息

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

公司秘書之培訓

於截至二零一八年十二月三十一日止年度內，張先生已接受不少於15小時之相關專業培訓以更新其技能及知識。

股東之權利

召開股東特別大會

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

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

書面要求必須列明決議案連同建議決議案內所提述之事項聲明，並經有關股東簽署。

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

於股東大會上提出建議

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

Corporate Governance Report

企業管治報告

Procedures for nomination of Directors for election

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

提名董事參選之程序

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

DIVIDEND POLICY

Starlight Culture Entertainment Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in general meeting may from time to time declare dividends in any currency to be paid to the shareholders of the Company (the “**Shareholders**”) but no dividend shall be declared in excess of the amount recommended by the board of directors of the Company (the “**Board**”) and the Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company, in accordance with the provision of the memorandum of association and Bye-laws of the Company (the “**Bye-Laws**”) and the Companies Act 1981 of Bermuda (as amended from time to time) (the “**Companies Act**”).

In accordance with the applicable requirements of the Bye-Laws and the Companies Act, the Company shall not declare or pay a dividend, or make a distribution out of profits available for distribution if:

- (a) it would render the Company unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby become less than its liabilities.

In addition to cash, dividends may be distributed in the form of shares. The Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient.

股息政策

根據本公司組織章程大綱及公司細則（「**公司細則**」）及百慕達一九八一年公司法（經不時修訂）（「**公司法**」）的規定，星光文化娛樂集團有限公司（「**本公司**」，連同其附屬公司統稱「**本集團**」）可不時於股東大會上以任何貨幣向本公司股東（「**股東**」）派付股息，惟此等股息不得超過本公司董事會（「**董事會**」）建議宣派的數額，而董事會可基於本公司溢利在認為合理的情況下向股東不時派付中期股息。

根據公司細則及公司法的適用規定，在下列情況下，本公司不得以可供分派溢利宣派或派付股息或作出分派：

- (a) 將導致本公司無法償還到期債務；或
- (b) 本公司資產的可變現價值將因而低於其負債。

除現金外，股息亦可以股份形式分派。董事會可進一步議決以分派任何類別的指定資產的方式支付全部或部分股息，特別是以繳足股款的股份、債權證或可認購本公司或任何其他公司證券的認股權證或任何一種或多種方式派發，而如在分派上產生任何困難，董事會可以其認為適宜的方式解決。



Corporate Governance Report

企業管治報告

In respect of any dividend that the Board or the Company in general meeting has resolved that such to be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment; or
- (b) that the Shareholders entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The declaration of dividends is subject to the discretion of the Board, which will take into account, inter alia, the following factors when considering the payment or declaration of dividends:

- (a) the Group's actual and expected operations, financial performance and conditions and liquidity position;
- (b) the Shareholder's interests;
- (c) the retained earnings and distributable reserves of the Company and each of the members of the Group;
- (d) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (e) the Group's expected working capital requirements and future expansion plans;
- (f) statutory and regulatory restrictions;

就董事會或本公司於股東大會上議決就本公司任何類別股本派付或宣派的任何股息而言，董事會可進一步議決：

- (a) 以配發入賬列為繳足股份之形式全部或部分支付股息，惟有權享有該股息之股東將有權選擇收取現金作為股息（或董事會釐定之部分股息）以代替配發股份；或
- (b) 有權獲派股息之股東可選擇獲配發入賬列作繳足之股份以代替董事會認為適合之全部或部分股息。

宣派股息由董事會酌情決定，而董事會於考慮是否派付或宣派股息時將考慮（其中包括）以下因素：

- (a) 本集團之實際及預期業務營運、財務表現及狀況以及流動資金狀況；
- (b) 股東權益；
- (c) 本公司及本集團各成員公司之保留盈利及可分派儲備；
- (d) 本集團之貸款人可能對派息施加之任何限制；
- (e) 本集團之預期營運資金要求及未來擴充計劃；
- (f) 法定及監管限制；

Corporate Governance Report

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(g) general economic conditions and other internal or external factors that may have any impact on the business or financial performance and position of the Company; and

(h) any other factors that the Board deems appropriate.

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continue to review the dividend policy and reserve the right in its sole and absolute discretion to update, amend and/or modify the dividend policy from time to time, and the dividend policy shall in no way constitute an assurance or a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend in any particular amount for any given period.

AMENDMENT TO CONSTITUTIONAL DOCUMENT

During the year ended 31 December 2018, there were no significant changes to the Company's constitutional document.

COMMUNICATION WITH SHAREHOLDERS

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

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

(g) 整體經濟狀況及可能對本公司業務或財務表現及狀況構成任何影響之其他內部或外部因素；及

(h) 董事會認為合適之任何其他因素。

董事會致力透過可持續的股息政策以在達到股東預期及審慎資本管理之間維持平衡。董事會將持續檢討股息政策，並保留權利以全權酌情決定不時更新、修訂及／或修改股息政策，且股息政策概不構成本公司對其未來股息之保證或具法律約束力之承諾，及／或亦非本公司於任何特定期間宣派任何特定金額股息之責任。

修訂憲章文件

於截至二零一八年十二月三十一日止年度，本公司之憲章文件並無重大變動。

與股東的溝通

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

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

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

STAKEHOLDER

持份者參與

Stakeholders 持份者	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Government and regulatory authorities 政府及監管機關	- Compliance with laws and regulations - 遵守法律及法規 - Support economic development - 支持經濟發展 - proper tax payment - 妥當繳納稅款	- Supervision on complying with local laws and regulations - 監督當地法律及法規的遵守情況 - Routing reports and taxes paid - 發送報告及支付稅款
Shareholders 股東	- Return on investments - 投資回報 - Corporate governance - 企業管治 - Business compliance - 業務合規	- Regular reports and announcements - 定期報告及公告 - Regular general meetings - 定期股東大會 - Official website - 官方網站
Employees 僱員	- Employees’ compensation and benefits - 僱員補償及福利 - Career development - 職業發展 - Health and safety working environment - 健康安全的工作環境	- Performance reviews - 表現檢討 - Regular meetings and trainings - 定期會議及培訓 - Emails, notice boards, hotline, caring activities with management - 電郵、布告板、熱線、與管理層進行關懷活動

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations and concerns 期望及關注	Communication Channels 溝通渠道
Customers 客戶	- Customer relationship - 客戶關係 - Protect the rights of customers - 保障客戶權利	- Face-to-face meetings and on-site visits - 面對面會議及實地拜訪
Suppliers 供應商	- Fair and open procurement - 公平公開的採購 - Win-win cooperation - 雙贏合作	- Suppliers' satisfactory assessment - 供應商滿意度評估 - Face-to-face meetings and on-site visits - 面對面會議及實地拜訪
General public 公眾人士	- Involvement in communities - 社區參與 - Business compliance - 業務合規 - Environmental protection awareness - 環保意識	- Organization of community activities - 組織社區活動

The table below shows the ESG issues which were determined to be material to the Group, together with the aspects on the ESG Guide to which they relate, based on the assessment performed by the Group. This ESG Report mainly covers the policies, initiatives and performance of the Group's business in relation to these issues, for the year ended 31 December 2018 (the "Reporting Period"):

下表列示根據本集團進行之評估所釐定之對本集團而言屬重大之環境、社會及管治問題，連同該等問題所涉及之環境、社會及管治指引層面。本環境、社會及管治報告主要涵蓋截至二零一八年十二月三十一日止年度（「報告期間」）與該等問題有關之本集團業務政策、措施及表現：

ESG aspects as set forth in ESG Guide

環境、社會及管治指引所載環境、社會及管治層面

A. Environmental 環境

A1 Emissions
排放物

A2 Use of resources
資源使用

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

Material ESG issues for the Group

對本集團而言屬重大之環境、社會及管治問題

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

Use of energy and water
能源及水使用

Air quality
空氣質素

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

B. Social 社會

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

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL

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

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

Goals

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

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

EMISSION

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

As at 31 December 2018, the Group's vehicles travelled 8,500 km in total. Total emission of nitrogen oxides and sulfur dioxide amounted to 7.52 kg and 12 g respectively. Particle emission amounted to 0.7 kg while carbon dioxide emission amounted to 2.0 tonnes. The vehicles were monitored and inspected by the system on a regular basis to keep them in the best conditions in order to increase fuel consumption efficiency and ensure road safety.

A. 環境

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

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

目標

- 減低二氧化碳排放量
- 減少資源消耗
- 減少廢物產生

於報告期內，本集團遵守與環保相關的法規，並無識別任何與環境保護相關並對本集團有重大影響的違規事件。

排放

於本會計年度，本集團主要涉及兩種溫室氣體排放，包括（但不限於）車輛的直接排放及辦公室購買電力的間接排放。

截至2018年12月31日，本集團車輛總行駛公里為8,500公里。總氮氧化物及二氧化硫的排放量分別為7.52千克和12克，而顆粒排放量則為0.7千克，二氧化碳排放量為2.0噸。車輛採用了系統監察檢查，定期進行例行檢查使車輛維持於最佳狀態，藉此提高燃料耗用效率及確保道路安全。



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環境、社會及管治報告

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

USE OF RESOURCES

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

The Group also embraces its responsibility in environmental protection throughout the course of office administration and daily operation. Apart from adhering to the principle of recycling and reducing use, the Group is committed to creating green offices to minimize the impact on the environment. In light of the nature of the business of the Group, the consumption of energy, electricity, water and other natural resources in the offices are limited. Power consumed by the Group for the current fiscal year amounted to 36,428 kWh (1,041 kwh per employee) and total carbon dioxide emission amounted to 28.8 tonnes, mainly due to daily consumption in the offices.

辦公室購買電力方面，本集團鼓勵僱員將辦公室空調設定在最舒適溫度及於不必要時將空調及燈具關閉，以減少溫室氣體排放。此外，本集團亦於辦公室當眼位置張貼告示，提醒僱員在營運中踐行節約用電。

資源使用

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

本集團於整個辦公室管理及日常營運過程亦秉承對環境負責之態度。除了堅守循環再用及減少使用的原則，同時實踐綠色辦公室，達至盡量減少公司對環境的影響。鑒於本集團的業務性質，只有在辦公室以內範圍之資源運用，較少使用能源、電力、水及其他天然資源。本集團本會計年度的電力消耗為36,428千瓦時（每名僱員1,041千瓦時），總二氧化碳排放量為28.8噸，主要產生自辦公室日常消耗。

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Below are measures taken by the Group in saving energy:

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

As per the business nature of the Group, water consumption is very limited, mainly daily water consumption by the employees in offices during business hours. The domestic sewage of the Group does not include hazardous wastewater and is directly discharged to the municipal sewer pipeline. In order to reduce wastewater, employees of the Group are encouraged to save water. In the Reporting Period, water consumption amounted to 2 m³ (0.06 m³ per employee).

以下是本集團已實施在節能方面的措施：

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

基於本集團業務性質，水消耗極少，主要產生自員工於工作時間在辦公室的日常用水，不含有害廢水，生活污水直接排放到市政污水管道。為了減少污水的產生量，本集團鼓勵員工節約用水，而報告期內，耗水量為2立方米（每名僱員0.06立方米）。

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DATA ON GREENHOUSE GAS EMISSION

溫室氣體排放數據

KPI 1.2 & 2.1	關鍵績效指標1.2及2.1	Unit 單位	Data 數據
Vehicles	車輛	8,500 km 8,500公里	CO ₂ : 2.0 tonnes 二氧化碳：2.0噸
Power consumption	用電	36,428 kWh 36,428千瓦時	CO ₂ : 28.8 tonnes 二氧化碳：28.8噸
Total	統計		Total CO ₂ : 30.8 tonnes 總二氧化碳：30.8噸

PRODUCTION OF WASTE

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

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

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

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

廢棄物產生

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

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

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

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

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B. SOCIAL

B1 Employment

Labour practices

To ensure that the Group is able to operate according to professional and ethical labour practices, the Group has developed clear work processes with robust control mechanisms which have been clearly communicated to all employees. Certain policies to govern employees' affairs such as payroll, attendance and termination are clearly set out in staff appointment letters in compliance with Hong Kong Employment Ordinance. There is no non-compliance with the relevant labour laws and regulations in USA, Macau, PRC, Australia and Kingdom of Cambodia offices that have a significant impact on the issuer.

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

B2 Health and Safety

Workplace health and safety

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

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

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

B. 社會

B1 僱傭

勞工常規

為確保本集團能夠根據專業及道德的勞工常規進行營運，本集團已制定附帶嚴格監控機制之清晰工作程序，並已就此與全體僱員進行明確溝通。為遵守香港僱傭條例，若干管治薪資、出勤及終止僱傭等僱員事務之政策已列明於員工任命書。並無不遵守美國、澳門、中國、澳洲及柬埔寨王國相關勞動法律及法規並對發行人產生重大影響的不合規事宜。

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

B2 健康與安全

工作場所健康與安全

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

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

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



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

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

B3 Development and training

Employee development and training

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

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

B4 Labour Standards

Anti-child and forced labour

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

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

B5 Supply chain management

Supplier management

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

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

我們一直對健康與安全進行定期視察及管理檢討，以確保有關政策及措施行之有效。

B3 發展及培訓

僱員發展及培訓

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

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

B4 勞工準則

反童工及強制勞工

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

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

B5 供應鏈管理

供應商管理

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

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B6 Product Responsibility

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

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

B7 Anti-corruption

Ant-corruption and anti-money laundering

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

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

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

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

B8 Community Investment

Community programs

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

B6 產品責任

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

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

B7 反貪污

反貪污及反洗黑錢

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

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

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

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

B8 社區投資

社區項目

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

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引》索引

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

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

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

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Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源			
General Disclosure 一般披露		Environmental 環境	
Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。			
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		Use of resources 資源使用	
A3.1 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動			

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Key performance indicators (KPIs)
關鍵績效指標(KPI)

ESG Report
《環境、社會及管治報告》

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披露章節

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B. Social B 社會

Aspect B1: Employment 層面B1：僱傭

General Disclosure
一般披露

Employment
僱傭

Information on:

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

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環境、社會及管治報告

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Aspect B4: Labour Standards 層面B4：勞工準則

General Disclosure
一般披露

Labour standards
勞工準則

Information on:
有關防止童工或強制勞工的：

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

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

General Disclosure
一般披露

Supply chain management
供應鏈管理

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

Environmental, Social and Governance Report

環境、社會及管治報告

Key performance indicators (KPIs)
關鍵績效指標(KPI)

ESG Report
《環境、社會及管治報告》

Section containing disclosures
披露章節

Remarks
備註

Aspect B6: Product Responsibility **層面B6：產品責任**

General Disclosure
一般披露

Product responsibility
產品責任

Information on:

有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：

- (a) the policies; and
- (a) 政策；及

- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
- (b) 遵守對發行人有重大影響的相關法律及規例的資料。

Product responsibility
產品責任

Aspect B7: Anti-corruption **層面B7：反貪污**

General Disclosure
一般披露

Anti-corruption
反貪污

Information on:

有關防止賄賂、勒索、欺詐及洗黑錢：

- (a) the policies; and
- (a) 政策；及

- (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
- (b) 遵守對發行人有重大影響的相關法律及規例的資料。

Environmental, Social and Governance Report

環境、社會及管治報告

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

General Disclosure
一般披露

Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.
有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。

Community investment
社區投資

Directors' Profiles

董事履歷

EXECUTIVE DIRECTORS

Mr. Gao Qun ("Mr. Gao"), aged 49, was an executive Director and chairman of the Board on 5 October 2018. Mr. Gao serves as the managing director for CICFH Investment Management Company Limited since February 2018, overseeing investment and portfolio management business in the entertainment and media sector for the fund. Mr. Gao is also a cofounder and chief executive officer of Beijing WD Pictures Company Limited* ("Beijing WD Pictures"), an innovative entertainment company engaged in the development, production, marketing and distribution of films and television programs. Prior to the founding of Beijing WD Pictures, Mr. Gao served as the vice president at Shanghai New Culture Media Group Co., Limited, responsible for the company's strategic development, mergers and acquisitions, and production of films and television programs. Mr. Gao was a co-executive producer for film "Skiptrace" and a co-producer for film "Saving Mr. Wu". Mr. Gao was the executive vice president at ChinaVision Media Group Limited ("ChinaVision", now known as "Alibaba Pictures Group Limited"), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1060), executing ChinaVision's transactions such as acquisition of China Entertainment Media Group Limited and strategic placement to Tencent Inc. Mr. Gao also supervised ChinaVision's content investments, including investment in Stephen Chow's "Journey to the West". Mr. Gao obtained a bachelor's degree in English Literature from Shanghai International Studies University in 1991 and a master's degree in Business Administration from Yale School of Management in 2004.

執行董事

高群先生（「高先生」），49歲，於二零一八年十月五日獲委任為執行董事兼董事會主席。高先生自二零一八年二月起一直擔任中投中財投資管理有限公司董事總經理，負責該基金的娛樂及傳媒行業投資及投資組合管理業務。高先生亦是北京無敵影業有限公司（「北京無敵影業」）的聯合創始人兼行政總裁。該公司是一家創意娛樂公司，專注影視內容的開發、製作、營銷及發行。在創立北京無敵影業前，高先生擔任上海新文化傳媒集團股份有限公司副總裁，負責該公司的戰略發展、併購及影視內容製作。高先生是電影《絕地逃亡》的聯合執行製片人及電影《解救吾先生》的聯合製片人。高先生曾任文化中國傳播集團有限公司（「文化中國」，現稱「阿里巴巴影業集團有限公司」，其股份於聯交所主板上市，股份代號：1060）的執行副總裁，先後領導文化中國收購中國娛樂傳媒集團有限公司及引入騰訊作為戰略投資人的交易。高先生亦曾監督文化中國的內容投資，其中包括對周星馳電影《西遊·降魔篇》的投資。高先生於一九九一年獲得上海外國語大學英美文學學士學位，並於二零零四年獲得耶魯大學管理學院工商管理學碩士學位。



Directors' Profiles 董事履歷

Mr. Chau Chit (“Mr. Chau”), aged 54, was an Executive Director of the Company on 22 July 2013. Mr. Chau currently serves as the chairman of the Hong Kong Jiangyin Trade Association and the vice president of Federation of HK Jiangsu Community Organisations Limited. He holds a bachelor degree in chemistry from Zhejiang University and an EMBA degree (Executive Master of Business Administration) from Zhejiang University.

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

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

Mr. Luo Lei (“Mr. Luo”), aged 48, is a television and film director and producer. He has been in the television and film industry for over 15 years, and has directed several Chinese mid- and long-length television series and films, including the television series 愛在陽光燦爛時 (Love in Sunshine*), 芙蓉花開 (Blossoms of Hibiscus Flowers*), 那一些往事 (Cheng Du Wang Shi*), 雪域雄鷹 (Snow Region Eagles*), and the film 熊貓與阿西的故事 (The Story of Panda and Assi*). He also has extensive working experience in the film and television advertisement industry.

Ms. Chen Hong (“Ms. Chen”), aged 47, obtained a Master’s Degree in Economics from Shanghai University of Finance and Economics in 2004, and is the angel investor of Shanghai Ma Shang Fei Yang Calculation Technology Company Limited* (上海馬上飛揚計算機技術有限公司). Ms. Chen is an experienced investor with investments covering technology and telecommunication sectors and has interest in various PRC-based technology and/or telecommunication related companies, and listed companies in Hong Kong.

周哲先生(「周先生」)，54歲，自二零一三年七月二十二日起獲委任為本公司執行董事。周先生現為香港江陰商會會長及香港江蘇社團總會有限公司副會長。彼持有浙江大學化學系學士學位並持有浙江大學高級行政人員工商管理碩士學位(EMBA)。

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

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

羅雷先生(「羅先生」)，48歲，是影視導演製片人。彼投身電視電影業逾15年，曾導演多部中國中長篇電視劇及影片，其中包括電視劇《愛在陽光燦爛時》、《芙蓉花開》、《那一些往事》、《雪域雄鷹》及影片《熊貓與阿西的故事》。彼在影視廣告行業亦有豐富的工作經驗。

陳虹女士(「陳女士」)，47歲，於二零零四年獲得上海財經大學經濟學碩士學位，亦為上海馬上飛揚計算機技術有限公司之天使投資人。陳女士為資深投資者，投資覆蓋技術及通訊領域。彼亦於多家總部位於中國的技術及／或通訊相關公司及香港上市公司擁有權益。

Directors' Profiles

董事履歷

Mr. Hung Ching Fung (“Mr. Hung”), aged 35, was appointed as an Executive Director of the Company on 27 September 2014. Mr. Hung obtained a Bachelor Degree in Commerce from Macquarie University in Australia in 2007. Mr. Hung worked as an auditor in Deloitte Touche Tohmatsu and Grant Thornton from 2007 to 2010. Mr. Hung is a full member of CPA Australia. Mr. Hung has been the Financial Controller of Jimei Group since 2010 and has been an executive director of Cloud Investment Holdings Limited (previously known as China Bio Cassava Holdings Limited), a company whose shares are listed on the Stock Exchange (stock code: 8129), since August 2013. He was a non-executive director of Asa Resource Group Plc, a company whose shares are listed on the Alternative Investment Market of London Stock Exchange Plc. (AIM code: asa.l) from September 2015 to July 2017.

Mr. Li Haitian (“Mr. Li”), aged 26, graduated from the China Central Radio and TV University (now known as The Open University of China) with a major in finance in 2014, and was registered and approved as a securities broker by the Securities Association of China in 2013. Mr. Li worked at CITIC Securities Co., Ltd. from 2013 to 2017, and has experience in investment financing and securities brokerage. He has acted as a sole financial adviser in the financing of first round share capital of Chengdu Century Club International Traveling Limited* (成都嘉誠世紀國際旅行社有限公司) in 2015 and the fund raising and issue of units of the new media film fund of Dahan Investment Asset Management (Beijing) Company Limited* (大瀚投資基金管理(北京)有限公司) from 2016 to 2017, and has extensive experience in providing financial services related to the entertainment industry.

NON-EXECUTIVE DIRECTORS

Mr. Wang Shoulei (“Mr. Wang”), aged 35, graduated from Shanghai International Studies University with a master's degree in Economics in 2009. He is currently the head of the debt capital market department and structured finance department of Zhongtai International Capital Limited (中泰國際融資有限公司), responsible for monitoring the operation of the debt capital market department and structured finance department. Prior to that, he had acted as the general manager of the greater Shanghai region of Zhongtai Financial International Limited (中泰金融國際有限公司), responsible for the development in the Hong Kong market.

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

洪清峰先生(「洪先生」), 35歲, 於二零一四年九月二十七日獲委任為本公司執行董事。洪先生於二零零七年獲得澳洲麥考瑞大學(Macquarie University)商科學士學位。洪先生於二零零七年至二零一零年期間於德勤•關黃陳方會計師行及均富會計師行任職核數師。洪先生為澳洲註冊會計師公會之正式會員。洪先生自二零一零年起擔任集美集團之財務總監及自二零一三年八月起擔任雲信投資控股有限公司(前稱中國生物資源控股有限公司, 該公司股份於聯交所上市(股份代號: 8129))之執行董事。自二零一五年九月至二零一七年七月, 洪先生擔任Asa Resource Group Plc(該公司股份於倫敦證券交易所另類投資市場上市(AIM代號: asa.l))之非執行董事。

李海天先生(「李先生」), 26歲, 於二零一四年畢業於中國中央廣播電視大學(現稱國家開放大學)金融系, 於二零一三年獲中國證券業協會登記及批准為證券經紀人。李先生於二零一三年至二零一七年就職於中信証券股份有限公司, 於投融資及證券經紀方面擁有經驗。彼作為獨家金融顧問於二零一五年參與了成都嘉誠世紀國際旅行社有限公司的首輪股權融資及於二零一六年至二零一七年參與了大瀚投資基金管理(北京)有限公司的新媒體電影基金的募集及發行, 擁有豐富的娛樂產業金融服務經驗。

非執行董事

王守磊先生(「王先生」), 35歲, 於二零零九年畢業於上海外國語大學, 持有經濟學碩士學位。彼目前為中泰國際融資有限公司債務資本市場部及結構融資部主管, 負責監察債務資本市場部及結構融資部之運作。在此之前, 彼擔任中泰金融國際有限公司大上海地區總經理, 負責發展香港市場。

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



Directors' Profiles 董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Wai Kwan ("Mr. Wong"), aged 50, obtained a bachelor's degree in accountancy from City University of Hong Kong in 1992 and a master's degree in business administration from Washington University in St. Louis, U.S.A. in 2009. He is a member of The Hong Kong Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. Currently, Mr. Wong is the Chief Financial Controller of Thinktank Learning Inc., and previously was the general manager of the financial audit department of Shanghai Fosun High Technology (Group) Co., Ltd., a wholly owned subsidiary of Fosun International Limited, whose shares are listed on the Main Board of the Stock Exchange (stock code: 00656). Mr. Wong has extensive working experience in the audit and consulting areas, particularly in initial public offerings, risk management and mergers and acquisitions. Mr. Wong was an independent non-executive director of Shougang Concord Technology Holdings Limited (now known as HNA Holding Group Co. Limited), whose shares are listed on the Main Board of the Stock Exchange (stock code: 00521) and a member of each of the audit committee, the nomination committee and the remuneration committee of that company, for the period from June 2010 to October 2013.

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

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

獨立非執行董事

王偉軍先生（「王先生」），50歲，於一九九二年取得香港城市大學會計學學士學位及於二零零九年取得美國聖路易斯華盛頓大學工商管理碩士學位。彼為香港會計師公會會員及英國特許公認會計師公會會員。王先生現時為美國星騰科國際教育集團有限公司財務總監，曾任復星國際有限公司（其股份於聯交所主板上市（股份代號：00656））之全資附屬公司上海復星高科技（集團）有限公司之財務審計部門之總經理。王先生在審計及諮詢方面，尤其在首次公開發售、風險管理及併購方面，擁有豐富的工作經驗。王先生曾於二零一零年六月至二零一三年十月擔任首長科技集團有限公司（現稱海航實業集團股份有限公司，其股份於聯交所主板上市（股份代號：00521））之獨立非執行董事，並於同一時期任該公司審核委員會、提名委員會及薪酬委員會之成員。

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

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

Directors' Profiles

董事履歷

Mr. Michael Ngai Ming Tak (魏明德), aged 51, obtained a master degree from University of Cambridge in 1991. He is the Chairman of The Red Group Investment Limited and was previously the Managing Director of UBS Investment Bank. He has a wealth of experience in the international financial sector. Mr. Ngai is also a member of the National Committee of the Chinese People's Political Consultative Conference, a Standing Committee member of the Heilongjiang Provincial Committee of the People's Political Consultative Conference, Fellow Commoner and Development Advisory Council Member of Clare Hall, University of Cambridge, Council Member and Chairman of the Institutional Advancement Committee of Lingnan University, member of the Barristers Disciplinary Tribunal Panel, and a member of the Administrative Appeals Board.

Mr. Kong Chi Mo ("Mr. Kong"), aged 43, has over 20 years of experience in accounting, auditing, financial management, corporate finance, investor relations, company secretarial affairs and corporate governance. Presently, Mr. Kong holds the position of independent non-executive director in Aowei Holding Limited, Huazhang Technology Holding Limited, ZACD Group Ltd. and AK Medical Holdings Limited whereas in China Vanadium Titano-Magnetite Mining Company Limited ("China Vanadium"), he holds the position of Company Secretary and Authorised Representative. All these public companies are listed on the main board or growth enterprise market of the Hong Kong Stock Exchange.

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

魏明德先生，51歲，於一九九一年取得英國劍橋大學碩士學位。彼現時擔任德瑞集團有限公司主席，並曾出任瑞士投資銀行董事總經理，在國際金融業擁有豐富經驗。魏先生亦是中國人民政治協商會議全國委員會委員、中國人民政治協商會議黑龍江省委員會常務委員會委員、英國劍橋大學克萊爾學堂院士同席人及發展顧問會議成員、香港嶺南大學校董會成員及大學發展委員會主席、香港大律師紀律審裁團成員以及香港行政上訴委員會委員。

江智武先生（「江先生」），43歲，於會計、審計、財務管理、企業融資、投資者關係、公司秘書事務及企業管治方面擁有逾20年之經驗。江先生目前擔任奧威控股有限公司、華章科技控股有限公司、ZACD Group Ltd.及愛康醫療控股有限公司獨立非執行董事，擔任中國鈦磁鐵礦業有限公司（「中國鈦鈦」）公司秘書兼授權代表。所有該等公眾公司均於香港聯交所主板或GEM上市。

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



Directors' Profiles 董事履歷

Mr. Kong obtained his Bachelor's Degree in Business Administration from The Chinese University of Hong Kong in December 1997. Mr. Kong has been a fellow of The Association of Chartered Certified Accountants since February 2008, a member of The Hong Kong Institute of Directors since May 2010, a fellow of each of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators since February 2012, an ordinary member of Hong Kong Securities and Investment Institute since October 2017 and a full member of Hong Kong Investor Relations Association since November 2017. Mr. Kong was also awarded the Chartered Governance Professional qualification of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in September 2018.

Mr. Hong Tao ("Mr. Hong"), aged 41, obtained a master's degree in business administration from the Asian Institute of Management in 2006. Mr. Hong has around 15 years of working experience in the PRC, the United Kingdom and Hong Kong and experience in project development and investment as well as corporate governance in the energy, aviation and real estate fields. Mr. Hong previously worked at Yunnan Power Grid Co., Ltd. from 1999 to 2004, and was a business consultant at C&C Business Solutions Limited from 2006 to 2008. Mr. Hong served as deputy manager of the board office of Honghua Group Limited (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00196)) from 2008 to 2012, board secretary of Xiangyu Dredging Holdings Limited (now known as China Dredging Environment Protection Holdings Limited) (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00871)) from 2012 to 2013 and Head of Investment of Yue Da Holdings Limited (now known as Yue Da Mining Holdings Limited) (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00629)) from 2013 to 2015.

江先生在一九九七年十二月取得香港中文大學工商管理學士學位。江先生自二零零八年二月起成為英國特許公認會計師公會資深會員、自二零一零年五月起成為香港董事學會會員、自二零一二年二月起成為香港特許秘書公會及特許秘書及行政人員公會資深會員、自二零一七年十月起成為香港證券及投資學會普通會員及自二零一七年十一月起成為香港投資者關係協會正式會員。江先生亦於二零一八年九月獲授香港特許秘書公會及特許秘書及行政人員公會之特許管治專業資格。

洪滔先生（「洪先生」），41歲，於二零零六年取得 Asian Institute of Management 之工商管理碩士學位。洪先生於中國、英國及香港三地擁有約15年的工作經驗，並於能源、航空及房地產領域的項目發展及投資以及企業管治方面擁有相關經驗。洪先生早前於一九九九年至二零零四年期間曾就職於雲南電網公司，其後於二零零六年至二零零八年期間擔任 C&C Business Solutions Limited 之業務顧問。於二零零八年至二零一二年期間，洪先生曾任宏華集團有限公司（為一間股份於聯交所主板上市之公司，股份代號：00196）董事會秘書辦公室副主任；於二零一二年至二零一三年期間曾任翔宇疏浚控股有限公司（現稱中國疏浚環保控股有限公司，為一間股份於聯交所主板上市之公司，股份代號：00871）董事會秘書；及於二零一三年至二零一五年期間曾任悅達控股有限公司（現稱悅達礦業控股有限公司，為一間股份於聯交所主板上市之公司，股份代號：00629）投資總監。

Directors' Report

董事會報告書

The Directors have pleasure in presenting their annual report and the audited consolidated financial statements of Starlight Culture Entertainment Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on page 83 of the annual report.

