

Orange Sky
ENTERTAINMENT GROUP



嘉禾



Golden Harvest

Orange Sky Golden Harvest Entertainment (Holdings) Limited 橙天嘉禾娛樂(集團)有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 1132)

2021 年報
ANNUAL REPORT



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Corporate Information 公司資料

EXECUTIVE DIRECTORS

執行董事

WU Kebo (Chairman)
伍克波 (主席)

LI Pei Sen
李培森

CHOW Sau Fong, Fiona
鄒秀芳

GO Misaki

PENG Bolun
彭博倫

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

LEUNG Man Kit
梁民傑

WONG Sze Wing
黃斯穎

FUNG Chi Man, Henry
馮志文

CHIEF EXECUTIVE OFFICER 首席執行官

YEUNG Ho Nam
楊浩嵐

COMPANY SECRETARY 公司秘書

CHEUNG Hei Ming
張希銘

REGISTERED OFFICE 註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

主要營業地址

Unit 2101, YF Life Tower,
33 Lockhart Road,
Wan Chai,
Hong Kong
香港
灣仔
駱克道33號
萬通保險大廈2101室

PRINCIPAL BANKERS

主要往來銀行

Standard Chartered Bank (Hong Kong) Limited
DBS Bank Ltd.
United Overseas Bank Limited
Hang Seng Bank Limited
CTBC Bank Co., Ltd.
渣打銀行(香港)有限公司
星展銀行有限公司
大華銀行有限公司
恒生銀行有限公司
中國信託商業銀行股份有限公司

AUDITORS

核數師

KPMG
Public Interest Entity Auditor
registered in accordance with the
Financial Reporting Council Ordinance
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong
畢馬威會計師事務所
根據《財務匯報局條例》註冊的
公眾利益實體核數師
香港
中環
遮打道十號
太子大廈
八樓

Corporate Information 公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

股份過戶登記處香港分處

Tricor Tengis Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong
卓佳登捷時有限公司
香港
皇后大道東一八三號
合和中心
五十四樓

WEBSITE

網址

<http://www.osgh.com.hk>

STOCK CODE

股份代號

1132

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Wu Kebo (“Mr. Wu”)

Aged 58

Mr. Wu is the chairman, executive director and a member of the remuneration committee and the chairman of the nomination committee of the Company, and a director of certain subsidiaries of the Company. He is also currently a director of Orange Sky Entertainment Group (International) Holding Company Limited (“OSEG”) and its subsidiaries. OSEG, a company incorporated in the British Virgin Islands with limited liability and being a substantial shareholder of the Company, was founded by Mr. Wu in 2004 and is principally engaged in music and musical production, artist management and advertising business in the People’s Republic of China (the “PRC”). With regard to film, Mr. Wu acted respectively as executive producer of the two Chinese films *Red Cliff* and *The Warlords*, as well as producer of other Chinese titles including *Call for Love, I am Liu Yuejin* and *Dangerous Games*. In addition, Mr. Wu has been involved in high technology and telecommunications businesses since the 1990s. Mr. Wu graduated with a bachelor’s degree in business administration from the SOKA University Japan in 1992. Mr. Wu joined the Company in October 2007 and is the cousin of Ms. Go Misaki, an executive director of the Company.

EXECUTIVE DIRECTORS

Mr. Li Pei Sen (“Mr. Li”)

Aged 74

Mr. Li joined the Company as a non-executive director in March 2009 and was re-designated as an executive director of the Company in April 2010. He is also the associate chairman of OSEG. Mr. Li was an associate director of China TV Production Centre in 1994 and the general manager of China Central Television in 1996. In 1997, Mr. Li joined China International Television Corporation (“TVC”) as president and was involved in its corporate structuring. During his presidency at TVC, Mr. Li was also in charge of television production, as well as the domestic and global licensing business of Chinese television programmes. Prior to joining OSEG as the associate chairman, Mr. Li served as the director of China TV Production Centre in 2000. Mr. Li has over 15 years of working experience in film and television series production and acted as the producer of more than a thousand episodes of television series, including a number of popular and high audience rating titles such as *All men are brothers: blood of the leopard*, *Taiping Heavenly Kingdom*, *Vernacular stories from the end of Western Zhou Dynasty to the Qin Dynasty* and *The story of Hongkong and cartoon series Journey to the West*. In addition, Mr. Li is also a committee member of the China Federation of Literary and Art Circles, a council member of China TV Workers’ Association, the vice-president of China TV, Film Productions Committee, a member of the censorship expert committee of State Administration of Radio, Film and Television, and a consultant to TVC.

