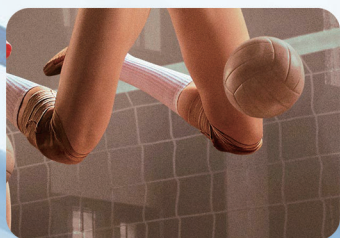
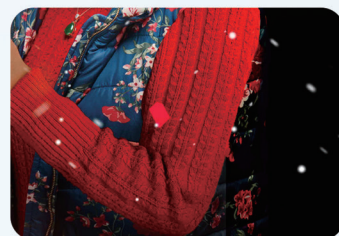
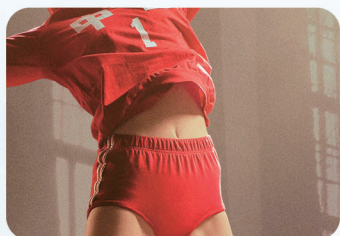
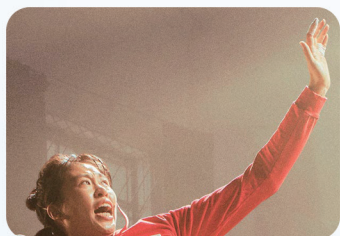




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HUANXI.COM



2019

ANNUAL REPORT 年報



歡喜傳媒集團有限公司*

HUANXI MEDIA GROUP LIMITED

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號 Stock Code : 1003

* For identification purposes only 僅供識別



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BOARD OF DIRECTORS

Executive Directors

Mr. Dong Ping (*Chairman*)
Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

Non-Executive Directors

Mr. Ning Hao
Mr. Xu Zheng

Independent Non-Executive Directors

Mr. Wong Tak Chuen
Mr. Li Xiaolong
Mr. Wang Hong (appointed on 2 September 2019)
Mr. Su Tuong Sing, David (ceased on 2 September 2019)

AUDIT COMMITTEE

Mr. Wong Tak Chuen (*Chairman*)
Mr. Li Xiaolong
Mr. Wang Hong (appointed on 2 September 2019)
Mr. Su Tuong Sing, David (ceased on 2 September 2019)

REMUNERATION COMMITTEE

Mr. Wang Hong (*Chairman*) (appointed on 2 September 2019)
Mr. Dong Ping
Mr. Li Xiaolong
Mr. Su Tuong Sing, David (ceased on 2 September 2019)

NOMINATION COMMITTEE

Mr. Wang Hong (*Chairman*) (appointed on 2 September 2019)
Mr. Dong Ping
Mr. Li Xiaolong
Mr. Su Tuong Sing, David (ceased on 2 September 2019)

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
China Construction Bank Corporation
DBS Bank (Hong Kong) Limited

董事會

執行董事

董平先生 (*主席*)
項紹琨先生 (*行政總裁*)

非執行董事

寧浩先生
徐崢先生

獨立非執行董事

黃德銓先生
李小龍先生
王虹先生 (於二零一九年九月二日獲委任)
徐傳陞先生 (於二零一九年九月二日卸任)

審核委員會

黃德銓先生 (*主席*)
李小龍先生
王虹先生 (於二零一九年九月二日獲委任)
徐傳陞先生 (於二零一九年九月二日卸任)

薪酬委員會

王虹先生 (*主席*) (於二零一九年九月二日獲委任)
董平先生
李小龍先生
徐傳陞先生 (於二零一九年九月二日卸任)

提名委員會

王虹先生 (*主席*) (於二零一九年九月二日獲委任)
董平先生
李小龍先生
徐傳陞先生 (於二零一九年九月二日卸任)

獨立核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

交通銀行股份有限公司
中國建設銀行股份有限公司
星展銀行 (香港) 有限公司

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law
Weil, Gotshal & Manges LLP

As to Bermuda Law
Appleby

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1003

WEBSITE

www.huanxi.com
www.irasia.com/listco/hk/huanximedia
www.huanximedia.com

INVESTOR RELATIONS CONTACT

info@huanxi.com

公司法律顧問

香港法律
威嘉國際律師事務所

百慕達法律
Appleby

註冊辦事處

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

香港總辦事處及主要營業地點

香港金鐘
夏慤道16號
遠東金融中心
11樓

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17M樓

股份代號

1003

網址

www.huanxi.com
www.irasia.com/listco/hk/huanximedia
www.huanximedia.com

投資者關係聯絡

info@huanxi.com

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders,

I am pleased to report that Huanxi Media Group Limited (the "Company" or "Huanxi Media", together with its subsidiaries, the "Group") has marked a new milestone in the development of its film and TV business in the past year. The Group has strived to explore more quality film and TV contents, which have elicited high praise from the audience in Mainland China.

During the year under review, *Crazy Alien* (瘋狂的外星人) and *My People, My Country* (我和我的祖國), which were invested in and produced by the Group, hit cinema screens during the Chinese New Year holiday and the National Day holiday respectively, and achieved good box office receipts as well as great reputation. Adhering to its central strategy of emphasising importance of contents, the Group maintained close cooperation with top-tier directors in China, partnering to deliver original and premium film and TV productions to the market, locking in the sources of the best contents, with the aim of further fortifying its leading position in China's film and TV industry.

Considering the current increasingly popular online viewing trend, the Group continued to develop its own streaming platform "huanxi.com" (歡喜首映) during the year. The Group has collaborated closely with many leading internet and entertainment enterprises in China including Beijing ByteDance Network Technology Limited* ("ByteDance") and Maoyan Entertainment, thereby further introducing greater user traffic to "huanxi.com" while enhancing its brand image and coverage. Besides, it has also actively sourced premium movie and TV productions from around the world to present exclusively on this platform, which successfully attracted more fee-paying subscribers. As a result, the streaming service business is well-positioned to become a growth driver for the Group's business in the foreseeable future.

Subsequent to the year under review, "huanxi.com" commenced strategic cooperation with ByteDance. Guided by the strategy of combining popular contents with high volume traffic portals, both parties began in-depth cooperation, with the aim of driving the Group to evolve into a leading media group boasting a sophisticated and experienced production team, the richest reserve of film and TV contents and a self-operated streaming platform.

* For identification purposes only

親愛的股東：

本人欣然報告歡喜傳媒集團有限公司(「本公司」或「歡喜傳媒」，連同其附屬公司，統稱「本集團」)於過去一年於影視發展上揭開了新的里程。本集團繼續致力開拓更多優質影視內容、獲得中國內地觀眾群擊節讚賞。

於回顧年內，本集團投資出品的《瘋狂的外星人》及《我和我的祖國》分別於春節檔期及國慶檔期登上大螢幕，獲得不俗的口碑及票房。同時，秉承著「內容為王」的原則，本集團保持與中國一線導演緊密合作，共同打造原創優質影視作品，以鎖定頂尖影視內容的源頭，藉此進一步鞏固本集團在中國影視行業的領導地位。

本集團順應在線觀影的時代趨勢，於年內繼續積極拓展旗下流媒體平台—「歡喜首映」，不但與多個中國領先的互聯網及娛樂企業(包括北京字節跳動網絡技術有限公司(「字節跳動」)及貓眼娛樂)緊密合作，進一步為「歡喜首映」導入更多用戶流量，提升其品牌形象和覆蓋面，同時積極於全球搜羅影視佳作於該平台上獨家播映，成功吸引更多用戶付費觀影，令流媒體服務業務於可見的將來成為本集團業務增長的動力。

於回顧年後，「歡喜首映」與字節跳動啟動戰略合作，以爆款內容結合大流量入口的理念展開深度合作，推動本集團成為集精良製作團隊、頂尖影視內容及擁有自營流媒體平台的領先傳媒集團。

INDUSTRY OVERVIEW

In May 2019, the People's Republic of China (the "PRC") issued the "Opinions on Deepening Integrated Reform to Promote Healthy Development of the Film and TV Industry in China", which stated higher requirement for contents of film and TV productions, aimed at promoting continued healthy development of the industry. At the same time, China's film industry grew steadily with domestic cinema reporting robust results. According to the data from China Film Administration, the total box office receipts of movies released in China in 2019 amounted to a record-breaking RMB64.3 billion, with domestic films accounting for over 64%, the highest ever. The year 2019 was also a year for the release of excellent domestically produced films with extensive and rich genres and topics. These movies occupied eight positions out of the top ten movies with the highest box office receipts in the country. During the year, the trend of audiences watching blockbusters at the cinema became more apparent. The cumulative share of these top ten box office leaders increased three percentage points to 45% of total receipts, reflecting the more selective criteria of Chinese audiences who display a greater preference for quality films of higher production standards.

Moreover, the number of users of online video platforms has also increased rapidly. According to a report issued by the China Internet Network Information Center, as at late June 2019, there were 854 million internet users in China and the country's internet penetration rate was 61.2%. According to the "2019 Online Video Market Research Report" published by BigData-Research, the number of online video platform users in China reached 774 million in 2019, reflecting the extensive coverage of internet users by online video platforms. The online video platform market in China is expected to have a value of RMB170 billion in 2020, representing an 11.6% increase year-on-year. The report also cited that the number of users in China's online video platform market has already reached 100 million. Online video platforms in China have started to explore different payment forms such as "paid advanced viewing" for popular TV dramas. As Chinese consumers have formed the habit of paying for quality film and TV contents online, together with the innovative applications of new technologies such as big data and 5G in the online video platform sector, perfecting content and optimising viewer experiences have become the key development directions of the industry.

行業概覽

二零一九年五月，中華人民共和國（「中國」）發布了《關於深化影視業綜合改革促進我國影視業健康發展的意見》，對影視作品內容提出更高的要求，推動影視文化產業持續健康發展。與此同時，中國電影行業穩健前行，國產電影勢頭強勁。根據國家電影局發佈的數據，二零一九年中國電影票房再創新高至人民幣643億元，其中國產電影佔比超過64%，為歷年之最。二零一九年國產電影精品迭出，類型及題材廣泛豐富，在票房前十的影片榜單中佔據八個席位。且觀眾精選大片入場觀賞的趨勢明顯，票房前十之電影票房佔比提升3個百分點至45%，充分體現中國觀眾審美要求提升，越來越傾向選擇製作水準精良的高質量影片。

另一方面，在線視頻平台的用戶迅速增長。中國互聯網絡資訊中心報告顯示，截至二零一九年六月底，中國網民規模達8.54億人，互聯網普及率達到61.2%；比達諮詢《2019年度中國在線視頻市場研究報告》指，二零一九年中國網絡視頻用戶規模達7.74億人，視頻行業基本實現對互聯網用戶的大規模覆蓋。二零二零年中國在線視頻行業市場規模預計將達到人民幣1,700億元，同比增長11.6%。該報告亦指出，中國視頻市場正式進入「億級」會員時代，國內視頻平台開始探索不同的付費模式，例如熱門劇集的付費超前點播。隨著中國消費者形成付費在線觀看優質影視內容的習慣，以及大數據、5G等高新技術不斷優化在線視頻領域的創新應用，深耕內容和優化體驗是在線視頻領域的主要發展方向。

CHAIRMAN'S STATEMENT

主席報告書

LEADERSHIP IN MOVIES RELEASED IN KEY THEATER SCHEDULES ACHIEVED CRITICAL ACCLAIM AND SATISFACTORY BOX OFFICE RECEIPTS

During the year under review, *Crazy Alien* (瘋狂的外星人), the scientific comedy solely invested by the Group, was the top draw among movies released during the Chinese New Year holiday in 2019. The film received positive feedback from audiences and achieved box office receipts of more than RMB400 million on its debut. In total, box office receipts amounted to RMB2.2 billion. Many film critics applauded director Ning Hao's efforts to add scientific elements in local comedy and create hilarious stories about ordinary people. *My People, My Country* (我和我的祖國) with the Group as one of the producers led the movie trend during the National Day holiday in 2019, recording box office receipts of RMB3.2 billion. The movie depicts the development of the grand era from the perspectives of ordinary people, eliciting the empathy of the audiences. These two movies ranked among the top ten in box office receipts during 2019.

OFFERING QUALITY CONTENTS OUTSTANDING MOVIE AND TV PRODUCTIONS GRADUALLY HIT THE SCREEN

The Group completed the shooting and production of a number of films and TV programmes during the year under review. Among these productions, *Lost in Russia* (囧媽), the latest addition to the classic "Lost" series of comedies written, and directed by and starring Xu Zheng and solely invested and produced by the Group, was originally scheduled to make its debut on cinema screens during the Chinese New Year holiday in 2020. However, affected by the outbreak of the Coronavirus Disease 2019 ("COVID-19"), theatres were temporary closed and the release of movies was suspended during that time. In response to the situation, the Group cooperated with ByteDance in respect of *Lost in Russia* (囧媽), which was then changed to be launched on online video platforms on the first day of the Chinese New Year, making it the first movie ever to debut online during the Chinese New Year holiday. Through this move, the Group received considerable license fees paid by ByteDance and shared the income related to this broadcast. The enthusiastic response received also substantially exceeded the Group's expectation, gaining considerable acclaims while attracting users of streaming platform for the Group.

引領重點電影檔期 口碑票房雙豐收

於回顧年內，本集團獨家投資之科幻喜劇《瘋狂的外星人》領跑二零一九年春節檔期，開畫首日票房突破人民幣4億元，總票房達人民幣22億元，觀眾好評如潮，眾多影評人對導演寧浩勇於在本土喜劇融入科幻元素，創作出小人物的荒誕故事表示支持和肯定。此外，本集團參與出品之獻禮片《我和我的祖國》引領二零一九年國慶檔期的電影潮流，錄得人民幣32億元票房。該片從平凡人物敘事視角出發，展現大時代發展，給觀眾強烈代入感。這兩部影片分別名列二零一九年度電影票房前十名，成為年度票房主力。

深耕優質內容 影視佳作陸續上映

本集團於回顧年內完成了多部影視作品的拍攝及製作。其中，由本集團獨家投資出品、徐崢自編自導自演的經典喜劇「囧系列」最新作品《囧媽》，原定在二零二零年春節檔在院線上映，然而受新型冠狀病毒疫情影響使電影集體撤檔及影院暫時停業，《囧媽》改為與字節跳動合作於大年初一起在網絡平台播出，獲取字節跳動支付可觀的版權費用及與其分享相關播放收入，陪觀眾過年，成為歷史上首次在線首播的春節檔電影，結果反應理想，大幅超出預期，為本集團帶來了顯著的口碑及流媒體平台用戶。

Leap (奪冠), formerly known as *Leap* (中國女排), and the biographical film *Li Na* (獨自•上場), formerly known as *Li Na* (李娜), both directed by Chan Ho Sun Peter and invested by the Group, are two highly-anticipated movies among Chinese audiences in 2020. *Leap* (奪冠) illustrates the heartwarming story covering the struggle of generations of Chinese women's national volleyball team members who strived for national glory; while *Li Na* (獨自•上場) narrates the story of Li Na, the legendary female tennis player who was Asia's first women's singles winner of a Grand Slam event, and the extraordinary efforts she put into the sport and the hardships she endured on the path to glory.

Tropical Memories (熱帶往事), with the Group as an investor, is produced by Ning Hao and directed by the acclaimed new director Wen Shipei and will be released in 2020. The film is a nominee of the Talent Project Market at the 68th Berlin International Film Festival and received the "VFF Talent Highlight Award" cash prize. It has been the only Chinese movie to win the Award since its debut in 2004.

For the Group's productions, *One Second* (一秒鐘), directed by Zhang Yimou; *Warm Hug* (溫暖的抱抱) directed by Chang Yuan; *Miss Mom* (尋漢計), formerly known as *Miss Mom* (生不由己), directed by Tang Dalian and produced by Tian Zhunagzhuang; *Leaping Over The Dragon Gate* (龍門相), formerly known as *The Advanced Animals* (高級動物), produced by Gao Qunshu; *The Mountain* (上山) produced by Wang Xiaoshuai; and *Run For Young* (風犬少年的天空), an internet drama directed by Zhang Yibai, are all expected to be released in 2020.

FORMED STRATEGIC PARTNERSHIPS TO FACILITATE THE DEVELOPMENT OF STREAMING PLATFORM

As an industry leader, Huanxi Media has been capturing the huge market potential presented by online video platforms and has formed strategic partnerships with a number of leading internet and entertainment enterprises including ByteDance and Maoyan Entertainment to further expand its "huanxi.com" business. We are also pleased to see that "huanxi.com" has currently accumulated over two million (2,000,000) fee-paying subscribers and continued to grow steadily. The Group believes the business will become one of its stable income sources for the foreseeable future.

另外，本集團參與投資陳可辛執導的電影《奪冠》(前稱《中國女排》)及傳記片《獨自•上場》(前稱《李娜》)相信將成為二零二零年國內觀眾最期待的其中兩部電影作品。《奪冠》講述幾代中國女排的奮鬥歷程、以及她們頑強拼搏、為國爭光的正能量故事，而《獨自•上場》展示李娜這位曾奪下亞洲第一座網球大滿貫單打冠軍獎杯的傳奇女性背後超乎常人的努力和辛酸。

本集團參與投資、由寧浩監製、新晉導演溫仕培執導的電影《熱帶往事》亦將於二零二零年登上大螢幕。該電影入圍第68屆柏林國際電影節的天才項目市場單元，並最終獲得「VFF Talent Highlight Award」現金大獎，是該單元自二零零四年成立以來唯一獲獎的華語電影。

而本集團出品，張藝謀導演的《一秒鐘》、常遠導演的《溫暖的抱抱》、唐大年導演、田壯壯監製的《尋漢計》(前稱《生不由己》)、高群書監製的《龍門相》(前稱《高級動物》)、王小帥監製的《上山》，以及張一白導演的網劇作品《風犬少年的天空》有望於二零二零年與觀眾見面。

與策略合作夥伴 推動流媒體平台發展

作為行業的先行者，歡喜傳媒一直看準在線視頻平台的巨大市場潛力，並先後與多間領先的互聯網及娛樂企業策略合作夥伴(包括字節跳動及貓眼娛樂)結盟，以進一步拓展「歡喜首映」的業務，而本集團亦欣然見證「歡喜首映」的付費用戶現時已累積超過二百萬(2,000,000)，並不斷穩步增加，相信於可見的未來將可成為本集團其中一個穩定的收入來源。

CHAIRMAN'S STATEMENT

主席報告書

In March 2019, the Group signed a strategic cooperation agreement with Tianjin Maoyan Weying Cultural Media Co., Ltd* ("Maoyan Weying"), Maoyan Weying will also continue to promote Huanxi Media on its website and APP and co-invest in films and TV/internet drama series projects to help "huanxi.com" expand its content advantage and enhance its influence in the streaming platform sector.

During the year, Huanxi Media also worked with 1905.com under CCTV6, a satellite film channel of the Publicity Department of the Central Committee of the Communist Party of China. The "huanxi.com" zone will be added to the customer terminals of website, mobile phone and PAD of 1905.com. The parties will also develop a joint membership programme. In addition, "huanxi.com" will have access to streaming and TV media through the TV terminal of BesTV, which can maximise the coverage of our portal's channel and enable it to provide selected content services to a wider audience.

After the year under review, in January 2020, the Group signed a cooperation agreement with ByteDance, a leading internet company in China. ByteDance's popular online platforms, including "Toutiao" (今日頭條) and "Xigua" (西瓜視頻), will add an independent access for "huanxi.com" and a designated zone for directing. Both parties also plan to consolidate their resources, to jointly produce film and TV contents, acquire new media rights for film and TV contents and jointly establish a cinema channel. We believe that the cooperation will further enlarge the user base and enhance the branding effect of "huanxi.com", and optimise ByteDance's layout in the long video business, and, ultimately, create a situation which will benefit both parties.

於二零一九年三月本集團與天津貓眼微影文化傳媒有限公司(「貓眼微影」)訂立戰略合作協議，同時貓眼微影繼續在網站和APP內為「歡喜傳媒」進行推廣及宣傳，計劃共同投資電影和電視劇／網劇項目，讓「歡喜首映」延伸其內容優勢，提升在流媒體領域的影響力。

年內，歡喜傳媒亦與中央宣傳部電影衛星頻道(CCTV6)旗下1905電影網合作，在1905電影網的網站、手機及PAD的客戶端建立「歡喜首映」聯合運營專區，發展聯合會員，加上透過百視通電視終端，「歡喜首映」打通流媒體與電視媒介，實現渠道覆蓋最大化，為觀眾提供精選內容服務。

於回顧年後，二零二零年一月，本集團更與中國首屈一指的互聯網企業字節跳動訂立合作協議。字節跳動旗下深受國民歡迎的今日頭條及西瓜視頻等網上平台將為「歡喜首映」開設獨立入口及專區進行導流，雙方亦計劃進行資源整合，共同製作影視內容、共同出資購買影視內容的新媒體版權，共建院線頻道。本集團深信雙方的合作一方面將促進「歡喜首映」的用戶增長、拓展品牌影響力，同時完善字節跳動在其長視頻業務的布局，致力創造雙贏。

* For identification purposes only

SELECTED FILM AND TV CONTENTS TO ENHANCE THE ATTRACTION OF “HUANXI.COM”

“huanxi.com” has launched a new documentary channel during the year, allowing audiences to view documentaries produced by renowned and respected international teams. The first batch of programmes aired cover suspense, actual events, human life activities and nature, including *Up Series* (人生每七年系列), *Planet Earth* (地球脈動) and *The Blue Planet* (藍色星球) which are rated nine or above according to Douban, as well as *Earth's Sacred Wonders* (世界神聖奇觀), *Jack the Ripper – The Case Reopened* (開膛手傑克：重啟調查) and *Animals and Love* (戀愛中的動物), BBC productions being aired in China for the first time.

The Group also searches for quality films and TV programmes around the world in order to present them on the platform, including those produced by famous Chinese film directors. Highlights of such works include *Lost in Russia* (囧媽), *Two Tigers* (兩只老虎), *The Whistleblower* (吹哨人), *Wild Goose Lake* (南方車站的聚會) and *Sheep without a Shepherd* (誤殺), as well as quality film and TV productions from overseas such as *Detective Yugami* (刑警弓神), a popular Japanese TV drama series; *Bodyguard* (貼身保鏢, translated title in Hong Kong: 內政保鏢), the most watched BBC drama series during the past decade; *See You Up There* (天上再見), a movie that created a stir in the cinema industry in France; *Snowpiercer* (雪國列車); *World on Fire* (戰火浮生); *Never Look Away* (無主之作); and *The Third Murder* (第三度嫌疑人). Through these efforts, “huanxi.com” has significantly expanded its user base. For January and February 2020, total number of its active users exceeded 13 million. Currently, the number of fee-paying subscribers exceeds 2 million. The app of “huanxi.com” has been downloaded over 11 million times. In the future, we will keep optimising and updating the content of “huanxi.com” so as to boost its development, provide more wonderful content and bring more entertaining cinematic experiences to viewers.

精選影視內容 提升「歡喜首映」吸引力

「歡喜首映」平台於年內上線全新紀錄片頻道，多部由國際知名團隊製作的紀錄片陸續與觀眾見面，首批上線作品涵蓋懸疑、紀實、人文、自然等多元類型，包括豆瓣平均分高達9分以上的《人生每七年》系列(*Up Series*)、《地球脈動》(*Planet Earth*)、《藍色星球》(*The Blue Planet*)，以及BBC中國內地首播作品《世界神聖奇觀》(*Earth's Sacred Wonders*)、《開膛手傑克：重啟調查》(*Jack the Ripper – The Case Reopened*)及《戀愛中的動物》(*Animals and Love*)等。

本集團繼續搜羅全球電影、電視節目佳作於該平台上播映，包括華語知名導演熱門新作《囧媽》、《兩只老虎》、《吹哨人》、《南方車站的聚會》及《誤殺》，以及海外優質影視劇如日本人氣電視劇《刑警弓神》、英國廣播公司十年以來收視率最高的電視劇《貼身保鏢》(*Bodyguard*, 港譯《內政保鏢》)、轟動法國影壇的電影《天上再見》(*See You Up There*)、《雪國列車》(*Snowpiercer*)、《戰火浮生》(*World on Fire*)、《無主之作》(*Never Look Away*)及《第三度嫌疑人》(*The Third Murder*)等，促使本集團的「歡喜首映」平台的用戶數取得了大幅的增長，「歡喜首映」平台於二零二零年一月及二月的活躍用戶合共超過一仟三佰萬，目前「歡喜首映」平台的付費用戶已累積超過二佰萬，「歡喜首映」APP(流動應用程式)的下載次數已超過一仟一佰萬。本集團將不斷優化和更新「歡喜首映」平台的內容及推進發展，將陸續上線更多精彩的內容為用戶帶來優越的影視享受。

BUSINESS STRATEGIES AND PROSPECTS

Looking into 2020, we believe that the film industry in China will continuously develop. Cultural-related consumption demand and the preferences of audiences will become more sophisticated, which will bring us to the harvest time for the development of the local film industry, when quality films and TV programmes will certainly stand out.

Despite the effects of the COVID-19 outbreak on film industry at the beginning of 2020, the Group believes its negative influence will be short-lived. Film is a key part in the social culture, well-loved by audiences, and watching movies has become a popular leisure activity. As the epidemic recedes, we believe the reopened cinemas will benefit from strong spending from pent-up demand over a long period, which will contribute to the recovery of the entire film industry.

The Group firmly believes that content is critical to the success of the film and TV industry, while outstanding directors and creative teams are the key factors that determine the artistic merit and commercial value of films. The Group will continue to leverage its unique shareholding structure model and build up close cooperative relationship with world-known directors, and cooperate with top Chinese directors, including Ning Hao, Xu Zheng, Chan Ho Sun Peter, Wong Kar Wai, Zhang Yibai, Gu Changwei, Zhang Yimou, Jia Zhangke and Wang Xiaoshuai to ensure its access to original contents sources in China's market of films and TV dramas. This, in turn, will secure for us a stable supply of quality film and TV productions, thereby satisfying the needs of an extensive audience, sparking cultural spending and further consolidating our leading presence in the film and TV industry of China.

業務策略及展望

展望二零二零年，本集團相信中國電影工業化將持續推進，加上文化消費需求及口味的日益成熟，開啟中國電影產業精耕細作的紅利期，優質影視作品勢必脫穎而出。

縱然今年初出現的新型冠狀病毒疫情為電影行業帶來衝擊，但本集團相信其負面影響短暫。電影是社會文化的重要一環，廣受民眾所喜愛，觀賞電影已成為一種普及的休閒娛樂活動；待疫情退卻，相信影院重新開業後將迎來一股壓抑已久的觀影消費潮，整個電影行業將能復蘇。

本集團一直堅信「內容為王」是影視業的成功關鍵，而傑出的導演及創作團隊則是決定藝術造詣與商業價值的核心。本集團將繼續利用獨特的股權結構模式及與全球知名導演建立緊密合作關係，鎖定寧浩、徐崢、陳可辛、王家衛、張一白、顧長衛、張藝謀、賈樟柯及王小帥等華語頂尖導演，掌握中國影視原創內容的源頭，確保精彩影視作品穩定供應，滿足廣大觀眾的文化消費需要，進一步鞏固本集團於中國影視行業的領導地位。

At the same time, seeing the huge business opportunities and long-term prospects of streaming platforms, the Group will maintain in-depth cooperation with leading internet and entertainment companies including ByteDance and Maoyan Entertainment. This is aimed at providing more quality film and TV contents to “huanxi.com”, transforming it into a premium streaming platform with tremendous user traffic, thus injecting strong growth momentum into the Group.

CONCLUSION

In conclusion, the Group will continue to prioritise investment in and production of quality original film and TV contents by extending its cooperation with top Chinese directors, while furthering that with potential acclaimed new directors. The Group will also continue to map out its dynamic development, seize the enormous opportunities in the Chinese market, and embrace the harvest time for ongoing industrialisation of the Chinese film sector.

At the same time, the Group will continue to further its cooperation with leading companies in the Internet and Entertainment sector in China including ByteDance and Maoyan Entertainment, which aims to provide momentum for the Group's streaming platform to capture opportunities brought by paid online viewing, so as to further strengthen and extend our competitive edge and continuously create promising returns to our shareholders.

Last but not least, I would like to express my heartfelt gratitude to all members of our Board, our management team, business partners and staff for their dedication and contributions to the Group's business.

Dong Ping
Chairman

Hong Kong, 31 March 2020

與此同時，面對流媒體平台的龐大商機及長遠發展前景，本集團將繼續透過與領先的互聯網及娛樂企業龍頭夥伴（包括字節跳動及貓眼娛樂）作深度合作，為「歡喜首映」注入更多高質素的影視作品，致力打造一個大流量的精品流媒體平台，成為本集團增長的動力。

總結

總括而言，本集團將繼續以投資及打造出色原創影視作品為己任，拓展與華語頂尖導演合作的同時，不斷與有潛力的新晉導演合作。本集團亦將繼續完善戰略布局，抓住國內市場的機遇，擁抱中國電影工業化持續推進的紅利期。

另一邊廂，本集團將繼續深化與國內領先互聯網及娛樂企業（包括字節跳動及貓眼娛樂）的合作，為集團旗下的流媒體平台增添發展動力，以迎接付費在線觀影的紅利，從而進一步鞏固並擴大本集團的競爭優勢，為股東持續創造高價值的回報。

最後，本人謹藉此向本集團董事會成員、管理團隊、業務夥伴及全體員工對本集團業務所做出的傾力貢獻，表示由衷的致謝！

主席
董平

香港，二零二零年三月三十一日

APPENDIX: FAMOUS DIRECTORS COOPERATING EXCLUSIVELY WITH THE GROUP

附表：與本集團簽訂獨家合作之知名導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Ning Hao* 寧浩*	- Famous internationally for his unique directing style, all films he made so far had brought strong investment returns. His directorial debut <i>Incense</i> (香火) and another work <i>Mongolian Ping Pong</i> (綠草地) were nominated for awards in over 50 international film festivals 憑藉獨特個人風格享譽國際，全部電影均帶來豐碩投資回報，其首部執導電影《香火》和《綠草地》於五十多個國際電影節獲提名 <i>Crazy Stone</i> (瘋狂的石頭), a low budget production he directed in 2006, won at the Taiwan Golden Horse Awards for Best Original Screenplay. <i>Crazy Racer</i> (瘋狂的賽車) (2009), which he wrote and directed, was produced with only RMB10 million, yet brought in box office receipts of over RMB100 million 於二零零六年執導小本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導製作成本僅人民幣10,000,000元之《瘋狂的賽車》(二零零九年)，票房突破人民幣100,000,000元 - He also directed the huge box office hit <i>Breakup Buddies</i> (心花路放) (2014), which grossed RMB1.17 billion in box office receipts in the PRC, making it the highest grossing domestic Chinese movie of the year 其執導電影《心花路放》(二零一四年)，以國內總票房人民幣1,170,000,000元榮登中國年度最賣座華語電影 - He is one of the co-producers of <i>Dying to Survive</i> (我不是藥神) (2018), which earned RMB3.1 billion in box office receipts. The movie was nominated for seven awards at the 55th Taiwan Golden Horse Awards and won the awards for Best Leading Actor, Best New Director and Best Original Screenplay. The movie also won Best Screenplay at the 42nd Montreal World Film Festival 其參與聯合監製的《我不是藥神》(二零一八年)收穫票房人民幣3,100,000,000元，在第55屆金馬獎中入圍七個獎項，最終奪得最佳男主角、最佳新導演及最佳原著劇本三個獎項。此片亦榮獲第42屆蒙特利爾國際電影節之最佳劇本獎 - He also directed <i>Crazy Alien</i> (瘋狂的外星人) (2019), which grossed RMB2.2 billion in box office receipts in China 其執導電影《瘋狂的外星人》(二零一九年)，國內總票房為人民幣2,200,000,000元	- The shareholder director shall direct one to two films (for public release) every three years 股東導演將為本集團每三年導演一至兩部電影作品(以作品正式公開上映為準) - The Group shall own exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由其構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者 - The Group shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in China, Hong Kong, Taiwan and Macau 本集團擁有股東導演作品在中國、香港、台灣及澳門優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等 - The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-written by him or with him as lead actor or member of the creative team 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本集團提供優先投資權、製作權及發行權 <i>Crazy Alien</i> (瘋狂的外星人), with the Group as exclusive investor and directed by Mr. Ning, was released on the first day of the Chinese New Year in 2019. It bagged a third-party guaranteed minimum distribution amount of RMB2.8 billion and generated revenue of RMB700 million for the Group in 2019 本集團獨家投資、寧先生執導的電影《瘋狂的外星人》已於二零一九年年初一上映，取得第三方人民幣2,800,000,000元保底發行金額，已於二零一九年為本集團帶來人民幣700,000,000元收入

* Shareholder director and non-executive director of the Company
* 股東導演及本公司非執行董事

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Xu Zheng* 徐崢*	- In 2012, his directorial debut <i>Lost in Thailand</i> (人再囧途之泰囧), which he also wrote, directed, produced and starred in, earned over USD200 million in box office receipts 二零一二年首次自編自導自演兼監製公路喜劇《人再囧途之泰囧》，票房突破美金200,000,000元 - In 2014, Mr. Xu produced and starred in the film <i>Great Hypnotist</i> (催眠大師) which became a classic in the thriller film market in China 二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，成為華語驚悚懸疑電影市場經典 <i>Dying to Survive</i> (我不是藥神) co-produced and starred by Mr. Xu earned RMB3.1 billion in box office receipts in 2018. The film was nominated for seven awards at the 55th Taiwan Golden Horse Awards and won the awards for Best Leading Actor, Best New Director and Best Original Screenplay. The movie also won Best Screenplay at the 42nd Montreal World Film Festival and Best Film at the 14th Changchun Film Festival 二零一八年，徐先生參與聯合監製並主演的《我不是藥神》收穫票房人民幣3,100,000,000元，在第55屆金馬獎中入圍7個獎項，最終奪得最佳男主角、最佳新導演及最佳原著劇本三個獎項。此片亦榮獲第42屆蒙特利爾國際電影節之最佳劇本獎及第14屆中國長春電影節之最佳故事片獎 <i>Lost in Russia</i> (囧媽) (2020), written, directed, produced and starred by Mr. Xu, which was first released through online video platforms in China 徐先生自編自導自演兼監製的電影《囧媽》(二零二零年)於國內網絡平台首映	- The shareholder director shall direct one to two films (for public release) every three years 股東導演將為本集團每三年導演一至兩部電影作品(以作品正式公開上映為準) - The Group owns exclusive investment and production rights to any films and programmes developed and directed by Mr. Xu, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由徐先生構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者 - The Group has priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in China, Hong Kong, Taiwan and Macau 本集團將擁有股東導演作品在中國、香港、台灣及澳門之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等 - The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-written by him or with him as lead actor or member of the creative team 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本公司提供優先投資權、製作權及發行權 <i>Lost in Russia</i> (囧媽), the latest in the "Lost" series, was released through online video platforms on the first day of the Chinese New Year in 2020 新一齣《囧》系列電影之《囧媽》於二零二零年大年初一透過網絡平台上映

* Shareholder director and non-executive director of the Company

* 股東導演及本公司非執行董事

CHAIRMAN'S STATEMENT

主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Chan Ho Sun Peter# 陳可辛#	- He is the first director crowned the "Best Director" at the Taiwan Golden Horse Awards, the Hong Kong Film Awards and Mainland China's Golden Rooster Awards. His films <i>Almost a Love Story</i> (甜蜜蜜) and <i>Dragon</i> (武俠) had made it among Time Magazine's 10 Best Movies of the Year 作為首位奪得台灣金馬獎、香港電影金像獎以及中國電影金雞獎「最佳導演」的大滿貫導演。其執導的電影《甜蜜蜜》及《武俠》先後兩度獲選美國時代週刊的年度十佳電影 <i>Leap</i> (奪冠) (formerly known as <i>Leap</i> (中國女排)) directed by him is expected to be released in 2020 其執導的電影《奪冠》(前稱《中國女排》)預計將於二零二零年上映 <i>Li Na</i> (獨自•上場)(formerly known as <i>Li Na</i> (李娜)) directed by him is expected to be released in 2020 其執導的電影《獨自•上場》(前稱《李娜》)預計將於二零二零年上映	- During the six-year cooperation period, the Group shall have investment right to at least two films directed or co-directed by Mr. Chan, in amount up to 60% of the total investment in each of Mr. Chan's productions 在六年合作期內，本集團將擁有至少兩部由陳先生導演或與聯合導演的電影投資權，最高投資總額為每部陳先生作品投資總額的60% - The Group shall have priority over others to purchase exclusive global distribution licenses in new media with respect to Mr. Chan's productions 本集團優先於他人購買陳先生作品的全球獨家新媒體發行許可之權利 - For those productions the Group invested in, the Group shall have the right to decide regarding distribution of the films to exclusive new media platforms 對本集團已投資的製作，本集團將獲授予擬定電影之獨家新媒體平台互聯網發行權

Shareholder director
股東導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Wong Kar Wai [#] 王家衛 [#]	- Dubbed a “movie poet”, renowned movie director, producer and screenwriter, Mr. Wong won the “Best Director” title at the Hong Kong Film Awards and the Golden Horse Awards for the movie <i>Days of Being Wild</i> (阿飛正傳) 以「電影詩人」著稱的知名電影導演、監製及編劇。其執導的電影《阿飛正傳》榮獲香港電影金像獎及金馬獎最佳導演獎 - He also won the “Best Director” award for <i>Happy Together</i> (春光乍洩) at the 50th Cannes Film Festival 憑藉《春光乍洩》榮獲第50屆康城電影節最佳導演獎	- During the eight-year cooperation period, the Group has the right to invest exclusively in a Chinese internet drama series – 18 episodes in two seasons – co-directed and produced by Mr. Wong. There will be 12 episodes in the first season 在八年合作期內，本集團獲得王先生聯合導演和監製的兩季共18集中文網絡系列影視劇的獨家投資權，首季共12集 - The Group also has a right to invite Mr. Wong to produce an extra movie or internet drama series principally invested by the Group 本集團亦有權邀請王先生額外製作一部主要由本集團投資的電影或網絡系列影視劇 - The Group has exclusive right to distribute, sub-license and broadcast the internet drama series to the global audience through new media platforms for a period of 10 years 本集團擁有發行、轉授及透過新媒體平台向全球觀眾播放此網絡系列影視劇的獨家許可權，年期達十年 - Mr. Wong is going to produce and co-direct an internet drama series <i>Paradise Guesthouse</i> (天堂旅館) with 12 episodes 王先生即將開始監製和聯合導演12集網絡系列影視劇《天堂旅館》

[#] Shareholder director
[#] 股東導演

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Director 導演	Background 導演簡介	Cooperation Details 合作內容
Zhang Xiaoling# (also known as Zhang Yibai) 張曉陵# (又名張一白)	- Dubbed the "Godfather of Youth Films" in China, his love story movies have enjoyed wide acclaims and among them, the 2016 production <i>I Belonged to You</i> (從你的全世界路過) brought in box office receipts of more than RMB800 million, a record among movies of its kind 被譽為「中國青春片教父」，其執導的多部愛情電影均於中國大獲好評，其中二零一六年電影《從你的全世界路過》更是取得超過人民幣800,000,000元票房，創下國產愛情電影的票房新紀錄 - The box office receipts of films he directed and produced totaled more than RMB3.1 billion, putting him in the league of the most commercially successful directors and producers in China today 他執導和監製的電影累積票房超過人民幣3,100,000,000元，乃中國目前最具商業價值和最具有商業眼光的導演兼監製之一 <i>Us and Them</i> (後來的我們) (2018) produced by Mr. Zhang and directed by Rene Liu recorded a box office receipts of more than RMB1.36 billion 張先生擔任監製，劉若英執導的《後來的我們》(二零一八年)，取得票房超過人民幣1,360,000,000元	- During the six-year cooperation period, the Group has priority right over others to invest in at least two of Mr. Zhang's productions, in the amount of no less than 55% of the total investment amount of each of the productions 在六年合作期內，本集團享有優先於他人投資至少兩部張先生作品之權利，投資額不少於每部張先生作品投資總額之55% - The Group has priority right to purchase exclusive global distribution licenses to new media of at least two of Mr. Zhang's productions 本集團享有優先購買至少兩部張先生作品之全球獨家新媒體發行許可之權利 - The Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Zhang 本集團享有對張先生執導(或聯合執導)的兩季網絡系列影視劇之獨家投資權 - The Group has been granted exclusive global distribution rights of two seasons of the internet drama series directed (or co-directed) by Mr. Zhang to new media 本集團獲授張先生執導(或聯合執導)的兩季網絡系列影視劇之全球獨家新媒體發行權 - The Group has participation rights to other productions of Mr. Zhang 本集團獲授張先生其他作品之投資參與權 - The internet drama series <i>Run For Young</i> (風犬少年的天空) directed by Mr. Zhang is expected to be released in 2020 其執導的網劇《風犬少年的天空》預計將於二零二零年與觀眾見面

Shareholder director
股東導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Gu Changwei# 顧長衛#	- As one of the few Chinese members of the Academy of Motion Picture Arts and Sciences (AMPAS), he has long been hailed as "the master cinematographer in Asia" and subsequently became a director 顧長衛為少數華人奧斯卡委員，早有「亞洲第一攝影師」之稱，及後轉執導電影 - He directed a number of iconic movies including <i>Love for Life</i> (最愛), <i>Peacock</i> (孔雀), and was the cinematographer of <i>Red Sorghum</i> (紅高粱) and <i>Farewell To My Concubine</i> (霸王別姬), winning accolades at many international film festivals 執導多部知名電影，包括《最愛》、《孔雀》及拍攝《紅高粱》及《霸王別姬》，在世界級電影頒獎禮中屢獲殊榮	- During the six-year cooperation period, the Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Gu 在六年合作期內，本集團享有顧先生執導（或聯合執導）的兩季網絡系列影視劇之獨家投資權 - The Group has exclusive global new media distribution rights for these internet drama series 本集團獲授顧先生網絡系列影視劇之全球獨家新媒體發行權 - The Group has priority right to invest in Mr. Gu's productions. The exact amount of investment in each of Mr. Gu's productions is to be agreed between the Company and Mr. Gu 本集團享有優先投資顧先生電影作品之權利。每一部顧先生電影作品之具體投資額將由本公司與顧先生協定 - The Group has the right to purchase exclusive global distribution licenses to new media for at least two of Mr. Gu's productions and has participation right to invest in his other productions 本集團享有購買至少兩部顧先生電影作品的全球獨家新媒體發行許可之權利和享有投資其他作品之參與權

Shareholder director
股東導演

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Director 導演	Background 導演簡介	Cooperation Details 合作內容
Zhang Yimou [#] 張藝謀 [#]	- As an internationally famed movie director, his works included <i>Red Sorghum</i> (紅高粱), <i>Raise the Red Lantern</i> (大紅燈籠高高掛), <i>To Live</i> (活著), <i>Not One Less</i> (一個都不能少), <i>The Road Home</i> (我的父親母親), <i>Hero</i> (英雄), <i>House of Flying Daggers</i> (十面埋伏), <i>Curse of the Golden Flower</i> (滿城盡帶黃金甲), <i>The Flowers of War</i> (金陵十三釵), <i>Coming Home</i> (歸來) and <i>The Great Wall</i> (長城), etc. 國際知名導演，由其執導的電影包括《紅高粱》、《大紅燈籠高高掛》、《活著》、《一個都不能少》、《我的父親母親》、《英雄》、《十面埋伏》、《滿城盡帶黃金甲》、《金陵十三釵》、《歸來》、《長城》等 - His works received awards at international film festivals, including Golden Bear at the Berlin International Film Festival, Golden Lion at Venice International Film Festival, and also the Golden Horse Awards in Taiwan 其執導的電影多次獲得國際電影節大獎，包括柏林國際電影節金熊獎、威尼斯影展金獅獎和台灣金馬獎 - Mr. Zhang was the chief director of the opening ceremony of the 2008 Beijing Olympics, and was awarded an honorary doctorate degree by Boston University and Yale University in the US 張先生為二零零八年北京奧運會開幕式總導演，美國波士頓大學及耶魯大學榮譽博士	- During the six-year cooperation period, the Group has exclusive right to invest in three internet drama series directed by Mr. Zhang, with topics to be agreed between the Group and Mr. Zhang 在六年合作期內，本集團將有權獨家投資張先生執導的三部網絡系列影視劇，題材將由本集團與張先生協定 - The exclusive investment right of one internet drama series directed by Mr. Zhang can be converted into priority investment right of a film directed by him (with no existing third-party contract restriction), and the investment amount within the cooperation period shall not be less than 60% of the total investment of the film 對一部張先生執導的網絡系列影視劇的獨家投資權可替換為對其執導之不受現有與第三方合約限制的電影之優先投資權，於合作期內之投資額不少於該電影投資總額的60% - The Group shall own all the tangible and intangible assets of Mr. Zhang internet drama series, as well as the rights derived from or related to them 本集團將獲授張先生網絡系列影視劇之所有有形及無形資產以及其衍生權利及相關權利 - The film <i>One Second</i> (一秒鐘), produced by the Group and directed by Mr. Zhang, is expected to hit the screen in 2020 本集團出品、張先生執導的電影《一秒鐘》預計將於二零二零年與觀眾見面

[#] Shareholder director
[#] 股東導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Chen Daming 陳大明	- Mr. Chen studied screenwriting, directing and acting in the US in the 1990s and starred in a number of Hollywood movies. Many of the films he directed won international awards 陳先生於九十年代赴美國學習編劇、導演和表演，曾參演多部荷里活電影，其執導之多部電影均獲國外殊榮 - He is currently a visiting professor at the Beijing Film Academy (北京電影學院), Vice President of the Shanghai International School of the Beijing Film Academy (北京電影學院上海國際學院) and has been appointed by Shanghai Vancouver Film School as its Art Director 他是北京電影學院客座教授及北京電影學院上海國際學院副院長，並受聘為上海溫哥華電影學院藝術總監	- During the six-year cooperation period, the Group has priority right to invest in at least three of Mr. Chen's productions 在六年合作期內，本集團享有優先於他人投資至少三部陳先生作品之權利 - The Group has exclusive rights to invest in two seasons of internet drama series directed (or co-directed) by Mr. Chen 本集團獲得陳先生執導(或聯合執導)的兩季網絡系列影視劇之獨家投資權 - Payments (such as development fund, film director fees and creative member fees) will be agreed separately for each of Mr. Chen's films and internet drama series productions 陳先生每部電影及網絡系列影視劇製作之付款(例如開發資金、電影導演費及主創人員費用)將分別協定
Jia Zhangke 賈樟柯	- A distinguished international art-house director, he has received Lifetime Achievement Awards from several international film organisations 國際著名藝術電影導演，曾獲多個國際電影組織頒發「終身成就獎」 - Directed 12 feature films, all nominated for awards at the Berlin, Cannes and Venice International Film Festivals. In 2013, <i>A Touch of Sin</i> (天注定) won the award for Best Screenplay at the 66th Cannes Film Festival 共執導十二部長片，全部入圍柏林、康城及威尼斯電影節。二零一三年，《天注定》獲第66屆康城國際電影節最佳編劇獎 - In 2015, he received the Carrosse d'Or at the Cannes Film Festival 二零一五年，獲康城國際電影節導演雙周單元終身成就「金馬車獎」 - In 2018, <i>Ash is Purest White</i> (江湖兒女) was a shortlisted contender of the top honor at the 71st Cannes Film Festival 二零一八年，其導演的《江湖兒女》入圍第71屆康城電影節主競賽單元	- The Group has exclusive or priority right to invest in at least three new films directed by Mr. Jia in the six-year cooperation period 在六年合作期內，本集團獲得由賈先生執導之最少三部新電影作品的獨家或優先投資權 - The Group has priority distribution right and exclusive new media right to the above new films 本集團可獲得上述新電影作品的優先發行權及新媒體獨家權

CHAIRMAN'S STATEMENT

主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Wang Xiaoshuai 王小帥	- A pioneer independent film director in China and recipient of the Ordre des Arts et des Lettres from the French Minister of Culture 中國獨立導演先鋒，並曾獲得法國文化藝術騎士勳章的嘉許 - Directed 11 feature films that were nominated eight times in the top three international film festivals 共執導過十一部電影長篇，八次入圍三大國際電影節競賽單元 - In 2005, <i>Shanghai Dreams</i> (青紅) won the Jury Prize at the 58th Cannes Film Festival 二零零五年，其執導的《青紅》獲第58屆康城國際電影節評審團大獎	- The Group has priority right to invest in two productions (including films and internet drama series) Mr. Wang directed or produced during the six-year cooperation period 在六年合作期內，本集團獲得由王先生執導或監製之兩部影視作品（包括電影及網絡系列影視劇）的優先投資權 - The Group has priority right to invest in and distribute globally his new productions 本集團將享有新作品的優先投資權和全球優先發行權 - The Group has exclusive right to distribute and re-sell his new productions to new media platforms worldwide 本集團將享有新作品在全球各新媒體平台獨家發行權及轉售權 - The film <i>The Mountain</i> (上山), invested by the Group and produced by Mr. Wang, is expected to hit the screen in 2020 本集團投資，王先生監製的電影《上山》預計將於二零二零年與觀眾見面
Manfred Wong 王文俊 (又名文雋)	- A veteran filmmaker in Hong Kong who has directed, produced, and acted in films and is also a screenwriter for films and TV dramas 香港資深電影人，曾擔任電影導演、監製、演員及影視編劇等崗位 - Ventured into the film industry in the early 1990s and co-founded BoB & Partners Company Limited (最佳拍檔有限公司) in the mid-90s, he has under his belt more than 30 films including <i>The Storm Riders</i> (風雲) and the <i>Young and Dangerous</i> (古惑仔) series 於九十年代初開展電影事業，於九十年代中期合組「最佳拍檔」電影公司，曾製作超過30部電影，包括《風雲》、《古惑仔》系列等 - The film <i>Roots and Branches</i> (我的兄弟姐妹) he produced broke the box office receipt record of domestic movies in China in 2001 and won awards at more than 10 film festivals 由其監製之《我的兄弟姐妹》於二零零一年打破全國國產電影票房紀錄，並奪取超過十個影展的電影獎項 - Hong Kong's first producer to venture into production of internet drama series. His works included <i>Feel 100%</i> (百分百感覺) and <i>20/30 Dictionary</i> (男女字典), among others 香港首位開拓網絡劇集製作人，製作包括《百分百感覺》及《男女字典》等網絡劇集	- The Group has priority right over others to invest in at least four of Mr. Wong's productions 本集團享有優先於他人投資至少四部王先生作品之權利 <i>Wizards in the Royal Palace</i> (甜心格格之精靈來了), a comedy directed by Mr. Wong, tells the story of four princesses encountering some sprites from outer space and will be released in 2020 王先生執導的電影《甜心格格之精靈來了》講述四位格格在圓明園偶遇外星精靈引發的一系列逗趣故事，將於二零二零年上映

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Li Yang 李楊	Mr. Li is a film director in Mainland China, outstanding in making documentaries on social phenomena and movies that portray real life stories. His work <i>Blind Shaft</i> (盲井) has won more than 30 awards, including the Silver Bear for Outstanding Artistic Achievement at the 53rd Berlin International Film Festival 專長於拍攝中國社會現象及社會問題紀錄片及寫實故事電影中國大陸電影導演，憑藉《盲井》，李先生獲得了包括第53屆柏林國際電影節最佳藝術貢獻銀熊獎在內的三十餘個國際大獎	- During the six-year cooperation period, the Group has exclusive right to invest in at least three films directed by Mr. Li 在六年合作期內，本集團將獲取李先生所執導最少三部電影作品的獨家投資權 - The Group shall have exclusive right to broadcast and re-sell to new media platforms worldwide Mr. Li's productions it invested in 本集團將享有本集團投資李先生之作品在全球各新媒體平台獨家播放權及轉售權
Liu Xingang 劉心剛	He has years of experience in making movies and TV drama series, and was the Art Director of <i>The Sorrow of Brook Steppe</i> (悲情布魯克) and <i>Cell Phone</i> (手機) nominated respectively for the "Best Art Direction" Award at the Golden Rooster Awards in two years. He won the "Best Director" award at the public TV Double Ten (大眾電視雙十佳) for <i>I'm Looking Forward to Being Loved</i> (好想好想談戀愛) and his <i>Five Star Hotel</i> (五星級大飯店) was named "TV Drama of the Year" by Sina 擁有多年的電影及電視劇拍攝經驗，他曾擔任美術指導的《悲情布魯克》和《手機》分別榮獲兩屆中國電影金雞獎最佳美術獎提名，隨後他憑藉《好想好想談戀愛》和《五星級大飯店》分別斬獲大眾電視雙十佳最佳導演獎和新浪年度電視劇獎	- During the six-year cooperation period, the Group has exclusive right to invest in at least three films directed by Mr. Liu 在六年合作期內，本集團獲取劉先生所執導最少三部電影作品的獨家投資權 - The Group has exclusive right to broadcast on and re-sell to new media platforms worldwide Mr. Liu's productions it invested in 本集團享有本集團投資劉先生之作品在全球各新媒體平台獨家播放權及轉售權
Huang Chen 黃辰	- Mr. Huang wrote and directed the animated work <i>Angry Woman</i> (憤怒的女人) in 2007 黃先生於二零零七年自編自導動畫作品《憤怒的女人》 - He directed the documentary <i>Why Chinese Guys Cannot Get American Girls</i> (為什麼中國男生泡不到美國妞) and won the best documentary in the East American Film Festival 執導紀錄片《為什麼中國男生泡不到美國妞》並榮獲美東電影節最佳紀錄片獎 - He directed a customised sci-fi drama <i>Yolk Man</i> (蛋黃人) 執導定制科幻網劇《蛋黃人》	- During the six-year cooperation period, the Group has priority right over others to invest in three films or internet drama series 在六年合作期內，本集團享有優先於他人投資三部電影或網絡系列影視劇之權利 - The Group shall own all the tangible and intangible assets of the productions and the rights derived from or related to them 本集團將獲授有關作品之所有有形及無形資產以及其衍生權利及相關權利

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS AND OPERATION REVIEW

In 2019, *Crazy Alien* (瘋狂的外星人) and *My People, My Country* (我和我的祖國), which were invested in and produced by the Group, hit cinema screens during the Chinese New Year holiday and the National Day holiday respectively. The two films received satisfactory critical acclaim and generated good box office receipts. Meanwhile, the Group produced a number of excellent film and TV productions, planning to present them to audiences in the year ahead, paving the way for the steady development of the Group's business. In addition, the Group commenced several strategic cooperation initiatives with its partners, such as ByteDance and Maoyan Entertainment, thereby leading to the pooling of complementary strengths and resources-sharing outcomes and facilitating rapid development of the Group's streaming platform "huanxi.com" (歡喜首映).