BUSINESS REVIEW

The Group reported a loss attributable to owners of the Company of approximately HK\$49,606,000 for the year ended 31 December 2018 (2017: approximately HK\$294,439,000). The loss was mainly attributable to (i) the gain on change in fair value of derivative financial liabilities of approximately HK\$36 million recognized during the year of 2018 as compared to a loss of approximately HK\$30 million recognized in the year of 2017 in relation to the convertible bonds issued by the Company; (ii) the gain on change in fair value of a promissory note of HK\$91,431,000; (iii) the overall decrease in operating expenses, administrative expenses and finance costs of approximately HK\$40 million; and (iv) the gross profit of approximately HK\$38 million recognized during the year of 2018 as compared to gross loss of approximately HK\$3 million recognized in the year of 2017.

董事會欣然提呈星光文化娛樂集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載於綜合財務報表附註1。

業績

本集團截至二零一八年十二月三十一日止年度之業績載於年報第83頁之綜合損益表及綜合全面收益表。

業務回顧

截至二零一八年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約49,606,000港元（二零一七年：約294,439,000港元）。虧損主要源於(i)就本公司發行之可換股債券，二零一八年確認衍生金融負債公平值變動收益約36,000,000港元，而二零一七年確認虧損約30,000,000港元；(ii)承兌票據公平值變動收益91,431,000港元；(iii)營運開支、行政開支及融資成本整體減少約40,000,000港元；及(iv)於二零一八年確認毛利約38,000,000港元，而二零一七年確認毛損約3,000,000港元。



Directors' Report 董事會報告書

Basic loss per share for the year amounted to approximately 7.36 HK cents (2017: 49.15 HK cents). Net liability of the Group were approximately HK\$163,352,000 (2017: HK\$110,445,000). The net liability was attributable to the loss of the Group for the year ended 31 December 2018.

年內每股基本虧損約為7.36港仙（二零一七年：49.15港仙）。本集團之淨負債約為163,352,000港元（二零一七年：110,445,000港元）。淨負債乃由於本集團截至二零一八年十二月三十一日止年度之虧損所致。

Key Risks Factors

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

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

主要風險因素

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

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

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

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

財政年度結束後之未來發展及重要事件

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

Directors' Report

董事會報告書

Environmental policies and performance

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

The Board is pleased to present you the environmental, social and governance report (the "ESG Report") set out on pages 34 to 52 of this report which depicts the performance on the sustainability of the Group.

Relationship with suppliers, customers, employees and other stakeholders

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

Compliance with the relevant laws and regulations

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

環境政策及表現

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

董事會欣然向閣下呈報載於本報告第34至52頁之環境、社會及管治報告（「環境、社會及管治報告」），該報告描述有關本集團可持續發展之表現。

與供應商、客戶、僱員及其他持份者之關係

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

遵守相關法例及規例

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



Directors' Report 董事會報告書

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

概無有關本集團娛樂及博彩業務以及貿易業務之違反相關法例及法規的呈報個案。

SHARE CAPITAL

There was no movement in the authorised share capital of the Company during the year. Details of the movement in the issued share capital of the Company are set out in note 31 to the consolidated financial statements.

股本

於年內，本公司之法定股本概無變動。本公司之已發行股本變動詳情載於綜合財務報表附註31。

RESERVES

Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 88 of the annual report.

儲備

本集團於年內之儲備變動詳情載於年報第88頁之綜合權益變動表。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company had no distributable reserves at 31 December 2018 calculated under The Companies Act 1981 of Bermuda (as amended). The Company's share premium account, in the amount of HK\$196,230,000 at 31 December 2018 (2017: HK\$196,230,000) may be distributed in the form of fully paid bonus shares.

本公司之可供分派儲備

根據百慕達一九八一年公司法（經修訂）計算，於二零一八年十二月三十一日，本公司概無可供分派儲備。本公司於二零一八年十二月三十一日為數196,230,000港元之股份溢價賬（二零一七年：196,230,000港元）可以繳足股本紅股股份之方式予以分派。

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

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

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

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

Directors' Report

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the largest one and five largest customers accounted for 75% and 99% respectively of the total sales for the year. Purchases from the largest one and five largest suppliers accounted for 38% and 48% respectively of the total purchases for the year.

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

DIRECTOR'S INTERESTS IN COMPETING BUSINESSES

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

主要客戶及供應商

於本年度內，向最大客戶及五大客戶的銷售分別佔本年度總銷售額之75%及99%。向最大供應商及五大供應商的採購分別佔本年度總採購額之38%及48%。

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

董事於競爭業務之權益

於本年度內，本公司董事概無於與本公司業務直接或間接構成或可能構成競爭之本公司業務外之任何業務擁有權益。



Directors' Report 董事會報告書

DIRECTORS

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

Chairman

Mr. Gao Qun (appointed on 5 October 2018)
Mr. Yan Xu (retired on 29 June 2018)

Chief Executive Officer

Mr. Luo Lei

Executive Directors

Mr. Chau Chit (Deputy Chairman)
Ms. Chen Hong
Mr. Hung Ching Fung
Mr. Li Haitian

Non-Executive Directors

Mr. Wang Shoulei

Independent Non-Executive Directors

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

In accordance with Bye-laws 86(2), 87(1) and 87(2) of the Company's bye-laws, Mr. Gao Qun, Mr. Wong Wai Kwan, and Mr. Michael Ngai Ming Tak, Mr. Kong Chi Mo and Mr. Hong Tao shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

董事

於年內及直至本報告日期為止在職董事如下：

主席

高群先生（於二零一八年十月五日獲委任）
顏旭先生（於二零一八年六月二十九日退任）

行政總裁

羅雷先生

執行董事

周哲先生（副主席）
陳虹女士
洪清峰先生
李海天先生

非執行董事

王守磊先生

獨立非執行董事

王偉軍先生
魏明德先生
江智武先生
洪滔先生

根據本公司之公司細則第86(2)、87(1)及87(2)條，高群先生、王偉軍先生、魏明德先生、江智武先生及洪滔先生須於本公司應屆股東週年大會上告退，惟符合資格並願意重選連任。

Directors' Report

董事會報告書

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

As at 31 December 2018, the interests or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were disclosed to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in the Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules") were as follows:

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

獨立非執行董事

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

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一八年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有須披露予本公司及香港聯合交易所有限公司（「聯交所」），或記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據聯交所證券上市規則（「上市規則」）附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所之權益或淡倉如下：

Directors' Report

董事會報告書

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

本公司每股面值0.1港元之普通股（好倉）

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

Save as disclosed above, as at 31 December 2018, none of the Directors nor the Chief Executive of the Company nor their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise disclosed to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一八年十二月三十一日，概無本公司董事或主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部之第7及8分部規定須披露予本公司及聯交所，或記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

Directors' Report

董事會報告書

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

董事於重大合約之權益

During the year of 2018, the Vendor, which was wholly owned and controlled by Mr. Yan Xu (the controlling shareholder and chairman of the Company who retired as the Company's director on 29 June 2018), entered into a side letter (the "Side Letter") with the Company, pursuant to which the Vendor has irrevocably and unconditionally agreed and undertaken to the Company the following:

- (i) The Vendor and the Company shall jointly appoint an independent valuer, to conduct a valuation of the Target Group as at 31 December 2018 (the "Updated Valuation"). The determination by the independent valuer shall be final and binding on the Vendor and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the Vendor irrevocably, unconditionally, and absolutely agrees to waive and forgo the principal amount of the Promissory Note payable by the Company under the Promissory Note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000 (the "Waiver").
- (iii) The due date of the Promissory Note shall be extended until 12 December 2019.

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

Save as disclosed above, no contract of significance in relation to the Group's business (as defined in the Listing Rules) to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year of 2018.

於二零一八年，由顏旭先生（本公司控股股東及主席並於二零一八年六月二十九日辭任本公司董事一職）全資擁有並控制的賣方與本公司訂立一份附函（「附函」），據此，賣方不可撤回、無條件地向本公司同意及承諾以下各項：

- (i) 賣方及本公司應共同委任一名獨立估值師對目標集團於二零一八年十二月三十一日之估值進行評估（「更新估值」）。獨立估值師之決定對賣方及本公司均將具有決定性及約束力。
- (ii) 倘更新估值低於25,000,000美元，則賣方不可撤回、無條件及完全地同意豁免及放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限（「該豁免」）。
- (iii) 承兌票據之到期日將延長至二零一九年十二月十二日。

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

除上文所披露者外，本公司或其任何附屬公司概無訂立任何本公司董事直接或間接擁有重大權益而於年終時或於二零一八年任何時間內仍然存續之有關本集團業務之重大合約（定義見上市規則）。



Directors' Report 董事會報告書

PERMITTED INDEMNITY PROVISION

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

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

SHARE OPTION SCHEME

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

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

獲准許彌償條文

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

上述有關董事利益的條文於目前及本年度內一直有效。

購股權計劃

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

董事收購股份或債券之權利

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

Directors' Report

董事會報告書

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

主要股東之權益及淡倉

As at 31 December 2018, so far as was known to the Directors and the Chief Executive of the Company, the following persons (other than any director and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

於二零一八年十二月三十一日，就本公司董事及主要行政人員所知，以下人士（本公司任何董事及主要行政人員除外）於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文而須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉，或另行知會本公司及聯交所之權益或淡倉：

Name of shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital of the Company
股東姓名／名稱	身份	所持普通股數目	佔本公司已發行股本概約百分比
			(Note 1)
			(附註1)
Zhongtai Financial Investment Limited 中泰金融投資有限公司	Person having a security interest in shares (note 2) 於股份擁有證券權益人士 (附註2)	369,313,514 (L)	54.83%
Zhongtai Financial International Limited 中泰金融國際有限公司	Interest of corporation controlled by you (note 2) 閣下控制的法團權益 (附註2)	369,313,514 (L)	54.83%
Zhongtai Securities Company Limited 中泰證券股份有限公司	Interest of corporation controlled by you (note 2) 閣下控制的法團權益 (附註2)	369,313,514 (L)	54.83%
CICFH Investment Management Company Limited 中投中財投資管理有限公司	Beneficial owner (note 3) 實益擁有人 (附註3)	369,313,514 (L)	54.83%
國投中聯投資管理(北京)有限公司	Interest of corporation controlled by you (note 3) 閣下控制的法團權益 (附註3)	369,313,514 (L)	54.83%
XU PENG 徐鵬	Interest of corporation controlled by you (note 3) 閣下控制的法團權益 (附註3)	369,313,514 (L)	54.83%
Mega Start Limited	Beneficial owner (note 4) 實益擁有人 (附註4)	49,693,600 (L)	7.38%
Chau Chit 周哲	Interest of corporation controlled by you (note 4) 閣下控制的法團權益 (附註4)	49,693,600 (L)	7.38%



Directors' Report 董事會報告書

Notes:

(L) All the shares are long positions.

1. The percentages are calculated based on the total number of issued shares of the Company of 673,564,799 shares as at 31 December 2018.
2. Based on the information available to the Company, Zhongtai Financial Investment Limited has a security interest in 369,313,514 shares and is directly wholly owned by Zhongtai Financial International Limited, which is wholly owned by Zhongtai Securities Company Limited. Zhongtai Financial International Limited and Zhongtai Securities Company Limited are therefore deemed to be interested in all the shares in which Zhongtai Financial Investment Limited is interested under the SFO.
3. The entire issued share capital of CICFH Investment Management Company Limited is wholly and beneficially owned by 國投中聯投資管理（北京）有限公司, which is ultimately beneficially owned as to 99.8% by Mr. Xu Peng. By virtue of the Securities and Futures Ordinance, 國投中聯投資管理（北京）有限公司 and Mr. Xu Peng are deemed to be interested in the 369,313,514 shares of CICFH Investment Management Company Limited.
4. The entire issued share capital of Mega Start Limited is wholly and beneficially owned by Mr. Chau Chit. By virtue of the Securities and Futures Ordinance, Mr. Chau Chit is deemed to be interested in the 49,693,600 shares of the Company.

Save as disclosed above, the Company had not been notified and is not aware of any other persons who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 December 2018.

附註：

(L) 所有股份均為好倉。

1. 該等百分比乃根據於二零一八年十二月三十一日之本公司已發行股份總數673,564,799股計算。
2. 根據本公司可得資料，中泰金融投資有限公司於369,313,514股股份中擁有證券權益並直接由中泰金融國際有限公司全資擁有，而中泰金融國際有限公司由中泰證券股份有限公司全資擁有。因此根據證券及期貨條例，中泰金融國際有限公司及中泰證券股份有限公司被視為於中泰金融投資有限公司的所有股份中擁有權益。
3. 中投中財投資管理有限公司之全部已發行股本由國投中聯投資管理（北京）有限公司全資及實益擁有，而國投中聯投資管理（北京）有限公司由徐鵬先生最終實益擁有99.8%。根據證券及期貨條例，國投中聯投資管理（北京）有限公司及徐鵬先生被視為於中投中財投資管理有限公司的369,313,514股股份中擁有權益。
4. Mega Start Limited的全部已發行股本由周哲先生全資及實益擁有。根據證券及期貨條例，周哲先生被視為於本公司49,693,600股股份中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，本公司並無獲知會且不知悉任何其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉。

Directors' Report

董事會報告書

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

2015 Convertible Bonds

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

Among the aggregate principal amount of HK\$365,000,000, Subscriptions of Convertible Bonds in an aggregate principal amount of HK\$315,000,000 were completed on 2 December 2015. The net proceeds were approximately HK\$314,700,000. Based on the initial Conversion Price of HK\$5.00 per Conversion Share, a maximum number of 63,000,000 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.

Principal amount of HK\$10,000,000 of Convertible Bond was redeemed on 2 December 2018 and the due date for redemption of the remaining outstanding principal amount of Convertible Bonds of HK\$305,000,000 was extended till 2 January 2019. Principal amount of HK\$50,000,000 of Convertible Bond was redeemed on 28 December 2018.

As at 31 December 2018, the outstanding principal amount of the Convertible Bonds is HK\$255,000,000. On 2 January 2019, all of the Convertible Bonds were redeemed.

During the year of 2018, none of the Convertible Bonds was converted into shares of the Company.

Saved as disclosed above, the Company had no outstanding convertible securities, warrants or other similar rights as at 31 December 2018 and there has been no exercise of any convertible securities, warrants or similar rights during the year.

可換股證券、認股權證或類似權利

二零一五年可換股債券

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

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

於二零一八年十二月二日贖回可換股債券本金10,000,000港元，而剩餘未償還可換股債券本金305,000,000元的贖回到期日延至二零一九年一月二日。於二零一八年十二月二十八日贖回可換股債券本金50,000,000港元。

於二零一八年十二月三十一日，可換股債券的未償本金為255,000,000港元。於二零一九年一月二日，全部可換股債券已獲贖回。

於二零一八年度，概無可換股債券獲兌換為本公司股份。

除上文所披露者外，於二零一八年十二月三十一日，本公司並無尚未行使之可換股證券、認股權證或其他類似權利，而年內亦無任何可換股證券、認股權證或類似權利獲行使。



Directors' Report 董事會報告書

RELATED PARTY TRANSACTIONS

Related party transactions entered into for the year are set out in note 41 to the consolidated financial statements.

EMOLUMENT POLICY

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

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

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

PRE-EMPTIVE RIGHTS

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

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

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is a sufficient public float of the issued share capital of the Company throughout the year ended 31 December 2018.

關聯方交易

於年內訂立之關聯方交易載於綜合財務報表附註41。

酬金政策

本集團僱員之酬金政策根據僱員之表現、資格及能力釐定。

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

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。

股份優先購買權

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

購買、出售或贖回本公司上市證券

截至二零一八年十二月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

足夠之公眾持股量

根據公開可得資料及就董事所知，本公司確認於截至二零一八年十二月三十一日止年度其已發行股本一直具有足夠之公眾持股量。

Directors' Report

董事會報告書

CORPORATE GOVERNANCE

The Board recognises the importance of maintaining a high standard of corporate governance with an aim to protect the interests of shareholders. A report on the principal corporate governance practices adopted by the Company is set out on pages 19 to 33 of the annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2018.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Ernst & Young as auditor of the Company.

On behalf of the Board

Mr. Gao Qun
Chairman
Hong Kong
30 April 2019

企業管治

董事會認同維持高水平企業管治以保障股東權益之重要性。有關本公司所採納之主要企業管治常規之報告載於年報第19至33頁。

審核委員會

審核委員會已審閱本集團截至二零一八年十二月三十一日止年度之綜合財務報表。

核數師

將於應屆股東週年大會上提交決議案以重新委任安永會計師事務所為本公司之核數師。

代表董事會

高群先生
主席
香港
二零一九年四月三十日



Independent Auditor's Report 獨立核數師報告



To the shareholders of Starlight Culture Entertainment Group Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Starlight Culture Entertainment Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 83 to 254, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.



致星光文化娛樂集團有限公司股東

(於百慕達註冊成立之有限公司)

意見

我們已審核載於第83至254頁的星光文化娛樂集團有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)對貴集團於二零一八年十二月三十一日的綜合財務狀況以及截至該日止年度之綜合財務表現及綜合現金流量作出真實而公平的反映，並已根據香港公司條例的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$55,518,000 and had net cash outflows used in operating activities of HK\$277,025,000 during the year ended 31 December 2018, and at the end of the reporting period, the Group had net current liabilities and total deficiency in assets of approximately HK\$59,009,000 and HK\$163,352,000 respectively. As stated in note 2.1 to the consolidated financial statements, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

意見基準

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

有關持續經營的重大不確定因素

我們提請垂注綜合財務報表附註2.1，當中表明貴集團於截至二零一八年十二月三十一日止年度錄得虧損淨額55,518,000港元及擁有經營活動所用現金流出淨額277,025,000港元，於報告期末，貴集團流動負債淨額及資產虧絀總額分別約為59,009,000港元及163,352,000港元。如綜合財務報表附註2.1所述，該等狀況顯示存在可能令貴集團的持續經營能力產生重大疑問的重大不確定因素。我們就此發表無保留意見。

關鍵審核事項

關鍵審核事項為就我們之專業判斷而言，對我們審核本期間之綜合財務報表最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的，且我們不會對該等事項提供單獨的意見。我們在此背景下，於下文說明我們如何處理各項該等事項。

除「有關持續經營的重大不確定因素」一節所披露的事項外，我們已確定以下事項為需要在報告中溝通的關鍵審核事項。



Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters:

關鍵審核事項：

Impairment of film product and film investments

電影產品及電影投資的減值

As at 31 December 2018, the carrying amount of film product and film investments of the Group, net of impairment, amounted to nil and HK\$105,175,000 respectively. An impairment test is performed when an event or change in circumstance indicates that the carrying amount of unamortised film product or film investments may exceed their recoverable amounts.

於二零一八年十二月三十一日，貴集團電影產品及電影投資扣除減值後之賬面值分別為零及105,175,000港元。當事件或情況變動顯示未攤銷電影產品或電影投資的賬面值超過其可收回金額時進行減值測試。

關鍵審核事項 (續)

我們已履行本報告「核數師就審核綜合財務報表須承擔之責任」中所述責任，包括與該等事項有關的責任。因此，我們的審核包括執行旨在回應我們對綜合財務報表重大錯誤陳述風險評估的程序。我們的審核程序結果（包括為解決以下事項而採取的程序）為我們對隨附的綜合財務報表的審核意見提供了依據。

How our audit addressed the key audit matter

我們的審計如何解決關鍵審計事項

Our audit procedures in relation to the impairment assessment included:

我們就減值評估執行的審核程序包括：

- Evaluating the assumptions underpinning the discounted cash flow models, which include budgeted box office revenue, revenues from other sources and distribution expenses by comparing them with the future business plan and the historical cashflows incurred in relation to the films;
通過與未來業務計劃及就電影所產生的歷史現金流量進行比較，評估支持貼現現金流量模式的假設，當中包括預算票房收益、其他來源的收益及分銷開支；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

Key audit matters:

關鍵審核事項：

The management reviews film product and film investments regularly to reassess the estimated recoverable amounts with reference to marketability of each film and current market condition. The recoverable amount is calculated based on the value-in-use calculation which uses the present value of the expected future cash flows.

管理層定期審閱電影產品及電影投資以參照各電影的適銷性及當前市況重新評估估計可收回金額。可收回金額按使用價值（其採用預期未來現金流量的現值計算）計算。

Management performed impairment tests and an impairment loss on film product of HK\$17,018,000 and on film investments of HK\$10,356,000 were recognised during the year. We focused on this area because the cash flow projections require management's judgments which based on significant assumptions and estimations. 於年內，管理層進行減值測試及就電影產品及電影投資確認減值虧損分別為17,018,000港元及10,356,000港元。我們重點關注此範疇乃因現金流量預測需要管理層基於重大假設及估計作出判斷。

Related disclosures are included in notes 2.4, 3, 20 and 21 to the consolidated financial statements. 相關披露載於綜合財務報表附註2.4、3、20及21。

Valuation of promissory note

承兌票據之估值

As at 31 December 2018, the Group's had a promissory note amounted to nil and recorded at fair value, which will be payable on 12 December 2019. The repayment amount of the promissory note is contingent upon the valuation of the Starlight Legend Group as of 31 December 2018 agreed by both the promissory note holder and the Company.

於二零一八年十二月三十一日，貴集團的承兌票據金額為零及按公平值入賬，須於二零一九年十二月十二日支付。承兌票據的償還金額視承兌票據持有人與本公司所達成一致的Starlight Legend集團截至二零一八年十二月三十一日之估值確定。

關鍵審核事項 (續)

How our audit addressed the key audit matter

我們的審計如何解決關鍵審核事項

- Assessing the discount rate used in discounted cash flow models by checking market data and certain film specific parameters;
通過核查市場數據及若干電影特定的參數，評估貼現現金流量模式所使用的貼現率；
- Performing the sensitivity analysis on the inputs used in the calculation of the value in use; and
對計算使用價值所用的輸入數據進行敏感度分析；及
- Assessing the related disclosures made in the consolidated financial statements.
評估綜合財務報表內作出的相關披露。

Our audit procedures in relation to the valuation assessment included:

我們就估值評估執行的審核程序包括：

- Evaluating the competence, capabilities and objectivity of the independent valuer;
評估獨立估值師的才幹、能力及客觀性；

Independent Auditor's 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：

The valuation of the Starlight Legend Group was calculated based on the discounted cash flows. Key assumptions used by the management included discount rates, growth rates, forecast revenue and gross margins. Management also engaged an independent valuer to determine the valuation.

Starlight Legend集團的估值按貼現現金流量計算。管理層採用的主要假設包括貼現率、增長率、預測收益及毛利率。管理層亦委聘獨立估值師釐定估值。

We focused on this area because it involved the exercise of significant management judgement and estimates. 我們重點關注此範疇乃因其涉及進行重大管理層判斷及估計。

Related disclosures are included in notes 2.4, 3 and 28 to the consolidated financial statements. 相關披露資料載於綜合財務報表附註2.4、3及28。

How our audit addressed the key audit matter

我們的審計如何解決關鍵審核事項

- Evaluating the assumptions underpinning the discounted cash flow models, including growth rates, forecast revenue and costs by comparing them to the future business plan of the Group, recent performance of the Starlight Legend Group as well as the industry trend;
通過與貴集團的未來業務計劃、Starlight Legend集團近期表現及行業趨勢進行比較，評估貼現現金流量模型的相關假設，包括增長率、預測收益及成本；
- Involving our internal valuation experts to assist us in assessing the discount rate used in the discounted cash flow models by performing re-calculations based on market data and certain company specific parameters, as well as evaluating the parameters applied by the independent valuer;
通過根據市場數據及若干公司具體參數進行重新計算以及通過評估獨立估值師所使用的參數，讓我們的內部估值專家協助我們評估貼現現金流量模型所使用的貼現率；
- Performing the sensitivity analysis of the inputs used in the calculation of the valuation; and
對計算估值所用的輸入數據進行敏感度分析；及
- Assessing the related disclosures made in the consolidated financial statements.
評估綜合財務報表內作出的相關披露。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

年報的其他資料

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

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

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

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港公司條例之披露規定編製綜合財務報表，以作出真實而公平的反映，以及負責董事確定所需之內部監控，以使編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，貴公司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）。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。



Independent Auditor's Report 獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.

董事就綜合財務報表須承擔之責任 (續)

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

核數師就審核綜合財務報表須承擔之 責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告根據百慕達一九八一年公司法第90條僅向閣下（作為整體）作出，除此以外，不作其他用途。我們概不就本報告之內容向任何其他人士負責或承擔責任。

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

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

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

Independent Auditor's Report

獨立核數師報告

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

核數師就審核綜合財務報表須承擔之責任 (續)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對貴集團內部監控的效能發表意見。
- 評估董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審核憑證決定是否存在對貴集團持續經營的能力構成重大疑問的事件或情況的相關重大不確定性。倘我們認為存在重大不確定性，則有必要在核數師報告中提請注意綜合財務報表中的相關披露資料。倘有關的披露資料不足，則我們應當發表非無保留意見。我們的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表（包括披露資料）的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核證據，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審核。我們對我們之審核意見承擔全部責任。



Independent Auditor's Report 獨立核數師報告

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

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

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

From the matters communicated with the 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

核數師就審核綜合財務報表須承擔之 責任 (續)

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

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

從與審核委員會溝通的事項中，我們決定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。除法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

此次獨立核數師報告的審核工作合夥人是何兆烽。

Ernst & Young
Certified Public Accountants
Hong Kong
30 April 2019

安永會計師事務所
執業會計師
香港
二零一九年四月三十日

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
REVENUE	收益	5	73,485	39,958
Cost of sales	銷售成本		(35,503)	(43,161)
Gross profit/(loss)	毛利／（損）		37,982	(3,203)
Other income and gains	其他收入及收益	5	23,631	12,578
Selling and distribution expenses	銷售及分銷開支		(8,148)	(78,304)
Administrative expenses	行政開支		(53,909)	(46,094)
Impairment loss on available-for-sale investments	可供出售投資減值虧損		—	(3,000)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		(707)	(5,132)
Reversal of impairment losses/ (impairment losses) on financial and contract assets, net	金融及合約資產減值虧損撥回／（減值虧損）·淨額		1,827	(23,736)
Impairment loss on goodwill	商譽減值虧損		(54,827)	(43,844)
Impairment loss on film prepayments	電影預付款項減值虧損		(1,921)	—
Impairment loss on film investments	電影投資減值虧損		(10,356)	—
Impairment loss on film product	電影產品減值虧損		(17,018)	—
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動		(797)	—
Change in fair value of derivative financial liabilities	衍生金融負債公平值變動		36,153	(29,893)
Change in fair value of a promissory note	承兌票據公平值變動		91,431	—
Change in fair value of contingent consideration payable	應付或然代價公平值變動		1,563	—
Finance costs	融資成本	7	(99,700)	(77,351)
Other expenses	其他開支		(722)	—
LOSS BEFORE TAX	除稅前虧損	6	(55,518)	(297,979)
Income tax expense	所得稅開支	10	—	—
LOSS FOR THE YEAR	年內虧損		(55,518)	(297,979)

Consolidated Statement of Profit or Loss

綜合損益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	(49,606)	(294,439)
Non-controlling interests	非控股權益	(5,912)	(3,540)
		(55,518)	(297,979)
LOSS PER SHARE	母公司普通股權益持有人		
ATTRIBUTABLE TO ORDINARY	應佔每股虧損		
EQUITY HOLDERS OF			
THE PARENT	12		
Basic	基本		
– For loss for the year	一年內虧損	HK cents港仙 (7.36)	HK cents港仙 (49.15)
Diluted	攤薄		
– For loss for the year	一年內虧損	HK cents港仙 (7.36)	HK cents港仙 (49.15)

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
LOSS FOR THE YEAR	年內虧損	(55,518)	(297,979)
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	期後期間可能重新分類至損益之其他全面收益：		
Available-for-sale investments:	可供出售投資：		
Changes in fair value	公平值變動	-	1,108
Reclassification adjustments for gains included in the consolidated statement of profit or loss	計入綜合損益表之收益之重新分類調整		
- impairment losses	- 減值虧損	-	2,000
		-	3,108
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	兌換海外業務產生之匯兌差額	(877)	(3,381)
Reclassification adjustments for a foreign operation disposed of during the year	年內已出售海外業務之重新分類調整	2,194	-
		1,317	(3,381)
Net other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods	其後期間可能重新分類至損益之其他全面淨收益／（虧損）：	1,317	(273)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	年內其他全面收益／（虧損）（稅後）	1,317	(273)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年內全面虧損總額	(54,201)	(298,252)
Attributable to:	以下人士應佔：		
Owners of the parent	母公司擁有人	(48,300)	(294,778)
Non-controlling interests	非控股權益	(5,901)	(3,474)
		(54,201)	(298,252)

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	10,322	11,187
Club debenture	會所債券	14	320	320
Available-for-sale investments	可供出售投資	15	—	9,313
Film product	電影產品	21	—	13,312
Goodwill	商譽	16	—	54,827
Total non-current assets	非流動資產總值		10,642	88,959
CURRENT ASSETS	流動資產			
Trade receivables	貿易應收款項	17	698	6,214
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	18	248,181	147,242
Contract assets	合約資產	19	54,850	—
Film investments	電影投資	20	105,175	—
Film product	電影產品	21	—	3,370
Cash and cash equivalents	現金及現金等值項目	22	26,907	96,647
Total current assets	流動資產總值		435,811	253,473
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	23	3,219	3,177
Other payables and accruals	其他應付款項及應計費用	24	26,077	23,495
Contract liabilities	合約負債	25	1,290	—
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	26	20,900	22,985
Interest-bearing bank and other borrowings	計息銀行及其他借貸	27	158,687	12,799
Promissory note	承兌票據	28	17,000	95,226
Derivative financial liabilities	衍生金融負債	29	—	36,153
Convertible bonds	可換股債券	29	266,821	256,562
Tax payable	應付稅項		826	917
Total current liabilities	流動負債總額		494,820	451,314
NET CURRENT LIABILITIES	流動負債淨額		(59,009)	(197,841)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		(48,367)	(108,882)

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	27	113,433	—
Contingent consideration payable	應付或然代價	30	—	1,563
Other payables	其他應付款項	24	1,552	—
Total non-current liabilities	非流動負債總額		114,985	1,563
Net liabilities	負債淨額		(163,352)	(110,445)
DEFICIENCY IN ASSETS	資產虧絀			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	31	67,356	67,356
Reserves	儲備	34	(184,646)	(136,346)
			(117,290)	(68,990)
Non-controlling interests	非控股權益	35	(46,062)	(41,455)
Total deficiency in assets	資產虧絀總額		(163,352)	(110,445)

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔								Non-controlling interests	Total deficiency in assets
		Share capital	Share premium*	Capital redemption reserve*	Investment revaluation reserve*	Convertible bonds reserve*	Exchange reserves*	Accumulated losses*	Total		in assets
		股本	股份溢價*	贖回儲備*	重估儲備*	可換股債券儲備*	匯兌儲備*	累計虧損*	合計	非控股權益	資產虧損總額
Notes		HK\$'000 千港元 (note 31) (附註31)	HK\$'000 千港元 (note 34) (附註34)	HK\$'000 千港元	HK\$'000 千港元 (note 34) (附註34)	HK\$'000 千港元 (note 34) (附註34)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日	67,356	196,230	1,564	1,804	-	(5,584)	(330,360)	(68,990)	(41,455)	(110,445)
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號的影響	-	-	-	(1,804)	-	-	1,804	-	-	-
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	67,356	196,230	1,564	-	-	(5,584)	(328,556)	(68,990)	(41,455)	(110,445)
Loss for the year	年內虧損	-	-	-	-	-	-	(49,606)	(49,606)	(5,912)	(55,518)
Other comprehensive income/(loss) for the year:	年內其他全面收益/(虧損):										
Exchange differences on translation of foreign operations	兌換海外業務產生之匯兌差額	-	-	-	-	-	(888)	-	(888)	11	(877)
Reclassification adjustments for a foreign operation disposed of during the year	於年內出售之一項海外業務的重新分類調整	-	-	-	-	-	2,194	-	2,194	-	2,194
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損)總額	-	-	-	-	-	1,306	(49,606)	(48,300)	(5,901)	(54,201)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	1,294	1,294
At 31 December 2018	於二零一八年十二月三十一日	67,356	196,230	1,564	-	-	(4,278)	(378,162)	(117,290)	(46,062)	(163,352)

* These reserve accounts comprise the consolidated reserves of debit balance of HK\$184,646,000 (2017: HK\$136,346,000) in the consolidated statement of financial position.

