



TRANSMIT ENTERTAINMENT

TRANSMIT ENTERTAINMENT LIMITED 傳遞娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1326

INTERIM REPORT 中期報告 2019/20

CONTENTS

目錄

- | | |
|----|--|
| 02 | Corporate Information
公司資料 |
| 04 | Report on Review of Condensed Consolidated Financial Statements
簡明綜合財務報表審閱報告 |
| 06 | Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
簡明綜合損益及其他全面收益表 |
| 08 | Condensed Consolidated Statement of Financial Position
簡明綜合財務狀況表 |
| 10 | Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動表 |
| 11 | Condensed Consolidated Statement of Cash Flows
簡明綜合現金流量表 |
| 13 | Notes to the Condensed Consolidated Financial Statements
簡明綜合財務報表附註 |
| 56 | Management Discussion and Analysis
管理層討論及分析 |
| 71 | Other Information
其他資料 |

CORPORATE INFORMATION

公司資料

Board of Directors	Executive Directors Mr. Zhang Liang, Johnson (<i>Chairman</i>) Ms. Zhao Wenzhu (<i>President</i>) Mr. Lee Hin Kwong, Patrick	董事會	執行董事 張量先生(主席) 趙文竹女士(總裁) 李憲光先生
	Independent Non-executive Directors Mr. Wang Bo Mr. Xiang Feng Mr. Chang Eric Jackson		獨立非執行董事 王波先生 向峰先生 張世澤先生
Audit Committee	Mr. Chang Eric Jackson (<i>Chairman</i>) Mr. Wang Bo Mr. Xiang Feng	審核委員會	張世澤先生(主席) 王波先生 向峰先生
Nomination Committee	Mr. Wang Bo (<i>Chairman</i>) Mr. Xiang Feng Mr. Lee Hin Kwong, Patrick	提名委員會	王波先生(主席) 向峰先生 李憲光先生
Remuneration Committee	Mr. Wang Bo (<i>Chairman</i>) Mr. Xiang Feng Mr. Lee Hin Kwong, Patrick	薪酬委員會	王波先生(主席) 向峰先生 李憲光先生
Company Secretary	Ms. Lau Yee Wa	公司秘書	劉綺華女士
Authorised Representatives	Mr. Lee Hin Kwong, Patrick Ms. Lau Yee Wa	授權代表	李憲光先生 劉綺華女士
Registered Office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands	註冊辦事處	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands

CORPORATE INFORMATION

公司資料

Head Office and Principal Place of Business in Hong Kong	Room B, 14/F Neich Tower 128 Gloucester Road Wanchai Hong Kong	香港總部及主要營業地點	香港 灣仔 告士打道128號 祥豐大廈 14樓B室
Website	www.transmit-ent.com	網站	www.transmit-ent.com
Principal Share Registrar and Transfer Office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands	主要股份過戶登記處	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Tricor Investor Services Limited Level 54 Hopewell Centre 183 Queen's Road East Hong Kong	香港股份過戶登記分處	卓佳證券登記有限公司 香港 皇后大道東183號 合和中心 54樓
Principal Banker	Bank of China (Hong Kong) Limited 1 Garden Road, Central Hong Kong	主要往來銀行	中國銀行(香港)有限公司 香港中環 花園道1號
	China Construction Bank (Asia) Corporation Limited 28/F, CCB Tower 3 Connaught Road Central Central, Hong Kong		中國建設銀行(亞洲)股份有限公司 香港中環 干諾道中3號 中國建設銀行大廈28樓
Auditor	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35/F, One Pacific Place 88 Queensway Hong Kong	核數師	德勤•關黃陳方會計師行 執業會計師 香港 金鐘道88號 太古廣場一座35樓
Legal Advisor	Sidley Austin 39/F, Two International Finance Centre Central, Hong Kong	法律顧問	盛德律師事務所 香港中環 國際金融中心二期三十九樓

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

TO THE BOARD OF DIRECTORS OF TRANSMIT ENTERTAINMENT LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Transmit Entertainment Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 55, which comprise the condensed consolidated statement of financial position as of 31 December 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致傳遞娛樂有限公司董事會
(於開曼群島註冊成立的有限公司)

引言

本行已審閱第6至第55頁所載傳遞娛樂有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之簡明綜合財務報表。此簡明綜合財務報表包括於2019年12月31日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表以及若干說明附註。香港聯合交易所有限公司證券上市規則規定，編製中期財務資料之報告必須符合香港會計師公會頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)之有關條文。貴公司董事須負責根據香港會計準則第34號編製及列報該等簡明綜合財務報表。本行之責任是根據本行之審閱對該等簡明綜合財務報表作出結論，並按照吾等雙方所協議之委聘條款，僅向閣下報告對該等簡明綜合財務報表之結論。除此以外，本行之報告不可用作其他用途。本行概不就本報告之內容，對任何其他人士負責或承擔任何責任。

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 February 2020

審閱範圍

本行已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱該等簡明綜合財務報表包括主要向負責財務及會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠小於根據香港核數準則進行審核之範圍，故本行未能保證本行將知悉在審核中可能發現之所有重大事項。因此，本行不會發表審核意見。

結論

按照本行之審閱，本行並無發現任何事項，令本行相信簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港

2020年2月27日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2019 截至2019年12月31日止六個月

Six months ended 31 December

截至12月31日止六個月

		NOTES 附註	2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
Revenue	收益	3	306,633	395,277
Cost of sales	銷售成本		(146,065)	(220,713)
Gross profit	毛利		160,568	174,564
Other gains and losses	其他收益及虧損	4	(580)	17,713
Other income	其他收入	4	7,473	4,738
Selling and distribution expenses	銷售及發行開支		(91,637)	(97,136)
Impairment loss on trade receivables under expected credit loss model	預期信貸虧損模式項下之貿易應收款項減值虧損		(1,998)	–
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損		(2,507)	–
Impairment loss on right-of-use assets	使用權資產的減值虧損		(18,371)	–
Fair value change on contingent consideration payable	應付或然代價的公平值變動		(7,628)	(10,496)
Administrative expenses	行政開支		(30,472)	(27,492)
Net foreign exchange loss	匯兌虧損淨額		(2,732)	(4,302)
Finance costs	融資成本	5	(34,366)	(3,556)
Share of results of associates	應佔聯營公司業績		(855)	646
Share of result of a joint venture	應佔一間合營企業業績		–	(7)
(Loss) profit before tax	除稅前(虧損)溢利		(23,105)	54,672
Income tax credit (expense)	所得稅抵免(開支)	6	3,519	(8,344)
(Loss) profit for the period	期內(虧損)溢利	7	(19,586)	46,328
Other comprehensive (expense) income for the period	期內其他全面(開支)收入			
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>			
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司於出售後重新分類調整		–	165
Reclassification adjustments upon disposal of an associate included in profit or loss	計入損益之一間聯營公司於出售後重新分類調整		(321)	–
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額		(8)	(10)
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額		–	285
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額		(2,593)	5,465
			(2,922)	5,905
Total comprehensive (expense) income for the period	期內全面(開支)收入總額		(22,508)	52,233

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2019 截至2019年12月31日止六個月

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(Loss) profit for the period attributable to:	下列人士應佔期內 (虧損)溢利：		
– Owners of the Company	– 本公司擁有人	(19,586)	46,509
– Non-controlling interests	– 非控股權益	–	(181)
		(19,586)	46,328
Total comprehensive (expense) income for the period attributable to:	下列人士應佔期內全面 (開支)收入總額：		
– Owners of the Company	– 本公司擁有人	(22,508)	52,414
– Non-controlling interests	– 非控股權益	–	(181)
		(22,508)	52,233
(Loss) earnings per share	每股(虧損)盈利		
Basic (HK cents)	基本(港仙)	(0.75)	1.79
Diluted (HK cents)	攤薄(港仙)	N/A 不適用	N/A 不適用

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 31 December 2019 於2019年12月31日

			31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	79,745	88,281
Right-of-use assets	使用權資產	10	727,181	–
Goodwill	商譽	11	393,969	411,876
Intangible assets	無形資產		–	5,600
Interests in associates	於聯營公司的權益	12	–	8,418
Interest in a joint venture	於一間合營企業的權益		161	169
Rental deposits	租賃按金		15,032	30,358
Deposit for acquisition of a subsidiary	收購一間附屬公司之按金	24	25,875	–
Deferred tax assets	遞延稅項資產		4,161	161
			1,246,124	544,863
Current assets	流動資產			
Film and television rights	電影及電視劇版權	13	61,345	4,787
Film and television series production in progress	製作中電影及電視劇	13	113,473	134,203
Inventories	存貨		729	685
Trade and other receivables	貿易及其他應收款項	14	167,058	162,719
Rental deposits	租賃按金		13,108	19,163
Tax recoverable	可收回稅項		–	713
Pledged bank deposit	已抵押銀行存款	15	665	664
Bank balances and cash	銀行結餘及現金	15	167,223	122,035
			523,601	444,969
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	16	174,716	219,555
Contract liabilities	合約負債	16	96,380	46,562
Tax payable	應付稅項		5,856	5,585
Bank and other borrowings – due within one year	銀行及其他借款 – 一年內到期	17	50,000	65,220
Loans from a related company	來自一間關聯公司的貸款	18	27,731	27,801
Amount due to a joint venture	應付一間合營企業款項		385	385
Contingent consideration payable	應付或然代價		80,081	139,235
Lease liabilities	租賃負債		78,528	–
			513,677	504,343
Net current assets (liabilities)	流動資產(負債)淨值		9,924	(59,374)
Total assets less current liabilities	總資產減流動負債		1,256,048	485,489

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 31 December 2019 於2019年12月31日

			31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
		NOTES 附註		
Non-current liabilities	非流動負債			
Deposits received	已收按金	16	294	950
Bonds payable	應付債券		46,500	22,000
Loans from a related company	來自一間關聯公司的貸款	18	219,751	198,168
Bank and other borrowings – due after one year	銀行及其他借款 – 一年後到期	17	49,268	–
Contingent consideration payable	應付或然代價		178,155	178,155
Lease liabilities	租賃負債		694,409	–
			1,188,377	399,273
			67,671	86,216
Capital and reserves	資本及儲備			
Share capital	股本	19	6,489	6,489
Reserves	儲備		61,182	83,690
Equity attributable to owners of the Company	本公司擁有人應佔權益		67,671	90,179
Non-controlling interests	非控股權益		–	(3,963)
Total equity	權益總額		67,671	86,216

The condensed consolidated financial statements on pages 6 to 55 were approved and authorised for issue by the Board of Directors on 27 February 2020 and are signed on its behalf by:

載於第6至第55頁之簡明綜合財務報表已董事會於2020年2月27日批准及授權刊發，並由以下人士代為簽署：

ZHANG LIANG, JOHNSON

張量
DIRECTOR
董事

LEE HIN KWONG, PATRICK

李憲光
DIRECTOR
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 31 December 2019 截至2019年12月31日止六個月

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests	Total	
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Other reserve 其他儲備 HK\$'000 港幣千元 (Note) (附註)	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元	
At 1 July 2018 (audited)	於2018年7月1日(經審核)	6,489	521,046	10	(3,607)	(403,858)	120,080	(3,779)	116,301
Profit (loss) for the period	期內溢利(虧損)	-	-	-	-	46,509	46,509	(181)	46,328
Reclassification adjustments upon disposal of a subsidiary included in profit or loss (note 21)	計入損益之一間附屬公司於出售後之重新分類調整(附註21)	-	-	-	165	-	165	-	165
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額	-	-	-	285	-	285	-	285
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	(10)	-	(10)	-	(10)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	5,465	-	5,465	-	5,465
Total comprehensive income (expense) for the period	期內全面收入(開支)總額	-	-	-	5,905	46,509	52,414	(181)	52,233
At 31 December 2018 (unaudited)	於2018年12月31日(未經審核)	6,489	521,046	10	2,298	(357,349)	172,494	(3,960)	168,534
At 1 July 2019 (audited)	於2019年7月1日(經審核)	6,489	521,046	10	1,996	(439,362)	90,179	(3,963)	86,216
Loss for the period	期內虧損	-	-	-	-	(19,586)	(19,586)	-	(19,586)
Reclassification adjustments upon disposal of an associate included in profit or loss (note 12)	計入損益之一間聯營公司於出售後之重新分類調整(附註12)	-	-	-	(321)	-	(321)	-	(321)
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	(8)	-	(8)	-	(8)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	(2,593)	-	(2,593)	-	(2,593)
Total comprehensive expense for the period	期內全面開支總額	-	-	-	(2,922)	(19,586)	(22,508)	-	(22,508)
Disposal of subsidiaries (note 21)	出售附屬公司(附註21)	-	-	-	-	-	-	3,963	3,963
At 31 December 2019 (unaudited)	於2019年12月31日(未經審核)	6,489	521,046	10	(926)	(458,948)	67,671	-	67,671

Note: Other reserve represents the difference between the aggregate nominal value of the respective share capital of the companies now comprising the subsidiaries of the Company over the nominal value of the shares of the Company issued pursuant to the group reorganisation completed on 5 October 2012 to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

附註：其他儲備指根據本集團為籌備本公司股份於香港聯合交易所有限公司(「聯交所」) GEM上市以精簡架構而於2012年10月5日完成之集團重組，現組成本公司各附屬公司的公司各自股本總面值與本公司已發行股份面值的差額。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 31 December 2019 截至2019年12月31日止六個月

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
NOTES		HK\$'000	HK\$'000
附註		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
OPERATING ACTIVITIES	經營活動		
(Loss) profit before tax	除稅前(虧損)溢利	(23,105)	54,672
Adjustments for:	調整：		
Depreciation of right-of-use assets	使用權資產折舊	54,342	-
Impairment loss on	減值虧損		
– trade receivables	– 貿易應收款項	1,998	-
– property, plant and equipment	– 物業、廠房及設備	2,507	-
– right-of-use assets	– 使用權資產	18,371	-
Fair value change on contingent consideration payable	應付或然代價的公平值變動	7,628	10,496
Other operating cash flows	其他經營現金流量	35,709	(67,074)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	97,450	(1,906)
INVESTING ACTIVITIES	投資活動		
Net cash outflow on acquisition of subsidiaries	收購附屬公司現金流出淨額	-	(149,922)
Deposit for acquisition of a subsidiary	收購一間附屬公司之按金	(25,875)	-
Payment of contingent consideration payable	應付或然代價款項	(56,082)	-
Net cash inflow on disposal of a subsidiary	出售一間附屬公司現金流入淨額	5,755	16,115
Proceeds on disposal of interests in associates	出售於聯營公司的權益之所得款項	8,700	-
Dividend received from an associate	來自一間聯營公司的已收股息	2,800	-
Other investing cash flows	其他投資現金流量	(8)	10,362
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(64,710)	(123,445)
FINANCING ACTIVITIES	融資活動		
Loan from a related company	來自一間關聯公司的貸款	22,200	165,341
New bank and other borrowings raised	已籌集的新增銀行及其他借款	59,407	-
Repayment of bank borrowings	償還銀行借款	(25,530)	-
Proceeds from issuance of bonds	發行債券所得款項	24,500	-
Other financing cash flows	其他融資現金流量	-	(6,417)
Interest paid	已付利息	(26,270)	-
Repayments of lease liabilities	償還租賃負債	(41,394)	-

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 31 December 2019 截至2019年12月31日止六個月

Six months ended 31 December

截至12月31日止六個月

2019

2018

2019年

2018年

HK\$'000

HK\$'000

港幣千元

港幣千元

(unaudited)

(unaudited)

(未經審核)

(未經審核)

NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	12,913	158,924
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	45,653	33,573
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(465)	2,800
CASH AND CASH EQUIVALENTS AT 1 JULY	於7月1日之現金及現金等價物	122,035	76,336
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	於12月31日之現金及現金等價物，指銀行結餘及現金	167,223	112,709

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2019 are the same as those presented in the preparation of the Group’s annual financial statements for the year ended 30 June 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 July 2019 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

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

1. 編製基準

簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號（「香港會計準則第34號」）「中期財務報告」及聯交所證券上市規則附錄16之適用披露規定而編製。

2. 主要會計政策

簡明綜合財務報表以歷史成本基準編製，惟若干金融工具按公平值計量（如適用）。

除應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）造成的會計政策變動外，截至2019年12月31日止六個月的簡明綜合財務報表所用的會計政策及計算方式與編製本集團截至2019年6月30日止年度的年度財務報表所呈列者相同。

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團於編製本集團簡明綜合財務報表時，已首次採用以下由香港會計師公會頒佈並於2019年7月1日或之後開始之年度期間強制生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
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性
香港財務報告準則第9號（修訂本）	提早還款特性及負補償
香港會計準則第19號（修訂本）	計劃修訂、削減或結算
香港會計準則第28號（修訂本）	聯營公司及合營企業之長期權益
香港財務報告準則（修訂本）	香港財務報告準則2015至2017週期的年度改進