INVESTMENT IN FILM AND TV PROGRAMMES RIGHTS BUSINESS

For the year ended 31 December 2019, revenue from the investment in film and TV programmes rights business amounted to HK\$814,425,000 (2018: HK\$174,346,000), mainly attributable to *Crazy Alien* (瘋狂的外星人), which was solely invested by the Group and directed by Ning Hao, and *My People, My Country* (我和我的祖國), a film co-produced by the Group and paying tribute to the nation. *Crazy Alien* (瘋狂的外星人) debuted during the Chinese New Year holiday in 2019, with box office receipts exceeding RMB400 million on its debut and total box office receipts reaching RMB2.2 billion, and *My People, My Country* (我和我的祖國) hit cinema screens during the National Day holiday with its box office receipts reaching RMB3.2 billion. In addition, the revenue derived from the Group's streaming platform "huanxi.com" also increased. All these initiatives contributed significant revenue to the Group during the year. This segment profit rose notably to HK\$279,417,000 from last year (2018: segment loss of HK\$244,921,000).

As for the film investments, during the year, the Group signed a minimum guaranteed distribution agreement in relation to the film *Lost in Russia* (囧媽), which was written and directed by and starring Xu Zheng and was originally scheduled to be released in the cinemas during the Chinese New Year holiday in 2020. However, affected by the outbreak of COVID-19, *Lost in Russia* (囧媽) was unable to hit the screens in accordance with the terms of the minimum guaranteed distribution agreement. Hence, the Group changed its strategy to cooperate with ByteDance and to broadcast *Lost in Russia* (囧媽) on internet platforms during the Chinese New Year holiday. Through this move, the Group received the license fees paid by ByteDance and shared the income related to this broadcast, gaining considerable acclaims while attracting users of streaming platform for the Group.

業務及營運回顧

於二零一九年度，本集團投資出品的《瘋狂的外星人》及《我和我的祖國》分別於春節檔期及國慶檔期上映，口碑及票房理想，同時製作多部精彩影視作品，準備來年與觀眾見面，為本集團業務的持續發展作鋪墊。另外，本集團與包括字節跳動及貓眼娛樂等合作夥伴進行多項策略合作，以發揮優勢互補、資源共享效益，推動本集團流媒體平台「歡喜首映」的快速發展。

電影及電視劇版權投資業務

截至二零一九年十二月三十一日止年度，電影及電視劇版權投資業務錄得收益為港幣814,425,000元（二零一八年：港幣174,346,000元），主要受惠於本集團獨家投資、由寧浩執導的《瘋狂的外星人》及本集團參與出品之獻禮片《我和我的祖國》所致。《瘋狂的外星人》於二零一九年春節檔期上映，開畫首日票房已突破人民幣4億元，總票房達人民幣22億元；而《我和我的祖國》於國慶檔期上映，錄得人民幣32億元票房；加上本集團流媒體平台「歡喜首映」的收益增加，為年內收益帶來顯著貢獻。此分部溢利為港幣279,417,000元（二零一八年：分部虧損港幣244,921,000元），較去年顯著改善。

其中，電影投資方面，年內，本集團原已就徐崢自編自導自演的電影《囧媽》訂立保底發行協議，原定在二零二零年春節檔在院線上映，然而受新型冠狀病毒疫情影響，《囧媽》未能如保底發行協議約定於院線上映。因此本集團改為與字節跳動合作將《囧媽》於農曆新年期間在網絡平台播出，獲取字節跳動支付的版權費用及與其分享相關播放收入，為本集團帶來了顯著的口碑及流媒體平台用戶。

During the year, the Group continued to invest and produce several major film productions, including *Leap* (奪冠) (previously known as *Leap* (中國女排)) and *Li Na* (獨自•上場) (previously known as *Li Na* (李娜)), both directed by Chan Ho Sun Peter; *Miss Mom* (尋漢計) (previously known as *Miss Mom* (生不由己)), directed by Tang Danian and starring Ren Suxi; *Tropical Memories* (熱帶往事), produced by Ning Hao and directed by the young director Wen Shipei; *Leaping Over The Dragon Gate* (龍門相) (previously known as *The Advanced Animals* (高級動物)), produced by Gao Qunshu; *Warm Hug* (溫暖的抱抱), directed by Chang Yuan and starring Chang Yuan, Shen Teng and Li Qin; *The Mountain* (上山), produced by Wang Xiaoshuai; and *One Second* (一秒鐘), directed by Zhang Yimou. These movies have entered the post-production or completion stages, and are expected to be released in 2020.

As for the internet drama investments, *Run For Young* (風犬少年的天空), a 16-episode internet drama series directed by Zhang Yibai, has entered the post-production stage and is expected to be released in 2020. *Paradise Guesthouse* (天堂旅館), a 12-episode internet drama series produced and co-directed by Wong Kar Wai, is preparing its pre-production.

As for the streaming platform, the Group has signed a strategic cooperation agreement with Maoyan Weying during the year. Maoyan Weying carries out marketing and promotion of “huanxi.com” on its website and APP and plans to co-invest in films and TV/ internet drama series projects. Besides, the Group also collaborated with 1905.com of CCTV6, a film satellite channel under the Publicity Department of the Central Committee of the Communist Party of China, to establish a joint operation zone for “huanxi.com” on the website, mobile phone and PAD customer terminals of 1905.com. Together with the linking of BesTV terminal and “huanxi.com” via cooperation with BesTV, the Group’s channel coverage has been maximised to provide selected content services for audiences.

另外，本集團於年內繼續投資及製作多部重點電影作品，包括由陳可辛執導的《奪冠》(前稱《中國女排》)及《獨自•上場》(前稱《李娜》)、唐大年導演、任素汐主演的《尋漢計》(前稱《生不由己》)、寧浩監製、青年導演溫仕培執導的《熱帶往事》、高群書監製的《龍門相》(前稱《高級動物》)、常遠導演、常遠、沈騰、李沁主演的《溫暖的抱抱》、王小帥監製的《上山》及張藝謀導演的《一秒鐘》等，該等電影陸續進入後期製作階段或完成階段，預期於二零二零年會相繼上映。

網劇投資方面，張一白導演的16集網劇作品《風犬少年的天空》已進入後期製作階段，預計二零二零年上映，而王家衛籌備監製和聯合導演的12集網絡系列影視劇《天堂旅館》正準備前期工作。

流媒體平台方面，本集團年內與貓眼微影簽訂戰略合作協議，貓眼微影在網站和APP內為「歡喜首映」進行推廣及宣傳，計劃共同投資電影和電視劇／網劇項目。此外，本集團亦與中央宣傳部電影衛星頻道(CCTV6)旗下1905電影網合作，在1905電影網的網站、手機和PAD的客戶端建立「歡喜首映」聯合運營專區，加上與百視通電視合作，把百視通電視終端與「歡喜首映」連結，實現渠道覆蓋最大化，為觀眾提供精選內容服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

After the year under review, in January 2020, the Group signed a cooperation agreement with ByteDance, a leading internet company in China, pursuant to which, the parties shall carry out strategic cooperation in various fields related to online videos, and ByteDance shall pay the Group a minimum of RMB630,000,000 as consideration. The cooperation will be carried out in two phases:

The term of first-phase cooperation shall be six months, mainly involving (i) the Group's certain new films and internet drama series will be broadcast simultaneously on "huanxi.com" and popular online platforms of ByteDance, such as "Toutiao" (今日頭條) and "Xigua" (西瓜視頻); (ii) ByteDance shall set dedicated gateways and zones on platforms such as "Toutiao" and "Xigua" for directing traffic to "huanxi.com"; (iii) platforms including "Toutiao" and "Xigua" shall support the promotion and marketing of the Group's film and TV projects; (iv) the Group shall provide ByteDance with resources for advertising placement, joint marketing and cross-industry cooperation; and (v) provide ByteDance with the rights of authorship as co-producer(s) for films of which the Group is the lead producer.

It is expected that the second phase will be commenced subsequent to the first phase. The parties shall make joint capital contributions to purchase new media rights of film and TV contents, jointly establish a cinema channel, in a collective effort to build the "huanxi.com" brand, to inject new impetus to the development of the streaming platform of the Group.

Currently, "huanxi.com" (歡喜首映), being the Group's streaming platform, has accumulated over two million (2,000,000) fee-paying subscribers, while downloads for the mobile application of "huanxi.com" went over eleven million (11,000,000) in total. In the future, the Group will continue to optimise and update the contents of the platform and bring more extensive user groups to "huanxi.com" through forming partnerships, with the aim of stepping up efforts to facilitate the operation and expansion of its streaming platform.

於回顧年後，二零二零年一月，本集團更與中國首屈一指的互聯網企業字節跳動訂立合作協議，於在線視頻相關的多個領域展開合作，字節跳動將向本集團最少支付人民幣630,000,000元作為代價，合作分兩階段進行：

第一階段合作為期六個月，主要內容包括(i)本集團之若干新電影及網劇將於「歡喜首映」及字節跳動旗下深受國民歡迎的「今日頭條」及「西瓜視頻」等網上平台同時播放；(ii)字節跳動在今日頭條、西瓜視頻等平台內為「歡喜首映」平台設立獨立入口及專區進行導流；(iii)今日頭條、西瓜視頻等平台為本集團的影視項目提供宣傳推廣支援；(iv)本集團為字節跳動提供植入廣告、聯合推廣、異業合作等資源；及(v)向字節跳動提供本集團主控出品影片的聯合出品方的署名權。

預期第二階段將於第一階段之後開展，雙方共同出資製作購買影視內容的新媒體版權；及共建院線頻道，共同打造「首映」品牌，為本集團的流媒體平台發展注入新動力。

目前，本集團的流媒體平台「歡喜首映」的付費用戶已累積超過二百萬(2,000,000)，而「歡喜首映」APP(流動應用程式)的下載次數已超過一仟一佰萬(11,000,000)。未來，本集團將不斷優化和更新平台上的內容，並透過結盟合作夥伴，為「歡喜首映」帶來更廣泛的用戶群，藉此加大力度推展本集團流媒體平台的運營及拓展。

OTHER BUSINESSES

The Group's other businesses include property agency business and securities trading and investments business. For the year ended 31 December 2019, the Group's other businesses did not record any revenue (2018: HK\$286,000) and recorded segmental loss of HK\$4,000 (2018: HK\$521,000). The Group's other businesses have remained inactive during the year.

FINANCIAL REVIEW

Review of Results

For the year ended 31 December 2019, the Group recorded revenue and film investment income of HK\$814,425,000 (2018: HK\$174,632,000), representing 3.7 times increase in revenue and film investment income compared with corresponding period of last year. The gross profit was HK\$343,510,000 (2018: HK\$89,315,000), representing a sharp increase in gross profit compared with corresponding period of last year. The profit attributable to owners of the Company of HK\$105,103,000 (2018: loss of HK\$444,693,000). The significant improvement of revenue, gross profit and profit attributable to owners of the Company were mainly caused by (i) the substantial increase in revenue from the Group's principal business, namely investment in film and TV programmes rights, as well as the streaming platform "huanxi.com"; and (ii) the significant decrease in the recognition of share-based payments to HK\$6,430,000 (2018: HK\$355,368,000).

During the year, on 15 June 2019, the Group has entered into a film investment agreement with an investor, an independent third party, pursuant to which the investor is entitled to the predetermined percentage of income to be generated from a film right held by the Group from the box office in cinema circuits and cinemas in China at a consideration of RMB210,000,000 (equivalent to approximately HK\$243,056,000). After considering the film market condition and the Group's film distribution plan, the Group recognised the film investment fund received from the investor of RMB150,000,000 (equivalent to approximately HK\$167,299,000) as a financial liability as at 31 December 2019 and the aforementioned consideration of RMB210,000,000 was not recognised as a revenue for the year ended 31 December 2019. On 31 March 2020, the Group terminated the film investment agreement with the investor due to the fact that the film was unable to put on screens on the date agreed.

For the year ended 31 December 2019, earnings per share of the Group amounted to HK\$0.03 (2018: loss per share of HK\$0.16) and net asset value per share attributable to owners of the Company was HK\$0.36 (2018: HK\$0.23).

其他業務

本集團的其他業務包括物業代理業務及證券買賣及投資業務。截至二零一九年十二月三十一日止年度，本集團的其他業務並無錄得任何收益(二零一八年：港幣286,000元)及錄得分部虧損港幣4,000元(二零一八年：港幣521,000元)。本集團的其他業務於年內仍維持不活躍。

財務回顧

業績回顧

截至二零一九年十二月三十一日止年度，本集團錄得收益及電影投資收入港幣814,425,000元(二零一八年：港幣174,632,000元)，較去年同期之收益及電影投資收入增長3.7倍。毛利為港幣343,510,000元(二零一八年：港幣89,315,000元)，較去年同期之毛利大幅增加。本公司擁有人應佔溢利為港幣105,103,000元(二零一八年：虧損港幣444,693,000元)。收益、毛利及本公司擁有人應佔溢利大幅改善乃主要由於(i)本集團之主營業務—電影及電視劇版權投資及「歡喜首映」流媒體平台的收益大幅增加，及(ii)確認以股份為基礎之付款顯著減少至港幣6,430,000元(二零一八年：港幣355,368,000元)。

年內，於二零一九年六月十五日，本集團與一名投資者(一名獨立第三方)訂立電影投資份額轉讓合同，據此，該投資者將有權按預先釐定之百分比享有本集團所持一項電影版權將來於中國院線及影院產生之票房收入，代價為人民幣210,000,000元(相當於約港幣243,056,000元)。經考慮電影市況及本集團之電影發行計劃，本集團於二零一九年十二月三十一日將來自該投資者之已收電影投資款項人民幣150,000,000元(相當於約港幣167,299,000元)確認為金融負債，截至二零一九年十二月三十一日止年度，上述代價人民幣210,000,000元並無確認為收益。由於該電影未能於協定日期上映，本集團於二零二零年三月三十一日已與該投資者終止該電影投資份額轉讓合同。

截至二零一九年十二月三十一日止年度，本集團之每股盈利為港幣0.03元(二零一八年：每股虧損港幣0.16元)和本公司擁有人應佔每股資產淨值為港幣0.36元(二零一八年：港幣0.23元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations, equity fund raising and borrowings. As at 31 December 2019, the Group had net current assets of HK\$512,922,000 (2018: HK\$244,714,000), with cash and cash equivalents of HK\$256,203,000 (2018: HK\$158,528,000). As at 31 December 2019, the total equity of the Company amounted to HK\$1,130,230,000 (2018: HK\$658,668,000) with total borrowings of HK\$50,000,000 (2018: HK\$387,774,000). The Group's gearing ratio, expressed as the percentage of total borrowings over total capital, was 0.04 (2018: 0.37) as at 31 December 2019. Total capital is calculated as total equity plus total borrowings.

CAPITAL STRUCTURE

As at 31 December 2019, the Company had 3,154,655,408 ordinary shares (2018: 2,918,055,408) of HK\$0.01 each in issue (the "Share" or "Shares").

During the year ended 31 December 2019, the movement in the issued Shares of the Company are as follows:

On 12 March 2019, the Company entered into the subscription agreement ("Subscription Agreement") with Maoyan Entertainment, pursuant to which the Company has allotted and issued to Maoyan Entertainment 236,600,000 ordinary Shares ("Subscription Shares") of aggregate nominal value of HK\$2,366,000 at the subscription price of HK\$1.6507 per Subscription Share (the "Subscription"). The net price received by the Company was approximately HK\$1.6484 per Subscription Share. The closing price of the Shares on the date of entering into the Subscription Agreement was HK\$1.560 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Please refer to the section "Company's Contract Involving Issue of New Shares" in the Directors' Report of this annual report for details.

流動資金及財務來源

本集團的資本支出、日常營運及投資資金主要來自其營運產生的現金、股本集資及借款。於二零一九年十二月三十一日，本集團的流動資產淨值為港幣512,922,000元（二零一八年：港幣244,714,000元），現金及現金等值為港幣256,203,000元（二零一八年：港幣158,528,000元）。於二零一九年十二月三十一日，本公司權益總額為港幣1,130,230,000元（二零一八年：港幣658,668,000元），借貸總額為港幣50,000,000元（二零一八年：港幣387,774,000元）。於二零一九年十二月三十一日，本集團的資本與負債率（即借貸總額對資本總額的百分比）為0.04（二零一八年：0.37）。資本總額按權益總額加借貸總額計算。

資本架構

於二零一九年十二月三十一日，本公司有3,154,655,408股（二零一八年：2,918,055,408股）每股面值港幣0.01元的已發行普通股股份（「股份」）。

截至二零一九年十二月三十一日止年度，本公司之已發行股份變動如下：

於二零一九年三月十二日，本公司與貓眼娛樂訂立認購協議（「認購協議」），據此，本公司已向貓眼娛樂配發及發行236,600,000股總面值港幣2,366,000元之普通股股份（「認購股份」），認購價為每股認購股份港幣1.6507元（「認購事項」）。本公司所收取之淨價為每股認購股份約港幣1.6484元。股份於訂立認購協議當日在香港聯合交易所有限公司（「聯交所」）所報收市價為每股股份港幣1.560元。

有關詳情，請參閱本年報董事報告內「本公司涉及新股份發行之合約」一節。

CHARGES ON ASSETS

As at 31 December 2019, the Group did not have any charge of assets (2018: the Group's secured borrowings of HK\$220,364,000 were secured by other receivables amounting to approximately HK\$223,133,000).

FOREIGN EXCHANGE EXPOSURE

The Group's cash flow from operations, cash on hand and assets are denominated mainly in Hong Kong dollars, US dollars and Renminbi. Although most of the production costs and management fees are denominated in Renminbi, foreign currencies are needed for many investment opportunities and cooperation plans with mainland China and overseas film companies. The Group will continue to monitor its capital needs closely and take appropriate measures to minimise any adverse impact of exchange rate fluctuation on its overall financial status and lower the Group's financial risks.

RISK MANAGEMENT

During the year under review, the Group regularly reviewed the risk and credit control systems of its profit centers to improve those systems overall and mitigate credit risk. There have been no significant changes in the Group's risk management policy since the year-end date last year.

CONTINGENT LIABILITIES

As at 31 December 2019, save as disclosed in Note 34(b) "Litigations" to the consolidated financial statements, the Group had no significant contingent liabilities (2018: same).

抵押資產

於二零一九年十二月三十一日，本集團並無任何抵押資產（二零一八年：本集團之有抵押借款港幣220,364,000元由其他應收款項約港幣223,133,000元作抵押）。

匯率風險

本集團所經營業務的現金流、持有的現金及資產主要以港幣、美金及人民幣計值。雖然大部分製作成本和管理費以人民幣計值，但很多投資機會和與中國內地及海外地區片商的合作計劃仍需要使用外幣。本集團會繼續密切監察資本需要，並致力緩和匯率波動對整體財務狀況的任何不利影響以及降低本集團的財務風險。

風險管理

於回顧年內，本集團不斷定期檢討利潤中心的風險及信貸監控制度，以改善整體監控制度並減低信貸風險。自去年年結日後，本集團的風險管理政策並無重大的變動。

或然負債

於二零一九年十二月三十一日，除綜合財務報表附註34(b)「訴訟」所披露者外，本集團並無任何重大或然負債（二零一八年：相同）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EMPLOYEES AND REMUNERATION POLICIES

The Group firmly believes high-caliber people are the most valuable asset of a corporation. The Group thus places great attention on attracting and nurturing talent. It has kept optimising its staff structure to match its development strategy and business needs. As at 31 December 2019, the Group had 97 employees (2018: 84). It hired more employees during the year under review to support the expanding of its business. The Group has in place well-designed remuneration management and incentive mechanisms, with employees remunerated based on their positions and work performance, along with industry trends.

MATERIAL INVESTMENTS

Saved as the film and TV programmes rights set out in Note 22 to the consolidated financial statements, the Group had no material investments during the year under review.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group is seeking for investment opportunities, including but not limited to, in the media and entertainment related businesses in order to expand the source of income and prospects of the Group.

僱員和薪酬政策

本集團一直堅信優秀人才是企業最寶貴的資產，本集團重視吸納和培養人才，根據發展戰略和業務的需要，持續優化人才結構。於二零一九年十二月三十一日，本集團僱用97名僱員（二零一八年：84名）。於回顧年內，本集團僱用更多人才以發展業務。本集團建立了完善的薪酬管理和激勵機制，僱員的薪酬乃根據其崗位價值、工作表現及行業趨勢而釐定。

重大投資

除綜合財務報表附註22所載之電影及電視劇版權外，本集團於回顧年內並無重大投資。

重大投資之日後計劃

本集團正物色投資機會（包括但不限於媒體及娛樂相關業務方面），以擴闊本集團收入來源及本集團的前景。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

Set out below are the biographical details of the directors (the “Directors”) of the Company as at the date of this annual report:

於本年報日期，本公司董事（「董事」）之履歷詳情載列如下：

EXECUTIVE DIRECTORS

Mr. Dong Ping (“Mr. Dong”)

Mr. Dong, aged 58, was appointed as an executive Director on 2 September 2015, re-designated as the chairman (the “Chairman”) of the board (the “Board”) of Directors on 15 January 2016 and is also a member of remuneration committee and a member of nomination committee of the Company. Mr. Dong is also director of a number of subsidiaries of the Company. Mr. Dong has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields and was the former chairman of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger, Hidden Dragon* (臥虎藏龍) (directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* (鬼子來了) (directed by Mr. Jiang Wen (姜文)), *Peacock* (孔雀) (directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* (讓子彈飛) (directed by Mr. Jiang Wen (姜文)), *Journey to the West: Conquering the Demons* (西遊•降魔篇) (directed by Mr. Stephen Chow (周星馳)), *Dearest* (親愛的) (directed by Mr. Chan Ho Sun Peter (陳可辛)) and *Breakup Buddies* (心花路放) (directed by Mr. Ning Hao). Some of these films have won numerous major awards in both domestic and overseas film festivals. From August 2003 to April 2005, Mr. Dong was the president of Asian Union Film and Media. Between 31 May 2005 and 11 January 2008, Mr. Dong was appointed as an executive director of Asian Union New Media (Group) Limited (now known as Huayi Tencent Entertainment Co. Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors from 12 May 2006 to 11 January 2008.

執行董事

董平先生（「董先生」）

董先生，58歲，於二零一五年九月二日獲委任為執行董事，並於二零一六年一月十五日獲調任為董事會（「董事會」）主席（「主席」），兼任本公司薪酬委員會及提名委員會成員。董先生亦為本公司若干附屬公司之董事。董先生於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，曾任聯交所主板上市公司文化中國傳播集團有限公司（現稱阿里巴巴影業集團有限公司）（股份代號：1060）主席。董先生為多部國際知名電影之主要投資者、監製及聯合監製，包括《臥虎藏龍》（由李安先生執導）、《鬼子來了》（由姜文先生執導）、《孔雀》（由顧長衛先生執導）、《讓子彈飛》（由姜文先生執導）、《西遊•降魔篇》（由周星馳先生執導）、《親愛的》（由陳可辛先生執導）及《心花路放》（由寧浩先生執導）。該等電影部分於國內外電影節奪得多項重要獎項。董先生於二零零三年八月至二零零五年四月出任北京保利華億傳媒文化有限公司董事長。董先生於二零零五年五月三十一日至二零零八年一月十一日獲委任為聯交所主板上市公司華億新媒體（集團）有限公司（現稱華誼騰訊娛樂有限公司）（股份代號：419）執行董事及於二零零六年五月十二日至二零零八年一月十一日出任該公司董事會主席。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

As at the date of this report, Mr. Dong was deemed to be interested in 1,451,414,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited ("Newwood"), 92,342,216 Shares held by Numerous Joy Limited ("Numerous Joy"), 800,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits Limited ("Pacific Wits") and 438,625,528 Shares held by Tairong Holdings Limited ("Tairong")) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

Mr. Xiang Shaokun, Steven ("Mr. Xiang")

Mr. Xiang, aged 57, was appointed as an executive Director on 2 September 2015 and the Chief Executive Officer of the Group on 18 September 2015. Mr. Xiang is also director of a number of subsidiaries of the Group. Mr. Xiang was a partner of Weil, Gotshal & Manges LLP, an international law firm, where he has led its China practice since 2004. Previously, Mr. Xiang was a partner in the Shanghai office of Clifford Chance, an international law firm from 2002 to 2004. A specialist in mergers and acquisitions, Mr. Xiang has acted as the principal counsel in many significant transactions including representing Lenovo Group Limited in its acquisition of IBM's global personal computer business. He holds a degree of juris doctor from Vanderbilt University School of Law, U.S.A. and a Bachelor of Arts from Beijing University of International Relations. Mr. Xiang is licensed to practice law in New York and in Hong Kong. Mr. Xiang has been consistently ranked as one of the top mergers and acquisitions lawyers by Chambers.

As at the date of this report, Mr. Xiang was interested in 27,000,000 underlying Shares within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

於本報告日期，董先生被視為於1,451,414,354股股份（即由Newwood Investments Limited（「Newwood」）持有之461,711,082股股份、多樂有限公司（「多樂」）持有之92,342,216股股份、Highrise Castle Limited持有之800,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎有限公司（「泰穎」）持有之438,625,528股股份及泰嶸控股有限公司（「泰嶸」）持有之438,625,528股股份）中擁有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

項紹琨先生（「項先生」）

項先生，57歲，於二零一五年九月二日獲委任為執行董事，並於二零一五年九月十八日獲委任為本集團行政總裁。項先生亦為本集團若干附屬公司之董事。項先生曾為國際律師事務所威嘉國際律師事務所之合夥人，自二零零四年起掌管中國業務。此前，項先生於二零零二年至二零零四年為國際律師事務所英國高偉紳律師事務所上海代表處之合夥人。作為併購專家，項先生於多項重大交易中擔任主要法律顧問，包括代表聯想集團有限公司收購IBM全球個人電腦業務。彼持有美國Vanderbilt University法律學院法律博士（Juris Doctor）學位及北京國際關係學院文學士學位。項先生為紐約及香港執業律師，長期獲Chambers評為最佳併購律師之一。

於本報告日期，項先生於27,000,000股相關股份中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

NON-EXECUTIVE DIRECTORS

Mr. Ning Hao ("Mr. Ning")

Mr. Ning, aged 42, was appointed as a non-executive Director on 2 September 2015. Mr. Ning majored in photography and obtained a bachelor degree from Beijing Film Academy (北京電影學院) in China in 2003. Mr. Ning is a film director and screenwriter who has directed seven films between 2003 and 2014, which were engraved with his unique personal style and won international acclaim. All of Mr. Ning's films have achieved strong investment returns. His directorial debut *Incense* (香火) (2003) and his second film *Mongolian Ping Pong* (綠草地) (2004) were nominated in more than 50 international film festivals, including the Berlin International Film Festival, the Locarno Festival and the Hong Kong International Film Festival. Among these, *Incense* (香火) won the Grand Prize at the Fourth Tokyo FILMeX Festival in 2003 and the Golden Prize (Asian Digital Films) at the 28th Hong Kong International Film Festival in 2004. In 2006, Mr. Ning directed his small budget film *Crazy Stone* (瘋狂的石頭), which won the Taiwan Golden Horse Awards (台灣金馬獎) for the Best Original Screenplay. *Crazy Racer* (瘋狂的賽車) (2009), which was wrote and directed by Mr. Ning, was produced for an investment of only RMB10 million and achieved over RMB100 million at the box office. In 2013, Mr. Ning directed *No Man's Land* (無人區), which won the Annual Tribute Movie by One Hundred Media (百家傳媒年度致敬電影) at the 14th Chinese Film Media Awards (華語電影傳媒大獎). Mr. Ning also directed the huge box office hit *Breakup Buddies* (心花路放) (2014) which grossed RMB1,169 million at the PRC box office and became the highest grossing domestic Chinese film of the year. *Crazy Alien* (瘋狂的外星人) (2019) which directed by Mr. Ning achieved RMB2,200 million at the box office.

As at the date of this report, Mr. Ning was deemed to be interested in 1,451,414,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 800,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

非執行董事

寧浩先生(「寧先生」)

寧先生，42歲，於二零一五年九月二日獲委任為非執行董事。寧先生於二零零三年在中國北京電影學院取得學士學位，主修攝影。寧先生為電影導演及編劇，於二零零三年至二零一四年間執導七部電影，憑藉獨特個人風格享譽國際。寧先生全部電影均帶來豐碩投資回報，其首部執導電影《香火》(二零零三年)及第二部電影《綠草地》(二零零四年)於五十多個國際電影節獲提名，包括柏林國際電影節、洛迦諾電影節及香港國際電影節。其中，《香火》先後於二零零三年及二零零四年獲得第四屆東京銀座電影節大獎及第二十八屆香港國際電影節金獎(亞洲數碼錄像)。寧先生於二零零六年執導小成本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導製作成本僅人民幣10,000,000元之《瘋狂的賽車》(二零零九年)，票房突破人民幣100,000,000元。寧先生於二零一三年執導《無人區》，榮獲第十四屆華語電影傳媒大獎百家傳媒年度致敬電影。寧先生另執導賣座電影《心花路放》(二零一四年)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影。由寧先生執導的電影《瘋狂的外星人》(二零一九年)錄得票房人民幣2,200,000,000元。

於本報告日期，寧先生被視為於1,451,414,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、Highrise Castle Limited持有之800,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

Mr. Xu Zheng ("Mr. Xu")

Mr. Xu, aged 47, was appointed as a non-executive Director on 2 September 2015. Mr. Xu graduated with a bachelor degree from Shanghai Theatre Academy (上海戲劇學院) in China in 1994. Mr. Xu is an actor, director, screenwriter and producer. He started his career as an actor in the 1990s. Mr. Xu rose to national stardom in 2000 with the TV series *Sunny Piggy* (春光燦爛豬八戒), followed by other successful TV dramas such as *Li Wei the Magistrate* (李衛當官) (2002). Mr. Xu then focused more on films, starring in comedies *Call for Love* (愛情呼叫轉移) (2007) and *Call for Love II* (愛情呼叫轉移2) (2008), *Lost on Journey* (人在囧途) (2010), *No Man's Land* (無人區) (2013) (for which he was awarded the best lead actor by the China Film Directors' Guild (中國電影導演協會) in 2014) and the huge box office hit *Breakup Buddies* (心花路放) (2014) and *Lost in Hong Kong* (港囧) (2015). In 2012, his directorial debut *Lost in Thailand* (人再囧途之泰囧) (a road trip comedy) which he also wrote, directed, produced and starred in, earned over USD200 million and became the highest-grossing domestic Chinese film ever. In 2014, he produced and starred in *The Great Hypnotist* (催眠大師) (a suspense thriller film), which achieved ground-breaking box-office success and a great reputation in the Chinese suspense thriller film market. In 2018, Mr. Xu was awarded the best leading actor by the Taiwan Golden Horse Awards (台灣金馬獎) for his performance in *Dying to Survive* (我不是藥神).

As at the date of this report, Mr. Xu was deemed to be interested in 1,451,414,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 800,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

徐崢先生(「徐先生」)

徐先生，47歲，於二零一五年九月二日獲委任為非執行董事。徐先生於一九九四年畢業於中國上海戲劇學院，取得學士學位。徐先生為演員、導演、編劇及監製，於一九九零年代開展演員生涯。徐先生於二零零零年憑藉電視劇《春光燦爛豬八戒》晉身為全國明星，其後陸續出演其他成功電視劇作品，如《李衛當官》(二零零二年)。徐先生其後專注電影發展，先後主演喜劇《愛情呼叫轉移》(二零零七年)、《愛情呼叫轉移2》(二零零八年)、《人在囧途》(二零一零年)、《無人區》(二零一三年)(彼憑藉此電影於二零一四年獲中國電影導演協會評為年度男演員)以及票房奇葩《心花路放》(二零一四年)及《港囧》(二零一五年)。於二零一二年，徐先生首次自編自導自演兼監製公路喜劇《人再囧途之泰囧》，票房突破美金200,000,000元，成為中國有史以來最賣座華語電影。於二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，不但創造票房神話，更成為華語驚悚懸疑電影市場經典。於二零一八年，徐先生憑藉於《我不是藥神》中的表現榮獲台灣金馬獎最佳男主角。

於本報告日期，徐先生被視為於1,451,414,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、Highrise Castle Limited持有之800,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Wong Tak Chuen ("Mr. Wong")

黃德銓先生(「黃先生」)

Mr. Wong, aged 55, joined the Company as an independent non-executive Director on 10 April 2014. Mr. Wong is the chairman of the audit committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants in the United Kingdom and the Institute of Chartered Accountants in England and Wales, respectively. He has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently a practising Certified Public Accountant in Hong Kong. Mr. Wong is currently an independent non-executive director of (i) Eternity Investment Limited (stock code: 764, a company listed on the Main Board of the Stock Exchange) since 7 November 2011; and (ii) China Healthwise Holdings Limited (stock code: 348, a company listed on the Main Board of the Stock Exchange) since 11 October 2016. Mr. Wong was an independent non-executive director of Man Sang International Limited (stock code: 938, a company listed on the Main Board of the Stock Exchange) from 12 July 2016 to 5 November 2018.

黃先生，55歲，於二零一四年四月十日加入本公司，擔任獨立非執行董事。黃先生為本公司審核委員會主席。黃先生分別為香港會計師公會、英國特許公認會計師公會及英格蘭和威爾斯特許會計師協會之資深會員，擁有超過20年審計、財務管理、合併與收購經驗，曾在香港一家國際會計師行、香港多家上市公司及一家美國上市公司擔任若干高級財務相關職位。黃先生現時為香港執業會計師。黃先生(i)自二零一一年十一月七日起擔任永恒策略投資有限公司(股份代號：764，一家在聯交所主板上市的公司)；及(ii)自二零一六年十月十一日起擔任中國智能健康控股有限公司(股份代號：348，一家在聯交所主板上市的公司)的獨立非執行董事。黃先生於二零一六年七月十二日至二零一八年十一月五日擔任民生國際有限公司(股份代號：938，一家在聯交所主板上市的公司)的獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

Mr. Li Xiaolong (“Mr. Li”)

Mr. Li, aged 54, was appointed as an independent non-executive Director on 2 September 2015. Mr. Li is a member of each of the remuneration committee, nomination committee and audit committee of the Company. Mr. Li has more than 20 years of experience in the industry of information technology and telecommunications. He is the founder and chairman of Net 263 Ltd. (Shenzhen Stock Exchange Code: 002467), a company based in Beijing which provides integrated communication services for medium-and small-sized enterprises and professionals. Since September 2004, Mr. Li was the chairman of the board of Net 263 Ltd., and since August 2006, the director of Net 263 Ltd. He was an independent director at E-Commerce China Dangdang Inc. from December 2010 to October 2016, and an independent director at Kongzhong Corp. from 2012 to May 2017. Mr. Li graduated from Beijing University of Technology, majored in software engineering of computer science. In January 2013, Mr. Li was appointed as a committee member of the telecommunications and economic experts of the Ministry of Industry and Information Technology.

As at the date of this report, Mr. Li was deemed to be interested in 15,060,000 Shares within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

李小龍先生(「李先生」)

李先生，54歲，於二零一五年九月二日獲委任為獨立非執行董事。李先生為本公司薪酬委員會、提名委員會及審核委員會成員。李先生於資訊科技及電信業積逾20年經驗。彼為二六三網絡通信股份有限公司(深圳證券交易所股份代號：002467)之創辦人及主席，該公司位於北京，為中小企及專業人士提供綜合通訊服務。自二零零四年九月起，李先生擔任二六三網絡通信股份有限公司之董事長，並自二零零六年八月起擔任二六三網絡通信股份有限公司之董事。自二零一零年十二月至二零一六年十月及自二零一二年至二零一七年五月，彼分別出任E-Commerce China Dangdang Inc.及Kongzhong Corp.之獨立董事。李先生畢業於北京工業大學，主修計算機科學(軟件工程)。於二零一三年一月，李先生獲委任為工業和信息化部電信經濟專家委員會成員。

於本報告日期，李先生被視為於15,060,000股股份中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

Mr. Wang Hong (“Mr. Wang”)

Mr. Wang, aged 55, was appointed as an independent non-executive Director on 2 September 2019. Mr. Wang is the chairman of each of the remuneration committee and nomination committee of the Company and a member of audit committee of the Company. He is currently the vice president of Hengdian Group Holdings Limited, responsible for the group’s overseas affairs. He once served as the chairman of Hengdian Film and Television Production Co., Ltd.*, and produced the animation film *Monkey King: Hero is Back* (西遊記之大聖歸來), received the highest animation box office record in China, and some TV series. He was the chief executive officer of Asian Union New Media (Group) Limited (now known as Huayi Tencent Entertainment Company Limited) (Stock Code: 0419) between January 2008 and March 2012 and was an executive director of the company between August 2010 and March 2012, responsible for the overall operation of the company, and engaged in the investment of *Letter from an Unknown Woman* (一個陌生女人的來信), *Peacock* (孔雀), *And the Spring Comes* (立春), *Under the Hawthorn Tree* (山楂樹之戀) and some other films. He was the president of the Travel Channel between May 2003 and February 2008, during which he built up a new Travel Channel with an annual revenue of over RMB200 million. He also served as the deputy general manager of a cultural subsidiary of Poly Group between July 1991 and May 2003 and was responsible for the company’s investment business. He had engaged in the implementation of Poly Culture’s various investment projects related to the cultural industries. Mr. Wang obtained a Bachelor degree of Economics in International Trade and Economics at University of International Business and Economics in 1988.

As at the date of this report, Mr. Wang was interested in 100,000 Shares within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

王虹先生(「王先生」)

王先生，55歲，於二零一九年九月二日獲委任為獨立非執行董事。王先生為本公司薪酬委員會及提名委員會主席及本公司審核委員會成員。王先生現任橫店集團控股有限公司副總裁，負責集團公司海外業務。彼曾任職橫店影視製作有限公司董事長，出品了中國動畫電影最高票房的動畫片《西遊記之大聖歸來》及多部電視劇。王先生曾於二零零八年一月至二零一二年三月期間任職華億新媒體(集團)有限公司(現稱華誼騰訊娛樂有限公司)(股份代號：0419)首席執行官，並於二零一零年八月至二零一二年三月期間擔任該公司執行董事，負責公司全面運營，曾參與投資電影《一個陌生女人的來信》、《孔雀》、《立春》及《山楂樹之戀》等影片。彼於二零零三年五月至二零零八年二月期間曾任職「旅遊衛視」總裁，成功打造一個年收入超過人民幣200,000,000元的全新旅遊衛視。彼亦曾於一九九一年七月至二零零三年五月期間任職保利集團附屬文化公司副總經理，負責公司投資業務，參與執行保利文化多項文化產業投資項目。王先生於一九八八年獲得對外經濟貿易大學國際貿易專業的經濟學學士學位。

於本報告日期，王先生被視為於100,000股股份中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

* For identification purposes only

DIRECTORS' REPORT

董事報告

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses which include development and investment in film and TV programmes rights and operation of streaming platform.

Details of the activities of the principal subsidiaries are set out in Note 13 to the consolidated financial statements. An analysis of revenue and film investment income and results by principal activities of the Group are set out in Note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report on page 108.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 228 of the annual report. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL OF THE COMPANY

Details of the ordinary shares issued by the Company in 2019 and details of movement in the share capital of the Company in 2019 are set out in Note 29 to the consolidated financial statements and section headed "Company's Contract Involving Issue of New Shares" of this Directors' Report.

董事謹此提呈董事報告以及本集團截至二零一九年十二月三十一日止年度之經審核財務報表。

主要業務

本公司乃一間投資控股及電影投資公司，其附屬公司主要從事媒體及娛樂相關業務，包括電影及電視劇版權製作及投資以及營運流媒體平台。

各主要附屬公司之業務詳情載於綜合財務報表附註13。按本集團主要業務劃分之收益及電影投資收入與業績分析載於綜合財務報表附註6。

業績及股息

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第108頁之綜合損益及其他全面收益表。

董事不建議派付截至二零一九年十二月三十一日止年度之末期股息（二零一八年：無）。

財務概要

本集團於過往五年之業績、資產及負債概要載於年報第228頁。該概要並非經審核綜合財務報表的組成部分。

公司股本

本公司於二零一九年已發行之普通股及本公司於二零一九年股本變動之詳情載於綜合財務報表附註29及本董事報告「本公司涉及新股份發行之合約」一節。

SHARE OPTIONS

A share option scheme has been adopted and approved by the shareholders of the Company at the annual general meeting held on 17 June 2014 (the "Share Option Scheme"). The 10% limit of the Share Option Scheme (the "Scheme Mandate Limit") has been refreshed on 16 December 2015 and 29 June 2018. As at the date of this annual report, the Scheme Mandate Limit refreshed on 29 June 2018 has not yet been utilised and the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 276,805,540 shares.

On 27 April 2018, 130,700,000 options were granted under the Share Option Scheme and no share options were exercised, cancelled or lapsed during the year ended 31 December 2019. As at 31 December 2019, the Company has 130,700,000 options outstanding which represented approximately 4.14% of the total number of issued shares of the Company as at that date.

The following table discloses movements in the Company's share options during the year ended 31 December 2019:

Participants	Date of grant	Outstanding at the beginning of the year 年初 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/ cancelled during the year 年內 失效/註銷	Outstanding at the end of the year 年末 尚未行使	Exercise price per share (HK\$) 每股行使價 (港幣元)
Mr. Dong Ping 董平先生	27 April 2018 二零一八年四月二十七日	2,700,000	-	-	-	2,700,000	2.08
Mr. Xiang Shaokun, Steven 項紹琨先生	27 April 2018 二零一八年四月二十七日	27,000,000	-	-	-	27,000,000	2.08
Eligible employees 合資格僱員	27 April 2018 二零一八年四月二十七日	101,000,000	-	-	-	101,000,000	2.08
Total 總計		130,700,000	-	-	-	130,700,000	

購股權

本公司股東於二零一四年六月十七日舉行之股東週年大會上採納及批准一項購股權計劃（「購股權計劃」）。購股權計劃之10%限額（「計劃授權限額」）已於二零一五年十二月十六日及二零一八年六月二十九日更新。於本年報日期，於二零一八年六月二十九日更新之計劃授權限額尚未使用，根據購股權計劃將予授出之所有購股權獲行使時可能發行之股份總數為276,805,540股股份。

於二零一八年四月二十七日，本公司根據購股權計劃授出130,700,000份購股權，且截至二零一九年十二月三十一日止年度並無購股權獲行使、註銷或失效。於二零一九年十二月三十一日，本公司有130,700,000份尚未行使之購股權，佔本公司於該日期已發行股份總數之約4.14%。

下表披露截至二零一九年十二月三十一日止年度本公司之購股權變動：

DIRECTORS' REPORT

董事報告

Notes:

1. The share options are exercisable as follows:

Exercise criteria (Commencing from the date of the grantee's commencement of employment with the Group)	Number of share options can be exercised
(i) On completion of the continuous employment of the grantee with the Group for 1 year	Up to one-third of the share options granted
(ii) On completion of the continuous employment of the grantee with the Group for 2 years	Up to two-thirds of the share options granted
(iii) On completion of the continuous employment of the grantee with the Group for 3 years	Up to all of the share options granted

2. The validity period of the share options is from 27 April 2018 to 17 June 2024 (both days inclusive) subject to the provisions for early termination contained in the Share Option Scheme and certain vesting conditions applicable to the relevant grantee(s).

Details of the Share Option Scheme are set out in Note 35(b) to the consolidated financial statements.

Save as disclosed above, at no time during 2019 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

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

During 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

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

附註：

1. 購股權可按以下各項予以行使：

行使標準 (承授人開始受聘於本集團日期起計)	可予行使之購股權數目
(i) 承授人持續受聘於本集團滿一年	最多為已授出購股權之三分之一
(ii) 承授人持續受聘於本集團滿兩年	最多為已授出購股權之三分之二
(iii) 承授人持續受聘於本集團滿三年	最多為所有已授出購股權

2. 購股權之有效期為自二零一八年四月二十七日至二零二四年六月十七日止(包括首尾兩日)，惟受購股權計劃所載之提前終止條文及適用於相關承授人之若干歸屬條件規限。

有關購股權計劃的詳情載於綜合財務報表附註35(b)。

除上文披露者外，於二零一九年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於二零一九年內並無購買、出售或贖回本公司任何上市證券。

優先購買權

本公司之公司細則(「公司細則」)或百慕達法例均無有關優先購買權(即規定本公司須按比例向現有股東發售新股份)之條文。

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 110 and Note 30 to the consolidated financial statements of this annual report respectively.

DISTRIBUTABLE RESERVE

Details of the distributable reserve of the Company as at 31 December 2019 are set out in Note 30 to the consolidated financial statements.

As at 31 December 2019, the Company did not have distributable profit to shareholders (2018: nil).

BUSINESS REVIEW

A review of the business performance of the Group during 2019 using financial key performance indicators and discussion on the important events affecting the Group since the end of 2019 and the Group's future business development that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis of this annual report, the discussions thereof form part of this Directors' Report.

Discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have significant impact on the Group are set out below in the Directors' Report of this annual report. Please also refer to the Environmental, Social and Governance Report for the Group's policies in this regard.

儲備

本集團及本公司年內儲備變動之詳情分別載於本年報第110頁綜合權益變動表及綜合財務報表附註30。

可供分派儲備

本公司於二零一九年十二月三十一日之可供分派儲備之詳情載於綜合財務報表附註30。

於二零一九年十二月三十一日，本公司並無可供分派予股東的溢利（二零一八年：無）。

業務回顧

有關使用財務關鍵表現指標對本集團於二零一九年業務表現進行之審閱以及自二零一九年年終起影響本集團的重要事項及本集團未來業務發展之討論載於本年報之主席報告書及管理層討論與分析，有關討論構成本董事報告的一部分。

有關本集團之環境政策、與其主要持份者之關係及遵守對本集團有重大影響之相關法律及法規之討論載於本年報下文之董事報告。有關本集團的相關政策，另請參閱環境、社會及管治報告。

PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Group as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and are in addition to the matters referred to in the Chairman's Statement and Management Discussion and Analysis of this annual report.

1. Operational Risk

In respect of the risk factor relating to the Group's business, given that the Company will invest in a limited number of films, the success or failure of these films could have a significant impact on the Company's results of operations in both the year of release and in the future. Besides, unauthorised copying and piracy are prevalent in the PRC and other countries in Asia, whose legal systems may make it difficult for the Company to enforce its intellectual property rights.

In 2015, the Group signed several agreements to invest in films, including two exclusive service agreements with renowned directors, Mr. Ning Hao ("Mr. Ning") and Mr. Xu Zheng ("Mr. Xu"), who became the Company's shareholders and non-executive Directors. Under the terms of the service agreements, they are required to produce one to two films every three years by 31 December 2020, which can considerably enhance the Group's capabilities in film content creation and development. Mr. Dong Ping ("Mr. Dong"), Mr. Ning and Mr. Xu have extensive experience, strong expertise and a wide business network in the media and entertainment industry. Mr. Dong, the Company's substantial shareholder and the Chairman of the Board, has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields, whilst Mr. Ning and Mr. Xu are prestigious and successful directors and actors in Chinese movie industry. Please refer to "Biographical Details of Directors" in this annual report for the biographical details of Mr. Dong, Mr. Ning and Mr. Xu.