* 此等儲備賬包括綜合財務狀況表中的綜合儲備借方結餘184,646,000港元(二零一七年: 136,346,000港元)。

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

Year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests		Total deficiency in assets
		Share capital	Share premium*	Capital redemption reserve*	Investment revaluation reserve*	Convertible bonds reserve*	Exchange reserves*	Accumulated losses*	Total		in assets
		股本	股份溢價*	贖回儲備*	投資重估儲備*	可換股債券儲備*	匯兌儲備*	累計虧損*	合計	非控股權益	資產虧損總額
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 31)	(note 34)		(note 34)	(note 34)					
		(附註31)	(附註34)		(附註34)	(附註34)					
At 1 January 2017	於二零一七年一月一日	49,356	76,385	1,564	(1,304)	20,427	(2,137)	(35,921)	108,370	(43,865)	64,505
Loss for the year	年內虧損	-	-	-	-	-	-	(294,439)	(294,439)	(3,540)	(297,979)
Other comprehensive income/(loss) for the year:	年內其他全面收益/(虧損):										
Exchange differences on translation of foreign operations	兌換海外業務產生之匯兌差額	-	-	-	-	-	(3,447)	-	(3,447)	66	(3,381)
Increase in fair value of available-for-sale investments	可供出售投資公平值增加	-	-	-	1,108	-	-	-	1,108	-	1,108
Release of investment revaluation reserve to profit or loss for impairment loss on available-for-sale investments	就可供出售投資減值虧損將投資重估儲備轉撥至損益	-	-	-	2,000	-	-	-	2,000	-	2,000
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	3,108	-	(3,447)	(294,439)	(294,778)	(3,474)	(298,252)
Share issued upon conversion of convertible bonds	兌換可換股債券時發行股份	31	15,900	57,265	-	(20,427)	-	-	52,738	-	52,738
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	-	-	-	-	5,884	5,884
Share issued upon completion of acquisition of subsidiaries	於完成收購附屬公司時發行股份	31	2,100	62,580	-	-	-	-	64,680	-	64,680
At 31 December 2017	於二零一七年十二月三十一日	67,356	196,230	1,564	1,804	-	(5,584)	(330,360)	(68,990)	(41,455)	(110,445)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流量		
Loss before tax	除稅前虧損	(55,518)	(297,979)
Adjustments for:	按下列各項調整：		
Interest income	利息收入	(24)	(341)
Dividend income	股息收入	—	(330)
Finance costs	融資成本	99,700	77,351
Gain on derecognition of a promissory note measured at amortised cost	終止確認按攤銷成本計量的承兌票據之收益	(5,377)	—
Loss on disposal of subsidiaries	出售附屬公司之虧損	722	—
Fair value losses/(gains), net:	公平值虧損／（收益）淨額：		
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	797	—
Derivative financial liabilities	衍生金融負債	(36,153)	29,893
Promissory note	承兌票據	(91,431)	—
Contingent consideration payable	應付或然代價	(1,563)	—
Impairment loss on goodwill	商譽減值虧損	54,827	43,844
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	707	5,132
Impairment loss on available-for-sale investments	可供出售投資減值虧損	—	3,000
Impairment loss on film investments	電影投資減值虧損	10,356	—
Impairment loss on film product	電影產品減值虧損	17,018	—
Impairment loss on film prepayments	電影預付款項減值虧損	1,921	—
(Reversal of impairment losses)/ impairment losses on financial and contract assets, net	金融及合約資產（減值虧損撥回）／減值虧損·淨額	(1,827)	23,736
Amortisation of film product	電影產品之攤銷	—	173
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,397	1,299
Increase in film investments	電影投資增加	(4,448)	(114,222)
Decrease/(increase) in trade receivables	貿易應收款項減少／（增加）	(115,531)	—
(Increase)/decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產（增加）／減少	5,352	(6,211)
Increase in trade payables	貿易應付款項增加	(100,378)	91,836
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用（減少）／增加	338	1,634
Increase in contract assets	合約資產增加	(8,244)	3,171
Increase in contract liabilities	合約負債增加	(55,404)	—
Decrease in an amount due to a related company	應付一間關聯公司款項減少	1,290	—
		—	(2,519)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash used in operations	用於經營業務之現金	(277,025)	(26,311)
Tax paid	支付稅款	-	(222)
Net cash flows used in operating activities	用於經營活動之現金流量淨額	(277,025)	(26,533)
CASH FLOWS FROM INVESTING ACTIVITIES	投資業務之現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	13 (1,293)	(4,811)
Purchase of club debenture	購買會所債券	-	(320)
Disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產	8,516	-
Cash from acquisition of subsidiaries	來自收購附屬公司之現金	-	5,556
Disposal of subsidiaries	出售附屬公司	37 109	-
Loans receivable	應收貸款	-	20,330
Dividend income	股息收入	-	330
Interest received	已收利息	24	33
Net cash flows from investing activities	來自投資業務現金流量淨額	7,356	21,118
CASH FLOWS FROM FINANCING ACTIVITIES	融資業務之現金流量淨額		
Advance from a non-controlling interest of a subsidiary	來自一間附屬公司非控股權益之墊款	-	256
Repayment of convertible bonds	償還可換股債券	(43,000)	-
New borrowings	新借貸	272,120	5,999
Repayment of borrowings	償還借貸之款項	(12,799)	(12,220)
Interest paid	已付利息	(15,285)	(25,200)
Net cash flows from/(used in) financing activities	來自／（用於）融資業務之現金流量淨額	201,036	(31,165)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2018 截至二零一八年十二月三十一日止年度

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 減少淨額	(68,633)	(36,580)
Cash and cash equivalents at beginning of year	年初之現金及 現金等值項目	96,647	133,000
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等值 項目之影響	(1,107)	227
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等值項目	26,907	96,647
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目 結餘分析		
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	於財務狀況表及現金流量表 呈列的現金及現金等值項目		
	22	26,907	96,647

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Starlight Culture Entertainment Group Limited is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company is Room 1203, 12/F, 118 Connaught Road West, Hong Kong.

During the year, the Group was involved in the following principally activities:

- media and culture business;
- trading of chemical products, energy conservation and environmental protection products; and
- entertainment and gaming business.

The Company’s parent is CICFH Investment Management Company Limited and the directors of the Company (the “Directors”) consider that its ultimate holding company is 國投中聯投資管理(北京)有限公司 (“Guotou”) with effect from September 2018. Guotou is incorporated in the People’s Republic of China.

1. 公司及集團資料

星光文化娛樂集團有限公司在百慕達註冊成立為一家獲豁免有限公司及其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點之地址為香港干諾道西118號12樓1203室。

本集團已於年內從事以下主要業務：

- 傳媒及文化業務；
- 化工產品以及節能及環保產品貿易；及
- 娛樂及博彩業務。

本公司之母公司為CICFH Investment Management Company Limited，本公司之董事(「董事」)認為其最終控股公司為國投中聯投資管理(北京)有限公司(「國投」)(自二零一八年九月起生效)。國投於中華人民共和國註冊成立。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料 (續)

附屬公司資料

本公司之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation/ registration and business 註冊成立/登記及 營業地點	Issued ordinary/ registered share capital 已發行普通股股本 /註冊資本	Proportion of ownership interest 擁有權權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Fortune Appraise Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	—	100%	Provision of services to patrons 向客戶提供服務
Fortune Global Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	—	100%	Provision of services to patrons 向客戶提供服務
Fortune Sky Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	—	100%	Provision of services to patrons 向客戶提供服務
Innovative Era Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	—	100%	Property holding 物業持有
JEASD Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	—	100%	Provision of gaming promotion activities 提供博彩推廣活動

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通股股本/註冊資本	Proportion of ownership interest 擁有權權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Jimei Entertainment Australia Development Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	–	100%	Provision of gaming promotion activities 提供博彩推廣活動
Jimei Entertainment Cambodia Development Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$10,000 Ordinary share 普通股10,000美元	51%	–	51%	Provision of gaming promotion activities 提供博彩推廣活動
Jimei Entertainment Company Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Jimei Entertainment Holdings Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Jimei Entertainment Investments Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Jimei Global Management (Macau) Company Limited	Corporation 公司	Macau 澳門	MOP \$25,000 25,000澳門幣	100%	–	100%	Provision of management services to group companies 為集團公司提供管理服務

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通股股本/註冊資本	Proportion of ownership interest 擁有權權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Jimei International Investments Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Jimei Management Holdings Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Sino Green Energy Investment Co., Limited 中國綠能投資有限公司	Corporation 公司	Hong Kong 香港	HK\$1 Ordinary share 普通股1港元	100%	–	100%	Investment holding 投資控股
Sino Yale Holdings Ltd	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Surin Development Ltd.	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股
Zhejiang Sino Green Energy Technology Company Limited* 浙江中港綠能環境科技有限公司*	Wholly foreign owned enterprise 外商獨資企業	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100%	–	100%	Trading in energy conservation products 買賣節能產品
Star Media International Limited	Corporation 公司	Republic of Seychelles 塞舌爾共和國	US\$1 Ordinary share 普通股1美元	100%	–	100%	Film investment 電影投資
Starlight Legend Investment Limited	Corporation 公司	Republic of Seychelles 塞舌爾共和國	US\$1 Ordinary share 普通股1美元	100%	100%	–	Investment holding 投資控股

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (continued)

1. 公司及集團資料 (續)

Information about subsidiaries (continued)

附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構模式	Place of incorporation/ registration and business 註冊成立/登記及營業地點	Issued ordinary/ registered share capital 已發行普通股股本/註冊資本	Proportion of ownership interest 擁有權益比例			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Starlight Media Inc.	Corporation 公司	United States of America 美利堅合眾國	US\$1,000,000 Ordinary share 普通股1,000,000美元	100%	—	100%	Media and movie operation 傳媒及電影業務
Marshall Holding, LLC	Corporation 公司	United States of America 美利堅合眾國	US\$7,138,000 Ordinary share 普通股7,138,000美元	51%	—	51%	Investment holding 投資控股
Marshall Film, LLC	Corporation 公司	United States of America 美利堅合眾國	US\$8,413,867 Ordinary share 普通股8,413,867美元	46.15%	—	90.49%	Media and movie operation 傳媒及電影業務
Marshall Movie, Inc.	Corporation 公司	United States of America 美利堅合眾國	US\$20,000 Ordinary share 普通股20,000美元	46.15%	—	100%	Media and movie operation 傳媒及電影業務
Starry Ample Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	Film Investment 電影投資
Golden Move Ltd.**	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	Trading and investment 貿易以及投資
Beautiful Asia Ltd.***	Corporation 公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	100%	Trading and investment 貿易以及投資
江陰星空文化傳播有限公司****	Wholly-foreign-owned enterprise 外商獨資企業	The PRC 中國	HK\$100,000,000 100,000,000港元	100%	—	100%	Media and movie operation 傳媒及電影業務

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

- * Zhejiang Sino Green Energy Technology Company Limited is registered as a wholly-foreign-owned enterprise under PRC law.
- ** Golden Move Ltd. was established on 28 September 2018 in the British Virgin Islands.
- *** Beautiful Asia Ltd. was established on 28 September 2018 in the British Virgin Islands.
- **** 江陰星空文化傳播有限公司 is registered as a wholly-foreign-owned enterprise under PRC law and was established on 26 July 2018.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料 (續)

附屬公司資料 (續)

- * 浙江中港綠能環境科技有限公司根據中國法律註冊為外商獨資企業。
- ** Golden Move Ltd.於二零一八年九月二十八日在塞舌爾共和國成立。
- *** Beautiful Asia Ltd.於二零一八年九月二十八日在英屬處女群島成立。
- **** 江陰星空文化傳播有限公司根據中國法律註冊為外商獨資企業並於二零一八年七月二十六日成立。

上表列示董事認為主要影響本年度業績或構成本集團資產淨值之重要部分的本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致篇幅過於冗長。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments, derivative financial instruments, promissory note and contingent consideration payable which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern assumption

During the year ended 31 December 2018, the Group incurred a net loss of HK\$55,518,000 and had net cash outflows used in operating activities of HK\$277,025,000. As at 31 December 2018, the Group had net current liabilities and total deficiency in assets of approximately HK\$59,009,000 and HK\$163,352,000, respectively.

2.1 編製基準

該等財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定而編製。該等財務報表乃以歷史成本慣例編製，而可供出售投資、衍生金融工具、承兌票據及應付或然代價按公平值計量。除另有指明者外，該等財務報表乃以港元呈列及所有價值已四捨五入至最接近千位數。

持續經營假設

於截至二零一八年十二月三十一日止年度，本集團產生虧損淨額55,518,000港元，及經營活動所用之現金流出淨額為277,025,000港元。於二零一八年十二月三十一日，本集團流動負債淨額及資產虧絀總額分別約為59,009,000港元及163,352,000港元。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Going concern assumption (continued)

In view of these circumstances, the Directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing the following measures:

- (a) As at 31 December 2018, the Group's borrowings with total amount of HK\$130.9 million could be renewed to remediate the situation of working capital shortage. The Group management undertook necessary measures and signed the extension agreements with the lenders regarding HK\$130.9 million borrowings in April 2019 to extend the due date to December 2020.
- (b) The management has budgeted and laid out its business plan for the next twelve months and seeks to obtain profits and net cash inflow from the movies and television series the Group invested.
- (c) The Group has proposed to sell certain film prepayments to third parties, to ensure the business has sufficient working capital. In 2019, 10% of the film prepayments has been sold to Mengzhimeng (Beijing) Film and Television Cultural Communication Ltd. and total funds of approximately HK\$23.5 million has been obtained by the Group as at the date of this report. The remaining film prepayments may also be sold in future.

2.1 編製基準 (續)

持續經營假設 (續)

鑒於上述情況，在評估本集團是否擁有可實現持續經營的充足財務資源時，董事已考慮本集團的未來流動資金及表現以及可動用財務資源。為提升本集團的流動資金水平及現金流量，從而維持本集團持續經營，本集團已實施或正在實施以下措施：

- (a) 於二零一八年十二月三十一日，本集團借貸總額130,900,000港元可予重續以紓緩營運資金短缺狀況。本集團管理層採取必要措施及於二零一九年四月就借貸130,900,000港元與放債人簽訂延期協議以延期至二零二零年十二月到期。
- (b) 管理層已就未來十二個月制定預算及業務計劃，並尋求自本集團投資的電影及電視劇獲得溢利及現金淨流入。
- (c) 本集團已建議向第三方出售若干電影預付款項，以確保業務擁有充足營運資金。於二零一九年，10%電影預付款項已出售予夢之夢（北京）影視文化傳播有限公司，且本集團於本報告日期已獲得總資金約23,500,000港元。其餘電影預付款項亦可於未來出售。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION *(continued)*

Going concern assumption *(continued)*

- (d) The Group actively explores the availability of alternative source of financing. The Group has obtained new long-term borrowings of HK\$11.4 million in February 2019. In April 2019, the Group issued bonds with conditional conversion rights of HK\$180.0 million which may be converted into 72 million shares at an exercise price of HK\$2.5 and is matured in 2022. In addition, the Group has the intention to issue additional shares to new investors in 2019.
- (e) The Group is taking measures to tighten cost controls over administrative and other operating expenses aiming at improving the working capital and cash flow position.
- (f) The Group has received HK\$365.4 million from a holding company in late April 2019 as a long-term borrowing which is matured in 2022. The holding company of the Group will continue to provide financial support to the Group.

The directors of the Company are of the view that the above measures would bring sufficient cash to ensure that the Group will continue as a going concern.

2.1 編製基準 (續)

持續經營假設 (續)

- (d) 本集團積極開拓其他可用的融資渠道。於二零一九年二月，本集團已獲得新的長期借貸11,400,000港元。於二零一九年四月，本集團發行附帶有條件轉換權可按行使價2.5港元轉換為72,000,000股股份及於二零二二年到期之180,000,000港元債券。此外，本集團有意於二零一九年向新投資者發行額外股份。
- (e) 本集團正採取措施加強對行政及其他經營開支的成本控制，以改善營運資金及現金流量狀況。
- (f) 於二零一九年四月底，本集團自一間控股公司取得於二零二二年到期的365,400,000港元長期借貸。本集團該控股公司將繼續為本集團提供財政支持。

本公司董事認為，上述措施將能帶來充足現金以確保本集團將能持續經營。



Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION *(continued)*

Going concern assumption *(continued)*

The directors of the Company have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2018 on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 編製基準 (續)

持續經營假設 (續)

本公司董事已審閱管理層編製的涵蓋自報告期末起十二月期間的本集團現金流量預測。董事認為，經計及上述計劃及措施，本集團將擁有充足營運資金，可供在可預見的未來為其業務經營提供資金及履行其到期的財務責任。因此，本公司董事認為按持續經營基準編製本集團截至二零一八年十二月三十一日止年度綜合財務報表屬適當。

倘持續經營假設不適當，則可能須作出調整，以撇減資產的價值至其可收回金額，就可能產生的任何其他負債作出撥備，將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未於綜合財務報表中反映。

綜合賬目基準

綜合財務報表包括本集團截至二零一八年十二月三十一日止年度之財務報表。附屬公司乃指本公司直接或間接控制的實體（包括結構性實體）。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力（即賦予本集團現時主導投資對象相關活動的能力的現有權利）影響該等回報時，即取得控制權。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

2.1 編製基準 (續)

綜合賬目基準 (續)

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團投票權及潛在投票權。

附屬公司之財務報表使用與本公司一致之會計政策按同一報告期間編製。附屬公司之業績由本集團取得控制權當日起計入綜合賬目，並持續計入綜合賬目至該控制權終止當日為止。

損益及其他全面收益之各個組成部份歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易的集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數抵銷。



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2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合賬目基準 (續)

倘事實及情況顯示上文所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。於一間附屬公司之擁有權權益變動，惟並無失去控制權，則以權益交易入賬。

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產（包括商譽）及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計匯兌差額；並於損益確認(i)已收取代價之公平值；(ii)任何保留投資之公平值；及(iii)所產生之任何盈餘或虧絀。先前已於其他全面收益確認之本集團應佔組成部份乃重新分類至損益或保留溢利（如適用），基準與本集團直接出售相關資產或負債所需使用之基準相同。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.2 會計政策變動及披露

本集團已於本年度之財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第2號之修訂本	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號之修訂本	與香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
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號之修訂本	香港財務報告準則第15號來自客戶合約之收入之澄清
香港會計準則第40號之修訂本	投資物業轉撥
香港（國際財務報告詮釋委員會）—詮釋第22號	外幣交易及預付代價
二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號以及香港會計準則第28號之修訂本

除下文闡釋有關香港財務報告準則第9號及香港財務報告準則第15號的影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。



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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

- (a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("ECLs").

2.2 會計政策變動及披露 (續)

- (a) 香港財務報告準則第9號金融工具於二零一八年一月一日或之後開始的年度期間取代香港會計準則第39號金融工具：確認及計量，匯集金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

除本集團已按未來適用法應用的對沖會計外，本集團已對二零一八年一月一日權益內之適用期初結餘確認過渡調整。因此，比較資料並無重列並繼續根據香港會計準則第39號匯報。

分類及計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響，包括以香港財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）取代香港會計準則第39號的已產生信貸虧損計算的影響。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

(a) (continued)

Classification and measurement

(continued)

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

2.2 會計政策變動及披露 (續)

(a) (續)

分類及計量 (續)

於二零一八年一月一日根據香港會計準則第39號的賬面值與根據香港財務報告準則第9號報告的結餘之對賬如下：

		HKAS 39 measurement 香港會計準則第39號計量		Re- classification		HKFRS 9 measurement 香港財務報告準則第9號計量		
Notes	Category	Amount	Amount	ECL	Other	Amount	Category	
附註	類別	HK\$'000 千港元	HK\$'000 千港元	預期信貸虧損 HK\$'000 千港元	其他 HK\$'000 千港元	HK\$'000 千港元	類別	
	Financial assets							
	金融資產							
	Available-for-sale investments	可供出售投資	AFS ¹	9,313	(9,313)	-	-	-
	To: Financial assets at fair value through profit or loss	轉至：按公平值計入損益之金融資產	(i)	(9,313)	-	-		
	Trade receivables	貿易應收款項	L&R ²	6,214	-	-	6,214	AC ³
	Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產	L&R	10,531	-	-	10,531	AC
	Cash and cash equivalents	現金及現金等值項目	L&R	96,647	-	-	96,647	AC
	Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	FVPL ⁴	-	9,313	-	9,313	FVPL
	From: Available-for-sale investments	轉自：可供出售投資	(i)	9,313	-	-		
	Total assets	總資產		122,705	-	-	122,705	

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財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

(a) (continued)

Classification and measurement

(continued)

- ¹ AFS: Available-for-sale investments
- ² L&R: Loans and receivables
- ³ AC: Financial assets or financial liabilities at amortised cost
- ⁴ FVPL: Financial assets or financial liabilities at fair value through profit or loss

Notes:

- (i) The Group has classified its listed investments previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.
- (ii) There were no changes to the classification and measurement of financial liabilities upon adoption of HKFRS 9 on 1 January 2018.

2.2 會計政策變動及披露 (續)

(a) (續)

分類及計量 (續)

- ¹ AFS : 可供出售投資
- ² L&R : 貸款及應收款項
- ³ AC : 按攤銷成本計量之金融資產或金融負債
- ⁴ FVPL : 按公平值計入損益之金融資產或金融負債

附註：

- (i) 本集團已將先前列為可供出售投資的上市投資列為按公平值計入損益之金融資產，因該等權益性投資未能通過香港財務報告準則第9號合約現金流量特徵測試。
- (ii) 於二零一八年一月一日採納香港財務報告準則第9號後，金融負債之分類及計量並無發生變動。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

(a) (continued)

Classification and measurement

(continued)

Impact on reserves and accumulated losses

The impact of transition to HKFRS 9 on reserves and accumulated losses is as follows:

2.2 會計政策變動及披露 (續)

(a) (續)

分類及計量 (續)

對儲備及累計虧損的影響

過渡至香港財務報告準則第9號對儲備及累計虧損的影響如下：

		Reserves and accumulated losses 儲備及累計虧損 HK\$'000 千港元
Fair value reserve under HKFRS 9 (Investment revaluation reserve under HKAS 39)	香港財務報告準則第9號項下公平值儲備 (香港會計準則第39號項下投資重估儲備)	
Balance as at 31 December 2017 under HKAS 39	根據香港會計準則第39號 於二零一七年十二月三十一日之結餘	1,804
Reclassification of financial assets from available-for-sale investments to financial assets at fair value through profit or loss	將金融資產由可供出售投資重新分類至按公平值計入損益之金融資產	(1,804)
Balance as at 1 January 2018 under HKFRS 9	根據香港財務報告準則第9號 於二零一八年一月一日之結餘	—
Accumulated losses	累計虧損	
Balance as at 31 December 2017 under HKAS 39	根據香港會計準則第39號 於二零一七年十二月三十一日之結餘	(330,360)
Reclassification of available-for-sale investments to financial assets at fair value through profit or loss	可供出售投資重新分類至按公平值計入損益之金融資產	1,804
Balance as at 1 January 2018 under HKFRS 9	根據香港財務報告準則第9號 於二零一八年一月一日之結餘	(328,556)



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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

- (b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 4 and 5 to the financial statements.

As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

2.2 會計政策變動及披露 (續)

- (b) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號*建築合約*、香港會計準則第18號*收益*及相關詮釋，且（除少數例外情況外）其應用於客戶合約產生之所有收益。香港財務報告準則第15號就來自客戶合約之收益入賬確立一個新五步模式。根據香港財務報告準則第15號，收益按照反映實體預期就向客戶轉移商品或服務而有權獲得的代價金額進行確認。香港財務報告準則第15號的原則為就計量及確認收益提供更為結構化的方法。該準則亦引入大量的定性及定量披露規定，包括分拆收益總額、關於履行責任、不同期間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該等披露載於財務報表附註4及5。

由於應用香港財務報告準則第15號，本集團已變更於財務報表附註2.4所載之收益確認之會計政策。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

(b) (continued)

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of HKFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

The impact of adoption of HKFRS 15 is described below:

(i) Consideration received from customers in advance

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.2 會計政策變動及披露 (續)

(b) (續)

本集團已使用經修改回溯性採納法採用香港財務報告準則第15號。根據此方法，該項準則可用於初始應用日期的所有合約或僅用於當日尚未完成的合約。本集團已選擇將該項準則應用於二零一八年一月一日尚未完成的合約。

首次應用香港財務報告準則第15號之累計影響乃確認為對於二零一八年一月一日年初保留溢利結餘之調整。因此，比較資料並無重列及繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋呈報。

採納香港財務報告準則第15號之影響載述如下：

(i) 預收客戶代價

合約負債為本集團就已收客戶代價（或應收代價金額）而須向客戶轉移貨品或服務的責任。倘客戶在本集團向客戶轉移貨品或服務前支付代價，則合約負債在作出付款或付款到期（以較早者為準）時確認。合約負債在本集團履行合約時確認為收益。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(continued)

(b) (continued)

(i) (continued)

Before the adoption of HKFRS 15, the Group recognised consideration received from customers in advance as other payables. Under HKFRS 15, the amount is classified as contract liabilities.

Therefore, upon adoption of HKFRS 15, the Group reclassified HK\$1,024,000 from other payables to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advance as at 1 January 2018.

As at 31 December 2018, under HKFRS 15, HK\$1,290,000 was reclassified from other payables to contract liabilities in relation to the consideration received from customers in advance for the sale of chemical products, and energy conservation and environmental protection products.

(ii) Revenue from film investments

A contract asset is an entity's right to consideration in exchange for goods and services that the entity has transferred to a customer. The earned consideration that is conditional on completion of film exhibition and release to all distribution sources is recorded as a contract asset.

As at 31 December 2018, the adoption of HKFRS 15 resulted in a decrease in trade receivables of HK\$54,850,000 and an increase in contract assets of HK\$54,850,000.

2.2 會計政策變動及披露 (續)

(b) (續)

(i) (續)

於採納香港財務報告準則第15號之前，本集團將預收客戶代價確認為其他應付款項。根據香港財務報告準則第15號，該金額分類為合約負債。

因此，採納香港財務報告準則第15號之後，本集團就於二零一八年一月一日之預收客戶代價將1,024,000港元由其他應付款項重新分類為於二零一八年一月一日之合約負債。

於二零一八年十二月三十一日，根據香港財務報告準則第15號，就銷售化工產品以及節能及環保產品之預收客戶代價，1,290,000港元由其他應付款項重新分類為合約負債。

(ii) 電影投資收入

合約資產乃實體就換取已向客戶轉移的貨品及服務而收取代價的權利。以完成電影上映及發佈至所有分銷來源為條件的所賺取代價入賬為合約資產。

於二零一八年十二月三十一日，採納香港財務報告準則第15號導致貿易應收款項減少54,850,000港元，合約資產增加54,850,000港元。

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財務報表附註

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the financial statements:

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但未生效的香港財務報告準則

本集團並未於該等財務報表中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3號之修訂本	業務的釋義 ²
香港財務報告準則第9號之修訂本	具有負補償的提前還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號 (二零一一年)之修訂本	投資者及其聯營公司或合營企業之間之資產出售或注資 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號之修訂本	重大的釋義 ²
香港會計準則第19號之修訂本	計劃修訂、縮減或清償 ¹
香港會計準則第28號之修訂本	於聯營公司及合營企業的長期權益 ¹
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定因素 ¹
二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂本 ¹

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於二零二零年一月一日或之後開始之年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 尚未釐定強制生效日期，惟可供採納



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2.3 已頒佈但未生效的香港財務報告 準則 (續)

有關該等預期適用於本集團之香港財務報告準則之進一步資料描述如下。

香港財務報告準則第3號之修訂本澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成收益所需的所有投入或過程。該修訂本取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同對形成收益的能力有否重大貢獻。該修訂本亦已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，該修訂本提供有關評估所取得過程是否重大的指引，並新增公平值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自二零二零年一月一日起採用該修訂本。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但未生效的香港財務報告 準則 (續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂本針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性作出修改。該修訂本規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該修訂本將按未來適用基準應用。香港會計師公會已於二零一六年一月廢除香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本之前的強制生效日期，而新強制生效日期將於完成對聯營公司及合營企業會計處理作更廣泛覆核後釐定。然而，該修訂本現時可供採用。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases.

2.3 已頒佈但未生效的香港財務報告 準則 (續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港（國際財務報告詮釋委員會）－詮釋第4號「釐定安排是否包括租賃」、香港（準則詮釋委員會）－詮釋第15號「經營租賃－優惠」及香港（準則詮釋委員會）－詮釋第27號「評估涉及租賃法律形式交易之內容」。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項可選的租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期內支付租賃款項之負債（即租賃負債）及代表相關資產使用權之資產（即使用權資產）。除非使用權資產符合香港會計準則第40號內投資物業之定義或與重估模式適用的物業、廠房及設備類別相關，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後增減變動會反映租賃負債利息的增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更及用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人通常將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號下之出租人會計處理與香港會計準則第17號下實質上並無重大變動。出租人將繼續利用香港會計準則第17號內之同一分類原則將所有租賃分類，並會區分經營租賃及融資租賃。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of HK\$7,670,000 and lease liabilities of HK\$7,929,000 will be recognised at 1 January 2019 with a corresponding adjustment to the opening balance of retained earnings.