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務狀況及表現及／或此等綜合財務報表所作披露概無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 *Leases* ("HKAS 17"), and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動

本集團於本中期期間首次採用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動

本集團已根據香港財務報告準則第16號之過渡條文應用以下會計政策。

租賃之定義

倘合約授予在某一時期內控制已識別資產用途的權利以換取代價，則該合約屬於租賃或包含租賃。

就於初步應用日期或之後訂立或修訂之合約而言，本集團於初始或修訂日期根據香港財務報告準則第16號項下之定義評估合約是否屬於或包含租賃。除非合約之條款及條件隨後有所變動外，否則有關合約將不獲重新評估。

作為承租人

分配代價至合約組成部分

就包含一項租賃組成部分及一項或以上額外租賃或非租賃組成部分之合約而言，本集團以租賃組成部分之相關獨立價格及非租賃組成部分之獨立價格總額為基準將合約代價分配至各租賃組成部分。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Allocation of consideration to components of a contract (Continued)

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the condensed consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group also applies practical expedient not to separate non-lease components from lease component for all classes of underlying assets, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動(續)

作為承租人(續)

分配代價至合約組成部分(續)

作為可行權宜方法，當本集團合理預期對簡明綜合財務報表之影響與組合中的個別租賃並無重大差異時，類似性質的租賃按組合基準入賬。

本集團亦應用可行權宜方法不就所有分類的相關資產的非租賃組成部分與租賃組成部分分開，取而代之，其把租賃組成部分及任何相關非租賃組成部分以單一租賃組成部分入賬。

短期租賃

本集團對若干物業的租賃(即自開始日期起計之租賃期為12個月或以下並且不包括購買選擇權的租賃)應用短期租賃確認豁免。短期租賃的租賃付款在租賃期內按直線法確認為開支。

使用權資產

除短期租賃外，本集團於租賃開始日期(即相關資產可供使用日期)確認使用權資產。使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量予以調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動(續)

作為承租人(續)

使用權資產(續)

使用權資產之成本包括：

- 租賃負債初始計量之金額；
- 於開始日期或之前作出的任何租賃付款減所收取之任何租賃獎勵；
- 本集團產生之任何初始直接成本；及
- 本集團拆除及移除相關資產、恢復該資產所處位置或將相關資產恢復至租賃之條款及條件要求之狀態將產生之預計成本。

本集團合理確定於租賃期結束時將取得相關租賃資產所有權之使用權資產自開始日期起至可使用年期終結期間予以折舊。否則，使用權資產於其估計可使用年期及租賃期內(以較短者為準)按直線法折舊。

本集團將使用權資產於簡明綜合財務狀況表內以獨立項目呈列。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Any adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動(續)

作為承租人(續)

可退還租賃按金

已支付可退還租賃按金根據香港財務報告準則第9號金融工具入賬並按公平值初始計量。於初始確認時就公平值作出之任何調整被視為額外租賃付款並計入使用權資產成本內。

租賃負債

於租賃開始日期，本集團按當日未支付之租賃付款的現值確認及計量租賃負債。在計算租賃付款的現值時，倘租賃中隱含的利率不易釐定，則本集團使用在租賃開始日期的增量借款利率。

租賃付款包括：

- 固定付款(包括實質固定付款)減去任何應收租賃獎勵；
- 取決於一項指數或比率之浮動租賃付款；
- 剩餘價值擔保之預期支付金額；
- 本集團合理確定將會行使購買權之行使價；及
- 倘租賃條款反映本集團行使終止權，就終止租賃所支付之罰款。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動(續)

作為承租人(續)

租賃負債(續)

於開始日期後，租賃負債按利息增長及租賃付款調整。

每當出現下列情況，本集團重新計量租賃負債(及對相關使用權資產作出相應調整)：

- 租賃條款有所變動或行使購買權之評估有所變動，在此情況下，相關租賃負債按於重新計量當日之已修訂貼現率對已修訂租賃付款進行貼現而重新計量。
- 租賃付款的變動乃由於進行市場租金調查後市場租金率有所變動，在此情況下，相關租賃負債按初始貼現率對已修訂租賃付款進行貼現而重新計量。

租賃修訂

倘出現以下情況，本集團將租賃修訂作為一項單獨租賃入賬：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 租賃代價增加，有關金額相當於範圍擴大相應的單獨價格，以及為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 July 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策主要變動(續)

作為承租人(續)

租賃修訂(續)

就並無作為一項單獨租賃入賬的租賃修訂而言，本集團基於透過使用修訂生效日期的經修訂貼現率對經修訂租賃付款進行貼現的經修訂租賃的租賃條款重新計量租賃負債。

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(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識別為租賃的合約應用香港財務報告準則第16號，而不會對先前並無識別為包括租賃的合約應用該準則。因此，本集團概無重新評估於初步應用日期前已存在的合約。

就於2019年7月1日或之後訂立或修訂的合約而言，本集團於評估合約是否包括租賃時根據香港財務報告準則第16號所載的規定應用租賃的定義。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 July 2019. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of HK\$814,408,000 and right-of-use assets of HK\$799,932,000 as at 1 July 2019.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要(續)

作為承租人

本集團已追溯應用香港財務報告準則第16號，而累計影響已於初步應用日期(2019年7月1日)確認。於初步應用日期之任何差額已於期初累計虧損確認，而比較資料尚未重列。

於過渡時應用香港財務報告準則第16號項下之經修訂追溯法時，本集團就與各租賃合約相關並於先前根據香港會計準則第17號分類為經營租賃的租賃(按個別租賃基準)採用以下可行權宜方法：

- i. 依靠應用香港會計準則第37號撥備、或然負債及或然資產就租賃是否屬於虧損合約作出評估，作為減值審閱之替代方法；
- ii. 選擇不就租賃期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；及
- iii. 於首次應用日期計量使用權資產時撇除初始直接成本。

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

於2019年7月1日，本集團已確認租賃負債港幣814,408,000元及使用權資產港幣799,932,000元。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 7%.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動 (續)

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

就先前分類為經營租賃之租賃確認租賃負債時，本集團已於初步應用日期採用相關集團實體之增量借款利率。所應用之加權平均增量借款利率為7%。

		At 1 July 2019 於2019年 7月1日 HK\$'000 港幣千元
Operating lease commitments disclosed as at 30 June 2019	於2019年6月30日所披露之經營租賃承擔	1,166,279
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率進行貼現的租賃負債	815,271
Less: Recognition exemption – leases with lease term ends within 12 months of the date of initial application	減：確認豁免－租賃期於初步應用日期起計12個月內結束的租賃	(863)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 July 2019	於2019年7月1日應用香港財務報告準則第16號後已確認經營租賃有關的租賃負債	814,408
Analysed as	分析為	
– Current	– 流動	125,645
– Non-current	– 非流動	688,763
		814,408

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 July 2019 comprises the following:

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動 (續)

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

於2019年7月1日之使用權資產賬面值包括以下各項：

		Right-of-use assets 使用權資產 HK\$'000 港幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後已確認經營租賃相關的使用權資產	814,408
Adjustment on rental deposits at 1 July 2019 (note a)	於2019年7月1日的租賃按金調整 (附註a)	20,992
Less: Accrued lease liabilities relating to rent-free period at 1 July 2019 (note b)	減：於2019年7月1日與免租期有關的應計租賃負債 (附註b)	(35,468)
		799,932
By class:	按類別分類：	
Cinema	電影院	797,603
Leased buildings	已租賃樓宇	1,602
Others	其他	727
		799,932

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

Note a: Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK\$20,992,000 in aggregate was adjusted to current and non-current refundable rental deposits paid and right-of-use assets.

Note b: These relate to accrued lease liabilities for leases of properties in which the lessors provided rent-free period. The carrying amount of the lease incentive liabilities as at 1 July 2019 was adjusted to right-of-use assets at transition.

The transition to HKFRS 16 has no impact to the Group's accumulated losses as at 1 July 2019.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要(續)

作為承租人(續)

附註a：於應用香港財務報告準則第16號前，本集團視已支付可退還租賃按金為應用香港會計準則第17號之租賃項下的權利及責任。根據香港財務報告準則第16號項下租賃付款之定義，該等按金並非與相關資產使用權有關的付款，並經調整以反映過渡之貼現影響。因此，合共港幣20,992,000元獲調整至已支付流動及非流動可退還租賃按金及使用權資產。

附註b：此與出租人提供免租期的租賃物業的應計租賃負債有關。租賃優惠負債於2019年7月1日的賬面值於過渡時調整至使用權資產。

香港財務報告準則第16號的過渡對本集團於2019年7月1日的累計虧損並無影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies on application of HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 July 2019. Line items that were not affected by the changes have not been included.

2. 主要會計政策(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

2.1.2 初步應用香港財務報告準則第16號所產生的過渡及影響概要(續)

作為承租人(續)

於2019年7月1日簡明綜合財務狀況表中確認的金額已作出以下調整。未受有關變動影響的項目並無包括在內。

		Carrying amounts previously reported at 30 June 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 July 2019
		先前於2019年6月30日呈報的賬面值 HK\$'000 港幣千元	調整 HK\$'000 港幣千元	於2019年7月1日根據香港財務報告準則第16號計算的賬面值 HK\$'000 港幣千元
Non-current assets	非流動資產			
Rental deposits	租賃按金	30,358	(15,409)	14,949
Right-of-use assets	使用權資產	–	799,932	799,932
Current asset	流動資產			
Rental deposits	租賃按金	19,163	(5,583)	13,580
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	219,555	(35,468)	184,087
Lease liabilities	租賃負債	–	125,645	125,645
Non-current liability	非流動負債			
Lease liabilities	租賃負債	–	688,763	688,763

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 July 2019 as disclosed above.

附註：就呈報截至2019年12月31日止六個月按間接法計量的經營活動現金流量而言，營運資金的變動乃根據上文所披露於2019年7月1日的期初財務狀況表計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

3A. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers

3A. 貨品及服務收益

分拆來自客戶合約的收益

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Film and television ("TV") series production, distribution and licensing income	電影及電視(「電視」)劇製作、發行及發行權使用許可收入	191,565	268,542
Film exhibition income	電影放映收入	99,995	119,711
Post-production, advertising and marketing income	後期製作、廣告及市場推廣收入	3,444	7,024
Commission income from artiste management	來自藝人管理的佣金收入	11,629	-
Total	總計	306,633	395,277
Timing of revenue recognition	確認收益時間		
At a point in time	按某個時間點	283,991	381,728
Over time	在一段時間內	22,642	13,549
Total	總計	306,633	395,277

The contracts for sales of goods and provision of services to external customers are short-term and the contract prices are fixed and agreed with the customers.

向外部客戶銷售貨品及提供服務之合約乃屬短期，合約價格乃為固定及與客戶協商。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

3B. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on the following four reportable and operating segments identified under HKFRS 8 “Operating Segments” for the Group’s annual financial statements for the year ended 30 June 2019.

- (i) Film and TV series production and distribution;
- (ii) Film exhibition; and
- (iii) Others

The accounting policies of the operating and reportable segments are the same as the Group’s accounting policies used in the preparation of the Group’s annual financial statements for the year ended 30 June 2019 except for the changes in accounting policy as disclosed in note 2. Segment profit (loss) represent the loss incurred or profit earned by each segment without allocation of certain other gains and losses, certain other income, certain selling and distribution expenses, certain administrative expenses, certain finance costs and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

3B. 分部資料

本集團截至2019年6月30日止年度之年度財務報表中呈報予執行董事(即主要營運決策者(「主要營運決策者」))以便進行資源分配及評估分部表現的資料乃以下列根據香港財務報告準則第8號「經營分部」識別的四個可呈報及經營分部為依據。

- (i) 電影及電視劇製作及發行；
- (ii) 電影放映；及
- (iii) 其他

除附註2所披露的會計政策變動外，經營及可呈報分部的會計政策與編製本集團截至2019年6月30日止年度之年度財務報表所用的本集團會計政策相同。分部溢利(虧損)指各分部所產生的虧損或賺取的溢利，並無分配若干其他收益及虧損、若干其他收入、若干銷售及發行開支、若干行政開支、若干融資成本及應佔聯營公司業績。此乃就資源分配及表現評估向主要營運決策者作出報告的方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the six months ended 31 December 2019 (unaudited)

3B. 分部資料(續)

以下為本集團按營運及可呈報分部劃分之收益及業績分析：

截至2019年12月31日止六個月(未經審核)

		Film and TV series production and distribution 電影及電視劇製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue – External customers	分部收益 – 外部客戶	191,565	99,995	15,073	306,633
Segment profit (loss)	分部溢利(虧損)	77,165	(59,310)	(13,648)	4,207
Unallocated head office and corporate expenses	未分配的總部及企業開支				(16,641)
Fair value change on contingent consideration payable	應付或然代價的公平值變動				(7,628)
Loss on disposal of subsidiaries	出售附屬公司的虧損				(4,838)
Gain on disposal of associates	出售聯營公司的收益				4,258
Finance costs	融資成本				(1,608)
Share of results of associates	應佔聯營公司業績				(855)
Loss before tax	除稅前虧損				(23,105)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

3B. 分部資料(續)

For the six months ended 31 December 2018 (unaudited)

截至2018年12月31日止六個月(未經審核)

		Film and TV series production and distribution 電影及電視劇 製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue	分部收益				
- External customers	- 外部客戶	268,542	119,711	7,024	395,277
Segment profit (loss)	分部溢利(虧損)	76,671	(2,393)	(1,161)	73,117
Unallocated other gains and losses	未分配的其他收益及虧損				(2)
Unallocated other income	未分配的其他收入				318
Unallocated head office and corporate expenses	未分配的總部及企業開支				(8,817)
Fair value change on contingent consideration payable	應付或然代價的公平值變動				(10,496)
Finance costs	融資成本				(94)
Share of results of associates	應佔聯營公司業績				646
Profit before tax	除稅前溢利				54,672

As the Group's segment assets and liabilities are not regularly provided to the Group's CODM, the relevant analysis for both periods is not presented.

由於本集團之分部資產及負債並非定期提供予本集團主要營運決策者，故並無呈列於兩個期間之相關分析。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

Geographical information

An analysis of the Group's revenue from external customers by geographical market based on where the income from film and TV series production, distribution and licensing, film exhibition and others is derived from are as below:

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Hong Kong and Macau	香港及澳門	110,085	233,260
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	191,965	154,001
South East Asia Region	東南亞地區	-	3,499
Others	其他	4,583	4,517
		306,633	395,277

The information about its non-current assets (excluded goodwill and deferred tax assets) by geographical locations of the assets are details below:

		31 December	30 June
		2019	2019
		2019年	2019年
		12月31日	6月30日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
The PRC	中國	4,977	550
Hong Kong	香港	817,142	132,276
		822,119	132,826

3B. 分部資料(續)

地區資料

本集團來自外部客戶的收益按取得電影及電視劇製作、發行及授出發行權使用許可、電影放映及其他收入所在地區市場劃分的分析如下：

Six months ended 31 December 截至12月31日止六個月

2019	2018
2019年	2018年
HK\$'000	HK\$'000
港幣千元	港幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

按資產所在地區劃分的本集團非流動資產(不包括商譽及遞延稅項資產)詳列如下：

31 December	30 June
2019	2019
2019年	2019年
12月31日	6月30日
HK\$'000	HK\$'000
港幣千元	港幣千元
(unaudited)	(audited)
(未經審核)	(經審核)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

4. OTHER GAINS AND LOSSES AND OTHER INCOME

4. 其他收益及虧損以及其他收入

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Other gains and losses	其他收益及虧損		
(Loss) gain on disposal of subsidiaries (note 21)	出售附屬公司 (虧損)收益(附註21)	(4,838)	17,715
Gain on disposal of associates (note 12)	出售聯營公司收益 (附註12)	4,258	-
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	-	(2)
		(580)	17,713
Other income	其他收入		
Handling service income	處理服務收入	1,532	1,878
Investment income from investments in film/drama production	投資電影／戲劇製作的 投資收入	-	624
Membership income	會員收入	476	655
Interest income	利息收入	334	310
Others	其他	5,131	1,271
		7,473	4,738

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

5. FINANCE COSTS

5. 融資成本

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
Interest expenses on:	就以下各項之利息開支：		
Loans from a related company (note 18)	來自一間關聯公司的貸款 (附註18)	8,096	3,462
Lease liabilities	租賃負債	23,131	–
Bank and other borrowings	銀行及其他借款	1,571	94
Bond payable	應付債券	1,568	–
		34,366	3,556

6. INCOME TAX (CREDIT) EXPENSE

6. 所得稅(抵免)開支

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
Hong Kong Profits Tax – Current period	香港利得稅 – 即期	–	3,735
PRC Enterprise Income Tax (“EIT”) – Current period	中國企業所得稅 (「企業所得稅」) – 即期	481	4,586
		481	8,321
Deferred taxation	遞延稅項	(4,000)	23
Income tax (credit) expense	所得稅(抵免)開支	(3,519)	8,344

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

6. INCOME TAX (CREDIT) EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profit tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

As stipulated in Cai Shui [2011] No. 112, enterprises newly established in Khorgas special economic areas during the period from 2011 to 2020 could enjoy EIT exemption for five years starting from its first profit-making year. The enterprises engaged in the encouraged industries as defined under the 《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》. According to 《企業所得稅優惠事項備案表》, one of the Group's subsidiaries obtained the approval from the PRC tax bureau on 23 June 2017 for entitlement of EIT exemption from 1 January 2017 to 31 December 2020.