主要風險及不明朗因素

除本年報主席報告書及管理層討論與分析提述事宜以外，本集團根據公司條例（香港法例第622章）須予披露所面對的主要風險及不明朗因素如下。

1. 運營風險

有關本集團業務之風險因素，由於本公司將投資之電影數目有限，其成敗可能對本公司於發行年度及未來之營運業績造成重大影響。此外，未經授權複製及盜版在中國及亞洲其他國家尤其猖獗，而當地法律制度可能令本公司難以執行其知識產權。

於二零一五年，本集團已簽訂多份協議，積極投資電影作品。其中，本集團與兩位重量級導演（成為本公司股東兼非執行董事）——寧浩先生（「寧先生」）及徐崢先生（「徐先生」）簽訂了獨家服務協議，截至二零二零年十二月三十一日止期間，兩位股東導演將根據服務協議條款為本集團每三年導演一至兩部電影作品，大大提升了本集團在影視內容開發及創作方面的能力。董平先生（「董先生」）、寧先生及徐先生於媒體及娛樂行業具備豐富經驗、強大專業知識及廣闊商業脈絡。董先生為本公司主要股東及董事會主席，於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，而寧先生及徐先生為中國電影界當時得令之導演及演員。有關董先生、寧先生及徐先生之履歷詳情，請參閱本年報之「董事履歷」。

On 1 June 2016, the Group entered into a cooperation agreement with Mr. Chan Ho Sun Peter and Master China Films Limited (a company indirectly wholly-owned by Mr. Wong Kar Wai) respectively, pursuant to which each of Mr. Chan Ho Sun Peter and Master China Films Limited has conditionally agreed to provide to the Group with certain services, and investment and other rights, relating to film and media productions as set forth in the relevant agreements. Further, on 6 December 2016, the Group entered into a cooperation agreement with Mr. Gu Changwei and Mr. Zhang Xiaoling (also known as Zhang Yibai) respectively, pursuant to which each of Mr. Gu Changwei and Mr. Zhang Xiaoling has conditionally agreed to provide to the Group with certain services, and investment and other rights, relating to film and internet drama series productions as set forth in the relevant agreements.

The Company entered into a cooperation agreement on 24 May 2018 with Unique Swift Limited, a company having an exclusive investment right of certain internet drama series productions or films of Mr. Zhang Yimou, and the amended and restated cooperation agreement on 11 September 2018 with Unique Swift Limited and Mr. Zhang Yimou, pursuant to which Unique Swift Limited has conditionally agreed to procure Mr. Zhang Yimou to provide the Group with certain services, investment and other rights, relating to certain internet drama series productions or films as set forth in the relevant agreements.

Given the above, the Directors are of the view that the participation of Mr. Dong, Mr. Ning, Mr. Xu, Mr. Chan Ho Sun Peter, Mr. Wong Kar Wai, Mr. Gu Changwei, Mr. Zhang Xiaoling and Mr. Zhang Yimou in the Group and through cooperation with them would be instrumental in the Company's development in the media and entertainment industry and could migrate the risk.

Since the outbreak of COVID-19 in various countries in the beginning of 2020, the PRC government has implemented several measures to control the epidemic, including temporary close of cinemas.

The outbreak may impact the production and distribution plan of the Group's film and TV programmes rights. If the COVID-19 outbreak persists for a longer period subsequently, the financial performance of the Group for the year ending 31 December 2020 may be affected but the financial effect of which cannot be reasonably estimated at this stage. The Group will pay close attention to the development of the COVID-19 outbreak and its impact on the media market, and will continue to perform relevant assessments and take proactive measures to minimise its impact towards the Group's business operations and financial results.

於二零一六年六月一日，本集團分別與陳可辛先生及Master China Films Limited（一間由王家衛先生間接全資擁有之公司）訂立合作協議，據此，陳可辛先生及Master China Films Limited各自有條件同意向本集團提供與相關協議所載之電影及媒體製作相關之若干服務、投資及其他權利。此外，於二零一六年十二月六日，本集團分別與顧長衛先生及張曉陵先生（又名張一白）訂立合作協議，據此，顧長衛先生及張曉陵先生各自有條件同意向本集團提供與相關協議所載之電影及網絡系列影視劇製作相關之若干服務、投資及其他權利。

本公司於二零一八年五月二十四日與唯臻有限公司（一間擁有對張藝謀先生若干部網絡系列影視劇製作或電影之獨家投資權之公司）訂立合作協議及於二零一八年九月十一日與唯臻有限公司及張藝謀先生訂立經修訂及重述之合作協議，據此，唯臻有限公司有條件同意促使張藝謀先生向本集團提供與相關協議所載之若干部網絡系列影視劇製作或電影相關之若干服務、投資及其他權利。

因此，董事認為，得到董先生、寧先生、徐先生、陳可辛先生、王家衛先生、顧長衛先生、張曉陵先生及張藝謀先生加盟本集團，加上與彼等之合作，對本公司發展媒體及娛樂事業定能作出重大貢獻，並有助於轉移風險。

自從新型冠狀病毒於二零二零年年初在不同國家迅速爆發，中國政府已實施若干管控措施，包括戲院暫時停業。

新型冠狀病毒疫情可能對本集團的電影及電視劇版權製作及發行計劃造成影響。倘新型冠狀病毒疫情持續較長一段時間，則本集團於截至二零二零年十二月三十一日止年度之財務表現或會受到影響，惟現階段無法合理估計其財務影響。本集團會密切留意新型冠狀病毒疫情的發展及其對媒體市場的影響，並將繼續進行相關評估，採取積極措施，盡量減低其對本集團業務營運及財務業績的影響。

2. Financial Risks

Details of the Group's financial risks relating to the operations of the Group include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk are set out in Note 3 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 17 to the consolidated financial statements.

BOARD OF DIRECTORS

The Directors during 2019 and up to the date of the annual report were:

Executive Directors

Mr. Dong Ping (*Chairman*)

Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

Non-executive Directors

Mr. Ning Hao

Mr. Xu Zheng

Independent non-executive Directors

Mr. Wong Tak Chuen

Mr. Li Xiaolong

Mr. Wang Hong (appointed on 2 September 2019)

Mr. Su Tuong Sing, David (ceased on 2 September 2019)

In accordance with Bye-law 102(B) of the Bye-laws, Mr. Wang Hong who was appointed with effect from 2 September 2019, shall retire from office at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

In accordance with Bye-law 99 of the Bye-laws, Mr. Xu Zheng and Mr. Wong Tak Chuen shall retire by rotation at the forthcoming annual general meeting. Both of them, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Brief biographical particulars of the existing Directors are set out in the "Biographical Details of Directors" of this annual report. Directors' other particulars are contained in this report and elsewhere in this annual report.

2. 財務風險

有關本集團經營之財務風險包括市場風險(包括外幣風險及利率風險)、信貸風險及流動資金風險,詳情載列於綜合財務報表附註3。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於綜合財務報表附註17。

董事會

於二零一九年內及截至本年報日期止之董事如下:

執行董事

董平先生(主席)

項紹琨先生(行政總裁)

非執行董事

寧浩先生

徐崢先生

獨立非執行董事

黃德銓先生

李小龍先生

王虹先生(於二零一九年九月二日獲委任)

徐傳陞先生(於二零一九年九月二日卸任)

按照公司細則第102(B)條,王虹先生自二零一九年九月二日起獲委任,須於應屆股東週年大會上退任並符合資格膺選連任。

按照公司細則第99條,徐崢先生及黃德銓先生須於應屆股東週年大會上輪席告退。彼等均符合資格並將於應屆股東週年大會上膺選連任。

現任董事之履歷簡介載於本年報之「董事履歷」。董事之其他詳情載於本報告及本年報其他部份。

CESSATION OF DIRECTOR

With effect from 2 September 2019, Mr. Su Tuong Sing, David ceased to act as the independent non-executive Director, chairman of remuneration committee and nomination committee as well as member of audit committee of the Company due to other business commitment. Mr. Su Tuong Sing, David has confirmed that there is no disagreement with the Board and he is not aware of any matters relating to his cessation of his term of office that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

The existing Directors including the executive Directors, the non-executive Directors and independent non-executive Directors are for a term of 2 years (except Mr. Xiang Shaokun, Steven, an executive Director and the Chief Executive Officer of the Group, there is no specific term or proposed length of services for Mr. Xiang's appointment). All of the existing Directors shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

董事卸任

自二零一九年九月二日起，徐傳陞先生因其他事務不再擔任獨立非執行董事、本公司薪酬委員會及提名委員會主席以及本公司審核委員會成員。徐傳陞先生已確認，彼與董事會並無意見分歧，亦不知悉任何與彼卸任有關之事宜須敦請本公司股東或聯交所垂注。

董事之服務合約

擬於本公司之應屆股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂有僱傭公司於一年內不作賠償(法定賠償除外)即不可終止之服務合約。

現任董事(包括執行董事、非執行董事及獨立非執行董事)之委任年期均為兩年(本集團執行董事兼行政總裁項紹琨先生除外，項先生之委任並無特定任期或擬訂定之服務年期)。所有現任董事須根據公司細則及聯交所證券上市規則(「上市規則」)輪席告退及膺選連任。

獲准許彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。當董事編製之董事報告根據公司條例(香港法例第622章)第391(1)(a)條獲批准時，按公司條例第470條規定基於董事利益的獲准許彌償條文生效。

DIRECTORS' REPORT

董事報告

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules, or known to the Company, were as follows:

Long Positions in the Ordinary Shares of HK\$0.01 Each of the Company and the Underlying Shares

獨立非執行董事之獨立性

本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

董事之證券權益

於二零一九年十二月三十一日，各董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有本公司記錄於根據證券及期貨條例第352條備存之登記冊之權益及淡倉，或根據證券及期貨條例第XV部或上市規則之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所或本公司已知悉之權益及淡倉如下：

本公司每股面值港幣0.01元之普通股及相關股份之好倉

Name of Directors 董事姓名	Number of Ordinary Shares 普通股數目			Number of underlying Shares held under share options 購股權下相關股份數目	Total 總計	Approximate percentage of the issued Shares 佔已發行股份概約百分比
	Corporate interests 公司權益	Personal interests 個人權益	Sub-total 小計			
Mr. Dong Ping ⁽¹⁾ 董平先生 ⁽¹⁾	1,432,104,354	16,610,000	1,448,714,354	2,700,000	1,451,414,354	46.01%
Mr. Ning Hao ⁽²⁾ 寧浩先生 ⁽²⁾	1,432,104,354	16,610,000	1,448,714,354	2,700,000	1,451,414,354	46.01%
Mr. Xu Zheng ⁽³⁾ 徐崢先生 ⁽³⁾	1,432,104,354	16,610,000	1,448,714,354	2,700,000	1,451,414,354	46.01%
Mr. Xiang Shaokun, Steven ⁽⁴⁾ 項紹琨先生 ⁽⁴⁾	—	—	—	27,000,000	27,000,000	0.86%
Mr. Li Xiaolong ⁽⁵⁾ 李小龍先生 ⁽⁵⁾	15,060,000	—	15,060,000	—	15,060,000	0.48%
Mr. Wang Hong ⁽⁶⁾ 王虹先生 ⁽⁶⁾	—	100,000	100,000	—	100,000	0.00%

Notes:

1. These Shares include Shares held by Newwood Investments Limited ("Newwood") as to 461,711,082 Shares, Numerous Joy Limited as to 92,342,216 Shares and Highrise Castle Limited as to 800,000 Shares which are companies incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Dong Ping ("Mr. Dong"). Mr. Dong also personally holds 16,610,000 Shares and 2,700,000 unlisted physically settled share options of the Company granted on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014. On 14 April 2015, Mr. Dong, Newwood, Pacific Wits Limited ("Pacific Wits"), Mr. Ning Hao ("Mr. Ning"), Tairong Holdings Limited ("Tairong") and Mr. Xu Zheng ("Mr. Xu") entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the subscription for new shares in the Company pursuant to a subscription agreement dated 14 April 2015, details of which are set out in the Company's circular dated 5 August 2015. As Mr. Dong is a party to the Shareholders Agreement, Mr. Dong is therefore deemed to be interested in all the Shares in which Mr. Ning, Pacific Wits, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO. Please refer to notes 2 and 3 for Shares held by Mr. Ning and Mr. Xu.
2. These Shares include 438,625,528 Shares directly held by Pacific Wits, which is a company incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Ning. Mr. Ning is a party to the Shareholders Agreement and is therefore deemed to be interested in all the Shares and underlying Shares in which Mr. Dong, Newwood, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO. Please refer to notes 1 and 3 for Shares and underlying Shares held by Mr. Dong and Mr. Xu.
3. These Shares include 438,625,528 Shares directly held by Tairong, which is a company incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Xu. Mr. Xu is a party to the Shareholders Agreement and is therefore deemed to be interested in all the Shares and underlying Shares in which Mr. Dong, Newwood, Mr. Ning and Pacific Wits are interested by virtue of section 317 of the SFO. Please refer to notes 1 and 2 for Shares and underlying Shares held by Mr. Dong and Mr. Ning.
4. These underlying Shares are 27,000,000 unlisted physically settled share options of the Company granted to Mr. Xiang Shaokun, Steven on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014.
5. These Shares are held by Panfaith Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Li Xiaolong.
6. These Shares are jointly held by Mr. Wang Hong and his spouse.

附註：

1. 該等股份包括由Newwood Investments Limited (「Newwood」)、多樂有限公司及Highrise Castle Limited (均為於英屬維爾京群島註冊成立之有限公司，由董平先生(「董先生」)直接全資擁有)分別持有的461,711,082股股份、92,342,216股股份及800,000股股份。董先生亦個人持有16,610,000股股份及根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日授出之2,700,000份本公司非上市實物結算購股權。於二零一五年四月十四日，董先生、Newwood、泰穎有限公司(「泰穎」)、寧浩先生(「寧先生」)、泰嶸控股有限公司(「泰嶸」)及徐崢先生(「徐先生」)訂立股東協議(「股東協議」)，其中載有根據日期為二零一五年四月十四日之認購協議，於完成認購本公司新股份後，訂約各方對管治本公司之若干權利與義務，有關詳情載於本公司日期為二零一五年八月五日之通函。由於董先生為股東協議之訂約方，故根據證券及期貨條例第317條，董先生被視作於寧先生、泰穎、徐先生及泰嶸擁有權益的全部股份中擁有權益。有關寧先生及徐先生持有之股份，請參閱附註2及3。
2. 該等股份包括由泰穎(於英屬維爾京群島註冊成立之有限公司，由寧先生直接全資擁有)直接持有之438,625,528股股份。寧先生為股東協議訂約方，因此根據證券及期貨條例第317條，彼被視作於董先生、Newwood、徐先生及泰嶸擁有權益的全部股份及相關股份中擁有權益。有關董先生及徐先生持有之股份及相關股份，請參閱附註1及3。
3. 該等股份包括由泰嶸(於英屬維爾京群島註冊成立之有限公司，由徐先生直接全資擁有)直接持有之438,625,528股股份。徐先生為股東協議訂約方，因此根據證券及期貨條例第317條，彼被視作於董先生、Newwood、寧先生及泰穎擁有權益的全部股份及相關股份中擁有權益。有關董先生及寧先生持有之股份及相關股份，請參閱附註1及2。
4. 該等相關股份為根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日向項紹琨先生授出之27,000,000份本公司非上市實物結算購股權。
5. 該等股份由Panfaith Investments Limited(於英屬維爾京群島註冊成立之有限公司，由李小龙先生最終全資擁有)持有。
6. 該等股份由王虹先生與其配偶共同持有。

DIRECTORS' REPORT

董事報告

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 37 to the financial statements headed "Related Party Disclosures", the sections headed "Directors' Interests in Competing Business" and "Company Contracts of Significance/Connected Transaction/Continuing Connected Transaction" of the Directors' Report and elsewhere in this annual report, no Director nor any entity connected with the Directors had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during 2019.

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in Note 37 to the financial statements headed "Related Party Disclosures", the sections headed "Directors' Interests in Competing Business" and "Company Contracts of Significance/Connected Transaction/Continuing Connected Transaction" of the Directors' Report and elsewhere in this annual report, at no time during 2019 had the Company or any of its subsidiaries, and the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries entered into any contracts of significance or any contract of significance for the provision of services by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

除上文披露者外，於二零一九年十二月三十一日，本公司董事、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，概無擁有須記錄在本公司根據證券及期貨條例第352條所備存之登記冊或根據標準守則而另行知會本公司及聯交所之任何權益或淡倉。

董事於交易、安排或合約之權益

除財務報表附註37「關連人士披露」、董事報告「董事於競爭業務之權益」及「公司之重大合約／關連交易／持續關連交易」各節及本年報其他部分所披露者外，於二零一九年，概無董事或任何與董事有關連之實體於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重大之交易、安排或合約中直接或間接擁有重大權益。

控股股東於重大合約之權益

除財務報表附註37「關連人士披露」、董事報告「董事於競爭業務之權益」及「公司之重大合約／關連交易／持續關連交易」各節及本年報其他部分所披露者外，於二零一九年內任何時間，本公司或其任何附屬公司概無與控股股東（定義見上市規則）或其任何附屬公司訂立任何重大合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重大合約。

COMPANY'S CONTRACT INVOLVING ISSUE OF NEW SHARES

On 12 March 2019, the Company entered into the subscription agreement ("Subscription Agreement") with Maoyan Entertainment, pursuant to which Maoyan Entertainment has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Maoyan Entertainment 236,600,000 ordinary Shares ("Subscription Shares") of aggregate nominal value of HK\$2,366,000 at the subscription price of HK\$1.6507 per Subscription Share (the "Subscription"). The net price received by the Company was approximately HK\$1.6484 per Subscription Share. The closing price of the Shares on the date of entering into the Subscription Agreement was HK\$1.560 per Share as quoted on the Stock Exchange.

The gross proceeds and net proceeds raised from the Subscription is HK\$390,555,620 and approximately HK\$390,000,000 respectively. Approximately HK\$370,279,000 have been used by the Company for the year ended 31 December 2019 and approximately HK\$19,721,000 remains unutilised which was fully utilised in February 2020. The following table sets out the breakdown of the use of net proceeds as at 31 December 2019:

本公司涉及新股份發行之合約

於二零一九年三月十二日，本公司與貓眼娛樂訂立認購協議（「認購協議」），據此，貓眼娛樂已有條件同意認購，而本公司已有條件同意向貓眼娛樂配發及發行236,600,000股總面值港幣2,366,000元之普通股股份（「認購股份」），認購價為每股認購股份港幣1.6507元（「認購事項」）。本公司所收取之淨價為每股認購股份約港幣1.6484元。股份於訂立認購協議當日在聯交所所報收市價為每股股份港幣1.560元。

認購事項所得款項總額及淨額分別為港幣390,555,620元及約港幣390,000,000元。截至二零一九年十二月三十一日止年度，本公司已動用約港幣370,279,000元及約港幣19,721,000元仍未動用且已於二零二零年二月悉數動用。下表載列於二零一九年十二月三十一日之所得款項淨額用途之明細。

Use of proceeds for 所得款項用途	Amount proposed to be used 擬動用金額 (HK\$'000) (港幣千元)	Amount used 已動用金額 (HK\$'000) (港幣千元)	Unutilised amount 未動用金額 (HK\$'000) (港幣千元)
Investment in, production of and purchase of film and TV contents 影視內容投資、製作及購買	190,000	(190,000)	—
Development of online video platform 發展在線視頻平台	100,000	(100,000)	—
General working capital 一般營運資金	100,000	(80,279)	19,721
Total 總額	390,000	(370,279)	19,721

The proceeds are used in accordance with the intentions previously disclosed by the Company in the announcement of the Company dated 12 March 2019.

The Board believes that the Subscription can help to accelerate the development of its streaming platform as well as the Group's investment in film and TV programmes rights, and also serve to broaden the shareholder base of the Company.

Please refer to the Company's announcements dated 12 March 2019, 13 March 2019 and 19 March 2019 for details of the Subscription Agreement.

COMPANY CONTRACTS OF SIGNIFICANCE/ CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION

A. The Service Agreements – continuing connected transactions

On 14 April 2015 (after trading hours), the Company entered into the service agreements (the "Service Agreements") with each of Mr. Ning Hao and Mr. Xu Zheng (the "Shareholder Directors" and each a non-executive Director and a substantial shareholder of the Company). Pursuant to the Service Agreements:

- (a) the Company shall have exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning Hao and Mr. Xu Zheng (the "Shareholder Directors' Productions"), i.e. the Company shall be the sole investor to such productions;
- (b) the Company shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting and network dissemination etc.) to the Shareholder Directors' Productions in China, Hong Kong, Taiwan and Macau;

所得款項乃按照本公司早前於本公司日期為二零一九年三月十二日之公告內披露之意圖動用。

董事會認為認購事項可加快流媒體平台及本集團投資於電影及電視劇版權之發展，以及有助擴大本公司的股東基礎。

有關認購協議之詳情，請參閱本公司日期為二零一九年三月十二日、二零一九年三月十三日及二零一九年三月十九日之公告。

公司之重大合約／關連交易／持續關連交易

A. 服務協議－持續關連交易

於二零一五年四月十四日（交易時段後），本公司分別與寧浩先生及徐崢先生（「股東導演」，均為本公司非執行董事及主要股東）訂立服務協議（「服務協議」）。根據服務協議：

- (a) 本公司將擁有任何由寧浩先生及徐崢先生構思及執導之電影及節目（「股東導演作品」）之排他投資權及製作權，即本公司將為有關作品之唯一投資者；
- (b) 本公司將擁有股東導演作品在中國、香港、台灣及澳門之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等；

- (c) each of the Shareholder Directors shall direct one to two films (being films that shall be publicly released) every three years in respect of which the Company shall have the exclusive investment and production rights, and the priority distribution rights set out in paragraphs (a) and (b) above. For the avoidance of doubt, the Company shall not have such rights in any Shareholder Directors' Productions in which the Company decides not to invest;
- (d) the Shareholder Directors shall use their best endeavours to provide the Company with the priority investment, production and distribution rights for films and programmes (including films, television drama series, online drama series and other television programmes) which are not developed and directed by any of the Shareholder Directors and the Shareholder Directors are either producer, screenwriter, lead actor or other creative member (the "Non-Shareholder Directors' Productions"); and
- (e) the Shareholder Directors shall actively participate in the promotional activities of other films and programmes invested or produced by the Company according to the requirements of the Company.
- (c) 各股東導演將每三年執導一至兩部電影作品（以作品正式公開上映為準），而本公司將如上文(a)及(b)段所載擁有該等電影作品之排他投資權及製作權以及優先發行權。為免疑慮，倘本公司決定不投資於某股東導演作品，則本公司將不會就該作品擁有該等權利；
- (d) 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目（包括電影、電視劇、網絡自製劇及其他電視節目）（「非股東導演作品」）向本公司提供優先投資權、製作權及發行權；及
- (e) 股東導演將根據本公司要求積極參與本公司投資或製作之其他影視作品及節目之宣傳活動。

Shareholder Directors' Proposal

During a term of six years from the date of completion of the subscription agreement entered into between Newwood Investments Limited, Numerous Joy Limited, Pacific Wits Limited, Tairong Holdings Limited, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited ("2015 Subscription Agreement") (i.e. 2 September 2015) (the "Service Period"), each Shareholder Director shall, with respect to each proposed Shareholder Directors' Production, submit to the Company a written proposal, which contents shall include such production's (i) plot or storyline, (ii) total budget and the basis for determining the same, (iii) production and distribution budget, (iv) production plan and timeline, and (v) the proposed screenwriter, producer and casting.

股東導演建議

自Newwood Investments Limited、多樂有限公司、泰穎有限公司、泰嶸控股有限公司、騰龍國際有限公司、金耀投資有限公司、Dayunmony Investment Corporation、Concept Best Limited及瑞東環球有限公司訂立之認購協議（「二零一五年認購協議」）完成日期（即二零一五年九月二日）起計六年（「服務期」）內，各股東導演須就每部建議股東導演作品向本公司提交建議書，當中載列有關作品之(i)情節或故事大綱；(ii)總預算及其釐定基準；(iii)製作及發行預算；(iv)製作計劃及時間表；及(v)建議編劇、監製及演員陣容。

The Board or a designated board committee shall, within 30 business days of receiving the foregoing written proposal, consider and discuss such proposal with respect to its investment, production and distribution, and shall also make a determination as to whether the Company will invest in such proposed Shareholder Directors' Production.

Service fees

No service fee shall be payable by the Company to the Shareholder Directors in consideration of entering into the Service Agreements or the transactions contemplated thereunder, subject to the Shareholder Directors' rights to the following benefits and rewards:

- (a) each of the Shareholder Directors shall be entitled to receive film director fees or creative member fees in respect of the Shareholder Directors' Productions and the Non-Shareholder Directors' Productions that the Company invests in with reference to the prevailing market rates for similar productions, subject to a maximum amount of HK\$30,000,000 per annum; and
- (b) the Shareholder Directors shall be entitled to receive dividends in respect of any Shares held by them, if any, to be declared by the Company.

Proposed annual caps

Annual caps for the film director fees or creative member fees payable to the Shareholder Directors under the Service Agreements of HK\$30,000,000 for each Shareholder Director for each of the years ending 31 December 2015, 2016, 2017, 2018, 2019 and 2020. The annual caps were determined with reference to the prevailing market rates payable to independent third party film directors who are of similar calibre, status, standing and reputation and who have similar track records of successful and profitable movies and other media productions.

董事會或指定董事委員會將於接獲上述建議書後30個營業日內審議及討論有關建議之投資、製作及發行事宜，並釐定本公司會否投資有關建議股東導演作品。

服務費

本公司毋須向股東導演支付任何服務費作為訂立服務協議或其項下擬進行交易之代價，惟股東導演有權享有下列利益及報酬：

- (a) 各股東導演有權就本公司所投資之股東導演作品及非股東導演作品收取電影導演費或創作人員費，當中參考同類作品之現行市場收費，惟每年金額上限為港幣30,000,000元；及
- (b) 股東導演有權收取本公司就彼等所持任何股份（如有）宣派之股息。

建議年度上限

截至二零一五年、二零一六年、二零一七年、二零一八年、二零一九年及二零二零年十二月三十一日止各年度根據服務協議應付股東導演之電影導演費或創作人員費設定年度上限為每名股東導演港幣30,000,000元。年度上限乃經參考應付獨立第三方電影導演（具有相若之才幹、地位及聲譽，且在執導賣座電影方面之往績相若及具備其他媒體製作經驗）之現行市場收費後釐定。

As set out in the circular of the Company dated 5 August 2015, Mr. Ning Hao and Mr. Xu Zheng are prestigious and successful directors and actors in the Chinese movie industry. The Directors are of the view that the participation of Mr. Ning Hao and Mr. Xu Zheng in the Company and through the services they would provide under the Service Agreements would be instrumental in the Company's development in the media and entertainment industry.

After completion of the 2015 Subscription Agreement, each of Pacific Wits Limited (a company incorporated in the British Virgins Islands with limited liabilities and wholly owned by Mr. Ning Hao) and Tairong Holdings Limited (a company incorporated in the British Virgins Islands with limited liabilities and wholly owned by Mr. Xu Zheng) has become a substantial shareholder of the Company. Besides, each of Mr. Ning Hao and Mr. Xu Zheng is a non-executive Director and thus a connected person of the Company. Accordingly, the Service Agreements and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Service Agreements and the transactions contemplated thereunder are non-exempt continuing connected transactions and are subject to the requirements under Chapter 14A of the Listing Rules. The Service Agreements and annual caps for each of the six financial years ending 31 December 2020 in relation to the transactions contemplated under the Service Agreements were approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 August 2015.

For the year ended 31 December 2019, the actual fee paid by the Group under the Service Agreements to each of Mr. Ning Hao and Mr. Xu Zheng are Nil (2018: RMB4,965,000 (equivalent to approximately HK\$5,862,000)) and Nil (2018: nil) respectively.

誠如本公司日期為二零一五年八月五日之通函所載，寧浩先生及徐崢先生為中國電影界當時得令之導演及演員。董事認為，得到寧浩先生及徐崢先生參與發展本公司，加上彼等根據服務協議提供之服務，對本公司在媒體及娛樂事業上的發展定能作出莫大貢獻。

完成二零一五年認購協議後，泰穎有限公司（於英屬維爾京群島註冊成立之有限公司並由寧浩先生全資擁有）及泰嶸控股有限公司（於英屬維爾京群島註冊成立之有限公司並由徐崢先生全資擁有）已各自成為本公司主要股東。此外，寧浩先生及徐崢先生均為非執行董事，因而屬本公司之關連人士，故服務協議及其項下擬進行交易構成本公司於上市規則第14A章項下之持續關連交易。

服務協議及其項下擬進行交易構成不獲豁免持續關連交易，故須遵守上市規則第14A章之規定。本公司獨立股東已於本公司於二零一五年八月二十八日舉行之股東特別大會上批准服務協議及服務協議項下擬進行交易所涉及截至二零二零年十二月三十一日止六個財政年度各年之年度上限。

截至二零一九年十二月三十一日止年度，本集團根據服務協議向寧浩先生及徐崢先生支付的實際費用分別為零（二零一八年：人民幣4,965,000元（相當於約港幣5,862,000元））及零（二零一八年：零）。

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- in the ordinary and usual course of business of the Group's business;
- on normal commercial terms or better; and
- according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. Accordingly, the Company has provided a signed copy of the said letter to the Stock Exchange. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

獨立非執行董事已審閱上述持續關連交易，並確認有關交易乃：

- 於本集團之日常業務中訂立；
- 按照一般商務條款或更佳條款進行；及
- 根據相關協議之條款進行，而條款屬公平合理，且符合本公司股東之整體利益。

本公司核數師根據《香港鑒證業務準則》第3000號（經修訂）「歷史財務資料審計或審閱以外的鑒證業務」並參照由香港會計師公會頒布的《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.56條發出載有有關本集團於本年度報告所披露的持續關連交易的發現及結論的無保留意見函件。因此，本公司已向聯交所提供上述函件的簽署副本。本公司確認已按照上市規則第14A章遵守披露規定。

B. Film Production Agreement, Director Agreement, Producer Agreement, Screenwriter Agreement and Actor Agreement – connected transactions

On 26 February 2019, (i) Beijing Huanxi Shou Ying Culture Company Limited* (北京歡喜首映文化有限公司) ("Shou Ying"), an indirect wholly-owned subsidiary of the Company, entered into the film production agreement ("Film Production Agreement") with Beijing Joy Leader Culture Communication Co. Ltd. (北京真樂道文化傳播有限公司) ("Beijing Joy Leader"), pursuant to which Beijing Joy Leader has conditionally agreed to provide the film production services to Shou Ying in relation to the film *Lost in Russia* (囧媽) (the "Film") and has the right to receive the production fee in the sum of RMB30,000,000; and (ii) Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited* (歡歡喜喜(天津)文化投資有限公司) ("Huan Huan Xi Xi"), an indirect wholly-owned subsidiary of the Company, entered into (a) the director agreement ("Director Agreement") with Mr. Xu Zheng, pursuant to which Mr. Xu Zheng has conditionally agreed to act as the director of the Film and is entitled to a director fee of RMB27,000,000; (b) the producer agreement ("Producer Agreement") with Mr. Xu Zheng, pursuant to which Mr. Xu Zheng has conditionally agreed to act as the producer of the Film and is entitled to a producer fee of RMB10,000,000; (c) the screenwriter agreement ("Screenwriter Agreement") with Mr. Xu Zheng, pursuant to which Mr. Xu Zheng has conditionally agreed to act as the screenwriter of the Film and is entitled to a screenwriter fee of RMB10,000,000; and (d) the actor agreement ("Actor Agreement") with Mr. Xu Zheng, pursuant to which Mr. Xu Zheng has conditionally agreed to act as the leading actor of the Film and is entitled to an actor fee of RMB40,000,000.

B. 電影製作協議、導演聘用協議、監製聘用協議、編劇聘用協議及演員聘用協議 – 關連交易

於二零一九年二月二十六日，(i)本公司之間接全資附屬公司北京歡喜首映文化有限公司(「歡喜首映」)與北京真樂道文化傳播有限公司(「北京真樂道」)訂立電影製作協議(「電影製作協議」)，據此北京真樂道有條件同意就電影《囧媽》(「該電影」)向歡喜首映提供電影製作服務並有權收取製作費總額人民幣30,000,000元；及(ii)本公司之間接全資附屬公司歡歡喜喜(天津)文化投資有限公司(「歡歡喜喜」)(a)與徐崢先生訂立導演聘用協議(「導演聘用協議」)，據此徐崢先生有條件同意擔任該電影之導演並有權收取導演費人民幣27,000,000元；(b)與徐崢先生訂立監製聘用協議(「監製聘用協議」)，據此徐崢先生有條件同意擔任該電影之監製並有權收取監製費人民幣10,000,000元；(c)與徐崢先生訂立編劇聘用協議(「編劇聘用協議」)，據此徐崢先生有條件同意擔任該電影之編劇並有權收取編劇費人民幣10,000,000元；及(d)與徐崢先生訂立演員聘用協議(「演員聘用協議」)，據此徐崢先生有條件同意擔任該電影之主角並有權收取演員費人民幣40,000,000元。

* For identification purposes only

As at the date of the Film Production Agreement, Director Agreement, Producer Agreement, Screenwriter Agreement and Actor Agreement (collectively the "Agreements"), Beijing Joy Leader is owned as to 51% by Mr. Xu Zheng and 25% by his spouse. Mr. Xu Zheng is a non-executive Director and the sole ultimate beneficial owner of Tairong Holdings Limited, a substantial shareholder of the Company. As such, each of Mr. Xu Zheng and Beijing Joy Leader (being an associate of Mr. Xu Zheng) is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Agreements are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Agreements were approved by the independent shareholders of the Company at the special general meeting of the Company. Please refer to the Company's announcements dated 26 February 2019 and 12 June 2019 and the Company's circular dated 23 May 2019 for details.

於電影製作協議、導演聘用協議、監製聘用協議、編劇聘用協議及演員聘用協議（統稱「該等協議」）日期，徐崢先生及其配偶分別擁有北京真樂道51%及25%權益。徐崢先生為非執行董事及本公司主要股東泰嶸控股有限公司之唯一最終實益擁有人。因此，根據上市規則，徐崢先生及北京真樂道（為徐崢先生之聯繫人士）各自均為本公司之關連人士。因此，該等協議項下擬進行之交易事項構成本公司於上市規則第14A章項下之關連交易。該等協議項下擬進行之交易事項須遵守上市規則第14A章項下之申報、公告及獨立股東批准規定。

該等協議已於本公司股東特別大會上獲本公司獨立股東批准。有關詳情，請參閱本公司日期為二零一九年二月二十六日及二零一九年六月十二日之公告以及本公司日期為二零一九年五月二十三日之通函。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

董事於競爭業務之權益

Interests of the Directors in competing businesses to the Group as at 31 December 2019 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:

於二零一九年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

Directors	Companies which Directors held interests	Major business nature	Nature of interest (including close associate's interest) 權益性質(包括緊密聯繫人士之權益)
董事	董事持有權益之公司	主要業務性質	
Mr. Ning Hao 寧浩先生	Tianjin Dirty Monkey Films Company Limited*	TV and movie production 電視節目及電影製作	Ultimate shareholder 最終股東
	天津壞猴子影業有限公司		
	INJO Films Co. Ltd.	TV and movie production 電視節目及電影製作	Close associate's interest 緊密聯繫人士之權益
	東陽映月影視文化傳播有限公司		
	Beijing Dirty Monkey Cultural Development Company Limited*	TV production and distribution 電視節目製作及發行	Ultimate shareholder 最終股東
	北京壞猴子文化產業發展有限公司		
	Khorgas Dirty Monkey Media Culture Company Limited*	TV production and distribution 電視節目製作及發行	Ultimate shareholder 最終股東
	霍爾果斯壞猴子影視文化傳播有限公司		
Mr. Xu Zheng 徐崢先生	花滿山(上海)影業有限公司	TV and movie production 電視節目及電影製作	Ultimate shareholder 最終股東
	壞猴子(上海)文化傳播有限公司	TV and movie production 電視節目及電影製作	Ultimate shareholder 最終股東
	Tibet Jindouyun Film Company Limited*	TV and movie production 電視節目及電影製作	Ultimate shareholder 最終股東
	西藏筋斗雲影業有限公司		
	上海定海神針影業有限公司	TV and movie production and movie distribution 電視節目及電影製作以及電影發行	Ultimate shareholder 最終股東
	天津萬榮企業管理諮詢中心(有限合夥)	TV and movie investments 電視節目及電影投資	Ultimate shareholder 最終股東
Mr. Xu Zheng 徐崢先生	Beijing Joy Leader Culture Communication Co. Ltd.	Movie production and investments 電影製作及投資	Ultimate shareholder 最終股東
	北京真樂道文化傳播有限公司		
	真樂道(上海)影視有限公司	TV and movie production and movie distribution 電視節目及電影製作以及電影發行	Ultimate shareholder 最終股東

* For identification purposes only

DIRECTORS' REPORT

董事報告

The Group is principally engaged in the media and entertainment related businesses which include development and investment in film and TV programmes rights and operation of streaming platform.

Mr. Ning Hao, together with his family, is the ultimate shareholder of the above companies (together "Mr. Ning's Companies"). Mr. Ning's companies are principally engaged in the TV and movie production and distribution in the PRC. As at 31 December 2019, none of Mr. Ning Hao or his close associates was interested in any business in respect of film production, apart from his and/or his family's interests in Mr. Ning's Companies.

Mr. Xu Zheng is the majority shareholder of the above companies (together "Mr. Xu's Companies"). Mr. Xu's Companies are principally engaged in the TV and movie production, investment and distribution in the PRC. The Group entered into the Film Production Agreement with Beijing Joy Leader Culture Communication Co. Ltd. and the Group entered into the Director Agreement, Producer Agreement, Screenwriter Agreement and Actor Agreement with Mr. Xu Zheng, the agreements have been approved by the independent shareholders of the Company at the special general meeting of the Company held on 12 June 2019. Please refer to the Company's announcements dated 26 February 2019 and 12 June 2019 and the Company's circular dated 23 May 2019 for details. Save as disclosed above, as at 31 December 2019, none of Mr. Xu Zheng or his close associates was interested in any business in respect of film production, apart from his interests in Mr. Xu's Companies.

The Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from, the movie business of (i) Mr. Ning's Companies and (ii) Mr. Xu's Companies ((i) and (ii) together, the "Other Companies") as (i) there is a clear separation between the Group's businesses and those of the Other Companies; (ii) the Group is not operationally or financially dependent on any of the Other Companies, or vice versa; and (iii) the Board operates independently from the boards of the Other Companies. The Board consists of seven members, comprising of two executive Directors, two non-executive Directors and three independent non-executive Directors. All of the Directors are aware of their fiduciary duties as a Director of the Company which require, among other things, that they act for the benefit and in the best interests of the Company and do not allow any conflict between their duties as a Director and their personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of the Company in respect of such transactions and shall not be counted in the quorum.

本集團主要從事媒體及娛樂相關業務，包括電影及電視劇版權製作及投資以及營運流媒體平台。

寧浩先生連同其家族為上述公司（統稱「寧先生之公司」）之最終股東。寧先生之公司均主要於中國從事電視節目及電影製作及發行。於二零一九年十二月三十一日，除寧浩先生及／或其家族於寧先生之公司之權益外，彼或其緊密聯繫人士概無於任何有關電影製作的業務中擁有權益。

徐崢先生為上述公司（統稱「徐先生之公司」）之大股東。徐先生之公司主要於中國從事電視節目及電影製作、投資及發行。本集團與北京真樂道文化傳播有限公司訂立電影製作協議，並與徐崢先生訂立導演聘用協議、監製聘用協議、編劇聘用協議及演員聘用協議，該等協議已於本公司於二零一九年六月十二日舉行之股東特別大會上獲本公司獨立股東批准。有關詳情，請參閱本公司日期為二零一九年二月二十六日及二零一九年六月十二日之公告及本公司日期為二零一九年五月二十三日之通函。除上文所披露者外，於二零一九年十二月三十一日，除徐崢先生於徐先生之公司之權益外，彼或其緊密聯繫人士概無於任何有關電影製作的業務中擁有權益。

董事認為，本集團有能力以獨立於(i)寧先生之公司及(ii)徐先生之公司((i)及(ii)統稱為「其他公司」)之電影業務之方式按公平原則開展其業務，原因是(i)本集團業務與其他公司之業務有清晰區分；(ii)本集團在營運上或財政上並非依賴任何其他公司，反之亦然；及(iii)董事會獨立於其他公司之董事會運作。董事會由七位成員組成，包括兩位執行董事、兩位非執行董事及三位獨立非執行董事。全體董事均知悉彼等作為本公司董事之受信責任，要求(其中包括)彼等為本公司之利益及最佳權益行事，且不容許彼等作為董事之職責與彼等個人權益出現任何衝突。倘在本集團與董事或彼等各自之聯繫人士將予訂立之任何交易中出現任何潛在利益衝突，則有利害關係之董事須於本公司相關董事會會議上就有關交易放棄投票，且不得計入法定人數之中。

From time to time, the Group may consider possible co-investment opportunities with Mr. Ning's Companies and/or Mr. Xu's Companies in film or other projects. Any such investments and the definitive terms thereof would be subject to further negotiations at arm's length between the relevant parties. If any co-investment arrangement between the Group and Mr. Ning's Companies or Mr. Xu's Companies were to materialise, it could constitute a connected transaction of the Company under the Listing Rules. Further announcement(s) in relation to any such investments will be made as and when appropriate in compliance with the Listing Rules.

Moreover, the Company has entered into the service agreements dated 14 April 2015 (the "Service Agreements") with each of Mr. Ning Hao and Mr. Xu Zheng. The Service Agreements and the relevant annual caps have been approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 August 2015. The details of the Film Production Agreement, Director Agreement, Producer Agreement, Screenwriter Agreement, Actor Agreement and Service Agreements are disclosed under the section headed "Company Contracts of Significance/Connected Transaction/Continuing Connected Transaction" in this Directors' Report.

To avoid any potential direct or indirect competition with the Group, during the terms of the Service Agreements, save for the activities and transactions contemplated under the Service Agreements, unless with the written consent of the Company, Mr. Ning Hao and Mr. Xu Zheng shall not, directly or indirectly entrust or authorise any third party to undertake any of the following activities:

- (a) directly or indirectly (regardless of whether acting in the capacity of a shareholder, director, employee, partner, consultant or agent) undertake or participate or benefit from any business which is the same as, similar or competes with the business of the Company, including providing any services that are the same as or similar to the services to be provided under the Service Agreements;
- (b) seize any business opportunity of the Company or solicit any clients or potential clients of the Company, or interfere or damage any relationship or contracts between the Company and any clients or potential clients of the Company; or
- (c) assist or support any third person to undertake the activities set forth in paragraphs (a) and (b) above.

本集團可不時考慮與寧先生之公司及／或徐先生之公司在電影或其他項目上之可能合資機會。任何該等投資及其最終條款將須待有關訂約方進一步公平磋商後，方可作實。倘本集團與寧先生之公司或徐先生之公司落實任何合資安排，根據上市規則，可構成本公司之關連交易。本公司將遵照上市規則適時就任何該等投資另作公告。

此外，本公司分別與寧浩先生及徐崢先生訂立日期為二零一五年四月十四日之服務協議（「服務協議」）。服務協議及有關年度上限已於本公司於二零一五年八月二十八日舉行之股東特別大會上獲本公司獨立股東批准。電影製作協議、導演聘用協議、監製聘用協議、編劇聘用協議、演員聘用協議及服務協議詳情於本董事報告「公司之重大合約／關連交易／持續關連交易」一節披露。

為避免與本集團產生任何潛在直接或間接競爭，於服務協議之年期內，除根據服務協議擬進行之業務及交易外，除非獲得本公司之書面同意，寧浩先生及徐崢先生不得直接或間接委託或授權任何第三方進行下列任何活動：

- (a) 直接或間接（不論以股東、董事、僱員、合夥人、顧問或代理人身份）承接或參與或受惠於任何與本公司業務相同、相若或對其構成競爭之業務，包括提供任何與根據服務協議所提供服務相同或相若之服務；
- (b) 篡奪本公司任何商機或引誘本公司任何客戶或潛在客戶、或干擾或損害本公司與其任何客戶或潛在客戶之關係或合約；或
- (c) 協助或支持任何第三方承接上文(a)及(b)段所列活動。

Notwithstanding the above non-compete obligations of Mr. Ning Hao and Mr. Xu Zheng, Mr. Ning Hao and Mr. Xu Zheng shall, through companies controlled by them, have the right to:

- (a) contract to produce the Shareholder Directors' Productions which the Company invests in;
- (b) operate the Non-Shareholder Directors' Productions;
- (c) operate the Shareholder Directors' Productions that the Company does not invest in;
- (d) operate projects that have already commenced operations by the companies controlled by Mr. Ning Hao and Mr. Xu Zheng as at the date of the Service Agreements,

in each case, subject to compliance with any applicable connected transaction requirements under Chapter 14A of the Listing Rules.

The Board will consider allowing Mr. Ning Hao and Mr. Xu Zheng to engage in the activities mentioned in this section if, (a) Mr. Ning Hao and Mr. Xu Zheng have completed their obligations under their respective Service Agreements, and/or (b) in the view of the Board, the productions which Mr. Ning Hao and Mr. Xu Zheng wish to undertake would not be profitable or would otherwise not be suitable for the Company to undertake in light of the strategic direction of the Company, taking into account the factors such as (i) the projected cost of the relevant production; (ii) the lead actors or actresses who will participate in the relevant production; (iii) the projected length of film shooting of the relevant production; (iv) the estimated box office and popularity of the relevant production; (v) the genre of the film; (vi) the plot of the film; (vii) whether undertaking such a production could lead to other investment opportunities for the Company, such as exposure to and contact with other reputable and renowned players in the industry (including actors, actresses, screenwriters, directors, costume designers, film editors, makeup artists, visual effect and sound editors and other relevant personnel of the production team); and (viii) any other fair and reasonable considerations which the Board may take into account at the time of consideration of the relevant production.

儘管寧浩先生及徐崢先生負有上述不競爭責任，惟寧浩先生及徐崢先生仍有權透過彼等控制之公司：

- (a) 就製作本公司所投資之股東導演作品訂立合約；
- (b) 營運非股東導演作品；
- (c) 營運並非本公司投資之股東導演作品；
- (d) 營運由寧浩先生及徐崢先生控制之公司於服務協議日期已展開之項目，

而在各項情況下均須遵守上市規則第14A章項下任何適用於關連交易之規定。

倘(a)寧浩先生及徐崢先生已完成彼等於各自服務協議項下之責任，及／或(b)董事會認為寧浩先生及徐崢先生欲承接之製作無利可圖或與本公司策略方向有別而不適合本公司(當中考慮到(i)相關製作預計所需成本；(ii)參演相關製作之主要演員；(iii)相關製作預計所需電影拍攝時長；(iv)相關製作之估計票房及受歡迎程度；(v)電影類型；(vi)電影情節；(vii)承接有關製作可否為本公司帶來其他投資機會，例如接觸業內其他知名人士(包括男演員、女演員、編劇、導演、服裝設計、剪片師、化妝師、視效及音效師以及製作團隊其他相關人員)；及(viii)董事會於考慮相關製作時可能計及之任何其他公平合理考慮因素)，則董事會將考慮允許寧浩先生及徐崢先生進行本節所述之活動。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

As at 31 December 2019, save as disclosed under the section "Directors' Interests in Securities" in this Director's Report of the annual report, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital under Section 336 of the SFO.

於二零一九年十二月三十一日，除本年報董事報告之「董事之證券權益」一節所披露者外，本公司獲知會下列主要股東權益，即根據證券及期貨條例第336條本公司已發行股本中5%或以上之權益。

Name of shareholders 股東名稱／姓名	Capacity 身份	Number of Ordinary Shares held 持有之 普通股數目	Number of Underlying Shares held ⁽⁵⁾ 持有之相關 股份數目 ⁽⁵⁾	Approximate percentage of shareholding 股權概約 百分比
Dong Ping ⁽¹⁾ ("Mr. Dong") 董平 ⁽¹⁾ (「董先生」)	Beneficial owner, interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人、受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,448,714,354	2,700,000	46.01%
Newwood Investments Limited ⁽¹⁾ ("Newwood")	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,448,714,354	2,700,000	46.01%
Numerous Joy Limited 多樂有限公司	Beneficial owner 實益擁有人	92,342,216	—	2.93%
Highrise Castle Limited	Beneficial owner 實益擁有人	800,000	—	0.03%
Ning Hao ⁽²⁾ ("Mr. Ning") 寧浩 ⁽²⁾ (「寧先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,448,714,354	2,700,000	46.01%

DIRECTORS' REPORT

董事報告

Name of shareholders 股東名稱／姓名	Capacity 身份	Number of Ordinary Shares held 持有之 普通股數目	Number of Underlying Shares held ⁽⁵⁾ 持有之相關 股份數目 ⁽⁵⁾	Approximate percentage of shareholding 股權概約 百分比
Pacific Wits Limited ⁽²⁾ ("Pacific Wits") 泰穎有限公司 ⁽²⁾ (「泰穎」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根 據證券及期貨條例第317 條須予披露的權益	1,448,714,354	2,700,000	46.01%
Xu Zheng ⁽³⁾ ("Mr. Xu") 徐崢 ⁽³⁾ (「徐先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 受控制法團權益及協議訂約 方根據證券及期貨條例第 317條須予披露的權益	1,448,714,354	2,700,000	46.01%
Tairong Holdings Limited ⁽³⁾ ("Tairong") 泰嶸控股有限公司 ⁽³⁾ (「泰嶸」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根 據證券及期貨條例第317 條須予披露的權益	1,448,714,354	2,700,000	46.01%
Maoyan Entertainment ⁽⁴⁾ 貓眼娛樂 ⁽⁴⁾	Beneficial owner 實益擁有人	236,600,000	—	7.50%

Notes:

- These Shares include Shares held by Newwood as to 461,711,082 Shares, Numerous Joy Limited as to 92,342,216 Shares and Highrise Castle Limited as to 800,000 Shares which are companies incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Dong. Mr. Dong also personally holds 16,610,000 Shares and 2,700,000 unlisted physically settled share options of the Company granted on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014. On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning, Tairong and Mr. Xu entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the subscription for new shares in the Company pursuant to a subscription agreement dated 14 April 2015, details of which are set out in the Company's circular dated 5 August 2015. As Mr. Dong and Newwood are parties to the Shareholders Agreement, Mr. Dong is therefore deemed to be interested in all the Shares in which Newwood, Mr. Ning, Pacific Wits, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO; and Newwood is therefore also deemed to be interested in all the Shares and underlying Shares in which Mr. Dong, Mr. Ning, Pacific Wits, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO. Please refer to notes 2 and 3 for Shares held by Mr. Ning, Pacific Wits, Mr. Xu and Tairong.
- These Shares include 438,625,528 Shares directly held by Pacific Wits, which is a company incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Ning. As Mr. Ning and Pacific Wits are parties to the Shareholders Agreement, Mr. Ning and Pacific Wits are therefore deemed to be interested in all the Shares and underlying Shares in which Mr. Dong, Newwood, Mr. Xu and Tairong are interested by virtue of section 317 of the SFO. Please refer to notes 1 and 3 for the Shares and underlying Shares held by Mr. Dong, Newwood, Mr. Xu and Tairong.
- These Shares include 438,625,528 Shares directly held by Tairong, which is a company incorporated in the British Virgin Islands with limited liability and directly wholly owned by Mr. Xu. As Mr. Xu and Tairong are parties to the Shareholders Agreement, Mr. Xu and Tairong are therefore deemed to be interested in all the Shares and underlying Shares in which Mr. Dong, Newwood, Mr. Ning and Pacific Wits are interested by virtue of section 317 of the SFO. Please refer to notes 1 and 2 for the Shares and underlying Shares held by Mr. Dong, Newwood, Mr. Ning and Pacific Wits.
- The number of shares disclosed was based on the Disclosure of Interest Form received from Maoyan Entertainment up to 31 December 2019.
- Details of the share options granted to the substantial shareholders of the Company under the share option scheme of the Company are set out in the section "Share Option Scheme" in this report.