2.3 已頒佈但未生效的香港財務報告 準則 (續)

香港財務報告準則第16號要求承租人及出租人作出較香港會計準則第17號所規定之更多披露。承租人可選擇使用全面回溯性或經修改回溯性方法應用該準則。本集團將自二零一九年一月一日起應用香港財務報告準則第16號。本集團計劃應用香港財務報告準則第16號的過渡條文，將首次應用的累計影響確認為對於二零一九年一月一日保留盈利期初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用香港會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃應用準則對於租期截至首次應用日期的12個月內結束的租賃合約的豁免規定。於二零一八年，本集團已對採納香港財務報告準則第16號的影響進行詳細評估。本集團估計於二零一九年一月一日確認使用權資產7,670,000港元及租賃負債7,929,000港元，並相應地對保留盈利的期初結餘作出調整。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但未生效的香港財務報告 準則 (續)

香港會計準則第1號及香港會計準則第8號之修訂本重新界定重大性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用通用財務報表的主要使用者基於相關財務報表作出的決定，則該信息為重大。該修訂指明，重大性取決於信息的性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者的決定，則有關錯誤為重大。本集團預期自二零二零年一月一日起採用該修訂本。預期該修訂本不會對本集團的財務報表產生任何重大影響。

香港（國際財務報告詮釋委員會）一詮釋第23號提供倘稅項處理涉及影響香港會計準則第12號的應用的不確定性（通常稱之為「不確定稅務狀況」），則第23號詮釋在該情況下的所得稅（即期及遞延）會計處理方法。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用（倘毋須採用事後確認，則可全面追溯應用；或追溯應用，則應用的累計效應將作為於首次應用日期的期初權益的調整，而毋須重列比較資料）。本集團預期自二零一九年一月一日起應用該詮釋。預期該詮釋不會對本集團的財務報表產生任何重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要

業務合併及商譽

業務合併採用收購法入賬。所轉讓代價按收購日期的公平值計量，即本集團對被收購方原擁有人所轉讓資產、本集團所承擔負債以及本集團為換取被收購方控制權所發行股權於收購日期之公平值總和。至於各業務合併，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分乃按公平值計量。收購相關成本於產生時支銷。

本集團收購業務時根據按合約條款、於收購日期的經濟狀況及相關條件所作適當分類及指定用途評估所接收金融資產及負債，其中包括分離被收購方主合約中的嵌入式衍生工具。

若業務合併分階段進行，則先前所持權益按收購日期公平值重新計量及任何所產生收益或虧損於損益中確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平值確認。分類為資產或負債的或然代價乃按公平值計量，而公平值變動於損益確認。分類為權益的或然代價不會進行重新計量，其後結算於權益內入賬。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

商譽初步按成本計量，即已轉讓代價、已確認非控股權益及本集團先前持有的被收購方股權的公平值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如代價及其他項目的總和低於所收購資產淨值的公平值，於重新評估後其差額將於損益內確認為議價收購收入。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位（或現金產生單位組別）的可收回金額釐定。當現金產生單位（或現金產生單位組別）的可收回金額低於賬面值時，減值虧損便予以確認。已就商譽確認的減值虧損不得於其後期間撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments, available-for-sale investments, promissory note and contingent consideration payable at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

倘商譽已被分配至現金產生單位（或現金產生單位組別）而該單位的部分業務已出售，則在釐定出售收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該等情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公平值計量

本集團在各報告期末以公平值計量其衍生金融工具、可供出售投資、承兌票據及應付或然代價。公平值為市場參與者在於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格。公平值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場進行，或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場須位於本集團能到達的地方。資產或負債的公平值乃基於市場參與者為資產或負債定價所用的假設計量（假設市場參與者依照彼等的最佳經濟利益行事）。

非金融資產的公平值計量乃經計及一名市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公平值計量 (續)

本集團使用適用於不同情況的估值方法，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表中以公平值計量或披露之所有資產及負債均於公平值層級內分類（基於對公平值計量整體而言屬重大之最低層級輸入數據）概述如下：

- | | | |
|-----|---|--|
| 第一級 | – | 乃按相同資產或負債於活躍市場中所報價格（未經調整）計量 |
| 第二級 | – | 乃按估值技巧計量，就此而言，對公平值計量確屬重要的最低層級輸入數據可被直接或間接觀察 |
| 第三級 | – | 乃按估值技巧計量，就此而言，對公平值計量確屬重要的最低層級輸入數據為不可觀察 |

就於財務報表中按經常性基準確認的資產及負債而言，本集團於各報告期末通過重新評估分類（基於對公平值計量整體而言屬重大之最低層級輸入數據）以決定各層級之間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 主要會計政策概要 (續)

非金融資產之減值

當顯示有減值存在或當資產需要每年作減值測試（不包括存貨、建築合約資產、金融資產、投資物業及非流動資產／分類為持作出售的出售組別），則估計資產之可收回金額。資產之可收回金額以資產或現金產生單位之使用價值與其公平值減出售成本的較高者計算，及以個別資產釐定，除非資產主要依靠其他資產或資產組別而本身無產生現金流入，該情況下，可收回金額由資產所屬之現金產生單位釐定。

減值虧損僅於資產賬面值超過其可收回金額時確認。評估使用價值時，估計未來現金流量乃以反映市場對貨幣時間值的現行評估及資產特定風險的除稅前貼現率折現至其現值。減值虧損於其產生之期間在損益表中支銷，並計入與減值資產之功能一致之有關費用類別內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

2.4 主要會計政策概要 (續)

非金融資產之減值 (續)

於各報告期末，會就是否有任何跡象顯示先前確認之減值虧損不再存在或可能已減少作出評估。倘有該等跡象，便會估計可收回金額。先前就資產（不包括商譽）確認之減值虧損，僅於用以釐定該資產之可收回金額之估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有之賬面值（扣除任何折舊／攤銷）。此減值虧損之撥回計入發生當期之損益表內，除非資產以重估金額入賬，於此情況下，則減值虧損撥回將根據該重估資產的相關會計政策入賬。

關連方

任何一方如屬以下情況，即被視為本集團有關連：

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關連方 (續)

或

(b) 倘符合下列任何條件，即該實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一實體為另一實體（或其他實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營企業；
- (iii) 該實體與本集團均為同一第三方之合營企業；
- (iv) 一實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
- (v) 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；
- (vi) 該實體受(a)所識別人士控制或受共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體之母公司）主要管理層成員；及
- (viii) 該實體或其所屬集團的成員公司向本集團或本集團的母公司提供主要管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used or useful life for this purpose are as follows:

Furniture and fixtures	25%
Office equipment	25%
Land and building	2.5%
Motor vehicles	30%
Leasehold improvements	Over the shorter of the lease terms and 2 years (50%)

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊

物業、廠房及設備（不包括在建工程）按成本減去累計折舊和任何減值虧損入賬。倘物業、廠房及設備項目被分類為持作出售或屬分類為持作出售的出售組別其中一部分，則其不會計提折舊並按香港財務報告準則第5號入賬。物業、廠房及設備項目之成本包括其購買價格和使資產達到運作狀態及運抵指定地點作擬定用途之任何直接可歸屬成本。

物業、廠房及設備項目投入運行後產生之開支，如維修和保養，通常在開支發生當期之損益表中扣除。倘符合確認標準，主要檢查之開支於資產賬面值中資本化為重置成本。倘物業、廠房及設備之重要部分須不時更換，則本集團將該等部分確認為具有特定使用年限之個別資產並相應對其計提折舊。

物業、廠房及設備各項目在採用直線法計算折舊之估計使用期限內撇銷其成本至其殘值。就該目的所用之主要年度比率或可使用年期如下：

傢俬及裝置	25%
辦公室設備	25%
土地及樓宇	2.5%
汽車	30%
租賃物業裝修	租期及2年之較短期間 (50%)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 主要會計政策概要 (續)

物業、廠房及設備折舊 (續)

如果某項物業、廠房及設備項目其中部分的可用年期不同，該項目的成本會按合理基準分配至有關部分，而各部分均分開計提折舊。剩餘價值、可用年期及折舊方法將至少於各財政年度末檢討及按需要作出調整。

物業、廠房及設備項目（包括任何初次確認的重大部分）於出售或預期使用或出售有關項目不會產生未來經濟利益時取消確認。於取消確認資產年度在損益表確認的出售或報廢資產的收益或虧損，為出售有關資產所得款項淨額與其賬面值兩者間的差額。

租賃

凡將資產所有權（法定所有權除外）之絕大部分回報及風險撥歸本集團的租賃均列為融資租賃。融資租賃訂定時，租賃資產的成本將按最低租金付款的現值資本化，並連同反映購買及融資的債務（不包括利息部分）入賬。以資本化融資租賃持有的資產（包括融資租賃項下預付土地租賃付款）包括在物業、廠房及設備項下，並按租約期及資產的估計可使用年期兩者中較短者計算折舊。上述租賃的融資成本於損益表內扣減，以便於租約期內按固定比率扣減。

通過具有融資性質的租購合約收購的資產乃列作融資租賃，有關資產乃按其估計可使用年期予以折舊。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

2.4 主要會計政策概要 (續)

租賃 (續)

資產所有權之絕大部分回報與風險仍歸於出租人之租賃列作經營租賃。倘本集團為出租人，由本集團以經營租賃出租的資產乃計入非流動資產，而經營租賃的應收租金按租約年期以直線法計入損益表。倘本集團為承租人，則經營租賃之應付租金（扣除出租人給予之任何獎勵）按照租期以直線法在損益表扣除。

經營租賃項下之預付土地租賃付款初步按成本列賬，其後按照租期以直線法確認。

投資及其他金融資產（自二零一八年一月一日起適用之香港財務報告準則第9號下之政策）

初步確認及計量

金融資產於初步確認時分類，其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

於初步確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不對重大融資成分之影響進行調整的可行權宜方法的貿易應收款項外，本集團初步按公平值加上（倘金融資產並非按公平值計入損益）交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項，根據下文「收入確認（自二零一八年一月一日起適用）」所述政策按香港財務報告準則第15號釐定的交易價格計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The 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.

2.4 主要會計政策概要 (續)

投資及其他金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號下之政策)(續)

初步確認及計量 (續)

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金的利息(「純粹為支付本金及利息」)的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

金融資產之常規買賣在交易日，即本集團承諾購入或出售該資產之日確認。常規買賣指須於市場規則或慣例一般設定的期限內交付資產的金融資產購買或出售。

後續計量

金融資產的後續計量取決於其分類，載列如下：

按攤銷成本計量之金融資產(債務工具)

倘符合以下兩項條件，則本集團按攤銷成本計量金融資產：

- 金融資產乃於以持有金融資產為目標的業務模式內持有以收取合約現金流量。
- 金融資產合約條款於指定日期產生純粹為支付本金及未償還本金利息的現金流量。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at amortised cost (debt instruments) (continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號下之政策)(續)

按攤銷成本計量之金融資產(債務工具)(續)

按攤銷成本計量之金融資產其後使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損於損益表確認。

按公平值計入損益之金融資產

按公平值計入損益之金融資產包括持作買賣的金融資產，於初始確認時指定按公平值計入損益之金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。儘管有上文所述將債務工具按攤銷成本或按公平值計入其他全面收益分類的標準，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets
(policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial assets at fair value through profit or loss (continued)

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號下之政策)(續)

按公平值計入損益之金融資產(續)

該類別包括本集團並無不可撤回地選擇分類為按公平值計入其他全面收益之衍生工具及股權投資。分類為按公平值計入損益之金融資產的股權投資的股息在支付權已確立，與股息有關的經濟利益很可能流入本集團及股息金額能可靠計量時，亦於損益表中確認為其他收入。

當嵌入混合合約(包含金融負債或非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公平值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量，且其公平值變動於損益表確認。僅在更改合約條款導致該合約原本要求的現金流量出現大幅變動或按公平值計入損益類別的金融資產重新分類時，方會進行重新評估。

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益之金融資產。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets
(policies under HKFRS 39 applicable
before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

2.4 主要會計政策概要 (續)

投資及其他金融資產(自二零一八年一月一日起適用之香港財務報告準則第39號下之政策)

初始確認及計量

金融資產在初始確認時被分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資或被指定為有效對沖中的對沖工具的衍生工具(如適用)。金融資產於初始確認時以公平值加收購金融資產產生的交易成本計量，惟按公平值計入損益之金融資產除外。

金融資產的所有一般買賣概於交易日(即本集團承諾買賣資產的日期)確認。一般買賣指須在按照市場規定或慣例一般確立的指定期間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其分類，載列如下：

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets
(policies under HKFRS 39 applicable
before 1 January 2018) (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要 (續)

投資及其他金融資產(自二零一八年一月一日起適用之香港財務報告準則第39號下之政策)(續)

貸款及應收款項

貸款及應收款項是具有固定的或可確定付款額，且沒有活躍市場報價的非衍生金融資產。於初步確認後，此等資產的後續計量採用實際利率法按攤銷成本扣除任何減值撥備後計量。計算攤銷成本時，應考慮購買產生的任何折讓或溢價，且包括作為實際利率不可或缺部分的費用或成本。實際利率攤銷計入損益表內的其他收入及收益。發生減值所產生的損失在損益表內確認為貸款之融資成本及應收款項之其他開支。

可供出售金融投資

可供出售金融投資為上市及非上市股本投資之非衍生金融資產及債券證券。分類為可供出售之股本投資為並非分類為持作買賣或指定為按公平值計入損益者。此分類項下之債務證券為擬無限期持有之債務證券，且可依據流動資金需求或市場行情變動而出售者。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要 (續)

投資及其他金融資產（於二零一八年一月一日前適用之香港會計準則第39號下之政策）（續）

可供出售金融投資（續）

於初步確認後，可供出售金融投資其後按公平值計量，而其未變現盈虧於可供出售投資重估儲備中確認為其他全面收益，直至該投資取消確認，屆時，累計盈虧於損益於其他全面收益表中確認為其他收入，或直至確定投資出現減值時，屆時，累計盈虧由可供出售投資重估儲備重新分類至損益表之其他收入及收益。持有可供出售金融投資時所賺取的利息及股息乃分別被呈報為利息收入及股息收入，並根據下文「收入確認（於二零一八年一月一日起適用）」所載政策於損益表確認為其他收入。

當非上市股本投資之公平值因(a)合理公平值估算範圍之差異對該投資而言屬重大或(b)於該範圍內不同估算之概率不能合理評估及用於估計公平值而不能可靠計量時，則有關投資按成本減任何減值虧損入賬。

本集團評估於短期內出售其可供出售金融資產的能力及意圖是否仍然適當。當本集團因市場缺乏交投而未能買賣該等金融資產，且當管理層有能力及有意於可見未來持有該等資產或直至到期日時，本集團於少數情況下可能選擇將該等金融資產重新分類。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (policies under HKFRS 39 applicable before 1 January 2018) (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (於二零一八年一月一日前適用之香港會計準則第39號下之政策) (續)

可供出售金融投資 (續)

就自可供出售類別重新分類的金融資產而言，於重新分類日期的賬面公平值成為其新經攤銷成本，及先前已於權益內確認的該資產任何盈虧乃採用實際利率按該投資的餘下年期於損益中攤銷。新經攤銷成本與到期金額的任何差額亦採用實際利率按該資產的餘下年期予以攤銷。倘若該資產其後被釐定出現減值，則於權益中記錄的金額將重新分類至損益表。

終止確認金融資產 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

金融資產 (或如適用，金融資產其中一部分或一組類似金融資產其中部分) 主要在下列情況下終止確認 (即自本集團的綜合財務狀況表移除)：

- 自該資產收取現金流量的權利已屆滿；或
- 本集團已轉讓其收取來自該資產的現金流量的權利，或已根據「轉遞」安排就向第三方承擔責任全數支付款項，且無重大延誤，並且(a)本集團已轉讓該資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該資產的絕大部分風險及回報，惟已轉讓該資產的控制權。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)
(continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要 (續)

終止確認金融資產 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

倘若已轉讓其自資產收取現金流量的權利或訂立轉遞安排，本集團會評估其是否保留該資產所有權的風險及回報以及其程度。當並無轉讓或保留該資產的絕大部分風險及回報，亦無轉讓該資產的控制權，則本集團繼續按其持續參與該資產的程度確認已轉讓資產。就此而言，本集團亦將確認相關負債。已轉讓資產及相關負債的計量基準反映本集團保留的權利及責任。

持續參與指就已轉讓資產作出的一項擔保，按該項資產的原賬面值與本集團或須償還的最高代價的較低者計量。

金融資產之減值 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)

本集團確認對並非按公平值計入損益的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要 (續)

金融資產之減值 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策) (續)

一般法

預期信貸虧損分兩個階段進行確認。就自初步確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損 (十二個月預期信貸虧損)。就自初步確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備 (全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認以來是否已大幅增加。於作出該評估時，本集團將於報告日期金融工具發生的違約風險與於初始確認日期金融工具發生的違約風險進行比較，及考慮毋須付出過多成本或精力即可獲得的合理及可靠資料 (包括歷史及前瞻性資料)。

本集團認為，倘合約已逾期90天還款，則相關金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在沒有計及任何現有增信措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 主要會計政策概要 (續)

金融資產之減值 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策) (續)

一般法 (續)

按攤銷成本列賬之金融資產須根據一般法作出減值並就計量預期信貸虧損於以下階段內分類，惟應用下文詳述之簡化法的貿易應收款項及合約資產除外。

- 階段一 – 自初始確認起信貸風險並無大幅增加並按相等於12個月預期信貸虧損之金額計量虧損撥備之金融工具
- 階段二 – 自初始確認起信貸風險已大幅增加而並非為信貸減值金融資產且按相等於全期預期信貸虧損之金額計量虧損撥備之金融工具
- 階段三 – 於報告日期為信貸減值 (惟並非購買或最初信貸減值) 及按相等於全期預期信貸虧損之金額計量虧損撥備之金融資產

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 主要會計政策概要 (續)

金融資產之減值 (自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策) (續)

簡化方法

就不包含重大融資組成部份或當本集團應用並無調整重大融資組成部份影響之可行權宜方法之貿易應收款項及合約資產而言，本集團於計算預期信貸虧損時應用簡化方法。根據該簡化方法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團構建了一個基於過往信貸虧損經驗（已就債務人和經濟環境的特定前瞻性因素作出調整）的撥備矩陣模型。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要 (續)

金融資產減值 (於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

本集團會於各報告期末評估是否有任何客觀證據顯示一項或一組金融資產出現減值。倘初始確認後發生的一項或多項事件對金融資產或金融資產組別的預計未來現金流量的影響能可靠地估計，則存在減值。減值跡象可能包括一名債務人或一組債務人正面臨重大財務困難、拖欠或逾期償還利息或本金、可能破產或進行其他財務重組，以及有明顯數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或與違約相關的經濟狀況。

按攤銷成本列賬之金融資產

有關按攤銷成本列賬之金融資產，本集團首先獨立評估個別重大的金融資產是否有減值跡象，或共同評估非個別重大的金融資產是否有減值跡象。倘本集團釐定個別已評估金融資產為並無客觀減值跡象，則有關資產不論是否重大，會計入一組有相似信貸風險特徵的金融資產，以共同作減值評估。對於個別作減值評估的資產，倘其減值虧損被或持續被確認，則不會計入共同減值評估。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (於二零一八年一月一日前適用之香港會計準則第39號項下之政策) (續)

按攤銷成本列賬之金融資產 (續)

任何已識別的減值虧損金額按資產賬面值與估計未來現金流量 (不包括尚未產生的未來信貸虧損) 現值之差額計量。估計未來現金流量的現值會按金融資產的原實際利率 (即按首次確認計算的實際利率) 貼現。

資產賬面值透過使用撥備賬削減，而虧損在損益表內確認。利息收入會繼續按已扣減的賬面值採用計量減值虧損時用以貼現未來現金流量的利率累計。貸款及應收款項連同任何相關撥備於不存在日後收回的實際可能性及所有抵押品已變現或轉讓予本集團時撇銷。

倘估計減值虧損的金額在其後期間因確認減值後發生的事項出現增減，則先前確認的減值虧損可通過調整撥備賬而增減。倘撇銷於其後收回，則收回金額將以其他開支計入損益表。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial assets carried at amortised cost
(continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)(續)

按攤銷成本列賬之金融資產 (續)

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售資產出現減值時，其成本(扣除任何本金付款和攤銷)和其現有公平值的差額，扣減之前於損益表內確認之任何減值虧損之金額，將自其他全面收益移除，並在損益表中確認。

倘股本投資被列作可供出售類別，則客觀證據將包括該項投資的公平值大幅或長期跌至低於其成本。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公平值低於原始成本之期間而評估。倘出現減值證據，則累計虧損(按收購成本與現時公平值之差額減該項投資先前在損益表內確認的任何減值虧損計量)將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可通過損益表撥回。公平值於減值後的增幅會直接於其他全面收益中確認。

釐定何謂「大幅」或「長期」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公平值少於其成本的持續時間或程度。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments, promissory note, amounts due to non-controlling shareholders of subsidiaries, convertible bonds, contingent consideration payable and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

初步確認及計量

金融負債於初步確認時被分類為按公平值計入損益的金融負債、貸款及借貸、應付款項或於有效對沖中指定為對沖工具的衍生工具(如適用)。

所有金融負債初步按公平值確認及倘為貸款及借貸以及應付款項,則應扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、衍生金融工具、承兌票據、應付附屬公司非控股股東款項、可換股債券、應付或然代價及計息銀行及其他借貸。

其後計量

金融負債之其後計量取決於彼等以下的分類情況:

透過損益以公平值列賬的金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)

透過損益以公平值列賬的金融負債包括持作交易之金融負債及於初始確認時指定為透過損益以公平值列賬的金融負債。

金融負債如為於短期內購回而產生,則會分類為持作交易。該分類亦包括本集團所訂立並非指定為對沖關係(定義見香港財務報告準則第9號)中之對沖工具之衍生金融工具。獨立內嵌式衍生工具亦分類為持作交易,惟倘指定為有效對沖工具則作別論。持作交易負債之收益或虧損於收益表確認。於損益表確認之公平值盈虧淨額不包括就此等金融負債收取之任何利息。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under HKFRS 9 applicable from 1 January 2018) (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at fair value through profit or loss (policies under HKAS 39 applicable before 1 January 2018)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 主要會計政策概要 (續)

金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策)(續)

其後計量 (續)

透過損益以公平值列賬的金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策)(續)

於初始確認時指定為透過損益以公平值列賬的金融負債，乃於初始確認當日及於符合香港財務報告準則第9號之標準時方會指定。指定為透過損益以公平值列賬的負債的損益於損益表確認，但本集團自身的信貸風險產生的收益或虧損除外，該收益或虧損在其他全面收益中列報，且其後不會重新分類至損益表。於損益表確認之公平值盈虧淨額不包括就此等金融負債收取之任何利息。

透過損益以公平值列賬的金融負債(於二零一八年一月一日前適用之香港會計準則第39號項下之政策)

透過損益以公平值列賬的金融負債包括持作交易之金融負債及於初始確認時指定為透過損益以公平值列賬的金融負債。

金融負債如為於短期內購回而產生，則會分類為持作交易。該分類包括本集團所訂立並非指定為對沖關係(定義見香港會計準則第39號)中之對沖工具之衍生金融工具。獨立內嵌式衍生工具亦分類為持作交易，惟倘指定為有效對沖工具則作別論。持作交易負債之收益或虧損於損益表確認。於損益表確認之公平值盈虧淨額不包括就此等金融負債收取之任何利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (policies under HKAS 39 applicable before 1 January 2018) (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債（自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策）（續）

其後計量（續）

透過損益以公平值列賬的金融負債（於二零一八年一月一日前適用之香港會計準則第39號項下之政策）（續）

於初始確認時指定為透過損益以公平值列賬的金融負債，乃於初始確認當日及於符合香港會計準則第39號之標準時方會指定。

貸款及借貸

於首次確認後，計息貸款及借貸其後以實際利率法按攤銷成本計量，倘貼現之影響微不足道，在此情況下則按成本列賬。終止確認負債及透過實際利率法攤銷過程中產生之盈虧於損益表中確認。

計算攤銷成本時會考慮收購所產生之任何折讓或溢價，亦包括作為實際利率整體部分之費用或成本。實際利率攤銷計入損益表作為融資成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018) (continued)

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債（自二零一八年一月一日起適用之香港財務報告準則第9號項下之政策及於二零一八年一月一日前適用之香港會計準則第39號項下之政策）（續）

可換股債券

可換股債券中顯示負債特徵的部份，在扣除交易成本後在財務狀況表中確認為負債。在發行可換股債券時，採用同等非可換股債券的市率來釐定負債部份的公平值；而該金額按攤銷成本基準列作長期負債，直至換股被註銷或贖回為止。所得款項餘額分配至換股權並在扣除交易成本後確認計入股東權益帳內。於其後年度，換股權的賬面值不會重新計量。交易成本乃根據首次確認該等證券時，按所得款項分配到負債及權益部分的比例而攤分至可換股債券的負債及權益部分。

倘可換股債券之兌換權顯示嵌入式衍生工具之特徵，則與其負債部分分開入賬。可換股債券之衍生工具部分於初步確認時以公平值計量，並列作衍生金融工具之一部分。任何超過初步確認為衍生工具部分之所得款項確認為負債部分。於工具初步確認時，交易成本按所得款項分配到負債及衍生工具部分的比例分配到可換股債券之負債及衍生工具部分。交易成本中與負債部分相關之部分初步確認為負債之一部分。與衍生工具部分相關之部分即時於損益表中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要 (續)

終止確認金融負債 (自二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日之前適用之香港會計準則第39號項下之政策)

當負債項下之責任取消或註銷或屆滿時終止確認金融負債。

當現有金融負債為來自同一貸款人且條款大致不同之另一金融負債取代時，或現有負債之條款被大幅修改時，該轉換或修改視為原有負債之終止確認及新負債之確認處理，而有關賬面值之差額於損益表中確認。

抵銷金融工具 (自二零一八年一月一日起適用之香港財務報告準則第9號及於二零一八年一月一日之前適用之香港會計準則第39號項下之政策)

倘本集團目前具有抵銷已確認金額的可依法強制執行權利，且擬以淨額基準結算交易，或同時變現資產和清償負債，則金融資產及金融負債會抵銷，並在財務狀況表內呈報淨額。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Film product and film investments

Film product represents the costs of films produced by the Group, or for which the Group has acquired distribution rights, and which are classified and capitalised as films in production within film products. For films produced by the Group, capitalised costs include all direct production costs, production overheads and capitalised interest. Costs of film product comprises fees paid and payable under agreements, direct costs/expenses incurred during the production of films, fees for the reproduction and/or distribution of films. Production overheads include allocable costs of individuals or departments with exclusive or significant responsibility for production of films and excludes prints and advertising costs.

2.4 主要會計政策概要 (續)

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括庫存現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後三個月內到期的短期高流通性投資，減須按要求償還並構成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等值項目包括用途不受限制的庫存現金及銀行存款（包括定期存款）及性質與現金類似的資產。

電影產品及電影投資

電影產品指本集團製作電影的成本，或本集團已收購發行權的電影成本，該等成本均被分類及資本化為製作中電影產品。就本集團製作的電影而言，資本化成本包括所有直接製作成本、製作間接費用及資本化利息。電影產品成本包括協議項下已付及應付款項、電影生產期間所產生的直接成本／開支、再生產及／或發行電影費用。製作間接費用包括對電影的製作負有排他性或重大責任的個人或部門的可分配成本，不包括印刷及廣告成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Film product and film investments *(continued)*

Film investments represent films invested by the Group. The investments are governed by the relevant agreements entered into between the Group and the production houses whereby the Group is entitled to certain rights related to the films and benefits generated from the distribution of the related films based on the percentage of capital invested in the films.

Film product and film investments are stated at cost less accumulated amortisation and identified impairment loss. The Group amortises its costs based on the proportion of actual income earned during the year to the total estimation of projected revenue. Any portion of the unamortised amount that appears not to be recoverable is impaired in the period the loss becomes evident.

Impairment assessment of film product and film investments is assessed on an annual basis or whenever events or changes in circumstances indicate that the carrying amount is below the recoverable amount, where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment loss is recognised in the consolidated statement of profit or loss. The recoverable amounts of film product and film investments are determined and reviewed on a title-by-title basis and are based on higher of value in use and fair value less cost to sell.

2.4 主要會計政策概要 (續)

電影產品及電影投資 (續)

電影投資指本集團投資的電影。投資受本集團與製片公司訂立的相關協議規管，據此，本集團有權享有若干與該等電影有關的權利且根據所投資電影的資本百分比，自該等相關電影發行獲取利益。

電影產品及電影投資均按成本減累計攤銷及已識別減值虧損列賬。本集團根據於年內已賺取的實際收入佔估計項目總收益的比例攤銷其成本。可能無法收回的任何部分未攤銷金額於出現明顯虧損時作出減值。

電影產品及電影投資的減值評估按年進行，或當有事項或情況變動顯示賬面值低於可收回金額時，在合適情況下亦會確認減值虧損以將資產減至其可收回金額。此等減值虧損會在綜合損益表內確認。電影產品及電影投資的可收回金額以逐部影片為基礎，按其使用價值及公允價值（以較高者為準）減出售成本釐定及審閱。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要 (續)

所得稅

所得稅包括當期和遞延稅項。與在損益以外確認的項目相關的所得稅於損益以外確認，而在其他綜合收益或直接在權益中確認。

當期稅項資產和負債，以報告期末已經頒佈或實質已經頒佈的稅率（及稅法），並已考慮本集團運營所在國家的現行詮釋及慣例，按照預期自稅務機關收回或向稅務機關支付的金額進行計量。

遞延稅項採用債務法就報告期末資產及負債的稅基與其出於財務報告目的的賬面值兩者間的所有暫時性差異計提撥備。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future, and the taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要 (續)

所得稅 (續)

所有應納稅暫時性差異均確認為遞延稅項負債，惟下列情況除外：

- 遞延稅項負債是由商譽或不構成企業合併交易中的資產或負債的初始確認所產生，而在交易時既不影響會計溢利也不影響應課稅溢利或虧損；及
- 就與附屬公司的投資相關的應納稅暫時性差異而言，如果能夠控制該暫時性差異轉回的時間安排並且暫時性差異在可預見的未來有可能不會轉回，及應課稅溢利將可供動用暫時性差異。

遞延稅項資產乃就所有可抵扣的暫時性差異、未動用的稅項抵免和任何未動用稅務虧損的結轉予以確認。遞延稅項資產乃於有應課稅溢利可動用以抵銷可抵扣暫時性差異以及未動用稅項抵免及未動用稅項虧損的結轉的情況下予以確認，惟下列情況除外：

- 可抵扣暫時性差異相關之遞延稅項資產是由不構成業務合併交易中的資產或負債的初始確認所產生，而在交易時既不影響會計溢利也不影響應課稅溢利或虧損；及
- 就與附屬公司的投資相關的可抵扣暫時性差異而言，遞延稅項資產確認僅是以暫時性差異將於可預見的未來轉回且有足夠的應課稅溢利可用以抵銷暫時性差異為限。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 主要會計政策概要 (續)

所得稅 (續)

於各報告期末對遞延稅項資產的賬面金額予以覆核。如果不再是很可能獲得足夠的應課稅溢利以允許利用全部或部分遞延稅項資產時，應扣減該賬面金額。於各報告期末應重新評估未確認的遞延稅項資產，在有足夠應課稅溢利可供收回全部或部分遞延稅項資產的情況下予以確認。

遞延稅項資產和負債以在報告期末已執行或實質上執行的稅率（和稅法）為基礎，按預期變現該資產或清償該負債期間的適用稅率計量。

當且僅當本集團擁有法定行使權可將當期稅項資產與當期稅項負債相互抵銷及遞延稅項資產與遞延稅項負債與由同一稅務機關對同一應課稅實體或不同的應課稅實體所徵收的所得稅有關，而該等實體有意在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準清償當期稅項負債及資產，或同時變現該資產及清償該負債，即遞延稅項資產可與遞延稅項負債互相抵銷。

政府補助

政府補助於有合理保證確定其可收到且滿足一切附屬條件時以公允價值確認。若補助與費用項目相關，則於將該項補助用於擬補貼成本支銷期間系統地確認為收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised when the Group has fulfilled the obligations stated in the contracts, and when the Group has transferred control over relative services or goods to the customer, on the following bases:

- (a) revenue from film investments is recognised based on the pre-determined share of the sales proceeds from the distribution of the related films set out in the respective film investment agreements over the films screening period according to the box office and when released to other distribution sources;
- (b) revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which is at the time of delivery and the title is passed to customer;
- (c) revenue from promotion commission represents revenue from gaming promotion operations which is recognised upon promotion services are rendered; and
- (d) revenue from the rendering of services is recognised when services are provided.