6. 所得稅(抵免)開支(續)

香港利得稅按兩個期間的估計應課稅溢利的16.5%計算。

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「該法案」)，當中引入利得稅兩級制。該法案於2018年3月28日經簽署成為法律，並於翌日在憲報刊登。

根據利得稅兩級制，合資格公司首港幣2百萬元溢利的稅率為8.25%，而超過港幣2百萬元的溢利的稅率為16.5%。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個期間的稅率均為25%。

財稅[2011]年112號規定，2011年至2020年期間於霍爾果斯特殊經濟開發區的新辦企業可自其首個產生溢利的年度起計五年期間獲豁免企業所得稅。當中亦鼓勵企業從事《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》所定義的受鼓勵行業。根據《企業所得稅優惠事項備案表》，本集團其中一間附屬公司於2017年6月23日獲得中國稅務局批准，自2017年1月1日至2020年12月31日止期間享有企業所得稅豁免優惠。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

7. (LOSS) PROFIT FOR THE PERIOD

7. 期內(虧損)溢利

		Six months ended 31 December	
		截至12月31日止六個月	
		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(Loss) profit for the period has been arrived at after charging:	期內(虧損)溢利乃經扣除以下各項後計算：		
Directors' emoluments	董事薪酬	2,029	2,932
Other staff costs	其他員工成本	21,781	18,643
Retirement benefit scheme contributions, excluding those of Directors	退休福利計劃供款，不包括董事供款	1,207	921
Total staff costs	員工成本總額	25,017	22,496
Auditors' remuneration	核數師酬金	1,385	846
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,340	7,224
Depreciation of right-of-use assets	使用權資產折舊	54,342	-
Cost of film and TV rights recognised as an expense	確認為開支的電影及電視版權成本	68,210	160,735
Impairment loss on film and TV series production in progress (including in cost of sales) (note 13)	製作中電影及電視劇的減值虧損(列入銷售成本)(附註13)	-	4,412
Contingent rents incurred for cinemas	電影院產生的或然租金	529	660
Cost of scriptwriters and directors for film and TV series production	電影及電視劇製作編劇成本	20,806	-
Cost of services provided	提供服務成本	36,437	52,551
Cost of artiste and internet celebrity	藝人及網紅成本	7,145	-
Cost of inventories sold	出售存貨成本	1,996	1,988

8. DIVIDEND

The Directors resolved not to declare any interim dividend for both periods.

8. 股息

董事議決不就兩個期間派付任何中期股息。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
(Loss) earnings	(虧損) 盈利		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利的本公司擁有人應佔期內(虧損)溢利	(19,586)	46,509

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 (unaudited) (未經審核)	2018 2018年 (unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利的普通股加權平均股數	2,595,613,733	2,595,613,733

No diluted (loss) earnings per share is presented as the Company has no potential ordinary shares in issue during both periods.

9. 每股(虧損)盈利

本公司擁有人應佔每股基本及攤薄(虧損)盈利乃根據以下數據計算：

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
(Loss) earnings	(虧損) 盈利		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利的本公司擁有人應佔期內(虧損)溢利	(19,586)	46,509

		Six months ended 31 December 截至12月31日止六個月	
		2019 2019年 (unaudited) (未經審核)	2018 2018年 (unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	計算每股基本(虧損)盈利的普通股加權平均股數	2,595,613,733	2,595,613,733

由於本公司於兩個期間內並無已發行之潛在普通股，故並無呈列每股攤薄(虧損)盈利。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group acquired property, plant and equipment amounting to HK\$341,000 (six months ended 31 December 2018: HK\$2,148,000) for the purpose of the Group's operation.

Upon the application of HKFRS 16 as at 1 July 2019, the Group's cinema and office premise in Hong Kong and the PRC were adjusted to right-of-use assets with an aggregate carrying amounts of HK\$799,932,000 as at 1 July 2019. Details are disclosed in note 2.1.2.

During the current interim period, the Group entered into the new lease agreements for the use of office premises in the PRC for three years. On lease commencement, the Group recognised HK\$2,861,000 of right-of-use assets and HK\$2,823,000 lease liabilities.

The Group has recognised an impairment on property, plant and equipment and right-of-use assets amounted to HK\$2,507,000 and HK\$18,371,000 respectively, due to unsatisfactory operating result of film exhibition operations and the amount is charged to profit or loss during the six months ended 31 December 2019.

10. 物業、廠房及設備以及使用權資產變動

於本中期期間，本集團為本集團之營運而收購物業、廠房及設備之金額為港幣341,000元（截止2018年12月31日止六個月：港幣2,148,000元）。

於2019年7月1日採用香港財務報告準則第16號後，本集團於香港及中國的電影院及辦公室物業已調整至於2019年7月1日賬面總值為港幣799,932,000元的使用權資產。詳情於附註2.1.2披露。

於本中期期間，本集團訂立有關使用中國辦公室物業的新租賃協議，年期三年。於租賃開始時，本集團確認使用權資產港幣2,861,000元及租賃負債港幣2,823,000元。

本集團分別就物業、廠房及設備以及使用權資產確認港幣2,507,000元及港幣18,371,000元，原因為電影放映經營的營運業績未如理想，且有關金額截至2019年12月31日止六個月於損益扣除。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

11. GOODWILL

Goodwill arose on the acquisition of Khorgas Houhai Culture Media Company Limited (“Khorgas Houhai”) and its subsidiary, Beijing Juhai Culture Media Company Limited (collectively known as the “Khorgas Group”). The acquisition was completed on 28 August 2018 and details are set out in note 37 of annual report of the Company for the year ended 30 June 2019.

The recoverable amount of Khorgas Group has been determined based on a value in use calculation.

The calculation of the recoverable amount of Khorgas Group uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of zero to 8% (30 June 2019: 2% to 40%) and a pre-tax discount rate of 21% (30 June 2019: 20%) per annum as at 31 December 2019. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Khorgas Group’s past performance and management’s expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of cash generating unit to exceed its recoverable amount.

11. 商譽

商譽於收購霍爾果斯厚海文化傳媒有限公司(「霍爾果斯厚海」)及其附屬公司北京聚海文化傳媒有限公司(統稱為「霍爾果斯集團」)時發生。收購事項於2018年8月28日完成，而有關詳情載於本公司截至2019年6月30日止年度的年度報告附註37。

霍爾果斯集團的可收回金額根據使用價值計算釐定。

霍爾果斯集團的可收回金額計算使用基於管理層於所批准涵蓋五年期及平均年收益增長率介乎於零至8% (2019年6月30日：2%至40%)之財務預算並採用於2019年12月31日的稅前每年貼現率21% (2019年6月30日：20%)計算的現金流量預測。超過五年期止的現金流量乃使用穩定預期通貨膨脹率每年3%推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之現金流入／流出估計有關。有關估計根據霍爾果斯集團的過往表現及管理層對市場發展之預期作出。董事相信，此等假設之任何合理可能變動將不會導致現金產生單位賬面值超出其可收回金額。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

12. INTERESTS IN ASSOCIATES

12. 於聯營公司的權益

	31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Cost of unlisted investments in associates 於聯營公司的未上市投資成本	—	74,000
Impairment loss recognised 已確認減值虧損	—	(58,963)
Share of post-acquisition losses and other comprehensive expenses, net of dividend received 應佔收購後虧損及其他全面開支，扣除已收股息	—	15,037
	—	(6,619)
	—	8,418

As at 30 June 2019, the interests in associates represented the Group's equity interests in the companies principally engaged in comic publication and licensing of comic stories and comic heroes and provision of artiste management services in Hong Kong and the PRC.

於2019年6月30日，於聯營公司的權益指本集團於主要在香港及中國從事漫畫發行及漫畫故事及漫畫英雄授權及提供藝人管理服務的公司的股權。

On 30 November 2019, the Group disposed of its equity interest in Supreme Art Entertainment Limited ("Supreme Art") to an independent third party for a cash consideration of HK\$8,500,000. Before the disposal, the Group owned 40% interest in Supreme Art and the investment was previously accounted for as an investment in an associate using the equity method of accounting. This transaction has resulted in the Group recognising a gain of disposal of HK\$3,737,000 in profit or loss.

於2019年11月30日，本集團向一名獨立第三方出售其於凱藝娛樂發展有限公司(「凱藝」)的股權，現金代價為港幣8,500,000元。於出售事項前，本集團擁有凱藝40%權益，而該投資先前使用權益會計法入賬為於一間聯營公司的投資。該交易導致本集團於損益中確認出售事項收益港幣3,737,000元。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

12. INTERESTS IN ASSOCIATES (Continued)

12. 於聯營公司的權益(續)

		HK\$'000 港幣千元
Cash consideration	現金代價	8,500
Less: carrying amount of the 40% investment on the date of disposal	減：40%投資於出售事項日期的賬面值	(4,763)
Gain recognised in profit or loss	於損益中確認的收益	3,737

On 30 November 2019, the Group disposed of its equity interest in Jade Dynasty Holdings Limited ("JDH") to an independent third party for a cash consideration of HK\$200,000. Before the disposal, the Group owned 40% interest in JDH and the investment was previously accounted for as an investment in an associate using the equity method of accounting. This transaction has resulted in the Group recognising a gain of disposal of HK\$521,000 in profit or loss.

於2019年11月30日，本集團向一名獨立第三方出售其於玉皇朝控股有限公司（「玉皇朝」）的股權，現金代價為港幣200,000元。於出售事項前，本集團擁有玉皇朝40%權益，而該投資先前使用權益會計法入賬為於一間聯營公司的投資。該交易導致本集團於損益中確認出售事項收益港幣521,000元。

		HK\$'000 港幣千元
Cash consideration	現金代價	200
Add: reclassification of cumulative exchange reserve upon disposal	加：於出售事項後重新分類累計匯兌儲備	321
Less: carrying amount of the 40% investment on the date of disposal	減：40%投資於出售事項日期的賬面值	-
Gain recognised in profit or loss	於損益中確認的收益	521

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

13. FILM AND TELEVISION RIGHTS AND FILM AND TELEVISION SERIES PRODUCTION IN PROGRESS

13. 電影及電視劇版權及製作中電影及電視劇

		Film and TV rights 電影及電視劇 版權 HK\$'000 港幣千元	Film and TV series production in progress 製作中電影及 電視劇 HK\$'000 港幣千元
COST	成本		
At 1 July 2018	於2018年7月1日	641,201	175,521
Exchange adjustments	匯兌調整	–	(948)
Additions	添置	–	163,139
Acquisition of subsidiaries	收購附屬公司	–	109,095
Transfer	轉撥	272,729	(272,729)
At 30 June 2019	於2019年6月30日	913,930	174,078
Exchange adjustments	匯兌調整	(5,681)	(4,564)
Additions	添置	–	109,160
Transfer	轉撥	125,326	(125,326)
At 31 December 2019	於2019年12月31日	1,033,575	153,348
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值		
At 1 July 2018	於2018年7月1日	639,429	35,463
Charged for the year	年內支銷	269,714	–
Impairment loss recognised for the year (Note)	年內確認的減值虧損(附註)	–	4,412
At 30 June 2019	於2019年6月30日	909,143	39,875
Exchange adjustments	匯兌調整	(5,123)	–
Charged for the period	期內支銷	68,210	–
At 31 December 2019	於2019年12月31日	972,230	39,875
CARRYING AMOUNTS	賬面值		
At 31 December 2019 (unaudited)	於2019年12月31日(未經審核)	61,345	113,473
At 30 June 2019 (audited)	於2019年6月30日(經審核)	4,787	134,203

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

13. FILM AND TELEVISION RIGHTS AND FILM AND TELEVISION SERIES PRODUCTION IN PROGRESS (Continued)

Note: During the six months ended 31 December 2018, an impairment loss of HK\$4,412,000 was recognised on the production costs for film and television series production in progress. Management was in a view that the production plan for the film and television series production in progress was postponed and considered that the amount may not be fully recovered. The Directors are of opinion that the carrying amount of HK\$4,412,000 was fully impaired.

14. TRADE AND OTHER RECEIVABLES

The aged analysis of the Group's trade receivables, net of allowance for credit losses, based on the invoice date which approximates the respective revenue recognition dates, at the end of the reporting period is as follows:

13. 電影及電視劇版權及製作中電影及電視劇(續)

附註：截至2018年12月31日止六個月，就製作中電影及電視劇的製作費用確認減值虧損港幣4,412,000元。管理層認為製作中電影及電視劇的製作計劃已延期並認為有關款項可能不會全數收回。董事認為港幣4,412,000元的賬面值已悉數減值。

14. 貿易及其他應收款項

於報告期末，本集團貿易應收款項(經扣除信貸虧損撥備)按發票日期(大致為各自之收益確認日期)的賬齡分析如下：

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	101,804	18,426
31-60 days	31至60日	-	133
61-90 days	61至90日	-	11,888
91-180 days	91至180日	-	9,691
181-365 days	181至365日	18,678	97,341
Over one year	超過一年	-	2,869
		120,482	140,348
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	13,532	5,507
Prepayment for film and TV series production	預付電影及電視劇製作款項	13,171	479
Prepayment of interest to bondholders	預付債券持有人利息	1,026	884
Prepayment of artiste agency and scriptwriters	預付藝人經紀及編劇款項	15,800	12,920
Other deposits and prepayments for cinema operation	電影院業務的其他按金及預付款項	3,047	2,581
		167,058	162,719

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

14. TRADE AND OTHER RECEIVABLES (Continued)

Generally, with the exception of PRC TV series production customers and post-production customers, who are generally granted credit period ranging from 30 to 90 days, no credit period is granted to the Group's customers. Distribution and licensing fee from distributors in Hong Kong, the PRC and overseas countries are normally settled upon delivery of film negatives to them. On a case-by-case basis, one to two months of credit period may be granted to its customers with good repayment history.

These trade receivables relate to a number of independent customers that have a good repayment history. Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$18,678,000 (30 June 2019: HK\$110,094,000) as at 31 December 2019 which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral or credit enhancements over these balances.

Management believes that no impairment allowance was necessary in respect of these balances as there have not been a significant change in credit risk and the balances were still considered fully recoverable.

14. 貿易及其他應收款項(續)

一般而言，除中國電視劇製作客戶及後期製作客戶一般獲授介乎30至90日的信貸期外，本集團並無向其客戶授出任何信貸期。應收香港、中國及海外國家發行商的發行及發行權使用許可費用通常於向彼等交付電影菲林底片時結算。本集團可按個案基準向具備良好還款記錄的客戶授出一至兩個月的信貸期。

該等貿易應收款項與多名具備良好還款記錄的獨立客戶有關。本集團貿易應收款項結餘包括於2019年12月31日賬面總值為港幣18,678,000元(2019年6月30日：港幣110,094,000元)的應收賬款，於報告日期已逾期但本集團並無就此計提減值虧損撥備。本集團並無就該等結餘持有任何抵押品或採取信用加強措施。

管理層認為，由於信貸風險並無重大變動且結餘仍視作可悉數收回，故毋須就該等結餘計提減值撥備。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

15. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

At 31 December 2019, amount of HK\$665,000 (30 June 2019: HK\$664,000) has been pledged to a bank to secure the 4Dx's equipment rental fees payable to a supplier of 4Dx equipment for the Group's operation in the Lease Premises in accordance with the 4Dx equipment rental agreement dated 20 August 2015. The pledged bank deposits carry interests at a fixed rate of 0.45% (30 June 2019: 0.45%) per annum and it will be mature on 20 February 2020 (30 June 2019: 20 August 2019), respectively.

Bank balances and cash of the Group carry interest at market rates ranging from 0.01% to 0.30% (30 June 2019: 0.01% to 0.25%) per annum as at 31 December 2019.