Save as disclosed above, as at 31 December 2019, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

附註：

- 該等股份包括由Newwood、多樂有限公司及Highrise Castle Limited (均為於英屬維爾京群島註冊成立之有限公司，由董先生直接全資擁有) 分別持有的461,711,082股股份、92,342,216股股份及800,000股股份。董先生亦個人持有16,610,000股股份及根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日授出之2,700,000份本公司非上市實物結算購股權。於二零一五年四月十四日，董先生、Newwood、泰穎、寧先生、泰嶸及徐先生訂立股東協議(「股東協議」)，其中載有根據日期為二零一五年四月十四日之認購協議，於完成認購本公司新股份後，訂約各方對管治本公司之若干權利與義務，有關詳情載於本公司日期為二零一五年八月五日之通函。由於董先生及Newwood為股東協議之訂約方，故根據證券及期貨條例第317條，董先生被視作於Newwood、寧先生、泰穎、徐先生及泰嶸擁有權益的全部股份中擁有權益；及根據證券及期貨條例第317條，Newwood因此亦被視作於董先生、寧先生、泰穎、徐先生及泰嶸擁有權益的全部股份及相關股份中擁有權益。有關寧先生、泰穎、徐先生及泰嶸持有之股份，請參閱附註2及3。
- 該等股份包括由泰穎(於英屬維爾京群島註冊成立之有限公司，由寧先生直接全資擁有) 直接持有之438,625,528股股份。寧先生及泰穎為股東協議訂約方，因此根據證券及期貨條例第317條，寧先生及泰穎被視作於董先生、Newwood、徐先生及泰嶸擁有權益的全部股份及相關股份中擁有權益。有關董先生、Newwood、徐先生及泰嶸持有之股份及相關股份，請參閱附註1及3。
- 該等股份包括由泰嶸(於英屬維爾京群島註冊成立之有限公司，由徐先生直接全資擁有) 直接持有之438,625,528股股份。徐先生及泰嶸為股東協議訂約方，因此根據證券及期貨條例第317條，徐先生及泰嶸被視作於董先生、Newwood、寧先生及泰穎擁有權益的全部股份及相關股份中擁有權益。有關董先生、Newwood、寧先生及泰穎持有之股份及相關股份，請參閱附註1及2。
- 表中載列之股份數目乃按照截至二零一九年十二月三十一日止從貓眼娛樂收到的披露權益表格內所載之資料而作出披露。
- 有關根據本公司購股權計劃向本公司主要股東授出之購股權詳情載於本報告「購股權計劃」一節。

除上文披露者外，於二零一九年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露或本公司記錄於根據證券及期貨條例第336條備存之登記冊之權益或淡倉。

CONTRACTUAL ARRANGEMENTS

According to existing PRC laws and regulations, foreign investors are generally restricted to invest in provision of internet audio-visual programmes services in the PRC.

In January 2018, the Company, through its wholly-owned subsidiary, Beijing Huan Sheng Xiao Yu Culture Media Company Limited* (北京歡聲笑語文化傳媒有限公司) ("Beijing Subsidiary") entered into certain contractual arrangements (the "Contractual Arrangements") with Beijing Huanxi Shou Ying Culture Company Limited* (北京歡喜首映文化有限公司) (the "VIE") and its subsidiary Beijing Hangaohua Network Technology Company Limited* (北京漢高華網絡科技有限公司) (the VIE and its subsidiary collectively the "VIE Group"), and the VIE's equity holders who are independent third party individuals in the PRC. The VIE Group is principally involved in the film and TV programmes production and investment and the provision of internet audio-visual programmes services in the PRC.

Through the Contractual Arrangements, the Group will receive economic benefits generated by, and obtain effective financial and operational control and equity holders' voting rights over the VIE Group in order to indirectly engage in the film and TV programmes production and investment and provision of internet audio-visual programmes services in the PRC. The VIE Group holds some permits including the License for Publication of Audio-Visual Programmes through Information Network (信息網絡傳播視聽節目許可證) and Telecommunication and Information Service Business Operation Permit (電信與信息服務業務經營許可證). Based on the advice of the Company's PRC legal advisers, the Board considers that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

The financial position and results of operations of the VIE Group has been consolidated into the Group's financial statements with effect from 19 January 2018 (after the effectiveness of the Contractual Arrangements) as the VIE Group are regarded as indirect subsidiaries of the Group under HKFRS 10.

合約安排

根據中國現行法律及法規，外國投資者在中國投資提供互聯網音視聽節目服務方面通常會受到限制。

於二零一八年一月，本公司透過其全資附屬公司北京歡聲笑語文化傳媒有限公司（「北京附屬公司」）與北京歡喜首映文化有限公司「VIE」及其附屬公司北京漢高華網絡科技有限公司（VIE及其附屬公司統稱為「VIE集團」）訂立若干合約安排（「合約安排」）。VIE之股權持有人為中國獨立第三方人士。VIE集團主要於中國從事電影及電視節目製作及投資以及提供互聯網音視聽節目服務。

透過合約安排，本集團將收取由VIE集團產生之經濟利益，並取得對VIE集團之有效財務和營運控制及股權持有人投票權，以便在中國間接從事電影及電視節目製作及投資以及提供互聯網音視聽節目服務。VIE集團持有若干許可證，包括信息網絡傳播視聽節目許可證及電信與信息服務業務經營許可證。根據本公司中國法律顧問之意見，董事會認為合約安排符合中國相關法律及法規，並具法律約束力及可強制執行。

根據香港財務報告準則第10號，VIE集團被視為本集團之間接附屬公司，因此VIE集團之財務狀況及經營業績已併入本集團之財務報表，自二零一八年一月十九日（合約安排生效後）起生效。

* For identification purposes only

During the year ended 31 December 2019, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and there was no termination of the Contractual Arrangements nor failure to terminate when the restrictions that led to the adoptions of the Contractual Arrangements are removed.

截至二零一九年十二月三十一日止年度，合約安排及／或採納合約安排之情況概無重大變動，合約安排概無終止，而當導致採納合約安排之限制解除時亦無發生未能終止合約安排的情況。

Particulars of the VIE Group, their registered owners and a summary of major terms of the Contractual Arrangements

VIE集團及其登記擁有人之詳情及合約安排之主要條款概述

As at 31 December 2019, particulars of the VIE Group are as follows:

於二零一九年十二月三十一日，VIE集團之詳情如下：

Company names 公司名稱	Registered owners and the shareholding 登記擁有人及股權	Registered capital 註冊資本	Principal activities 主要業務
Beijing Huanxi Shou Ying Culture Company Limited* 北京歡喜首映文化有限公司	Hu Hui (99%) 呼惠(99%) Ni Kelu (1%) 倪珂璐(1%)	RMB10,000,000 人民幣10,000,000元	Film and TV programmes production and investment 電影及電視節目製作及投資
Beijing Hangaohua Network Technology Company Limited* 北京漢高華網絡科技有限公司	Beijing Huanxi Shou Ying Culture Company Limited* (80%) 北京歡喜首映文化有限公司(80%) Gu Haibin (20%) 顧海濱(20%)	RMB10,000,000 人民幣10,000,000元	Provision of internet audio-visual programmes services 提供互聯網音視聽節目服務

The major terms of the Contractual Arrangements are summarised as below:

合約安排之主要條款概述如下：

(1) Exclusive Services Agreement

According to the Exclusive Services Agreement, the VIE agreed to engage the Beijing Subsidiary as its exclusive provider of technical support and consultancy services requested by the VIE from time to time with a service fee equalled to the net profit of the VIE.

(1) 獨家業務合作協議

根據獨家業務合作協議，VIE同意就其不時要求之技術支持及諮詢服務委聘北京附屬公司作為其獨家供應商，服務費相等於VIE之淨溢利。

(2) Loan Agreement

According to the Loan Agreement, the Beijing Subsidiary agreed to provide interest-free loans to the registered owners of the VIE as capital contribution to the VIE. The registered owners of the VIE, in return for the provision of loans, agreed to enter into an Equity Interest Pledge Agreement with the Beijing Subsidiary to pledge all of their equity interest in the VIE as security.

(3) Equity Interest Pledge Agreement

According to the Equity Interest Pledge Agreement, each of the registered owners of the VIE Group agreed to pledge all their respective equity interests in the VIE Group to the Beijing Subsidiary, as a security interest to guarantee the performance of contractual obligations and the payment of outstanding loans of the registered owner of the VIE Group.

(4) Powers of Attorney

According to the Powers of Attorney, each of the registered owners of the VIE irrevocably appointed designee of the Beijing Subsidiary to act as their attorney on their behalf to exercise all rights in connection with matters concerning their rights as shareholders of the VIE.

(5) Exclusive Option Contract

According to the Exclusive Option Contract, each of the registered owners of the VIE agreed to irrevocably, unconditionally and exclusively grant an exclusive option to the Beijing Subsidiary to purchase the equity interests in the VIE from the registered owners of the VIE, when it is permitted by the then applicable PRC laws.

(2) 借款協議

根據借款協議，北京附屬公司同意向VIE之登記擁有人提供免息借款，作為對VIE之注資。作為對獲提供借款之回報，VIE之登記擁有人同意與北京附屬公司訂立股權質押協議，以質押彼等於VIE之全部股權作為擔保。

(3) 股權質押協議

根據股權質押協議，VIE集團之登記擁有人各自同意將彼等各自於VIE集團之全部股權質押予北京附屬公司作為擔保權益，以保證VIE集團之登記擁有人履行合約義務及支付未償還借款。

(4) 授權委託書

根據授權委託書，VIE之登記擁有人各自不可撤回地委託北京附屬公司之指定人士作為彼等之受託人，代彼等行使一切權利處理與彼等作為VIE股東之權利有關之事宜。

(5) 獨家購買權合同

根據獨家購買權合同，VIE之登記擁有人各自同意不可撤回地、無條件及獨家授予北京附屬公司獨家購買權，以在當時適用之中國法律允許之範圍內向VIE登記擁有人購買VIE之股權。

Risks associated with Contractual Arrangements and the actions taken to mitigate the risks

合約安排相關風險及風險減緩措施

The Group believes the following risks are associated with the Contractual Arrangements:

本集團認為合約安排涉及以下風險：

- If the PRC government finds that the Contractual Arrangements that establish the structure for film and TV programmes production and investment as well as provision of internet audio-visual programmes series businesses in the PRC do not comply with applicable PRC laws and regulations, we could be subject to penalties and our business may be materially and adversely affected;
- 倘中國政府裁定，用於設立中國電影及電視節目製作及投資以及提供互聯網音視聽系列節目業務之架構之合約安排並不符合適用中國法律及法規，本集團可能會面臨處罰，繼而可能對本集團業務造成重大不利影響；
- Certain terms of our Contractual Arrangements may not be enforceable under the PRC laws;
- 根據中國法律，本集團合約安排之若干條款可能無法強制執行；
- Our Contractual Arrangements may not be as effective in providing control over our VIE as equity ownership;
- 就控制VIE而言，本集團合約安排之效果可能不及權益擁有權；
- Any failure by the VIE or their respective ultimate shareholders to perform their obligations under our Contractual Arrangements would potentially lead to our having to incur additional costs and expend material resources to enforce such arrangements, temporary or permanent loss of control over our provision of internet audio-visual programmes series businesses or loss of access to the revenue from these businesses;
- 如VIE或彼等各自之最終股東無法依照本集團合約安排履行彼等之責任，可能導致本集團不得不承擔額外開支及投入大量資源以執行有關安排，令本集團暫時或永久失去對提供互聯網音視聽系列節目業務之控制或無法取得有關業務之收益；
- The ultimate owners of the VIE may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition;
- VIE最終擁有人可能與本集團存有潛在利益衝突，繼而可能對本集團之業務及財務狀況造成重大不利影響；
- If any of the VIE or its subsidiaries becomes the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy certain important assets, which could materially and adversely affect our business; and
- 如任何VIE或其附屬公司成為破產或清盤程序之對象，可能導致本集團無法使用及享有若干重要資產，繼而可能對本集團業務造成重大不利影響；及
- Our exercise of the option to acquire the equity interests of the VIE may be subject to certain limitations and the ownership transfer may incur substantial costs.
- 本集團在行使購股權收購VIE之股權時，或會受到若干限制，而轉讓擁有權可能產生巨額開支。

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The Group realised that there are regulatory risks associated with the Contractual Arrangements. The Group will follow on the latest developments with regards to the relevant PRC laws, rules and regulations and seek professional legal advice when necessary.

Revenue and assets involved in the Contractual Arrangements

Revenue and assets of the VIE Group of approximately HK\$88,815,000 and HK\$750,898,000 are consolidated into the consolidated financial statements pursuant to the Contractual Arrangements for the year ended 31 December 2019. The above revenue and assets included transactions and balances with the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of business of the Company were entered into or exist during the year ended 31 December 2019.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 96.66% and 99.03% respectively.

For the year ended 31 December 2019, the percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 15.50% and 44.20% respectively.

For the year ended 31 December 2019, the Group's largest supplier is Mr. Xu Zheng who is a non-executive director and a substantial shareholder of the Company. It was related to the production of the film *Lost in Russia* (囧媽). Please refer to the Company's announcements dated 26 February 2019 and 12 June 2019 and the Company's circular dated 23 May 2019 for details.

Save as disclosed above, as at 31 December 2019, none of the directors, their associates or shareholders (which to the knowledge of the directors own more than five percent of the Company's share capital) had any interest in the five largest suppliers or customers of the Group.

本集團明白合約安排涉及監管風險。本集團將留意中國相關法律、規則及法規方面之最新發展，並於必要時尋求專業法律意見。

合約安排涉及之收益及資產

截至二零一九年十二月三十一日止年度，VIE集團之收益及資產約為港幣88,815,000元及港幣750,898,000元根據合約安排併入綜合財務報表。上述收益及資產包括與本集團所進行之交易及結餘。

管理合約

於截至二零一九年十二月三十一日止年度，本公司並無簽訂或存有有關本公司全部或任何主要部分業務之管理及行政合約。

主要客戶及供應商

截至二零一九年十二月三十一日止年度，本集團最大客戶及五大客戶分別共佔本集團營業額96.66%及99.03%。

截至二零一九年十二月三十一日止年度，本集團最大供應商及五大供應商分別共佔本集團採購額15.50%及44.20%。

截至二零一九年十二月三十一日止年度，本集團最大供應商為徐崢先生，彼為本公司之非執行董事及主要股東。這與電影《囧媽》之製作相關。有關詳情，請參閱本公司日期為二零一九年二月二十六日及二零一九年六月十二日之公告以及本公司日期為二零一九年五月二十三日之通函。

除上文所披露者外，於二零一九年十二月三十一日，概無董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東於本集團五大供應商或五大客戶中擁有任何權益。

RELATIONSHIP WITH KEY STAKEHOLDERS

Our staff is regarded as the most important resource of the Group. Hence, the Group has been endeavouring to provide our staff with a fair and harmonious workplace where individuals with diverse cultural backgrounds are treated equally. We offer a competitive remuneration package and great opportunities for career advancement based on employees' performance.

In respect of the business of the Group, the film industry is fragmented and highly competitive. Following years of rapid development, there is a vast number of independent service providers providing various film and television programmes production and distribution services and there is a number of reputable and reliable independent service providers who have been engaged by Hong Kong and overseas film companies for producing and distributing films and television drama series in the PRC. Mr. Dong Ping, the Chairman of the Board and an executive Director, Mr. Ning Hao and Mr. Xu Zheng, both non-executive Directors, have extensive experience, expertise and connections in the media and entertainment industries and each of them has noteworthy background, experience, social status, personal and/or professional achievements and connections with business partners in the film industry, their collective knowledge and experience would enhance the Group to identify appropriate and reliable third party service providers and negotiate suitable commercial arrangements with such providers to provide the necessary services to the Company.

The Group also places effort to maintain good relationships with financial institutions and professional advisers to maintain its continuous growth and operation needs.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board paid attention to the Group's policies and practices on compliance with legal and regulatory requirements. External compliance and legal advisers are engaged to ensure transactions and business performed by the Group are within the applicable law framework. Besides, the Group always maintains a safe working environment for staff in accordance with relevant safety policies. There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Company during 2019.

主要持份者關係

本集團視員工為最重要的資源，因此一直努力為員工營造公平及和諧的工作環境，平等對待文化背景不同的員工。我們提供具競爭力的薪酬待遇，並按照僱員的表現，提供大量晉升機會。

就本集團的業務而言，電影行業高度分散且競爭激烈。經過多年迅速發展，一眾獨立服務供應商紛紛冒起，提供各種電影及電視節目製作與發行服務，其中部分信譽可靠之獨立服務供應商獲香港及海外電影公司委聘於中國製作及發行電影及電視劇。董事會主席兼執行董事董平先生以及非執行董事寧浩先生及徐崢先生於媒體及娛樂行業累積廣泛經驗、專業知識及脈絡，且彼等各自擁有顯赫背景、經驗、社會地位、個人及／或專業成就，以及於電影行業與業務夥伴之脈絡，彼等之知識及經驗有助於本集團物色合適而可靠之第三方服務供應商，並與有關供應商磋商適當商業安排以為本公司提供所需服務。

本集團亦致力與金融機構及專業顧問維持良好的關係，以維持持續增長及滿足營運所需。

遵守法律及法規

董事會關注本集團有關遵守法律及監管規定方面之政策及常規。我們已聘用外部合規及法律顧問，確保本集團之交易及業務符合適用的法律框架。另外，本集團一直按照相關安全政策，為員工提供安全工作環境。於二零一九年，並無發生已對本公司產生重大影響之違反相關法律及法規之事宜。

ENVIRONMENTAL PROTECTION

The Group encourages staff to save energy, minimise the use of natural resources and paper products. The existing businesses of the Group are not expected to create material damages to the environment. We will continue to take into account the environmental protection factor in the future when planning business activities ahead. Please also refer to the Environmental, Social and Governance Report of this annual report for details.

REVIEW OF THE RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the consolidated financial statements for the year ended 31 December 2019.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report the Company has maintained sufficient public float as required under the Listing Rules.

DONATIONS

During the year, the Group did not make any donations to charitable and non-profit-making organisations.

環境保護

本集團鼓勵員工節約能源，盡量減少使用天然資源及紙品。本集團預期現有業務不會對環境造成嚴重破壞。本集團於日後進行未來業務活動規劃時將繼續考慮環保因素。詳情另請參閱本年報之環境、社會及管治報告。

審閱業績

本公司之審核委員會已聯同管理層審閱本集團所採納之會計原則及慣例，並討論內部控制及財務報告事宜（包括截至二零一九年十二月三十一日止年度之綜合財務報表）。

企業管治

本公司之企業管治常規詳情載於本年報之企業管治報告內。

公眾持股量

根據本公司獲得之公開資料及董事所知，於本年報日期本公司一直保持上市規則所規定之充足公眾持股量。

捐款

年內，本集團沒有向慈善機構及非牟利機構捐款。

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2020, Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited* (歡歡喜喜(天津)文化投資有限公司) ("Huan Huan Xi Xi"), a wholly-owned subsidiary of the Company, entered into the cooperation agreement with Beijing ByteDance Network Technology Limited* (北京字節跳動網絡技術有限公司) ("ByteDance"), pursuant to which, Huan Huan Xi Xi and ByteDance will cooperate in several fields in relation to online videos and ByteDance shall pay to Huan Huan Xi Xi at least RMB630,000,000 as a consideration. Huan Huan Xi Xi and ByteDance shall carry out two phases of cooperation in the following fields:

The term of the first-phase cooperation is 6 months from the date of the cooperation agreement, the main details of which are as follows:

- (i) After release of the Group's certain new films and internet drama series on "huanxi.com" (歡喜首映), the Group shall authorise the licensee's platforms such as "Toutiao" (今日頭條) and "Xigua" (西瓜視頻) to broadcast the same simultaneously as "huanxi.com" within the region of Mainland China; ByteDance shall pay an amount of RMB630,000,000 on a pro rata basis by reference to the Group's delivery progress of its certain new films and internet drama series as consideration; Huan Huan Xi Xi is entitled to a proportionate share of revenue in excess of the related income from broadcasting of the licensed content received by the licensee's platforms, after deducting channel costs incurred by the licensee's platforms and the consideration of RMB630,000,000 above;
- (ii) ByteDance shall include dedicated gateways on platforms such as "Toutiao" and "Xigua" for directing traffic to "huanxi.com";
- (iii) the licensee's platforms shall support the promotion and marketing of the Group's film and TV projects;

報告期後事項

於二零二零年一月二十三日，本公司之全資附屬公司歡歡喜喜(天津)文化投資有限公司(「歡歡喜喜」)與北京字節跳動網絡技術有限公司(「字節跳動」)訂立合作協議，據此，歡歡喜喜及字節跳動將於在線視頻相關的多個領域展開合作，字節跳動將向歡歡喜喜最少支付人民幣六億三千萬元(人民幣630,000,000元)作為代價。歡歡喜喜與字節跳動將分兩階段於下列領域展開合作：

第一階段合作期間為合作協議簽署之日起6個月，主要內容如下：

- (i) 本集團授權今日頭條及西瓜視頻等被授權方平台，本集團之若干新電影及網劇在「歡喜首映」平台上线後，可於中國內地與「歡喜首映」平台同時播放；字節跳動按本集團交付其若干新電影及網劇之進度向歡歡喜喜支付人民幣六億三千萬元作為代價；被授權方平台獲得的授權內容播出的相關收入總額在扣除被授權方平台管道成本及上述人民幣六億三千萬元的代價後，如有超額部分，歡歡喜喜可獲若干比例的收益分成；
- (ii) 字節跳動在今日頭條、西瓜視頻等平台內為「歡喜首映」平台設立獨立入口進行導流；
- (iii) 被授權方平台為本集團的影視項目提供宣傳推廣支援；

* For identification purposes only

DIRECTORS' REPORT

董事報告

- (iv) the Group shall make available its film and TV projects to provide ByteDance and its related parties with resources for advertising placement, joint marketing and cross-industry cooperation; and
- (v) the Group shall offer ByteDance or its related parties the right of authorship as co-producer(s) for films of which the Group is the lead producer.

The parties shall discuss and finalise details of the second-phase cooperation as soon as practicable after commencement of the first-phase cooperation, then sign the relevant agreements.

The term of the second-phase cooperation will commence on the date that the first-phase ends and end on 31 December 2022, the key areas of collaboration for the second-phase cooperation are as follows:

- (i) the parties shall jointly establish a cinema channel, in a collective effort to build the "huanxi.com" streaming platform; and
- (ii) the parties shall make joint capital contributions to produce and purchase new media copyrights of film and TV contents.

The parties shall have the priority to renew the agreement upon expiry of the second-phase cooperation.

Please refer to the Company's announcement dated 23 January 2020 for details of the cooperation agreement between the Group and ByteDance.

Save as disclosed above and Note 38 to the consolidated financial statements, there are no material event after reporting period as at the date of this annual report.

AUDITOR

PricewaterhouseCoopers, Certified Public Accountants, was appointed as auditor of the Company with effect from 28 August 2018 following the resignation of Deloitte Touche Tohmatsu with effect from 27 August 2018.

- (iv) 本集團將開放影視項目資源，為字節跳動及其關聯方提供植入廣告、聯合推廣、異業合作等資源；及

- (v) 本集團將向字節跳動或其關聯方提供本集團主控出品影片的聯合出品方的署名權。

雙方將於第一階段合作開始後盡快討論落實第二階段的合作細節，並簽署相關協議。

第二階段合作期間為第一階段屆滿之日起至二零二二年十二月三十一日，第二階段合作重點如下：

- (i) 雙方共建院線頻道，共同打造「歡喜首映」流媒體平台；及
- (ii) 雙方共同出資製作購買影視內容的新媒體版權。

第二階段的合作屆滿後，雙方享有優先續約權。

有關本集團與字節跳動之合作協議，詳情請參閱本公司日期為二零二零年一月二十三日之公告。

除上文及綜合財務報表附註38所披露者外，截至本年報日期，概無重大之報告期後事項。

核數師

羅兵咸永道會計師事務所（執業會計師）自二零一八年八月二十八日起已獲委任為本公司核數師（繼自二零一八年八月二十七日起，德勤•關黃陳方會計師行辭任之後）。

The consolidated financial statements for the year ended 31 December 2019 have been audited by PricewaterhouseCoopers, Certified Public Accountants. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers, Certified Public Accountants, as auditor of the Company.

截至二零一九年十二月三十一日止年度之綜合財務報表已由羅兵咸永道會計師事務所（執業會計師）審核。於本公司應屆股東週年大會上將提呈一項決議案，續聘羅兵咸永道會計師事務所（執業會計師）為本公司核數師。

On behalf of the Board

Dong Ping

Chairman

代表董事會

主席

董平

Hong Kong, 31 March 2020

香港，二零二零年三月三十一日

CORPORATE GOVERNANCE PRACTICES

The Board considers that maintaining corporate governance at high standard is essential for enhancing accountability and transparency of a company to the investing public and other stakeholders. Therefore, the Company is committed to good corporate governance practices for corporate sustainability and business growth.

Throughout the year ended 31 December 2019, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as listed out in Appendix 14 to the Listing Rules on the Stock Exchange.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the financial year 2019, Mr. Dong Ping acted as the chairman of the Board (the “Chairman”) and Mr. Xiang Shaokun, Steven acted as the Chief Executive Officer.

Mr. Dong Ping focuses on the leadership role in the Board to ensure that the Board works effectively in discharging its responsibilities whilst Mr. Xiang Shaokun, Steven focuses on day-to-day corporate management matters of the Group. The Board considers that the segregation of responsibilities among the Board members meets the requirements under the CG Code. The roles of the Chairman and chief executive officer are separate and exercised by different individuals, Code provision A.2.1 of the CG Code has been complied.

企業管治常規

董事會認為維持高水準之企業管治對提升公司對投資大眾及其他持份者之問責性及透明度至關重要。故此，本公司致力為公司的持續發展及業務增長實施良好企業管治常規。

本公司於截至二零一九年十二月三十一日止年度貫徹應用聯交所上市規則附錄十四所載《企業管治守則》及《企業管治報告》(「企管守則」)之原則且一直遵守守則條文。

主席及行政總裁

根據企管守則條文第A.2.1條，主席及行政總裁之角色應分設並且不應由同一人兼任。於二零一九年財政年度，董平先生擔任董事會主席(「主席」)及項紹琨先生擔任行政總裁。

董平先生主要負責領導董事會之職務，以確保董事會有效履行職責，而項紹琨先生則主要負責本集團之日常企業管理事務。董事會認為董事會成員內的職責分工符合企管守則的要求。主席職務及行政總裁職務分開由不同人士履行，故本集團已遵守企管守則之守則條文第A.2.1條。

BOARD OF DIRECTORS

The Board is vested with the key roles of formulating the Group's corporate strategic directions and policies; monitoring the financial performance and internal control system of the Group and overseeing the performance of management, which is delegated with the responsibilities of executing the Board's decision and in-charging day-to-day operation.

The Directors acknowledge their responsibility for preparing the financial statements of the Company. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of the annual report.

Code Provision A.4.1 requires non-executive directors should be appointed for a specific term and subject to re-election. The existing Directors including the executive Directors, the non-executive Directors and independent non-executive Directors are for a term of 2 years (except Mr. Xiang Shaokun, Steven, an executive Director and the Chief Executive Officer of the Group, there is no specific term or proposed length of services for Mr. Xiang's appointment). All of the existing Directors shall be subject to retirement by rotation and re-election in accordance with the Bye-laws and the Listing Rules.

Throughout the year ended 31 December 2019, the Company complied with rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise, and a sufficient number of independent non-executive Directors representing at least one-third of the board, respectively.

BOARD COMPOSITION

The Board currently comprises two executive Directors, two non-executive Directors and three independent non-executive Directors, whose biographies are set out in the Biographical Details of Directors of the annual report. All the Directors are high calibre executives with diversified industry expertise and bring a wide range of skills and experience to the Group.

董事會

董事會之主要角色為規劃本集團之企業策略方向及政策，監察本集團之財務表現及內部監控系統，並監督管理人員在執行董事會決策及處理日常營運時之表現。

董事確認其編製本公司財務報表之責任。本公司核數師有關其對財務報表申報責任的聲明載於本年報的獨立核數師報告內。

守則條文第A.4.1條規定非執行董事之委任應有指定任期並須接受重新選舉。現任董事（包括執行董事、非執行董事及獨立非執行董事）之委任年期均為兩年（本集團執行董事兼行政總裁項紹琨先生除外，項先生之委任並無特定任期或擬訂定之服務年期）。所有現任董事須根據公司細則及上市規則輪席告退及膺選連任。

於截至二零一九年十二月三十一日止年度，就委任至少三名獨立非執行董事；至少一名獨立非執行董事具備適當的專業資格，或具備適當的會計或相關財務管理專業知識；以及獨立非執行董事人數充足，至少佔董事會席位的三分之一，本公司分別遵守上市規則第3.10(1)、第3.10(2)及第3.10A條。

董事會組成

董事會現由兩名執行董事、兩名非執行董事及三名獨立非執行董事組成，董事履歷載於本年報董事履歷一節。全體董事均為才幹超群之行政人員，具備不同行業專長，為本集團帶來各種技術與經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

本公司已收到各獨立非執行董事根據上市規則第3.13條作出之週年獨立性確認函，並認為各獨立非執行董事皆屬獨立人士。

The composition of the Board and their respective attendance in the general meetings, Board meetings and other committee meetings during the year ended 31 December 2019 are as follows:

截至二零一九年十二月三十一日止年度，董事會之組成及各董事於股東大會、董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended/eligible to attend 出席／符合資格出席會議次數				
		General meetings 股東大會	Regular full Board meetings 董事會全體成員例會	Audit Committee meetings 審核委員會會議	Remuneration Committee meetings 薪酬委員會會議	Nomination Committee meetings 提名委員會會議
Number of meetings	會議次數	2	4	2	1	1
Executive Directors		執行董事				
Mr. Dong Ping (Chairman)	董平先生(主席)	2/2	4/4	N/A 不適用	1/1	1/1
Mr. Xiang Shaokun, Steven (Chief Executive Officer)	項紹琨先生(行政總裁)	2/2	3/4	N/A 不適用	N/A 不適用	N/A 不適用
Non-Executive Directors		非執行董事				
Mr. Ning Hao	寧浩先生	0/2	2/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Xu Zheng	徐崢先生	0/2	1/4	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-Executive Directors		獨立非執行董事				
Mr. Wong Tak Chuen	黃德銓先生	2/2	4/4	2/2	N/A 不適用	N/A 不適用
Mr. Li Xiaolong	李小龍先生	1/2	4/4	2/2	1/1	1/1
Mr. Wang Hong (appointed on 2 September 2019)	王虹先生(於二零一九年九月二日獲委任)	0/0	1/1	0/0	0/0	0/0
Mr. Su Tuong Sing, David (ceased on 2 September 2019)	徐傳陞先生(於二零一九年九月二日卸任)	0/2	2/3	2/2	1/1	1/1

CHANGE IN INFORMATION OF DIRECTORS

With effect from 2 September 2019, (i) Mr. Su Tuong Sing, David ceased to act as the independent non-executive director, chairman of remuneration committee, chairman of nomination committee and member of audit committee of the Company and (ii) Mr. Wang Hong has been appointed as an independent non-executive Director, chairman of remuneration committee, chairman of nomination committee and member of audit committee of the Company.

Save for above, there is no change in Directors' information for the year ended 31 December 2019, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE FUNCTION

The Board has undertaken to perform corporate governance duties and adopted the terms of reference on corporate governance functions on 27 March 2012 for better management of the business and affairs of the Group.

The duties of the Board in respect of corporate governance functions shall be:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (v) to review the Company's compliance with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules on the Stock Exchange and its disclosure requirements in the Corporate Governance Report.

董事資料變動

自二零一九年九月二日起，(i)徐傳陞先生不再擔任本公司獨立非執行董事、薪酬委員會主席、提名委員會主席及審核委員會成員及(ii)王虹先生已獲委任為本公司獨立非執行董事、薪酬委員會主席、提名委員會主席及審核委員會成員。

除上述者外，截至二零一九年十二月三十一日止年度，董事資料概無任何須根據上市規則第13.51B(1)條予以披露的變動。

企業管治職能

為更妥善管理本集團業務及事宜，董事會已履行企業管治職責並於二零一二年三月二十七日採納企業管治職能之職權範圍。

董事會有關企業管治職能的職責為：

- (i) 制定及審閱本公司政策及企業管治常規；
- (ii) 審閱及監控董事及高級管理層的培訓及持續專業發展；
- (iii) 審閱及監控本公司的政策及慣例是否符合法律及監管規定；
- (iv) 制定、審閱及監管適用於僱員及董事的行為守則及合規手冊(如有)；及
- (v) 審閱本公司是否遵守聯交所上市規則附錄十四所載企管守則之守則條文以及企業管治報告之披露規定。

BOARD COMMITTEES

The Board has established three Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspect of the Group's affair. Each of the committees had defined terms of reference setting out its duty, power and functions. The committees report to the Board and, where appropriate, make recommendations on matters discussed.

AUDIT COMMITTEE

As at 1 January 2019, the audit committee was composed of three independent non-executive Directors, namely, Mr. Wong Tak Chuen (committee chairman), Mr. Li Xiaolong and Mr. Su Tuong Sing, David. On 2 September 2019, Mr. Su Tuong Sing, David ceased to act as an independent non-executive Director and a member of the audit committee of the Company. Mr. Wang Hong (independent non-executive Director) has been appointed as a member of the audit committee of the Company since 2 September 2019. During 2019, the main role and functions of the audit committee are to review the financial information of the Company, to oversee the Company's financial reporting system, risk management and internal control procedures and maintain relations with the auditor of the Company.

Under the terms of reference of the audit committee, the audit committee shall, among others, to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and to discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective risk management and internal control systems. The revised written terms of reference are posted on the websites of the Company and the Stock Exchange on 7 January 2019.

In 2019, the audit committee had held two meetings. During one of the meetings, annual results of the Group for the year ended 31 December 2018 was reviewed with the auditor of the Company. The audit committee also reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. Another meeting was also held during 2019 that interim results of the Group for the six months ended 30 June 2019 was discussed. The audit committee also reviewed the accounting principles and practices adopted by the Group and financial reporting matters with the management team of the Company.

董事會委員會

董事會已成立審核委員會、薪酬委員會及提名委員會三個董事會委員會監察本集團特定範疇之事務。各委員會已確定職權範圍，列明各自的職務、權力及職能。各委員會向董事會匯報並視情況就所討論事宜提供建議。

審核委員會

於二零一九年一月一日，審核委員會由三名獨立非執行董事組成，分別為黃德銓先生（委員會主席）、李小龍先生及徐傳陞先生。於二零一九年九月二日，徐傳陞先生不再擔任本公司獨立非執行董事及審核委員會成員。王虹先生（獨立非執行董事）已自二零一九年九月二日起獲委任為本公司審核委員會成員。於二零一九年，審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統、風險管理及內部監控程序，並與本公司核數師維持良好關係。

根據審核委員會的職權範圍，審核委員會須（其中包括）監察本公司的財務報表以及年度報告及賬目、半年度報告的完整性，與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的風險管理及內部監控系統。經修訂書面職權範圍已於二零一九年一月七日於本公司及聯交所網站上發布。

二零一九年，審核委員會舉行兩次會議。於其中一次會議上，與本公司核數師審閱本集團截至二零一八年十二月三十一日止年度之全年業績。審核委員會亦審閱了本集團所採納之會計原則及慣例，並與本公司管理團隊就內部控制及財務報告事宜進行討論。另一次會議亦已於二零一九年舉行，討論本集團截至二零一九年六月三十日止六個月之中期業績。審核委員會亦與本公司管理團隊審閱了本集團所採納之會計原則及慣例，以及財務報告事宜。

Besides, the audit committee, with the assistance of the management and an external internal control and risk management consultant (the “Consultant”), has conducted annual review on the effectiveness of risk management and internal control systems of the Group for 2019 and considered the Group has operated an effective and adequate risk management and internal control systems (based on discussion between the audit committee and the Consultant and the findings of the Consultants’ internal control review report). Please refer to the section “Internal Control and Risk Management” in this Corporate Governance Report for the details on the review by the audit committee on the Group’s internal control and risk management for 2019.

The audit committee is also responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code for the year 2019. The audit committee reviewed the Consultant’s report on the Company’s corporate governance policies and practices, the Company’s policies and practices on compliance with legal and regulatory requirements and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

NOMINATION COMMITTEE

The nomination committee of the Company was set up with key responsibilities for considering and approving the appointment of members of the Board and will meet to discuss when nomination of new director(s) is received or when circumstances require. In considering the suitability of a candidate for directorship, the Board will take into account the candidate’s qualification, experience, expertise and knowledge as well as the prevailing composition, structure and size of the Board and the requirements under the Listing Rules.

Under the terms of reference of the nomination committee, the nomination committee shall, among others, identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; the candidates for directorship will be selected taken into account a wide range of factors, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and service term. The revised written terms of reference are posted on the websites of the Company and the Stock Exchange on 7 January 2019.

另外，在管理層及一名外聘的內部監控及風險管理顧問（「該顧問」）的協助下，審核委員會已對本集團二零一九年風險管理及內部監控系統之效力作出年度檢討，並且委員會認為本集團已設有高效及適當之風險管理及內部監控系統（其依據是審核委員會與該顧問的討論及該顧問編製的內部監控檢討報告的調查結果）。就有關審核委員會審核本集團於二零一九年之內部監控及風險管理的詳情，請參閱本企業管治報告「內部監控及風險管理」一節。

二零一九年，審核委員會亦負責履行企管守則守則條文第D.3.1條所載之企業管治職能。審核委員會已審閱該顧問的報告，有關本公司企業管治政策及常規、本公司的政策及常規是否符合法律及監管規定及本公司遵守企管守則以及企業管治報告之披露規定的情況。

提名委員會

本公司提名委員會成立之主要職責為考慮及批准董事會成員的委任並於接獲新董事提名或有需要時開會討論。考慮董事候選人是否合適時，董事會將考慮候選人的資歷、經驗、專業技能及知識，以及董事會當時的組成、架構及人數及上市規則的規定。

根據提名委員會的職權範圍，提名委員會須（其中包括）物色合資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；在挑選董事候選人時，會考慮一系列的因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。經修訂書面職權範圍已於二零一九年一月七日於本公司及聯交所網站上發布。

As at 1 January 2019, the nomination committee was composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (executive Director and Chairman of the Board) and Mr. Li Xiaolong (independent non-executive Director). On 2 September 2019, Mr. Su Tuong Sing, David ceased to act as an independent non-executive Director and a chairman of the nomination committee of the Company. Mr. Wang Hong (independent non-executive Director) has been appointed as a chairman of the nomination committee of the Company since 2 September 2019. The committee member met once in the year ended 31 December 2019. The meeting was held to discuss the re-election of Directors at the annual general meeting held on 31 May 2019.

A policy for board on diversity had been adopted in May 2013 and a policy for nomination of directors which sets out the nomination procedures and the process and criteria to select and recommend candidates for directorship had been adopted in 2019. Please refer to the "Corporate Governance" section on the Company website for the Board Diversity Policy and Director Nomination Policy.

Board Diversity Policy

The board diversity policy is adopted in 2013 which is to set out the approach to achieve diversity on the Company's Board. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The nomination committee will review the policy and monitor the implementation of the policy.

於二零一九年一月一日，提名委員會由徐傳陞先生（委員會主席兼獨立非執行董事）、董平先生（執行董事兼董事會主席）及李小龍先生（獨立非執行董事）組成。於二零一九年九月二日，徐傳陞先生不再擔任本公司獨立非執行董事及提名委員會主席。王虹先生（獨立非執行董事）已自二零一九年九月二日起獲委任為本公司提名委員會主席。截至二零一九年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在商討二零一九年五月三十一日舉行的股東週年大會上關於重選董事的事宜。

一項董事會成員多元化政策已於二零一三年五月獲採納，一項董事提名政策亦已於二零一九年獲採納，當中載列委任董事的提名程序，以及甄選及推薦候選人的過程及準則。有關董事會成員多元化政策及董事提名政策，請參閱本公司網站的「企業管治」界面。

董事會成員多元化政策

董事會成員多元化政策於二零一三年獲採納，其載列本公司董事會為達致成員多元化而採取的方針。在決定董事會的組成時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。董事會所有委任均以用人唯才為原則，運用客觀標準考慮人選，同時充分顧及董事會成員多元化的裨益。提名委員會將檢討該政策並監察該政策的實施。

Nomination Policy

The nomination policy is adopted in 2019 which sets out the selection criteria and nomination procedures for appointment of Directors. Factors assessing the suitability of a proposed candidate for directorship include but are not limited to reputation, qualifications, accomplishment and experience, commitment in respect of available time and relevant interest and potential contribution that can bring to the Company. Independence requirements as set out in the Listing Rules will also be considered in case of appointment or re-appointment of independent non-executive director. The nomination committee will make recommendation to the Board for consideration.

REMUNERATION COMMITTEE

The remuneration committee of the Company was set up with key responsibilities of recommending to the Board (i) the policy and structure for remuneration of Directors and senior management; and (ii) the remuneration package of executive directors and senior management. The Board retains the final authority to approve the remuneration packages.

Under the terms of reference of the remuneration committee, the remuneration committee shall, among others, make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The remuneration committee also make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

提名政策

提名政策於二零一九年獲採納，其載列委任董事之甄選標準及提名程序。評估建議候選人是否適合擔任董事之因素包括但不限於聲譽、資格、成就及經驗、能夠投入的時間及代表相關範疇的利益，以及可為本公司帶來的潛在貢獻。委任或重新委任獨立非執行董事時亦將考慮上市規則所載之獨立性要求。提名委員會將向董事會提出推薦建議供其考慮。

薪酬委員會

本公司薪酬委員會成立之主要職責為(i)就董事及高級管理人員之薪酬政策及架構；及(ii)執行董事及高級管理人員之薪酬待遇向董事會提供建議。董事會保留有關薪酬待遇之最終審批權力。

根據薪酬委員會的職權範圍，薪酬委員會須(其中包括)就本公司全體董事及高級管理層的薪酬政策及架構，及就設立正規而具透明度的程序制訂此等薪酬政策，向董事會提出建議。薪酬委員會亦向董事會建議個別執行董事及高級管理人員的薪酬待遇。此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的任何應付賠償)。書面職權範圍已於本公司及聯交所網站上發布。

As at 1 January 2019, the remuneration committee was composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (Chairman of the Board and executive Director) and Mr. Li Xiaolong (independent non-executive Director). On 2 September 2019, Mr. Su Tuong Sing, David ceased to act as an independent non-executive Director and a chairman of the remuneration committee of the Company. Mr. Wang Hong (independent non-executive Director) has been appointed as a chairman of the remuneration committee of the Company since 2 September 2019. The committee met once in the year ended 31 December 2019. The meeting was held to review the emoluments of the Directors during the year ended 31 December 2018 and to review the remuneration packages of the Directors retired in the annual general meeting of the Company held on 31 May 2019.

COMPANY SECRETARY

Mr. Choi Wing Koon, the Company Secretary of the Company, has undertaken no less than 15 hours of relevant professional training respectively for the year ended 31 December 2019.

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group are approximately HK\$3,150,000 (2018: HK\$2,670,000) and HK\$365,000 (2018: HK\$30,000) respectively.

於二零一九年一月一日，薪酬委員會由徐傳陞先生（委員會主席兼獨立非執行董事）、董平先生（董事會主席兼執行董事）及李小龍先生（獨立非執行董事）組成。於二零一九年九月二日，徐傳陞先生不再擔任本公司獨立非執行董事及薪酬委員會主席。王虹先生（獨立非執行董事）已自二零一九年九月二日起獲委任為本公司薪酬委員會主席。截至二零一九年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在檢討於截至二零一八年十二月三十一日止年度的董事酬金及商討本公司於二零一九年五月三十一日舉行的股東週年大會上關於退任的董事之薪酬待遇事宜。

公司秘書

截至二零一九年十二月三十一日止年度，本公司之公司秘書蔡永冠先生已接受相關職業培訓不少於十五小時。

核數師酬金

截至二零一九年十二月三十一日止年度，本公司核數師向本集團提供審核及非審核服務之酬金分別約為港幣3,150,000元（二零一八年：港幣2,670,000元）及港幣365,000元（二零一八年：港幣30,000元）。

INTERNAL CONTROL AND RISK MANAGEMENT

Risk management and internal control are essential parts of corporate governance. The Directors have the overall responsibility for internal control and risk management systems, and review their effectiveness. The Group has established policies and procedures for risk management and internal control to ensure the proper monitoring and control of major risks arising from the Group's activities. The Group has engaged an external internal control and risk management consultant (i.e. the Consultant) to perform the Group's internal audit function, to review and improve the effectiveness of the Group's risk management and internal control systems. The Company has put in place risk management and internal control systems which enable the Group to respond appropriately to significant business, operational, financial, compliance and other risks. Furthermore, they help ensure the quality of internal and external reporting within the Group and the compliance with applicable laws and regulations, and also internal policies with respect to the conduct of businesses of the Group.

The Board, through the audit committee and with the assistance of the Consultant, have conducted reviews on the effectiveness of risk management and internal control systems of the Group for 2019 once and considered the Group has operated an effective, appropriate, and adequate risk management and internal control systems (based on the findings of the Consultants' internal control review reports and discussion with the Consultant). In respect of the Group's internal control systems, it aims at safeguarding assets from inappropriate use, maintaining proper accounts and ensuring compliance with regulations. The management is primarily responsible for the design, implementation and maintenance of the internal control system. The internal control and risk management systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage, rather than eliminate, risks of failure to achieve business objectives.

內部監控及風險管理

風險管理及內部監控乃企業管治的基本組成部分。董事對內部監控及風險管理系統負整體責任，並負責檢討內部監控及風險管理系統的效力。本集團已就風險管理及內部監控設立政策及程序，以確保妥善監察及控制由本集團業務產生的主要風險。本集團已從外部委聘一名內部監控及風險管理顧問（即該顧問）履行本集團內部審核職能、檢討及改進本集團風險管理及內部監控系統之效力。本公司風險管理及內部監控系統已落實到位，令本集團可就重大業務、營運、財務、合規及其他風險作出適當應對，而且有助於確保本集團內部及外部匯報之質素，以及有助於確保遵守適用之法律法規及本集團有關業務經營的內部政策。

透過審核委員會及在該顧問的協助下，董事會已就本集團二零一九年風險管理及內部監控系統之效力作出一次檢討，並且董事會認為本集團已設有高效、合宜及適當之風險管理及內部監控系統（其依據是該顧問編製的內部監控檢討報告的調查結果及與該顧問的討論）。就本集團內部監控系統而言，其旨在保障資產免被不當挪用、維持妥善賬目及確保遵守各項法規。管理層主要負責內部監控系統之設計、實施及維護。內部監控及風險管理系統的目的旨在對重大錯報或損失提供合理而非絕對的保證，並管理而非消除未能達致業務目標的風險。

Along with the internal control review, the Consultant has prepared annual review report on overall effectiveness of the Group's system of internal control over various aspect including financial, operational and compliance issues, in particular, the processes of (i) share of box office revenue, and (ii) financial reporting were reviewed for the year ended 31 December 2019. Along with the risk management review, the Board, through the audit committee and with the assistance of the Consultant, have, among others, identified, evaluated and assessed the key risk factors affecting the Group's business and its operation. During the risk assessment process, the management of the Company has reviewed aspects including operation, compliance and strategic areas. High-priority risks identified included strategic risk of investing in entertainment industry, operation risks such as uncertainties in production quality of media projects, credit risk in relation to distributors and risks involved in compliance with various censorship regulations, listing rules compliance, and financial data reporting standards.

Management would from time to time review the key risks identified and determine their responses to high-priority risks and where necessary, report on significant changes and effectiveness of the systems of risk management.

The Board had adopted a whistle blowing policy including procedures for employees to report any irregularities on the affairs of the Company.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout 2019.

DIRECTORS' TRAINING

The Company has from time to time provided Directors with materials relating to the business and operations of the Group, latest developments regarding the Listing Rules and their responsibilities under the Listing Rules, legal and other regulatory requirements.

就內部監控檢討，該顧問已就本集團內部監控系統之整體效力編製年度檢討報告，涵蓋財務、營運及合規問題等多個方面，特別是截至二零一九年十二月三十一日止年度亦審閱了(i)分佔票房收益及(ii)財務報告的流程。就風險管理檢討，董事會亦透過審核委員會及在該顧問的協助下對影響本集團在其業務與其經營的主要風險因素進行識別、評估及評定等工作。於風險評估過程中，本公司管理層已對營運、合規及策略等方面作出檢討。經識別高優先級別風險包括娛樂行業投資策略風險、媒體項目製作質素不穩等營運風險、與發行商相關的信貸風險，還有在各種審查合規、公司上市規則合規以及財務資料報告標準中涉及的風險。

管理層會不時檢討經識別的主要風險及釐定對高優先級別風險之應對措施，而且在必要時就風險管理系統的重大變動及效力進行匯報。

董事會已採納舉報政策，當中載有僱員上報任何有關本公司事宜之違規行為之程序。

證券交易守則

本公司已採納上市規則附錄十所載標準守則，其條款之嚴格程度不遜於標準守則所規定的標準。經特定查詢後，全體董事確認於二零一九年度已充分遵守標準守則。

董事培訓

本公司不時根據上市規則、法律及其他監管規定向董事提供有關本集團業務及經營、上市規則最新發展以及彼等職責的資料。

During the year ended 31 December 2019, all existing Directors have received the following trainings:

截至二零一九年十二月三十一日止年度，所有現任董事已經參與下列培訓：

Training on corporate governance, regulatory development and other relevant topics
有關企業管治、監管發展及其他相關課題之培訓

Executive Directors

Mr. Dong Ping (*Chairman*)

Mr. Xiang Shaokun, Steven (*Chief Executive Officer*)

執行董事

董平先生(主席)

項紹琨先生(行政總裁)

Non-Executive Directors

Mr. Ning Hao

Mr. Xu Zheng

非執行董事

寧浩先生

徐崢先生

Independent Non-Executive Directors

Mr. Wong Tak Chuen

Mr. Li Xiaolong

Mr. Wang Hong

獨立非執行董事

黃德銓先生

李小龍先生

王虹先生

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

董事及高級職員之責任保險

The Company has arranged appropriate insurance cover for liabilities in respect of legal actions against Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under Code A.1.8 of the CG Code.

本公司已根據企管守則第A.1.8條為本公司及其附屬公司董事及高級職員因本集團的企業業務而可能面對的法律訴訟之相關責任安排購買適當的保險。

DIRECTORS' SERVICE CONTRACTS

董事之服務合約

No Directors being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determined by the employing company within one year without payment of compensation (other than statutory compensation).

擬於本公司之應屆股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂有僱傭公司於一年內不作賠償(法定賠償除外)即不可終止之服務合約。

INSIDE INFORMATION POLICY

Pursuant to the statutory regime for disclosure of inside information sets out in Part XIVA of the SFO with effect from 1 January 2013, the Board has adopted an inside information policy on 27 August 2013 which sets out the guidelines to the Directors, officers and all relevant employees of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulations, which includes, among others, all inside information must be treated strictly confidential and disclosure of inside information must be made in a manner that provides the public with an equal, timely and effective access to the information, such as through the electronic publication system operated by the Stock Exchange. Generally, no employee or Director may disclose, discuss or share with outside parties (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, and other categories of persons as allowed under the Part XIVA of the SFO) the information of price-sensitive nature about the Company that has not been released to the public. Please refer to the website of the Company www.huanximedia.com under the section "Corporate Governance" for the Company's inside information policy.