2.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起適用)

客戶合約收入

客戶合約收入於商品或服務的控制權轉移至客戶時，按反映本集團預期將因交換該等商品或服務而有權取得的金額確認。

收益於本集團已履行合約所規定義務時及本集團已將對相關服務或商品的控制權轉移至客戶時，按以下基準確認：

- (a) 電影投資收入按相關電影投資協議中所載的事先確定應佔相關電影發行銷售所得款項份額於電影放映期間根據票房及分發至其他發行源時確認；
- (b) 商品銷售收益於資產控制權轉移至客戶之時點（即商品交付且所有權轉移至客戶時）確認；
- (c) 推廣佣金收益指博彩推廣業務產生的收益，該收益於提供推廣服務後確認；及
- (d) 提供服務所得收益於提供服務時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Other income

- (a) interest income is recognised, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument of the net carrying amount of the financial asset;
- (b) dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, revenue is recognised in the period in which the services are rendered; and
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

2.4 主要會計政策概要 (續)

收益確認 (自二零一八年一月一日起適用) (續)

其他收入

- (a) 利息收入以累計基準採用實際利息法將金融工具在預期年期的估計未來現金收入貼現至金融資產賬面淨值的利率確認；
- (b) 股息收入於股東收取相關付款的權利確立，很可能將由與股息相關經濟利益流入本集團且股息金額能夠可靠計量時確認。

收益確認 (於二零一八年一月一日前適用)

收益於很可能將有經濟利益流入本集團且相關收益能夠可靠計量時，按以下基準確認：

- (a) 商品銷售收益，於所有權的重大風險及回報轉移至買方時確認，前提是本集團無保留通常與所有權相關程度的管理參與，亦無保留對已售出商品的實際控制權；
- (b) 提供服務收益，於提供服務期間確認；及
- (c) 利息收入，按應計基準，使用實際利率法應用將估計未來現金收入按金融工具的預期年期或較短期間（如適用）準確折現至金融資產賬面淨值的利率確認；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.4 主要會計政策概要 (續)

合約資產 (自二零一八年一月一日起適用)

合約資產為收取向客戶轉讓貨物或服務作為交換的代價。倘若本集團於客戶支付代價或付款到期前向客戶轉讓貨物或服務，則就所賺取的有條件代價確認合約資產。

合約負債 (自二零一八年一月一日起適用)

合約負債為向客戶轉讓貨物或服務的責任，而本集團已自客戶收取代價（或代價已到期）。倘若客戶於本集團向客戶轉讓貨物或服務前支付代價，合約負債於付款或款項到期時（以較早者為準）確認合約負債。合約負債於本集團根據合約履約時確認為收益。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金

本集團根據強制性公積金計劃條例，設立一項定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款金額按僱員基本薪金的一個百分比計算，並在其根據強積金計劃規則成為應付款項時於損益表扣除。強積金計劃的資產由一個獨立管理的基金持有，與本集團的資產分開。本集團於強積金計劃所作的僱主供款全歸僱員所有。

本集團於中國內地營運的附屬公司的僱員須參加由地方市政府設立中央退休金計劃。該附屬公司須按工資開支的若干百分比向中央退休金計劃作出供款。供款在根據中央退休金計劃規則成為應付時於損益表扣除。

借貸成本

與收購、興建或生產合資格資產（即需要相當長時間方能作擬定用途或銷售的資產）直接相關的借貸成本資本化為該等資產的部分成本。當資產實質上可作擬定用途或可銷售時，借貸成本終止資本化。尚未用於合資格資產的特定借貸作暫時投資所賺取的投資收入，自資本化的借貸成本扣除。所有其他借貸成本於產生期間支銷。借貸成本包括一間實體就借貸資金產生的利息及其他成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

股息

末期股息於經股東在股東大會上批准時確認為負債。建議末期股息於財務報表附註披露。

由於本公司的組織章程大綱及細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派同時進行。因而，中期股息於提出建議及宣派時即時確認為負債。

外幣

該等財務報表以本公司功能貨幣港元呈列。本集團內各實體釐定其自身功能貨幣，計入各實體財務報表的項目使用該功能貨幣計量。本集團實體入賬的外幣交易初始使用其各自功能貨幣於交易日期的適用匯率入賬。以外幣計值的貨幣資產及負債按報告期末適用的功能貨幣匯率換算。貨幣項目的結算或換算產生的差額於損益表確認。

按外幣歷史成本計量的非貨幣項目使用初始交易日期的匯率換算。以外幣計值按公平值計量的非貨幣項目按釐定公平值當日的匯率換算。按公平值計量的非貨幣項目換算產生的收益或虧損按與該項目的公平值變動收益虧損的確認一致的方式處理（即公平值收益或虧損於其他全面收益或損益確認的項目的換算差額亦分別於其他全面收益或損益確認）。



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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserves. On disposal of foreign operations, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollar at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollar at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣 (續)

在釐定與一項預付代價相關的非貨幣資產或非貨幣負債終止確認產生的相關資產、開支或收入初始確認時的匯率時，初始交易日期為本集團初始確認該預付代價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付或預收款項，則本集團會釐定預付代價的各付款或收款交易日期。

若干海外附屬公司的功能貨幣為港元以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的適用匯率換算為港元，其損益表按年內加權平均匯率換算為港元。

所產生的匯兌差額於其他全面收益確認並於匯兌儲備累計。出售海外業務時，其他全面收益中與該特定海外業務相關的部分於損益表確認。

因收購海外業務產生的任何商譽及收購產生的資產及負債賬面值的任何公平值調整視作相關海外業務的資產及負債並按期末匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流量表按現金流量日期的匯率換算為港元。於整個年度產生的海外附屬公司的經常性現金流量按年內加權平均匯率換算為港元。

Notes to Financial Statements

財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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

Amortisation and impairment for film product and film investments

The costs of film product and film investments are amortised upon the release of a film based on the proportion of actual income earned during the year to the total estimated projected revenue. Additional amortisation is made if estimated projected revenues are lower than previous estimations. These estimated projected revenues can change significantly due to the variety of factors. Such change in revenue projections or estimations may result in a change in the rate of amortisation. Any portion of the unamortised amount that appeared not to be recoverable is impaired in the period the loss becomes evident. The recoverable amounts are reference to marketability of each film and current market conditions. These estimated recoverable amounts can change significantly due to the variety of factors. This could have an impact on the Group's result of operations. The carrying amount of film investments and film product are disclosed in notes 20 and 21 to the financial statements, respectively.

3. 主要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設影響收益、開支、資產及負債之呈報金額及隨附之披露資料以及或然負債之披露。該等假設及估計之不確定因素可能導致需要於日後對受影響資產或負債之賬面值作出重大調整。

估計不確定因素

報告期末有關未來的主要假設及估計不明朗因素的其他主要來源具有導致對下個財政年度資產及負債的賬面值作出大幅調整的重大風險，詳情載列如下。

電影產品及電影投資的攤銷及減值

電影產品及電影投資的成本根據年內賺取實際收入佔估計預期總收益的比例於電影發行時間攤銷。倘估計預期收益低於先前估計，則作出額外攤銷。該等估計預期收益可因多種因素而出現重大變動。收益預期或估計的變動可能會導致攤銷率的變動。出現不可收回的情況的未攤銷金額的任何部分於虧損明顯期間予以減值。可收回金額參照每部電影的市場性及當前市況。該等估計可收回金額可能會因為各種因素而發生顯著變化。這可能會影響本集團的經營業績。電影投資及電影產品的賬面價值分別披露於財務報表附註20及21。



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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty (continued)

Revenue from film investments

Revenue from film investments is recognised based on the pre-determined share of the sales proceeds from the distribution of the related films set out in the respective film investment agreements over the films screening period according to the box office and when released to other distribution sources. When the final settlement statement is not yet available, the Group estimates the revenue from film investments based on pre-determined share and the preliminary settlement statement.

Fair value measurement of financial liabilities

The fair value assessment of financial liabilities of the Group, which include derivative financial instruments, a promissory note and a contingent consideration payable measured at level 3 fair value hierarchy, requires significant estimates, including estimating the price earnings ratios and determining appropriate discount rates and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value of these financial liabilities.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 amounted to nil (2017: HK\$54,827,000). Further details are given in note 16.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

電影投資收入

電影投資收入乃按電影放映期間根據票房收入及於向其他發行渠道發行時的相關電影投資協議載列之有關電影發售所得款項之預先釐定的份額確認。於尚未取得最終的結算表時，本集團根據預先釐定的份額及初步結算單估計電影投資收入。

金融負債之公平值計量

本集團按第三級公平值層級計量的金融負債之公平值評估(包括衍生金融工具、承兌票據及應付或然代價)需要作出重大估計，包括估算市盈率及釐定適當的貼現率及其他假設。該等假設及估計的變動可能會對該等投資的相關公平值造成重大影響。

商譽減值

本集團至少按年基準評估商譽是否出現減值。該過程需要估計獲分配商譽的現金產生單位的使用價值。本集團須於估計使用價值時對現金產生單位的預期未來現金流量作出估計，亦須選用合適的貼現率以計算該等現金流量的現值。於二零一八年十二月三十一日，商譽的賬面金額為零港元(二零一七年：54,827,000港元)。進一步詳情載於附註16。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade receivables, contract assets and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type and customer type).

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

非金融資產減值

於各報告期末，本集團評估所有非金融資產是否有任何減值跡象。不確定年期的無形資產每年及於出現減值跡象的其他時間進行減值測試。其他非金融資產於有跡象表明未必能收回賬面值時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額（即其公平值減出售成本及使用價值兩者中的較高者）時，則存在減值。公平值減出售成本根據按公平原則進行具有約束力的類似資產出售交易所得的數據或可觀察市場價格減去出售資產的增量成本而計算。當計算使用價值時，管理層須估計預期未來來自資產或現金產生單位的現金流量，同時選擇適當的貼現率計算該等現金流量的現值。

貿易應收款項、合約資產及其他應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合約資產的預期信貸虧損。撥備率乃基於具類似虧損模式（即按地理、產品類型及客戶類型劃分）的各客戶分部類別的逾期天數計算。



Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty *(continued)*

Provision for expected credit losses on trade receivables, contract assets and other receivables (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in different operating sectors, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 17 and 19 to the financial statements, respectively.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

貿易應收款項、合約資產及其他應收款項的預期信貸虧損撥備 (續)

撥備矩陣最初基於本集團過往觀察得到的違約率。本集團將根據前瞻性資料調整矩陣以調整過往信貸虧損經驗。例如，倘預期預測經濟狀況（如國內生產總值）將於未來一年內惡化，可能導致不同營運分部違約數目增加，則調整過往違約率。於各報告日期更新過往觀察得到的違約率並分析前瞻性估計的變動。

對過往觀察得到的違約率、預測經濟狀況與預期信貸虧損之間的相關性的評估乃重大估計。預期信貸虧損金額對情況變動及預測經濟狀況很敏感。本集團的過往信貸虧損經驗及經濟狀況預測亦可能無法代表未來客戶的實際違約情況。有關本集團貿易應收款項及合約資產的預期信貸虧損資料分別於財務報表附註17及19披露。

Notes to Financial Statements

財務報表附註

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Media and culture business segment, which engages in investment, production and distribution of entertainment content such as films and television series; and
- (b) Entertainment and gaming business segment, which engages in receiving commission and services income from casino entertainment and gaming promotion services; and
- (c) Chemical products, and energy conservation and environmental protection products segment, which engages in trading of chemical products, and energy conservation and environmental protection products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that corporate and other unallocated gains, interest income, corporate and other unallocated expense, finance costs, change in fair value of derivative financial liabilities change in fair value of promissory note and change in fair value of contingent consideration payable are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial liabilities, interest-bearing bank and other borrowings, convertible bonds, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. 經營分部資料

出於管理目的，本集團根據其產品及服務進行業務單位分類，並具有以下三個可呈報經營分部：

- (a) 傳媒及文化業務分部，從事投資、生產及分銷電影及電視劇等娛樂內容；及
- (b) 娛樂及博彩業務分部，從事從賭場娛樂及遊戲推廣服務中收取佣金及服務收入；及
- (c) 化工產品以及節能及環保產品分部，從事買賣化學產品以及節能及環保產品。

管理層獨立監察本集團經營分部之業績，以作出有關資源分配之決定及評估表現。分部表現乃根據可呈報分部溢利／虧損（乃經調整除稅前溢利／虧損之計量基準）評估。經調整除稅前溢利／虧損的計量與本集團除稅前溢利／虧損一致，惟企業及其他未分配收益、利息收入、企業及其他未分配開支、融資成本、衍生金融負債公平值變動、承兌票據公平值變動及應付或然代價公平值變動不計入有關計量。

分部資產不包括其他未分配總部及公司資產，此乃由於該等資產按組別基準管理。

分部負債不包括衍生金融負債、計息銀行及其他借貸、可換股債券、應付稅項及其他未分配總部及公司負債，此乃由於該等負債按組別基準管理。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2018

4. 經營分部資料 (續)

分部間銷售及轉讓乃按當時通行市價參考向第三方進行銷售所用的售價進行。

截至二零一八年十二月三十一日止年度

		Media and culture business 傳媒及文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及節能及環保產品 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment revenue (note 5)	分部收益 (附註5)				
Sales to external customers	向外部客戶銷售	55,404	394	17,687	73,485
Segment results	分部業績	(70,148)	1,140	(5,151)	(74,159)
Reconciliation:	對賬:				
Corporate and other unallocated gains	公司及其他未分配收益				12,149
Interest Income	利息收入				24
Corporate and other unallocated expense	公司及其他未分配開支				(22,979)
Finance costs	融資成本				(99,700)
Change in fair value of derivative financial liabilities	衍生金融負債的公平值變動				36,153
Change in fair value of promissory note	承兌票據之公平值變動				91,431
Change in fair value of contingent consideration payable	應付或然代價的公平值變動				1,563
Loss before tax	除稅前虧損				(55,518)
Segment Assets	分部資產	404,035	11,065	4,012	419,112
Reconciliation:	對賬:				
Corporate and other unallocated assets	公司及其他未分配資產				27,341
Total assets	總資產				446,453
Segment liabilities	分部負債	11,616	25,462	4,951	42,029
Reconciliation:	對賬:				
Corporate and other unallocated liabilities	公司及其他未分配負債				567,776
Total liabilities	總負債				609,805

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2018 (continued)

4. 經營分部資料 (續)

截至二零一八年十二月三十一日止年度 (續)

		Media and culture business 傳媒及文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及節能及環保產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Other segment information	其他分部資料					
Depreciation and amortisation	折舊及攤銷	18,782	601	209	46	19,638
Gain on derecognition of a promissory note measured at amortised cost	終止確認按攤銷成本計量之承兌票據的收益	-	-	-	(5,377)	(5,377)
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	-	-	722	722
Change in fair value of derivative financial liabilities	衍生金融負債的公平值變動	-	-	-	(36,153)	(36,153)
Impairment losses/(reversal of impairment losses) on financial and contract assets, net	金融及合約資產減值虧損／(減值虧損撥回)淨額	1,142	(3,184)	215	-	(1,827)
Impairment loss on film prepayments	電影預付款項之減值虧損	1,921	-	-	-	1,921
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	262	445	-	707
Impairment loss on goodwill	商譽減值虧損	54,827	-	-	-	54,827
Impairment loss on film investments	電影投資之減值虧損	10,356	-	-	-	10,356
Impairment loss on film product	電影產品減值虧損	17,018	-	-	-	17,018
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值變動	-	-	-	797	797
Change in fair value of a promissory note	承兌票據公平值變動	-	-	-	(91,431)	(91,431)
Change in fair value of a contingent consideration payable	應付或然代價公平值變動	-	-	-	(1,563)	(1,563)
Finance cost	融資成本	-	-	-	99,700	99,700
Capital expenditure*	資本開支*	665	622	-	6	1,923

* Capital expenditure consists of additions to property, plant and equipment and intangible assets including assets from the acquisition of a subsidiary.

* 資本開支包括添置物業、廠房及設備及無形資產（包括收購一間附屬公司所得資產）。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2017

4. 經營分部資料 (續)

截至二零一七年十二月三十一日止年度

		Media and culture business 傳媒及 文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及 博彩業務 HK\$'000 千港元	Chemical products and energy conservation and environmental protection products 化工產品 以及節能及 環保產品 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment revenue	分部收益				
Sales to external customers	向外部客戶銷售	-	9,098	30,860	39,958
Segment results	分部業績	(126,743)	(17,906)	(12,416)	(157,065)
Reconciliation:	對賬:				
Dividend income and unallocated gains	股息收入及未分配收益				713
Interest income	利息收入				33
Corporate and other unallocated expense	公司及其他未分配開支				(34,416)
Finance costs	融資成本				(77,351)
Change in fair value of derivative financial liabilities	衍生金融負債公平值變動				(29,893)
Loss before tax	除稅前虧損				(297,979)
Segment Assets	分部資產	192,052	46,999	12,027	251,078
Reconciliation:	對賬:				
Corporate and other unallocated assets	公司及其他未分配資產				91,354
Total assets	總資產				342,432
Segment liabilities	分部負債	21,068	29,172	11,789	62,029
Reconciliation:	對賬:				
Corporate and other unallocated liabilities	公司及其他未分配負債				390,848
Total liabilities	總負債				452,877

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2017 (continued)

4. 經營分部資料 (續)

截至二零一七年十二月三十一日止年度 (續)

		Media and culture business 傳媒及文化 業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩 業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及 節能及環保 產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Other segment information	其他分部資料					
Capital expenditure*	資本開支*	68,517	–	4,904	177	73,598
Depreciation and amortisation	折舊及攤銷	173	255	714	330	1,472
Impairment loss on trade and other receivables	貿易及其他應收款項 減值虧損	–	17,913	5,823	–	23,736
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	7	1,209	2,493	1,423	5,132
Impairment loss on goodwill	商譽減值虧損	43,844	–	–	–	43,844
Impairment loss on available-for-sale investments	可供出售投資減值虧損	–	–	–	3,000	3,000
Change in fair value of derivative financial liabilities	衍生金融負債公平值 變動	–	–	–	29,893	29,893
Finance cost	財務成本	30	–	5	77,316	77,351

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

		Revenue from external customers 來自外部客戶之收益	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Australia	澳洲	318	7,272
United States of America	美利堅合眾國	55,404	—
Panama	巴拿馬	76	—
Kingdom of Cambodia	柬埔寨王國	—	1,826
PRC	中國	17,687	30,860
		73,485	39,958

The revenue information above is based on the locations of the customers.

上述收益資料乃基於客戶所在地。

(b) Non-current assets

		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong	香港	1,202	1,106
Australia	澳洲	8,503	8,713
PRC	中國	937	1,311
United States of America	美利堅合眾國	—	68,516
		10,642	79,646

The non-current asset information above is based on the locations of the assets and excludes available-for-sale investments.

上述非流動資產資料乃基於資產所在地及不計及可供出售投資。

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

Revenue from major customers contributing over 10% of total revenue of the Group is set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶A	55,404	–
Customer B	客戶B	14,110	14,792
Customer C	客戶C	–	8,635
Customer D	客戶D	–	4,231
		69,514	27,658

4. 經營分部資料 (續)

有關主要客戶之資料

來自佔本集團收益總額逾10%的主要客戶的收益載列如下：

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from contracts with customers 來自客戶合約之收益			
Revenue from film investments	電影投資收益	55,404	–
Sales of goods	銷售貨品	17,687	30,860
Promotion commission	推廣佣金	76	2,827
Rendering of services	提供服務	318	6,271
		73,485	39,958

5. 收益、其他收入及收益

收益分析如下：

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2018

5. 收益、其他收入及收益 (續)

來自客戶合約之收益

(i) 分拆收益資料

截至二零一八年十二月三十一日止年度

Segments	分部	Media and culture business 傳媒及文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及節能及環保產品 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Type of goods or services	貨品或服務類別				
Revenue from film investments	電影投資收入	55,404	-	-	55,404
Sales of goods	銷售貨品	-	-	17,687	17,687
Promotion commission	推廣佣金	-	76	-	76
Rendering of services	提供服務	-	318	-	318
Total revenue from contracts with customers	來自客戶合約之收益總額	55,404	394	17,687	73,485
Geographical markets	地區市場				
Australia	澳洲	-	318	-	318
United States of America	美利堅合眾國	55,404	-	-	55,404
Panama	巴拿馬	-	76	-	76
PRC	中國	-	-	17,687	17,687
Total revenue from contracts with customers	來自客戶合約之收益總額	55,404	394	17,687	73,485

Notes to Financial Statements

財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers
(continued)

(i) Disaggregated revenue information
(continued)

For the year ended 31 December 2018

5. 收益、其他收入及收益 (續)

來自客戶合約之收益 (續)

(i) 分拆收益資料 (續)

截至二零一八年十二月三十一日止年度

Segments	分部	Media and culture business 傳媒及文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及節能及環保產品 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Timing of revenue recognition	收益確認時間				
At a point in time	於時間點	55,404	394	17,687	73,485

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

以下載列來自客戶合約之收益與分部資料所披露金額的對賬：

Revenue from contracts with customers	來自客戶合約之收益	Media and culture business 傳媒及文化業務 HK\$'000 千港元	Entertainment and gaming business 娛樂及博彩業務 HK\$'000 千港元	Chemical products, and energy conservation and environmental protection products 化工產品以及節能及環保產品 HK\$'000 千港元	Total 合計 HK\$'000 千港元
External customers	外部客戶	55,404	394	17,687	73,485

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財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers
(continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

5. 收益、其他收入及收益 (續)

來自客戶合約之收益 (續)

(i) 分拆收益資料 (續)

下表載列於報告期間開始時計入合約負債的本報告期間已確認收益金額：

		2018 二零一八年 HK\$'000 千港元
Sales of goods	銷售貨品	1,024

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財務報表附註

31 December 2018 二零一八年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS *(continued)*

5. 收益、其他收入及收益 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other income	其他收入		
Tax rebate	退稅	10,439	—
Bank interest income	銀行利息收入	24	33
Interest income from loans receivable	應收貸款之利息收入	—	308
Dividend income	股息收入	—	330
Others	其他	282	75
		10,745	746
Gains	收益		
Foreign exchange gains	外匯收益	552	11,832
Compensation from litigation	訴訟賠償	6,957	—
Gain on derecognition of a promissory note measured at amortised cost	終止確認按攤銷成本計量之 承兌票據之收益	5,377	—
		12,886	11,832
		23,631	12,578

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6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting):

6. 除稅前虧損

本集團之除稅前虧損乃扣除／（計入）以下各項後達致：

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of sales 銷售成本		35,503	43,161
Amortisation of film investments* 電影投資攤銷*	20	18,241	—
Amortisation of film product* 電影產品攤銷*	21	—	173
Depreciation of property, plant and equipment 物業、廠房及設備之折舊	13	1,397	1,299
Auditor's remuneration 核數師酬金		810	681
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)) 僱員福利開支（扣除董事及主要行政人員之薪酬（附註8））			
Wages and salaries 工資及薪金		10,480	13,225
Pension scheme contributions 退休計劃供款		664	464
		11,144	13,689
Impairment of financial and contract asset, net: 金融及合約資產減值，淨額：			
Impairment losses on trade receivables 貿易應收款項減值虧損	17	164	5,228
(Reversal of impairment losses)/ impairment losses on financial assets included in prepayments, other receivables and other assets 計入預付款項、其他應收款項及其他資產的金融資產（減值虧損撥回）／減值虧損	18	(2,545)	18,508
Impairment losses on contract assets 合約資產減值虧損	19	554	—
		(1,827)	23,736

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6. LOSS BEFORE TAX (CONTINUED)

The Group's loss before tax is arrived at after charging/ (crediting): (continued)

6. 除稅前虧損 (續)

本集團之除稅前虧損乃扣除／(計入)以下各項後達致：(續)

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Impairment loss on available-for-sale investments		—	3,000
Impairment loss on film prepayments	18	1,921	—
Impairment loss on film investments	20	10,356	—
Impairment loss on film product	21	17,018	—
Impairment loss on property, plant and equipment	13	707	5,132
Change in fair value of financial assets at fair value through profit or loss		797	—
Change in fair value of derivative financial liabilities		(36,153)	29,893
Impairment loss on goodwill	16	54,827	43,844
Gain on derecognition of a promissory note measured at amortised cost		(5,377)	—
Change in fair value of a promissory note		(91,431)	—
Change in fair value of contingent consideration payable		(1,563)	—
Loss on disposal of subsidiaries	37	722	—

* The amortisation of film investments and film product are included in "Cost of Sales" in the consolidated statement of profit or loss.

* 電影投資及電影產品攤銷計入綜合損益表「銷售成本」。

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7. FINANCE COSTS

An analysis of finance costs is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank and other borrowings (including convertible bonds)	銀行及其他借貸利息 (包括可換股債券)	98,332	77,068
Interest expense on promissory note (note 28)	承兌票據利息開支(附註28)	1,368	283
		99,700	77,351

7. 融資成本

持續經營業務之融資成本分析如下：

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及主要行政人員薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露之本年度董事及主要行政人員之薪酬如下：

		Group 集團	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	6,647	6,248
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,000	3,260
Pension scheme contributions	退休計劃供款	18	26
		3,018	3,286
		9,665	9,534

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors in 2018 were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Michael Ngai Ming Tak	魏明德先生	240	141
Mr. Wong Wai Kwan	王偉軍先生	240	141
Mr. Kong Chi Mo	江智武先生	240	141
Mr. Hong Tao	洪滔先生	240	141
Mr. Daniel Domingos Antonio (retired in 2017)	Daniel Domingos Antonio先生 (於二零一七年退任)	—	100
Mr. Chow Wing Tung (retired in 2017)	周永東先生 (於二零一七年退任)	—	100
Mr. Kwok Chi Chung (retired in 2017)	郭志忠先生 (於二零一七年退任)	—	100
		960	864

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

8. 董事及主要行政人員薪酬 (續)

(a) 獨立非執行董事

於二零一八年已付獨立非執行董事之袍金如下：

本年度概無應付獨立非執行董事之其他酬金(二零一七年：無)。

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(b) Executive directors, a non-executive director and the chief executive

8. 董事及主要行政人員薪酬 (續)

(b) 執行董事、非執行董事及主要行政人員

		Fees	Salaries allowances and benefits in kind 薪金、津貼及實物福利	Pension scheme contributions 退休計劃供款	Total
		袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
2018	二零一八年				
Executive directors:	執行董事：				
Mr. Gao Qun	高群先生	287	-	-	287
Mr. Chau Chit	周哲先生	-	3,000	18	3,018
Ms. Chen Hong	陳虹女士	1,200	-	-	1,200
Mr. Hung Ching Fung	洪清峰先生	960	-	-	960
Mr. Li Haitian	李海天先生	600	-	-	600
Mr. Yan Xu (retired)	顏旭先生 (已退任)	600	-	-	600
		3,647	3,000	18	6,665
Non-executive director:	非執行董事：				
Mr. Wang Shoulei	王守磊先生	240	-	-	240
Chief executive:	主要行政人員：				
Mr. Luo Lei	羅雷先生	1,800	-	-	1,800
		5,687	3,000	18	8,705

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(continued)

(b) Executive directors, a non-executive director and the chief executive

(continued)

8. 董事及主要行政人員薪酬 (續)

(b) 執行董事、非執行董事及主要行政人員 (續)

		Fees	Salaries allowances and benefits in kind	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2017	二零一七年				
Executive directors:	執行董事：				
Mr. Chau Chit	周哲先生	—	3,250	18	3,268
Ms. Chen Hong	陳虹女士	767	—	—	767
Mr. Hung Ching Fung	洪清峰先生	960	—	—	960
Mr. Li Haitian	李海天先生	351	—	—	351
Mr. Yan Xu (retired)	顏旭先生 (已退任)	767	—	—	767
Dr. Lam Yin Lok (retired)	林英樂博士 (已退任)	500	—	—	500
Mr. Ng Kuen Hon (retired)	吳權漢先生 (已退任)	200	10	—	210
Mr. Tsui Kin Ming (retired)	徐建明先生 (已退任)	700	—	8	708
Non-executive director:	非執行董事：	4,245	3,260	26	7,531
Mr. Wang Shoulei	王守磊先生	84	—	—	84
Chief executive:	主要行政人員：				
Mr. Luo Lei	羅雷先生	1,055	—	—	1,055
		5,384	3,260	26	8,670

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

本年度概無董事或主要行政人員放棄或同意放棄任何薪酬之安排。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors and the chief executive (2017: three directors and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2017: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	878	762
Pension scheme contributions 退休計劃供款	17	18
	895	780

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

酬金在下列區間的非董事及非主要行政人員的最高薪酬僱員的人數如下：

	Number of employees 僱員人數	
	2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000 零至1,000,000港元	1	1

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10. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as the Group did not generate any assessable profits in Hong Kong during the year ended 31 December 2018 (2017: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

10. 所得稅開支

由於本集團於截至二零一八年十二月三十一日止年度並無產生任何香港應課稅溢利，故並未就香港利得稅計提撥備（二零一七年：無）。其他地區之應課稅溢利稅項按本集團經營業務所在國家（或司法權區）之適用稅率計算。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current – Hong Kong	即期－香港		
Charge for the year	本年度支出	—	—
Overprovision in prior years	過往年度超額撥備	—	—
Current – Elsewhere	即期－其他地區	—	—
Deferred	遞延	—	—
Total tax charge for the year	本年度稅項支出總額	—	—

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10. INCOME TAX EXPENSE (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2018

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(55,518)	(297,979)
Tax calculated at domestic tax rate of 16.5% (2017: 16.5%)	按國內稅率16.5%計算之稅項 (二零一七年: 16.5%)	(9,160)	(49,166)
Effect of a different tax rate of a subsidiary operating in another jurisdiction	一間在其他司法權區經營之 附屬公司稅率不同之影響	(7,786)	(12,565)
Effect of tax loss not recognised	未確認稅項虧損之影響	16,951	61,764
Other	其他	(5)	(33)
Income tax expense	所得稅開支	—	—

A deferred tax asset has not been recognised for the following:

10. 所得稅開支 (續)

適用於除稅前虧損並以本公司及其大部分附屬公司註冊司法權區法定稅率計算之稅項開支與以實際稅率計算之稅項開支對賬，以及適用稅率（即法定稅率）與實際稅率之對賬如下：

二零一八年

並未就以下項目確認遞延稅項資產：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unused tax losses	未動用稅項虧損	125,852	70,006

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10. INCOME TAX EXPENSE (continued)

At 31 December 2018, under the current tax legislation of other jurisdictions, the Group's unused tax losses of HK\$112,106,000 (2017: HK\$68,364,000) are available indefinitely for offsetting against any future taxable profits of the subsidiary in which the losses arose. Under the current tax legislation of the PRC, tax loss of HK\$13,746,000 (2017: HK\$1,642,000) can be carried forward for five years since the year the loss is incurred. This unrecognised tax loss is loss of approximately HK\$13,746,000 (2017: HK\$1,642,000) that will expire at various dates up to and including 2023 (2017: up to and including 2022).

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable as the Group's subsidiaries established in Mainland China have no unremitted earnings that are subject to withholding taxes as at 31 December 2018 (2017: nil).