15. 已抵押銀行存款以及銀行結餘及現金

於2019年12月31日，港幣665,000元（2019年6月30日：港幣664,000元）已抵押予銀行以為根據日期為2015年8月20日的4Dx設備租賃協議就本集團於租賃物業營運而應付予4Dx設備供應商的4Dx設備租賃費提供擔保。已抵押銀行存款按固定年利率0.45%（2019年6月30日：0.45%）計息，並將分別於2020年2月20日到期（2019年6月30日：2019年8月20日）。

於2019年12月31日，本集團銀行結餘及現金乃按市場年利率0.01%至0.30%計息（2019年6月30日：0.01%至0.25%）。

16. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

16. 貿易及其他應付款項及合約負債

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Trade payables	貿易應付款項	55,404	48,995
Payables in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的應付款項	5,318	10,534
Payables in respect of artiste agency and scriptwriters	有關藝人經紀及編劇的應付款項	29,028	6,111
Other payables and accruals	其他應付款項及應計費用	40,710	66,391
Investment funds from investors (note i)	來自投資者的投資基金(附註i)	9,000	51,015
Advances from former shareholders of subsidiaries acquired (note iii)	來自被收購附屬公司前任股東的墊款(附註iii)	35,068	36,343
Deposits received (note ii)	已收按金(附註ii)	482	1,116
		175,010	220,505
Less: amount shown under non-current liabilities (note ii)	減：非流動負債項下呈列之金額(附註ii)	(294)	(950)
		174,716	219,555
Amount shown under current liabilities	流動負債項下呈列之金額	174,716	219,555
Contract liabilities (note iv)	合約負債(附註iv)	96,380	46,562

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

16. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

The average credit period on purchases of goods is 60 to 90 days. The aging analysis of trade payables presented is based on the invoice date at the end of the reporting period. The following is analysis of the Group's trade payables at the end of the reporting period:

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Within 60 days	60日內	44,757	32,607
Within 61 to 90 days	61至90日	-	1
Within 91 to 365 days	91至365日	10,647	16,387
		55,404	48,995

Notes:

- (i) The investment funds from investors represented the share of return on investments to other investors of TV series produced by the Group.
- (ii) Deposits received represent deposits received from a cinema circuit operator in Hong Kong for a film to be theatrical release in Hong Kong and licensing deposits received from the licensee which are refundable at the expiry of the licenses. As at 31 December 2019, an amount of deposits received of HK\$188,000 (30 June 2019: HK\$166,000) will expire in November 2020 (30 June 2019: November 2019) and therefore the amount was classified as current liabilities. The remaining amount of HK\$294,000 (30 June 2019: HK\$950,000) will expire in February 2022 (30 June 2019: February 2022) and therefore, the amount was classified as non-current liabilities.
- (iii) The advances from former shareholders of subsidiaries acquired were non-trade related, unsecured, interest-free and repayable on demand.
- (iv) Deposits are received by the Group as the instalments of contribution from the PRC co-producers for film and TV series production in progress and advances of distribution and licensing income received from distributors prior to release and delivery of film negatives and TV series program. Payment terms are negotiated in contract by contract basis. When the Group receives certain percentage of deposits as an advance payment upon signing the contract, this will give rise to contract liabilities at the start of a contract, until the revenue is recognised upon the relevant performance obligation is fulfilled.

16. 貿易及其他應付款項及合約負債(續)

採購貨品的平均信貸期為60至90日。於報告期末，貿易應付款項的賬齡分析乃基於發票日期呈列。本集團於報告期末的貿易應付款項分析如下：

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Within 60 days	60日內	44,757	32,607
Within 61 to 90 days	61至90日	-	1
Within 91 to 365 days	91至365日	10,647	16,387
		55,404	48,995

附註：

- (i) 來自投資者的投資基金指本集團所製作的電視劇的其他投資者之投資回報份額。
- (ii) 已收按金指就將在香港影院放映的一部電影已收香港電影院線運營商按金及自獲特許權人收取的於特許權屆滿時可退還的特許權按金。於2019年12月31日，已收取港幣188,000元的按金(2019年6月30日：港幣166,000元)將於2020年11月到期(2019年6月30日：2019年11月)，因此該金額被分類為流動負債。餘下港幣294,000元(2019年6月30日：港幣950,000元)將於2022年2月到期(2019年6月30日：2022年2月)，因此，該金額被分類為非流動負債。
- (iii) 來自被收購附屬公司前任股東的墊款屬非貿易性質、無抵押、免息及須按的要求償還。
- (iv) 本集團已收按金指中國聯合製片商就製作中電影及電視劇作出的分期出資及於影院放映及交付電影及電視劇菲林底片前已收發行商的發行及發行權使用許可收入預收款項。付款期限根據合約於合約內磋商。當本集團於簽訂合約後收取若干百分比的訂金作為預收款項時，會於合約開始時產生合約負債，直至相關履約責任完成後確認收益為止。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

17. BANK AND OTHER BORROWINGS

17. 銀行及其他借款

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Variable-rate bank borrowings:	浮動利率銀行借款：		
– secured	– 已抵押	–	22,800
– unsecured	– 未抵押	11,000	–
Fixed-rate bank borrowing, secured	已抵押定息銀行借款	–	3,420
		11,000	26,220
Unsecured other borrowings	未抵押其他借款		
– Pure Project Limited (note i)	– 盧威有限公司(附註i)	39,000	39,000
– Guangzhou Black Hole Investment Limited (note ii)	– Guangzhou Black Hole Investment Limited (附註ii)	49,268	–
		99,268	65,220
Analysis as:	分析為：		
– Current liabilities	– 流動負債	50,000	65,220
– Non-current liabilities	– 非流動負債	49,268	–
		99,268	65,220

The Group's bank borrowings are repayable within one year and denominated in RMB.

本集團銀行借款須於一年內償還及以人民幣計值。

As at 31 December 2019, the Group raised a new bank borrowing which is unsecured, interest-bearing at Borrowing rate of the Bank of Beijing plus 0.81% and repayable within one year. The Group's variable-rate and fixed-rated bank borrowings were carrying interest at Borrowing Rate of the People's Bank of China plus 0.91% and 7.2%, respectively, as at 30 June 2019. The Group's secured bank borrowings as at 30 June 2019 were secured by the Group's trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the PRC.

於2019年12月31日，本集團籌集無抵押、按北京銀行借款利率另加0.81%計息的新增銀行借款以及須於一年內償還。於2019年6月30日，本集團的浮動利率及定息銀行借款分別按中國人民銀行借款利率另加0.91%及7.2%計息。於2019年6月30日，本集團的已抵押銀行借款乃以本集團的貿易應收款項人民幣32,627,000元(相等於港幣37,195,000元)作抵押及由中國保險公司提供擔保。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

17. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (i) The other loan represents a loan from Pure Project Limited in which Mr. Wong Pak Ming ("Mr. Wong") (the former executive director of the Company) has controlling interests during the year ended 30 June 2019. The borrowing is unsecured, interest-free and repayable on demand.
- (ii) The balance represents a new other borrowing from Guangzhou Black Hole Investment Limited, an independent third party of the Group, with a principal amount of RMB43,520,000 (equivalent to HK\$47,872,000) plus an accrued interest of RMB1,269,000 (equivalent to HK\$1,396,000) as at 31 December 2019. Such borrowing is unsecured, carrying interest at 7% per annum and repayable in August 2021. Therefore, such borrowing is classified as non-current liabilities.

18. LOANS FROM A RELATED COMPANY

Members of the key management of the Group have controlling interests over the related companies.

17. 銀行及其他借款(續)

附註：

- (i) 其他款項指黃柏鳴先生(「黃先生」)(本公司前執行董事)截至2019年6月30日止年度於盧威有限公司擁有控股權益的貸款。借款為無抵押、免息及須按要求償還。
- (ii) 於2019年12月31日，結餘指一名來自本集團獨立第三方Guangzhou Black Hole Investment Limited的新增其他借款，本金金額為人民幣43,520,000元(相當於港幣47,872,000元)另加應計利息人民幣1,269,000元(相當於港幣1,396,000元)。有關借款為無抵押、按7%年利率計息以及須於2021年8月償還。因此，有關借款被分類為非流動負債。

18. 來自一間關聯公司的貸款

本集團主要管理層成員於關聯公司擁有控股權益。

		31 December 2019 2019年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2019 2019年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Loan from a related company	來自一間關聯公司的貸款		
- Loan 1 (note i)	- 貸款1(附註i)	36,094	36,473
- Loan 2 (note ii)	- 貸款2(附註ii)	183,657	161,695
- Loan 3 (note iii)	- 貸款3(附註iii)	27,731	27,801
		247,482	225,969
Analysis as:	分析為：		
- Current liabilities	- 流動負債	27,731	27,801
- Non-current liabilities	- 非流動負債	219,751	198,168
		247,482	225,969

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

18. LOANS FROM A RELATED COMPANY

(Continued)

Notes:

- (i) Guangzhou Daide Management Consultancy Company Limited (“Guangzhou Daide”), a wholly-owned subsidiary of the Company, borrowed an aggregate loan advances of RMB31,000,000 (equivalent to HK\$35,650,000) from Guangzhou Seedland Real Estate Development Limited (“Guangzhou Seedland”), a company in which Mr. Zhang Liang, Johnson, the controlling shareholder and the executive director of the Company, has controlling interests. The loan advances are unsecured, interest-bearing at 7% per annum and repayable in January 2021. Therefore, the loan advances are classified as non-current liabilities.
- (ii) Guangzhou Huohua Investment Company Limited (“Guangzhou Huohua”), a wholly-owned subsidiary of the Company, borrowed loan advances of RMB135,000,000 (equivalent to HK\$155,250,000) and RMB20,000,000 (equivalent to HK\$22,000,000), in January 2019 and September 2019 respectively, from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and the loans amount with interests accrued are repayable in 3 years after the loan’s drawdown date. Therefore, the amounts are classified as non-current liabilities.
- (iii) Khorgas Houhai, a non-wholly owned subsidiary of the Company, borrowed an aggregate loan advances of RMB38,000,000 (equivalent to HK\$43,700,000) from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and repayable on 31 December 2019. During the year ended 30 June 2019, the Group made a partial repayment of RMB15,000,000 (equivalent to HK\$17,250,000) to Guangzhou Seedland.

On 18 December 2019, Khorgas Houhai and Guangzhou Seedland entered into a new loan agreement to extend the repayment date of the remaining loan balance of RMB23,000,000 (equivalent to HK\$27,731,000) from 31 December 2019 to 30 June 2020. Therefore, the loan advance of RMB23,000,000 (equivalent to HK\$27,731,000) is classified as current liabilities as at 31 December 2019.

18. 來自一間關聯公司的貸款(續)

附註：

- (i) 廣州戴德管理諮詢有限公司(「廣州戴德」)(本公司一間全資附屬公司)向廣州實地房地產開發有限公司(「廣州實地」, 本公司的控股股東及執行董事張量先生於該公司擁有控股權益)借入貸款墊款合共人民幣31,000,000元(相當於港幣35,650,000元)。貸款墊款為無抵押、按年利率7%計息以及須於2021年1月償還。因此, 貸款墊款被分類為非流動負債。
- (ii) 於2019年1月及2019年9月, 廣州火花投資有限公司(「廣州火花」)(本公司一間全資附屬公司)向廣州實地分別借入貸款墊款人民幣135,000,000元(相當於港幣155,250,000元)及人民幣20,000,000元(相當於港幣22,000,000元)。貸款墊款為無抵押、按年利率7%計息以及貸款金額連同應計利息須於貸款提取日期後3年內償還。因此, 該金額被分類為非流動負債。
- (iii) 霍爾果斯厚海(本公司一間非全資附屬公司)向廣州實地借入貸款墊款合共人民幣38,000,000元(相當於港幣43,700,000元)。貸款墊款為無抵押、按年利率7%計息以及須於2019年12月31日償還。截至2019年6月30日止年度, 本集團已向廣州實地償還部分款項人民幣15,000,000元(相當於港幣17,250,000元)。

於2019年12月18日, 霍爾果斯厚海及廣州實地訂立新貸款協議, 以延長剩餘貸款結餘人民幣23,000,000元(相當於港幣27,731,000元)的還款日期(由2019年12月31日至2020年6月30日)。因此, 貸款墊款人民幣23,000,000元(相當於港幣27,731,000元)於2019年12月31日被分類為流動負債。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

19. SHARE CAPITAL

19. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.0025 each:	每股面值港幣0.0025元的普通股：		
Authorised:	法定：		
At 1 July 2018, 30 June 2019 (audited) and 31 December 2019 (unaudited)	於2018年7月1日、2019年6月30 日(經審核)及2019年12月31日 (未經審核)	32,000,000,000	80,000
Issued and fully paid:	已發行及繳足：		
At 1 July 2018, 30 June 2019 (audited) and 31 December 2019 (unaudited)	於2018年7月1日、2019年6月30 日(經審核)及2019年12月31日 (未經審核)	2,595,613,733	6,489

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

20. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

The Company's share option scheme (the "Scheme"), was approved and adopted by the sole shareholder on 5 October 2012 for the primary purpose to grant options to eligible persons as incentives or rewards for their contribution to the Group.

Under the Scheme, the Directors may, at its discretion, grant options pursuant to the Scheme to the Directors (including executive directors, non-executive directors and independent non-executive directors), employees, advisors and consultants of the Company and its subsidiaries who the Directors consider, in its absolute discretion, have contributed or will contribute to the Group (the "Participants").

The total numbers of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The Scheme shall be valid and effective for a period of 10 years commencing on 5 October 2012. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant. The exercise price is determined by the Directors and will not be less than the highest of (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. Upon acceptance of the option, the Participants shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date of grant.

For the six months ended 31 December 2019, there was no share option granted under the Scheme by the Company. There was no share option outstanding as at 30 June 2019 and 31 December 2019.

20. 以股份為基礎付款的交易

購股權計劃

本公司的購股權計劃(「該計劃」)於2012年10月5日獲唯一股東批准及採納，主要目的為向合資格人士授出購股權，作為彼等對本集團作出貢獻的獎勵或回報。

根據該計劃，董事可酌情根據該計劃向其全權認為對本集團已作出或將作出貢獻的董事(包括執行董事、非執行董事及獨立非執行董事)、本公司及其附屬公司的僱員、顧問及諮詢人士(「參與者」)授出購股權。

未經本公司股東事先批准，根據該計劃可能授出的購股權所涉及的股份總數不得超過本公司任何時候已發行股份的10%。未經本公司股東事先批准，於任何一年內向任何人士授出及可能授出的購股權所涉及的已發行及將發行的股份數目不得超過本公司任何時候已發行股份的1%。

該計劃自2012年10月5日起計十年內有效。該計劃有效期內授出的購股權根據授出條款可繼續予以行使。行使價由董事釐定，且不會低於以下三者的最高者：(i)於授出日期(必須為交易日)聯交所發佈的每日報價表所示股份收市價；(ii)緊接授出日期前五個交易日聯交所發佈的每日報價表所示股份平均收市價；及(iii)本公司股份面值。於接納購股權時，參與者須向本公司支付港幣1.00元，作為獲授購股權的代價。購股權的接納期為授出日期起計28日。

截至2019年12月31日止六個月，本公司概無根據該計劃授出購股權。於2019年6月30日及2019年12月31日，概無尚未行使購股權。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

21. DISPOSAL OF SUBSIDIARIES

For the six months ended 31 December 2019

(a) Disposal of Chili Advertising and Promotions Limited (“Chili”) and its subsidiaries (collectively referred to as the “Chili Group”)

On 30 November 2019, the Group entered into an agreement to dispose of the entire equity interest in Chili Group, indirectly wholly-owned subsidiaries of the Company, to an independent third party of the Group, at a cash consideration of HK\$7,000,000. Chili Group engaged in advertising and marketing business. The disposal was completed on 10 December 2019, on which date when the control of Chili Group passed to the acquirer.

(b) Disposal of Star Pictures Entertainment (Hong Kong) Limited (“Star Pictures”)

On 30 November 2019, the Group entered into an agreement to dispose the entire equity interest of Star Pictures, an indirect wholly-owned subsidiary of the Company, to an independent third party of the Group, at a cash consideration of HK\$100,000. Star Pictures is engaged in film production and distribution business. The disposal was completed on 4 December 2019, on which date when the control of Star Pictures passed to the acquirer.