SHAREHOLDERS' RIGHTS

Shareholders' communication policy was adopted by the Board on 27 March 2012. Shareholders' communication policy and shareholder's rights are published on the designated website of the Company.

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders may direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Enquiries other than shareholdings may be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information of this annual report for the attention of the Company Secretary.

內幕消息政策

根據自二零一三年一月一日起生效的證券及期貨條例第XIVA部所載披露內幕消息之法律制度，董事會於二零一三年八月二十七日採納內幕消息政策，該政策載列對本集團董事、高級職員及所有相關僱員的指引，以確保根據適用的法律法規公平及時地向公眾發布本集團之內幕消息，包括（其中包括）所有內幕消息均須嚴格保密且內幕消息之披露方式須使公眾平等、適時及有效地取得消息，如於聯交所之電子登載系統刊登。一般而言，僱員或董事不可與外界人士披露、商討或分享（惟與負有保密責任之本集團顧問（例如：律師）及證券及期貨條例第XIVA部所容許之其他類別人士溝通則除外）有關並未被公開之本公司股價敏感資料。有關本公司的內幕消息政策，請參閱本公司網站 www.huanximedia.com「企業管治」界面。

股東權利

董事會於二零一二年三月二十七日採納股東通訊政策。股東通訊政策及股東權利公布於本公司指定網站。

向董事會查詢的權利

股東可向本公司香港股份過戶登記分處香港中央證券登記有限公司（地址為香港灣仔皇后大道東183號合和中心17M樓）查詢其股權。有關股權以外事項的查詢，可寄往本年報之公司資料所載本公司香港總辦事處及主要營業地點向公司秘書提出。

RIGHT TO CONVENE SPECIAL GENERAL MEETING

Pursuant to Section 74(1) of the Bermuda Companies Act and the bye-law 62 of the Bye-laws, the shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

On the requisition in writing of either (i) any number of shareholder of the Company representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders, the Company shall, at the expense of the requisitionists:

- (a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

召開股東特別大會的權利

根據百慕達公司法第74(1)條及公司細則第62條，於提呈請求當日持有不少於十分之一之本公司繳足股本（於提呈當日附有於本公司股東大會上表決之權利者）之本公司股東可請求董事會召開股東特別大會。

請求須列明會議目的、經請求人簽署及寄往本公司註冊辦事處（地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda）向公司秘書提出，請求可由多份由一名或多名請求人各自簽署的格式相同的文件組成。

倘董事未於請求呈交日期起計二十一日內正式召開會議，則請求人或持有彼等全體總投票權半數以上之請求人可自行於上述日期起計三個月屆滿當日前召開會議。

於股東大會提出議案之權利

在(i)於遞交請求當日持有不少於全體股東總投票權（附有可於請求有關的股東大會上投票之權利）十分之一之任何數目本公司股東；或(ii)不少於100名股東以書面方式提出請求下，本公司須（有關費用由請求人承擔）：

- (a) 向有權接收下一屆股東週年大會通告之本公司股東發出通知，告知任何可能於該會上正式動議及擬於會上動議之決議案；及

(b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda for the attention of the Company Secretary.

RIGHT TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

According to the Bye-laws, no person other than a retiring Director shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless a notice in writing signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a director and also a notice in writing by that person of his willingness to be elected (including that person's biographical details as required by Rule 13.51(2) of the Listing Rules) shall be lodged with the Company Secretary at the Company's principal place of business in Hong Kong or the Hong Kong branch share registrar provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

If such notice(s) are received less than ten business days prior to the date of such general meeting, the Company will need to consider the adjournment of such general meeting in order to allow the Shareholders fourteen clear days' notice of the proposal.

(b) 向有權接收任何股東大會通告之股東寄發不超過一千字之聲明，告知該會上提呈之任何決議案所述事宜或將處理之事項。

有關請求須由請求人簽署，送交本公司之註冊辦事處（地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda），並註明收件人為公司秘書。

提名候選董事的權利

根據公司細則，除退任董事外，任何未獲董事推薦參選之人士皆不具資格於任何股東大會上參選董事，除非獲正式合資格出席大會及可於會上投票之股東（並非擬參選人士）簽署書面通知，其內表明建議提名該人士參選董事之意向，及亦由獲提名人士簽署書面通知，表明願意參選（包括列載按照上市規則第13.51(2)條要求之該人士之履歷詳情），該等書面通知必須呈交至本公司之香港主要營業地點交予公司秘書或呈交至香港股份過戶登記分處，惟該等書面通知之最短通知期限為至少七日，而（倘該等書面通知於寄發有關選舉所召開股東大會之通告後才呈交）該等書面通知須於寄發有關選舉之股東大會通告後翌日起至舉行該股東大會日期前七日止期間內呈交。

倘於該股東大會舉行日期前少於十個營業日收到該等書面通知，為了讓股東就有關提案獲十四個足日通知，本公司將需考慮延期舉行該股東大會。

DIVIDEND POLICY

A policy on payment of dividend had been adopted in March 2019. The policy specifies that the Board may pay interim dividends as appear to the Board to be justified by the position of the Company and declare and pay special dividends on such dates as they think fit. The Company may declare dividends in general meetings of the Company, but the declared dividend shall not exceed the amount recommended by the Board.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

INVESTOR RELATIONS

The Company maintains websites at www.huanximedia.com and www.irasia.com/listco/hk/huanximedia where information and updates on the list of directors and their roles and functions, terms of reference of the Board committees, procedures for nomination of directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted.

The Company's constitutional documents are available on the websites of the Stock Exchange and the Company. There were no changes in the Company's constitutional documents during 2019.

股息政策

一項股息派付政策已於二零一九年三月獲採納。該政策訂明，董事會可在其認為符合本公司狀況時派付中期股息，及在其認為適當之日期宣派及派付特別股息。本公司可於本公司股東大會上宣派股息，惟所宣派之股息金額不得超過董事會建議的金額。

以投票方式表決

根據上市規則第13.39(4)條的規定，股東於股東大會上的任何表決均須以投票方式進行，惟股東大會主席基於誠信原則作出決定，允許純粹有關程序或行政事宜的決議案以舉手方式表決者除外。

投資者關係

本公司網站為www.huanximedia.com及www.irasia.com/listco/hk/huanximedia，發布有關董事名單及彼等的職務及職責、董事會委員會職權範圍、提名候選董事的程序，刊登於聯交所之公告、通函及報告以及其他資料的最新信息。

本公司之章程文件可於聯交所及本公司之網站上查閱。本公司之章程文件於二零一九年並無變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Company is pleased to present the environmental, social and governance report ("ESG Report") to our stakeholders for providing an overview of the Group's efforts in eliminating the environmental, social and governance ("ESG") impacts arising from our daily operations.

The content of this ESG Report is prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Listing Rules to make relevant disclosure of sustainability performance in material aspects of the guide, covering the whole range of our business, including development and investment in films and television drama series as well as operation of streaming platform. The reporting period of this report shall cover the period from 1 January 2019 to 31 December 2019.

本公司欣然向我們的持份者提呈環境、社會及管治報告，以概述本集團為減低因我們的日常運營產生的環境、社會及管治影響而作出的努力。

本環境、社會及管治報告根據上市規則附錄二十七所載之環境、社會及管治報告指引編製，對該指引主要層面的可持續發展的表現作出相關披露，內容涵蓋我們的整個業務，包括電影及電視劇製作及投資以及營運流媒體平台。本報告的報告期間應涵蓋二零一九年一月一日至二零一九年十二月三十一日期間。

STAKEHOLDER ENGAGEMENT

We view stakeholder engagement as a critical part of the sustainable development of the Group. The concerns and opinions of our stakeholders are valued highly by the Group, and we strive to meet their expectation and to communicate with them regularly through different channels, as detailed below:

與持份者的溝通

我們將與持份者的溝通視為本集團可持續發展的重要組成部分。本集團高度重視其持份者的關切與意見，努力達致他們的期望，並透過下表詳列的不同渠道定期與他們溝通：

Stakeholders 持份者	Requirements and expectations 要求及期望	Communications and actions 溝通及行動
Government/Regulatory Authorities 政府／監管機構	- compliance with laws and regulations 遵守法律法規 - support for economic development 支持經濟發展	- compliance management 合規管理 - submission of reports and payment of taxes 呈交報告及納稅
Shareholders 股東	- financial results 財務業績 - business developments 業務發展 - corporate governance 企業管治 - channels of communications 溝通渠道	- reports and announcements 報告及公告 - general meetings 股東大會 - company website, email and hotline 公司網站、電郵及熱線電話 - press release 新聞稿

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholders 持份者	Requirements and expectations 要求及期望	Communications and actions 溝通及行動
Customers 客戶	- high quality products and services 優質產品和服務 - meeting customers' needs 滿足客戶的需求 - feedback channels 反饋渠道	- creative and quality products 創新優質產品 - protection of customer information and privacy 保護客戶資料及私隱 - dedicated customer service 專屬客戶服務 - email and hotline 電郵及熱線電話 - press release 新聞稿
Employees 僱員	- employees' compensation and benefits 僱員的薪酬福利 - career development 職業發展 - protection of occupational health 保障職業健康 - work and life balance 平衡工作生活	- provision of good remuneration and welfare 提供良好的薪酬福利 - regular performance reviews and feedback 定期進行表現檢討及反饋 - employee training 僱員培訓 - meetings 會議
Suppliers and Business Partners 供應商及業務夥伴	- compliance with contracts 遵守合約 - communication channels 溝通渠道 - business ethics 商業道德	- performance of contracts according to law 依法履行合約 - attending film festivals 參加電影節 - dedicated internal control and risk management 專項內部監控及風險管理 - emails and meetings 電郵及會議
Community and Environment 社區和環境	- support for charity 支持公益慈善事業 - eco-friendly business practices 環境友好型業務常規	- donation 捐款 - increasing the efficiency of the use of resources and energy 提升資源及能源使用效率

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

MATERIALITY ASSESSMENT

In line with the Corporate Governance Code, the Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management is also responsible for ensuring the effectiveness of these systems to the Board.

With reference to the requirements of the ESG Guide of the Stock Exchange, the Group determines the scope of content for ESG disclosures. Material issues are identified and evaluated by management, taking into account the Group's business operations and the standards of our peers. The impact of these material issues is rated according to their importance to the sustainable development of the Group and its stakeholders. Such ratings pertain to the current developmental stage of the Group and may change in the future. The Group identified product quality as issues of high importance to both the Group and its stakeholders.

ENVIRONMENTAL

Emissions

The Group has made efforts to integrate environmental protection into our daily business operation. It is reflected by our promotion of pollution prevention, waste reduction and recycling. For all of our investment decision-making process, as one of the key assessment criteria, we perform comprehensive assessments and give due consideration to minimise the potential impact on the environment.

Throughout the reporting period, the Group complied with laws and regulations related to air pollution and waste handling including relevant regulations in the PRC.

重要性評估

根據《企業管治守則》，董事會須負責評估及釐定本集團的環境、社會及管治相關風險，並確保制訂適當及有效的環境、社會及管治風險管理及內部監控制度。管理層亦負責向董事會確保該等制度行之有效。

本集團參照聯交所環境、社會及管治指引的要求釐定其環境、社會及管治披露事項的範圍。管理層經考慮本集團的業務運作及同業所採納標準後，對重大性議題進行識別及評估。此等重大性議題的影響按其對本集團及其持份者可持續發展的重要程度予以評核。相關評核與本集團的當前發展階段相關，或於未來出現變動。本集團識別產品質量是對本集團及其持份者均極其重要的事項。

環境

排放物

本集團一直致力將環保融入日常業務營運中，這從我們在防止污染、減少廢物及回收方面的推廣反映出來。作為整個投資決策過程中的主要評估標準之一，我們進行全面評估並適當考慮，盡量減少對環境造成潛在影響。

於整個報告期內，本集團已遵守有關空氣污染及廢物處理的法律及法規，包括中國的有關法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For air and greenhouse gas ("GHG") emissions performance, 有關廢氣及溫室氣體排放表現，請參閱下表。
please refer to the table below.

Environmental Key Performance Indicators 環境關鍵表現指標	Unit 單位	2019 二零一九年	2018 二零一八年
Nitrogen oxides (NOx) emitted from vehicles 車輛排放的氮氧化物(NOx)	g 克	9,209	9,892
Sulphur oxides (SOx) emitted from vehicles 車輛排放的硫氧化物(SOx)	g 克	385	358
Particulate matter emitted from vehicles 車輛排放的顆粒物	g 克	678	728
GHG emissions (Note 1) 溫室氣體排放物(附註1)			
Scope 1 (Note 2) 範圍1(附註2)	tonnes 噸	71	66
Scope 2 (Note 3) 範圍2(附註3)	tonnes 噸	111	103
Scope 3 (Note 4) 範圍3(附註4)	tonnes 噸	66	59
Total 總量	tonnes 噸	248	228

Notes:

附註：

- | | |
|---|--|
| <p>1. GHG emissions included emissions of carbon dioxide, methane and nitrous oxide, where methane and nitrous oxide emissions were converted to carbon dioxide emissions based on global warming potential (GWP). Therefore, the total amount of GHG emissions is the total amount of carbon dioxide emissions equivalent.</p> <p>2. Scope 1 calculated direct GHG emissions from combustion of fuels in mobile sources (e.g. vehicles) controlled by the Group.</p> <p>3. Scope 2 calculated indirect GHG emissions of electricity purchased from power companies.</p> <p>4. Scope 3 calculated the indirect GHG emissions of disposal of paper waste at landfill and business travel by employees.</p> | <p>1. 溫室氣體排放包括二氧化碳、甲烷及氧化亞氮的排放量，當中甲烷及氧化亞氮的排放量根據全球變暖潛勢(global warming potential)換算為二氧化碳排放量。因此，溫室氣體排放總量為二氧化碳當量總量。</p> <p>2. 範圍1計算由本集團旗下控制的流動源（例如車輛）燃燒燃料直接產生的溫室氣體排放量。</p> <p>3. 範圍2計算從電力公司採購電力間接產生的溫室氣體排放量。</p> <p>4. 範圍3計算由堆填區處置廢紙及由僱員商旅間接產生的溫室氣體排放量。</p> |
|---|--|

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For non-hazardous waste, the Group discharged 586 kg of wasted papers in 2019 (2018: 538 kg). The papers are either re-used or collected by third parties for treatment. The Group adopts double-sided printing for internal documents and re-uses used paper to minimise wasted paper.

The Group has not identified any hazardous wastes that were produced in the core business and there are no reducing initiatives at the moment.

The Group promotes green operations and encourages employees to turn off unnecessary lighting and air-conditioning. The Group takes advantage of tele-conferencing and video-conferencing to eliminate unnecessary business trips for Directors and employees.

Use of Resources

Considering the nature of our businesses with the amounts of waste produced in the course of operations, the efforts that we can make should not be taken lightly. We from time to time convey the concept of green office to our employees. For instance, we remind our staff the advantages of double-sided printing and energy saving by switching off idle lighting.

During 2019, the direct and indirect energy consumption by electricity and petrol are 119,818 kWh (2018: 111,033 kWh) and 26,175 L (2018: 24,343 L) respectively.

Payment for water usage has been included in the management fee to the landlord, thus related consumption data cannot be obtained. Meanwhile, the Group did not have problems on shortage of water supply and use of packaging material is not applicable to our core business.

The Environment and Natural Resources

The existing business operations of the Group are not expected to pose a material impact on the environment. However, the management had nonetheless incorporated the factor of the potential impact on the environment and natural resources in business operations planning. The Group hopes that continuous improvement will make a contribution to the global ecological environment.

無害廢物方面，本集團於二零一九年產生586千克（二零一八年：538千克）廢紙。紙張均循環利用或由第三方回收處理。本集團對內部文件均採用雙面打印，並循環利用使用過的紙張，從而盡量減少廢紙。

本集團並無發現核心業務有產生任何有害廢物，現時亦並無制訂減排措施。

本集團提倡綠色行動，鼓勵僱員關掉不需要的電燈和空調。本集團亦善用電話會議及視頻會議設施，減少董事及僱員不必要的商務旅程。

資源使用

鑒於我們的業務性質及於日常營運中產生的廢物量，我們在這方面作出的努力不容忽視。我們不時向僱員宣揚環保辦公室的概念。舉例而言，我們提醒員工雙面影印及關掉閒置燈光節能的好處。

於二零一九年，電力與汽油的直接及間接能源耗量分別為119,818千瓦時（二零一八年：111,033千瓦時）及26,175升（二零一八年：24,343升）。

水費已計入業主的管理費內，因此無法獲取相關消耗數據。與此同時，本集團不存在供水短缺的問題，核心業務亦無使用包裝材料。

環境及天然資源

預期本集團現有的業務營運不會對環境造成重大影響。然而，管理層規劃業務營運時已計及對環境及自然資源潛在影響的因素。本集團期望持續改善可為全球生態環境帶來貢獻。

Although the Group's impacts on environment are insignificant and the Group seldom use natural resources directly, we still encourage our employees to reduce the use of natural resources and recycle as much as possible.

儘管本集團對環境的影響不足為患，而且本集團很少直接使用天然資源，但本集團仍然鼓勵僱員減少使用天然資源，盡可能地回收利用。

SOCIAL – EMPLOYMENT AND LABOUR PRACTICES

社會－僱傭及勞工常規

Recruitment

招聘

It is the objective of the Group to provide employees with a respectful and fair working environment. We have established a sound system of human resources management covering the various aspects such as recruitment and remuneration.

本集團旨在為僱員提供受尊重及公平的工作環境。我們設立完善的人力資源管理系統，涵蓋招聘及薪酬等多個方面。

We hire employees based on consideration of experience, qualifications and knowledge. An employment contract is required to be signed by the employee prior to employment to ensure job title, job duties, working hours, holidays, remuneration, termination process, and benefits are agreed.

我們根據經驗、資歷及學識招聘僱員。於僱用前，僱員須簽署僱用合約，以確保職銜、職責、工作時間、假期、薪酬、終止僱用流程及福利已獲雙方同意。

Promotion, compensation, and dismissal

晉升、補償及解僱

The Group motivates employees by promotion and salary increment based on results of annual performance appraisal. We will keep optimising the remuneration and promotion mechanism that enables the employees to share the fruitful achievement with us. Dismissal is based on the Employment Ordinance, relevant regulations in the PRC including Labour Law of the PRC and Labour Contract Law of the PRC and the requirements as stipulated in the employment contract.

本集團根據年度表現評估作出晉升及加薪決定，藉以激勵僱員。我們將繼續優化薪酬及晉升機制，讓僱員分享我們的豐碩成果。解僱程序符合《僱傭條例》、相關中國法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及僱用合約列明的規定。

Working hours, rest periods and benefits

工作時間、休息時間及福利

Five-day workweek arrangement is adopted in Hong Kong to facilitate work-life balance. In addition to all public holidays (including Sundays) as specified in the General Holidays Ordinance, employees are entitled to annual leaves, and other paid leaves such as maternity leave, paternity leave, compensation leave, wedding leave and examination leave.

本集團在香港採取每星期工作五天的安排，以促進工作與生活之間的平衡。除《公眾假期條例》列明的所有公眾假期（包括星期日）外，僱員有權放取年假及其他有薪假期，如產假、侍產假、補休假、婚假及考試假。

Employees enjoy medical benefits, provident fund scheme (if applicable) and other benefits subject to the Group's policies.

根據本集團政策，僱員享有醫療福利、公積金計劃（如適用）及其他福利。

Equal opportunity and anti-discrimination

The Group strove to optimise the system of human resources management to promote fairness and equality within the workplace, human resources policy has been established to ensure there is no discrimination on the grounds of age, gender, marital status, family status, sexual orientation, disability, ethnic group, nationality or religion. In accordance with our human resource policy, the above factors are not considered in the decision-making process of employment, remuneration, and promotion.

The Group would ensure strict compliance with all relevant regulatory standards, particularly the Hong Kong Employment Ordinance and Employees' Compensation Ordinance and the relevant regulations in the PRC including Labour Law of the PRC, Labour Contract Law of the PRC, and Implementation Regulations for the Labour Contract Law of the PRC.

Details of remuneration policy of the Group are also set out in the "Employees and Remuneration Policies" section in the Management Discussion and Analysis on page 28.

Health and safety

We believe that safe working does not only uphold the adherence to people-oriented principles but also preserve our talents from exposure to occupational diseases or injuries, no matter severe or minor.

Safety guides in respect of reducing occupational hazards in the office working environment were circulated to employee to advise employees to address more attention to health and safety issues.

The Group adopts a five-day workweek in Hong Kong and motivates our staff to keep a practical and reasonable work-life balance.

In the meantime, we support our contractors and business partners placing high emphasis on health and safety issues, in terms of occupational hazards.

平等機會及反歧視

本集團致力優化人力資源管理系統，以宣揚工作環境的公平及平等精神，並已訂立人力資源政策，確保消除年齡、性別、婚姻狀況、家庭狀況、性取向、殘疾、種族、國籍或宗教歧視。根據我們的人力資源政策，在僱用、薪酬及晉升的決策過程中不會考慮上述因素。

本集團將確保嚴格遵守所有相關監管標準，尤其是香港《僱傭條例》及《僱員補償條例》及中國的有關法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國勞動合同法實施條例》。

本集團薪酬政策詳情亦載於第28頁管理層討論與分析「僱員和薪酬政策」一節內。

健康及安全

我們相信，安全工作不僅符合以人為本的原則，亦保護我們的人才免受各種大小的職業疾病或傷患侵害。

我們已向僱員提供安全指引，以減少工作環境的職業危害，提醒僱員多關注健康及安全問題。

本集團於香港採取每星期工作五天的安排，鼓勵僱員保持實際而合理的工作與生活平衡。

同時，我們支持承辦商及業務夥伴高度重視職業危害方面的健康及安全問題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

There is a full compliance towards Occupational Safety and Health Ordinance and relevant regulations that protected employees from occupation hazards. The Group also complied with Labour Law of the PRC and Law of PRC on the Prevention & Control of Occupational Diseases. The Group did not experience any lost days due to injury or work-related fatalities during the reporting period.

Development and training

Apart from providing training materials for Directors as stated in the Corporate Governance Report, in the face of the dynamic business environment, employees are strongly recommended to equip themselves with different branches of knowledge. Subsidies of HK\$5,320 (2018: HK\$6,890) were given to employees for participation in training courses of 29 hours (2018: 37.5 hours) in 2019 which aim at enhancing their job skills. The training covered the management skill and leadership improvement, company's organisation strategy and corporate culture, employee's business knowledge, orientation and other specific training.

In addition to the professional training courses, we do not neglect the opportunities of providing our employees with learning experience gained through work assignments so as to build up their on-going job skills which benefit career development of our staff.

Labour standards

Child labour and forced labour are strictly prohibited within the Group. In accordance with our Human Resources Policy, background check and reference check are conducted by Human Resources Department based on the information provided by applicants before hiring, among other sources. Applicants who do not meet the legal requirements would not be hired.

There is full compliance towards relevant national and local regulations that prohibits child or forced labour. During the reporting period, we did not receive any complaints or reporting of child labour or forced labour.

本集團全面遵守《職業安全及健康條例》及相關法規，以保護僱員免受職業危害風險，本集團亦遵守《中華人民共和國勞動法》及《中華人民共和國職業病防治法》。於報告期內，本集團未曾因發生人員傷害或工業意外傷亡造成損失工作日的情況。

發展及培訓

除按企業管治報告所述為董事提供培訓資料外，我們亦強烈建議僱員在變化不定的業務環境下掌握各方面知識。二零一九年，我們為參與29小時（二零一八年：37.5小時）的提升工作技能培訓課程的僱員提供港幣5,320元（二零一八年：港幣6,890元）資助，培訓涵蓋管理技能及領導力的改善、公司組織策略及企業文化、僱員業務知識、導向及其他專項培訓。

除專業培訓課程外，我們亦著重分工，為僱員提供學習機會，以提高在職技能，對我們僱員的事業發展有所裨益。

勞工標準

本集團嚴禁童工及強制勞工。根據我們的人力資源政策，人力資源部於聘用前會根據申請人提供的資料及其他資料，進行背景調查及徵信調查。違反法律規定的申請人不會獲聘用。

本集團全面遵守有關嚴禁童工或強制勞工的國家及地區法規。於報告期內，我們並未收過任何童工或強制勞工方面的投訴或舉報。

SOCIAL – OPERATING PRACTICES

Supply chain management

Business contract management is of fundamental concern to us. We do encourage and expect our contractors and business partners (i.e. film production companies, film directors and producers, etc) to uphold a high standard of morality that is similar to our own. To facilitate the cooperation, thorough assessment based on a variety of criteria, including but not limited to attitude towards environmental and social issues, is conducted to evaluate the quality as well as its moral standards of our business partners and contractors prior to stepping into contracting stage.

Product responsibility

The Group is principally engaged in media and entertainment related businesses. It recognises that proper advertising of services and products (e.g. films and internet drama series) provided as well as a timely response is of great importance to the long-term business development. The Group makes every endeavor to comply with the relevant legislation.

Being an investor in the media and entertainment field, the Group has always placed utmost importance to the safeguard and protection of intellectual property rights, encompassing the management of the confidentiality and information sharing. Clauses are included in the media investment agreements and other related cooperation agreements to protect the Group's interests in the films and/or internet drama series which it invested in, such as the Group's income rights, distribution rights and copyrights in the productions.

社會－營運常規

供應鏈管理

我們非常重視業務合約管理。我們鼓勵並期望承辦商及業務夥伴（即電影製作公司、導演及監製等）與我們一樣遵守嚴格的道德標準。為促進合作，在進入承辦階段前，我們會根據各種標準（包括但不限於環境及社會問題的觀點），對業務夥伴及承辦商的質素及其道德標準作全面評估。

產品責任

本集團主要從事媒體及娛樂相關業務，明白適當提供服務及產品（如電影及網絡系列影視劇）廣告宣傳及適時的應對，對長期業務發展至關重要。本集團一直致力遵守相關法例。

作為媒體及娛樂行業的投資者，本集團一直非常重視知識產權的維護及保障，包括保密及資訊分享管理。我們在媒體投資協議及其他相關合作協議加入條款，旨在保護本集團於其所投資電影及／或網絡系列影視劇中的權益，例如本集團於相關作品中的收益權、發行權及版權。

Product quality

The Group is principally engaged in media and entertainment related businesses. The Group always looks for good investment opportunities that bring high economic returns for Shareholders and provide more choices for customers. *Crazy Alien* (瘋狂的外星人) is the movie exclusively invested by the Group and released in 2019 which earned RMB2,200 million in box office receipts and scored 8.5/10 in maoyan.com.

Anti-corruption

The Group is committed to preventing bribes, extortion, fraud and money laundering. A whistle-blowing reporting channel has been established for employees to report any suspected fraud, malpractice, corruption, or any other unethical actions. The whistleblowing policy has been uploaded on the website of the Company www.huanximedia.com. We aim to maintain high moral standards in the conduct of our business.

The Group has strictly adhered to relevant laws and regulations, including the Prevention of Bribery Ordinance and the relevant regulations in the PRC. During the year 2019, there was no legal case or dispute in respect of bribery, extortion, fraud or money laundering against our employees and the Group.

SOCIAL – COMMUNITY

Community investment

The Group facilitates opportunities for employees to be a part of our communities. We encourage assistance in and participation in conventions, conferences, exhibitions and events held by business communities relevant to our business, with a particular focus on organisations promoting the development of media industries and community partnership.

產品質量

本集團主要從事媒體及娛樂相關業務。本集團持續物色可為股東帶來高經濟回報、為客戶提供更多選擇的投資良機。由本集團獨家投資並於二零一九年上映的電影《瘋狂的外星人》收穫票房人民幣2,200,000,000元，貓眼評分達8.5/10分。

反貪污

本集團致力防止賄賂、勒索、欺詐及洗錢。我們已為僱員設立舉報途徑，以舉報任何疑似欺詐、不當行為、貪污或任何其他違反職業操守的行為。舉報政策已上載至本公司的網站www.huanximedia.com。我們旨在維持嚴格的業務操守標準。

本集團一直嚴格遵守相關法律法規，包括《防止賄賂條例》以及中國的有關法規。於二零一九年，概無發生任何針對我們的僱員及本集團的賄賂、勒索、欺詐或洗錢的案件或爭議。

社會－社區

社區投資

本集團致力讓僱員成為社區一分子。我們鼓勵僱員協助及參加與我們業務相關的商界（尤其是注重推動媒體行業及社區合作關係的組織）舉辦的大會、會議、展覽及活動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of Huanxi Media Group Limited
(incorporated in Bermuda with limited liability)

致歡喜傳媒集團有限公司股東
(於百慕達註冊成立之有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Huanxi Media Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 108 to 227, which comprise:

歡喜傳媒集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第108至227頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一九年十二月三十一日的綜合財務狀況表；
 - 截至該日止年度的綜合損益及其他全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒布的《香港財務報告準則》（「香港財務報告準則」）真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets
- Impairment of prepayments for film and TV programmes rights

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量
- 電影及電視劇版權預付款的減值

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets	
Refer to Note 4(c), Note 19 and Note 22 to the consolidated financial statements.	Our procedures in relation to the valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets included:
As at 31 December 2019, film and TV programmes rights classified as intangible assets and other intangible assets of the Group amounted to approximately HK\$822,055,000 and HK\$11,294,000, respectively, and they collectively represented approximately 45% of the Group's total assets.	Film and TV programmes rights completed and under production - Assessed the reasonableness of the sources of information used by management in identifying impairment indicators, including management's assessment on current market condition, political environment and latest regulatory changes. - Examined the relevant correspondences with joint investors and/or film production house engaged by the Group on sample basis to evaluate the progress of the production of the film and TV programmes rights and the distribution plan for the completed titles. - Discussed with management and compared with available market information to assess the expected performance and distribution plan.
As described in the accounting policies in Note 2.10 to the consolidated financial statements, the Group has classified (i) film and TV programmes rights completed, (ii) film and TV programmes rights under production, and (iii) licensed film and TV programmes rights as intangible assets. All these rights are measured at cost less accumulated amortisation and impairment.	

關鍵審計事項 (續)

關鍵審計事項	我們的審計如何處理 關鍵審計事項
分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量	
請參閱綜合財務報表附註4(c)、附註19及附註22。	我們有關分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量程序包括：
於二零一九年十二月三十一日，貴集團之分類為無形資產之電影及電視劇版權以及其他無形資產分別約為港幣822,055,000元及港幣11,294,000元，合共佔貴集團資產總額約45%。	已完成及製作中之電影及電視劇版權 評估管理層用於識別減值跡象之資料來源的合理性，包括管理層對當期市況、政治環境以及最新監管變動的評估。
誠如綜合財務報表附註2.10的會計政策所述，貴集團已將(i)已完成之電影及電視劇版權，(ii)製作中之電影及電視劇版權及(iii)獲授權之電影及電視劇版權分類為無形資產。所有該等版權均按成本減累計攤銷及減值計量。	- 抽樣檢查 貴集團與有業務往來的聯合投資者及／或電影製作公司之間的相關信函，從而對電影及電視劇版權的製作進度及已完成項目的發行計劃進行評估。 - 與管理層討論並比較可公開查閱的市場資訊，藉此評估預期表現及發行計劃。

KEY AUDIT MATTERS (Continued)

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets (Continued)

Film and TV programmes rights completed

In determining whether there is any impairment indicator on respective film and TV programmes rights completed, the Group considered factors such as current market condition, political environment, latest regulatory changes, and whether there is any adverse change on the expected performance and distribution plan. Based on management's assessment, no impairment indicator has been identified for the film and TV programmes rights completed during the year.

Film and TV programmes rights under production

In addition to the factors considered in the impairment assessment performed for the film and TV programmes rights completed, for those rights that are under production, management also considered whether the Group has sufficient financial ability and internal resources to complete the production of the film and TV programmes rights and to market them effectively and whether there are any adverse changes identified on the budgeted costs. Besides, management determined the recoverable amount of film and TV programmes rights under production through fair value less cost of disposal approach. Based on management's assessment, no impairment has been identified for the film and TV programmes rights under production during the year.

Film and TV programmes rights under production

- Compared the contractual commitments of respective film and TV programmes rights on a sample basis with, and discussed with management in relation to, the financing plan on the commitments in order to complete the production and marketing plan.
- Assessed the fair value less cost of disposal determined by management on a sample basis with reference to the estimated value of disposal, budgeted costs and actual costs incurred.

- Performed specific inquiries with management about the major crew members and their background, experience and profile, and performed relevant search through external sources on media coverage on the related popularity of the crew members to corroborate with management's production plans.

Licensed film and TV programmes rights and other intangible assets

- We evaluated management's impairment assessment by assessing the DCF used in calculation as set out below:
 - Assessed the competency, capabilities and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group.

關鍵審計事項 (續)

關鍵審計事項

我們的審計如何處理關鍵審計事項

分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量 (續)

已完成之電影及電視劇版權

於釐定各已完成之電影及電視劇版權是否存在任何減值跡象時，貴集團考慮多項因素，例如當期市況、政治環境、最新監管變動以及預期表現及發行計劃是否出現任何不利變動。根據管理層的評估，於年內概無就已完成之電影及電視劇版權識別出減值跡象。

製作中之電影及電視劇版權

在就已完成之電影及電視劇版權進行減值評估時所考慮的因素外，就製作中之版權而言，管理層亦考慮貴集團是否擁有充足的財務實力及內部資源以完成電影及電視劇版權的製作並進行有效市場推廣，以及預算成本是否出現任何不利變動。此外，管理層按公平值減出售成本的方法釐定製作中之電影及電視劇版權的可收回金額。根據管理層的評估，於年內概無發現製作中之電影及電視劇版權出現減值。

製作中之電影及電視劇版權

- 將各電影及電視劇版權的合約承擔與為完成製作及營銷計劃而就有關承擔制訂的融資計劃進行抽樣對比，並就此與管理層展開討論。
- 參考估計出售價值、預算成本及產生的實際成本，抽樣評估管理層釐定的公平值減出售成本。

- 就主要團隊成員及其背景、經驗與概況向管理層作出特定查詢，並藉助外部資源調查與團隊成員知名度相關的媒體報導，以批核管理層的製作計劃。

獲授權之電影及電視劇版權以及其他無形資產

- 我們透過評估計算過程中使用的貼現現金流量預測，對管理層的減值評估作出評價，具體如下：
 - 考慮獨立外部估值師的資格、相關經驗及與貴集團的關係，藉此評估其稱職程度、能力及客觀性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
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Valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets (Continued)

Licensed film and TV programmes rights and other intangible assets

In determining whether there is any impairment indicator on the licensed film and TV programmes rights, management considered them together with the other intangible assets (being license and software development costs) related to the Group's streaming platform. The Group's licensed film and TV programmes rights are available for subscription on its streaming platform which is considered as a cash-generating unit (the "Platform CGU"). Based on management's assessment, impairment indicator existed for the Platform CGU at the year end.

In carrying out the impairment assessment, the Group engaged an external valuer to support the determination of the recoverable amount based on the income approach using the discounted cash flow forecast ("DCF") which involves significant estimates and judgements including discount rate and terminal growth rate applied in the DCF of the Platform CGU. Based on management's assessment, no impairment provision is required for the licensed film and TV programmes rights and other intangible assets associated with the Platform CGU as at year end.

- Assessed the methodology adopted and checked the mathematical accuracy of the underlying DCF calculation.
- Assessed the reasonableness of the management key assumptions adopted and judgement exercised in its DCF, including the cash flow estimations by comparing with the approved budget.
- Involved our internal valuation specialists to assess the model and assumptions used in the valuation, including the discount rate and terminal growth rate.

We found the judgements and assumptions made by management in relation to the valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets to be supportable by the available evidence.

關鍵審計事項 (續)

關鍵審計事項	我們的審計如何處理 關鍵審計事項
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分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量 (續)

獲授權之電影及電視劇版權以及其他無形資產

在釐定獲授權之電影及電視劇版權是否存在任何減值跡象時，管理層乃將其與 貴集團流媒體平台涉及的其他無形資產(即許可證及軟件開發成本)一併考慮。 貴集團獲授權之電影及電視劇版權在其流媒體平台(該平台被視為現金產生單位(「平台現金產生單位」))上可供認購。根據管理層的評估，平台現金產生單位於年末時存在減值跡象。

進行減值評估時， 貴集團委聘一名外部估值師使用貼現現金流量預測按收入法釐定可收回金額，當中涉及重大估計及判斷，包括進行平台現金產生單位之貼現現金流量預測所使用的貼現率及終端增長率。根據管理層的評估，截至年底，毋須就與平台現金產生單位有關的獲授權之電影及電視劇版權以及其他無形資產計提減值撥備。

- 評估所採用的方法並審核相關貼現現金流量預測計算的準確性。
- 評估管理層在進行貼現現金流量預測時所採納的主要假設及所行使判斷的合理性，包括透過比較經批准的預算評估現金流量估計的合理性。
- 委派我們的內部估值專家參與評估估值所用的模型及假設，包括貼現率及終端增長率。

我們認為，管理層就分類為無形資產的電影及電視劇版權以及其他無形資產的估值及計量作出的判斷及假設均有據可依。

KEY AUDIT MATTERS (Continued)

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation and measurement of film and TV programmes rights classified as intangible assets and other intangible assets (Continued)

We focused on this area due to the significance of the carrying amounts of the film and TV programmes rights classified as intangible assets and other intangible assets to the consolidated financial statements and significant management judgements involved in the valuation and measurement of these assets.

Impairment of prepayments for film and TV programmes rights

Refer to Note 21 to the consolidated financial statements.

As at 31 December 2019, the Group had prepayments for film and TV programmes rights of approximately HK\$362,707,000, which represented approximately 20% of the Group's total assets. The prepayments were made under the agreements with film directors in relation to the acquisition of future film and TV programmes rights.

The Group has performed an assessment on whether impairment indicator exists for the prepayments for film and TV programmes rights. Management considered the status of film and TV programmes rights investment plans and the progress of utilisation of the prepayments. Based on the management's assessment, no impairment indicator has been identified for the prepayments for film and TV programmes rights.

We focused on this area due to the significance of the Group's prepayments for film and TV programmes rights to the consolidated financial statements and the significant management judgements involved in assessing the impairment of the prepayments.

In evaluation of the management's assessment on the identification of impairment indicators for the Group's prepayments for film and TV programmes rights, we have performed the following procedures:

- Obtained an understanding on and evaluated and tested the Group's key control over initiation and authorisation of cooperate agreements with film directors.
- Inquired with the management on the status of film and TV programmes rights investment plans with film directors.
- Inspected the correspondences between the film directors and management related to the progress of utilisation of the prepayments on a sample basis.
- Interviewed certain film directors for confirming the understanding of the terms of the agreements and compared the plans of utilisation of prepayments against management's investment plans.
- Circulated confirmations with counterparties as to the balances of prepayments as at 31 December 2019.

We found the judgements made by management in relation to the impairment assessment of prepayments for film and TV programmes rights to be supportable by the available evidence.

關鍵審計事項 (續)

關鍵審計事項

我們的審計如何處理關鍵審計事項

分類為無形資產之電影及電視劇版權以及其他無形資產的估值及計量 (續)

我們專注於此範疇，原因在於分類為無形資產之電影及電視劇版權及其他無形資產的賬面值就綜合財務報表而言數額重大，同時該等資產的估值及計量均涉及重大管理層判斷。

電影及電視劇版權預付款的減值

請參閱綜合財務報表附註21。

於二零一九年十二月三十一日，貴集團的電影及電視劇版權預付款約為港幣362,707,000元，佔貴集團資產總額約20%。預付款乃根據與電影導演就收購未來電影及電視劇版權訂立的協議作出。

貴集團已就電影及電視劇版權預付款是否存在減值跡象進行評估。管理層已考慮電影及電視劇版權投資計劃的狀況及預付款的動用情況。根據管理層的評估，概無就電影及電視劇版權預付款識別出減值跡象。

我們專注於此範疇，原因在於貴集團的電影及電視劇版權預付款就綜合財務報表而言數額重大，同時評估預付款減值涉及重大管理層判斷。

在評價管理層就貴集團的電影及電視劇版權預付款識別減值跡象作出的評估時，我們已執行以下程序：

- 了解、評價及測試 貴集團有關發起及授權與電影導演訂立合作協議的關鍵控制措施。
- 向管理層查詢與電影導演訂立的電影及電視劇版權投資計劃的狀況。
- 抽樣檢查電影導演與管理層之間有關預付款動用情況的往來信函。
- 與若干電影導演面談，以確認對協議條款的理解，並將預付款的動用計劃與管理層的投資計劃進行比較。
- 與交易對手溝通確認預付款於二零一九年十二月三十一日的結餘。

我們認為，管理層就電影及電視劇版權預付款的減值評估作出的判斷乃有據可依。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

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

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

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

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

核數師就審計綜合財務報表承擔的 責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

核數師就審計綜合財務報表承擔的 責任(續)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu.

核數師就審計綜合財務報表承擔的 責任 (續)

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是何振宇。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 31 March 2020

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Revenue and film investment income	收益及電影投資收入	5	814,425	174,632
Cost of revenue	收益之成本	9	(470,915)	(85,317)
Gross profit	毛利		343,510	89,315
Other income	其他收入	7	21,371	42
Other losses	其他虧損	8	(2,306)	(346)
Selling and distribution costs	銷售及分銷成本	9	(43,274)	(25,958)
Administrative expenses	行政開支	9	(132,983)	(203,521)
Share-based payment for cooperation with a film director	與一名電影導演合作之 以股份為基礎之付款	35	–	(270,000)
Operating profit/(loss)	經營溢利/(虧損)		186,318	(410,468)
Finance income	財務收入	11	3,036	701
Finance costs	財務費用	11	(3,170)	(16,497)
Finance costs, net	財務費用，淨額	11	(134)	(15,796)
Profit/(loss) before tax	除稅前溢利/(虧損)		186,184	(426,264)
Income tax expense	所得稅開支	12	(81,081)	(18,429)
Profit/(loss) for the year	本年度溢利/(虧損)		105,103	(444,693)
Profit/(loss) for the year attributable to owners of the Company	本公司擁有人應佔本年度 溢利/(虧損)		105,103	(444,693)
Other comprehensive (loss)/income	其他全面(虧損)/收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>			
Exchange differences arising on translation of functional currency to presentation currency	將功能貨幣換算為呈報貨幣 產生之匯兌差額		(7,195)	5,028
<i>Item that may be reclassified to profit or loss:</i>	<i>可能會重新分類至損益之項目：</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(22,776)	(49,202)
			(29,971)	(44,174)
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損) 總額		75,132	(488,867)
Total comprehensive income/(loss) for the year attributable to owners of the Company	本公司擁有人應佔本年度 全面收益/(虧損)總額		75,132	(488,867)
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利/(虧損)之每股盈利/(虧損)			
Basic and diluted (in HK\$)	基本及攤薄(港幣元)	16	0.03	(0.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

上述綜合損益及其他全面收益表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2019 於二零一九年十二月三十一日

	Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
NON-CURRENT ASSETS			
Property, plant and equipment	17	4,571	3,762
Right-of-use assets	18	36,097	–
Intangible assets	19	11,294	16,285
Deposits and prepayments	23	105,198	5,608
Prepayments for film and TV programmes rights	21	362,707	370,222
Film and TV programmes rights	22	118,438	18,077
		638,305	413,954
CURRENT ASSETS			
Film and TV programmes rights	22	803,514	744,542
Trade and other receivables, deposits and prepayments	23	155,120	371,305
Contract assets	6	2,364	5,220
Cash and cash equivalents	24	256,203	158,528
		1,217,201	1,279,595
Total assets		1,855,506	1,693,549
EQUITY			
Share capital	29	31,547	29,181
Reserves	30	1,098,683	629,487
Total equity		1,130,230	658,668
NON-CURRENT LIABILITY			
Lease liabilities	18	20,997	–
CURRENT LIABILITIES			
Trade and other payables	25	93,860	98,025
Film investment funds from investors	26	188,634	–
Contract liabilities	6	279,250	528,652
Amounts due to related parties	37	–	92,467
Borrowings	27	50,000	295,307
Lease liabilities	18	15,897	–
Current tax liabilities		76,638	20,430
		704,279	1,034,881
Total liabilities		725,276	1,034,881
Total equity and liabilities		1,855,506	1,693,549

The consolidated financial statements on pages 108 to 227 were approved by the Board of Directors on 31 March 2020 and were signed on its behalf:

第108頁至227頁之綜合財務報表已於二零二零年三月三十一日獲董事會批准，並由下列董事代表董事會簽署：

Dong Ping
董平
DIRECTOR
董事

Xiang Shaokun, Steven
項紹琨
DIRECTOR
董事

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述綜合財務狀況表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

AT 31 DECEMBER 2019 於二零一九年十二月三十一日

		Attributable to owners of the Company 本公司擁有人應佔		
		Share capital (Note 29) 股本 (附註29) HK\$'000 港幣千元	Reserves (Note 30) 儲備 (附註30) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	27,681	764,486	792,167
Loss for the year	本年度虧損	–	(444,693)	(444,693)
Other comprehensive loss	其他全面虧損	–	(44,174)	(44,174)
Total comprehensive loss for the year	本年度全面虧損總額	–	(488,867)	(488,867)
Transactions with owners:	與擁有人的交易：			
Issue of ordinary shares for cooperation with a film director	與一名電影導演合作而發行之普通股	1,500	268,500	270,000
Share option scheme:	購股權計劃：			
– value of services provided	– 已提供服務之價值	–	85,368	85,368
		1,500	353,868	355,368
At 31 December 2018	於二零一八年十二月三十一日	29,181	629,487	658,668
At 1 January 2019	於二零一九年一月一日	29,181	629,487	658,668
Profit for the year	本年度溢利	–	105,103	105,103
Other comprehensive loss	其他全面虧損	–	(29,971)	(29,971)
Total comprehensive income for the year	本年度全面收益總額	–	75,132	75,132
Transactions with owners:	與擁有人的交易：			
Issue of ordinary shares, net of transaction costs	發行普通股(扣除交易成本)	2,366	387,634	390,000
Share option scheme:	購股權計劃：			
– value of services provided	– 已提供服務之價值	–	6,430	6,430
		2,366	394,064	396,430
At 31 December 2019	於二零一九年十二月三十一日	31,547	1,098,683	1,130,230

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上述綜合權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Cash flows from operating activities			
Cash generated from/(used in) operations			
Income taxes paid	31	95,933 (22,422)	(61,880) —
Net cash generated from/(used in) operating activities		73,511	(61,880)
Cash flows from investing activities			
Interest received		3,036	701
Proceeds from disposal of property, plant and equipment	31	170	18
Purchase of property, plant and equipment		(3,244)	(332)
Payment of software development costs		—	(334)
Inflow of cash to acquire subsidiary, net of cash acquired	36	—	494
Net cash (used in)/generated from investing activities		(38)	547
Cash flows from financing activities			
Proceeds from issue of ordinary shares		390,556	—
Share issue transaction costs		(556)	—
Advances from related parties		16,763	175,156
Proceeds from borrowings		50,000	368,313
Repayments of advance from related parties		(114,291)	(197,024)
Repayments of borrowings		(293,036)	(156,810)
Principal elements of lease payments		(13,285)	—
Interest paid		(8,305)	(2,307)
Net cash generated from financing activities		27,846	187,328
Net increase in cash and cash equivalents		101,319	125,995
Cash and cash equivalents at beginning of the year		158,528	39,169
Effects of exchange rate changes on cash and cash equivalents		(3,644)	(6,636)
Cash and cash equivalents at end of the year	24	256,203	158,528

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述綜合現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

1 GENERAL

Huanxi Media Group Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company has been changed to Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda with effect from 15 July 2019 and its principal place of business in Hong Kong is 11th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses which include development and investment in film and TV programmes rights and operation of streaming platform. The activities of its principal subsidiaries are set out in Note 13.

These consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 一般資料

歡喜傳媒集團有限公司(「本公司」)為一家於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處地址已變更為 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda，自二零一九年七月十五日起生效，而香港主要營業地點為香港金鐘夏慤道16號遠東金融中心11樓。

本公司乃一間投資控股及電影投資公司，其附屬公司主要從事媒體及娛樂相關業務，包括電影及電視劇版權製作及投資以及營運流媒體平台。其主要附屬公司之業務載於附註13。

除特別註明外，本公司及其附屬公司(統稱「本集團」)之此等綜合財務報表以港幣(「港幣」)呈列。

2 主要會計政策概要

本附註載列編製此等綜合財務報表時採納之主要會計政策。除特別註明外，該等政策已貫徹應用於呈列的所有年度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation

(a) Compliance with HKFRSs and HKCO

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance ("HKCO") Cap. 622.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

Annual Improvement projects	Annual improvements 2015 – 2017 Cycle (Amendments)
HKAS 19 (Amendments)	Plan amendment, curtailment or settlement
HKAS 28 (Amendments)	Long-term interests in associates and joint ventures
HKFRS 9 (Amendments)	Prepayment features with negative compensation
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over income tax treatments

The Group had to change its accounting policies but no retrospective adjustments were resulted following the adopting HKFRS 16. The impact of adoption is disclosed in Note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

2 主要會計政策概要(續)

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)及香港公司條例(「香港公司條例」)(第622章)之規定編製。

(b) 歷史成本常規法

綜合財務報表已根據歷史成本基準編製，惟按公平值計量之若干金融資產除外。

(c) 本集團採納之新訂及經修訂準則

本集團自二零一九年一月一日起的年度報告期間首次應用下列準則及修訂：

年度改進項目	二零一五年至二零一七年週期之年度改進(修訂本)
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益
香港財務報告準則第9號(修訂本)	具有負補償之提前還款特點
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	所得稅處理之不確定性

本集團須變更其會計政策，惟採納香港財務報告準則第16號後並無作出追溯調整。採納的影響於附註2.2披露。上文列示的大部分其他修訂本對過往期間確認的金額並無任何影響，且預期不會對現時期間產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(d) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要(續)

2.1 編製基準(續)

(d) 尚未採納之新訂準則及詮釋

若干新會計準則及詮釋已頒布但並未於二零一九年十二月三十一日報告期間強制生效，且本集團並無提早採納。預計該等準則不會對實體現時或未來之報告期，以及可預見未來之交易產生重大影響。

		Effective for annual periods beginning on or after 於以下日期或之後 開始之年度期間生效
HKAS 1 and HKAS 8 (Amendments) 香港會計準則第1號及香港會計準則第8號 (修訂本)	Definition of material 重大的定義	1 January 2020 二零二零年一月一日
HKFRS 3 (Amendments) 香港財務報告準則第3號(修訂本)	Definition of business 業務的定義	1 January 2020 二零二零年一月一日
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised conceptual framework for financial reporting 經修訂財務報告概念框架	1 January 2020 二零二零年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	1 January 2021 二零二一年一月一日
HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號及香港會計準則 第28號(修訂本)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的 資產出售或出資	To be announced 待公布

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's consolidated financial statements.

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019. The new accounting policies are disclosed in Note 2.30.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.82%.