11. DIVIDENDS

No dividend has been paid or declared during each of the years ended 31 December 2018 and 2017. The directors do not recommend the payment of any dividend for 2018 (2017: nil).

10. 所得稅開支 (續)

於二零一八年十二月三十一日，根據其他司法權區的現行稅法，本集團未動用稅項虧損為112,106,000港元（二零一七年：68,364,000港元），可無限用於抵扣產生虧損的附屬公司的任何未來應課稅溢利。根據中國現行稅法，13,746,000港元的稅項虧損（二零一七年：1,642,000港元）可自相關虧損產生之年度起結轉五年。未確認稅項虧損約為13,746,000港元（二零一七年：1,642,000港元），將於截至二零二三年（包括當年）（二零一七年：截至二零二二年（包括當年））的多個不同日期屆滿。

並無就上述項目確認遞延稅項資產，原因為不太可能有應課稅溢利可供動用上述項目。

根據中華人民共和國企業所得稅法，在中國內地成立之外資企業向外國投資者宣派之股息須繳納10%預扣稅。該規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後之收益。倘中國內地與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為10%。本集團因而須為在中國內地成立之附屬公司就自二零零八年一月一日起產生之收益所分派之股息承擔預扣稅。

於二零一八年十二月三十一日，本集團並無就應付預扣稅確認遞延稅項，原因是本集團於中國內地成立的附屬公司於二零一八年十二月三十一日並無須繳納預扣稅的未匯返盈利（二零一七年：無）。

11. 股息

截至二零一八年及二零一七年十二月三十一日止年度各年並無派付或宣派任何股息。董事並不建議派付二零一八年之任何股息（二零一七年：無）。

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12. LOSS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 673,564,799 (2017: 599,077,128) in issue during the year.

The calculations of the basic loss per share are based on:

12. 母公司普通權益持有人應佔每股虧損

每股基本虧損乃根據母公司普通權益持有人應佔年度虧損以及本年度已發行的普通股加權平均數673,564,799股（二零一七年：599,077,128股）計算。

每股基本虧損之計算乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss attributable to ordinary equity holders of the parent	母公司普通權益持有人應佔虧損	(49,606)	(294,439)
		2018 二零一八年	2017 二零一七年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	每股基本盈利計算所用的本年度已發行普通股加權平均數	673,564,799	599,077,128

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2018 and 2017 in respect of a dilution as the impact of the convertible bonds outstanding had anti-dilutive effect on the basic loss per share amounts presented.

由於尚未行使之認股權證及可換股債券對所呈列之每股基本虧損金額具有反攤薄影響，故本集團於截至二零一八年及二零一七年十二月三十一日止年度並無對該等年度呈報之每股基本虧損金額作出有關攤薄之調整。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Furniture and fixtures 傢私及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Land and building 土地及樓宇 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2017	二零一七年十二月三十一日						
At 1 January 2017	於二零一七年一月一日						
Cost or valuation	成本或估值	108	3,327	10,220	1,082	228	14,965
Accumulated depreciation and impairment	累計折舊及減值	(85)	(940)	(279)	(1,023)	(228)	(2,555)
Net carrying amount	賬面淨值	23	2,387	9,941	59	–	12,410
At 1 January 2017, net of accumulated depreciation and impairment	於二零一七年一月一日，扣除累計折舊及減值	23	2,387	9,941	59	–	12,410
Additions	添置	168	223	–	1,623	2,797	4,811
Acquisition of subsidiaries	收購附屬公司	15	35	–	277	–	327
Depreciation provided during the year	年內撥備之折舊	(26)	(423)	(209)	(429)	(212)	(1,299)
Impairment	減值	(9)	(2,141)	(1,019)	–	(1,963)	(5,132)
Exchange realignment	匯兌調整	–	14	–	55	1	70
At 31 December 2017 net of accumulated depreciation and impairment	於二零一七年十二月三十一日，扣除累計折舊及減值	171	95	8,713	1,585	623	11,187
At 31 December 2017:	於二零一七年十二月三十一日：						
Cost or valuation	成本或估值	282	1,491	9,201	3,132	1,148	15,254
Accumulated depreciation and impairment	累計折舊及減值	(111)	(1,396)	(488)	(1,547)	(525)	(4,067)
Net carrying amount	賬面淨值	171	95	8,713	1,585	623	11,187
31 December 2018	二零一八年十二月三十一日						
At 1 January 2018	於二零一八年一月一日						
Cost or valuation	成本或估值	282	1,491	9,201	3,132	1,148	15,254
Accumulated depreciation and impairment	累計折舊及減值	(111)	(1,396)	(488)	(1,547)	(525)	(4,067)
Net carrying amount	賬面淨值	171	95	8,713	1,585	623	11,187
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日，扣除累計折舊及減值	171	95	8,713	1,585	623	11,187
Additions	添置	119	53	–	717	404	1,293
Depreciation provided during the year	年內撥備之折舊	(66)	(34)	(209)	(727)	(361)	(1,397)
Impairment	減值	–	(41)	–	–	(666)	(707)
Exchange realignment	匯兌調整	–	(1)	–	(53)	–	(54)
At 31 December 2018 net of accumulated depreciation and impairment	於二零一八年十二月三十一日，扣除累計折舊及減值	224	72	8,504	1,522	–	10,322
At 31 December 2018:	於二零一八年十二月三十一日：						
Cost or valuation	成本或估值	401	1,505	9,201	3,696	1,429	16,232
Accumulated depreciation and impairment	累計折舊及減值	(177)	(1,433)	(697)	(2,174)	(1,429)	(5,910)
Net carrying amount	賬面淨值	224	72	8,504	1,522	–	10,322



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13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

During the year ended 31 December 2018, the Group incurred segment loss in the media and culture business segment and chemical products, and energy conservation and environmental protection products segment.

The recoverable amounts of furniture and fixtures, land and building and motor vehicles were determined based on the fair value less costs of disposal, estimated by reference to recent market transactions in similar assets adjusted for differences in condition. The fair value less costs of disposal are classified as a level 3 measurement. For the year ended 31 December 2018, no impairment loss was recognised to write down the carrying amounts of the furniture and fixtures (2017: HK\$9,000), land and building (2017: HK\$1,019,000) and motor vehicles (2017: Nil).

The recoverable amounts of leasehold improvements and office equipment were determined based on the value in use, during the year ended 31 December 2018, impairment loss of approximately HK\$666,000 (2017: HK\$1,963,000) represented the write-down of leasehold improvements as the Group had refurbishment of the office and impairment loss of approximately HK\$41,000 was recognised to office equipment (2017: HK\$2,141,000).

13. 物業、廠房及設備 (續)

於截至二零一八年十二月三十一日止年度，本集團就傳媒及文化業務分部及化工產品以及節能及環保產品分部錄得分部虧損。

傢俬及裝置、土地及樓宇及汽車的可收回金額乃根據公平值減出售成本（經參考類似資產的近期市場交易（已就狀況差異作出調整）作出的估計）而釐定。公平值減出售成本被分類為第3級的計量。截至二零一八年十二月三十一日止年度，概無傢俬及裝置（二零一七年：9,000港元）、土地及樓宇（二零一七年：1,019,000港元）及汽車（二零一七年：無）之賬面值攤銷確認為減值虧損。

租賃裝修及辦公室設備之可收回金額乃根據使用價值釐定，於截至二零一八年十二月三十一日止年度，減值虧損約666,000港元（二零一七年：1,963,000港元）為因本集團翻新辦公室而導致的租賃裝修撇減及減值虧損約41,000港元確認為辦公室設備（二零一七年：2,141,000港元）。

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14. CLUB DEBENTURE

14. 會所債券

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Club debenture as at 31 December	於十二月三十一日之會所債券	320	320

At the end of the reporting period, the club debenture is stated at cost less accumulated impairment losses.

於報告期末，會所債券乃按成本減累計減值虧損列賬。

As at 31 December 2018, the directors considered that there was no impairment of the club debenture since the market price less costs to sell was higher than its carrying value.

於二零一八年十二月三十一日，由於市場價減銷售成本高於其賬面值，因此董事認為會所債券並無出現減值。

15. AVAILABLE-FOR-SALE INVESTMENTS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

15. 按公平值計入損益之可供出售投資／金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市之權益證券，公平值	-	9,313

As the Group has not elected to recognise the fair value gain or loss through other comprehensive income, the listed financial assets were classified as financial assets at fair value through profit or loss upon the adoption of HKFRS 9, which were classified as available-for-sale investments under HKAS 39. The fair value gain recognised in investment revaluation reserve amounting to HK\$1,804,000 as at 1 January 2018 was reclassified to accumulated losses.

由於本集團並未選擇透過其他全面收益確認公平值損益，故於採納香港財務報告準則第9號後，上市金融資產分類為按公平值計入損益之金融資產，其根據香港會計準則第39號曾分類為可供出售投資。於二零一八年一月一日於投資重估儲備確認之公平值收益1,804,000港元重新分類至累計虧損。

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16. GOODWILL

16. 商譽

		HK\$'000 千港元
At 1 January 2017:	於二零一七年一月一日：	
Cost	成本	—
Accumulated impairment	累計折舊	—
Net carrying amount	賬面淨值	—
Cost at 1 January 2017, net of accumulated impairment	於二零一七年一月一日之成本，扣除累計減值	—
Acquired through business combination	透過業務合併收購	98,671
Impairment during the year	年內減值	(43,844)
At 31 December 2017	於二零一七年十二月三十一日	54,827
At 31 December 2017:	於二零一七年十二月三十一日	
Cost	成本	98,671
Accumulated impairment	累計折舊	(43,844)
Net carrying amount	賬面淨值	54,827
Cost at 1 January 2018, net of accumulated impairment	於二零一八年一月一日之成本，扣除累計減值	54,827
Impairment during the year	年內減值	(54,827)
Cost and net carrying amount at 31 December 2018	於二零一八年十二月三十一日之成本及賬面淨值	—
At 31 December 2018:	於二零一八年十二月三十一日：	
Cost	成本	98,671
Accumulated impairment	累計折舊	(98,671)
Net carrying amount	賬面淨值	—

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31 December 2018 二零一八年十二月三十一日

16. GOODWILL (continued)

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

- Media and culture cash generating unit

The recoverable amount of the media and culture cash generating unit ("Media and Culture CGU") has been determined based on a value in use calculation. In the opinion of the directors, the existing projects would generate revenue for the CGU within seven years and the revenue for the period after seven years is minimum. The value in use is determined by discounting the future cash flows to be generated from the film production and investment projects over the next seven years, using an average pre-tax discount rates of 22% (2017: 27%) approved by the management. No projection has been extrapolated for any subsequent years beyond the 7-year cash flow forecast.

Since the actual box office revenue from the film product owned by the Media and Culture CGU was significantly lower than expected revenue, the directors of the Company adjusted the expected performance of other films. Since the recoverable amount of the Media and Culture CGU based on the value in use calculation was less than the carrying amount, impairment provision of HK\$54,827,000 (2017: HK\$43,844,000) for goodwill was made during the year ended 31 December 2018.

16. 商譽 (續)

商譽減值測試

為進行減值測試，透過業務合併收購商譽乃分配至下列現金產生單位：

- 傳媒及文化現金產生單位

傳媒及文化現金產生單位（「傳媒及文化現金產生單位」）的可收回金額乃根據使用價值計算而確定。董事認為，現有項目將於七年內為現金產生單位產生收益，而於七年後的收益甚微。使用價值使用經管理層批准22%（二零一七年：27%）的平均除稅前折現率將未來七年將自電影製作及投資項目產生的未來現金流量折現而確定。並無推算超過七年的任何後續年度的現金流量預測。

由於來自傳媒及文化現金產生單位所擁有電影產品的實際票房收益顯著低於預期收益，本公司董事已調整其他電影的預期表現。由於傳媒及文化現金產生單位的可收回金額根據使用價值計算低於賬面值，截至二零一八年十二月三十一日止年度已作出商譽減值撥備54,827,000港元（二零一七年：43,844,000港元）。



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31 December 2018 二零一八年十二月三十一日

16. GOODWILL (continued)

Impairment testing of goodwill (continued)

- Media and culture cash generating unit (continued)

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is based on market data and expectations associated with the film production and investment industry.

Discount rates – The discount rates used are before tax and reflected current market assessments of the time value of money and the risks specific to the film production and investment business.

Revenue – The basis used to determine the value include budgeted box office revenue and revenues from other sources based on market data and expectations associated with the film production and investment industry.

16. 商譽 (續)

商譽減值測試 (續)

- 傳媒及文化現金產生單位 (續)

預算毛利率—釐定分配至預算毛利率的價值所用基準以市場數據及預期與電影製作及投資行業為依據。

貼現率—所用貼現率為稅前貼現率，反映當前貨幣時間價值市場評估及電影製作及投資業務特有的風險。

收益—釐定價值所用基準，包括預算票房收益及根據市場數據及預期與電影製作及投資行業之其他來源之收益。

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17. TRADE RECEIVABLES

17. 貿易應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	7,331	13,054
Impairment	減值	(6,633)	(6,840)
		698	6,214

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group generally allows credit periods of 30 to 180 days (2017: 30 to 180 days) to its trade customers of the trading business. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group generally does not charge interest for credit granted. The Group did not hold any collateral from the trade debtors in trading business but may require personal cheque or other acceptable forms of security from patrons.

The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice dates and net of loss allowance, is as follows:

本集團與其客戶之貿易條款主要為賒賬，惟新客戶一般需預先付款除外。本集團一般給予其貿易業務之貿易客戶30至180日（二零一七年：30至180日）之信貸期。每位客戶均有最大信貸限額。本集團務求對未清還之應收賬款維持嚴格監管並設有信貸控制部門以將信貸風險減至最低。管理高層定期檢討逾期結餘。本集團通常不會就其所授的信貸收取利息。本集團並無就其貿易業務之貿易應收賬項持有任何抵押品，但會要求其客戶的個人支票或其他可接受形式之抵押。

於報告期末，貿易應收款項按發票日期並扣減虧損撥備之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 1 month	1個月以內	—	2,642
1 to 3 months	1至3個月	34	—
Over 3 months	3個月以上	664	3,572
		698	6,214

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財務報表附註

31 December 2018 二零一八年十二月三十一日

17. TRADE RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

17. 貿易應收款項 (續)

貿易應收款項減值虧損撥備如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	6,840	1,036
Impairment losses	減值虧損	164	5,228
Exchange realignment	匯兌調整	(371)	576
At end of year	於年末	6,633	6,840

Impairment under HKFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定（即地區、產品類別及客戶類別）。該計算反映或然率加權結果、貨幣時值及於報告日期可得有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，貿易應收賬款如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

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31 December 2018 二零一八年十二月三十一日

17. TRADE RECEIVABLES (continued)

Impairment under HKFRS 9 for the year ended 31 December 2018 (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

		Past due 逾期				Total 總計
		Current 即期	Less than 1 month 1個月內	1 to 3 months 1至3個月	Over 3 months 3個月以上	
Expected credit loss rate	預期信貸虧損率	1%	10%	50%	100%	
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	705	-	-	6,626	7,331
Expected credit losses (HK\$'000)	預期信貸虧損 (千港元)	7	-	-	6,626	6,633

17. 貿易應收款項 (續)

截至二零一八年十二月三十一日止年度根據香港財務報告準則第9號之減值 (續)

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貨風險資料：

於二零一八年十二月三十一日

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17. TRADE RECEIVABLES (continued)

Impairment under HKAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired	未逾期亦未減值	2,642
Less than 1 year past due	逾期不足1年	978
Over 1 year past due	逾期超過1年	2,594
		6,214

Receivables that were neither past due nor impaired related to customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under HKAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

17. 貿易應收款項 (續)

截至二零一七十二月三十一日止年度根據香港會計準則第39號之減值

於二零一七年十二月三十一日，根據香港會計準則第39號並無個別或共同計提視作減值之貿易應收款項之賬齡分析如下：

無逾期亦無減值之應收款項與客戶有關，該等客戶無近期違約記錄。

逾期但未減值之應收款項與多個獨立客戶有關，該等客戶與本集團有良好往績記錄。根據過往經驗，本公司董事認為，毋須就該等結餘根據香港會計準則第39號計提減值撥備，原因為信貸質素無重大變動且該等結餘仍被視為可悉數收回。

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18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

18. 預付款項、其他應收款項及其他資產

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Advances to patrons	向客戶墊款	(a)	133,105	168,329
Amounts due from casinos	應收娛樂場款項	(a)	3,329	3,329
Other receivables	其他應收款項			
– Prepayments	– 預付款項		2,965	5,736
– Other receivable and deposits paid	– 其他應收款項及已付按金	(a)	67,496	2,102
Amount due from a director	應收董事款項	(b)		
– Luo Lei	– 羅雷		78	39
			206,973 (134,595)	179,535 (137,140)
Impairment allowance	減值撥備			
			72,378	42,395
Film prepayments	電影項目預付款項	(c)		
– Prepayment to film directors	– 預付予電影導演的款項		163,797	91,542
– Prepayment to film/television series production	– 預付予電影／電視劇製作的款項		13,927	13,305
			177,724 (1,921)	104,847 –
Impairment allowance	減值撥備			
			175,803	104,847
			248,181	147,242

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31 December 2018 二零一八年十二月三十一日

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

(continued)

Notes:

- (a) Other receivables and deposits mainly represent rental deposits, deposits with suppliers and other receivables. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for advances to patrons and amounts due from casinos as at 31 December 2018 was 98%, and the loss rate applied to other receivables and deposits paid as at 31 December 2018 was 1%.
- (b) The amount due from a director is unsecured, interest-free and is repayable on demand.
- (c) Prepayment to film directors represent advance payments to directors for their services in the preparation of motion picture development proposal and the development cost to be incurred by them in the course of work, while prepayment to film/television series production represent the production cost incurred for one movie and one television series projects in progress.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

18. 預付款項、其他應收款項及其他資產 (續)

附註：

- (a) 其他應收款項及按金主要指租賃按金、供應商按金及其他應收款項。預期信貸虧損乃經參考本集團過往虧損記錄應用虧損率方法估計。虧損率經調整以反映當前狀況及預測未來經濟狀況（如適用）。於二零一八年十二月三十一日應用於向客戶墊款及應收娛樂場款項之虧損率為98%，而於二零一八年十二月三十一日應用於其他應收款項及已付按金之虧損率為1%。
- (b) 應收董事款項為無抵押、免息及按要求償還。
- (c) 預付予電影導演的款項為向導演就其籌備電影開發計劃中付出的服務及其工作過程中將產生的開發費用而預付的款項，而電影／電視劇製作預付款項為進行中的一項電影及一項電視劇項目產生的製作費用。

預付款項、其他應收款項及其他資產之減值虧損撥備變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At beginning of year	於年初	137,140	114,731
Impairment loss of film prepayments (note 6)	電影預付款項之減值虧損 (附註6)	1,921	—
(Reversal of impairment losses)/ impairment losses of other receivables, net (note 6)	其他應收款項 (減值虧損撥回)/ 減值虧損，淨額 (附註6)	(2,545)	18,508
Exchange realignment	匯兌調整	—	3,901
At end of year	於年末	136,516	137,140

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19. CONTRACT ASSETS

19. 合約資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contract assets arising from:	來自以下項目之合約資產：		
Revenue from film investments	來自電影投資之收益	55,404	—
Impairment	減值	(554)	—
		54,850	—

Contract assets are initially recognised for revenue earned from film investments as the receipt of consideration is conditional on successful completion of film exhibition and release to all distribution sources.

Upon completion of film exhibition and release to all distribution sources the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2018 was the result of the new release of a film during the year.

The expected timing of recovery or settlement for contract assets as at 31 December 2018 is within one year.

合約資產初步就電影投資賺取之收益進行確認，原因為代價須待電影展成功舉辦及發佈至所有發行源後方可收取。

於完成電影展及發佈至所有發行源後，確認為合約資產之金額重新分類為貿易應收款項。於二零一八年合約資產增加乃由於年內發佈新電影。

於二零一八年十二月三十一日之合約資產收回或結算預期時間為一年內。

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19. CONTRACT ASSETS (continued)

The movements in the loss allowance for impairment of contract assets are as follows:

		2018 二零一八年 HK\$'000 千港元
At beginning of year	於年初	—
Impairment losses	減值虧損	554
At end of year	於年末	554

An impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings to measure expected credit losses. As at 31 December 2018, the probability of default applied was 2.83% and the loss given default was estimated to be 43%.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

As at 31 December 2018

Expected credit loss rate

Gross carrying amount
Expected credit losses

預期信貸虧損率

賬面總值
預期信貸虧損

19. 合約資產 (續)

合約資產之減值虧損撥備變動如下：

於各報告日期透過考慮可資比較公司已公佈信貸評級的違約概率進行減值分析以計量預期信貸虧損。於二零一八年十二月三十一日，所用違約概率為2.83%，而估計違約虧損為43%。

下表載列使用撥備矩陣分析的有關本集團合約資產之信貸風險之資料：

於二零一八年十二月三十一日

		1% HK\$'000 千港元
Gross carrying amount	賬面總值	55,404
Expected credit losses	預期信貸虧損	554

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20. FILM INVESTMENTS

20. 電影投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost:	成本：		
At 1 January	於一月一日	–	–
Additions	添置	133,772	–
At 31 December	於十二月三十一日	133,772	–
Accumulated amortisation and impairment:	累計攤銷及減值：		
Amortisation during the year	年內攤銷	(18,241)	–
Impairment during the year	年內減值	(10,356)	–
		(28,597)	–
Net carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	105,175	–

The Group reviews its film investments regularly to assess if there is any indicator of impairment and the related recoverable amount with reference to marketability of each film and current market conditions.

本集團參考每部電影之適銷性及當前市場狀況定期檢討其電影投資以評估是否有任何減值跡象及相關可收回金額。



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20. FILM INVESTMENTS *(continued)*

The Group assessed that there were impairment indicators of a film investment because of the change of comparable market information and expected performance. Since the recoverable amount of the film investment (HK\$2,300,000) based on the value in use calculation was less than the carrying amount (HK\$12,656,000), impairment provision of HK\$10,356,000 (2017: Nil) for the film investments was made during the year ended 31 December 2018.

The recoverable amount of film investment was determined based on a value in use calculation which uses the present value of the expected future cash flows arising from the pre-determined share of proceeds of the film which was derived from discounting the projected future cash flows at a discount rate of 22%. Key assumptions for the value in use calculations related to the estimation of cash inflow/outflow include the budgeted revenue and gross margin, growth rate and discount rate. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development.

20. 電影投資 (續)

因變更可比較市場資料及預期表現，本集團評估一項電影投資有減值跡象。於截至二零一八年十二月三十一日止年度，由於根據使用價值計算的電影投資的可收回金額(2,300,000港元)低於賬面值(12,656,000港元)，就電影投資作出的減值撥備為10,356,000港元(二零一七年：零)。

電影投資可收回金額乃基於使用價值計算(使用按22%的折現率折算預期未來現金流量得出的每部電影所得款項之預先釐定份額之預期未來現金流量現值)而釐定。與現金流入／流出估計有關的使用價值計算的主要假設包括預算收益及毛利率、增長率及折現率。該估計乃基於同一導演及主要演員的過往票房、同一主題電影的市場可比較數據及管理層對市場發展的預期。

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21. FILM PRODUCT

21. 電影製作

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost:	成本：		
At 1 January	於一月一日	16,855	–
Addition through business combination	透過業務合併添置	–	16,855
Exchange realignment	匯兌調整	336	–
At 31 December	於十二月三十一日	17,191	16,855
Accumulated amortisation and impairment:	累計攤銷及減值：		
At 1 January	於一月一日	(173)	–
Amortisation during the year	年內攤銷	–	(173)
Impairment during the year	年內減值	(17,018)	–
At 31 December	於十二月三十一日	(17,191)	(173)
Net carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	–	16,682
Classified as:	分類為：		
Current portion	流動部分	–	3,370
Non-current portion	非流動部分	–	13,312
		–	16,682



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21. FILM PRODUCT *(continued)*

The Group reviews its film product regularly to reassess the estimated recoverable amount of the film product with reference to marketability of each film and current market conditions. The recoverable amount of the film product was determined on a title-by-title basis and is based on a value in use calculation which uses the present value of the expected future cash flows arising from the licensing and distribution of the film product after the completion of film production, which was derived from discounting the projected future cash flows at a discount rate of 27% (2017: 27%).

Key assumptions for the value in use calculations related to the estimation of cash inflow/outflow include the budgeted revenue and gross margin, growth rate and discount rate. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development.

The Group assessed that there were impairment indicators because the actual box office revenue from the film was significantly lower than expected revenue. Since the recoverable amount based on the aforementioned value in use calculation was less than the carrying amount, impairment loss of HK\$17,018,000 (2017: Nil) for the film product was made during the year ended 31 December 2018.

21. 電影製作 (續)

本集團參考每部電影之適銷性及當前市場狀況定期檢討其電影產品以重新評估電影產品的估計可收回金額。電影產品的可收回金額乃按逐部影片及根據使用價值計算（使用在電影製作完成後轉授及發行電影產品產生的預期未來現金流量按27%（二零一七年：27%）的折現率折算的現值）而釐定。

使用價值計算的主要假設與現金流入／流出的估計（包括預算收益、毛利率、增長率及折現率）有關。該估計乃基於同一導演的過往票房及主要演員、同一主題電影的市場可比較數據及管理層對市場發展的預期。

因電影實際票房收益嚴重低於預期收益，本集團評估其有減值跡象。於截至二零一八年十二月三十一日止年度，由於根據上述使用價值計算的可收回金額低於賬面值，就電影產品作出的減值虧損為17,018,000港元（二零一七年：零）。

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22. CASH AND CASH EQUIVALENTS

22. 現金及現金等值項目

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘		
Denominated in RMB	以人民幣計值	1,569	3,879
Denominated in HK\$	以港元計值	9,093	85,120
Denominated in MOP	以澳門幣計值	—	12
Denominated in AUD	以澳元計值	78	1,803
Denominated in US\$	以美元計值	16,167	5,833
Cash and cash equivalents	現金及現金等值項目	26,907	96,647

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$1,569,000 (2017: RMB3,880,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣計值之現金及銀行結餘約為1,569,000港元（二零一七年：人民幣3,880,000元）。人民幣不能自由兌換為其他貨幣，惟根據中國內地之外匯管理條例以及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
1 to 3 months	1至3個月	21	—
3 to 12 months	3至12個月	316	2,628
Over 1 year	超過1年	2,882	549
		3,219	3,177

The trade and bills payables are unsecured, interest-free and normally settled base on the terms of the contract. The fair values of trade and bills payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

23. 貿易應付款項

貿易應付款項按發票日期於報告期期末之賬齡分析如下：

貿易應付款項及應付票據為無抵押，免息並通常根據合約條款結算。由於相對較短的到期期限，截至報告期期末貿易應付款項及應付票據之公平值與其賬面值相若。

24. OTHER PAYABLES AND ACCRUALS

Current

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amounts due to casinos	應付娛樂場之款項	2,478	2,478
Amounts due to patrons	應付客戶之款項	1,176	1,176
Other payables and accruals	其他應付款項及應計費用	22,423	7,096
Advanced from customers	客戶墊款	—	1,024
Film agency fee payable	應付電影拍攝代理費用	—	11,721
		26,077	23,495

Other payables and accruals are unsecured, interest-free and repayable on demand. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

24. 其他應付款項及應計費用

即期

其他應付款項及應計費用為無抵押、免息及應按要償還。截至報告期期末其他應付款項及應計費用之公平值與其賬面值相若。

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24. OTHER PAYABLES AND ACCRUALS

(continued)

Non-current

24. 其他應付款項及應計費用 (續)

非即期

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables	其他應付款項	1,552	—

The non-current other payables are interest payables related to long-term interest-bearing bank and other borrowings and are repayable no earlier than the year of 2020.

非即期其他應付款項為與長期計息銀行及其他借貸有關之應付利息並應不早於二零二零年償還。

25. CONTRACT LIABILITIES

25. 合約負債

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元
Short-term advances received from customers	客戶短期墊款		
Sale of goods	銷售貨品	1,290	1,024

Contract liabilities include short-term advances received from customers to deliver the products.

合約負債包括就交付產品收取之客戶短期墊款。

26. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The amounts due to non-controlling shareholders of subsidiaries are unsecured, interest-free and have no fixed maturity date.

26. 應付附屬公司非控股股東款項

應付附屬公司非控股股東款項為無抵押、免息且並無固定到期日。

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27. INTEREST-BEARING BANK AND OTHER BORROWINGS

27. 計息銀行及其他借貸

			2018 二零一八年			2017 二零一七年		
			Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
Current	即期							
Borrowings – unsecured	借貸 – 無抵押	(note b) (附註b)	3-10	2019 二零一九年	130,947	2-15	2018 二零一八年	7,953
Bank loans – secured	銀行貸款 – 有抵押	(note a) (附註a)			–	4	2018 二零一八年	4,846
Film investment loan	電影投資貸款	(note c) (附註c)	6	2019 二零一九年	27,740			–
					158,687			12,799
Convertible bonds	可換股債券	(note 29) (附註29)	31	2019 二零一九年	266,821	31	2019 二零一九年	256,562
					425,508			269,361
Non-current	非即期							
Film investment loans	電影投資貸款	(note c) (附註c)	4-11.25	2020-2021 二零二零年 至二零二一年	113,433			–
					538,941			269,361

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27. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

27. 計息銀行及其他借貸 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Analysed into:	分析為以下項目：		
Bank loans:	銀行貸款：		
Within one year or on demand	一年內或按要求	—	4,846
		—	4,846
Other borrowings repayable:	其他應償還借貸：		
Within one year	一年內	158,687	7,953
In the second year	第二年內	63,389	—
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	50,044	—
		272,120	7,953
		272,120	12,799



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27. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

Notes:

- (a) The bank loan of HK\$4,846,000 at 31 December 2017 was repayable on 19 May 2018 and secured by film product as set out in note 21. Interest was charged at 4% per annum.
- (b) The interest-bearing loans amounted to HK\$130,947,000 as at 31 December 2018 bear interest rates from 3% to 10% per annum and are all repayable in 2019. In April 2019, the directors of the Company signed the supplemental agreements to extend all the loans repayment dates to December 2020. The interest-bearing loans of HK\$7,953,000 at 31 December 2017 were repaid in 2018.
- (c) The film investment loans represented loans from the film investors which bears fixed interest rates from 4% to 11.25% per annum. Certain film investment loans also bear variable interest rates depend on the box office revenue generated from the films, which are derivative components and should be separated from the film investment loans and measured at fair value. In the opinion of the directors, the fair value of the derivative components is considered to be insignificant.