Consideration received:

	Chili Group	Star Pictures	Total
	Chili Group	星映娛樂	總計
	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元
Cash received	7,000	100	7,100

21. 出售附屬公司

截至2019年12月31日止
六個月

(a) 出售 Chili Advertising and Promotions Limited(「Chili」)及其附屬公司(統稱為「Chili Group」)

於2019年11月30日，本集團訂立協議，以向一名本集團獨立第三方出售於Chili Group(「本公司間接全資附屬公司」)的全部股權，現金代價為港幣7,000,000元。Chili Group從事推廣及營銷業務。出售事項於2019年12月10日(即Chili Group之控制權轉移予至收購方的日期)完成。

(b) 出售星映娛樂(香港)有限公司(「星映娛樂」)

於2019年11月30日，本集團訂立協議，以向一名本集團獨立第三方出售於星映娛樂(「本公司間接全資附屬公司」)的全部股權，現金代價為港幣100,000元。星映娛樂從事電影製作及發行業務。出售事項於2019年12月4日(即星映娛樂之控制權轉移予至收購方的日期)完成。

已收代價：

	Chili Group	Star Pictures	Total
	Chili Group	星映娛樂	總計
	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元
Cash received	7,000	100	7,100

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

21. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 31 December 2019
(Continued)

Analysis of assets and liabilities over which control was lost:

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Plant and equipment	廠房及設備	10	–	10
Intangible assets	無形資產	5,600	–	5,600
Trade and other receivables	貿易及其他應收款項	486	2,039	2,525
Tax recoverable	可收回稅項	97	–	97
Bank balances and cash	銀行結餘及現金	1,295	50	1,345
Trade and other payables	貿易及其他應付款項	(659)	(943)	(1,602)
Net assets disposed of	已出售之資產淨值	6,829	1,146	7,975

Loss on disposal:

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Cash received	已收現金	7,000	100	7,100
Non-controlling interests	非控股權益	(3,963)	–	(3,963)
Net assets disposed of	已出售之資產淨值	(6,829)	(1,146)	(7,975)
Loss on disposal	出售之虧損	(3,792)	(1,046)	(4,838)

Net cash inflow on disposal:

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Cash consideration received	已收現金代價	7,000	100	7,100
Cash and cash equivalents disposed of	出售現金及現金等價物	(1,295)	(50)	(1,345)
		5,705	50	5,755

21. 出售附屬公司(續)

截至2019年12月31日止
六個月(續)

失去控制權之資產及負債分析：

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Plant and equipment	廠房及設備	10	–	10
Intangible assets	無形資產	5,600	–	5,600
Trade and other receivables	貿易及其他應收款項	486	2,039	2,525
Tax recoverable	可收回稅項	97	–	97
Bank balances and cash	銀行結餘及現金	1,295	50	1,345
Trade and other payables	貿易及其他應付款項	(659)	(943)	(1,602)
Net assets disposed of	已出售之資產淨值	6,829	1,146	7,975

出售之虧損：

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Cash received	已收現金	7,000	100	7,100
Non-controlling interests	非控股權益	(3,963)	–	(3,963)
Net assets disposed of	已出售之資產淨值	(6,829)	(1,146)	(7,975)
Loss on disposal	出售之虧損	(3,792)	(1,046)	(4,838)

出售之現金流入淨額：

		Chili Group	Star Pictures	Total
		Chili Group	星映娛樂	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Cash consideration received	已收現金代價	7,000	100	7,100
Cash and cash equivalents disposed of	出售現金及現金等價物	(1,295)	(50)	(1,345)
		5,705	50	5,755

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

21. DISPOSAL OF SUBSIDIARIES (Continued)

For the six months ended 31 December 2018

On 8 May 2018, Shanghai Xinma Development Company Limited ("Shanghai Xinma"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the "Equity Transfer Agreement") with two independent third parties of the Group (the "Purchasers"), pursuant to which Shanghai Xinma agreed to sell and the Purchasers agreed to acquire 100% equity interest of Shengma Cultural Communication (Shanghai) Company Limited ("Shengma Cultural"), a direct wholly-owned subsidiary of Shanghai Xinma which engaged in cinema operations and management in the PRC, at a consideration of RMB40,700,000 plus the cash at bank of Shengma Cultural at the completion date and minus (i) the total amount of liabilities of Shengma Cultural at the completion date and (ii) the contingent liabilities. Details of the disposal are set out in the circular issued by the Company dated 8 May 2018.

On 31 July 2018, the disposal of Shengma Cultural was completed at a net consideration of RMB20,032,000 (equivalent to HK\$22,836,000) and the control of Shengma Cultural has been passed to the Purchasers. Upon completion of the disposal, Shengma Cultural ceased to be a subsidiary of the Company.

Consideration received:

Consideration, satisfied by cash, net

以現金償付的代價淨額

HK\$'000
港幣千元

22,836

21. 出售附屬公司(續)

截至2018年12月31日止 六個月

於2018年5月8日，上海新馬電影院發展有限公司(「上海新馬」，本公司的間接全資附屬公司)與本集團的兩名獨立第三方(「買方」)訂立股權轉讓協議(「股權轉讓協議」)，據此，上海新馬同意出售及買方同意收購勝馬文化傳播有限公司(「勝馬文化」，上海新馬的直接全資附屬公司，於中國從事影院運作及管理業務)的全部股權，代價為人民幣40,700,000元加上勝馬文化於完成日期在銀行結存的現金的總和，再減去(i)勝馬文化於完成日期的負債總額及(ii)或然負債。出售事項詳情載於本公司於2018年5月8日刊發的通函。

於2018年7月31日，勝馬文化之出售事項已完成，代價淨額為人民幣20,032,000元(相當於港幣22,836,000元)及勝馬文化之控制權已轉移予買方。於出售事項完成後，勝馬文化不再為本公司之附屬公司。

已收代價：

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

21. DISPOSAL OF SUBSIDIARIES (Continued)

21. 出售附屬公司(續)

For the year ended 30 June 2018

截至2018年6月30日止年度

Analysis of assets and liabilities over which control was lost:

失去控制權之資產及負債分析：

		HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	18,947
Inventories	存貨	55
Trade and other receivables	貿易及其他應收款項	3,790
Rental deposits	租賃按金	1,230
Bank balances and cash	銀行結餘及現金	565
Trade and other payables	貿易及其他應付款項	(19,126)
Contract liabilities	合約負債	(346)
Tax payable	應付稅項	(159)
Net assets disposed of	已出售之資產淨值	4,956

Gain on disposal of a subsidiary:

出售一間附屬公司之收益：

		HK\$'000 港幣千元
Cash received	已收現金	22,836
Reclassification of cumulative exchange reserve upon disposal to profit or loss	於出售時重新分類累計匯兌儲備至損益	(165)
Less: net assets disposed of	減：已出售之資產淨值	(4,956)
Gain on disposal	出售之收益	17,715

Net cash inflow on disposal of a subsidiary:

出售一間附屬公司之現金流入淨額：

		HK\$'000 港幣千元
Cash consideration received	已收現金代價	22,836
Amount not received and included in other receivables	並未收到及已計入其他應收款項的金額	(6,156)
Cash and cash equivalents disposed of	出售現金及現金等價物	(565)
		16,115

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

22. RELATED PARTY DISCLOSURES

Apart from the balances with related parties as disclosed in note 18, during the period, the Group also entered into the following significant transactions with related parties:

22. 關聯方披露

除附註18所披露之與關聯方之結餘外，期內，本集團亦與關聯方訂立以下重大交易：

Name of related party 關聯方名稱	Notes 附註	Nature of transaction 交易性質	Six months ended 31 December 截至12月31日止六個月	
			2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)	2018 2018年 HK\$'000 港幣千元 (unaudited) (未經審核)
PM Motion Pictures Limited 天馬電影出品有限公司	(a)	Service income 服務收入	—	200
Pure Project Limited 盧威有限公司	(b)	Rental expense 租金開支	—	354
Mandarin Motion Pictures Production Limited ("Mandarin Motion") 東方影業製作有限公司(「東方」)	(c)	Production, film distribution service and film processing service income 製作及電影發行服務以及 電影菲林沖印服務收入	1,894	605
Guangzhou Seedland 廣州實地	(d)	Interest expenses 利息開支	8,096	3,462

Notes:

- (a) The service income was received from PM Motion Pictures Limited for the Group's provision of film distribution services. Mr. Wong (who resigned as executive director of the Company on 1 April 2019) and Mr. Wong Chi Woon, Edmond and Ms. Wong Yee Kwan, Alvina (the former executive directors of the Company), collectively have controlling interests in this company.
- (b) The rental expense was paid to Pure Project Limited for the office premise leased by the Group. Mr. Wong (who resigned as executive director of the Company on 1 April 2019) has controlling interests in Pure Project Limited.
- (c) The production, film distribution service and film processing service income were received from Mandarin Motion in which Ms. Wong Kit Fong, the sister of Mr. Wong (who resigned as executive director of the Company on 1 April 2019), has controlling interests.
- (d) The interest expenses were paid to Guangzhou Seedland for the loan advances from it to the Group in which Guangzhou Seedland is beneficially owned by Mr. Zhang, the controlling shareholder and the executive director of the Company.

附註：

- (a) 該服務收入乃就本集團提供電影發行服務而向天馬電影出品有限公司收取。黃先生(於2019年4月1日辭任本公司執行董事)及黃子桓先生以及黃漪鈞女士(本公司前執行董事)共同擁有該公司的控股權益。
- (b) 該租金開支乃就本集團租賃的辦公室物業而支付予盧威有限公司。黃先生(於2019年4月1日辭任本公司執行董事)於盧威有限公司擁有控股權益。
- (c) 該製作、電影發行服務及電影菲林沖印服務收入乃向東方收取，而黃先生(於2019年4月1日辭任本公司執行董事)的胞妹黃潔芳女士擁有該公司的控股權益。
- (d) 該利息開支乃就本集團自廣州實地取得貸款墊款而向其支付，廣州實地由本公司控股股東及執行董事張先生實益擁有。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The level in the fair value hierarchy within which the financial asset and financial liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

23. 金融工具之公平值計量

金融資產及金額負債整體所應歸入的公平值層級內的等級，應基於對公平值計量具有重大意義的最低等級輸入數據。

Financial liability	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs 估值方法及關鍵輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值的關係
金融負債	於以下日期的公平值		公平值層級			
	31 December 2019	30 June 2019				
	2019年	2019年				
	12月31日	6月30日				
	HK\$'000	HK\$'000				
	港幣千元	港幣千元				
Contingent consideration payable	258,236	317,390	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 7% per annum	The higher the estimated discount rate, the lower the fair value.
應付或然代價	258,236	317,390	第三級	根據合適貼現率使用貼現現金流量法取得因或然代價流出本集團的預期未來經濟利益的現值。	貼現率每年7%	預期貼現率愈高，公平值愈低。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2019 截至2019年12月31日止六個月

24. EVENT AFTER THE REPORTING PERIOD

On 10 September 2019, Guangzhou Daide Management Consultancy Company Limited (“Guangzhou Daide”) entered into an equity transfer agreement with a group of third party sellers (the “Sellers”) and 聞瀾(上海)文化傳媒有限公司 (Wenlan (Shanghai) Culture Communication Co., Ltd.) (the “Target Company”). Under the agreement, Guangzhou Daide conditionally agreed to acquire, and Chen Jie (the “Seller One”) and 上海艾播文化傳播有限公司 (Shanghai Aibo Culture Communication Co., Ltd.) (the “Seller Three”) conditionally agreed to sell, the equity interest collectively hold by Seller One and Seller Three, representing 60% equity interest in the Target Company, at an aggregate consideration of RMB96,000,000 and 壽璋達 (the “Seller Two”) and 上海薈喆企業管理中心(有限合夥) (Shanghai Huizhe Enterprise Management Center Co., Ltd.) (the “Seller Four”) agreed to grant the call option to Guangzhou Daide for purchasing the remaining 40% equity interest in the Target Company.

On the same day, Guangzhou Daide, the Sellers and the Target Company also entered into a profit guarantee agreement, pursuant to which and subject to the completion of the acquisition, the other two of the Sellers undertake to Guangzhou Daide that the aggregate amount of profit for the profit guarantee period from the date of completion to 31 December 2022 shall be not less than RMB70,000,000.

Details of the acquisition are set out in the announcements of the Company dated 10 September 2019 and 11 December 2019.

As at 31 December 2019, the Group paid a deposit of acquisition amounted to RMB23,520,000 (equivalent to HK\$25,875,000). Up to the date of this report, the transaction has not been completed.

The latest outbreak of the novel coronavirus disease (COVID-19) is expected to affect the Group’s performance in second half year of the financial year 2019/20. The Television Production Committee and the Artiste Committee of China Federation of Radio and Television Associations has published “Announcement on Suspension of Filming Work in Relation to Film and Television Series amidst Novel Coronavirus”, requesting all film and television production companies, film and television crews and film and television artistes to cease the filming work in relation to film and television series amid the disease until next notice. Besides, the decrease in number of customers under film exhibition sector could have adverse impact on the performance. The Group has taken some measures to limit the impact. However, the impact on financial performance is still under progress of estimation.

24. 報告期後事項

於2019年9月10日，廣州戴德管理諮詢有限公司(「廣州戴德」)與一組第三方賣方(「賣方」)及聞瀾(上海)文化傳媒有限公司(「目標公司」)訂立股權轉讓協議。根據協議，廣州戴德有條件同意收購而陳捷(「賣方一」)與上海艾播文化傳播有限公司(「賣方三」)有條件同意出售由賣方一及賣方三共同持有的股權(即於目標公司60%的股權)，總代價為人民幣96,000,000元，而壽璋達(「賣方二」)與上海薈喆企業管理中心(有限合夥)(「賣方四」)同意就購買目標公司餘下40%的股權向廣州戴德授出認購期權。

同日，廣州戴德、賣方與目標公司亦訂立溢利保證協議，據此及待收購事項完成後，另外兩名賣方向廣州戴德承諾，溢利保證期間(自完成日期至2022年12月31日)的合計溢利總額將不低於人民幣70,000,000元。

有關收購事項的詳情載於本公司日期為2019年9月10日及2019年12月11日之公佈。

於2019年12月31日，本集團就人民幣23,520,000元(相等於港幣25,875,000元)的收購事項繳付按金。截至本報告日期，該交易尚未完成。

近期新型冠狀病毒疾病(COVID-19)爆發預期影響本集團2019/20財政年度下半年的業績。中國廣播電視社會組織聯合會電視製片委員會及演員委員會發佈《關於新冠疫情期間停止影視劇拍攝工作的通知》，要求所有影視製片公司、影視劇組及影視演員在疫情期間暫停影視劇拍攝工作，直至另行通知。此外，電影放映分部的客戶人數減少可能對業績帶來負面影響。本集團已採取若干措施減低影響。然而，其對財務表現的影響仍然在估算階段。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in (i) film and TV series production, distribution and licensing of film rights; (ii) film exhibition; and (iii) other businesses. The Group mainly produces Chinese films, variety shows and TV series in both mainland China and Hong Kong. It also operates five Hong Kong based cinemas. During the six months ended 31 December 2019 (the "Period under Review"), the Group further realized its strategy of business diversification and developed pan-entertainment business, including production business, artiste and internet celebrity agency business and business derived from the upstream and downstream of such businesses.

Film and TV series production and distribution

During the Period under Review, film and TV series production and distribution business remained as the core business of the Group with reported revenue of approximately HK\$191.6 million, representing a decrease of approximately 28.7% as compared to the corresponding period in 2018, mainly due to the decrease in the revenue generated from the film production, distribution and licensing as there was no new movie released by the Group during the Period under Review whereas two films, namely "L Storm" (L風暴) and "Lucid Dreams" (八步半喜怒哀樂), were released in the corresponding period in 2018.

Film exhibition

Film exhibition was another key revenue driver for the Group. During the Period under Review, the Group operated five cinemas at different strategic locations across Hong Kong, including Mong Kok, Chai Wan, Causeway Bay and Tsuen Wan, providing 23 screens and over 3,000 seats. According to the statistics from Hong Kong Box Office Limited, the Hong Kong box office receipts posted a slight decrease of approximately 1.75% in 2019 to approximately HK\$1.92 billion, mainly attributable to the decline in Hong Kong film market. During the Period under Review, revenue from film exhibition amounted to approximately HK\$100.0 million, representing a decrease of approximately 16.5% as compared to the corresponding period in 2018, mainly attributable to the drop in the cinemagoers amidst the continuous weakened market sentiment during the second half of 2019. This business segment recorded a loss of approximately HK\$59.3 million during the Period under Review (2018: loss of approximately HK\$2.4 million).

業務回顧

本集團主要從事(i)電影及電視劇製作、發行及授出電影發行權使用許可，(ii)電影放映，及(iii)其他業務。本集團以內地及香港為主要市場製作華語電影、綜藝節目及電視劇，並經營五間香港電影院。於截至2019年12月31日止六個月(「回顧期」)內，本集團進一步推進實現其業務多元化策略，開展了包括編導業務、藝人及網絡紅人經紀業務以及其上下游的衍生業務在內的泛娛樂業務。

電影及電視劇製作及發行

於回顧期內，電影及電視劇製作及發行業務仍為本集團的核心業務，錄得的收益約為港幣191.6百萬元，較2018年同期減少約28.7%，主要由於本集團於回顧期內並無新電影上映，而於2018年同期上映了兩部電影，包括《L風暴》及《八步半喜怒哀樂》，以致來自電影製作、發行及授出發行權使用許可的收益下降。

電影放映

電影放映為本集團另一主要收益來源。於回顧期內，本集團在香港不同戰略位置(包括旺角、柴灣、銅鑼灣及荃灣)運營共五間影院，提供23塊熒幕及超過3,000個坐席。根據香港票房有限公司的統計，由於香港電影消費市道有所下跌，2019年香港票房收入微跌約1.75%至約港幣19.2億元。回顧期內，電影放映收益約為港幣100.0百萬元，較2018年同期減少約16.5%，主要由於電影觀眾於2019年下半年持續疲弱的市場氣氛下有所減少。此業務分部於回顧期內錄得虧損約港幣59.3百萬元(2018年：虧損約港幣2.4百萬元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Others businesses

During the Period under Review, the post-production, advertising, marketing and publication and pan-entertainment businesses of the Group recorded a total revenue of approximately HK\$15.1 million (2018: approximately HK\$7.0 million). This business segment recorded a loss of approximately HK\$13.6 million during the Period under Review (2018: loss of approximately HK\$1.2 million). Taken into account the small scale operation of the post-production business of the Group in the recent years, the recent market trend and the change in the overall business strategy of the Group, the Group has disposed of the post-production business last year.