2 主要會計政策概要(續)

2.2 會計政策變動

本附註闡釋採納香港財務報告準則第16號「租賃」對本集團的綜合財務報表之影響。

誠如上文附註2.1所指，本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號「租賃」，但按該準則中的特定過渡性條文所准許，並無重列二零一八年報告期的比較數字。因此，新租賃規則所產生的重新分類及調整於二零一九年一月一日的期初財務狀況表中確認。新會計政策於附註2.30披露。

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號「租賃」的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按租賃付款餘額的現值計量，並使用承租人於二零一九年一月一日的增量借款利率進行貼現。於二零一九年一月一日，適用於租賃負債的承租人增量借款利率為3.82%。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining Whether an Arrangement Contains a Lease.

2 主要會計政策概要(續)

2.2 會計政策變動(續)

(a) 所應用之可行權宜方法

於首次應用香港財務報告準則第16號時，本集團已應用以下獲該準則准許的可行權宜方法：

- 對具有大致相似特徵的租賃組合應用單一貼現率
- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法－於二零一九年一月一日並無虧損性合約
- 將於二零一九年一月一日剩餘租期少於12個月的經營租賃入賬列作短期租賃
- 於初始應用日期剔除初始直接成本，以計量使用權資產；及
- 倘合約包含延期或終止租賃的選擇權，則使用事後方式釐定租約年期。

本集團亦決定不會重新評估合約於初始應用日期是否為或包含一項租賃。相反，就於過渡日期前訂立的合約而言，本集團依賴其於應用香港會計準則第17號及詮釋第4號「釐定安排是否包含租賃」時所作的評估。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(b) Measurement of lease liabilities

		HK\$'000 港幣千元
Operating lease commitments disclosed as at 31 December 2018 (Note 33)	於二零一八年十二月三十一日披露之經營租賃承擔(附註33)	35,577
Discounted using the lessee's incremental borrowing rate of at the date of initial application	使用承租人於初始應用日期的增量借款利率進行貼現	(2,134)
Short-term leases not recognised as a liability	並未確認為負債之短期租賃	(3,540)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	29,903
Of which are:	其中包括：	
– Current lease liabilities	– 即期租賃負債	8,899
– Non-current lease liabilities	– 非即期租賃負債	21,004
		29,903

(c) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 主要會計政策概要(續)

2.2 會計政策變動(續)

(b) 租賃負債的計量

		HK\$'000 港幣千元
Operating lease commitments disclosed as at 31 December 2018 (Note 33)	於二零一八年十二月三十一日披露之經營租賃承擔(附註33)	35,577
Discounted using the lessee's incremental borrowing rate of at the date of initial application	使用承租人於初始應用日期的增量借款利率進行貼現	(2,134)
Short-term leases not recognised as a liability	並未確認為負債之短期租賃	(3,540)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	29,903
Of which are:	其中包括：	
– Current lease liabilities	– 即期租賃負債	8,899
– Non-current lease liabilities	– 非即期租賃負債	21,004
		29,903

(c) 使用權資產的計量

相關使用權資產乃按相當於租賃負債的金額計量，並按於二零一八年十二月三十一日在綜合財務狀況表內確認與該項租賃相關的任何預付或應計租賃付款金額進行調整。於初始應用日期，概無須對使用權資產作出調整的虧損性租賃合約。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(d) Adjustments recognised in the consolidated statement of financial position on 1 January 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

- right-of-use assets – increase by approximately HK\$29,903,000; and
- lease liabilities – increase by approximately HK\$29,903,000

2.3 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.2 會計政策變動(續)

(d) 於二零一九年一月一日在綜合財務狀況表確認之調整

於二零一九年一月一日，會計政策變動影響下列綜合財務狀況表項目：

- 使用權資產—增加約港幣29,903,000元；及
- 租賃負債—增加約港幣29,903,000元

2.3 綜合原則

(i) 附屬公司

附屬公司指本集團擁有控制權的所有實體（包括結構性實體）。當本集團從參與實體業務而承擔取得其可變回報之風險或享有可變回報之權利，並有能力透過其對實體活動之主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面綜合入賬，並於終止控制權當日起終止綜合入賬。

本集團採用收購會計法將業務合併入賬（參閱附註2.4）。

集團內公司間交易、結餘及集團內公司間交易未變現收益均會對銷。未變現虧損亦會對銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納的政策一致。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation (Continued)

(ii) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint operations.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2 主要會計政策概要 (續)

2.3 綜合原則 (續)

(ii) 聯合安排

根據香港財務報告準則第11號「聯合安排」，於聯合安排中的投資分類為合營業務或合營企業。其分類取決於各投資者之合約權利及義務而非聯合安排之法律架構。本集團有合營業務。

合營業務

本集團確認其對合營業務之資產、負債、收益及開支的直接權利以及其應佔任何共同持有或招致之資產、負債、收益及開支。該等項目已記入綜合財務報表的適當項目下。

2.4 業務合併

本集團採用收購會計法將所有業務合併入賬，而不論是否已收購權益工具或其他資產。收購一間附屬公司轉讓之代價包括：

- 所轉讓資產的公平值
- 被收購業務前擁有人所招致之負債
- 本集團已發行股權
- 或然代價安排產生的任何資產或負債之公平值；及
- 於該附屬公司中的任何先前股權之公平值。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2 主要會計政策概要(續)

2.4 業務合併(續)

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債初步按其於收購日期之公平值計量(少數例外情況除外)。本集團根據個別收購基準按公平值或非控股權益享有被收購實體可識別資產淨值的份額比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

以下項目

- 所轉讓代價，
- 被收購實體的任何非控股權益金額；及
- 於被收購實體的任何先前股權於收購日期的公平值

超出所收購可識別資產淨值公平值的金額以商譽列賬。若該等金額低於所收購業務的可識別資產淨值的公平值，則差額將直接於損益中確認為議價購買。

若現金代價的任何部分遞延結算，則未來應付金額一律折現至交換日期之現值。所用折現率為有關實體的新增借款利率，即按類似的條款及條件向獨立金融機構取得類似借款之利率。或然代價分類為權益或金融負債。分類為金融負債的金額其後將重新計量至公平值，而公平值變動於損益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM").

The executive directors of the Company have appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the executive directors.

2 主要會計政策概要(續)

2.5 獨立財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括直接應佔投資成本。附屬公司之業績乃由本公司按已收股息及應收款項基準入賬。

若股息超出附屬公司宣派股息期間全面收益總額，或若獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值(包括商譽)之賬面值，則須於收取該投資之股息時，對該等附屬公司的投資進行減值測試。

2.6 分部報告

經營分部按與向主要營運決策者(「主要營運決策者」)提供之內部報告一致之方式呈報。

本公司之執行董事已委任策略督導委員會，該委員會負責評估本集團財務表現及狀況並作出策略決定。督導委員會已被確定為主要營運決策者，由執行董事組成。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Renminbi ("RMB") while the consolidated financial statements of the Company are presented in HK\$, which the management of the Group considers that it is more convenient to the shareholders as the Company is a listed company in Hong Kong.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other losses.

2 主要會計政策概要(續)

2.7 外幣換算

(i) 功能及呈列貨幣

本集團內各實體之財務報表內之項目均以該實體營運所在主要經濟環境通行之貨幣(「功能貨幣」)計量。本公司之功能貨幣為人民幣(「人民幣」)，而本公司之綜合財務報表以港幣呈列。本集團管理層認為，由於本公司為香港上市公司，故以港幣呈列對股東而言更為便利。

(ii) 交易及結餘

外幣交易按交易日之匯率換算為功能貨幣。該等交易結算及以外幣計值之貨幣性資產及負債按年終日之匯率換算所產生之匯兌收益及虧損一般於損益內確認。若匯兌收益及虧損與合資格現金流量對沖及合資格淨投資對沖有關，或由海外業務之部分淨投資所引起，則其於權益中遞延結算。

與借款有關之匯兌收益及虧損於綜合損益表之融資成本內呈列。所有其他匯兌收益及虧損於綜合損益表之其他虧損內以淨額呈列。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(ii) Transactions and balances (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.7 外幣換算 (續)

(ii) 交易及結餘 (續)

以外幣為單位按公平值計量之非貨幣性項目，按照確定公平值當日之現行匯率換算。按公平值列賬的資產及負債之換算差額呈報為公平值收益或虧損之一部分。例如，非貨幣性資產及負債（例如按公平值計入損益持有的權益）的換算差額在損益中確認為公平值收益或虧損的一部分，非貨幣性資產（例如分類為按公平值計入其他全面收益的權益）的換算差額於其他全面收益中確認。

(iii) 集團旗下公司

功能貨幣與呈列貨幣不同之海外業務（均非嚴重通脹地區之貨幣）之業績及財務狀況按以下方式換算為呈列貨幣：

- 各財務狀況表所呈列之資產及負債按結算日之收市匯率換算；
- 各損益及其他全面收益表之收入及開支按平均匯率換算（除非此平均值並非該等交易日期通行匯率累計影響之合理約數，在此情況下收入及開支將以交易日期之匯率換算）；及
- 所有因此產生之匯兌差額於其他全面收益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

2 主要會計政策概要(續)

2.7 外幣換算(續)

(iii) 集團旗下公司(續)

於綜合賬目時，換算於海外實體的任何投資淨額，以及換算借款及其他指定為該等投資的對沖之金融工具之匯兌差額均於其他全面收益中確認。於出售海外業務或償還任何構成投資淨額一部分的借款之時，有關匯兌差額重新分類至損益，作為出售收益或虧損的一部分。

收購海外業務產生之商譽及公平值調整乃作為該海外業務的資產及負債處理，並按收市匯率換算。

2.8 物業、廠房及設備

所有物業、廠房及設備均按歷史成本減折舊列賬。歷史成本包括收購該等項目直接應佔的開支。該成本亦可能包括由權益轉撥的外幣購買物業、廠房及設備合資格現金流量對沖的任何收益或虧損。

僅在與該項目相關的未來經濟利益很可能流入本集團且該項目的成本能夠可靠地計量的情況下，後續成本方會計入資產之賬面值或確認為獨立資產(如適用)。作為獨立資產入賬的任何部分之賬面值於更換時終止確認。所有其他維修保養在發生的報告期計入損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Leasehold improvements 33% or over the lease term, whichever is shorter
- Furniture, fixtures and equipment 20% to 33%
- Motor vehicles 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2 主要會計政策概要(續)

2.8 物業、廠房及設備(續)

折舊乃按估計可使用年期(或如屬租賃物業裝修及若干租賃廠房及設備,則按較短租賃年期),以直線法將其成本或重估金額(扣除殘值)計算如下:

- 租賃物業裝修 33%或租期(以較短者為準)
- 傢俱、裝置及設備 20%至33%
- 汽車 20%

資產的殘值及可使用年期於各個報告期末予以審閱,並在適當時作出調整。

若資產賬面值超過其估計可收回金額,則資產賬面值即時撇減至其可收回金額(附註2.11)。

出售收益或虧損乃將所得款項與賬面值進行對比而釐定,並計入損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

License

Separately acquired licences are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

2 主要會計政策概要(續)

2.9 無形資產

授權

單獨收購之授權按歷史成本列示。於業務合併中收購的授權按收購日期的公平值確認。具有有限可使用年期的授權按成本減累計攤銷及減值虧損列賬。

軟件

與維護電腦軟件程式相關的成本於產生時確認為開支。當符合以下條件時，設計及測試由本集團控制的可辨認及獨有軟件產品直接應佔的開發成本確認為無形資產：

- 完成該軟件以致其可供使用在技術上屬可行
- 管理層有意完成該軟件並將其投入使用或出售
- 有能力使用或出售該軟件
- 可證實該軟件如何產生很可能出現的未來經濟利益
- 擁有足夠的技術、財務及其他資源完成開發並使用或出售該軟件；及
- 該軟件於開發期內應佔開支能夠可靠地計量。

可資本化成為軟件部分成本的直接應佔成本包括僱員成本及有關生產費用的適當部分。

已資本化的開發成本入賬列為無形資產，並自該資產可供使用之時起攤銷。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

Amortisation methods and periods

The Group amortises software and license with a useful life using the straight-line method over five years.

2.10 Film and TV programmes rights

Film and TV programmes rights under production

Film and TV programmes rights under production are carried at cost, less accumulated impairment loss. Cost includes all direct costs associated with the production of film and TV programmes rights.

Film and TV programmes rights under production are transferred to “Film and TV programmes rights completed” upon completion of production.

Film and TV programmes rights completed

Film and TV programmes rights are carried at cost, less accumulated amortisation and accumulated impairment losses, if any. Amortisation for these film and TV programmes rights is charged to profit or loss over the period of the first release of the films and programmes through various distribution channels, such as theatrical release, television release or internet release, and other licensing arrangement.

Film right investments

Film right investments are the Group’s investments in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the Group’s investment portion as specified in respective film right investment agreements but the Group has no control nor joint control over the investments. Film right investments are carried at fair value.

2 主要會計政策概要 (續)

2.9 無形資產 (續)

攤銷方法及期間

本集團使用直線法按5年對具有可使用年期之軟件及授權進行攤銷。

2.10 電影及電視劇版權

製作中之電影及電視劇版權

製作中之電影及電視劇版權按成本減累計減值虧損入賬。成本包括與製作電影及電視劇版權相關之所有直接成本。

製作中之電影及電視劇版權於製作完成時轉撥至「已完成之電影及電視劇版權」。

已完成之電影及電視劇版權

電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。該等電影及電視劇版權之攤銷乃於有關電影及節目透過各類分銷渠道(如院線發行、電視發行或互聯網發行)及其他授權安排進行首映期間計入損益。

電影版權投資

電影版權投資是指本集團於電影製作項目之投資，本集團有權根據相應電影版權投資協議所指明之本集團投資比例，按一定百分比享有將來電影產生之收入。但本集團對投資項目並不擁有控制權或共同控制權。電影版權投資按公平值列賬。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Film and TV programmes rights (Continued)

Licensed film and TV programmes rights

Licensed film and TV programmes rights represent the Group's investment in film and TV programmes rights licenses. The Group acquired or licensed rights from outsiders for broadcasting of films or TV programmes series on its online video platform or sub-licensing the license rights to other parties. Licensed film and TV programmes rights are carried at cost, less accumulated amortisation and accumulated impairment losses, if any.

Licensed film and TV programmes rights are amortised on a straight-line basis over their estimated useful lives of one to two years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimation being accounted for on a prospective basis.

Derecognition

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

2 主要會計政策概要(續)

2.10 電影及電視劇版權(續)

獲授權之電影及電視劇版權

獲授權之電影及電視劇版權是指本集團投資之電影及電視劇版權許可。本集團從外界購買或獲得許可授權以在其在線視頻平台播放電影或電視劇，或向其他人士分授許可授權。獲授權之電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。

獲授權之電影及電視劇版權於其估計可使用年期(一至兩年)內按直線法攤銷。估計可使用年期及攤銷法於各報告期末進行檢討，任何估計變動產生之影響按提前基準入賬。

終止確認

電影及電視劇版權於出售或當預期使用或出售均不會產生未來經濟利益時終止確認。終止確認電影及電視劇版權產生之收益及虧損按出售所得款項淨額與資產賬面值之差額釐定，並在終止確認資產時於損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life and/or not available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

2 主要會計政策概要(續)

2.11 非金融資產減值

無確定可使用年期及／或不可使用的資產均無需攤銷，惟須每年進行減值測試，或當發生事件或情況變動顯示資產可能發生減值時，則更頻密地進行測試。資產於發生事件或情況變動顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額之差額確認。可收回金額為資產的公平值減出售成本及使用價值兩者之中的較高者。就評估減值而言，本集團按可獨立識別之現金流入（在很大程度上獨立於其他資產或資產組別（現金產生單位）之現金流入）的最低水平劃分資產類別。出現減值的非金融資產將於各報告期末進行檢討，以釐定減值是否可予撥回。

2.12 投資及其他金融資產

(i) 分類

本集團按以下計量類別對其金融資產進行分類：

- 隨後將按公平值計入其他全面收益或損益計量者；及
- 將按攤銷成本計量者。

分類取決於實體管理金融資產之業務模式以及現金流量之合約條款。

就按公平值計量之資產而言，有關收益及虧損將計入損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category which the Group classifies its debt instruments:

2 主要會計政策概要(續)

2.12 投資及其他金融資產(續)

(ii) 確認及終止確認

以正規途徑購買或銷售之金融資產於交易日期(即本集團承諾購買或出售該資產之日)確認。當從金融資產收取現金流量之權利已經到期或轉讓,而本集團已轉讓擁有權之絕大部分風險及回報時,即終止確認有關金融資產。

(iii) 計量

於初步確認時,本集團按公平值加(如為並非按公平值計入損益之金融資產)收購該金融資產直接應佔之交易成本計量金融資產。按公平值計入損益之金融資產之交易成本於損益中支銷。

確定具有嵌入式衍生工具之金融資產之現金流量是否僅為支付本金及利息時,需從金融資產之整體進行考慮。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式以及該資產的現金流量特點。本集團的債務工具均歸入一個計量類別:

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial asset at FVTPL are recognised in other losses in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income ("FVOCI") are not reported separately from other changes in fair value.

2 主要會計政策概要 (續)

2.12 投資及其他金融資產 (續)

(iii) 計量 (續)

債務工具 (續)

攤銷成本：當持有資產之目的為收取合約現金流量，且現金流量僅為支付本金及利息時，資產按攤銷成本計量。來自該等金融資產的利息收入使用實際利率法計入財務收入。因終止確認而產生的任何收益或虧損直接於損益內確認，並連同匯兌收益及虧損於其他虧損中呈列。減值虧損於綜合損益表中作為獨立項目呈列。

權益工具

本集團隨後按公平值計量所有股權投資。若本集團管理層已選擇將股權投資之公平值收益及虧損於其他全面收益中呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款之權利確立時，有關投資之股息繼續於損益中確認為其他收益。

按公平值計入損益之金融資產公平值變動乃於綜合損益表中其他虧損中確認（如適用）。按公平值計入其他全面收益計量之股權投資減值虧損（及減值虧損之撥回）不會與其他公平值變動分開呈報。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details.

2.13 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

2 主要會計政策概要(續)

2.12 投資及其他金融資產(續)

(iv) 減值

本集團按前瞻性基準評估按攤銷成本及按公平值計入其他全面收益之債務工具之相關預期信貸虧損。所採用減值方法視乎信貸風險是否大幅增加而定。

就應收賬款及合約資產而言，本集團應用香港財務報告準則第9號允許的簡化方式，該方式要求於初步確認應收款項時確認預期全期虧損，詳情載於附註3.1(b)。

2.13 金融負債

(i) 初步確認與計量

本集團之金融負債於初步確認時分類為按攤銷成本計量。

所有金融負債均初步按公平值予以確認，而按攤銷成本計量的金融負債則需扣除直接應佔交易成本。

(ii) 後續計量

初步確認後，金融負債其後使用實際利率法按攤銷成本計量，惟倘貼現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時透過實際利率攤銷程序於損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial liabilities (Continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 23 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2 主要會計政策概要(續)

2.13 金融負債(續)

(iii) 終止確認

金融負債於負債項下之責任獲解除、取消或屆滿時終止確認。

2.14 抵銷金融工具

當本集團目前擁有可依法強制執行的權利抵銷已確認金額且擬按淨值基準結算或同時變現資產及結算負債時，金融資產及負債將予抵銷，有關淨額則於綜合財務狀況表內列報。

2.15 應收賬款及其他應收款項

應收賬款為就於日常業務過程中提供服務而應收客戶的款項。應收賬款通常於一年內到期償還，因此均劃分為流動類別。

應收賬款初步按無條件代價的金額確認，惟倘其包含重大的融資部分時，則按公平值確認。本集團持有應收賬款及其他應收款項旨在收取合約現金流量，因此隨後以實際利率法按攤銷成本予以計量。有關本集團應收賬款入賬的進一步資料請參閱附註23，有關本集團減值政策的詳情請參閱附註3.1(b)。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

2.17 Share capital

Ordinary shares are classified as equity (Note 29).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit term. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

2 主要會計政策概要(續)

2.16 現金及現金等值

就於綜合現金流量表呈列而言，現金及現金等值包括持有的現金及金融機構通知存款。

2.17 股本

普通股分類為權益(附註29)。

發行新股份或購股權直接應佔增量成本於權益中呈列為所得款項扣減(扣除稅項)。

2.18 應付賬款及其他應付款項

該等款項指本集團於財政年度結束前就獲提供的貨品及服務未支付的負債。有關款項為無抵押及通常在信貸期內支付。應付賬款及其他應付款項呈列為流動負債，除非付款並非於報告期後12個月內到期。應付賬款及其他應付款項初步按公平值確認，隨後以實際利率法按攤銷成本計量。

2.19 借款

借款初步按公平值確認，扣除產生的交易成本。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間任何差額乃使用實際利率法於借款期間的損益內確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings (Continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2 主要會計政策概要(續)

2.19 借款(續)

於合約中訂明的責任獲履行、取消或失效時，借款從綜合財務狀況表中移除。已除去或轉移至另一方的金融負債賬面值與已付代價(包括任何已轉讓的非現金資產或承擔的負債)之間的差額於損益中確認為財務費用。

倘金融負債的條款經重新磋商，而實體向債權人發行權益工具，以消除全部或部分負債(債務與權益掉期)，則將於損益中確認收益或虧損，並按金融負債的賬面值與所發行權益工具公平值之間的差額計量。

除非本集團可無條件延遲償還負債至報告期後至少十二個月，否則借款分類為流動負債。

2.20 借貸成本

收購、建設或生產合資格資產直接應佔的一般及特定借貸成本在完成及準備有關資產以用於擬定用途或銷售所需的期間內予以資本化。合資格資產指需要耗費大量時間準備就緒以供擬定用途或銷售之資產。

若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入自合資格作資本化之借貸成本扣除。

其他借貸成本於其產生期間列為開支。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要(續)

2.21 即期及遞延所得稅

本期間之所得稅開支或抵免指就本期間應課稅收入按各司法權區之適用所得稅稅率支付之稅項(就暫時差額及未動用稅項虧損應佔之遞延稅項資產及負債變動作出調整)。

即期所得稅

即期所得稅開支按本公司及其附屬公司及聯營公司經營及產生應課稅收入的國家於報告期末已頒布或實質頒布的稅法計算。管理層就須詮釋的適用稅務法規的情況定期評估報稅表狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其於綜合財務報表的賬面值之間產生的暫時差額悉數計提撥備。然而，倘遞延稅項負債因初次確認商譽而產生，則不予確認；倘遞延所得稅因初次確認交易(業務合併除外)所涉資產或負債而產生，且交易時並不影響會計或應課稅損益，亦不予入賬。遞延所得稅採用於報告期末已頒布或實質頒布的稅率(及稅法)釐定，並預期在有關遞延所得稅資產變現或遞延所得稅負債清償時適用。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要(續)

2.21 即期及遞延所得稅(續)

遞延所得稅(續)

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可預見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機關相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結算或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(ii) Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

The full-time employees of the Group are covered by various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas. Contributions to these plans are expensed as incurred.

(iii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要(續)

2.22 僱員福利

(i) 短期責任

僱員直至報告期末之服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利)並按結算有關負債之預期金額計量。負債於綜合財務狀況表內呈列為即期僱員福利責任。

(ii) 退休福利成本

就強制性公積金計劃(「強積金計劃」)作出之付款於僱員提供可獲取該等供款之服務時確認為開支。

本集團的全職員工參與多項政府資助的退休金計劃，根據各項計劃，員工每月有權享有按若干公式計算的退休金。向該等計劃作出的供款於付款時支銷。

(iii) 溢利分享及花紅計劃

本集團根據一項公式分別就花紅及溢利分享確認一項負債及一項開支，該公式會考慮經若干調整後的本公司股東應佔溢利。當有合約責任或過往慣例引致推定責任時，本集團會確認撥備。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.23 Share-based payments

(i) Employee options

Share-based compensation benefits are provided to employees via the Group's employee option scheme, the executive short-term incentive scheme and share appreciation. Information relating to these schemes is set out in Note 35.

2 主要會計政策概要 (續)

2.22 僱員福利 (續)

(iv) 離職福利

本集團在正常退休日期前解僱僱員或僱員自願接受離職以換取該等福利時支付離職福利。本集團於以下日期(以較早者為準)確認離職福利：(a)本集團無法收回提供該等福利之日；及(b)實體確認重組成本屬香港會計準則第37號範圍內並涉及支付離職福利之日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。自報告期末起計逾12個月後到期應付的福利將折算至現值。

2.23 以股份為基礎之付款

(i) 僱員購股權

本集團透過僱員購股權計劃、行政人員短期激勵計劃及股票增值向僱員提供以股份為基礎之薪酬福利。該等計劃的資料載於附註35。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(i) Employee options (Continued)

The fair value of options granted under the employee option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 主要會計政策概要(續)

2.23 以股份為基礎之付款(續)

(i) 僱員購股權(續)

僱員購股權計劃項下授出購股權的公平值確認為僱員福利開支，並相應地調增權益。將列作開支的總金額乃參照已授出購股權的公平值釐定：

- 包括任何市場表現情況（如實體的股份價格）
- 不包括任何服務及非市場表現歸屬條件（如盈利能力、銷售增長目標及該實體僱員於指定期間留任）的影響；及
- 包括任何非歸屬條件（如留任僱員或持有股份一段特定期間的規定）的影響。

開支總額於歸屬期間（達成所有規定歸屬條件的期間）確認。於各期間末，實體會根據非市場歸屬及服務條件修改其估計預期可予歸屬的購股權的數目。修改原有估計數字（如有）的影響則於損益確認，並對權益作相應調整。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(ii) Share-based payment for cooperation with a film director

Equity-settled share-based payment for cooperation with a film director is measured at the fair value of the goods or services received or the fair value of the equity instrument granted if the fair value of goods or services cannot be estimated reliably. The share-based payment is recognised as expenses in accordance with “HKFRS 2 – Share-based payment” unless the goods or services qualify for recognition as assets.

2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 主要會計政策概要 (續)

2.23 以股份為基礎之付款 (續)

(ii) 與一名電影導演合作之以股份為基礎之付款

與一名電影導演合作之以權益結算並以股份為基礎之付款按已收取貨品或服務之公平值計量，或倘無法可靠地估計貨品或服務之公平值，則按所授予的權益工具的公平值計量。除非貨品或服務符合資格確認為資產，否則以股份為基礎之付款根據香港財務報告準則第2號「以股份為基礎之付款」確認為開支。

2.24 撥備

當本集團因過往事件須承擔現有法律或推定責任，而履行責任將很可能需要資源流出，且有關金額能夠可靠估算時，本集團會確認撥備。但不會就日後之經營虧損確認任何撥備。

倘出現多項類似責任，是否需要資源流出以履行責任乃經考慮整體責任類別後釐定。即使就同類責任中任何一項出現資源流出之可能性不大，仍會確認撥備。

撥備按管理層對於報告期末須履行現有責任的支出的最佳估計的現值計量。用於釐定現值的折現率為反映當時市場對金錢時間值及負債特定風險的評估的稅前利率。隨時間流逝而增加的撥備確認為利息開支。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of services in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer,
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services. Specific criteria where revenue is recognised are described below.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

2 主要會計政策概要(續)

2.25 收益確認

收益乃按於本集團一般業務過程中就銷售服務已收或應收代價之公平值計量。

收益於服務的控制權轉移予客戶時確認。視乎合約條款及適用於合約的法律，服務的控制權可隨時間或在某一時點轉移。

倘本集團的履約符合以下條件，則貨品或服務的控制權隨時間轉移：

- 提供之所有利益由客戶同時取得並耗用；
- 創建或增加客戶於本集團履約時控制的資產；或
- 並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約的款項。

倘服務的控制權隨時間轉移，則收益乃參照完成相關履約責任的進度於合約期間確認。否則，收益於客戶獲得服務的控制權時某一時點確認。確認收益的具體標準如下文所述。

當合約的任何一訂約方已履約，本集團根據實體履約責任及客戶付款之間的關係將其合約於綜合財務狀況表呈列為合約資產或合約負債。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Revenue recognition (Continued)

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a service to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

Content production

The Group invests in and produces entertainment content such as film and TV programmes series.

Revenue is recognised at a point in time when the control of the entertainment content is transferred to the customers so that the customers can direct the use and obtain associated benefit.

2.26 Film investment income

Film investment income is recognised in profit or loss when the right to receive payment is established.

2 主要會計政策概要 (續)

2.25 收益確認 (續)

倘於本集團向客戶轉讓服務前，客戶支付代價或本集團擁有收取代價款的無條件權利，則本集團於作出付款或應收款項入賬時（以較早者為準）將合約呈列為合約負債。合約負債是本集團因已向客戶收取代價（或應收客戶的代價款）而向客戶轉讓服務的責任。

應收款項於本集團擁有收取代價的無條件權利時入賬。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。

收益於本集團的活動（如下文所述）符合具體標準時確認：

內容製作

本集團投資及製作電影及電視劇等娛樂內容。

收益於娛樂內容的控制權轉移予客戶時的某一時點確認，以便客戶主導其使用並獲取相關利益。

2.26 電影投資收入

於收取付款之權利確立時，電影投資收入於損益中確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.28 Interest income

Interest income from financial asset at FVTPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 11 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 主要會計政策概要(續)

2.27 股息收入

股息乃就按公平值計入損益及按公平值計入其他全面收益計量的金融資產收取。股息於收取付款之權利確立時在損益中確認為其他收入。這亦適用於從收購前溢利中派付的股息，惟股息明顯為收回部分投資成本者除外。在此情況下，倘股息與按公平值計入其他全面收益計量的投資相關，則在其他全面收益中確認。然而，這可能導致需要對投資進行減值測試。

2.28 利息收入

來自按公平值計入損益的金融資產之利息收入計入該等資產的公平值收益／(虧損)淨額。

來自按攤銷成本計量的金融資產及按公平值計入其他全面收益的金融資產之利息收入使用實際利率法計算，並於損益確認為其他收入的一部分。

持作現金管理用途的金融資產所賺取的利息收入呈列為財務收入(見下文附註11)。任何其他利息收入計入其他收入。

利息收入是用實際利率乘以金融資產賬面總額計算得出，惟後續發生信貸減值的金融資產除外。就信貸減值的金融資產而言，其利息收入是用實際利率乘以金融資產賬面淨額(經扣除虧損撥備)得出。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 主要會計政策概要(續)

2.29 每股盈利

(i) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於本公司權益擁有人之溢利（不包括普通股以外之任何支付權益成本）除以
- 於財政年度內已發行普通股之加權平均數（就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份）。

(ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為已發行之額外普通股加權平均數。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change is described in Note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (Note 33). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 主要會計政策概要(續)

2.30 租賃

誠如上文附註2.2所闡述，本集團已變更本集團作為承租人的租賃之會計政策。新政策說明如下，其變動影響載於附註2.2。

截至二零一八年十二月三十一日，所有權的絕大部分風險及回報並無轉讓至本集團（作為承租人）的租賃乃被分類為經營租賃（附註33）。根據經營租賃作出的付款（扣除自出租人收取的任何優惠）於租期內以直線法自損益內扣除。

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用之日確認相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。

租賃產生的資產及負債初步按現值計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款（包括實質固定付款）減任何應收租賃優惠；及
- 倘租期反映本集團行使該選擇權，則支付終止租賃的罰款。

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, such as term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 主要會計政策概要(續)

2.30 租賃(續)

租賃付款採用租賃所隱含的利率予以貼現。倘無法輕易釐定該利率(為本集團租賃的一般情況)，則使用承租人的增量借款利率，即個別承租人為了在類似經濟環境中按類似條款、抵押及條件獲得與使用權資產具有類似價值的資產借入所需資金而必須支付的利率。

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

租賃付款乃分配至本金及財務費用。財務費用於租期內自損益扣除，以計算出各期間負債結餘的固定週期利率。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.31 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 主要會計政策概要(續)

2.30 租賃(續)

使用權資產按成本計量，包括以下各項：

- 租賃負債的初步計量金額
- 在開始日期或之前所作的任何租賃付款，減去所收取的任何租賃優惠；及
- 任何初始直接成本

使用權資產一般按資產可使用年期或租期（以較短者為準）以直線法折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團在對其土地及樓宇（於物業、廠房及設備內呈列）重新估值時，已選擇不就本集團所持有的使用權樓宇行使有關權利。

與設備及車輛短期租賃以及所有低價值資產租賃相關的付款以直線法於損益中確認為開支。短期租賃指租期為12個月或更短的租賃。

2.31 股息分派

就於報告期末或之前已宣派但於報告期末時尚未分派的已宣派任何股息（已適當授權及不再由實體酌情決定）的款項作出撥備。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.32 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

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

2 主要會計政策概要(續)

2.32 政府補助

倘合理確保將可收到補貼及本集團將遵守所有附帶條件，政府補助按公平值確認。

3 財務風險管理

3.1 財務風險因素

本附註闡釋本集團面臨的財務風險以及該等風險可能對本集團未來財務表現產生的影響。本年度的損益資料已載於相關內容中，以作進一步說明。

本集團管理層透過內部風險報告(該報告按風險之程度及級別作分析)監控及管理有關本集團經營之財務風險。該等風險包括市場風險(包括外幣風險及利率風險)、信貸風險及流動資金風險。

本集團金融工具面臨之風險類型或其管理及計量風險之方式並無改變。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the People's Republic of China ("PRC") with most of the transactions denominated and settled in Renminbi ("RMB"), the functional currency of relevant group entities.

The Group is mainly exposed to the fluctuation of HK\$ and United States Dollars ("USD"), arising from foreign currency trade and other receivables, cash and cash equivalents, trade and other payables, amounts due to related parties and borrowings.

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

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外匯風險

本集團在香港及中華人民共和國(「中國」)經營業務，其大部分交易均以相關集團實體之功能貨幣人民幣(「人民幣」)計值和結算。

本集團主要承受港幣及美金(「美金」)波動之風險，其來自以外幣計值的應收賬款及其他應收款項、現金及現金等值、應付賬款及其他應付款項、應付關連人士款項及借款。

本集團於報告期末以外幣計值之貨幣資產及貨幣負債之賬面值如下：

		Liabilities 負債		Assets 資產	
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
HK\$	港幣	(80,553)	(46,958)	8,811	4,645
USD	美金	(17)	(182,340)	1,825	1,060

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease RMB against the above foreign currencies. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. A (negative)/positive number below indicates a (decrease)/increase in profit for the year (2018: (increase)/decrease in loss for the year) where the above foreign currencies strengthen 5% (2018: 5%) against RMB. For a 5% (2018: 5%) weakening of the above foreign currencies against RMB, there would be an equal and opposite impact on the profit/(loss) for the year.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

敏感度分析

下表詳列本集團就人民幣兌上述外幣匯率上升及下降5% (二零一八年: 5%) 之敏感度。5% (二零一八年: 5%) 乃向主要管理人員就外匯風險作內部報告時採用之敏感度比率, 代表管理層就外匯匯率可能出現之合理變動而作出之評估。下表中(負數)/正數表示當上述外幣兌人民幣升值5% (二零一八年: 5%) 時本年度溢利之(減少)/增加(二零一八年: 本年度虧損之(增加)/減少)。倘上述外幣兌人民幣貶值5% (二零一八年: 5%), 則會對本年度溢利/(虧損)構成同等幅度之相反效果。

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
(Decrease)/increase in profit for the year	本年度溢利之(減少)/增加		
HK\$	港幣	(2,690)	(1,587)
USD	美金	68	(6,798)

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group's cash flow interest rate risk arises from cash at banks.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowing (Note 27). The directors consider that the fair value risk in relation to the fixed-rate borrowing is insignificant as the borrowing has a short maturity period.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the interest rate risk should the need arise.

Sensitivity analysis

Regarding the cash flow interest rate risk, the sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank deposits, the analysis is prepared assuming the amount of the relevant asset outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2018: 50 basis points) increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year would have increased by approximately HK\$948,000 (2018: loss for the year would have decreased by approximately HK\$594,000).

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 利率風險

本集團之現金流量利率風險來自銀行現金。

本集團亦承受與固定利率借款相關之公平值利率風險(附註27)。董事認為，鑒於借款的屆滿期限短暫，故與固定利率借款相關之公平值風險並不重大。

本集團目前並無任何與公平值及現金流量利率風險相關的利率對沖政策。董事持續監控本集團風險，並將於有需要時考慮對沖利率風險。

敏感度分析

就現金流量利率風險而言，下文敏感度分析乃根據於報告期末所承受之非衍生工具利率風險而釐定。就浮息銀行存款而言，分析乃假設於報告期末尚未結清之相關資產金額於整個年度內均未結清而作出。增加或減少50個基點(二零一八年：50個基點)代表管理層所評估利率可能出現之合理變動。

倘利率增加／減少50個基點(二零一八年：50個基點)，而所有其他變數維持不變，本集團之本年度溢利將增加約港幣948,000元(二零一八年：本年度虧損將減少約港幣594,000元)。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

Credit risk is managed on a group basis. The credit risk of the Group mainly arises from financial assets, cash and cash equivalents, trade receivables, contract assets, deposits and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to these assets.

In respect of cash at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as at 31 December 2019 (2018: same).

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 70% (2018: 92%) of the total trade receivables was due from the Group's largest customer.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

(i) 風險管理

信貸風險按集團基準管理。本集團的信貸風險主要來自金融資產、現金及現金等值、應收賬款、合約資產、按金及其他應收款項。該等結餘的賬面值乃本集團就該等資產所面臨之最高信貸風險。

就銀行現金而言，信貸風險被視為較低，蓋因交易對手為信譽良好的銀行。現有交易對手以往未發生過違約。因此，銀行現金的預期信貸虧損比率評估為接近於零，故於二零一九年十二月三十一日並未計提撥備(二零一八年：相同)。

為將信貸風險降至最低，本集團管理層已委派一團隊負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進行動以收回逾期債務。此外，本集團於報告期末檢討各個別債項之可收回金額，以確保就無法收回之金額計提足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大為降低。

由於應收本集團最大客戶之款項佔應收賬款總額的70%(二零一八年：92%)，本集團存在集中信貸風險。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available, reasonable and supportive forwarding-looking information.

As at 31 December 2019, trade receivables and contract assets that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information.

The Group classifies its trade receivables and contract assets by nature of customer. These include customers from media and entertainment related business and other customers.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產及合約資產減值

本集團按香港財務報告準則第9號的規定採用簡化方式就預期信貸虧損計提撥備，該準則允許就所有應收賬款及合約資產使用全期預期信貸虧損撥備。為計量預期信貸虧損，應收賬款及合約資產已根據共同的信貸風險特點及逾期天數分組。本集團已進行歷史分析，並確定影響信貸風險及預期信貸虧損的主要經濟變數，亦考慮可供查閱合理且具理據支持的前瞻性資料。

於二零一九年十二月三十一日，已對個別重大的應收賬款及合約資產單獨進行減值評估。本集團根據客戶的背景及信譽、歷史償還記錄、過往經驗及可供查閱合理且具理據支持的前瞻性資料定期評估應收款項的可收回性。

本集團按客戶的性質對其應收賬款及合約資產進行分類，其中包括媒體及娛樂相關業務之客戶及其他客戶。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產及合約資產減值 (續)

		Lifetime expected credit loss rate 全期預期 信貸虧損率	Gross carrying amount 賬面總額 HK\$'000 港幣千元	Lifetime expected credit loss 全期預期 信貸虧損 HK\$'000 港幣千元	Net carrying amount 賬面淨額 HK\$'000 港幣千元
At 31 December 2018	於二零一八年十二月三十一日				
Customers from media and entertainment related business	媒體及娛樂相關業務之客戶				
Provision on individual basis	按個別基準計提撥備	0%	144,391	–	144,391
Other customers	其他客戶				
Provision on collective basis	按共同基準計提撥備	73%	349	(257)	92
			144,740	(257)	144,483
At 31 December 2019	於二零一九年十二月三十一日				
Customers from media and entertainment related business	媒體及娛樂相關業務之客戶				
Provision on individual basis	按個別基準計提撥備	0%	111,496	–	111,496
Other customers	其他客戶				
Provision on collective basis	按共同基準計提撥備	73%	349	(257)	92
			111,845	(257)	111,588

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

The closing loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

At 1 January	於一月一日
Receivables written off during the year as uncollectible	年內由於無法收回而撇銷的應收款項
At 31 December	於十二月三十一日

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產及合約資產減值 (續)

於十二月三十一日，應收賬款及合約資產的期末虧損撥備與期初虧損撥備對賬如下：

2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
257	2,175
—	(1,918)
257	257

應收賬款及合約資產於無合理期望可收回時撇銷。並無合理期望可收回款項的跡象包括(其中包括)債務人未能與本集團共同制定還款計劃及未能作出合約付款。

應收賬款及合約資產的減值虧損列為經營溢利內的減值虧損淨額。其後收回先前撇銷的金額會記入同一項目。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets and contract assets (Continued)

Other financial assets at amortised cost

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be close to zero and no provision was made as at 31 December 2019 (2018: same).

(c) Liquidity risk

As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$256,203,000, and short-term borrowings of approximately HK\$50,000,000, and the Group had net cash generated from operating activities for the year of approximately HK\$73,511,000 and profit for the year attributable to owners of the Company of approximately HK\$105,103,000. In the opinion of the directors, the Group does not have any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 金融資產及合約資產減值 (續)

按攤銷成本計量的其他金融資產

其他應收款項的信貸質素乃經參考有關交易對手違約率及財務狀況的歷史資料後評估。董事認為，由於彼等到期之應收款項的收款記錄良好，故其他應收款項的信貸風險較低。因此，其他應收款項的預期信貸虧損比率評估為接近於零，故於二零一九年十二月三十一日並未計提撥備(二零一八年：相同)。

(c) 流動資金風險

於二零一九年十二月三十一日，本集團擁有現金及現金等值約港幣256,203,000元及短期借款約港幣50,000,000元，本集團本年度經營活動所產生之現金淨額約為港幣73,511,000元，而本公司擁有人應佔本年度溢利約為港幣105,103,000元。董事認為，本集團並不存在任何重大流動資金風險。

下表將本集團的金融負債按照由綜合財務狀況表結算日至合約到期日的剩餘期限分成相關的到期組別進行分析。由於貼現影響並不重大，於12個月內到期的結餘等於其賬面結餘。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Weighted average interest rate	On demand or less than 1 month 須應要求或 少於一個月	1 – 3 months 一至三個月	3 months to 1 year 三個月至一年	Total Undiscounted cash flows 未貼現 現金流量總額	Carrying amount 賬面值
Contractual maturities of financial liabilities	金融負債的合約到期日	%	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2018	二零一八年						
Non-derivative financial liabilities	非衍生金融負債						
Trade and other payables	應付賬款及其他應付款項	–	79,487	–	–	79,487	79,487
Amounts due to related parties	應付關連人士款項	–	–	46,930	45,537	92,467	92,467
Borrowings	借款	3.0%	18,021	–	277,564	295,585	295,307
			97,508	46,930	323,101	467,539	467,261

		Weighted average interest rate	On demand or less than 1 month 須應要求或 少於一個月	1 – 3 months 一至三個月	3 months to 1 year 三個月至一年	1 – 3 years 一至三年	Total Undiscounted cash flows 未貼現 現金流量總額	Carrying amount 賬面值
Contractual maturities of financial liabilities	金融負債的合約到期日	%	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
2019	二零一九年							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付賬款及其他應付款項	–	75,862	–	–	–	75,862	75,862
Film investment funds from investors	來自投資者的電影投資款項	–	–	–	188,634	–	188,634	188,634
Borrowings	借款	–	–	50,000	–	–	50,000	50,000
Lease liabilities	租賃負債	4.2%	1,445	2,890	12,998	21,404	38,737	36,894
			77,307	52,890	201,632	21,404	353,233	351,390

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt which includes borrowings in Note 27 and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt or reduction in capital.

3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

3 財務風險管理(續)

3.2 資本管理

本集團管理其資本，以確保本集團之實體將能夠繼續持續經營，同時透過將債務及權益結餘優化，為股東帶來最大回報。本集團之整體策略維持與往年相同。

本集團之資本架構包括債務(包括附註27之借款)及本公司擁有人應佔權益(包括已發行股本及各項儲備)。

本公司董事定期審閱資本架構。作為此審閱工作之一部分，董事考慮資本成本及各資本類別之相關風險。本集團將根據董事提出之建議，透過發行新股份及發行新債項或贖回現有債項或削減資本，平衡其整體資本架構。

3.3 公平值估計

(i) 公平值架構級別

本節闡述釐定於財務報表中確認及按公平值計量的金融工具公平值所作出的判斷及估計。為得出有關釐定公平值所用輸入數據之可靠性指標，本集團已按會計準則規定將其金融工具分為三個等級。各等級於下表進行闡述。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy (Continued)

			Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
	Note 附註					
Recurring fair value measurements		經常性公平值計量				
At 31 December 2019		於二零一九年 十二月三十一日				
Financial assets		金融資產				
Film right investments	22	電影版權投資	-	-	99,897	99,897

As at 31 December 2018, there is no financial instrument measured at fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see (iii) below.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

於二零一八年十二月三十一日，概無按公平值計量之金融工具。

年內，在第一級及第二級之間並無就經常性公平值計量進行轉撥。第三級計量的轉入及轉出請參閱下文第(iii)項。

本集團政策旨在確認於報告期末公平值架構級別的轉入及轉出情況。

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3 FINANCIAL RISK MANAGEMENT

(Continued)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy (Continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include replacement cost.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(i) 公平值架構級別 (續)

第一級：在活躍市場上買賣的金融工具（如公開買賣衍生工具及股本證券）的公平值乃按於報告期末的市場報價釐定。本集團所持金融資產採用的市場報價為當時買盤價。該等工具計入第一級。

第二級：未在活躍市場上買賣的金融工具（例如場外衍生工具）的公平值採用估值方法釐定。該等估值方法盡量採用可觀察市場數據，並盡可能不倚賴實體特定估計。倘計算工具公平值所需的重大輸入數據均可觀察，則該工具計入第二級。

第三級：倘一項或多項重大輸入數據並非以可觀察市場數據為基礎，則該工具計入第三級。對於非上市股本證券而言便是如此。

(ii) 用於釐定公平值的估值方法

用於評估金融工具價值的具體估值方法包括替代成本。

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3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year:

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 採用重大不可觀察輸入數據進行公平值計量 (第三級)

下表載列第三級項目的年度變動：

		Film right investments 電影版權投資 HK\$'000 港幣千元
Opening balance 1 January 2018	於二零一八年一月一日的期初結餘	23,980
Additions	增購	15,036
Fair value gains	公平值收益	137,973
Derecognition	終止確認	(176,622)
Exchange differences	匯兌差額	(367)
Closing balance 31 December 2018	於二零一八年十二月三十一日的期末結餘	—
Additions	增購	105,750
Fair value gains	公平值收益	7,469
Derecognition	終止確認	(9,553)
Exchange differences	匯兌差額	(3,769)
Closing balance 31 December 2019	於二零一九年十二月三十一日的期末結餘	99,897

The key unobservable input includes the replacement costs of the financial assets. If the replacement costs were reduced by 5%, the fair value would decrease by approximately HK\$4,995,000.

主要不可觀察輸入數據包括金融資產的替代成本。倘替代成本減少5%，則公平值將減少約港幣4,995,000元。

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4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Revenue derived from content production and film investment income

The directors of the Company considered whether it was appropriate to recognise the revenue from content production and film investment income of approximately HK\$814,425,000 (2018: HK\$174,346,000) in the current year, which is in line with the Group's general policy of recognising revenue and film investment income as set out in Note 2.25 and 2.26.

In making the judgement, the directors of the Company considered the detailed criteria included satisfying the performance obligation and the right to receive payment for the recognition of revenue derived from content production and measurement of film investment income set out in the applicable standards. In the event where the aforementioned criteria are met but the final statement of the relevant film has not yet been received, judgement is required to estimate the revenue and related costs of the film investment.

4 重要估計及判斷

編製綜合財務報表須運用會計估計，顧名思義，其將很少等同實際結果。管理層於採用本集團的會計政策時亦須進行判斷。

估計及判斷將持續進行評估。此乃基於過往經驗及其他因素，包括於有關情況下被視為合理的可能對該實體產生財務影響的未來事件預測。

(a) 內容製作產生之收益及電影投資收入

本公司董事考慮於本年度確認來自內容製作之收益及電影投資收入約港幣814,425,000元（二零一八年：港幣174,346,000元）是否適當，此舉符合附註2.25及2.26所載有關本集團確認收益及電影投資收入之一般政策。

於作出判斷時，本公司董事已就確認內容製作產生之收益及計量電影投資收入考慮適用準則所載之詳盡標準，包括完成履約責任及確立收取付款之權利。倘符合上述標準但尚未收到相關電影的最終報表，則估計電影投資產生的收益及相關成本需運用判斷。

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4 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

(b) Classification of film investment

The Group has entered into film investment agreements with counterparties on certain film and TV programmes rights to produce and/or distribute films. Judgement is required to determine whether the Group has joint controls on these investments. For investments where the Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements to direct the relevant activities. These investments are classified as film and TV programmes rights under production or film and TV programmes rights completed. When joint controls cannot be demonstrated, the investments are classified as film right investments. The determination of the relevant activities under joint arrangements requires management's significant judgement.

(c) Measurement of film and TV programmes rights classified as intangible assets, and impairment of license and software development costs

At the end of each reporting period, the directors of the Company assessed the amortisation policy and expected useful lives of the film and TV programmes rights classified as intangible asset, license and software development costs. The determination of amortisation policy and expected useful lives requires management's significant judgement.

4 重要估計及判斷(續)

(b) 電影投資的分類

本集團已就若干電影及電視劇版權與交易對手訂立電影投資協議以製作及／或發行電影。釐定本集團是否對該等投資擁有共同控制權需運用判斷。對於本集團根據合約協議對該等安排擁有共同控制權的投資，指導相關活動均須獲所有協議訂約方一致同意。該等投資分類為製作中之電影及電視劇版權或已完成之電影及電視劇版權。倘無法證明擁有共同控制權，則有關投資分類為電影版權投資。管理層須就釐定聯合安排項下之相關活動作出重大判斷。

(c) 分類為無形資產之電影及電視劇版權的計量、許可證及軟件開發成本減值

於各報告期末，本公司董事均會評估分類為無形資產之電影及電視劇版權、許可證及軟件開發成本的攤銷政策及預計可使用年期。管理層須就釐定攤銷政策及預計可使用年期作出重大判斷。

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4 CRITICAL ESTIMATES AND JUDGEMENTS

(Continued)

(c) Measurement of film and TV programmes rights classified as intangible assets, and impairment of license and software development costs (Continued)

Other than the amortisation, the directors also assessed whether impairment indicator existed on film and TV programmes rights completed, licensed film and TV programmes rights that are classified as intangible assets, license and software development costs, assessed impairment for film and TV programmes rights under production and provided impairment up to its recoverable amount in accordance with the respective impairment assessment. For film and TV programmes rights completed or under production classified as intangible assets, the assessment was made on a film-by-film basis. In respect of the film and TV programmes rights completed with impairment indicator existed or the film and TV programmes rights under production, the recoverable amount of the associated film and TV programmes rights was determined by using the fair value less cost of disposal approach. In respect of the Group's license and software development costs, together with the licensed film and TV programmes rights available for subscription on the Group's streaming platform, they are the essential elements of the Group's streaming platform. Management identified the Group's streaming platform as a cash-generating unit (the "Platform CGU"), which is the basis for impairment assessment of Group's license, software development costs and film and TV programmes rights available for subscription. The recoverable amount of the Platform CGU was determined based on the present value of the expected future cash flow generated from the Platform CGU.