27. 計息銀行及其他借貸 (續)

附註：

- (a) 於二零一七年十二月三十一日之銀行貸款4,846,000港元已於二零一八年五月十九日償還並以附註21所載的電影產品作擔保。利息按每年4厘計算。
- (b) 於二零一八年十二月三十一日的計息貸款130,947,000港元按年利率介乎3%至10%計息及均須應於二零一九年償還。於二零一九年四月，本公司董事簽署補充協議以將所有貸款償還日期延長至二零二零年十二月。於二零一七年十二月三十一日的計息貸款7,953,000港元已於二零一八年償還。
- (c) 電影投資貸款指來自電影投資者的貸款，固定年利率介乎4%至11.25%。若干電影投資貸款亦按取決於電影產生票房收益之浮動利率計息，收益為衍生部分及須與電影投資貸款分開並按公平值計量。董事認為，衍生部分之公平值視作並不重大。

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28. PROMISSORY NOTE

The carrying value of the promissory note measured at amortised cost is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	95,226	–
Imputed interest	名義利息	1,368	283
Recognition of a promissory note measured at fair value (note a)	確認按公平值計量的承兌票據(附註a)	(91,431)	–
Gain on derecognition of a promissory note measured at amortised cost	終止確認按攤銷成本計量的承兌票據的收益	(5,377)	–
Issuance of a promissory note (note b)	發行承兌票據(附註b)	17,000	94,772
Exchange realignment	匯兌調整	214	171
At 31 December	於十二月三十一日	17,000	95,226

The carrying value of the promissory note measured at fair value is as follows:

按攤銷成本計量的承兌票據賬面值如下：

按公平值計量的承兌票據賬面值如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	–	–
Recognition of a promissory note measured at fair value (note a)	確認按公平值計量的承兌票據(附註a)	91,431	–
Gain on change in fair value of a promissory note	承兌票據公平值變動收益	(91,431)	–
At 31 December	於十二月三十一日	–	–
		17,000	95,226

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28. PROMISSORY NOTE *(continued)*

Notes:

- (a) On 13 December 2017, the Company issued a promissory note with a principal amount of US\$12,884,615 (equivalent to HK\$100,500,000), as part of the consideration for the acquisition of entire equity interests in the Starlight Legend Group. The promissory note was unsecured, interest-free and with a maturity date of 12 December 2018. As at 31 December 2017, the promissory note was measured at amortised cost using the effective interest rate method with the effective interest rate at 6% per annum.

On 29 March 2018, the Group entered into a side letter with the existing promissory note holder and agreed that:

- (i) both parties shall jointly appoint an independent valuer, to conduct a valuation of the Starlight Legend Group as at 31 December 2018 (the "Updated Valuation"). The determination by the independent valuer shall be final and binding on the existing promissory note holder and the Company.
- (ii) If the Updated Valuation is less than US\$25,000,000, the promissory note holder irrevocably, unconditionally, and absolutely agrees to waive and forgo the principal amount of the promissory note payable by the Company under the promissory note to the extent of an amount equal to the difference between the Updated Valuation and US\$25,000,000.
- (iii) The due date of the promissory note shall be extended until 12 December 2019.

The repayment amount of the promissory note is then contingent based on the valuation of the Starlight Legend Group as of 31 December 2018. Therefore, the promissory note was changed from financial liabilities at amortised cost to a hybrid instrument which was designated as financial liabilities measured at fair value through profit or loss.

28. 承兌票據 (續)

附註：

- (a) 於二零一七年十二月十三日，本公司發行本金額為12,884,615美元（相當於100,500,000港元）的承兌票據作為收購Starlight Legend集團全部股權代價的一部分。承兌票據為無抵押、免息及到期日為二零一八年十二月十二日。於二零一七年十二月三十一日，承兌匯票使用實際利率法按攤銷成本計量，實際利率為每年6%。

於二零一八年三月二十九日，本集團與現有承兌票據持有人訂立附函，協定：

- (i) 雙方應共同委任一名獨立估值師對Starlight Legend集團於二零一八年十二月三十一日之估值進行評估（「更新估值」）。獨立估值師之決定對現有承兌票據持有人及本公司均將具有決定性及約束力。
- (ii) 倘更新估值低於25,000,000美元，則承兌票據持有人不可撤回、無條件及完全地同意豁免及放棄本公司根據承兌票據應予支付之承兌票據本金額，惟以相等於更新估值與25,000,000美元之間之差額金額為限。
- (iii) 承兌票據之到期日將延長至二零一九年十二月十二日。

承兌票據的當時償還金額視乎Starlight Legend集團於二零一八年十二月三十一日之估值而定。因此，承兌票據已由按攤銷成本計量之金融負債轉變為指定為按公平值計入損益之金融負債的混合工具。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

28. PROMISSORY NOTE *(continued)*

Notes: *(continued)*

(a) *(continued)*

As at 31 December 2018, the Group and the promissory note holder involved an independent valuer to conduct a valuation of Starlight Legend Group as at 31 December 2018. Based on the valuation results, a gain of HK\$91,431,000 on change in fair value of the promissory note was recognised.

The valuation of the Starlight Legend Group was calculated based on the discounted cash flows method and the key assumptions included discount rates, growth rates, forecast revenue and gross margins. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development.

A significant increase in the estimated cash inflow and the growth rates in isolation would result in a significant increase in the fair value of the promissory note. A significant decrease in discount rates in isolation would result in a significant increase in the fair value of the promissory note.

(b) On 28 December 2018, the Group issued a promissory note with a principal amount of HK\$17,000,000 with interest rate of 10% per annum as part of consideration for the redemption of convertible bonds (note 29). The promissory note is unsecured and with a maturity date of 28 January 2019. In April 2019, the repayment date of the promissory note was extended to April 2020.

28. 承兌票據 (續)

附註：(續)

(a) (續)

於二零一八年十二月三十一日，本集團及承兌票據持有人聘請一名獨立估值師對Starlight Legend集團於二零一八年十二月三十一日之價值進行評估。根據估值結果，已就承兌票據公平值變動確認收益91,431,000港元。

Starlight Legend集團的估值按貼現現金流量及主要假設（包括貼現率、增長率、預測收益及毛利率）計算。該等預計基於同一導演的過往票房及主要演員、同一主題電影的市場可比較數據及管理層對市場發展的預期。

不計及其他因素，預計現金流量及增長率之顯著增加將引致承兌票據之公平值顯著增加。不計及其他因素，折現率顯著減少將引致承兌票據之公平值顯著增加。

(b) 於二零一八年十二月二十八日，本集團發行本金額為17,000,000港元，年利率為10%的承兌票據，作為贖回可換股債券代價的一部分（附註29）。承兌票據為無抵押及到期日為二零一九年一月二十八日。於二零一九年四月，承兌票據的還款日期已延遲至二零二零年四月。



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財務報表附註

31 December 2018 二零一八年十二月三十一日

29. CONVERTIBLE BONDS

Zero-coupon Tranche 1 Bonds due 2017

On 11 July 2014, the Company entered into a subscription agreement with a then independent investor (“bondholder”) to issue the 3-year Zero Coupon Convertible Bonds (the “Tranche 1 Convertible Bonds”) with an aggregate principal amount of HK\$55,650,000. The subscription was completed on 19 September 2014. The consideration of the Tranche 1 Convertible Bonds was used to finance the establishment of the Group’s entertainment and gaming business.

The Tranche 1 Convertible Bonds were denominated in Hong Kong dollars and were convertible at the option of the bondholder at any time after the date of issuance up to and including the date which was five business days prior to the maturity date of 19 September 2017, into new shares of the Company at a price of HK\$0.35 per share, subject to anti-dilutive adjustments.

Upon full conversion, a total of 159,000,000 new ordinary shares would be issued by the Company. During the year ended 31 December 2017, the Tranche 1 Convertible Bonds at the principal amount of HK\$55,650,000 were fully converted into ordinary shares of the Company and total number of ordinary shares converted was approximately 159,000,000 (Note 31).

The Tranche 1 Convertible Bonds contained liability and equity components. The equity component is included in the equity headed “convertible bonds reserve”.

The fair value of the liability component of the convertible bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan. The effective interest rate of the liability component is approximately 16% per annum.

29. 可換股債券

於二零一七年期到之第一批零息債券

於二零一四年七月十一日，本公司與當時的獨立投資者（「債券持有人」）訂立認購協議，以發行三年零息可換股債券（「第一批可換股債券」），本金總額為55,650,000港元。認購事項已於二零一四年九月十九日完成。第一批可換股債券之代價已用於撥支建立本集團娛樂及博彩業務。

第一批可換股債券以港元計值，且債券持有人可選擇於發行日期後直至到期日二零一七年九月十九日前第五個營業日（包括當日）之前的任何時間，以每股0.35港元之價格（可進行反攤薄調整）將其兌換為本公司之新股份。

獲悉數兌換後，本公司將發行合共159,000,000股新普通股。截至二零一七年十二月三十一日止年度，第一批可換股債券本金額55,650,000港元悉數轉換本公司普通股及已轉換普通股總數為約159,000,000股（附註31）。

第一批可換股債券包含負債及權益部分。權益部分以權益項下之「可換股債券儲備」呈列。

可換股債券負債部分於發行日期之公平值由獨立估值師依據同等非可換股貸款按現行市場利率貼現之估計未來現金流出之現值而釐定。負債部分之實際利率約為每年16%。

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29. CONVERTIBLE BONDS (continued)

8% coupon Tranche 2 Bonds due 2018

On 5 November 2015, the Company entered into a subscription agreement with seven independent investors ("Subscribers") to conditionally issue the 3 years redeemable convertible bonds of the Company in an aggregate principal amount of HK\$365,000,000 at 8% coupon rate per annum. On 2 December 2015, the subscriptions were completed and convertible bonds of HK\$315,000,000 were issued with maturity on 1 December 2018 (the "Tranche 2 Convertible Bonds") by the Company to certain Subscribers ("Bondholders"). The consideration of the Convertible Bonds was used as general working capital of the Group and as funds for future development of the existing business of the Group, including development of the entertainment and gaming business in Australia and Cambodia.

The Tranche 2 Convertible Bonds are denominated in Hong Kong dollars and are convertible at the option of the Bondholders at any time on or after the 90th day of the date of issuance up to and prior to the maturity date of 1 December 2018, into new shares of the Company at a price of HK\$5 per share, subject to adjustment on the occurrence of a dilutive or concentrative event. In November 2018, the repayment date of the remaining Tranche 2 Convertible Bonds was extended to 2 January 2019. In January 2019, the Company has settled all remaining convertible bonds amounted to HK\$266.8 million (including principle amount of HK\$255 million and interest payable amount of HK\$11.8 million) by issuance of promissory notes with principle amount of HK\$267.0 million which bear interest rate of 15% per annum. The promissory notes with principle amount of HK\$247.0 million are repaid in April 2019, and the remaining amount of HK\$20.0 million is repayable in April 2020.

Upon full conversion a total of 63,000,000 new ordinary shares would be issued by the Company. The Company shall redeem any Tranche 2 Convertible Bonds which remain outstanding on the maturity date at its principal amount together with the outstanding interest.

29. 可換股債券 (續)

於二零一八年到期之第二批8%息票債券

於二零一五年十一月五日，本公司與七名獨立投資者（「認購人」）訂立認購協議，以有條件發行本公司三年期可贖回可換股債券，本金總額為365,000,000港元，年息為8%。於二零一五年十二月二日，認購事項經已完成，本公司已向若干認購人（「債券持有人」）發行315,000,000港元於二零一八年十二月一日到期之可換股債券（「第二批可換股債券」）。可換股債券之代價已用作本集團一般營運資金，及作為日後發展本集團現有業務之資金，包括於澳洲及柬埔寨發展娛樂及博彩業務。

第二批可換股債券以港元計值，且債券持有人可選擇於發行日期後第90日當日或之後至到期日二零一八年十二月一日之前的任何時間，以每股5港元之價格（可於攤薄或集中事項發生時進行調整）兌換為本公司之新股份。於二零一八年十一月，餘下第二批可換股債券之償還日期延長至二零一九年一月二日。於二零一九年一月，本公司已透過發行承兌票據（本金額為267,000,000港元，按年利率15%計息）結算所有剩餘可換股債券（總額為266,800,000港元，包括本金額255,000,000港元及應付利息金額11,800,000港元）。本金額為247,000,000港元的承兌票據已於二零一九年四月償還，餘下的20,000,000港元須於二零二零年四月償還。

獲悉數兌換後，本公司將發行合共63,000,000股新普通股。本公司應按其本金額連同未支付利息贖回於到期日尚未兌換之任何第二批可換股債券。

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31 December 2018 二零一八年十二月三十一日

29. CONVERTIBLE BONDS (continued)

The Tranche 1 and Tranche 2 Convertible Bonds recognised in the consolidated statement of financial position at the date of issuance on 19 September 2014 and 2 December 2015 respectively are calculated as follows:

29. 可換股債券 (續)

分別於發行日期二零一四年九月十九日及二零一五年十二月二日在綜合財務狀況表中確認之第一批及第二批可換股債券計算如下：

		Tranche 2 Convertible Bonds 第二批 可換股債券 HK\$'000 千港元	Tranche 1 Convertible Bonds 第一批 可換股債券 HK\$'000 千港元
Nominal value of the convertible bonds issued	已發行可換股債券的面值	315,000	55,650
Equity component on initial recognition upon issuance of Convertible Bonds	發行可換股債券後初始確認的權益部分	—	(20,427)
Derivative component on initial recognition upon issuance of Convertible Bonds	發行可換股債券後初始確認的衍生金融負債部分	(147,720)	—
Liability component at the issuance date	於發行日期的負債部分	167,280	35,223

The Tranche 2 Convertible Bonds contain a liability component and a derivative component. The derivative component is measured at fair value on initial recognition while any excess of proceeds over the amount initially recognised as the derivative component is recognised as a financial liability. The fair value of derivative components of the Tranche 2 Convertible Bonds at the issue date was valued by an independent valuer. The fair value of the derivative financial liability valued by the independent valuer is based on valuation technique whose variables include that uses only data from observable market. The effective interest rate of the liability component is approximately 31% per annum.

第二批可換股債券包含負債部分及衍生部分。衍生部分於初始確認時按公平值計量，而所得款項超逾初始確認為衍生部分之金額確認為金融負債。第二批可換股債券於發行日期衍生部分之公平值由獨立估值師評估。由獨立估值師評估之衍生金融負債之公平值乃基於變量僅包含可觀察市場數據之估值方法。負債部分之實際利率約為每年31%。

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31 December 2018 二零一八年十二月三十一日

29. CONVERTIBLE BONDS (continued)

The carrying values of the liability component of the Tranche 1 and Tranche 2 Convertible Bonds recognised in the consolidated statement of financial position at the end of the reporting period are as follows:

Tranche 1 Convertible Bonds

		2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	50,028
Interest expense	利息開支	2,710
Conversion of convertible bonds	兌換可換股債券	(52,738)
At 31 December	於十二月三十一日	–

29. 可換股債券 (續)

第一批及第二批可換股債券負債部分的賬面值於報告期末的綜合財務狀況表確認如下：

第一批可換股債券

Tranche 2 Convertible Bonds

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	256,562	207,557
Interest expense	利息開支	85,544	74,205
Interest paid	已付利息	(15,285)	(25,200)
Redemption during the year	年內贖回	(60,000)	–
At 31 December (note 27)	於十二月三十一日 (附註27)	266,821	256,562
Categorised as:	分類為：		
Convertible bonds – current liabilities	可換股債券－流動負債	266,821	256,562
		266,821	256,562

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31 December 2018 二零一八年十二月三十一日

29. CONVERTIBLE BONDS (continued)

Tranche 2 Convertible Bonds (continued)

The interest charge of the Tranche 2 Convertible Bonds for the year ended 31 December 2018 is calculated using the effective interest method by applying an effective interest rate of approximately 31% (2017: 31%) to the liability component.

A summary of movements in the derivative component of the Tranche 2 Convertible Bonds is as follow:

29. 可換股債券 (續)

第二批可換股債券 (續)

截至二零一八年十二月三十一日止年度，第二批可換股債券之利息支出乃採用實際利率法，按負債部分之實際利率約31%（二零一七年：31%）計算。

第二批可換股債券衍生部分的變動概述如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	36,153	6,260
Change in fair value of derivative financial liabilities	衍生金融負債公平值變動	(36,153)	29,893
At 31 December	於十二月三十一日	—	36,153

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30. CONTINGENT CONSIDERATION PAYABLE

30. 應付或然代價

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	1,563	–
Arising from business combination	業務合併所產生	–	1,563
Change in fair value change of contingent consideration payable	應付或然代價公平值變動	(1,563)	–
At 31 December	於十二月三十一日	–	1,563

On 14 September 2017, the Company entered into share purchase agreement with a related party, controlled by a director and a shareholder of the Company for the acquisition of entire equity interest of Starlight Legend Group. On 13 December 2017, the Group completed the acquisition at an aggregate consideration of HK\$161,015,000, details of the acquisition are set out in note 36.

According to the share purchase agreement, if the cash dividends received by the Group or its relevant subsidiaries in the course of operating those existing projects operated by the Starlight Legend Group for three years immediately following the specified period pursuant to the terms of share purchase agreement have exceeded the total amount of the consideration share and promissory note issued plus the relevant interest according to the term of the share purchase agreement, the vendor shall be entitled to 30% of all excess mentioned above.

Agreed payment is a contingent consideration that will be realised if the acquired businesses and the existing projects achieve their respective profit target, calculated on certain predetermined basis, during the designated period of time.

於二零一七年九月十四日，本公司與由本公司一名董事及股東控制的一名關聯方訂立購股協議，收購Starlight Legend集團的全部股權。於二零一七年十二月十三日，本集團完成該收購事項，總代價為161,015,000港元，收購事項之詳情載於附註36。

根據購股協議，倘本集團或其相關附屬公司在緊隨購股協議條款指定的期間後三年在經營Starlight Legend集團所經營的現有項目中收到的現金股息超過根據購股協議條款所發行的代價股份及承兌票據總金額加相關利息，則賣方有權收取上述超出全部金額的30%。

協定付款為於特定時間段內，倘被收購業務及現有項目達成其各自溢利目標則會實現，並按某一預先確定的基準計算的或然代價。

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30. CONTINGENT CONSIDERATION PAYABLE (continued)

The Group recognised the fair value of those contingent consideration for acquisition, as of its acquisition date as part of the consideration transferred in exchange for the acquired business. The fair value measurement requires, among other things, significant estimation of post-acquisition performance of the acquired businesses and significant judgement on time value of money.

As at 31 December 2018, the Group and the promissory note holder involved an independent valuer to conduct a valuation of Starlight Legend Group as at 31 December 2018. Based on the valuation, a fair value gain of HK\$1,563,000 in relation to the contingent consideration payable was recognised.

30. 應付或然代價 (續)

本集團將收購事項的該等或然代價於其收購日期的公平值確認為用於交換已收購業務的轉讓代價的一部分。公平值計量需要(其中包括)對被收購業務於收購後表現的重大估計及對貨幣時間價值的重大判斷。

於二零一八年十二月三十一日,本集團及承兌票據持有人聘請一名獨立估值師對Starlight Legend集團於二零一八年十二月三十一日之估值進行評估。根據估值,有關已確認應付或然代價之公平值收益為1,563,000港元。

31. SHARE CAPITAL

Shares

31. 股本

股份

		2018 二零一八年		2017 二零一七年	
		Number of shares 股份數目	Nominal Value 面值 HK\$'000 千港元	Number of shares 股份數目	Nominal Value 面值 HK\$'000 千港元
Authorised:	法定:				
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股	20,000,000,000	2,000,000	20,000,000,000	2,000,000
Issued and fully paid:	已發行及繳足:				
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股	673,564,799	67,356	673,564,799	67,356

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31. SHARE CAPITAL (continued)

Shares (continued)

A summary of movements in the Company's share capital is as follow:

31. 股本 (續)

股份 (續)

本公司股本變動概述如下：

		Number of shares in issue 股份數目	Share capital 股本 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	493,564,800	49,356
Shares issued upon conversion of convertible bonds (note a)	於可換股債券獲轉換時發行的股份 (附註a)	158,999,999	15,900
Shares issued upon completion of acquisition of a subsidiary (note b)	於完成收購一間附屬公司時發行的股份 (附註b)	21,000,000	2,100
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、 二零一八年一月一日及二零 一八年十二月三十一日	673,564,799	67,356

Notes:

- (a) During the year ended 31 December 2017, certain convertible bonds (Tranche 1) were converted to subscribe for a total of 158,999,999 ordinary shares in the Company. HK\$15,900,000 was transferred to share capital and balance of HK\$36,838,000 was transferred to the share premium account. An amount of HK\$20,427,000 was also transferred to share premium account from convertible bonds reserves upon the conversion of convertible bonds.
- (b) On 13 December 2017, a total of 21,000,000 ordinary shares in the Company were allotted and issued for partial settlement of total consideration of the acquisition at a market price of HK\$3.08 per share at the date of acquisition. HK\$2,100,000 was transferred to share capital and a balance of HK\$62,580,000 was transferred to the share premium amount.

附註：

- (a) 於截至二零一七年十二月三十一日止年度，若干可換股債券（第一批）獲轉換以認購合共158,999,999股本公司普通股，其中15,900,000港元及餘下36,838,000港元分別已轉撥至股本及股份溢價賬。20,427,000港元亦已於轉換可換股債券時從可換股債券儲備轉撥至股份溢價賬。
- (b) 於二零一七年十二月十三日，本公司配發及發行合共21,000,000股普通股以部分清償按於收購日期每股3.08港元的市價進行之收購事項之總代價。2,100,000港元及餘下62,580,000港元已分別轉撥至股本及股份溢價賬。



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32. SHARE OPTION SCHEME

At the annual general meeting of the Company on 1 June 2012, an ordinary resolution to propose a new share option scheme (the “2012 Share Option Scheme”) was passed. The 2012 Share Option Scheme was thus approved and adopted at the general meeting and subsequently approval was granted by the Stock Exchange. The 2012 Share Option Scheme is valid and effective for 10 years commencing from the adoption date (i.e. 1 June 2012). The number of shares, which may be issued upon exercise of all outstanding options granted under the 2012 Share Option Scheme and other schemes adopted by the Group, is not permitted to exceed 30% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted under the 2012 Share Option Scheme and other schemes adopted by the Group in aggregate is not permitted to exceed 10% of the shares of the Company in issue at the adoption date. The total number of shares in respect of which options may be granted to any individual is not permitted to exceed (i) 0.1% of the shares of the Company in issue, and (ii) HK\$5,000,000 in aggregate value based on the closing price of the shares at the date of each grant, in any 12-month period unless such grant is approved by independent shareholders at a general meeting.

32. 購股權計劃

在本公司於二零一二年六月一日舉行之股東週年大會上，建議一項新購股權計劃（「二零一二年購股權計劃」）之普通決議案已獲通過。二零一二年購股權計劃因此於股東大會上獲批准及採納，且隨後由聯交所授出批准。二零一二年購股權計劃乃由採納日期（即二零一二年六月一日）起計十年內有效。行使根據二零一二年購股權計劃及本集團採納之其他計劃授出之所有尚未行使購股權而可能發行之股份數目，不得超過任何時間本公司已發行股份之30%。根據二零一二年購股權計劃及本集團採納之其他計劃可能授出之購股權之有關股份總數不得超過採納日期本公司已發行股份之10%。於任何十二個月期間，可能向任何人士授出之購股權之有關股份總數不得超過(i)本公司已發行股份之0.1%，及(ii)根據於各授出日期股份之收市價計算之總價值之5,000,000港元，除非有關授出獲獨立股東於股東大會上批准則另作別論。

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32. SHARE OPTION SCHEME (continued)

Consideration of HK\$1 is payable by the grantee on the acceptance of options granted. An option may be exercised from the date of acceptance of the offer of such option to the earlier of the date on which such option lapses and 10 years from the offer date of that option. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the shares on the Stock Exchange on the date of the grant of the options, and the average of the closing prices of the shares for the five trading days immediately preceding the date of the grant of the options.

Since the adoption of the above scheme, no share options have been granted under the 2012 Share Option Scheme up to 31 December 2018.

32. 購股權計劃 (續)

承授人接納獲授之購股權時須支付代價1港元。購股權可由接納該等購股權建議日期起至該購股權失效日期及購股權建議日期起滿十年當日(以較早者為準)止期間行使。行使價由本公司董事釐定,並將不低於購股權授出日期股份於聯交所之收市價、及緊接購股權授出日期前五個交易日股份之平均收市價之較高者。

自採納以上計劃以來,截至二零一八年十二月三十一日概無根據二零一二年購股權計劃授出任何購股權。

33. RETIREMENT BENEFITS SCHEMES

The Group participates in the Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The retirement benefits scheme contributions charged to profit or loss represent contributions payable to the MPF schemes by the Group at specified rates.

The employees of one of the Group’s subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

During the year ended 31 December 2018, the retirement benefits scheme contributions were approximately HK\$406,000 (2017: HK\$490,000).

33. 退休福利計劃

本集團於二零零零年十二月參與根據強制性公積金條例設立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有,交由信託人控制。

於損益扣除之退休福利計劃供款乃本集團按指定之供款率向強積金計劃支付之供款。

本集團於中國內地營運之附屬公司所聘之僱員,須參與由當地市政府營辦之中央退休金計劃。有關供款於根據中央退休金計劃規則成為應付時於損益表扣除。

於截至二零一八年十二月三十一日止年度,退休福利計劃之供款約為406,000港元(二零一七年: 490,000港元)。



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34. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The share premium of the Group represents the amount subscribed for share capital in excess of nominal value.

The investment revaluation reserve represents the cumulative gains/losses arising on recognising financial assets classified as available-for-sale investments at fair value.

The convertible bonds reserve represents the equity components of the convertible bonds issued. The convertible bonds issued are split into liability and equity components at initial recognition at the fair values of the convertible bonds.

34. 儲備

本集團於本年度及過往年度之儲備及變動金額列示於綜合權益變動表。

本集團之股份溢價指所認購股本超出面值之金額。

投資重估儲備指確認分類為按公平值計量之可供出售投資時產生之累計收益／虧損。

可換股債券儲備指已發行可換取債券的權益部分。已發行可換取債券於初始確認時按可換股債券之公平值分為負債及權益部分。

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35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

35. 擁有重大非控股權益之控股附屬公司

有關擁有重大非控股權益之本集團附屬公司詳情載列如下：

		2018 二零一八年	2017 二零一七年
Percentage of equity interest held by non-controlling interests:	非控股權益持有之股權百分比：		
Jimei Entertainment Cambodia Development Limited	Jimei Entertainment Cambodia Development Limited	49%	49%
Marshall Holding, LLC	Marshall Holding, LLC	49%	49%
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit/(loss) for the year allocated to non-controlling interests:	年內分配予非控股權益之溢利／（虧損）：		
Jimei Entertainment Cambodia Development Limited	Jimei Entertainment Cambodia Development Limited	477	(2,780)
Marshall Holding, LLC	Marshall Holding, LLC	(4,278)	(99)
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accumulated balances of non-controlling interests:	非控股權益之累計結餘：		
Jimei Entertainment Cambodia Development Limited	Jimei Entertainment Cambodia Development Limited	(45,897)	(46,374)
Marshall Holding, LLC	Marshall Holding, LLC	(71)	4,207

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35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

35. 擁有重大非控股權益之控股附屬公司 (續)

下表列示乃上述附屬公司之財務資料概述，所披露金額乃任何公司間抵銷前之金額：

2018	二零一八年	Jimei Entertainment Cambodia Development Limited HK\$'000 千港元	Marshall Holding, LLC HK\$'000 千港元
Total other income	其他收入總額	974	10,439
Total expenses	開支總額	—	(19,188)
Gain/(Loss) for the year and total comprehensive income for the year	年內收益／（虧損）及 年內全面收益總額	974	(8,749)
Current assets	流動資產	2,509	5,981
Non-current assets	非流動資產	—	—
Current liabilities	流動負債	(96,175)	(6,224)
Non-current liabilities	非流動負債	—	—
Net cash flows from operating activities	經營業務之現金流量淨額	—	5,644
Net cash flows from investing activities	投資業務之現金流量淨額	—	—
Net cash flows used in financing activities	用於融資業務之現金流量淨額	—	(4,857)
Net increase in cash and cash equivalents	現金及現金等值項目 增加淨額	—	787

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35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON- CONTROLLING INTERESTS (continued)

35. 擁有重大非控股權益之控股附屬 公司 (續)

2017	二零一七年	Jimei Entertainment Cambodia Development Limited HK\$'000 千港元	Marshall Holding, LLC HK\$'000 千港元
Revenue	收益	1,743	—
Total expenses	開支總額	(7,416)	(202)
Loss for the year and total comprehensive income for the year	年內虧損及年內全面收益總額	(5,673)	(202)
Current assets	流動資產	13,206	46,706
Non-current assets	非流動資產	—	—
Current liabilities	流動負債	(107,847)	(36,582)
Non-current liabilities	非流動負債	—	—
Net cash flows from operating activities	經營業務之現金流量淨額	2,216	1
Net cash flows from investing activities	投資業務之現金流量淨額	—	—
Net cash flows used in financing activities	用於融資業務之現金流量淨額	(3,279)	—
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額	(1,063)	1

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36. BUSINESS COMBINATION

On 13 December 2017, the Group completed the acquisition of entire equity interest of the Starlight Legend Group from the then controlling shareholder and also a director of the Company with effect from April 2017 at an aggregate consideration of HK\$161,015,000.

The principal activities of the Starlight Legend Group are set out in Note 1 to the consolidated financial statements.

The fair values of net assets acquired at the date of acquisition are as follows:

36. 業務合併

於二零一七年十二月十三日，本集團完成向本公司當時的控股股東兼董事（自二零一七年四月起生效）收購Starlight Legend集團之全部股權，總代價為161,015,000港元。

Starlight Legend集團之主要業務載於綜合財務報表附註1。

於收購日期所收購淨資產的公平值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	327
Film product (note a)	電影產品（附註a）	16,855
Prepayments, deposits and other receivables (note b)	預付款項、按金及其他應收款項（附註b）	58,637
Bank and cash balances	銀行及現金結餘	5,556
Other payables	其他應付款項	(8,306)
Bank loan	銀行貸款	(4,844)
Total identifiable net assets at provisional fair value	按暫定公平值計量的可識別淨資產總額	68,225
Non-controlling interests (note c)	非控股權益（附註c）	(5,881)
Goodwill arising on acquisition (note 16)	收購所產生之商譽（附註16）	98,671
Total consideration	總代價	161,015
Total consideration satisfied by:	以下列方式清償的總代價：	
Ordinary shares (note d)	普通股（附註d）	64,680
Promissory note (note 28)	承兌票據（附註28）	94,772
Contingent consideration payable (note 30)	應付或然代價（附註30）	1,563
		161,015

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36. BUSINESS COMBINATION (continued)

- (a) The film product represented a motion picture held by one of the subsidiaries of the Starlight Legend Group.
- (b) The amount contained prepayment to film directors and prepayment to film/television series production in course of production of entertainment content including films and drama series.
- (c) The amount represented the non-controlling interest in the subsidiaries of the Starlight Legend Group as at the acquisition date.
- (d) The amount represented issue of 21,000,000 ordinary shares at HK\$3.08 per share, which is the market value as at the date of acquisition, with a total share consideration of approximately HK\$64,680,000.

Since acquisition, the Starlight Legend Group had no revenue and made a loss of HK\$627,839 to the Group during 2017. If the acquisition of Starlight Legend Group effected during 2017 had been taken place at the beginning of 2017, the revenue and loss of the Group of 2017 would have been HK\$39,958,000 and HK\$330,672,000 respectively.