Furthermore, in order to achieve long-term sustainable development, during the Period under Review, the Group has continued to forge collaborative relationship with various artists, internet celebrities, agencies, renowned scriptwriters and popular directors to make in-depth development in the film and television industry. Meanwhile, the Group nurtures new celebrities and develops Multi Channel Network (MCN) business with vast resources on film and television in channels/internet and expands its revenue base through developing its self-developed consumer brand, and thereby promoting the development strategy of brand diversification and enhancing the Group's brand awareness in the industry. During the Period under Review, the Group recorded income from screenwriting and film direction business as well as artiste and internet celebrity agency business for the first time.

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group for the Period under Review amounted to approximately HK\$306.6 million, representing a decrease of approximately HK\$88.7 million or 22.4% as compared to the corresponding period of 2018, mainly contributed by revenue from the business segments of film and TV series production and distribution and film exhibition of approximately HK\$191.6 million and HK\$100.0 million, respectively. The revenue generated from the film production, distribution and licensing declined since there was no new movie released by the Group during the Period under Review whereas two films, namely "L Storm" (L風暴) and "Lucid Dreams" (八步半喜怒哀樂), were released in the corresponding period in 2018. For the film exhibition segment, the revenue in film exhibition business reduced due to the drop in the cinemagoers amidst the continuous weakened market sentiment during the second half of 2019.

其他業務

在回顧期內，本集團之後期製作、廣告、市場推廣及出版以及泛娛樂業務共錄得的收益約為港幣15.1百萬元(2018年：約為港幣7.0百萬元)。此業務分部於回顧期內錄得虧損約港幣13.6百萬元(2018年：虧損約港幣1.2百萬元)。考慮到近年來本集團後期製作業務的營運規模較小、近期市場趨勢及本集團整體業務策略轉變，本集團已於去年內出售後期製作業務。

此外，為實現本集團的長遠可持續發展，本集團於回顧期內繼續推進與多位藝人、網絡紅人、經紀人、知名編劇及人氣導演的合作關係，於影視傳媒行業深入發展的同時，依託於不同廣播平臺及網站與電影、電視相關的豐富資源培育新晉紅人及開展多管道網絡(MCN)業務，通過打造自主消費品牌拓寬收益基礎，進一步推進品牌多元化的發展策略以及提升本集團在行業內的知名度。於回顧期內，本集團首次錄得來自編導業務、藝人及網絡紅人經紀業務的收入。

財務回顧

收益及毛利

本集團於回顧期的收益約為港幣306.6百萬元，較2018年同期減少約港幣88.7百萬元或22.4%，主要來自電影及電視劇製作及發行，以及電影放映業務分部收益分別約為港幣191.6百萬元及港幣100.0百萬元。本集團於回顧期內並無新電影上映，而於2018年同期上映了兩部電影，包括《L風暴》及《八步半喜怒哀樂》，因此來自電影製作、發行及授出發行權使用許可的收益下降。就電影放映分部而言，電影觀眾於2019年下半年持續疲弱的市場氣氛下有所減少，因此電影放映業務收入有所下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit of the Group was approximately HK\$160.6 million, representing a decrease of approximately HK\$14.0 million or approximately 8.0% as compared to the corresponding period of 2018. Gross profit margin for the Period under Review was approximately 52.4%, representing an increase as compared to approximately 44.2% for the corresponding period of 2018.

Other gains and losses and other income

During the Period under Review, other gains and losses and other income was approximately HK\$6.9 million, representing a decrease of HK\$15.6 million or approximately 69.3% as compared to the corresponding period in 2018, which was mainly due to a significant gain on disposal of a subsidiary amounted to HK\$17.7 million in the corresponding period of last year, whereas no such significant gain was recorded under these accounts during the Period under Review.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$5.5 million or 5.7% from approximately HK\$97.1 million for the corresponding period of 2018 to approximately HK\$91.6 million for the Period under Review. This was mainly due to the recognition of depreciation of right-of-use assets of HK\$54.3 million and interest expenses of lease liabilities during the Period under Review as a result of the effect of the adoption of the new accounting standard HKFRS16, whereas the interest expenses of lease liabilities of HK\$23.1 million were included in financial costs in the current period. In the corresponding period of last year, only rental expenses of HK\$61.2 million was recognized in selling and distribution expenses.

Administrative expenses

Administrative expenses increased by approximately HK\$3.0 million or approximately 10.8% from approximately HK\$27.5 million for the corresponding period of 2018 to approximately HK\$30.5 million for the Period under Review, which was attributable to the ordinary administrative expenses incurred by certain newly-established wholly-owned subsidiaries in 2019.

Share of results of associates

During the Period under Review, share of loss of associates represented the loss incurred by Supreme Art Entertainment Limited in the Period under Review. In addition, the Group disposed of the entire interest of Supreme Art Entertainment Limited and Jade Dynasty Holdings Limited during the Period under Review.

本集團的毛利約港幣160.6百萬元，較2018年同期減少約港幣14.0百萬元或約8.0%。回顧期的毛利率約52.4%，較2018年同期毛利率約44.2%有所增加。

其他收益及虧損以及其他收入

於回顧期內，其他收益及虧損以及其他收入為約港幣6.9百萬元，較2018年同期減少約港幣15.6百萬元或約69.3%，主要由於於去年同期，出售一間附屬公司的重大收益為港幣17.7百萬元，而於回顧期內，該等賬目並無錄得任何重大收益。

銷售及發行開支

銷售及發行開支由2018年同期的約港幣97.1百萬元減少約港幣5.5百萬元或5.7%至回顧期的約港幣91.6百萬元，主要由於採用新會計準則（香港財務報告準則第16號）造成的影響，使用權資產折舊港幣54.3百萬元及租賃負債利息開支於回顧期內確認，而租賃負債利息開支港幣23.1百萬元本期計入財務費用。於去年同期，僅租金開支港幣61.2百萬元於銷售及發行開支中確認。

行政開支

行政開支由2018年同期的約港幣27.5百萬元增加約港幣3.0百萬元或約10.8%至回顧期的約港幣30.5百萬元，主要由於於2019年新成立的若干全資附屬公司產生的日常行政開支。

應佔聯營公司業績

於回顧期內，應佔聯營公司虧損為凱藝娛樂發展有限公司回顧期內所產生的虧損。另外，本集團於回顧期內已出售凱藝娛樂發展有限公司及玉皇朝集團有限公司的全部權益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Share of results of a joint venture

Bounty Productions Limited (“BPL”) was set up by the Group with two independent third parties for the production and distribution of the film, “Bounty Hunters” (賞金獵人), in which the Group owned 40% interest. BPL did not record any profit during the Period under Review (2018: loss attributable to the Group of approximately HK\$0.01 million).

Loss for the period under review

The Group’s loss and total comprehensive expense attributable to owners of the Company for the Period under Review amounted to approximately HK\$19.6 million (2018: profit of approximately HK\$46.5 million) and approximately HK\$22.5 million (31 December 2018: total comprehensive income of approximately HK\$52.4 million) respectively.

It was mainly caused by (i) the decrease in the revenue generated from the film production, distribution and licensing as there was no new movie released by the Group during the Period under Review whereas the film “L Storm” was released in the corresponding interim period in 2018; (ii) the decrease in film exhibition income as a result of the drop in the cinemagoers amidst the continuous weakened market sentiment during the second half of 2019; and (iii) the application of Hong Kong Financial Reporting Standard 16 Leases (“HKFRS 16”), which results in a higher total charge to the statement of profit or loss in the first few years of the lease, and such expenses will decrease during the latter part of the lease terms. There is no impact on the cumulative expenses recognized during the remaining lease terms since the adoption date of HKFRS 16. Accordingly, the effects of the application of HKFRS 16 resulted in an increase in corresponding expenses recognised during the Period under Review as the Group currently operates numerous cinemas in Hong Kong.

應佔一間合營企業業績

本集團與兩名獨立協力廠商成立賞金製作有限公司(「賞金」)以製作及發行電影「賞金獵人」(本集團於其中擁有40%權益)。於回顧期內賞金並無錄得溢利(2018年：本集團應佔虧損約港幣0.01百萬元)。

回顧期內虧損

於回顧期內，本公司擁有人應佔本集團虧損及全面開支總額分別約港幣19.6百萬元(2018年：溢利約港幣46.5百萬元)及約港幣22.5百萬元(2018年12月31日：全面收益總額約港幣52.4百萬元)。

此乃主要由於(i)本集團於回顧期內並無新電影上映而電影「L風暴」則於2018年相應中期期間上映，以致來自電影製作、發行及授出發行權使用許可的收益下降；(ii)電影觀眾於2019年下半年持續疲弱的市場氣氛下有所減少，以致電影放映業務收入下降；及(iii)應用香港財務報告準則第16號租賃(「香港財務報告準則第16號」)，以致租賃期最初數年在損益表中的支銷總額較高，而有關開支將於租賃期後期下降。自香港財務報告準則第16號的採納日期起，概無對剩餘租賃期內確認的累計開支構成影響。據此，由於本集團目前在香港經營多間電影院，故應用香港財務報告準則第16號的影響導致回顧期內確認的有關開支上升。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

IMPAIRMENT LOSS ON RIGHT-OF-USE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (“IMPAIRMENT”)

Background

As disclosed in note 2.1, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 July 2019 to recognise right-of-use assets of HK\$800.0 million relating to the lease agreements of five cinemas in Hong Kong which were previously classified as operating leases under HKAS 17.

The Impairment was made on right-of-use assets derived from the lease agreements of numerous cinemas in Hong Kong operating by the Group (the “Cinemas”) and property, plant and equipment in relation to the Cinemas, which was determined after considering the difference between the recoverable amount based on value in use calculations and the carrying value as at 31 December 2019. The cinemas located in Hong Kong, have been operating for years and the management assessed the income to be generated therefrom after taking into account of the factors explained in the section headed “Circumstances leading to the Impairment” below.

The relevant cinemas (not including the buildings) were developed by the Group on its own and were not acquired from third parties, and the relevant right-of-use assets and property, plants and equipment in relation to the Cinemas was acquired at various time from the relevant suppliers in the course of the establishment of the Cinemas.

使用權資產以及物業、廠房及設備的減值虧損(「減值」)

背景

誠如附註2.1披露，本集團使用經修訂追溯方式採納香港財務報告準則第16號，並調整於2019年7月1日的期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃的五間香港電影院租賃協議有關的使用權資產港幣800.0百萬元。

減值乃為自多個本集團經營的香港電影院(「該等電影院」)租賃協議產生的使用權資產以及有關該等電影院的物業、廠房及設備作出，乃經考慮基於使用價值計算的可收回金額與於2019年12月31日的賬面值之間的差額後釐定。位於香港的該等電影院已營運多年，而管理層於計及下文「導致減值的因素」一節所述因素後評估其將產生的收入。

有關電影院(不包括樓宇)乃由本集團自行發展，並非購自第三方，且有關該等電影院的相關使用權資產以及物業、廠房及設備乃於該等電影院成立過程中在不同時間自相關供應商收購。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Circumstances leading to the Impairment

At the end of the six months ended 31 December 2019, the management of the Company assessed the carrying value and recoverable amount of the right-of-use assets and property, plants and equipment in relation to the cinemas after taking into account of the following factors:

- (a) the global economic downturn since mid-2019 which leads to the expected decline of occupancy rate of the Cinemas;
- (b) the change of the movie industry atmosphere in Hong Kong and the expected slowdown in shooting of international blockbuster movie, and thus the expected decline in the box office in the forthcoming year;
- (c) the adverse impact due to the social movement since the second half of 2019, which results in less cinemagoers;
- (d) the review and comparison of the budget of the Cinemas prepared for the Period Under Review and the actual income and profit generated from the Cinemas during the period, and found that there is a material shortfall from the projected income and operating profit; and
- (e) the need to adopt a reasonable approach in evaluating the cashflow to be generated from the cinema operation by the adoption of a discount rate of 13.3% with reference to the use of weighted average costs of capital when the recoverable amount was determined based on value in use calculations.

The above factors were identified close to the end of the Period under Review and assessed and considered during the course of the preparation of the interim financial information of the Company for the six months period ended 31 December 2019. The above factors were not anticipated nor taken into account when the development plan of the relevant Cinemas was implemented.

導致減值的因素

於截至2019年12月31日止六個月結束時，本公司管理層對該等電影院的使用權資產以及物業、廠房及設備的賬面值及可收回金額作出評估，當中已考慮以下因素：

- (a) 環球經濟自2019年年中起下滑，導致該等電影院預期入座率下跌；
- (b) 香港電影業環境轉變及國際大型電影拍攝進度預期減慢，以及由此引致的來年票房預期下跌；
- (c) 自2019年下半年起，由於社會運動的不利影響，電影觀眾減少；
- (d) 審閱及比較該等電影院於回顧期的預算與該等電影院於該期間產生的實際收入及溢利後，發現實際收入及溢利遠低於預測收入及營運溢利；及
- (e) 需要採用合理方法評估影院營運將產生的現金流量，經參考加權平均資本的使用成本採用13.3%的貼現率，而可收回金額乃基於使用價值計算而釐定。

上述因素乃於回顧期將近結束時識別，且已於編製本公司截至2019年12月31日止六個月期間的中期財務資料過程中予以評估及考慮。於落實有關該等電影院的發展計劃時並無預期且並無考慮上述因素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The method, basis and key assumptions used in determining the amount of the Impairment and the recoverable amount

The Impairment relied on the assessment based on the discount cashflow method ("DCF"). DCF is adopted because:

- (a) the entire carrying amount of the right-of-use assets and property, plants and equipment was tested for impairment in accordance with the HKAS 36 issued by the HKICPA by comparing its recoverable amount with its carrying amount; and
- (b) the Group adopted the DCF method under the income-based approach in arriving at the value in use. According to the HKAS 36, measuring value in use of an entity should consider an estimate of the future cash flows the entity expects to derive from the asset. Therefore, the Company adopted the DCF and that the asset-based approach and market based approach were not applicable.

The basis and key assumptions used in the assessment are as follows:

- (a) the Group recognized the impairment loss on right-of-use assets and property, plants and equipment due to the deteriorating economic environment and intense competition in the market of cinema and film exhibition;
- (b) the economic downturn will be a mid-to-long term one and the performance of occupancy rate of the cinema and the box office will not rebound in a short period taking into account the declining economic performance of Hong Kong and the PRC and the uncertainties brought by the increase of the trade war between the United States of America and the PRC as well as the outbreak of novel coronavirus disease (COVID-19);
- (c) the interest rate of the banking facilities obtained by the Group for the operation of the Cinemas will not decrease substantially in the foreseeable period and hence affecting the discount rate used when adopting the DCF approach; and

釐定減值金額以及可收回金額採用的方法、基準及主要假設

減值乃取決於基於貼現現金流量法(「貼現現金流量法」)的評估而定。採用貼現現金流量法的原因是：

- (a) 使用權資產以及物業、廠房及設備的全部賬面值已根據香港會計師公會頒佈的香港會計準則第36號進行減值測試，方法為比較其可收回金額與其賬面值；及
- (b) 本集團採用收入法下的貼現現金流量法得出使用價值。根據香港會計準則第36號，衡量實體的使用價值應考慮實體預期自資產獲得的估計未來現金流量。因此，本公司採用貼現現金流量法，而資產法及市場法則不適用。

評估所用基準及主要假設如下：

- (a) 由於經濟環境惡化及影院及電影放映市場競爭激烈，本集團確認使用權資產以及物業、廠房及設備的減值虧損；
- (b) 考慮到香港及中國的經濟表現下滑情況、中美貿易戰加劇所帶來的不確定性及新型冠狀病毒疾病(COVID-19)爆發，經濟衰退將為中長期，且影院入座率及票房在短期內將不會有回升；
- (c) 本集團就營運該等電影院而獲得的銀行融資利率於可見期間將不會大幅下降，因此會影響採納貼現現金流量法時所採用的貼現率；及

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(d) for the impairment testing, the recoverable amount was determined based on value in use calculations which was performed by management. The calculation uses cash flow projections of the Group based on financial budgets approved by the management of the Company covering a lease term period of the Cinemas and a pre-tax discount rate of 13.3%. The key assumption include the future expected cash flows based on management's view of future business prospects and past performance of the Group.