4 重要估計及判斷(續)

(c) 分類為無形資產之電影及電視劇版權的計量、許可證及軟件開發成本減值(續)

除攤銷之外，董事亦評估已完成之電影及電視劇版權、分類為無形資產之獲授權之電影及電視劇版權、許可證及軟件開發成本是否存在減值跡象，評估製作中之電影及電視劇版權之減值，並根據相關減值評估計提不超過其可收回金額的減值撥備。就分類為無形資產之已完成或製作中之電影及電視劇版權或製作中之電影及電視劇版權而言，評估按單部電影基準進行。就存在減值跡象之已完成之電影及電視劇版權或製作中之電影及電視劇版權而言，相關電影及電視劇版權之可收回金額乃採用公平值減出售成本的方法釐定。就本集團的許可證及軟件開發成本而言，連同本集團流媒體平台上可供認購的獲授權之電影及電視劇版權，均為本集團流媒體平台的重要元素。管理層將本集團的流媒體平台認定為現金產生單位（「平台現金產生單位」），並為本集團許可證、軟件開發成本及可供認購之電影及電視劇版權減值評估的基礎。平台現金產生單位之可收回金額乃根據平台現金產生單位產生之預期未來現金流量之現值釐定。

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4 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

(c) Measurement of film and TV programmes rights classified as intangible assets, and impairment of license and software development costs (Continued)

In determining whether impairment indicator existed and the recoverable amount of film and TV programmes rights classified as intangible assets and not included in the Platform CGU, the Group takes into consideration both internal and external market information, for example, the sales forecasts, the production, sales and distribution costs budget and the general economic condition of the relevant markets.

As at 31 December 2019, the carrying amount of film and TV programmes rights classified as intangible asset, license and software development costs amounted to approximately HK\$822,055,000 (2018: HK\$762,619,000), HK\$275,000 (2018: HK\$540,000) and HK\$11,019,000 (2018: HK\$15,745,000), respectively. The directors of the Company determined that impairment indicator existed for the Platform CGU at year end. In carrying out the impairment assessment of the Platform CGU, the directors of the Company adopted the income approach using the discounted cash flow forecast ("DCF") which involved key assumptions including discount rate of 24% and terminal growth rate of 3%. Based on management's assessment, no impairment provision to be charged to film and TV programmes rights classified as intangible assets, license and software development costs during the year (2018: same). Changes in assumptions used in this assessment, including the forecasted revenue, may result in additional provision being made in the consolidated financial statements.

4 重要估計及判斷(續)

(c) 分類為無形資產之電影及電視劇版權的計量、許可證及軟件開發成本減值(續)

釐定是否存在減值跡象以及分類為無形資產且並無計入平台現金產生單位之電影及電視劇版權之可收回金額時，本集團考慮內外部市場資料，例如銷售額預測、製作、銷售及發行成本預算、以及相關市場的整體經濟狀況。

於二零一九年十二月三十一日，分類為無形資產之電影及電視劇版權、許可證及軟件開發成本之賬面值分別為約港幣822,055,000元（二零一八年：港幣762,619,000元）、港幣275,000元（二零一八年：港幣540,000元）及港幣11,019,000元（二零一八年：港幣15,745,000元）。本公司董事認為，平台現金產生單位於年末時存在減值跡象。進行平台現金產生單位的減值評估時，本公司董事採用使用貼現現金流量預測的收入法，當中涉及主要假設，包括貼現率24%及終端增長率3%。根據管理層的評估，於本年度並無減值撥備將計入分類為無形資產之電影及電視劇版權、許可證及軟件開發成本（二零一八年：相同）。變更該評估所用假設（包括預測收益），可能導致於綜合財務報表中計提額外撥備。

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4 CRITICAL ESTIMATES AND JUDGEMENTS

(Continued)

(d) Estimated impairment of prepayments for film and TV programmes rights

At the end of each reporting period, the management of the Group assesses whether the impairment of prepayments for film and TV programmes rights based on the contract terms of the agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.

Based on the management's assessment on the recoverability of prepayments of film and TV programmes rights, the directors of the Company determined that no impairment provision to be charged to prepayments of film and TV programmes rights during the year (2018: same).

(e) Loss allowances of trade receivables and contract assets

The loss allowances of trade receivables and contract assets are based on assumptions about risk of default, expected loss rates and forward-looking information. The directors of the Company use judgements in making these assumptions and selecting the inputs to the calculation, based on the past history, existing market conditions as well as forward looking information at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

4 重要估計及判斷(續)

(d) 電影及電視劇版權預付款的估計減值

於各報告期末，本集團管理層基於協議之合約條款、建議作品之估計預算及電影及電視劇版權預付款之使用情況，對相關預付款之減值進行評估。

根據管理層就電影及電視劇版權預付款可收回性之評估，本公司董事認為，於本年度並無減值撥備將計入電影及電視劇版權預付款(二零一八年：相同)。

(e) 應收賬款及合約資產的虧損撥備

應收賬款及合約資產的虧損撥備乃根據有關違約風險、預期虧損率及前瞻性資料的假設而作出。本公司董事於作出該等假設及選擇輸入數據進行計算時，會根據過往歷史、當前市況及於各報告期末的前瞻性資料進行判斷。有關所使用主要假設及輸入數據的詳情於附註3.1(b)披露。

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5 REVENUE AND FILM INVESTMENT INCOME

An analysis of the Group's revenue and film investment income for the year, net of sales related tax, is as follows:

Revenue	收益
– Share of box office income	– 分佔票房收入
– Sub-licensing of film and TV programmes rights	– 分授電影及電視劇版權
– Other media related revenue	– 其他媒體相關收益
– Others	– 其他

Film investment income 電影投資收入

5 收益及電影投資收入

年內，本集團的收益及電影投資收入（扣除銷售相關稅項）分析如下：

2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
787,256	12,761
11,858	22,978
7,842	634
–	286
806,956	36,659
7,469	137,973
814,425	174,632

6 SEGMENT INFORMATION

The CODM has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit/(loss) before tax and considers all businesses to be included in a single operating segment.

The Group's operations are currently organised into one reportable segment which is investment in film and TV programmes rights. Other segments do not meet the reportable segment threshold and thus they are not separately included in the reports provided to the CODM. The results of these operations are included in the 'others' column.

6 分部資料

執行董事已被識別為主要經營決策者，負責審閱本集團的內部報告，旨在評估業績及分配資源。主要經營決策者已根據該等報告釐定經營分部。

主要經營決策者基於對除稅前溢利／（虧損）的計量評估業績，並審議將納入單一經營分部的所有業務。

本集團的經營業務現時歸入一個可呈報分部，即電影及電視劇版權投資。其他分部不符合可呈報分部的最低要求，故此並無在提供予主要經營決策者的報告中單獨呈列。該等業務的業績計入「其他」內。

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6 SEGMENT INFORMATION (Continued)

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

6 分部資料 (續)

本集團按經營及可呈報分部而劃分之收益及業績分析如下：

		Investment in film and TV programmes rights 電影及電視劇版權投資		Others 其他		Consolidated 綜合	
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Segment revenue	分部收益						
Revenue	收益						
– Share of box office income	– 分佔票房收入	787,256	12,761	–	–	787,256	12,761
– Sub-licensing of film and TV programmes rights	– 分授電影及電視劇版權	11,858	22,978	–	–	11,858	22,978
– Other media related revenue	– 其他媒體相關收益	7,842	634	–	–	7,842	634
– Others	– 其他	–	–	–	286	–	286
Film investment income	電影投資收入	7,469	137,973	–	–	7,469	137,973
		814,425	174,346	–	286	814,425	174,632
Timing of revenue recognition At a point in time	收益確認時間 某一時間點	806,956	36,373	–	286	806,956	36,659
Segment profit/(loss)	分部溢利/(虧損)	279,417	(244,921)	(4)	(521)	279,413	(245,442)
Unallocated corporate expenses Finance costs, net	未分配之企業開支 財務費用，淨額					(93,095) (134)	(165,026) (15,796)
Profit/(loss) before tax Income tax expense	除稅前溢利/(虧損) 所得稅開支					186,184 (81,081)	(426,264) (18,429)
Profit/(loss) for the year	本年度溢利/(虧損)					105,103	(444,693)
Other information (included in measure of segment profit/(loss))	其他資料 (計入對分部溢利/(虧損)的計量)						
Share-based payment for cooperation with a film director	與一名電影導演合作之以股份為基礎之付款	–	(270,000)	–	–		
Other income	其他收入	21,371	32	–	10		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	(1,120)	(1,164)	(1)	(1)		
Depreciation of right-of-use assets	使用權資產之折舊	(4,639)	–	–	–		
Amortisation of intangible assets	無形資產之攤銷	(4,837)	(5,027)	–	–		
Amortisation of film and TV programmes rights	電影及電視劇版權之攤銷	(466,342)	(80,477)	–	–		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	(29)	–	–		

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6 SEGMENT INFORMATION (Continued)

All of the segment revenue reported above was derived from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment profit/(loss) represents the profit/(loss) from each segment without allocation of unallocated corporate expenses (which mainly include certain administrative expenses and net foreign exchange losses) and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

6 分部資料 (續)

上文呈報之所有分部收益均來自外部客戶。

經營分部所用之會計政策與附註2所述本集團之會計政策相同。分部溢利／(虧損)指各分部的溢利／(虧損)，但並無分配未分配企業開支(主要包括若干行政開支及匯兌虧損淨額)及財務費用。此乃為分配資源及評估表現而向主要經營決策者匯報的計量指標。

分部資產及負債

按可呈報分部劃分之本集團資產及負債分析如下：

		Investment in film and TV programmes rights 電影及電視劇版權投資		Others 其他		Consolidated 綜合	
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
ASSETS	資產						
Segment assets	分部資產	1,765,711	1,685,455	117	182	1,765,828	1,685,637
Unallocated assets	未分配資產					89,678	7,912
Total assets	資產總額					1,855,506	1,693,549
LIABILITIES	負債						
Segment liabilities	分部負債	(631,521)	(786,380)	(3,898)	(3,959)	(635,419)	(790,339)
Unallocated liabilities	未分配負債					(89,857)	(244,542)
Total liabilities	負債總額					(725,276)	(1,034,881)
Additions to non-current assets *	增購非流動資產*	129,209	28,117	-	-		

* Other than financial assets and deferred tax

* 不包括金融資產及遞延稅項

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6 SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segment other than certain property, plant and equipment, certain right-of-use assets, certain other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable segment other than certain other payables and certain lease liabilities.

Entity-wide disclosures

Geographical information

The Group's current operations are mainly located in the PRC and Hong Kong.

Information about the Group's revenue and film investment income net of tax is presented based on the location of the operations of the relevant business units. Information about the Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

6 分部資料 (續)

分部資產及負債 (續)

為監察分部表現及在分部間分配資源：

- 所有資產分配至可呈報分部，惟若干物業、廠房及設備、若干使用權資產、若干其他應收款項及若干現金及現金等值除外；及
- 所有負債分配至可呈報分部，惟若干其他應付款項及若干租賃負債除外。

實體範圍內披露

地區資料

本集團現時的業務主要位於中國及香港。

本集團之收益及電影投資收入(扣除稅項)資料按相關業務單位之業務地點呈列。按資產所在地劃分之本集團非流動資產(不包括金融工具)資料詳情如下：

		Revenue and film investment income 收益及電影投資收入		Non-current assets 非流動資產	
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
The PRC	中國	814,373	174,346	532,316	277,478
Hong Kong	香港	52	286	105,989	136,476
		814,425	174,632	638,305	413,954

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6 SEGMENT INFORMATION (Continued)

Information about major customers

During the year, revenue and film investment income derived for the customers contributing over 10% of the total revenue and film investment income of the Group are as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Customer A ¹	客戶A ¹	787,256	—
Customer B ¹	客戶B ¹	—	82,977
Customer C ¹	客戶C ¹	—	47,780

¹ The revenue and film investment income was derived from investment in film and TV programmes rights in the PRC.

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

		Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Contract assets	合約資產	(i)	2,364	5,220
Loss allowance	虧損撥備		—	—
Total contract assets	合約資產總額		2,364	5,220
Contract liabilities	合約負債	(i)	279,250	528,652

6 分部資料 (續)

主要客戶資料

年內，對本集團總收益及電影投資收入貢獻逾10%之客戶產生之收益及電影投資收入如下：

	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Customer A ¹	787,256	—
Customer B ¹	—	82,977
Customer C ¹	—	47,780

¹ 收益及電影投資收入來自中國電影及電視劇版權投資。

與客戶合約有關的資產及負債

本集團已確認以下與客戶合約有關的資產及負債：

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6 SEGMENT INFORMATION (Continued)

Assets and liabilities related to contracts with customers (Continued)

(i) Significant changes in contract assets and liabilities

As at 31 December 2019, contract assets represented unbilled revenue arisen from the sub-licensing of film and TV programmes rights in accordance with the payment terms as stipulated in the respective contracts (2018: same).

As at 31 December 2019, contract liabilities mainly represented the receipt of RMB250,000,000 (2018: RMB464,000,000), equivalent to approximately HK\$278,831,000 (2018: HK\$528,233,000), in respect of a guaranteed minimum distribution income totalling RMB600,000,000 (2018: RMB700,000,000) from distribution of a film. This contract liability has been released and repaid subsequent to year end (please refer to Note 38(a)) (2018: recognised as revenue subsequent to year end). The amount disclosed above does not include variable consideration which is constrained.

Changes in accounting policy

The adoption of the new leasing standard described in Note 2.2 had the following impact on the segment disclosures in the current year.

6 分部資料 (續)

與客戶合約有關的資產及負債 (續)

(i) 合約資產及負債的重大變動

於二零一九年十二月三十一日，合約資產指根據相關合約訂明之支付條款由分授電影及電視劇版權產生的未開單收益 (二零一八年：相同)。

於二零一九年十二月三十一日，合約負債主要指就發行一部電影之保底發行收入合共人民幣600,000,000元 (二零一八年：人民幣700,000,000元) 收取之人民幣250,000,000元 (二零一八年：人民幣464,000,000元) (相當於約港幣278,831,000元 (二零一八年：港幣528,233,000元))。該合約負債已於年度結束後獲解除及償還 (請參閱附註38(a)) (二零一八年：於年度結束後確認為收益)。上文披露之金額並不包括受限的可變代價。

會計政策變動

採納附註2.2所述新訂租賃準則對本年度的分部披露影響如下。

	Increase/(decrease) 增加／(減少)		
	Segment assets 折舊 HK\$'000 港幣千元	Segment liabilities 分部資產 HK\$'000 港幣千元	Segment liabilities 分部負債 HK\$'000 港幣千元
Investment in film and TV programmes rights – The PRC			
電影及電視劇 版權投資 – 中國			
	4,639	15,646	15,890

Comparative segment information has not been restated. As a consequence, the segment information disclosed for the items noted above is not entirely comparable to the information disclosed for the prior year.

並無重列比較分部資料。因此，就上述項目披露之分部資料並非完全可與去年披露之資料作比較。

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7 OTHER INCOME

7 其他收入

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Government grant (Note)	政府補助(附註)	21,371	–
Sundry income	雜項收入	–	42
		21,371	42

Note: During the year, a government grant of approximately RMB18,464,000 (equivalent to approximately HK\$21,371,000), was received from the PRC government. There are no unfulfilled conditions or other contingencies attaching to this grant.

附註：年內，政府補助約人民幣18,464,000元（相當於約港幣21,371,000元）由中國政府授出。該補助概無附帶尚未達成的條件或其他或有事項。

8 OTHER LOSSES

8 其他虧損

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Net foreign exchange losses	匯兌虧損淨額	(2,311)	(505)
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益／(虧損)	5	(29)
Gain from bargain purchase (Note 36)	來自議價購買之收益(附註36)	–	188
		(2,306)	(346)

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9 EXPENSES BY NATURE

9 按性質劃分之開支

		Note	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Employee benefit expenses (excluding directors' remuneration and share-based compensation)	僱員福利開支(不包括董事薪酬及以股份為基礎之薪酬)	10	46,110	38,045
Directors' remuneration (excluding share-based compensation)	董事薪酬(不包括以股份為基礎之薪酬)	14	25,199	21,056
Share-based compensation	以股份為基礎之薪酬			
– Directors	– 董事	14	–	28,129
– Employees	– 僱員	10	6,430	57,239
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備	17	2,244	2,361
– Right-of-use assets	– 使用權資產	18(b)	14,091	–
Short-term lease expense	短期租賃開支	18(b)	2,754	–
Operating lease payments in respect of office premises and photocopying machines	辦公室物業及複印機經營租賃付款		–	15,481
Legal and professional fees	法律及專業費用		8,615	12,692
Travelling and entertainment expenses	差旅及應酬開支		9,351	10,476
Advertising and marketing expenses	廣告及營銷開支		43,274	25,245
Amortisation of intangible assets	無形資產之攤銷	19	4,837	5,027
Amortisation of film and TV programmes rights	電影及電視劇版權之攤銷	22	466,342	80,477
Auditor's remuneration	核數師酬金			
– Audit services	– 審核服務		3,150	2,670
– Non-audit services	– 非審核服務		365	30
Others	其他		14,410	15,868
Total cost of revenue, selling and distribution costs and administrative expenses	收益之成本、銷售及分銷成本以及行政開支總額		647,172	314,796

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10 EMPLOYEE BENEFIT EXPENSES (EXCLUDING DIRECTORS' REMUNERATION)

10 僱員福利開支(不包括董事薪酬)

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	39,622	32,724
Pension costs – defined contribution plans	退休金成本—特定供款計劃	5,789	4,677
Share-based compensation	以股份為基礎之薪酬	6,430	57,239
Others	其他	699	644
Total employee benefit expenses	僱員福利開支總額	52,540	95,284

(a) Pension costs – defined contribution plans

Contributions totalling approximately HK\$482,000 (2018: HK\$38,000) were payable at the end of reporting period.

(a) 退休金成本—特定供款計劃

報告期末應付供款總額約為港幣482,000元(二零一八年:港幣38,000元)。

(b) Five highest paid individuals

The five highest paid employees of the Group during the year included two directors (2018: two) of the Company, details of whose emoluments are included in Note 14 below. Details of the remuneration for the year of the remaining three employees (2018: three) with highest paid are as follows:

(b) 五名最高酬金人士

年內，本集團五名最高酬金僱員包括本公司兩名董事(二零一八年:兩名)，其酬金詳情載於下文附註14。年內其餘三名最高酬金僱員(二零一八年:三名)之薪金詳情如下:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	6,138	4,697
Performance related bonus	按表現發放之花紅	1,547	391
Share-based compensation	以股份為基礎之薪酬	3,331	31,612
Pension costs - defined contribution plans	退休金成本—特定供款計劃	36	36
		11,052	36,736

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10 EMPLOYEE BENEFIT EXPENSES (EXCLUDING DIRECTORS' REMUNERATION) (Continued)

10 僱員福利開支(不包括董事薪酬) (續)

(b) Five highest paid individuals (Continued)

(b) 五名最高酬金人士(續)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands are as follows:

薪酬介乎以下範圍的最高酬金僱員(非本公司董事)人數如下:

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至港幣2,500,000元	1	—
HK\$2,500,001 to HK\$3,000,000	港幣2,500,001元至港幣3,000,000元	1	—
HK\$5,500,001 to HK\$6,000,000	港幣5,500,001元至港幣6,000,000元	1	—
HK\$8,000,001 to HK\$8,500,000	港幣8,000,001元至港幣8,500,000元	—	1
HK\$9,000,001 to HK\$9,500,000	港幣9,000,001元至港幣9,500,000元	—	1
HK\$18,500,001 to HK\$19,000,000	港幣18,500,001元至港幣19,000,000元	—	1
		3	3

11 FINANCE COSTS, NET

11 財務費用，淨額

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Finance income	財務收入		
Bank interest income	銀行利息收入	3,036	701
Finance costs	財務費用		
Interest on borrowings	借款利息	(2,339)	(6,612)
Net foreign exchange gains/(losses) on foreign currency denominated borrowings	外幣借款匯兌收益/(虧損)淨額	761	(9,885)
Finance charges for lease liabilities (Note 18(b))	租賃負債之財務開支(附註18(b))	(1,592)	—
		(3,170)	(16,497)
Finance costs, net	財務費用，淨額	(134)	(15,796)

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12 INCOME TAX EXPENSE

Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the CIT law, 10% withholding tax is levied on the PRC sourced income on foreign entities without establishments or places of business in the PRC.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the relevant group entities have incurred tax losses (2018: same).

No overseas profits tax has been calculated for the group entities that are incorporated in the British Virgin Islands (the "BVI") or Bermuda as they are exempted from tax (2018: same).

Income tax expense charged to the profit or loss represents:

12 所得稅開支

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，自二零零八年一月一日起，中國附屬公司之稅率為25%。

根據企業所得稅法，並未於中國境內設立機構或營業場所的外國實體須就其來源於中國境內的收入繳納10%的預扣稅。

兩個年度之香港利得稅均按估計應課稅溢利以稅率16.5%計算。由於相關集團實體產生稅項虧損，故並無於綜合財務報表內就香港利得稅作出撥備(二零一八年：相同)。

由於在英屬維爾京群島或百慕達成立之集團實體獲稅務豁免，故概無就該等集團實體計算海外利得稅(二零一八年：相同)。

計入損益的所得稅開支乃指：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Current tax	即期稅項	81,145	18,429
Over-provision in prior year	過往年度超額撥備	(64)	—
		81,081	18,429

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12 INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

12 所得稅開支(續)

本年度之所得稅開支與綜合損益及其他全面收益表之除稅前溢利／(虧損)對賬如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	186,184	(426,264)
Tax calculated at domestic tax rates applicable to profit/(loss) in the respective countries	按適用於各國溢利／(虧損)之當地稅率計算之稅項	51,126	(66,470)
Expenses not deductible for tax purpose	不可用作扣稅之開支	2,560	65,822
Income not taxable	毋須課稅之收入	(560)	(187)
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(568)	(1,279)
Tax loss not recognised	未確認之稅項虧損	13,242	20,549
Withholding tax	預扣稅	15,287	—
Over-provision in prior year	過往年度超額撥備	(64)	—
Others	其他	58	(6)
Income tax expense	所得稅開支	81,081	18,429

The weighted average applicable tax rate was 27.5% (2018: 15.6%). The change in weighted average applicable tax rate was mainly caused by a change in mix of profits earned or losses incurred by the group entities.

加權平均適用稅率為27.5% (二零一八年：15.6%)。加權平均適用稅率之變動主要是由集團實體所賺取溢利或所產生虧損的組合變動而導致。

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13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

13 本公司主要附屬公司詳情

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊／經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本／ 註冊資本詳情	Effective economic interest held by the Group 本集團所持 實際經濟權益	
				2019 二零一九年	2018 二零一八年
Beijing Huan Sheng Xiao Yu Culture Media Company Limited ^{(1) & (4)} 北京歡聲笑語文化傳媒有限公司 ^{(1) 及 (4)}	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes rights investments 電影及電視劇版權投資	RMB80,201,750 人民幣80,201,750元	100%	100%
Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited ^{(2) & (4)} 歡歡喜喜(天津)文化投資有限公司 ^{(2) 及 (4)}	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes rights investments 電影及電視劇版權投資	RMB100,000,000 人民幣100,000,000元	100%	100%
Taizhou Huanxi Culture Investment Company Limited ^{(1) & (4)} 台州歡喜文化投資有限公司 ^{(1) 及 (4)}	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes rights investments 電影及電視劇版權投資	USD29,899,965 美金29,899,965元	100%	100%
Guangdong Sinofocus Media Limited ^{(1) & (4)} 廣東中觀傳媒有限公司 ^{(1) 及 (4)}	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes rights investments 電影及電視劇版權投資	RMB50,000,000 人民幣50,000,000元	100%	100%
Gain Flow Developments Limited 順盈發展有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Streaming platform development 流媒體平台發展	USD1 ordinary share 美金1元普通股	100%	100%
Power Thought Investments Limited 力思投資有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Film and TV programmes rights investments 電影及電視劇版權投資	USD1 ordinary share 美金1元普通股	100%	100%
HX Investment (HK) Limited 歡喜投資(香港)有限公司	Hong Kong, limited company 香港，有限公司	Film and TV programmes rights investments 電影及電視劇版權投資	HK\$1 ordinary share 港幣1元普通股	100%	100%

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13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

13 本公司主要附屬公司詳情 (續)

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊／經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本／ 註冊資本詳情	Effective economic interest held by the Group 本集團所持 實際經濟權益	
				2019 二零一九年	2018 二零一八年
Wiz Limited 慧師有限公司	Hong Kong, limited company 香港，有限公司	Provision of management services to the Group 向本集團提供管理服務	HK\$1 ordinary share 港幣1元普通股	100%	100%
Graceful View Holdings Limited	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%
Sinofocus Media (Holdings) Limited 中觀傳媒(控股)有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Investment holding and management 投資控股及管理	USD1 ordinary share 美金1元普通股	100%	100%
Huanxi Entertainment (HK) Limited 歡喜娛樂(香港)有限公司	Hong Kong, limited company 香港，有限公司	Investment holding 投資控股	HK\$10,000 ordinary shares 港幣10,000元普通股	100%	100%
Huanxi Media Investment Limited 歡喜影視投資有限公司	Hong Kong, limited company 香港，有限公司	Investment holding 投資控股	HK\$1 ordinary share 港幣1元普通股	100%	100%
Joyful Sky Holdings Limited 喜天控股有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%
Mansford Holdings Limited	BVI/Hong Kong, limited company 英屬維爾京群島／ 香港，有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%

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13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

13 本公司主要附屬公司詳情 (續)

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊/經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Effective economic interest held by the Group 本集團所持 實際經濟權益	
				2019 二零一九年	2018 二零一八年
Kingbox Investments Limited	BVI/Hong Kong, limited company 英屬維爾京群島/ 香港, 有限公司	Investment holding 投資控股	USD48,137 ordinary shares 美金48,137元普通股	100%	100%
Century 21 (HK) Group Limited 世紀21 (香港)集團有限公司	Hong Kong, limited company 香港, 有限公司	Investment holding 投資控股	HK\$1 ordinary share 港幣1元普通股	100%	100%
Century 21 Property Agency Limited 世紀21物業有限公司	Hong Kong, limited company 香港, 有限公司	Provision of property agency and related services in Hong Kong 在香港提供物業代理 及有關服務	HK\$2 ordinary shares 港幣2元普通股	100%	100%
Century 21 Surveyors Limited 世紀21測量行有限公司	Hong Kong, limited company 香港, 有限公司	Provision of property project consulting and related services 提供物業項目諮詢 及有關服務	HK\$100 ordinary shares 港幣100元普通股	100%	100%
Beijing Huanxi Shou Ying Culture Company Limited ^{(3),(4)&(5)} 北京歡喜首映文化有限公司 ^{(3),(4)&(5)}	The PRC, limited liability company 中國, 有限責任公司	Film and TV programmes production and investment 電影及電視節目製作及投資	RMB10,000,000 人民幣10,000,000元	100%	100%
Beijing Hangaohua Network Technology Company Limited ^{(4)&(5)} 北京漢高華網絡科技有限公司 ^{(4)&(5)}	The PRC, other limited liability company 中國, 其他有限責任公司	Provision of internet audio-visual programmes services 提供互聯網音視聽節目服務	RMB10,000,000 人民幣10,000,000元	100%	100%

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13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

- (1) These subsidiaries are registered as wholly-owned enterprises of Taiwan, Hong Kong or Macau corporate body under the PRC Law.
- (2) This subsidiary is registered as wholly-owned enterprise of foreign-invested corporate body under the PRC Law.
- (3) This subsidiary is registered as an enterprise invested/controlled by natural persons under the PRC Law.
- (4) The English name for the PRC subsidiaries are for identification purposes only.
- (5) These subsidiaries are controlled by the Group by virtue of the contractual agreements effective from 19 January 2018. Beijing Huan Sheng Xiao Yu Culture Media Company Limited ("Beijing Subsidiary") is a wholly-owned enterprise of Taiwan, Hong Kong or Macau corporate body in the PRC. The Group operates a streaming platform in the PRC through contractual arrangements with its affiliated PRC entities, Beijing Huanxi Shou Ying Culture Company Limited and Beijing Hangaohua Network Technology Company Limited (the "VIE Group"). Beijing Subsidiary has entered into a series of contractual arrangements with the VIE Group and their respective shareholders. These contractual arrangements enable the Group to (1) have power to direct the activities that most significantly affect the economic performance of the VIE Group; (2) receive substantially all of the economic benefits from the VIE Group in consideration for the services provided by Beijing Subsidiary; and (3) have an exclusive option to purchase all or part of the equity interests in the VIE Group at the minimum price permitted under the PRC laws, when and to the extent permitted by the PRC law, and request any existing shareholders of the VIE Group to transfer all or part of the equity interest in the VIE Group to any entity designated by the Group at any time in its discretion. The Group believes that its ability to exercise effective control give it the rights to receive substantially all of the economic benefits from the VIE Group in consideration for the services provided by Beijing Subsidiary. Accordingly, as the primary beneficiary of the VIE Group and in accordance with the HKFRSs, the Group consolidates their assets, liabilities, results of operations and cash flows in the consolidated financial statements.

The above table lists the subsidiaries of the Company as at 31 December 2019 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. None of the Company's subsidiaries had issued any debt securities at year end.

13 本公司主要附屬公司詳情(續)

- (1) 該等附屬公司根據中國法例註冊為台港澳法人獨資企業。
- (2) 該附屬公司根據中國法例註冊為外商投資企業法人獨資企業。
- (3) 該附屬公司根據中國法例註冊為自然人投資／控股企業。
- (4) 中國附屬公司之英文名稱僅供參考。
- (5) 該等附屬公司由本集團憑藉自二零一八年一月十九日起生效的合約協議控制。北京歡聲笑語文化傳媒有限公司(「北京附屬公司」)為一間位於中國的台港澳法人獨資企業。本集團透過與其附屬中國實體北京歡喜首映文化有限公司及北京漢高華網絡科技有限公司(「VIE集團」)的合約安排於中國運營一個流媒體平台。北京附屬公司已與VIE集團，以及彼等各自股東訂立一系列合約安排。該等合約安排令本集團得以(1)有權力控制對VIE集團之經濟表現產生最重大影響的活動；(2)向VIE集團收取絕大部分經濟收益，作為北京附屬公司提供服務之代價；及(3)享有獨家購買權，可在中國法律允許之時間與範圍內，按中國法律允許之最低價格購買VIE集團之全部或部分股權，並要求VIE集團任何現任股東向本集團隨時酌情指定之任何實體轉讓VIE集團之全部或部分股權。本集團認為，能夠行使實際控制權令其有權向VIE集團收取絕大部分經濟收益，作為北京附屬公司提供服務的代價。因此，作為VIE集團的主要受益人，及根據香港財務報告準則，本集團將彼等之資產、負債、營運業績及現金流量在綜合財務報表中綜合計算。

上表所列本公司於二零一九年十二月三十一日之附屬公司，均為董事認為對本集團之業績或資產具有主要影響的公司。若羅列其他附屬公司詳情，董事認為會導致篇幅過於冗長。概無本公司的附屬公司於年末發行任何債務證券。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

14 BENEFITS AND INTEREST OF DIRECTORS

14 董事之福利及權益

(a) Directors emoluments

The remuneration of the directors of the Company paid and payable by the Group are set out below:

For the year ended 31 December 2019

(a) 董事酬金

本集團已付及應付本公司董事的薪酬如下：

截至二零一九年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Pension costs-defined contribution plan	Share-based compensation	Total emoluments
		袍金	薪金及其他福利	按表現發放之花紅	退休金成本—特定供款計劃	以股份為基礎之薪酬	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事						
Mr. Dong Ping	董平先生	260	1,548	3,500	-	-	5,308
Mr. Xiang Shaokun, Steven (Note ii)	項紹琨先生(附註ii)	-	15,173	3,500	18	-	18,691
Sub-total	小計	260	16,721	7,000	18	-	23,999
Non-Executive Directors	非執行董事						
Mr. Ning Hao	寧浩先生	240	-	-	-	-	240
Mr. Xu Zheng	徐嶧先生	240	-	-	-	-	240
Sub-total	小計	480	-	-	-	-	480
Independent Non-Executive Directors	獨立非執行董事						
Mr. Wong Tak Chuen	黃德銓先生	240	-	-	-	-	240
Mr. Li Xiaolong	李小龍先生	240	-	-	-	-	240
Mr. Wang Hong (Note iii)	王虹先生(附註iii)	79	-	-	-	-	79
Mr. Su Tuong Sing, David (Note iv)	徐傳陞先生(附註iv)	161	-	-	-	-	161
Sub-total	小計	720	-	-	-	-	720
Total	總計	1,460	16,721	7,000	18	-	25,199

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14 BENEFITS AND INTEREST OF DIRECTORS (Continued)

14 董事之福利及權益 (續)

(a) Directors emoluments (Continued)

(a) 董事酬金 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Pension costs- defined contribution plan	Share-based compensation	Total emoluments
		袍金	薪金及 其他福利	按表現 發放之花紅	退休金成本— 特定供款計劃	以股份為 基礎之薪酬	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事						
Mr. Dong Ping	董平先生	260	1,505	3,000	—	2,557	7,322
Mr. Xiang Shaokun, Steven (Note ii)	項紹琨先生 (附註ii)	—	11,924	3,000	18	25,572	40,514
Sub-total	小計	260	13,429	6,000	18	28,129	47,836
Non-Executive Directors	非執行董事						
Mr. Ning Hao	寧浩先生	240	—	—	—	—	240
Mr. Xu Zheng	徐暉先生	240	—	—	—	—	240
Mr. Gao Zhikai (Note v)	高志凱先生 (附註v)	149	—	—	—	—	149
Sub-total	小計	629	—	—	—	—	629
Independent Non-Executive Directors	獨立非執行董事						
Mr. Wong Tak Chuen	黃德銓先生	240	—	—	—	—	240
Mr. Li Xiaolong	李小龍先生	240	—	—	—	—	240
Mr. Su Tuong Sing, David	徐傳陞先生	240	—	—	—	—	240
Sub-total	小計	720	—	—	—	—	720
Total	總計	1,609	13,429	6,000	18	28,129	49,185

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14 BENEFITS AND INTEREST OF DIRECTORS (Continued)

(a) Directors emoluments (Continued)

Notes:

- (i) The performance related bonus is determined by reference to individual performance of the directors and approved by the remuneration committee of the Company (the "Remuneration Committee").
- (ii) Mr. Xiang Shaokun, Steven is the chief executive officer of the Company and his emoluments disclosed above included these services rendered by him as the chief executive officer.
- (iii) Mr. Wang Hong has been appointed as the director of the Company with effective from 2 September 2019.
- (iv) Mr. Su Tuong Sing, David has ceased as the director of the Company with effective from 2 September 2019.
- (v) Mr. Gao Zhikai has resigned as the director of the Company with effective from 15 August 2018.

For the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for the year (2018: same).

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2018: nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2018: nil).

(d) Consideration provided to third parties for making available directors' services.

During the year, the Group did not pay consideration to any third parties for making available directors' services (2018: nil).

14 董事之福利及權益 (續)

(a) 董事酬金 (續)

附註：

- (i) 按表現發放之花紅乃根據董事個人表現釐定，且經本公司薪酬委員會（「薪酬委員會」）批准。
- (ii) 項紹琨先生為本公司行政總裁，上文所披露之酬金已包括其擔任行政總裁所提供服務而獲支付之酬金。
- (iii) 王虹先生已獲委任為本公司董事，自二零一九年九月二日起生效。
- (iv) 徐傳陞先生已卸任本公司董事，自二零一九年九月二日起生效。
- (v) 高志凱先生已辭任本公司董事，自二零一八年八月十五日起生效。

年內，本集團概無向任何董事支付任何酬金以作為加入本集團或加入本集團後之獎勵或作為離職補償。年內，概無董事放棄任何酬金（二零一八年：相同）。

(b) 董事的退休福利

年內，概無董事收取或將會收取任何退休福利（二零一八年：無）。

(c) 董事的離職福利

年內，概無董事收取或將會收取任何離職福利（二零一八年：無）。

(d) 就獲提供董事服務向第三方提供的代價

年內，本集團並未就獲提供的董事服務而向任何第三方支付代價（二零一八年：無）。

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14 BENEFITS AND INTEREST OF DIRECTORS

(Continued)

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year, there is no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors (2018: nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 37, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: same).

15 DIVIDENDS

Neither dividends were paid, declared or proposed for the year, nor has any dividend been proposed since the end of reporting period (2018: same).

14 董事之福利及權益 (續)

(e) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

年內，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何貸款、類似貸款及其他交易安排(二零一八年：無)。

(f) 董事於交易、安排或合約的重大權益

除附註37所披露者外，於年末或年內任何時間，並無任何與本集團參與及本公司的董事於其中有重大權益(無論直接或間接)的本集團業務相關的任何重大交易、安排及合約(二零一八年：相同)。

15 股息

於本年內，並無派付、宣派或建議派付任何股息，而自報告期結束後，亦無建議派付任何股息(二零一八年：相同)。

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16 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

16 每股盈利／（虧損）

(a) 基本

每股基本盈利／（虧損）乃按本公司擁有人應佔溢利／（虧損）（不包括普通股以外之任何支付權益成本）除以財政年度內已發行普通股之加權平均數計算。

		2019 二零一九年	2018 二零一八年
Profit/(loss) attributable to owners of the Company (in HK\$'000)	本公司擁有人應佔溢利／（虧損）（港幣千元）	105,103	(444,693)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share (in thousands)	用以計算每股基本及攤薄盈利／（虧損）之普通股加權平均數（千股）	3,104,743	2,812,850
Basic earnings/(loss) per share (in HK\$)	每股基本盈利／（虧損）（港幣元）	0.03	(0.16)

(b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the year (2018: same).

(b) 攤薄

由於本年內概無具有潛在攤薄效應之普通股，每股攤薄盈利／（虧損）與每股基本盈利／（虧損）相同（二零一八年：相同）。

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17 PROPERTY, PLANT AND EQUIPMENT

17 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俱、裝置 及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日				
Cost	成本	4,026	2,024	3,934	9,984
Accumulated depreciation	累計折舊	(2,160)	(796)	(1,111)	(4,067)
Net book amount	賬面淨值	1,866	1,228	2,823	5,917
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	1,866	1,228	2,823	5,917
Additions	增購	–	332	–	332
Disposals	出售	–	(47)	–	(47)
Depreciation charge (Note 9)	折舊費用(附註9)	(1,140)	(434)	(787)	(2,361)
Exchange differences	匯兌差額	(42)	(37)	–	(79)
Closing net book amount	期末賬面淨值	684	1,042	2,036	3,762
At 31 December 2018	於二零一八年十二月三十一日				
Cost	成本	3,900	1,980	3,934	9,814
Accumulated depreciation	累計折舊	(3,216)	(938)	(1,898)	(6,052)
Net book amount	賬面淨值	684	1,042	2,036	3,762
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	684	1,042	2,036	3,762
Additions	增購	1,483	467	1,294	3,244
Disposals	出售	–	–	(165)	(165)
Depreciation charge (Note 9)	折舊費用(附註9)	(980)	(431)	(833)	(2,244)
Exchange differences	匯兌差額	9	(15)	(20)	(26)
Closing net book amount	期末賬面淨值	1,196	1,063	2,312	4,571
At 31 December 2019	於二零一九年十二月三十一日				
Cost	成本	5,333	2,413	4,687	12,433
Accumulated depreciation	累計折舊	(4,137)	(1,350)	(2,375)	(7,862)
Net book amount	賬面淨值	1,196	1,063	2,312	4,571

Depreciation charge are included in administrative expenses of approximately HK\$2,244,000 (2018: HK\$2,361,000).

折舊費用計入行政開支約港幣2,244,000元(二零一八年：港幣2,361,000元)。

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18 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position show the following amounts relating to leases:

As a lessee

Right-of-use assets	使用權資產
Properties	物業
Equipment	設備
Lease liabilities	租賃負債
Current	流動
Non-current	非流動

Additions to the right-of-use assets during the year were approximately HK\$20,875,000.

18 租賃

本附註載列本集團作為承租人之租賃資料。

(a) 於綜合財務狀況表確認之金額

綜合財務狀況表呈列與租賃相關的金額如下：

作為承租人

31 December 2019 二零一九年 十二月三十一日 HK\$'000 港幣千元	1 January 2019 二零一九年 一月一日 HK\$'000 港幣千元
36,079	29,864
18	39
36,097	29,903
15,897	8,899
20,997	21,004
36,894	29,903

年內增購使用權資產約為港幣20,875,000元。

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18 LEASES (Continued)

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income show the following amounts related to leases:

18 租賃(續)

(b) 於綜合損益及其他全面收益表確認之金額

綜合損益及其他全面收益表呈列與租賃相關的金額如下：

		Note 附註	2019 二零一九年 HK\$'000 港幣千元
Depreciation charge of right-of-use assets	使用權資產之折舊費用		
Properties	物業		14,070
Equipment	設備		21
		9	14,091
Finance charges (included in finance costs)	財務開支(計入財務費用)	11	1,592
Expense relating to short-term leases	短期租賃相關開支		
(included in administrative expenses)	(計入行政開支)	9	2,754

The total cash outflow for leases for the year was approximately HK\$17,631,000.

年內與租賃相關的現金流出總額約為港幣17,631,000元。

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18 LEASES (Continued)

(c) The Group's leasing activities

The Group leases offices and equipment. Rental contracts are typically made for fixed periods of 3 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(d) Termination options

Termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of termination options held are exercisable by both parties.

18 租賃(續)

(c) 本集團的租賃活動

本集團租賃辦公室及設備。租賃合約通常訂為3年的固定期限。

租賃條款按個別基準進行磋商，包含多種不同的條款及條件。除出租人持有的所租賃資產的擔保權益外，租賃協議不構成任何契諾。所租賃資產不得用作借款的擔保。

(d) 終止權

本集團多項物業及設備租賃包含終止權。該等權利用於在管理本集團業務營運所用的資產時盡可能提高營運靈活性。所持終止權大部分可由雙方行使。

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19 INTANGIBLE ASSETS

19 無形資產

		License 許可證 HK\$'000 港幣千元	Software development costs 軟件開發成本 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日			
Cost	成本	–	23,352	23,352
Accumulated amortisation	累計攤銷	–	(2,335)	(2,335)
Net book amount	賬面淨值	–	21,017	21,017
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度			
Opening net book amount	期初賬面淨值	–	21,017	21,017
Additions	增購	–	334	334
Acquisition of subsidiary (Note 36)	收購附屬公司(附註36)	842	–	842
Amortisation charge (Note 9)	攤銷費用(附註9)	(269)	(4,758)	(5,027)
Exchange differences	匯兌差額	(33)	(848)	(881)
Closing net book amount	期末賬面淨值	540	15,745	16,285
At 31 December 2018	於二零一八年十二月三十一日			
Cost	成本	799	22,494	23,293
Accumulated amortisation	累計攤銷	(259)	(6,749)	(7,008)
Net book amount	賬面淨值	540	15,745	16,285
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Opening net book amount	期初賬面淨值	540	15,745	16,285
Amortisation charge (Note 9)	攤銷費用(附註9)	(264)	(4,573)	(4,837)
Exchange differences	匯兌差額	(1)	(153)	(154)
Closing net book amount	期末賬面淨值	275	11,019	11,294
At 31 December 2019	於二零一九年十二月三十一日			
Cost	成本	783	22,037	22,820
Accumulated amortisation	累計攤銷	(508)	(11,018)	(11,526)
Net book amount	賬面淨值	275	11,019	11,294

Amortisation charge are included in cost of revenue of approximately HK\$4,573,000 (2018: HK\$4,758,000) and administrative expenses of approximately HK\$264,000 (2018: HK\$269,000).

攤銷開支計入收益之成本約港幣4,573,000元(二零一八年: 港幣4,758,000元)及行政開支約港幣264,000元(二零一八年: 港幣269,000元)。

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20 FINANCIAL INSTRUMENTS BY CATEGORY 20 按類別劃分的金融工具

The Group holds the following financial instruments:

本集團持有下列金融工具：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Financial assets	金融資產		
Financial assets at amortised cost:	按攤銷成本計量的金融資產：		
Trade receivables	應收賬款	109,224	139,263
Other financial assets at amortised cost	其他按攤銷成本計量 的金融資產	11,449	234,972
Cash and cash equivalents	現金及現金等值	256,203	158,528
Financial asset at FVTPL:	按公平值計入損益之金融資產：		
Film right investments	電影版權投資	99,897	—
		476,773	532,763
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Financial liabilities	金融負債		
Financial liabilities at amortised cost:	按攤銷成本計量的金融負債：		
Trade and other payables	應付賬款及其他應付款項	(75,862)	(79,487)
Film investment funds from investors	來自投資者的電影投資款項	(188,634)	—
Other borrowings	其他借款	(50,000)	(295,307)
Lease liabilities	租賃負債	(36,894)	—
Amounts due to related parties	應付關連人士款項	—	(92,467)
		(351,390)	(467,261)

The Group's exposure to various risks associated with the financial instruments is disclosed in Note 3.1. The maximum exposure to credit risk at the end of the reporting period is the carrying amounts of each class of financial assets mentioned above.

本集團就金融工具承受的各類風險於附註3.1披露。報告期末的最大信貸風險敞口為上述各類金融資產的賬面值。

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21 PREPAYMENTS FOR FILM AND TV PROGRAMMES RIGHTS

21 電影及電視劇版權預付款

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Prepayments for film and TV programmes rights (Note)	電影及電視劇版權預付款(附註)	350,976	358,248
Prepayment for film director's fee (Note 37(b))	電影導演費預付款(附註37(b))	11,731	11,974
		362,707	370,222

Note: The prepayments for film and TV programmes rights represented the prepayments made by the Group to respective parties in relation to the film and TV programmes rights. The prepayments will form part of the contribution by the Group for the investments in the proposed film and TV programmes rights. The related terms will be further agreed between the respective parties upon the signing of the agreements.

附註：電影及電視劇版權預付款指本集團就電影及電視劇版權向各方作出之預付款。該等預付款將構成本集團對建議電影及電視劇版權投資之部分出資。相關條款將由各方於協議簽署後進一步商定。

22 FILM AND TV PROGRAMMES RIGHTS

22 電影及電視劇版權

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Film and TV programmes rights completed (Note a and b)	已完成之電影及電視劇版權(附註a及b)	542,788	10,246
Film and TV programmes rights under production (Note a and b)	製作中之電影及電視劇版權(附註a及b)	259,633	734,296
Film right investments (Note c)	電影版權投資(附註c)	99,897	—
Licensed film and TV programmes rights (Note d)	獲授權之電影及電視劇版權(附註d)	19,634	18,077
		921,952	762,619
Less: Current portion	減：即期部分	(803,514)	(744,542)
		118,438	18,077

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22 FILM AND TV PROGRAMMES RIGHTS (Continued)

22 電影及電視劇版權 (續)

		Film and TV programmes rights completed 已完成之電影 及電視劇版權 HK\$'000 港幣千元	Film and TV programmes rights under production 製作中之電影 及電視劇版權 HK\$'000 港幣千元	Film right investments 電影版權投資 HK\$'000 港幣千元	Licensed film and TV programmes rights 獲授權之電影 及電視劇版權 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	10,779	471,603	23,980	22,743	529,105
Additions	增購	-	346,155	15,036	27,554	388,745
Fair value gains	公平值收益	-	-	137,973	-	137,973
Transfer	轉撥	49,527	(49,527)	-	-	-
Amortisation	攤銷	(48,970)	-	-	(31,507)	(80,477)
Derecognition (Note e)	終止確認(附註e)	-	-	(176,622)	-	(176,622)
Exchange differences	匯兌差額	(1,090)	(33,935)	(367)	(713)	(36,105)
At 31 December 2018	於二零一八年十二月三十一日	10,246	734,296	-	18,077	762,619
Additions	增購	4,630	520,958	105,750	18,435	649,773
Fair value gains	公平值收益	-	-	7,469	-	7,469
Transfer	轉撥	988,410	(988,410)	-	-	-
Amortisation	攤銷	(449,903)	-	-	(16,439)	(466,342)
Derecognition (Note e)	終止確認(附註e)	-	-	(9,553)	-	(9,553)
Exchange differences	匯兌差額	(10,595)	(7,211)	(3,769)	(439)	(22,014)
At 31 December 2019	於二零一九年十二月三十一日	542,788	259,633	99,897	19,634	921,952

Notes:

- (a) As at 31 December 2019, the film and TV programmes rights completed includes a film right of approximately HK\$349,907,000 in respect of a film *Lost in Russia* (囧媽). On 26 February 2019, the Group i) entered into a film production agreement with Beijing Joy Leader Culture Communication Co. Ltd. (北京真樂道文化傳播有限公司) ("Beijing Joy Leader"), a company which is owned as to 51% by Mr. Xu, the non-executive director of the Company, as the production house of the aforementioned film at a consideration of RMB30,000,000 and requested Beijing Joy Leader to sign contract with independent third parties ("Third Party Contracts") on behalf of the Group in relation to the film production provided that the total amount of Third Party Contracts did not exceed RMB100,000,000 and ii) entered into a film director agreement, a producer agreement, a screenwriter agreement, and an actor agreement with Mr. Xu, the non-executive director of the Company, at a consideration of RMB27,000,000, RMB10,000,000, RMB10,000,000 and RMB40,000,000, respectively (Note 37(a)). Such costs have been capitalised as the film and TV programmes rights. Please refer to the Company's circular dated 23 May 2019 for details.

附註:

- (a) 於二零一九年十二月三十一日，已完成之電影及電視劇版權包括與電影《囧媽》相關的電影版權約港幣349,907,000元。於二零一九年二月二十六日，本集團i)與上述電影之製作公司北京真樂道文化傳播有限公司(「北京真樂道」)(本公司非執行董事徐先生擁有該公司51%權益)訂立電影製作協議，代價為人民幣30,000,000元，並要求北京真樂道代表本集團與獨立第三方簽署與該電影攝製相關的合同(「第三方合同」)，惟第三方合同的總金額不可超過人民幣100,000,000元，及ii)與本公司非執行董事徐先生訂立導演聘用協議、監製聘用協議、編劇聘用協議及演員聘用協議，代價分別為人民幣27,000,000元、人民幣10,000,000元、人民幣10,000,000元及人民幣40,000,000元(附註37(a))。該等成本已在電影及電視劇版權內予以資本化。有關詳情，請參閱本公司日期為二零一九年五月二十三日之通函。

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22 FILM AND TV PROGRAMMES RIGHTS (Continued)

Notes: (Continued)

- (b) As at 31 December 2018, the film and TV programmes rights under production included a film right with production cost of approximately HK\$428,074,000 in respect of the production of a film, *Crazy Alien* (瘋狂的外星人), in the PRC, which has been released in 2019. On 30 December 2016, the Group engaged a production house, an independent third party, for the production of the aforementioned film at a budgeted cost of RMB400,000,000, including the service fee to Jiayi Movie which is chargeable based on 5% of the total production cost of the film and film director fee to Mr. Ning, the non-executive director of the Company, of RMB30,000,000. In the opinion of the directors of the Company, Jiayi Movie is an independent third party and Mr. Ning does not have any interests in the contracts or transactions in connection with the production of such a film other than his role as a film director. An amount of approximately HK\$5,862,000 was paid to Mr. Ning as the aforementioned film director's fee and was recognised as film and TV programmes rights under production during the year ended 31 December 2018 (Note 37(a)).
- (c) The balance represented the Group's investments in film productions which entitled the Group to predetermined percentage of income to be generated from the films based on the Group's investment portion as specified in respective film right investment agreements.
- (d) The balance represented the acquired license rights from independent third parties for broadcasting licensed films or TV programmes series on the Group's streaming platform (Note 19) or sub-licensing the license rights to other independent third parties.
- (e) During the year, the Group has recognised film investment income amounted to approximately HK\$7,469,000 (2018: HK\$137,973,000) based on the Group's investment portion as specified in respective film right investment agreements.
- (f) During the year, the Group has entered into certain joint operation arrangements to produce and distribute four films (2018: four). The Group has participating interests ranging from 50% to 57% (2018: 50% to 57%) in these joint operations. The aggregate amounts of intangible assets recognised in the consolidated statement of financial position relating to the Group's interests in these joint operation arrangements are approximately HK\$49,811,000 (2018: HK\$50,803,000).