The Group has selected to measure the non-controlling interests at their proportionate interests in the identifiable assets and liabilities of the Starlight Legend Group.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

36. 業務合併 (續)

- (a) 電影產品指Starlight Legend集團一間附屬公司所持有的電影。
- (b) 該金額包括向電影導演的預付款項及電影及電視劇等娛樂內容製作中預付的電影／電視劇製作款項。
- (c) 該金額為於收購日期Starlight Legend集團附屬公司的非控股權益。
- (d) 該金額為按每股3.08港元（於收購日期之市價）發行21,000,000股普通股，總股份代價約為64,680,000港元。

自收購以來，Starlight Legend集團於二零一七年並無收益及對本集團造成虧損627,839港元。倘於二零一七年收購Starlight Legend集團已於二零一七年初進行，本集團於二零一七年的收益及虧損將分別為39,958,000港元及330,672,000港元。

本集團已選擇按照於Starlight Legend集團可識別資產及負債的權益比例計量非控股權益。

有關收購一間附屬公司之現金流量分析如下：

		HK\$'000 千港元
Bank and cash balances acquired	所收購現金及銀行結餘	5,556
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資業務之現金流量之現金及現金等值項目流入淨額	5,556

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37. DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of Jimei Entertainment Overseas Development Ltd., Sino Green Energy International Co., Ltd. and their subsidiaries Ostar International Entertainment Pty Ltd. and 霍爾果斯星河信息諮詢有限公司.

37. 出售附屬公司

年內，本集團已出售Jimei Entertainment Overseas Development Ltd.、中國綠能實業有限公司及彼等的附屬公司Ostar International Entertainment Pty Ltd.及霍爾果斯星河信息諮詢有限公司。

		2018 二零一八年 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Cash and bank balances	現金及銀行結餘	692
Trade payables	貿易應付款項	(296)
Other payable and accruals	其他應付款項及應計費用	(410)
Loans from non-controlling shareholders of subsidiaries	來自附屬公司非控股股東的貸款	(1,951)
Non-controlling interests	非控股權益	1,294
		(671)
Exchange fluctuation reserve	匯兌波動儲備	2,194
		1,523
Loss on disposal of a subsidiary	出售一間附屬公司的虧損	(722)
		801
Satisfied by:	按以下結算：	
Cash	現金	801

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiaries is as follows:

有關出售附屬公司的現金及現金等價項目淨流入的分析載於下文：

		2018 二零一八年 HK\$'000 千港元
Cash consideration	現金代價	801
Cash and bank balances disposed of	已出售的現金及銀行結餘	(692)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司之現金及現金等價項目淨流入	109

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38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

During the year, the redemption of the Tranche 2 Convertible Bonds with carrying amount of HK\$17,000,000 was settled by issuance of promissory note (2017: Nil).

(b) Changes in liabilities arising from financing activities

2018

38. 綜合現金流量表附註

(a) 主要非現金交易

年內，贖回賬面值為17,000,000港元的第二批可換股債券已以發行承兌票據方式結算（二零一七年：無）。

(b) 融資活動所產生負債變動

二零一八年

		Bank and other borrowings 銀行及其他借貸 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	12,799	256,562
Changes from financing cash flows	融資現金流量變動	259,321	(58,285)
Redemption of convertible bonds by issuance of a promissory note	以發行承兌票據贖回可換股債券	-	(17,000)
Interest expense	利息開支	-	85,544
Foreign exchange movement	匯兌變動	-	-
At 31 December 2018	於二零一八年十二月三十一日	272,120	266,821

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38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

(b) Changes in liabilities arising from financing activities (continued)

2017

38. 綜合現金流量表附註 (續)

(b) 融資活動所產生負債變動 (續)

二零一七年

		Bank and other borrowings 銀行及 其他借貸 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	12,220	257,585
Changes from financing cash flows	融資現金流量變動：	(6,221)	(25,200)
Equity component of convertible bonds	可換股債券之權益部分	—	(52,738)
Interest expense	利息開支	—	76,915
Increase arising from acquisition of subsidiaries	收購附屬公司增加	6,800	—
Foreign exchange movement	匯兌變動	—	—
At 31 December 2017	於二零一七年 十二月三十一日	12,799	256,562

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39. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from three to six years, and those for office equipment are for terms ranging between two and five years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

39. 經營租賃安排

作為承租人

本集團根據經營租賃安排租賃其若干辦公物業及辦公設備。物業租賃之協商租期介乎三至六年，而該等辦公設備之租期介乎兩至五年。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租約之未來最低應付租賃款項總額介乎以下範圍：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	3,808	3,594
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	7,422	4,906
After five years	五年後	109	—
		11,339	8,500

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40. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in note 39 above, the Group had the following capital commitments at the end of the reporting period:

40. 資本承擔

除經營租賃承擔詳列於上文附註39外，本集團於報告期末有以下之資本承擔：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contracted, but not provided for:	已訂約，但未撥備：		
Film prepayments	電影預付款項	85,364	160,970

41. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

41. 關聯方交易

年內，除財務報表所述其他交易外，本集團與關聯方的交易如下：

(i) Particulars of rental expenses paid to a related party

(i) 已付一名關聯人士之租金開支詳情

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
A related company – controlled by a director of the Company	一間關聯公司—由本公司一名董事控制	—	425

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41. RELATED PARTY TRANSACTIONS

(continued)

(ii) Compensation of key management personnel of the Group:

The remuneration of the key management of the Group during the year was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term employee benefits	短期福利	9,647	9,508
Retirement benefits scheme contributions	退休福利計劃供款	26	26
		9,673	9,534

The remuneration of directors and other members of key management is determined by the board of directors having regard to the performance of individual and market trends.

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

(iii) Acquisition of the United States companies in 2017

During the year ended 31 December 2017, the Group acquired the entire equity interest of Starlight Legend Group from the then a controlling shareholder at an aggregate consideration of HK\$161,015,000, details of the acquisition is set out in note 36.

(iv) Amount due from a director

41. 關聯方交易 (續)

(ii) 本集團主要管理人員薪酬：

年內本集團主要管理人員薪酬如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short term employee benefits	9,647	9,508
Retirement benefits scheme contributions	26	26
	9,673	9,534

董事及其他主要管理層成員之薪酬由董事會經參考個人表現及市場趨勢釐定。

有關董事及主要管理層薪酬之進一步詳情載於財務報表附註8。

(iii) 於二零一七年收購美國公司

於截至二零一七年十二月三十一日止年度，本集團以總代價161,015,000港元向當時的控股股東收購Starlight Legend集團的全部股權，收購詳情載於附註36。

(iv) 應收董事款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amount due from a director	應收董事款項		
– Luo Lei (note 18)	– 羅雷 (附註18)	78	39

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41. RELATED PARTY TRANSACTIONS

(continued)

(v) Particulars of utilities expenses paid to a related party

41. 關聯方交易 (續)

(v) 已付一名關聯方的公用事業開支詳情

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
A related company – controlled by the directors or their close family members	一名關聯方 – 由董事或 其近親家屬控制	–	18

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as the end of the reporting period as follows:

As at 31 December 2018

42. 按類別劃分的金融工具

於報告期末，金融工具各項分類的賬面值如下：

於二零一八年十二月三十一日

Financial assets	金融資產	Financial assets at amortised cost 按攤銷成本 計量之金融資產 HK\$'000 千港元
Trade receivables	貿易應收款項	698
Contract assets	合約資產	54,850
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產之金融資產	69,413
Cash and cash equivalents	現金及現金等值項目	26,907
		151,868

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42. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

42. 按類別劃分的金融工具 (續)

Financial liabilities	金融負債	Financial liabilities at amortised cost 按攤銷成本計量之金融負債 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	272,120
Promissory note	承兌票據	17,000
Convertible bonds	可換股債券	266,821
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	20,900
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	30,848
		607,689

As at 31 December 2017

於二零一七年十二月三十一日

Financial assets	金融資產	Available-for-sale Investments 可供出售投資 HK\$'000 千港元	Loans and receivables 貸款及應收款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments	可供出售投資	9,313	–	9,313
Trade receivables	貿易應收款項	–	6,214	6,214
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產之金融資產	–	55,025	55,025
Cash and cash equivalents	現金及現金等值項目	–	96,647	96,647
		9,313	157,886	167,199

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42. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2017 (continued)

42. 按類別劃分的金融工具 (續)

於二零一七年十二月三十一日 (續)

Financial liabilities	金融負債	Financial liabilities at fair value through profit or loss 透過損益以公平值列賬的金融負債		
		Designated as such upon initial recognition 於初始確認時指定 HK\$'000 千港元	Financial liabilities at amortised cost 按攤銷成本計量的金融負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	36,153	–	36,153
Contingent consideration payable	應付或然代價	1,563	–	1,563
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	12,799	12,799
Promissory note	承兌票據	–	95,226	95,226
Convertible bonds	可換股債券	–	256,562	256,562
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	–	22,985	22,985
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	–	26,672	26,672
		37,716	414,244	451,960

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

43. 金融工具的公平值及公平值層級

本集團金融工具（賬面值與公平值合理相若者除外）的賬面值及公平值如下：

		Carrying amounts 賬面值		Fair values 公平值	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產：				
Available-for-sale investments	可供出售投資	–	9,313	–	9,313
Financial liabilities	金融負債				
Convertible bonds	可換股債券	266,821	256,562	255,000	280,000
Interest-bearing bank and other borrowings	計息銀行及其他借貸	272,120	12,799	272,640	12,799
Contingent consideration payable	應付或然代價	–	1,563	–	1,563
Promissory note	承兌票據	17,000	95,226	17,000	95,226
Derivative financial instrument	衍生金融負債	–	36,153	–	36,153
Non-current other payables	非流動其他應付款項	1,552	–	1,381	–
		557,493	402,303	546,021	425,741

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in trade payables, other payables and accruals, amounts due to non-controlling shareholders of subsidiaries, and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

管理層已評估現金及現金等值項目、貿易應收款項、計入預付款項、其他應收款項及其他資產之金融資產、計入貿易應付款項、其他應付款項及應計費用之金融負債、應付附屬公司非控股股東款項、計息銀行及其他借貸之公平值與賬面值相若，主要由於該等工具均於短期內到期。



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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2018 was assessed to be insignificant. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices.

43. 金融工具的公平值及公平值層級 (續)

本集團由財務經理領導的財務部負責制定金融工具公平值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部門分析金融工具價值的變動情況，並釐定估值所用的主要輸入數據。估值由財務總監審核並批准。估值過程及結果由審核委員會每年進行兩次討論，以作中期及年度財務申報。

金融資產及負債之公允值按該工具於自願雙方當前交易（非被迫或清算性出售）中可交換之金額列賬。估計公平值時採用以下方法及假設：

計息銀行及其他借貸之非即期部分的公平值乃按適用於具有類似條款、信貸風險及剩餘年期的工具的現行利率貼現預期未來現金流量計算。本集團於二零一八年十二月三十一日的計息銀行及其他借貸的不履約風險評估為並不重大。經考慮本集團的不履約風險，可換股債券負債部分的公平值按類似可換股債券的同等市場利率折現預期未來現金流量估算。

上市股本投資之公平值按所報市價得出。

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group recognised the fair value of contingent consideration payable for the business acquisition, as at the acquisition date as part of the consideration transferred in exchange for the acquired business. As at 31 December 2018, the fair value of the contingent consideration payable is determined using the discounted cash flows model. The fair value measurement requires, among other things, significant estimation of post-acquisition performance of the acquired business and significant judgement on time value of money. The significant unobservable input used in the fair value measurement is the estimated cash inflow and the growth rates of the acquired business. The fair value measurement is positively correlated to the estimated cash inflow and the growth rates. A significant increase in the estimated cash inflow and the growth rates would result in a significant increase in the fair value of the contingent consideration payable. A significant decrease in estimated cash inflow and the growth rates would result in a significant decrease in the fair value of the contingent consideration payable.

As at 31 December 2017, the fair value of contingent consideration payable was determined using monte carlo simulation valuation method and the significant unobservable input used in the fair value measurement was the expected revenue drift rate. It was estimated that while all other variables held constant, a significant increase in the expected revenue drift rate would result in a significant increase in the fair value of the contingent consideration payable. A significant decrease in expected revenue drift rate would result in a significant decrease in the fair value of the contingent consideration payable.

43. 金融工具的公平值及公平值層級 (續)

本集團將業務收購的應付或然代價於收購日期的公平值確認為用於交換已收購業務的轉讓代價的一部分。於二零一八年十二月三十一日，應付或然代價的公平值採用貼現現金流量模型確定。公平值計量需要（其中包括）對被收購業務於收購後的表現作出重大估計及對貨幣時間價值作出重大判斷。公平值計量中使用的重大不可觀察輸入數據為已收購業務的估計現金流入及增長率。公平值計量與估計現金流入及增長率正相關。估計現金流入及增長率大幅增加將導致應付或然代價的公平值大幅增加。估計現金流入及增長率大幅減少將導致應付或然代價之公平值大幅減少。

於二零一七年十二月三十一日，應付或然代價之公平值乃採用蒙地卡羅模擬估值法釐定，而公平值計量中採用之重大不可觀察輸入值為預期收益偏移率。據估計，倘所有其他可變因素維持不變，預期收益偏移率大幅增加將導致應付或然代價的公平值大幅增加。預期收益偏移率大幅減少將導致應付或然代價的公平值大幅減少。



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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The fair value of the promissory note is based on the valuation of the Starlight Legend Group as of 31 December 2018. The valuation of the Starlight Legend Group was calculated based on the discounted cash flows method and the key assumptions included discount rates, growth rates, forecast revenue and gross margins. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development. A significant increase in the estimated cash inflow and the growth rates in isolation would result in a significant increase in the fair value of the promissory note. A significant decrease in discount rates in isolation would result in a significant increase in the fair value of the promissory note.

The fair value of derivative financial instrument as of 31 December 2018 and 2017 is determined using binomial option pricing model and the significant unobservable input used in the fair value measurement is the expected volatility. The fair value measurement is positively correlated to the expected volatility. A significant increase in the expected volatility would result in a significant increase in the fair value of the derivative financial instrument. A significant decrease in expected volatility would result in a significant decrease in the fair value of the derivative financial instrument.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

43. 金融工具的公平值及公平值層級 (續)

承兌票據的公平值乃基於Starlight Legend集團截至二零一八年十二月三十一日止之估值而定。Starlight Legend集團之估值乃根據貼現現金流法及包括貼現率、增長率、預測收益及毛利率等主要假設計算。該估計乃根據相同導演及主要演員的過往票房，相同主題電影的市場比較數據以及管理層對市場發展的預期作出。僅估計現金流量及增長率的大幅增加將導致承兌票據的公平值大幅增加。僅貼現率的大幅減少將導致承兌票據的公平值大幅增加。

衍生金融工具截至二零一八年及二零一七年十二月三十一日的公平值乃使用二項式期權定價模型釐定，而公平值計量所使用的重大不可觀測輸入數據乃為預期波幅。公平值計量與預期波幅有正相關關係。預期波幅大幅增加將導致衍生金融工具的公平值大幅增加。預期波幅大幅減少將導致衍生金融工具的公平值大幅減少。

缺乏可銷性折讓為本集團所釐定市場參與者在為投資定價時會考慮的溢價及折讓金額。

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2017

43. 金融工具的公平值及公平值層級 (續)

公平值層級

下表列示本集團金融工具之公平值計量層級：

按公平值計量之資產：

於二零一七年十二月三十一日

Fair value measurement using
使用以下各項所作之公平值計量

		Quoted prices in active markets (Level 1) 於活躍 市場報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments	可供出售投資	9,313	–	–	9,313
		9,313	–	–	9,313

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 31 December 2017

43. 金融工具的公平值及公平值層級 (續)

公平值層級 (續)

按公平值計量之負債：

於二零一七年十二月三十一日

Fair value measurement using
使用以下各項所作之公平值計量

		Quoted prices in active markets (Level 1) 於活躍 市場報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Contingent consideration payable	應付或然代價	-	-	1,563	1,563
Derivative financial instruments	衍生金融工具	-	-	36,153	36,153
		-	-	37,716	37,716

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

於年內，第一級與第二級之間公平值計量並無轉撥，亦無金融資產及金融負債轉入或轉出第三級的情況（二零一七年：無）。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise available-for-sale investments, convertible bonds, promissory note, interest-bearing bank and other borrowings, derivative financial liabilities and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, price risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's fair value interest-rate risk mainly arises from interest-bearing bank and other borrowings. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The Group's fair value interest-rate risk mainly arises from interest-bearing bank and other borrowings, convertible bonds, and promissory note. Interest-bearing bank and other borrowings, convertible bonds, and promissory note were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no cash flow interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

44. 財務風險管理目標及政策

本集團的主要財務工具包括可供出售投資、可換股債券、承兌票據、計息銀行及其他借貸、衍生金融負債以及現金及現金等值項目。該等金融工具的主要目的乃為本集團的經營籌集資金。本集團擁有各類其他金融資產及負債，如直接來自業務經營的貿易應收款項及貿易應付款項。

來自本集團金融工具的主要風險為利率風險、價格風險、外幣風險、信貸風險及流動性風險。董事會審閱並同意管理各類風險的政策，有關政策概述於下文。

利率風險

本集團的公平值利率風險主要來自計息銀行及其他借貸。本集團並無使用任何金融工具對沖潛在利率波動。

本集團之公平值計息風險主要由計息銀行及其他借貸、可換股債券及承兌票據產生。計息銀行及其他借貸、可換股債券及承兌票據乃按令本集團面臨公平值利率風險的固定利率予以發行。本集團並無現金流利率風險，原因為概無承擔浮動利率的借貸存在。本集團並未使用任何金融工具對沖潛在利率波動。

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財務報表附註

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

44. 財務風險管理目標及政策 (續)

利率風險 (續)

下表載列對利率合理可能出現變動之敏感度：

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in loss after tax 稅後虧損 增加／(減少) HK\$'000 千港元
2018	二零一八年		
United States dollar	美元	100	2
Hong Kong dollar	港元	100	56
United States dollar	美元	(100)	(2)
Hong Kong dollar	港元	(100)	(56)
2017	二零一七年		
United States dollar	美元	100	1
Hong Kong dollar	港元	100	669
United States dollar	美元	(100)	(1)
Hong Kong dollar	港元	(100)	(669)

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Price risk

Price risk is the risk that the fair values of equity investments decrease or increase as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to price risk arising from individual investments classified as financial assets available-for-sale investment (note 15) as at 31 December 2017. As at 31 December 2018, all the equity investments had been disposed and no such price risk existed.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 100% (2017:100%) of the Group's sales were denominated in currencies other than the functional currencies.

44. 財務風險管理目標及政策 (續)

價格風險

價格風險指因股本指數水平及個別證券價值變動而導致股權投資的公平值減少或增加。本集團於二零一七年十二月三十一日面臨的價格風險來自分類為可供出售投資(附註15)的金融資產的個別投資。於二零一八年十二月三十一日，所有的股權投資均已處置且概無價格風險存在。

外幣風險

本集團要面對交易貨幣風險。該等風險乃因為經營單位以單位之功能貨幣以外之貨幣進行買賣而產生。本集團約100%(二零一七年：100%)的銷售是以功能貨幣以外的貨幣計值。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB, USD and AUD exchange rate, with all other variables held constant, of the Group's loss after tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

44. 財務風險管理目標及政策 (續)

外幣風險 (續)

下表載列在所有其他變數維持不變之情況下，本集團除稅後虧損（因貨幣資產及負債公平值變動所致）及本集團之權益對於報告期間結束時人民幣、美元及澳元匯率之合理可能變動之敏感度。

		Increase/ (decrease) in USD/RMB/AUD rate% 美元／人民幣／ 澳元增加／（減少） 比率%	Increase/ (decrease) in loss after tax 除稅後虧損 增加／（減少） HK\$'000 千港元
2018	二零一八年		
If the Hong Kong dollar weakens against the USD	倘港元兌美元貶值	1	210
If the Hong Kong dollar strengthens against the USD	倘港元兌美元升值	(1)	(210)
If the Hong Kong dollar weakens against the RMB	倘港元兌人民幣貶值	1	(478)
If the Hong Kong dollar strengthens against the RMB	倘港元兌人民幣升值	(1)	478
2017	二零一七年		
If the Hong Kong dollar weakens against the AUD	倘港元兌澳元貶值	1	(139)
If the Hong Kong dollar strengthens against the AUD	倘港元兌澳元升值	(1)	139
If the Hong Kong dollar weakens against the RMB	倘港元兌人民幣貶值	1	(93)
If the Hong Kong dollar strengthens against the RMB	倘港元兌人民幣升值	(1)	93

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財務報表附註

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

		12-month ECLs 12個月預期 信貸虧損	Lifetime ECLs 存續期間預期信貸虧損			
		Stage1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Simplified approach 簡化方法 HK\$'000 千港元	HK\$'000 千港元
Contract assets*	合約資產*	-	-	-	55,404	55,404
Trade receivables*	貿易應收賬款*	-	-	-	7,331	7,331
Cash and cash equivalents	現金及現金等值 項目					
- Not yet past due	- 尚未逾期	26,907	-	-	-	26,907
Financial assets included in prepayments, other receivables and other assets	計入預付款項及其 他應收款項的金 融資產					
- Normal**	- 正常**	67,574	-	-	-	67,574
- Doubtful**	- 可疑**	-	-	136,434	-	136,434
		94,481	-	136,434	62,735	293,650

44. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與經認可及信譽良好的第三方交易。本集團政策規定所有擬用信貸期交易的客戶須進行信用審計程序。此外，本集團會持續監察應收款項結餘，因此本集團承受的壞賬風險並不重大。

於二零一八年十二月三十一日的最大風險敞口及年末所處階段

下表顯示於二零一八年十二月三十一日的信貸質素及基於本集團信貸政策的最大信貸風險敞口，主要基於過往逾期資料（除非有其他無需不必要的成本或努力可獲得的資料）以及年末所處的階段分類評估。所呈列的金額為該等金融資產的賬面總值且承擔信貸風險。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

- * For trade receivables and contract assets which the Group applies simplified approach lifetime ECL, information based on the provision matrix is disclosed in notes 17 and 19 the financial statements, respectively.
- ** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, other receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 17 to the financial statements.

44. 財務風險管理目標及政策 (續)

信貸風險 (續)

- * 就本集團應用簡化方法存續期間預期信貸虧損的貿易應收賬款及合約資產而言，基於撥備矩陣的資料分別於財務報表附註17及19中披露。
- ** 當計入預付款項、其他應收款項及其他資產的金融資產尚未逾期且概無資料顯示該等金融資產自初步確認後有信貸風險顯著增加的跡象，則該等金融資產的信貸質素被視為「正常」。否則，該等金融資產的信貸質素被視為「可疑」。

於二零一七年十二月三十一日的最大風險敞口

本集團之其他金融資產（包括現金及現金等值項目、其他應收款項及若干衍生工具等金融資產）的信貸風險來自對手方違約，最高風險相等於該等工具的賬面值。

由於本集團僅與經認可及信譽良好的第三方交易，所以毋須提供抵押品。信貸風險的集中度是按客戶／對方及地區以及行業類別來管理。由於本集團貿易應收賬款的客戶群廣泛分佈於不同地區及行業，本集團並無重大信貸風險集中。

有關本集團面臨貿易應收賬款引起的信貸風險的進一步量化數據於財務報表附註17中披露。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed facilities from banks to meet its commitments over the foreseeable future in accordance with its strategic plan.

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

44. 財務風險管理目標及政策 (續)

流動資金風險

本集團之政策為透過充裕之銀行承諾信貸融資之金額，保持足夠的現金及現金等值項目或具備足夠資金，以根據其策略計劃在可預見未來履行其承諾。

本集團內個別經營實體負責其本身的現金管理，包括將現金盈餘作短期投資，以及借入貸款以滿足預期現金需求，惟倘借貸超過若干預定授權水準，則須獲得母公司董事會批准。

本集團採取之政策為定期監控現時及預期流動資金需求，確保維持充裕現金儲備，以滿足其短期及較長期流動資金需求。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

44. 財務風險管理目標及政策 (續)

流動資金風險 (續)

根據合約未貼現付款，本集團於報告期末之金融負債到期情況為如下：

		Less than 1 year 少於一年 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	Total 總額 HK\$'000 千港元
2018	二零一八年			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	165,282	126,092	291,374
Trade and other payables	貿易及其他應付款項	29,296	1,552	30,848
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	20,900	—	20,900
Convertible bonds	可轉換債券	279,277	—	279,277
Promissory note	承兌票據	17,545	—	17,545
		512,300	127,644	639,944
2017	二零一七年			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	13,060	—	13,060
Trade and other payables	應付貿易款項及其他應付款項	26,672	—	26,672
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	22,985	—	22,985
Convertible bonds	可轉換債券	340,200	—	340,200
Promissory note	承兌票據	100,500	—	100,500
		503,417	—	503,417

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group made no change to its capital structure between 2018 and 2017.

Net debt includes interest-bearing bank and other borrowings, convertible bonds, promissory note, amounts due to non-controlling shareholders of subsidiaries, trade payables and other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

44. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理之首要目標為確保本集團具備持續經營之能力，且維持穩健之資本比率，以支持其業務運作及儘量增大股東價值。

本集團根據經濟情況之變動及相關資產之風險特質管理其資本結構並作出調整。於二零一八年及二零一七年期間，本集團的資本結構沒有發生變化。

債務淨值包括計息銀行及其他借貸、可轉換債券、承兌票據、應付附屬公司非控股股東款項、應付貿易賬款及其他應付款項及應計費用減現金及現金等值項目。資本包括母公司擁有人應佔權益。於各報告期末的資本負債比率如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	272,120	12,799
Convertible bonds	可轉換債券	266,821	256,562
Promissory note	承兌票據	17,000	95,226
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	20,900	22,985
Trade payables	應付貿易賬款	3,219	3,177
Other payables and accruals	其他應付款項及應計費用	26,077	23,495
Less: Cash and cash equivalents	減：現金及現金等值項目	(26,907)	(96,647)
Net debt	淨負債	579,230	317,597
Equity attributable to owners of the parent	母公司擁有人應佔權益	(117,290)	(68,990)
Capital and net debt	資本和淨負債	461,940	248,607
Gearing ratio	資本負債比率	125%	128%

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45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

45. 本公司財務狀況表

截至報告期末，有關本公司之財務狀況表之資料如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	123	162
Available-for-sale investments	可供出售投資	–	9,313
Investments in subsidiaries	於附屬公司之投資	58,736	161,015
Total non-current assets	非流動資產總值	58,859	170,490
CURRENT ASSETS	流動資產		
Other receivables	其他應收款項	35,554	15,692
Amounts due from subsidiaries	應收附屬公司款項	16,027	50,311
Cash and bank balances	現金及銀行結餘	3,247	66,189
Total current assets	流動資產總額	54,828	132,192
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	2,449	1,346
Promissory note	承兌票據	17,000	95,226
Derivative financial liabilities	衍生金融負債	–	36,153
Amounts due to subsidiaries	應付附屬公司款項	–	50,881
Convertible bonds	可換股債券	266,821	256,562
Total current liabilities	流動負債總額	286,270	440,168
NET CURRENT LIABILITIES	淨流動負債	(231,442)	(307,976)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	(172,583)	(137,486)
NON-CURRENT LIABILITIES	非流動負債		
Contingent consideration payable	應付或然代價	–	1,563
Total non-current liabilities	非流動負債總額	–	1,563
Net liabilities	負債淨額	(172,583)	(139,049)
Deficiency in assets	資產虧絀		
Share capital	股本	67,356	67,356
Reserves	儲備	(239,939)	(206,405)
Total deficiency in assets	資產虧絀總額	(172,583)	(139,049)

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45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

Note:

A summary of the Company's reserves is as follows:

45. 本公司財務狀況表 (續)

附註：

本公司的儲備概述如下：

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 股本贖回 儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估 儲備 HK\$'000 千港元	Convertible bonds reserve 可換股 債券儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年一月一日 結餘	76,385	1,564	(1,304)	20,427	(81,923)	15,149
Loss for the year	年內虧損	-	-	-	-	(324,080)	(324,080)
Other comprehensive income for the year:	年內其他全面收益：						
Increase in fair value of available-for-sale investments	可供出售投資 公平值增加	-	-	1,108	-	-	1,108
Release of investment revaluation reserve to profit or loss for impairment loss on available-for-sale investments	因可供出售投資減值 虧損將投資重估 儲備轉撥至損益	-	-	2,000	-	-	2,000
Total comprehensive income for the year	年內全面收益總額	-	-	3,108	-	(324,080)	(320,972)
Share issued upon conversion of convertible bonds	於可換股債券轉換時發行 股份	57,265	-	-	(20,427)	-	36,838
Share issued upon completion of acquisition of subsidiaries	於收購附屬公司完成時發 行股份	62,580	-	-	-	-	62,580
At 31 December 2017	於二零一七年 十二月三十一日	196,230	1,564	1,804	-	(406,003)	(206,405)
Effect of adoption of HKFRS 9	採納香港財務報告準則第 9號之影響	-	-	(1,804)	-	1,804	-
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	196,230	1,564	-	-	(404,199)	(206,405)
Loss and total comprehensive loss for the year	年內虧損及 全面虧損總額	-	-	-	-	(33,534)	(33,534)
At 31 December 2018	於二零一八年 十二月三十一日	196,230	1,564	-	-	(437,733)	(239,939)



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31 December 2018 二零一八年十二月三十一日

46. EVENTS AFTER THE REPORTING PERIOD

The Group has obtained new long-term borrowings of HK\$11.4 million in February 2019, and the Group has received HK\$365.4 million from a holding company in late April 2019 as a long-term borrowing which is matured in 2022.

The Group management signed the extension agreements with the lenders regarding HK\$130.9 million borrowings in April 2019 to extend the due date to December 2020.

In April 2019, the Company entered into several subscription agreements with three subscribers, pursuant to which each of the subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the bonds with conditional conversion rights. The aggregate principal amount of the bonds is HK\$180.0 million which may be converted into 72 million shares at an exercise price of HK\$2.5 and is matured in 2022.

47. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 April 2019.

46. 報告期間後事件

本集團於二零一九年二月獲得新的長期借貸11,400,000港元，且本集團於二零一九年四月底從一間控股公司取得365,400,000港元長期借貸（於二零二二年到期）。

本集團管理層於二零一九年四月就借貸130,900,000港元與放債人簽訂延期協議以將到期日延遲至二零二零年十二月。

於二零一九年四月，本公司與三名認購人訂立若干認購協議，據此，各認購人已有條件同意認購，而本公司已有條件同意發行附帶有條件轉換權之債券。債券本金總額為180,000,000港元，可按行使價2.5港元轉換為72,000,000股股份，並於二零二二年到期。

47. 批准綜合財務報表

本綜合財務報表乃經董事會於二零一九年四月三十日批准及授權刊發。

Financial Summary

財務總表

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue (including continuing and discontinued operations)	收益 (包括持續及終止經營業務)	52,165	194,857	195,562	39,958	73,485
Profit (loss) before taxation	除稅前溢利 (虧損)	(17,736)	(23,026)	(50,563)	(297,979)	(55,518)
Income tax (expense) credit	所得稅 (開支) 抵免	–	(961)	(331)	–	–
Profit (loss) for the year attributable to owners of the Company	年度溢利 (虧損) 本公司擁有人應佔	(17,736)	(23,987)	(50,894)	(297,979)	(55,518)
Profit (loss) attributable to non-controlling interests	非控股權益應佔	(17,736)	8,734	(39,766)	(294,439)	(49,606)
		–	(32,721)	(11,128)	(3,540)	(5,912)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	總資產	191,258	553,785	381,652	342,432	446,453
Total liabilities	總負債	(46,560)	(435,537)	(317,147)	(452,877)	(609,805)
		144,698	118,248	64,505	(110,445)	(163,352)
Equity attributable to owners of the Company	權益 本公司擁有人應佔	144,698	150,930	108,370	(68,990)	(117,290)
Equity attributable to non-controlling interests	非控股權益應佔	–	(32,682)	(43,865)	(41,455)	(46,062)
Total	總計	144,698	118,248	64,505	(110,445)	(163,352)