Taking into account of the above factors and the reasonable approach in adopting the relevant accounting standard and the discount rate which is more suitable when making cash flow projections, the Board considers that the Impairment is fair and reasonable.

The Company intends to continue with the operation of the Cinemas which are self-developed, but it will monitor closely the business performance of the Cinemas from time to time and formulate appropriate business strategy for the cinema or to realise the investment if suitable opportunity arises.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2019, the Group's bank balances and cash amounted to approximately HK\$167.2 million (30 June 2019: approximately HK\$122.0 million), which are denominated mainly in Hong Kong Dollar ("HK\$"), United States Dollar ("US\$") and Renminbi ("RMB").

As at 31 December 2019, the Group's total debts included bank and other borrowings, bonds payable and loans from a related company, which amounted to approximately HK\$99.3 million, approximately HK\$46.5 million and approximately HK\$247.5 million, respectively (30 June 2019: approximately HK\$65.2 million, approximately HK\$22.0 million and approximately HK\$226.0 million, respectively). As at 31 December 2019, the Group's gearing ratio, representing the ratio of total debts to total assets, was approximately 22.2% (30 June 2019: 31.6%).

(d) 就減值測試而言，可收回金額乃按照管理層作出的使用價值計算釐定。該計算使用本集團根據經本公司管理層批准涵蓋該等電影院租賃期的財政預算而作出的現金流量預測及除稅前貼現率13.3%。主要假設包括基於管理層對本集團未來業務前景及過往表現的意見所計算之未來預期現金流量。

鑒於以上因素及採納相關會計準則的合理方法以及作出現金流量預測屬更恰當的貼現率，董事會認為減值屬公平合理。

本公司擬繼續進行自主發展該等電影院之營運，惟其將不時密切監察該等電影院的業務表現，並為影院制定合適的業務策略或於出現合適機會時變現投資。

流動資金、財務資源及資本結構

於2019年12月31日，本集團的銀行結餘及現金約為港幣167.2百萬元（2019年6月30日：約港幣122.0百萬元），主要以港幣（「港幣」）、美元（「美元」）及人民幣（「人民幣」）計值。

於2019年12月31日，本集團的債務總額，包括銀行及其他借款、應付債券及來自一間關聯公司的貸款分別為約港幣99.3百萬元、約港幣46.5百萬元及約港幣247.5百萬元（2019年6月30日：分別為約港幣65.2百萬元、約港幣22.0百萬元及約港幣226.0百萬元）。於2019年12月31日，本集團負債比率（即債務總額佔資產總額的比率）約為22.2%（2019年6月30日：31.6%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 16 May 2019 and 16 September 2019, the Company and Royston Securities Limited (the “Placing Agent”) entered into placing agreements, pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, placees to subscribe in cash for the bonds in an aggregate principal amount of up to HK\$150,000,000 during the placing period. Details of the placing of bonds are set out in the announcements of the Company dated 16 May 2019 and 16 September 2019 respectively. As at 31 December 2019, the Group’s bonds payable amounted to approximately HK\$46.5 million.

As at 31 December 2019, the Group had total non-current assets of approximately HK\$1,246.1 million (30 June 2019: approximately HK\$544.9 million), net current asset of approximately HK\$9.9 million (30 June 2019: net current liabilities of approximately HK\$59.4 million) and net assets of approximately HK\$67.7 million (30 June 2019: approximately HK\$86.2 million). The current ratio of the Group, representing the ratio of current assets over current liabilities, was approximately 1.0 as at 31 December 2019 (30 June 2019: approximately 0.8).

During the Period under Review, the Group mainly funded its liquidity by the net proceeds from the listing of the shares of the Company (the “Listing”), bank borrowings, loans from a related company and resources generated internally. The Group’s financial resources are sufficient to support its business and operations. The Group would also consider other financing activities when appropriate business opportunities arise under favourable market conditions.

於2019年5月16日及2019年9月16日，本公司與銳升證券有限公司（「配售代理」）訂立配售協議，據此，配售代理有條件同意按盡最大努力基準在配售期間促使承配人以現金認購本金總額最多港幣150,000,000元之債券。有關配售債券之詳情分別載於本公司日期為2019年5月16日及2019年9月16日之公佈。於2019年12月31日，本集團應付債券約為港幣46.5百萬元。

於2019年12月31日，本集團擁有非流動資產總值約港幣1,246.1百萬元（2019年6月30日：約港幣544.9百萬元）、流動資產淨值約港幣9.9百萬元（2019年6月30日：流動負債淨值約港幣59.4百萬元）及資產淨值約港幣67.7百萬元（2019年6月30日：約港幣86.2百萬元）。於2019年12月31日，本集團的流動比率（即流動資產與流動負債的比率）約為1.0（2019年6月30日：約0.8）。

於回顧期內，本集團主要以本公司股份上市（「上市」）所得款項淨額、銀行借款、來自一間關聯公司的貸款及內部資源撥付流動資金。本集團的財務資源足以支持其業務及營運。本集團亦會在出現適當業務機會且市場條件有利時考慮其他融資活動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS

On 10 September 2019, Guangzhou Daide, the Sellers and the Target Company entered into the equity transfer agreement, pursuant to which Guangzhou Daide conditionally agreed to acquire, and Seller One and Seller Three conditionally agreed to sell, the equity interest collectively held by Seller One and Seller Three, representing 60% equity interest in the Target Company, at an aggregate consideration of RMB96,000,000 and Seller Two and Seller Four agreed to grant the call option to Guangzhou Daide for purchasing the remaining 40% equity interest in the Target Company.

The Target Company is a company established in Shanghai with limited liabilities and is principally engaged in the planning of culture and entertainment, the performance agent and the training for music bands businesses. In 2016, the Target Company was the appointed manager of the music band group named, CH2 Girls Group, which includes Ms. Yang Chaoyue* (楊超越) (“Ms. Yang”) as the key member. Ms. Yang is a Chinese teen idol member signed the artiste management contract with the Target Company. She debuted as a member of Rocket Girls 101* (火箭少女101) after attending Tencent’s girl group talent show Produce 101* (創造101) and was named by Artiste of the Year 2018* [影響中國(2018年度演藝人物)]. The acquisition is yet to be completed as at the date of this interim report.

As at the date of this report, the initial accounting for the above business combination is incomplete as the fair value assessment of goodwill and intangible assets of the Target Company have not been finalized and therefore, no financial information of the Target Company as at the completion date could be disclosed.

During the Period under Review, the Group disposed of certain subsidiaries and associates. For details, please refer to note 12 and note 21, respectively.

重大收購及出售事項

於2019年9月10日，廣州戴德、賣方與目標公司訂立股權轉讓協議，據此，廣州戴德有條件同意收購而賣方一及賣方三有條件出售由賣方一及賣方三共同持有的股權（即於目標公司60%的股權），總代價為人民幣96,000,000元，而賣方二及賣方四同意就購買目標公司餘下40%的股權向廣州戴德授出認購期權。

目標公司為於上海成立的有限公司，主要從事策劃文化及娛樂活動、演出經紀人及培訓音樂樂隊業務。於2016年，目標公司為音樂樂隊團體CH2女團的委任經理人，當中楊超越女士（「楊女士」）為主要成員。楊女士為中國的青少年偶像，並與目標公司簽訂藝人管理合約。參與名為創造101的騰訊女團選秀節目後，彼出道成為火箭少女101的成員，並獲選為影響中國2018年度演藝人物。收購事項於本中期報告日期尚未完成。

於本報告日期，上述業務合併的初步會計處理仍未完成，乃由於目標公司商譽及無形資產的公平值尚未落實，故未能就目標公司截至完成日期的財務資料作出披露。

回顧期內，本集團出售若干附屬公司及聯營公司。有關詳情，請分別參閱附註12及附註21。

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EVENTS AFTER THE REPORTING PERIOD

On 24 February 2020, the Company and the Placing Agent entered into a placing agreement, pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, places to subscribe in cash for the bonds in an aggregate principal amount of up to HK\$150,000,000 during the placing period. Details of the placing of bonds are set out in the announcement of the Company dated 24 February 2020.

The wide spread of the novel coronavirus disease (COVID-19) in Mainland China since the beginning of 2020 is a fluid and challenging situation facing all the industries of the society. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future.

HUMAN RESOURCES

As at 31 December 2019, the Group employed a total of 261 permanent employees (30 June 2019: 260) in the PRC and Hong Kong. The total salaries and wages, including the Directors' remuneration and part-time workers' salary, amounted to approximately HK\$25.0 million for the Period under Review (2018: approximately HK\$22.5 million).

The Group offers remuneration packages for employees mainly based on their performance and experience, and with reference to prevailing industry practices. In addition to enrolling our new employees into the mandatory provident fund scheme in Hong Kong and State-managed pension scheme in mainland China and making contributions for them on a periodic basis, the Group also provides medical coverage, internal and external training programs and grants share options and discretionary bonuses to employees based on employees' individual performance and the Group's overall performance. The Group reviews the remuneration policies and packages on a regular basis.

報告期後事項

於2020年2月24日，本公司與配售代理訂立配售協議，據此，配售代理有條件同意按盡最大努力基準在配售期間促使承配人以現金認購本金總額最多港幣150,000,000元之債券。有關配售債券之詳情載於本公司日期為2020年2月24日之公佈。

2020年初起，新型冠狀病毒疾病(COVID-19)於中國內地廣泛蔓延，社會各行各業現正面臨多變不穩且充滿挑戰的境況。本集團已評估有關本集團營運的整體狀況影響，並採取所有可能有效措施，以限制有關影響及維持其於控制範圍內。本集團將繼續留意有關狀況的變動，並於未來作出適時回應及調整。

人力資源

於2019年12月31日，本集團於內地及香港合共僱用261全職僱員(2019年6月30日：260名)。在回顧期內，薪金及工資總額(包括董事及兼職員工酬金)約為港幣25.0百萬元(2018年：約港幣22.5百萬元)。

本集團主要根據僱員之表現及經驗並參考通行的行業常規為彼等提供薪酬待遇。除了為我們的新僱員辦理強制性公積金計劃(香港)及國營退休金計劃(中國內地)並定期為彼等作出供款外，本集團亦提供醫療保險、內部及外部培訓課程以及基於僱員之個人表現及本集團之整體表現向僱員授出購股權計劃及酌情花紅。本集團會定期審閱薪酬政策及待遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CHARGE ON ASSETS

As at 31 December 2019, the Group had bank deposits amounting to approximately HK\$0.7 million (30 June 2019: approximately HK\$0.7 million) that were pledged to banks for the bank guarantee provided to a subsidiary of the Group regarding its due payment under a cinema equipment rental agreement. In addition, the Group's secured bank borrowings as at 30 June 2019 were secured by the Group's trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the PRC. Save as mentioned above, the Group had not pledged its assets to any financial institutions.

TREASURY POLICY

The Group's business operations were conducted mainly in mainland China and Hong Kong with transactions principally denominated in HK\$, US\$ and RMB. The monetary assets and liabilities are denominated mainly in HK\$, US\$ and RMB. Apart from HK\$, which is pegged to US\$, any significant exchange rate fluctuations of HK\$ against RMB may have a financial impact on the Group. As the foreign exchange risks arising from sales and purchases can be eliminated against each other, and the fluctuations of RMB during the Period under Review had no significant impact on the costs and operations of the Group for the period, the Directors do not foresee significant risk in exchange rate fluctuation. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposures and interest rate exposures, and consider hedging against the exposures should the need arise.

CAPITAL COMMITMENT

There were no capital commitments for the Group as at 31 December 2018 and 2019.

CONTINGENT LIABILITIES

As at 31 December 2018 and 2019, the Group did not have any significant contingent liabilities.

資產押記

於2019年12月31日，本集團有為數約港幣0.7百萬元(2019年6月30日：約港幣0.7百萬元)之銀行存款質押予銀行以取得本集團一間附屬公司就其於影院設備租賃協議項下之到期付款提供之銀行擔保。此外，於2019年6月30日，本集團的已抵押銀行借款乃以本集團的貿易應收款項人民幣32,627,000元(相等於港幣37,195,000元)作抵押及由中國保險公司提供擔保。除上述者外，本集團並無向任何金融機構質押其資產。

庫務政策

本集團的業務營運主要在內地及香港開展，交易主要以港幣、美元及人民幣計值。貨幣資產及負債主要以港幣、美元及人民幣計值。除港幣與美元掛鈎外，港幣兌人民幣的任何重大匯率波動均可能對本集團造成財務影響。由於買賣所產生之外匯風險可互相抵銷，加上人民幣於回顧期內之波動並無對本集團於期內之成本及營運造成重大影響，董事預計不會有重大匯率波動風險。現時本集團並無訂立任何金融工具以作對沖用途。然而，本集團將密切監察整體外匯風險及利率風險，並考慮於必要時對沖該等風險。

資本承擔

於2018年及2019年12月31日，本集團並無資本承擔。

或然負債

於2018年及2019年12月31日，本集團並無任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

USE OF PROCEEDS FROM THE LISTING

The planned use of proceeds from the Listing as disclosed in the prospectus of the Company dated 9 October 2012 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied in accordance with the actual development of the market. At as 31 December 2019, the reallocated total use of proceeds from the Listing had been applied as follows:

上市所得款項用途

本公司日期為2012年10月9日的招股章程(「招股章程」)所披露的上市所得款項的擬定用途，乃根據本集團於編製招股章程時對未來市況所作的最佳估計而制定，而所得款項已根據市場的實際發展而動用。於2019年12月31日，經重新分配之上市所得款項使用總額如下：

		Reallocated total use of proceeds from the Listing	Actual use of proceeds from the date of the Listing to 31 December 2019
		經重新分配之 上市所得款項 使用總額	由上市日期起至 2019年12月31日 所得款項實際 使用金額
		HK\$ million	HK\$ million
		港幣百萬元	港幣百萬元
Expansion of film production business	拓展電影製作業務	58.4	58.4
Investment in equipment for post-production	投資後期製作設備	7.4	7.4
Staff recruitment	招聘員工	2.8	2.8
General working capital	一般營運資金	4.9	4.9
Total	合計	73.5	73.5

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

Looking forward, the Group will continue to promote the realization of the development strategy of brand diversification and actively develops its self-owned brand to broaden the revenue base through the celebrity market. The Group has targeted the beauty market that is greatly concerned by female audience and invited a number of popular internet celebrities in the beauty field to join the Group. The Group will tap into the film and television intellectual property derived products and e-commerce industry by developing its self-owned brand, and will further nurture new celebrities and develop Multi Channel Network (MCN) business with vast resources on film and television in channels/internet. By cooperating with celebrities with over millions of fans, the Group is able to maintain excellent long-term interaction with targeted fan groups in a bid to develop and promote its self-developed consumer brand and eventually form a complete business cycle. The management of the Group believes that the impressive performance and extensive experience of the celebrities on fan group operation, online and offline marketing and traffic monetization will enable the Group to rapidly develop its self-owned brand and expand the pan-entertainment business. The Group will invite more popular celebrities to join the Group. It is expected that the new business will generate sustainable synergy with the existing resources on film, television and variety shows and thereby creating a broad space for development for the Group in the field of pan-entertainment consumption.

In respect of the film and TV series production and distribution, a number of copyright projects of the Group are currently under pre-production stage, including “Redemption on the Blade” (刀鋒上的救贖), a mystery detective drama originally written by Zhi Wen (指紋), who is the screenwriter of “White Night Chase” (白夜追凶); and an internet variety show “Young at Style” (潮流出動).

Moreover, the Group has reached agreements with some popular copyright owners, and will develop, produce and publish work series for the following copyrights, including “Locard’s theory” (洛卡爾定律), a Japanese TV series; novels including “Imperial Harem” (後宮•真煩傳), “Next To The Last Girlfriend” (倒數第二個女朋友), “Romance in the City” (半城風月), “The Flower Throne” (鮮花寶座) and “Her Warfare” (蘇筱的戰爭) etc.