22 電影及電視劇版權 (續)

附註：(續)

- (b) 於二零一八年十二月三十一日，製作中之電影及電視劇版權包括與在中國製作之電影《瘋狂的外星人》(已於二零一九年上映) 相關的電影版權製作成本約港幣428,074,000元。於二零一六年十二月三十日，本集團委聘一間製作公司(一名獨立第三方)製作上述電影，成本預算為人民幣400,000,000元，包括向甲壹電影支付之服務費(按電影總製作成本之5%計算)及向本公司之非執行董事寧先生支付之電影導演費人民幣30,000,000元。本公司董事認為，甲壹電影為獨立第三方，而寧先生除作為電影導演外，於製作該電影相關之合約或交易中並無任何利益。已向寧先生支付約港幣5,862,000元作為上文所述之電影導演費，該筆金額於截至二零一八年十二月三十一日止年度確認為製作中之電影及電視劇版權(附註37(a))。
- (c) 該結餘指本集團於電影製作之投資，根據相應電影版權投資協議所指明之本集團投資比例，本集團有權按預先釐定之百分比享有電影將來產生之收入。
- (d) 該結餘指從獨立第三方處購買的許可授權，用於在本集團的流媒體平台(附註19)播放獲授權之電影或電視劇，或向其他獨立第三方分授許可授權。
- (e) 根據相應電影版權投資協議所指明之本集團投資比例，本集團於年內確認電影投資收入約港幣7,469,000元(二零一八年：港幣137,973,000元)。
- (f) 年內，本集團已訂立若干合營業務安排以製作及發行四部電影(二零一八年：四部)。本集團於該等合營業務中之參與權益介乎50%至57%(二零一八年：50%至57%)。就本集團於該等合營業務安排之權益在綜合財務狀況表內確認之無形資產的總金額約為港幣49,811,000元(二零一八年：港幣50,803,000元)。

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23 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23 應收賬款及其他應收款項、按金及預付款

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Trade receivables	應收賬款		
– Sub-licensing of film and TV programmes rights	– 分授電影及電視劇版權	2,816	2,946
– Film investment income	– 電影投資收入	106,316	136,225
– Others	– 其他	349	349
		109,481	139,520
Loss allowance (Note 3.1(b))	虧損撥備 (附註3.1(b))	(257)	(257)
		109,224	139,263
Deposits	按金	6,287	6,219
Prepayments (Note)	預付款 (附註)	124,874	1,575
Other receivables	其他應收款項	19,933	229,856
		151,094	237,650
		260,318	376,913
Less: Amounts due within one year shown under current assets	減：列作一年內到期的流動資產之金額	(155,120)	(371,305)
Non-current portion	非即期部分	105,198	5,608

Note: The prepayments mainly represented the prepayments made by the Group in relation to acquisition of licensed film rights from independent third parties for broadcasting on the Group's streaming platform.

附註：該等預付款主要指本集團支付給獨立第三方的預付款為購買獲授權之電影版權於本集團的流媒體平台播放。

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23 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Trade and other receivables, deposits and prepayments are denominated in the following currencies:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
RMB	人民幣	249,966	371,611
HK\$	港幣	6,579	4,411
USD	美金	3,773	891
		260,318	376,913

The credit period is generally within 30 days from invoice date or the date when the settlement statement is duly confirmed as stipulated in the respective agreements.

At 31 December, the ageing analysis of the trade receivables, net of loss allowance, presented based on invoice date or date of settlement statement are as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
0 – 30 days	0至30日	3,976	139,170
91 – 180 days	91至180日	–	93
181 – 365 days	181至365日	11,364	–
Over 365 days	365日以上	93,884	–
		109,224	139,263

23 應收賬款及其他應收款項、按金及預付款 (續)

應收賬款及其他應收款項、按金及預付款乃以下列貨幣計值：

如相關協議所訂明，信貸期通常為發票日期或結算報表獲正式確認之日起30日內。

於十二月三十一日，應收賬款（扣除虧損撥備）按發票日期或結算報表日期呈列之賬齡分析如下：

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23 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

(i) Other receivables pledged as security

As at 31 December 2019, the Group does not pledged any other receivable as security.

As at 31 December 2018, the Group has pledged other receivables amounting to approximately HK\$223,133,000 to several third parties to obtain borrowings amounting to approximately HK\$220,364,000 and has retained late payment and credit risk. Thus, the Group considers the held to collect business model to remain appropriate for these receivables and continues measuring them at amortised cost.

(ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair values.

23 應收賬款及其他應收款項、按金及預付款(續)

(i) 質押為擔保的其他應收款項

於二零一九年十二月三十一日，本集團概無質押任何其他應收款項為擔保。

於二零一八年十二月三十一日，本集團已向多名第三方質押其他應收款項約港幣223,133,000元以取得借款約港幣220,364,000元，並保留逾期付款及信貸風險。因此，本集團認為持有至收回的業務模式對該等應收款項而言仍屬適當，並繼續按攤銷成本對其進行計量。

(ii) 應收賬款及其他應收款項之公平值

由於即期應收款項的短期性質使然，其賬面值被視為與其公平值相同。

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24 CASH AND CASH EQUIVALENTS

24 現金及現金等值

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Cash at banks	銀行現金	256,152	158,483
Cash on hand	持有的現金	51	45
		256,203	158,528

Cash and cash equivalents are denominated in the following currencies:

現金及現金等值乃以下列貨幣計值：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
HK\$	港幣	3,753	321
USD	美金	1,825	1,060
RMB	人民幣	250,625	157,147
		256,203	158,528

Bank balances and cash comprised of cash held by the Group and short-term bank deposits that are interest-bearing ranging from 0.01% to 0.35% (2018: 0.01% to 0.30%) per annum and have original maturity of three months or less.

銀行結餘及現金包括本集團所持現金及按介乎0.01%至0.35%（二零一八年：0.01%至0.30%）之年利率計息且原到期日為三個月或以內之短期銀行存款。

As at 31 December 2019, the Group has cash and bank balances amounting to approximately HK\$249,429,000 (2018: HK\$158,189,000) which are held in the PRC. These cash and bank balances are subject to the rule and regulations of foreign exchange control promulgated by the PRC government.

於二零一九年十二月三十一日，本集團擁有於中國持有的現金及銀行結餘約港幣249,429,000元（二零一八年：港幣158,189,000元）。該等現金及銀行結餘受中國政府頒布的外匯管制法規法例規管。

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25 TRADE AND OTHER PAYABLES

25 應付賬款及其他應付款項

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Trade payables	應付賬款	67,851	64,377
Other payables	其他應付款項	10,314	15,208
Accruals	應計費用	15,695	18,440
		93,860	98,025

The carrying amounts of trade and other payables approximated their fair values.

應付賬款及其他應付款項的賬面值與其公平值相若。

At 31 December, the ageing analysis of the trade payables based on invoice date or date of settlement statement are as follows:

於十二月三十一日，應付賬款基於發票日期或結算報表日期呈列之賬齡分析如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
0 – 30 days	0至30日	23,483	28,111
91 – 180 days	91至180日	–	17,685
181 – 365 days	181至365日	3,246	5,630
Over 365 days	365日以上	41,122	12,951
		67,851	64,377

Trade and other payables are denominated in the following currencies:

應付賬款及其他應付款項乃以下列貨幣計值：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
RMB	人民幣	70,747	70,983
HK\$	港幣	23,096	27,042
USD	美金	17	–
		93,860	98,025

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26 FILM INVESTMENT FUNDS FROM INVESTORS

The amounts represent investments made by certain investors in respect of film rights held by the Group. In accordance with the terms of the respective investment agreements, the investors are entitled to recoup their investment amounts as appropriate by the predetermined percentage of income to be generated from the theatrical release of the films. The financial liabilities were measured at amortised cost.

26 來自投資者的電影投資款項

該款項指若干投資者就本集團所持電影版權作出的投資。根據有關投資協議的條款，投資者有權按將由相關電影於院線上映所產生收入的既定比例收回其投資金額（如適用）。該等金融負債均按攤銷成本計量。

27 BORROWINGS

27 借款

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Other borrowings	其他借款		
Secured	有抵押	—	220,364
Unsecured	無抵押	50,000	74,943
Total borrowings	借款總額	50,000	295,307

As at 31 December 2019, the borrowing was interest-free and repayable within one year.

於二零一九年十二月三十一日，該借款為免息及須於一年內償還。

As at 31 December 2018, all borrowings were interest-bearing ranged from 0% to 12% per annum and repayable within one year. The secured borrowings were secured by other receivables accounting to approximately HK\$223,133,000.

於二零一八年十二月三十一日，所有借款均須按介乎0%至12%之年利率計息並於一年內償還。有抵押借款由其他應收款項約港幣223,133,000元作抵押。

The fair values of the borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

該等借款的公平值與其賬面值並無重大差異，此乃由於該等借款的應付利息接近現行市場利率或借款屬短期性質。

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28 DEFERRED TAX

At the end of the reporting period, the Group has unused tax losses of HK\$357,513,000 (2018: HK\$323,228,000) available for offset against future profits of which the amount of approximately HK\$292,216,000 (2018: HK\$252,690,000) may be carried forward indefinitely and the amount of HK\$65,297,000 (2018: HK\$70,538,000) will be expire in five years from the year of assessment. No deferred tax asset has been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and the management does not consider probable that taxable profits will be available against which the tax losses can be utilised.

Deferred income tax liabilities of approximately HK\$25,767,000 (2018: HK\$7,379,000) have not been provided for the withholding tax that would be payable on the unremitted earnings of subsidiaries of approximately HK\$257,673,000 (2018: HK\$73,787,000) in the PRC. The unremitted earnings are used for reinvestment. The income tax liability is not recognised, because the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28 遞延稅項

於報告期末，本集團可供抵銷將來溢利之未使用稅項虧損為港幣357,513,000元（二零一八年：港幣323,228,000元），其中為數約港幣292,216,000元（二零一八年：港幣252,690,000元）可無限期結轉及為數港幣65,297,000元（二零一八年：港幣70,538,000元）將自評稅年度起計五年內屆滿。由於該等稅項虧損產生自己虧損一段時間的附屬公司，且管理層認為日後應不可能產生應課稅溢利可抵銷稅項虧損，故並無就該等稅項虧損確認遞延稅項資產。

遞延所得稅負債約港幣25,767,000元（二零一八年：港幣7,379,000元）並無就附屬公司的未匯出盈利約港幣257,673,000元（二零一八年：港幣73,787,000元）於中國應付之預扣稅計提撥備。未匯出盈利乃用於再投資。所得稅負債未予確認，蓋因本集團能夠控制撥回臨時差額之時間且臨時差額於可見未來有可能不會撥回。

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29 SHARE CAPITAL

29 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares	普通股		
Authorised:	法定：		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019, at HK\$0.01 each	於二零一八年一月一日、二零一八年 十二月三十一日、二零一九年一月 一日及二零一九年十二月三十一 日，每股面值港幣0.01元	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018	於二零一八年一月一日	2,768,055,408	27,681
Issue of ordinary shares for cooperation with a film director (Note 35(a))	與一名電影導演合作而發行 之普通股(附註35(a))	150,000,000	1,500
At 31 December 2018	於二零一八年十二月三十一日	2,918,055,408	29,181
Issue of ordinary shares (Note)	發行普通股(附註)	236,600,000	2,366
At 31 December 2019	於二零一九年十二月三十一日	3,154,655,408	31,547

Note: During the year, the Company entered into the subscription agreement with Maoyan Entertainment, pursuant to which Maoyan Entertainment has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Maoyan Entertainment, 236,600,000 ordinary shares ("Subscription Shares") at the subscription price of HK\$1.6507 per Subscription Share (the "Subscription"). The gross proceeds and net proceeds to be raised from the Subscription are approximately HK\$390,556,000 and HK\$390,000,000 respectively. The Subscription was completed on 19 March 2019.

附註：年內，本公司與貓眼娛樂訂立認購協議，據此，貓眼娛樂已有條件同意認購，而本公司已有條件同意向貓眼娛樂按每股認購股份港幣1.6507元之認購價配發及發行236,600,000股普通股(「認購股份」)(「認購事項」)。認購事項所得款項總額及淨額分別為約港幣390,556,000元及港幣390,000,000元。認購事項已於二零一九年三月十九日完成。

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30 RESERVES

30 儲備

		Attributable to owners of the Company 本公司擁有人應佔				
		Share premium 股份溢價 HK\$'000 港幣千元	Share-based payment reserve 以股份為基礎 付款之儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated losses (Note) 累計虧損 (附註) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	1,974,993	-	57,376	(1,267,883)	764,486
Loss for the year	本年度虧損	-	-	-	(444,693)	(444,693)
Other comprehensive loss	其他全面虧損	-	-	(44,174)	-	(44,174)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	(44,174)	(444,693)	(488,867)
Transactions with owners:	與擁有人的交易：					
Issue of ordinary shares for cooperation with a film director	與一名電影導演合作而發行之普通股	268,500	-	-	-	268,500
Share option scheme:	購股權計劃：					
- value of services provided	- 已提供服務之價值	-	85,368	-	-	85,368
		268,500	85,368	-	-	353,868
At 31 December 2018	於二零一八年十二月三十一日	2,243,493	85,368	13,202	(1,712,576)	629,487
At 1 January 2019	於二零一九年一月一日	2,243,493	85,368	13,202	(1,712,576)	629,487
Profit for the year	本年度溢利	-	-	-	105,103	105,103
Other comprehensive loss	其他全面虧損	-	-	(29,971)	-	(29,971)
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損)總額	-	-	(29,971)	105,103	75,132
Transactions with owners:	與擁有人的交易：					
Issue of ordinary shares, net of transaction costs	發行普通股(扣除交易成本)	387,634	-	-	-	387,634
Share option scheme:	購股權計劃：					
- value of services provided	- 已提供服務之價值	-	6,430	-	-	6,430
		387,634	6,430	-	-	394,064
At 31 December 2019	於二零一九年十二月三十一日	2,631,127	91,798	(16,769)	(1,607,473)	1,098,683

Note: The capital reserve arising from the Group reorganisation represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate nominal values of the share capital of the subsidiaries amounted to approximately HK\$2,099,000 (2018: HK\$2,099,000) is included in the accumulated losses.

附註：集團重組產生之資本儲備乃指本公司為交換附屬公司股本所發行之股本之面值與有關附屬公司股本總面值之差額約港幣2,099,000元（二零一八年：港幣2,099,000元），計入累計虧損。

The contributed surplus represents the aggregate amounts of capital reduction and share premium cancellation attributable to the capital restructuring and the capital reorganisation of the Company during prior years amounted to approximately HK\$149,220,000 (2018: HK\$149,220,000) is included in accumulated losses.

實繳盈餘指本公司於過往年度因股本重整及股本重組產生之資本削減及股份溢價註銷的總金額約港幣149,220,000元（二零一八年：港幣149,220,000元），計入累計虧損。

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31 CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES

31 經營活動所產生／(耗用)之現金

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	186,184	(426,264)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,244	2,361
Depreciation of right-of-use assets	使用權資產之折舊	14,091	—
Amortisation of film and TV programmes rights	電影及電視劇版權之攤銷	466,342	80,477
Amortisation of intangible assets	無形資產之攤銷	4,837	5,027
Share-based payment for cooperation with a film director	與一名電影導演合作之以股份為基礎之付款	—	270,000
Non-cash employee benefit expenses – share-based payments	非現金僱員福利開支—以股份為基礎之付款	6,430	85,368
Finance costs, net	財務費用，淨額	134	15,796
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)／虧損	(5)	29
Gain from bargain purchase	來自議價購買之收益	—	(188)
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	680,257	32,606
Changes in working capital:	營運資金變動：		
Trade and other receivables	應收賬款及其他應收款項	108,259	(346,915)
Contract assets	合約資產	2,853	(5,414)
Film and TV programmes rights	電影及電視劇版權	(641,903)	(332,386)
Prepayments of film and TV programmes rights	電影及電視劇版權預付款	(3,608)	—
Trade and other payables	應付賬款及其他應付款項	2,008	41,994
Film investment funds from investors	來自投資者的電影投資款項	195,752	—
Contract liabilities	合約負債	(247,685)	548,235
Cash generated from/(used in) operations	經營業務所產生／(耗用)之現金	95,933	(61,880)

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31 CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (Continued)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

31 經營活動所產生／（耗用）之現金（續）

於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Cost disposed	出售成本	520	327
Accumulated depreciation	累計折舊	(355)	(280)
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益／（虧損）	5	(29)
		170	18

32 CASH FLOW INFORMATION

32 現金流量資料

(a) Reconciliation of liabilities arising from financing activities

(a) 來自融資活動之負債對賬

		Interest payable included in other payables	Borrowings (Note 27)	Amounts due to related parties (Note 37)	Lease liabilities	Total
		計入其他應付款項之應付利息	借款（附註27）	應付關連人士款項（附註37）	租賃負債	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	160	77,500	120,000	-	197,660
Financing cash flows	融資現金流量	(2,307)	211,503	(21,868)	-	187,328
Accrued interest expenses	應計利息開支	6,612	-	-	-	6,612
Exchange differences	匯兌差額	(164)	6,304	(5,665)	-	475
At 31 December 2018	於二零一八年十二月三十一日	4,301	295,307	92,467	-	392,075
At 1 January 2019	於二零一九年一月一日	4,301	295,307	92,467	-	392,075
Financing cash flows	融資現金流量	(6,713)	(243,036)	(97,528)	(14,877)	(362,154)
Acquisition of leases	收購租賃	-	-	-	50,778	50,778
Accrued interest expenses	應計利息開支	2,339	-	-	1,592	3,931
Exchange differences	匯兌差額	73	(2,271)	5,061	(599)	2,264
At 31 December 2019	於二零一九年十二月三十一日	-	50,000	-	36,894	86,894

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32 CASH FLOW INFORMATION (Continued)

(a) Reconciliation of liabilities arising from financing activities (Continued)

The table above details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

(b) Material non-cash transactions

During the year, the Group has transferred prepayments for film and TV programmes rights amounted to approximately HK\$5,787,000 (2018: HK\$17,710,000) to film and TV programmes rights.

Non-cash investing activities

32 現金流量資料(續)

(a) 來自融資活動之負債對賬(續)

上表詳列本集團因融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債指現金流量或未來現金流量均於本集團綜合現金流量表中分類為融資活動產生之現金流量之負債。

(b) 重大非現金交易

年內，本集團已轉撥電影及電視劇版權預付款約港幣5,787,000元(二零一八年：港幣17,710,000元)至電影及電視劇版權。

非現金投資活動

		2019 二零一九年 HK'000 港幣千元
Acquisition of assets by means of leases	以租賃方式收購資產	50,778

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33 OPERATING LEASES

The Group leases various offices and equipment under non-cancellable operating leases expiring within nine months to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 6 and 18 for further information.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

33 經營租賃

本集團根據於九個月至三年到期之不可撤銷之經營租賃租用多項辦公室及設備。有關租賃具有不同租期、自動調整條款及續租權利。續租時，有關租賃之條款將予以重新磋商。

自二零一九年一月一日起，本集團已就該等租賃（短期租賃及低價值租賃除外）確認使用權資產，進一步資料請參閱附註6及附註18。

於報告期末，本集團就不可撤銷之經營租賃於下列期間到期應付之未來最低租約付款所作之承擔如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Within one year	一年內	–	15,334
In the second to fifth years inclusive	第二至第五年（包括首尾兩年）	–	20,243
		–	35,577

34 COMMITMENTS

(a) Commitments

Commitments in respect of the acquisition and production of film and TV programmes rights contracted for but not provided in the consolidated financial statements

就購買及製作電影及電視劇版權所作之承擔（已訂約而未於綜合財務報表撥備）

34 承擔

(a) 承擔

	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
	285,644	250,633

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34 COMMITMENTS (Continued)

(b) Litigations

- (i) A court action was commenced in the Chengdu Intermediate People's Court on 29 April 2018 by Chengdu Watson Media Co., Ltd.* (the "Chengdu Plaintiff"), an independent third party, against Beijing Huanxi Shou Ying Culture Company Limited* ("Shou Ying"), an indirect wholly-owned company through contractual arrangements, and other 17 investors of the film *Us and Them* (後來的我們) (the "18 Defendants").

By the above action, the Chengdu Plaintiff alleged that the 18 Defendants through unfair competition adversely affected the box office receipts of the Chengdu Plaintiff's film during the release period of the film *Us and Them* (後來的我們). The Chengdu Plaintiff mainly requested the 18 Defendants to compensate a total sum of RMB10,000,000 and bear the relevant legal fee and reasonable expenses arising from their legal rights protection.

Subsequent to the year end, the court action was withdrawn by the Chengdu Plaintiff and the Group was not liable to any compensation.

* The English name is for identification purposes only

34 承擔(續)

(b) 訴訟

- (i) 於二零一八年四月二十九日，獨立第三方成都華燦文化傳播有限公司(「成都原告」)於成都市中級人民法院對本公司一間透過合約安排間接全資擁有的公司北京歡喜首映文化有限公司(「歡喜首映」)以及電影《後來的我們》的其他十七名投資方(「十八名被告」)提出一項訴訟。

根據上述訴訟，成都原告指十八名被告在電影《後來的我們》放映期間，以不正當競爭影響了成都原告的影片票房收益。成都原告主要要求十八名被告賠償合共人民幣10,000,000元並承擔有關訴訟費及因合法維權產生的合理支出。

於年度結束後，成都原告撤銷該訴訟，而本集團毋需作出任何賠償。

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34 COMMITMENTS (Continued)

(b) Litigations (Continued)

- (ii) A court action was commenced in the Wuhan Intermediate People's Court on 29 November 2018 by Wuhan Guangya Culture and Art Development Co., Ltd.* and Huang Gansheng* (the "Wuhan Plaintiffs"), independent third parties, against 17 investors of the film *Us and Them* (後來的我們), including Beijing Huanxi Shou Ying Culture Company Limited* ("Shou Ying") (the "17 Defendants").

By the above lawsuit, the Wuhan Plaintiffs alleged that the 17 Defendants infringe of the right of adapt and film the script of the film *Us and Them* (後來的我們) and damage the interests of market through filming *Us and Them* (後來的我們). The Wuhan Plaintiffs mainly requested the 17 Defendants to stop the reproduction, distribution and dissemination of the film, compensate a total sum of RMB70,000,000 and bear the case acceptance fee and other legal fees.

During the year, the lawsuit was settled and the Group was not liable to any compensation.

* The English name is for identification purposes only

34 承擔 (續)

(b) 訴訟 (續)

- (ii) 於二零一八年十一月二十九日，獨立第三方武漢光亞文化藝術發展有限公司及黃乾生（「武漢原告」）於武漢市中級人民法院對電影《後來的我們》的十七名投資方，其中包括北京歡喜首映文化有限公司（「歡喜首映」）（「十七名被告」）提出一項訴訟。

根據上述訴訟，武漢原告指十七名被告攝製影片《後來的我們》的行為侵害影片《後來的我們》劇本的改編權及攝製權，損害其市場利益。武漢原告主要要求十七名被告停止影片的複製、發行及傳播，賠償合共人民幣70,000,000元並承擔案件受理費及其他訴訟費。

該訴訟已於年內完結，而本集團毋需作出任何賠償。

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35 SHARE-BASED PAYMENTS

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Share-based payment for cooperation with a film director (Note a)		–	270,000
Share-based compensation (Note b)			
– Directors	14	–	28,129
– Employees	10	6,430	57,239
		6,430	355,368

(a) Share-based payment for cooperation with a film director

During the year ended 31 December 2018, the Group entered into an agreement ("Agreement") with Unique Swift Limited ("Unique Swift") and Mr. Zhang Yimou ("Mr. Zhang"), whereby the Company issued 150,000,000 ordinary shares to Unique Swift and pursuant to which Unique Swift has conditionally agreed to procure Mr. Zhang to provide the Company (or its designated group member) with certain investment rights for the film and TV programmes to be produced by Mr. Zhang or partially directed by Mr. Zhang within a period of 6 years. The shares granted vest immediately on grant date. On this date, the market value of the shares issued is recognised in the profit or loss as a share-based payment.

35 以股份為基礎之付款

於年內確認之以股份為基礎之付款交易產生的總支出如下：

	Note	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
與一名電影導演合作之以股份為基礎之付款 (附註a)		–	270,000
以股份為基礎之薪酬 (附註b)			
– 董事	14	–	28,129
– 僱員	10	6,430	57,239
		6,430	355,368

(a) 與一名電影導演合作之以股份為基礎之付款

截至二零一八年十二月三十一日止年度，本集團與唯臻有限公司（「唯臻」）及張藝謀先生（「張先生」）訂立協議（「協議」），據此，本公司向唯臻發行150,000,000股普通股，而唯臻已有條件地同意促使張先生在6年期間內向本公司（或其指定的集團成員公司）提供由張先生製作或部分由張先生執導的電影及電視劇的若干投資權。所授予之股份於授出日期即時歸屬。於該日期，已發行股份之市值在損益中確認為以股份為基礎之付款。

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35 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme

Pursuant to the resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved the adoption of a share option scheme (the "Scheme"). The Scheme became valid and effective for a period of 10 years commencing on 17 June 2014. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who have made or may make contribution to the Group. The eligible participants of the Scheme include the Company's or its subsidiaries' directors, employees, and any business consultants, agents, financial or legal advisers and any other persons whom the board of directors of the Company (the "Board") may determine, at its sole discretion, will contribute or have contributed to the Group.

The share options may be exercised in accordance with the terms of the Scheme at any time within the period commencing from the date of grant of the share options and expiring on the date determined by the Company's directors, but in any event such exercise period shall not be more than 10 years from the date of grant of the share options. The amount payable on the acceptance of a share option is HK\$1 (or such other nominal sum in any currency as the board of directors of the Company may determine).

The exercise price of the share options shall be determined by the board of directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

35 以股份為基礎之付款(續)

(b) 購股權計劃

根據於二零一四年六月十七日舉行之股東週年大會上通過之決議案，本公司股東批准採納一項購股權計劃（「該計劃」）。該計劃自二零一四年六月十七日起有效及生效，為期十年。本公司設立該計劃，以激勵並獎勵已經或可能會對本集團作出貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之董事、僱員，以及任何業務顧問、代理人、財務或法律顧問及本公司董事會（「董事會」）可全權酌情認為對本集團將作出貢獻或已作出貢獻之任何其他人士。

購股權可自授出購股權之日起至本公司董事釐定之日止期間內隨時根據該計劃的條款予以行使，惟該行使期間在任何情況下不得超過授出相關購股權之日起計十年。接納購股權應付金額為港幣1元（或本公司董事會可能釐定之以任何貨幣計值之其他象征性金額）。

購股權之行使價由本公司董事會釐定，惟不得低於以下之較高者：(i)本公司股份於授出日期（必須為營業日）在聯交所日報表所載之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所載之平均收市價；及(iii)本公司股份之面值。

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35 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

The maximum number of shares in the Company in respect of which the share options may be granted under the Scheme and any other share option schemes of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme by the Company's shareholders (the "Scheme Mandate Limit"), or, if such 10% limit is refreshed, as at the date of approval of the renewal of the Scheme Mandate Limit by the Company's shareholders. Notwithstanding the foregoing, the maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the Company's shares in issue from time to time.

The total number of shares of the Company already issued and to be issued upon exercise of all the share options granted to each participant in any 12-month period up to and including the date such new grant is not permitted to exceed 1% of the total number of the Company's shares in issue as at the date of such grant. Any further grant of share options in excess of this 1% limit shall be subject to the approval of the Company's shareholders in general meeting.

Each grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates in excess of 0.1% of the Company's shares in issue and with an aggregate value in excess of HK\$5,000,000 in any 12-month period up to and including the date of such grant must be approved in advance by the Company's shareholders.

35 以股份為基礎之付款 (續)

(b) 購股權計劃 (續)

根據該計劃及本公司任何其他購股權計劃可能授出之購股權涉及之本公司股份最高數目不得超過本公司股東於批准該計劃當日本公司已發行股本的10%（「計劃授權限額」），或倘該10%限額經已更新，則不得超過本公司股東於批准更新計劃授權限額當日本公司已發行股本的10%。儘管有上述規定，根據該計劃及本公司任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時可予發行之本公司股份最高數目不得超過本公司不時已發行股份的30%。

於截至及包括有關新授出日期止任何12個月期間，向每名參與者授出的所有購股權獲行使時所發行及將予發行之本公司股份總數不得超過於該授出日期本公司已發行股份總數的1%。任何進一步授出超過該1%限額之購股權，須獲本公司股東於股東大會上批准。

倘於截至及包括有關授出日期止任何12個月期間，向本公司一名主要股東或一名獨立非執行董事或彼等各自之任何聯繫人士授出之購股權超過本公司已發行股份的0.1%及其價值總額超過港幣5,000,000元，必須獲得本公司股東事先批准。

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35 SHARE-BASED PAYMENTS (Continued)

35 以股份為基礎之付款 (續)

(b) Share option scheme (Continued)

(b) 購股權計劃 (續)

		Average exercise price per share option 每份購股權之 平均行使價	Number of share options 購股權數目
At 1 January 2018	於二零一八年一月一日	N/A不適用	—
Granted during the year	年內授出	HK\$2.08 港幣2.08元	130,700,000
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	HK\$2.08 港幣2.08元	130,700,000
Vested and exercisable at 31 December 2019	於二零一九年十二月三十一日 已歸屬及可行使	HK\$2.08 港幣2.08元	114,700,000
Vested and exercisable at 31 December 2018	於二零一八年十二月三十一日 已歸屬及可行使	HK\$2.08 港幣2.08元	100,700,000

No options was exercised or lapsed during the periods covered by the above tables.

上表所涵蓋的期間內並無購股權獲行使或失效。

Share options outstanding at the end of the year have the following expiry date and exercise prices:

年末尚未行使的購股權之到期日及行使價如下：

Grant Date	Expiry date	Exercise price	Share options 31 December 2019 二零一九年 十二月三十一日 之購股權	Share options 31 December 2018 二零一八年 十二月三十一日 之購股權
授出日期	到期日	行使價		
27 April 2018 二零一八年四月二十七日	17 June 2024 二零二四年六月十七日	HK\$2.08 港幣2.08元	130,700,000	130,700,000
Weighted average remaining contractual life of options outstanding at the end of period 期末尚未行使購股權之加權平均餘下合約年期			4.47 years 4.47年	5.47 years 5.47年

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35 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

(i) Fair value of options granted

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model with Binomial Tree Method which includes a Binomial Tree model that takes into account the stock price, the exercise price, the time to maturity, the risk-free rate, the dividend yield and volatilities of comparable companies, the sub-optimal factor, and the forfeiture rate.

The model inputs for options granted during the year ended 31 December 2018 included:

- (a) options are granted for consideration of HK\$1 and vested period of three years from the employment date of the respective employees. Vested options are exercisable before expiry date
- (b) exercise price: HK\$2.08
- (c) grant date: 27 April 2018
- (d) expiry date: 17 June 2024
- (e) time to maturity: 6.15 years
- (f) share price at grant date: HK\$2.08
- (g) risk-free interest rate: 1.91%

35 以股份為基礎之付款 (續)

(b) 購股權計劃 (續)

(i) 已授出購股權的公平值

授出日期的公平值乃使用經調整的柏力克－舒爾斯期權定價模型二項式期權定價法(包含二項式期權定價模型)單獨釐定，並計及股票價格、行使價、到期時間、無風險利率、可資比較公司的股息收益率及波幅、次優因子及沒收率。

於截至二零一八年十二月三十一日止年度已授出購股權的模型輸入數據包括：

- (a) 購股權以代價港幣1元授出，歸屬期自各僱員之僱傭日期起計為期3年。已歸屬的購股權可在到期日之前行使
- (b) 行使價：港幣2.08元
- (c) 授出日期：二零一八年四月二十七日
- (d) 到期日：二零二四年六月十七日
- (e) 距到期時間：6.15年
- (f) 授出日期的股價：港幣2.08元
- (g) 無風險利率：1.91%

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35 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

(i) Fair value of options granted (Continued)

- (h) expected dividend yield: 0%
- (i) expected price volatility of the company's shares: 48.38%
- (j) forfeiture rate: 0 to 16.35%
- (k) fair value per share option: HK\$0.72

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

35 以股份為基礎之付款 (續)

(b) 購股權計劃 (續)

(i) 已授出購股權的公平值 (續)

- (h) 預期股息收益率：0%
- (i) 公司股票預期價格波幅：48.38%
- (j) 沒收率：0至16.35%
- (k) 每份購股權之公平值：港幣0.72元

預期價格波幅乃以歷史波幅（基於購股權的餘下年期）為基礎，並根據公開可獲得資料就未來波幅之任何預期變動作出調整後得出。

36 BUSINESS COMBINATION

(a) Summary of acquisition

In January 2018, the Group's wholly-owned subsidiary, Beijing Huan Sheng Xiao Yu Culture Media Company Limited* entered into certain contractual arrangements (the "Contractual Arrangements") with Beijing Huanxi Shou Ying Culture Company Limited* (formerly known as "Beijing Hua Hua Duo Duo Culture Company Limited"*) and its subsidiary, Beijing Hangaohua Network Technology Company Limited, and their respective equity holders ("Equity holders") who are independent third party individuals in the PRC. Through the acquisition, the Group has obtained the license required for operating streaming platform in the PRC. By virtue of the contractual arrangements, the Group has obtained control over and derived economic benefits from the VIE Group with effect from 19 January 2018 (refer to Note 13).

* The English name is for identification purpose only

36 業務合併

(a) 收購事項概要

於二零一八年一月，本集團全資附屬公司北京歡聲笑語文化傳媒有限公司與北京歡喜首映文化有限公司（前稱「北京花朵朵文化有限公司」）及其附屬公司北京漢高華網絡科技有限公司以及彼等各自之股權持有人（「股權持有人」，為中國之獨立第三方人士）訂立若干合約安排（「合約安排」）。透過是項收購，本集團已取得於中國經營流媒體平台所需的許可。憑藉合約安排，本集團自二零一八年一月十九日起已取得對可變利益集團之控制權及其產生之經濟利益（請參閱附註13）。

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36 BUSINESS COMBINATION (Continued)

36 業務合併(續)

(a) Summary of acquisition (Continued)

(a) 收購事項概要(續)

The assets and liabilities recognised as a result of the acquisition are as follows:

因收購事項確認的資產及負債如下：

		19 January 2018 二零一八年 一月十九日 HK\$'000 港幣千元
Cash and cash equivalents	現金及現金等值	494
Other receivables	其他應收款項	119
Amount due from the Group	應收本集團款項	313
Intangible assets	無形資產	842
Trade and other payables	應付賬款及其他應付款項	(1,580)
Net identifiable assets acquired	已收購之可識別資產淨值	188
Less: Consideration	減：代價	—
Gain from bargain purchase	來自議價購買之收益	188

There were no acquisitions in the year ended 31 December 2019.

於截至二零一九年十二月三十一日止年度並無收購事項。

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36 BUSINESS COMBINATION (Continued)

(b) Purchase consideration – cash inflow

Inflow of cash to acquire subsidiary, net of cash acquired	收購附屬公司之現金流入 (扣除已收購之現金)
Cash consideration	現金代價
Less: Balances acquired	減：已收購之結餘
Net inflow of cash – investing activities	現金流入淨額－投資活動

2018
二零一八年
HK\$'000
港幣千元

–
494

494

Acquisition-related costs

Acquisition-related costs of approximately HK\$118,000 are included in administrative expenses in profit or loss.

收購相關成本

收購相關成本約港幣118,000元於損益內計入行政開支。

37 RELATED PARTY DISCLOSURES

The ultimate controlling parties of the Group are Mr. Dong, Mr. Ning and Mr. Xu. The directors of the Group are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the year:

37 關連人士披露

本集團之最終控股方為董先生、寧先生及徐先生。本集團董事認為下列個人及公司屬截至及於本年度內與本集團有過交易或結餘之關連人士：

Name of related party

關連人士名稱／姓名

Relationship with the Group

與本集團關係

Mr. Dong 董先生	Executive Director 執行董事
Mr. Ning 寧先生	Non-Executive Director 非執行董事
Mr. Xu 徐先生	Non-Executive Director 非執行董事
Beijing Dirty Monkey Cultural Development Company Limited* ("Beijing Dirty Monkey") 北京壞猴子文化產業發展有限公司(「北京壞猴子」)	Controlled by Mr. Ning 由寧先生控制
Khorgas Dirty Monkey Media Culture Company Limited* ("Khorgas Dirty Monkey") 霍爾果斯壞猴子影視文化傳播有限公司(「霍爾果斯壞猴子」)	Controlled by Mr. Ning 由寧先生控制
Tibet Jindouyun Film Company Limited* 西藏筋斗雲影業有限公司	Controlled by Mr. Ning 由寧先生控制
Beijing Joy Leader Culture Communication Co. Ltd. 北京真樂道文化傳播有限公司	Controlled by Mr. Xu 由徐先生控制

* The English name is for identification purposes only

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37 RELATED PARTY DISCLOSURES

(Continued)

(a) Related party transactions

During the year, the Group entered into the following transactions with related parties:

Film director's fee to Mr. Ning (Note 22(b))	向寧先生支付之電影導演費 (附註22(b))
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These transactions constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules.

37 關連人士披露 (續)

(a) 與關連人士之交易

年內，本集團與關連人士訂立以下交易事項：

2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
-	5,862

上述交易均構成上市規則第14A章的持續關連交易。

Film production fee paid or payables to Mr. Xu (Note 22(a))	已付或應付徐先生之電影製作費用 (附註22(a))
Film production fee paid or payables to Beijing Joy Leader (Note 22(a))	已付或應付北京真樂道之電影製作費用 (附註22(a))
Fee paid to Beijing Joy Leader for Third Party Contracts (Note 22(a))	就第三方合約已付北京真樂道之費用 (附註22(a))

On 24 December 2018, the Group has entered into a film investment agreement with Tibet Jindouyun Film Company Limited. The Group has invested RMB12 million, being 10% of the estimated total production cost of the film during the year.

2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
100,694	-
34,722	-
115,741	-
150,463	-

於二零一八年十二月二十四日，本集團與西藏筋斗雲影業有限公司訂立電影投資協議。年內，本集團已投資人民幣12,000,000元，佔該影片估計總製作成本的10%。

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37 RELATED PARTY DISCLOSURES

(Continued)

37 關連人士披露 (續)

(b) Related party balances

(b) 與關連人士之結餘

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Trade payables	應付賬款		
– Mr. Xu (Note i)	– 徐先生 (附註i)	2,063	–
– Beijing Joy Leader Culture Communication Co. Ltd (Note i)	– 北京真樂道文化傳播有限公司 (附註i)	3,346	–
		5,409	–
Amount due to a shareholder	應付一名股東款項		
– Mr. Dong (Note ii)	– 董先生 (附註ii)	–	1,393
Amounts due to related companies	應付關連公司款項		
– Beijing Dirty Monkey (Note iii)	– 北京壞猴子 (附註iii)	–	45,537
– Khorgas Dirty Monkey (Note iii)	– 霍爾果斯壞猴子 (附註iii)	–	45,537
		–	92,467
Trade receivable	應收賬款		
– Khorgas Dirty Monkey (Note iv)	– 霍爾果斯壞猴子 (附註iv)	76,754	–
Prepayment for film and TV programmes rights	電影及電視劇版權預付款		
– Mr. Xu (Note v)	– 徐先生 (附註v)	11,731	11,974

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37 RELATED PARTY DISCLOSURES

(Continued)

(b) Related party balances (Continued)

Note i: The balances were denominated in RMB, trade in nature, unsecured, interest-free and repayable within one year.

Note ii: The balance was denominated in HK\$, non-trade in nature, unsecured, interest-free and repayable on demand.

Note iii: The balances were denominated in RMB, non-trade in nature, unsecured, interest-free and repayable within one year.

Note iv: The balance represented the Group's right to receive income arisen from a film rights investment where the film has been released in prior year. During the year, Khorgas Dirty Monkey took the responsibility to distribute the aforementioned income to the investors of the film including one of our subsidiaries. There were no business transactions occurred between the Group and Khorgas Dirty Monkey during the year. The balance was denominated in RMB, trade in nature, unsecured, interest-free and receivable within one year.

Note v: The balance represented the payment prepaid to Mr. Xu in relation to the development of the proposed film.

The carrying amounts of amount due to a shareholder, amount due to related companies approximate their fair values.

37 關連人士披露 (續)

(b) 與關連人士之結餘 (續)

附註i：該等結餘以人民幣計值，為買賣性質、無抵押、免息及須於一年內償還。

附註ii：該結餘以港幣計值，為非買賣性質、無抵押、免息及須應要求償還。

附註iii：該等結餘以人民幣計值，為非買賣性質、無抵押、免息及須於一年內償還。

附註iv：該結餘指本集團收取一項電影版權投資所產生的收入權利，該電影已於上一年度上映。年內，霍爾果斯壞猴子負責將上述收入分派予該電影投資方當中包括本集團旗下附屬公司。本集團與霍爾果斯壞猴子於年內概無進行任何業務交易。該結餘以人民幣計值，為買賣性質、無抵押、免息及須於一年內償還。

附註v：該結餘指就開發建議電影向徐先生預付的款項。

應付一名股東款項及應付關連公司款項的賬面值與其公平值相若。

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37 RELATED PARTY DISCLOSURES

(Continued)

(c) Key management personnel compensation

The remuneration of directors who were considered as key management personnel of the Group during the year is as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Short-term benefits	短期福利	25,181	21,038
Pension costs – defined contribution plans	退休金成本 – 特定供款計劃	18	18
Share-based compensation	以股份為基礎之薪酬	–	28,129
		25,199	49,185

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

年內被視為本集團主要管理人員之董事酬金如下：

董事及主要行政人員之酬金乃由薪酬委員會視乎個人表現及市場趨勢而釐定。

38 EVENTS AFTER THE REPORTING PERIOD

Following the outbreak of Coronavirus Disease 2019 (“the COVID-19 outbreak”) since January 2020, the management has conducted an assessment of the impact of the COVID-19 outbreak to the financial performance of the Group and has identified the following:

- (a) The distributor of *Lost in Russia* (囧媽) has withdrawn the theatrical release on 23 January 2020. The Group decided to terminate the minimum guaranteed distribution agreement in accordance with its terms and conditions as the film has not been premiered on the first day of Chinese New Year in 2020 as agreed therein. The Group has repaid the receipt in respect of minimum guaranteed distribution amounted to RMB250,000,000 (equivalent to approximately HK\$278,831,000) in February 2020. For the details of the minimum guaranteed distribution agreement, please refer to Note 6.

38 報告期後事項

自二零二零年一月爆發新型冠狀病毒疫情(「新型冠狀病毒疫情」)後，管理層已評估新型冠狀病毒疫情對本集團財務表現的影響，並確定以下方面：

- (a) 《囧媽》的發行商於二零二零年一月二十三日撤銷院線上映。由於該電影未能如保底發行協議約定於二零二零年春節首映，本集團決定根據其條款及條件終止該協議。本集團已於二零二零年二月退還就保底發行收取之款項人民幣250,000,000元(相當於約港幣278,831,000元)。有關保底發行協議之詳情，請參閱附註6。

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38 EVENTS AFTER THE REPORTING PERIOD

(Continued)

- (b) On 23 January 2020, the Group has entered into a cooperation agreement with Beijing ByteDance Network Technology Limited (北京字節跳動網絡技術有限公司) ("ByteDance"), pursuant to which, the Group and ByteDance will carry out cooperation in several fields in relation to online videos and ByteDance shall pay the Group at least RMB630,000,000 as the consideration. As part of the cooperation, following the withdrawal of theatrical release of *Lost in Russia* (囧媽), the Group has licensed this film, to ByteDance and its related parties for the release through online platforms since 25 January 2020.
- (c) On 31 March 2020, the Group has entered into an agreement to terminate one of the film investment agreement with an investor. Pursuant to the agreement, the prepaid amount of RMB150,000,000 (equivalent to approximately HK\$167,299,000), which has been recognised as financial liability as of 31 December 2019, will be repaid to the counterparty.
- (d) The COVID-19 outbreak may also impact the production and distribution plan of the Group's film and TV programmes rights. If the COVID-19 outbreak persists for a longer period subsequently, the financial performance of the Group for the year ending 31 December 2020 may be affected but the financial effect of which cannot be reasonably estimated at this stage.

The Group will pay close attention to the development of the COVID-19 outbreak and its impact on the media market, and will continue to perform relevant assessments and take proactive measures to minimise its impact towards the Group's business operations and financial results.

38 報告期後事項 (續)

- (b) 於二零二零年一月二十三日，本集團與北京字節跳動網絡技術有限公司（「字節跳動」）訂立合作協議，據此，本集團及字節跳動將於在線視頻相關的多個領域展開合作，字節跳動將向本集團最少支付人民幣630,000,000元作為代價。作為合作的一部分，繼《囧媽》撤銷院線上映後，本集團已授權字節跳動及其關聯方自二零二零年一月二十五日起透過網上平台放映該電影。
- (c) 於二零二零年三月三十一日，本集團與一名投資者訂立協議終止其中一份電影投資協議。根據該協議，已於二零一九年十二月三十一日確認為金融負債的預付款項人民幣150,000,000元（相當於約港幣167,299,000元）將退還予交易對方。
- (d) 新型冠狀病毒疫情亦可能對本集團的電影及電視劇版權製作及發行計劃造成影響。倘新型冠狀病毒疫情持續較長一段時間，則本集團於截至二零二零年十二月三十一日止年度之財務表現或會受到影響，惟現階段無法合理估計其財務影響。

本集團會密切留意新型冠狀病毒疫情的發展及其對媒體市場的影響，並將繼續進行相關評估，採取積極措施，盡量減低其對本集團業務營運及財務業績的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY 39 本公司之財務狀況表

	Note	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
	附註		
Non-current assets			
Prepayments		52,496	–
Interests in subsidiaries		226,388	231,079
		278,884	231,079
Current assets			
Film and TV programmes rights		49,465	–
Other receivables		1,630	143
Amounts due from subsidiaries		388,545	262,695
Cash and cash equivalents		5,539	41
		445,179	262,879
Total assets		724,063	493,958
Equity			
Share capital		31,547	29,181
Reserves	(a)	551,155	228,020
Total equity		582,702	257,201
Current liabilities			
Other payables		14,991	15,000
Amounts due to subsidiaries		76,370	–
Amount due to a related party		–	1,393
Borrowings		50,000	220,364
		141,361	236,757
Total liabilities		141,361	236,757
Total equity and liabilities		724,063	493,958

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

39 本公司之財務狀況表 (續)

Notes:

(a) Reserves

附註：

(a) 儲備

		Share premium 股份溢價 HK\$'000 港幣千元	Share-based compensation reserve 以股份為基礎之薪酬儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated losses (Note b) 累計虧損 (附註b) HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	1,974,993	–	46,389	(1,749,554)	271,828
Issue of ordinary shares to a film director	向一名電影導演發行普通股	268,500	–	–	–	268,500
Share option scheme: – value of services provided	購股權計劃： – 已提供服務之價值	–	85,368	–	–	85,368
Total comprehensive loss for the year	本年度全面虧損總額	–	–	5,028	(402,704)	(397,676)
At 31 December 2018	於二零一八年十二月三十一日	2,243,493	85,368	51,417	(2,152,258)	228,020
At 1 January 2019	於二零一九年一月一日	2,243,493	85,368	51,417	(2,152,258)	228,020
Issue of ordinary shares, net of transaction costs	發行普通股 (扣除交易成本)	387,634	–	–	–	387,634
Share option scheme: – value of services provided	購股權計劃： – 已提供服務之價值	–	6,430	–	–	6,430
Total comprehensive loss for the year	本年度全面虧損總額	–	–	(7,195)	(63,734)	(70,929)
At 31 December 2019	於二零一九年十二月三十一日	2,631,127	91,798	44,222	(2,215,992)	551,155

(b) The contributed surplus of approximately HK\$199,168,000 (2018: HK\$199,168,000) is included in the accumulated losses. It represented reduction in issued share capital and share premium cancellation pursuant to a capital restructuring in 2004 and capital reorganisation in 2010, 2011 and 2012. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company shall not declare or pay a dividend, or make a distribution out of contributed surplus if:

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

(b) 實繳盈餘約港幣199,168,000元 (二零一八年：港幣199,168,000元) 計入累計虧損。實繳盈餘乃指根據二零零四年股本重整與二零一零年、二零一一年及二零一二年股本重組時所削減之已發行股本及註銷之股份溢價。根據百慕達公司法，本公司之實繳盈餘可予分派。然而如有下列情況，本公司不得以實繳盈餘宣派或派付股息或作出分派：

- (i) 其現時不能或於派付後將無力償還到期負債；或
- (ii) 其資產之可變現價值將因而低於其負債及其已發行股本與股份溢價賬項之總和。

FINANCIAL SUMMARY

財務概要

A summary of the results, assets and liabilities of the Group for the last five financial years is as follows:

本集團過往五個財政年度之業績、資產及負債概述如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
RESULTS	業績					
Revenue and film investment income	收益及電影投資收入	814,425	174,632	53,209	16,112	266,913
Profit/(loss) before tax	除稅前溢利／(虧損)	186,184	(426,264)	(95,159)	(1,253,745)	(84,166)
Income tax expense	所得稅開支	(81,081)	(18,429)	—	—	(8,630)
Profit/(loss) for the year	本年度溢利／(虧損)	105,103	(444,693)	(95,159)	(1,253,745)	(92,796)
Profit/(loss) for the year attributable to: Owners of the Company	本年度溢利／(虧損) 歸屬於： 本公司擁有人	105,103	(444,693)	(95,159)	(1,253,745)	(92,796)
		At 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總額	1,855,506	1,693,549	1,046,527	1,011,555	1,055,285
Total liabilities	負債總額	(725,276)	(1,034,881)	(254,360)	(184,644)	(65,169)
Total equity	權益總額	1,130,230	658,668	792,167	826,911	990,116
Attributable to: Owners of the Company	歸屬於： 本公司擁有人	1,130,230	658,668	792,167	826,911	990,116



歡喜傳媒集團有限公司*

HUANXI MEDIA GROUP LIMITED