展望

展望未來，本集團將繼續推動實現品牌多元化的發展策略，積極研發打造自主品牌，通過紅人營銷市場拓寬收益基礎。其中，本集團正佈局女性受眾極關注的美妝市場，邀請多位一線網絡美妝界紅人加盟，通過打造自主品牌進軍影視版權衍生品及電商行業，同時依託於不同廣播平台及網站與電影、電視相關的豐富資源進一步培育新晉紅人及開展多渠道網絡(MCN)業務。透過與百萬粉絲級別的紅人合作，集團能與目標粉絲社群保持長期良好的互動，打造並推廣自主研發的消費品牌，最後形成一個完整的閉環。本集團管理層相信，簽約紅人對於粉絲社群運營、線上線下交互營銷以及流量變現方面的出色表現和豐富經驗能協助本集團快速打造自主品牌，拓展泛娛樂商業版圖。本集團將邀請更多知名紅人加盟本集團。預期新業務將與現有的影視綜藝資源產生可持續的協同效益，為本集團在泛娛樂消費領域創造廣闊的發展空間。

電影及電視劇製作及發行方面，本集團擁有的多個版權項目目前正在籌備當中，包括懸疑推理劇《刀鋒上的救贖》(由《白夜追凶》編劇指紋原著)以及網絡綜藝節目《潮流出動》。

此外，本集團已與一些高人氣版權擁有人達成協議，並將對以下版權開發及製作發行系列作品，包括日本劇《洛卡爾定律》，小說《後宮•真煩傳》、《倒數第二個女朋友》、《半城風月》、《鮮花寶座》及《蘇筱的戰爭》等。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For variety shows, the romantic detective reality show developed and produced by the Group namely, “I Love You, Me Too” (喜歡你，我也是) has ended on 26 June 2019. With the good performance and network popularity of the first season, the Group is considering to produce the second season of “I Love You, Me Too” in order to create a self-developed multi-season variety show brand.

Due to the latest outbreak of the novel coronavirus disease (COVID-19) in mainland China, the Television Production Committee (電視製片委員會) and the Artiste Committee (演員委員會) of China Federation of Radio and Television Associations has published “Announcement on Suspension of Filming Work in Relation to Film and Television Series amidst Novel Coronavirus” (關於新冠疫情期間停止影視劇拍攝工作的通知), requesting all film and television production companies, film and television crews and film and television artistes to cease the filming work in relation to film and television series amid the disease. Meanwhile, the Chinese government has implemented various preventive safety measures of transport control and home quarantine in order to curb the spread of novel coronavirus.

As a result, there has been a delay in work resumption in respect of film and television production crews and office workers of the Group in mainland China, causing disruption to filming progress of some television series and variety shows. In addition, the five cinemas of the Group in Hong Kong has also implemented infection precautions, such as strengthening cleaning and disinfection work and enforcing body temperature measurement and distributing masks to cinemagoers. The management is conducting an overall evaluation of the impact of the disease on the Group’s performance in the second half year of the financial year 2019/20. The Group will also adopt all effective measures at its best and strive to minimise the adverse effect on the Group’s daily operation arising from the disease.

Looking forward, the Group will continue to explore opportunities in relation to the development of the film, television and media industry leveraging its outstanding film production capabilities, especially cooperation opportunities derived from the upstream and downstream of the industry chain, with an aim to strengthen the Group’s revenue base. With the joining of these famous internet celebrities, the Group will develop its self-owned consumer brand and gradually expand the scale of the film and television intellectual property derived products and e-commerce industry, so as to further diversify its operation, enhancing its profitability and generating satisfactory returns for the shareholders of the Group.

綜藝方面，本集團承制及出品的戀愛推理素人秀《喜歡你，我也是》已於2019年6月26日完成播出。基於第一季良好的表現和網絡熱度，本集團考慮開拍《喜歡你，我也是》第二季，以打造延續多個季度的自主綜藝品牌。

鑑於中國內地於近期爆發新型冠狀病毒疾病 (COVID-19)，中國廣播電視社會組織聯合會電視製片委員會、演員委員會發佈了《關於新冠疫情期間停止影視劇拍攝工作的通知》，要求所有影視製片公司、影視劇組及影視演員在疫情期間暫停影視劇拍攝工作。與此同時，中國政府為遏制疫情蔓延實行了各項預防性安全措施，如交通管制及居家隔離措施。

受此影響，集團位於中國內地的影視製作團隊和辦公室員工延遲復工，導致部分電視劇及綜藝節目的拍攝進度受阻。此外，集團位於香港的五間影院亦因應推出防疫措施，加強清潔消毒工作，為入場觀眾量度體溫及向入場觀眾贈送口罩。管理層正全面評估疫情對集團2019/20財年下半年表現帶來的影響，並將努力採取所有有效措施，盡力將疫情對集團的日常運作帶來的不利影響控制在最低水平。

展望未來，本集團將繼續以優秀的製片能力為基礎，積極開拓影視傳媒行業的發展機會，特別是沿著產業鏈上、下游及從旁衍生的合作機會，藉此鞏固本集團的收益基礎。隨著一眾知名網絡紅人加盟本集團，本集團將通過打造自主消費品牌並逐步擴大影視版權衍生品及電商業務規模，進一步拓展其多元化的業務版圖，提升盈利能力及為本集團股東帶來理想回報。

OTHER INFORMATION 其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests of Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances (Cap.571, Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Position in shares and underlying shares of the Company

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2019年12月31日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中擁有須根據證券及期貨條例第XV部第7及8分部規定知會本公司及聯交所的權益(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益)，及須記錄於本公司根據證券及期貨條例第352條所存置登記冊的權益，或須根據聯交所證券上市規則(「上市規則」)附錄十有關董事進行證券交易的規定知會本公司及聯交所的權益如下：

於本公司股份及相關股份的倉位

Name of Director 董事姓名	Company/name of associated company 本公司／相聯公司名稱	Nature of interest 權益性質	Number of Shares or underlying Shares 股份或相關股份數目	Position 倉位	Approximate percentage of the interest 概約權益百分比
Mr. Zhang Liang Johnson 張量先生	Company 本公司	Interest in a controlled corporation 於受控法團權益	1,836,391,914 (Note) (附註)	Long 好倉	70.75%
	Company 本公司	Beneficial owner 實益擁有人	87,984,000	Long 好倉	3.39%
			1,924,375,914		74.14%

Note: These shares are registered in the name of Nice Rich Group Limited ("Nice Rich"), the entire issued share capital of which is legally and beneficially owned as to 100% by Mr. Zhang Liang, Johnson. Under the SFO, Mr. Zhang Liang, Johnson is deemed to be interested in all the shares registered in the name of Nice Rich.

附註：該等股份登記在Nice Rich Group Limited (「Nice Rich」)名下，而張量先生合法及實益擁有Nice Rich之全部已發行股本。根據證券及期貨條例，張量先生被視為於登記於Nice Rich名下之所有股份中擁有權益。

OTHER INFORMATION

其他資料

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, the interests of the persons, other than the interests disclosed above in respect of Directors or chief executive of the Company, in the shares and underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

主要股東於本公司股份及相關股份的權益及淡倉

於2019年12月31日，以下人士(上文所披露的董事或本公司行政總裁的權益除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定知會本公司及聯交所的權益，及記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益，或以其他方式知會本公司的權益：

Name of shareholder 股東名稱/姓名	Nature of interest 權益性質	Number of Shares or underlying Shares 股份或相關股份數目	Position 倉位	Approximate percentage of interest 概約權益百分比
Nice Rich ⁽¹⁾ & ⁽²⁾ Nice Rich ⁽¹⁾ 及 ⁽²⁾	Beneficial owner 實益擁有人	1,836,391,914	Long 好倉	70.75%
Mr. Zhang Liang, Johnson 張暈先生	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
	Beneficial owner 實益擁有人	87,984,000	Long 好倉	3.39%
China Orient Asset Management Co., Ltd. ("China Orient") ⁽²⁾ 中國東方資產管理股份 有限公司(「中國東方」) ⁽²⁾	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
Dong Yin Development (Holdings) Limited ("Dong Yin") ⁽²⁾ 東銀發展(控股)有限公司 (「東銀」) ⁽²⁾	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
Wise Leader Assets Ltd. ("Wise Leader") ⁽²⁾ Wise Leader Assets Ltd. (「Wise Leader」) ⁽²⁾	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
China Orient Asset Management (International) Holding Limited ("China Orient Int'l") ⁽²⁾ 中國東方資產管理(國際)控股 有限公司(「中國東方國際」) ⁽²⁾	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
Charming Treasure Investments Ltd. ("Charming Treasure") ⁽²⁾ Charming Treasure Investments Ltd. (「Charming Treasure」) ⁽²⁾	Person having a security interest in shares 於股份擁有證券權益之人士	1,836,391,914	Long 好倉	70.75%

OTHER INFORMATION

其他資料

Notes:

1. Nice Rich is a British Virgin Islands company wholly owned by Mr. Zhang Liang, Johnson. Under the SFO, Mr. Zhang Liang, Johnson is deemed to be interested in all the shares registered in the name of Nice Rich.
2. 1,836,391,914 Shares were charged by Nice Rich as charger and Charming Treasure as chargee as security interest on 30 May 2018. Charming Treasure is wholly owned by China Orient Int'l. China Orient Int'l is owned as to 50% by Dong Yin and 50% by Wise Leader. Both Wise Leader and Dong Yin are wholly owned by China Orient. By virtue of the SFO, each of the China Orient, Dong Yin, Wise Leader and China Orient Int'l is deemed to be interested in all the shares held by Charming Treasure as security interest.

Save as disclosed above, as at 31 December 2019, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Scheme was approved by the then sole shareholder of the Company on 5 October 2012. There were no outstanding share options under the Scheme as at 30 June 2019 and 31 December 2019. No share options have been granted, exercised or cancelled/lapsed under the Scheme during the six months ended 31 December 2018 and 2019.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2019.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 31 December 2019 (2018:nil).

附註：

1. Nice Rich 為由張量先生全資擁有之英屬處女群島公司。根據證券及期貨條例，張量先生被視為於登記於 Nice Rich 名下之所有股份中擁有權益。
2. Nice Rich (作為押記人) 於 2018 年 5 月 30 日向 Charming Treasure (作為承押記人) 收取 1,836,391,914 股股份作為抵押權益。Charming Treasure 由中國東方國際全資擁有。中國東方國際由東銀及 Wise Leader 分別擁有 50% 及 50% 的股份。Wise Leader 及東銀均由中國東方全資擁有。根據證券及期貨條例，中國東方、東銀、Wise Leader、中國東方國際各自被視為於 Charming Treasure 所持全部股份中擁有作為抵押權益之權益。

除上文所披露者外，於 2019 年 12 月 31 日，本公司並不知悉任何人士 (董事或本公司行政總裁除外) 於本公司股份或相關股份中擁有須根據證券及期貨條例第 XV 部第 2 及 3 分部規定向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第 336 條所存置登記冊的權益或淡倉。

購股權計劃

本公司設有該計劃，旨在作為對本集團營運成功有所貢獻的合資格人士的獎勵及回報。該計劃於 2012 年 10 月 5 日獲得當時唯一的股東批准。於 2019 年 6 月 30 日及 2019 年 12 月 31 日，該計劃項下概無尚未行使購股權。於截至 2018 年及 2019 年 12 月 31 日止六個月，該計劃項下概無購股權授出、行使或註銷/失效。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至 2019 年 12 月 31 日止六個月概無購買、出售或贖回本公司任何上市證券。

中期股息

董事會議決不派付截至二零一九年十二月三十一日止六個月的任何中期股息 (二零一八年：無)。

OTHER INFORMATION

其他資料

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections headed "Share Option Scheme" and "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" in this report, at no time during the six months ended 31 December 2019 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix 10 of the Listing Rules. Having made specific enquires, all the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 31 December 2019.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. During the six months ended 31 December 2019, it complied with and did not deviate from the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the Company's shareholders and investors.

購入股份或債券的權利

除本報告「購股權計劃」及「董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」兩節所披露者外，截至2019年12月31日止六個月內，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等各自的緊密聯繫人(定義見上市規則)有權認購本公司或其任何相聯法團(定義見證券及期貨條例)的證券，或可藉購入本公司或任何其他法人團體的股份或債券而獲利。

遵守上市發行人董事進行證券交易規定的買賣準則

本公司已採納一套條規不遜於根據上市規則附錄十所載之交易標準所規定有關董事進行證券交易之行為守則。經作出特定查詢後，全體董事均已確認彼等於截至2019年12月31日止六個月一直遵守本公司採納的董事進行證券交易規定的買賣準則及行為準則。

企業管治常規守則

本公司致力維持高水平企業管治常規。本公司於截至2019年12月31日止六個月已遵守且並沒有偏離上市規則附錄十四企業管治守則(「企業管治守則」)守則條文。

本公司將繼續檢討其企業管治常規，以提高其企業管治標準，遵守不斷收緊的監管規定及符合本公司的股東與投資者更高的期望。

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS**董事履歷詳情變更**

Certain changes in Directors' information are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

根據上市規則第13.51B(1)條，董事資料若干變更載列如下：

Name of Director**董事姓名**

Ms. Zhao Wenzhu
趙文竹女士

Ms. Zhao has been appointed the following positions in the subsidiaries of the Group:

趙女士於本集團附屬公司獲委任以下職位：

- (i) the manager and an executive director of Tianjin Chuan Di Zhong Xing Entertainment Limited* (天津傳遞眾星娛樂有限公司) on 11 March 2019;
- (i) 於2019年3月11日獲委任為天津傳遞眾星娛樂有限公司的經理及執行董事；
- (ii) an executive director of Tianjin Chuan Di Si Li Culture Media Limited* (天津傳遞四力文化傳媒有限公司) on 13 June 2019;
- (ii) 於2019年6月13日獲委任為天津傳遞四力文化傳媒有限公司的執行董事；
- (iii) a director of Tianjin Chuan Di Wei Lai Culture Media Limited* (天津傳遞未來文化傳媒有限公司) on 13 June 2019; and
- (iii) 於2019年6月13日獲委任為天津傳遞未來文化傳媒有限公司的董事；及
- (iv) an executive director of Tianjin Chuan Di Shuo Chi Advertising Limited* (天津傳遞燦馳廣告有限公司) on 6 August 2019.
- (iv) 於2019年8月6日獲委任為天津傳遞燦馳廣告有限公司的執行董事。

Mr. Chang Eric Jackson
張世澤先生

Mr. Chang has been appointed as an independent non-executive director of Centenary United Holdings Limited (stock code: 1959) on 16 September 2019, a company listed on the Main Board of the Stock Exchange since 18 October 2019.

於2019年9月16日，張先生獲委任為世紀聯合控股有限公司(一間自2019年10月18日起於聯交所主版上市的公司)(股份代號：1959)的獨立非執行董事。

Mr. Chang has been resigned as the company secretary, the chief financial officer and the authorised representative under the Listing Rules and under Part 16 of the Companies Ordinance (Chapter 622 of the laws in Hong Kong) of China Tangshang Holdings Limited (stock code: 674) on 1 August 2019.

於2019年8月1日，張先生已辭任中國唐商控股有限公司(股份代號：674)的公司秘書、財務總監及根據上市規則及香港法例第622章公司條例第16部的授權代表。

Save as disclosed above, the Company is not aware of other changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

除上文所披露者外，本公司並無知悉根據上市規則第13.51B(1)條須予披露的董事資料的其他變動。

* For identification only

OTHER INFORMATION

其他資料

AUDIT COMMITTEE

The Audit Committee has three members comprising three Independent Non-executive Directors, Mr. Chang Eric Jackson (Chairman of the Audit Committee), Mr. Wang Bo and Mr. Xiang Feng, with written terms of reference in compliance with the Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to communicate with the external auditor; to review the remuneration, terms of engagement, independency and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to review and assess the financial reporting, risk management and internal control systems of the Company and making recommendations thereof. The interim results of the Group for the six months ended 31 December 2019 have not been audited but have been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, and the Audit Committee.

By order of the Board
Transmit Entertainment Limited
Zhang Liang, Johnson
Chairman

Hong Kong, 27 February 2020

As at the date of this report, the Board comprises (i) three executive Directors, namely Mr. ZHANG Liang, Johnson (Chairman), Ms. ZHAO Wenzhu and Mr. LEE Hin Kwong, Patrick; and (ii) three independent non-executive Directors, namely Mr. WANG Bo, Mr. XIANG Feng and Mr. CHANG Eric Jackson.

審核委員會

審核委員會由三名成員組成，包括三名獨立非執行董事張世澤先生(審核委員會主席)、王波先生及向峰先生，其書面職權範圍符合上市規則第3.21至3.23條及企業管治守則。審核委員會的主要職責為與外聘核數師溝通；審閱外聘核數師的酬金、委聘條款、獨立性及客觀性；審閱本公司會計政策、財務狀況及財務申報程序；以及檢討及評估本公司財務申報、風險管理及內部監控系統並作出相關建議。本集團截至2019年12月31日止六個月之中期業績乃未經審核，惟已由本公司外聘核數師德勤•關黃陳方會計師行及審核委員會審閱。

承董事會命
傳遞娛樂有限公司
主席
張量

香港，2020年2月27日

於本報告日期，董事會成員包括(i)三名執行董事，即張量先生(主席)、趙文竹女士及李憲光先生；以及(ii)三名獨立非執行董事，即王波先生、向峰先生及張世澤先生。



傳達娛樂

TRANSMIT ENTERTAINMENT