主席兼執行董事

伍克波先生(「伍先生」)

五十八歲

伍先生為本公司主席、執行董事兼薪酬委員會成員及提名委員會主席，並為本公司若干附屬公司之董事。彼亦為橙天娛樂集團(國際)控股有限公司(「橙天」)及其附屬公司之現任董事。橙天為於英屬維爾京群島註冊成立之有限公司，為本公司主要股東，由伍先生於二零零四年創立，主要於中華人民共和國(「中國」)從事音樂及音樂劇製作、藝人經理及廣告業務。有關電影方面，伍先生分別擔任兩齣華語電影《赤壁》及《投名狀》之執行監製，以及擔任其他多齣華語電影之監製，包括《愛情來電轉接》、《我叫劉躍進》及《棒子老虎雞》。另外，伍先生自九十年代開始從事高科技及電訊業務。伍先生於一九九二年畢業於日本創價大學，取得工商管理學士學位。伍先生於二零零七年十月加盟本公司，為本公司執行董事Go Misaki女士之堂兄。

執行董事

李培森先生(「李先生」)

七十四歲

李先生於二零零九年三月加盟本公司出任非執行董事，後於二零一零年四月調任本公司執行董事，亦為橙天聯合董事長。李先生曾於一九九四年擔任中國電視劇製作中心副主任，後於一九九六年擔任中央電視台總經理。李先生於一九九七年加入中國國際電視總公司(「中國國際電視總公司」)出任總裁，並參與其企業改制。在彼擔任中國國際電視總公司總裁期間，李先生亦負責電視製作及中國電視節目在國內外之特許授權業務。於加盟橙天出任聯合董事長之前，李先生曾於二零零零年擔任中國電視劇製作中心主任。李先生在電影及電視連續劇製作方面具備逾十五年工作經驗，曾負責監製過千集電視連續劇當中包括《水滸傳》、《太平天國》、《東周列國》、《香港的故事》及動畫片《西遊記》等多部收視叫好且廣受觀眾喜愛之電視劇作品。此外，李先生亦為中國文聯委員、中國電視藝術家協會理事、中國電視製片委員會副會長、國家廣播電影電視總局電影審查委員會審委及中國國際電視總公司顧問。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Ms. Chow Sau Fong, Fiona (“Ms. Chow”)

Aged 49

Ms. Chow is an executive director and has been appointed as chief operating officer (“COO”) of the Group since 24 April 2015 and is responsible for managing the exhibition businesses of the Group in all territories. She has also been assigned as the special assistant to Chairman of the Company since 1 October 2010 and appointed as director of certain subsidiaries of the Company. Formerly, Ms. Chow was appointed as Executive Director when she first joined the Group on 30 October 2007. She had also held the position of chief financial officer of the Company between 1 January 2008 and 31 December 2008. On 22 September 2009, Ms. Chow had been appointed as COO of the Company and she resigned thereafter as Executive Director and COO of the Company with effect from 23 August 2010 for personal reasons. On the same day, she was re-designated as the managing director of the China operation of the Company, which has focused on the development of theatrical exhibition business in China and subsequently she resigned from the position with effect from 30 September 2010.

Ms. Chow holds an M.B.A in Finance and Entrepreneurial Management from the Wharton Business School at the University of Pennsylvania, and a B.A. (Honors) in Business Administration from the Chinese University of Hong Kong.

Ms. Go Misaki (“Ms. Go”)

Aged 46

Ms. Go (former name: Wu Kexuan) has been appointed as an executive director of the Company with effective from 9 September 2019 and is also currently a director of certain subsidiaries of the Company. She has served as general manager of Chikou Company Limited, a company primarily engaging in telecommunications service for the last two decades, since 2003. With almost 20 years of extensive working experience in telecommunications service and entertainment industry, Ms. Go provides professional consultation and service across the world and participates in managing and executing network equipments projects, screen & position advertising, alternative content, cinema-based merchandise and other diversified entertainment. Ms. Go is the cousin of Mr. Wu Kebo, being our current executive director.

Ms. Go graduated from Guangzhou Jinan University in 1996 with a diploma of Foreign Trade and Economics and obtained a diploma of General Art & Science from Mohawk College in Canada in 1999 and a diploma of International Economy & Business from Nakano School of Business in Japan in 2003.

鄒秀芳女士 (「鄒女士」)

四十九歲

鄒女士為執行董事，自二零一五年四月二十四日起獲委任為本集團首席運營官 (「首席運營官」)，負責管理本集團於所有地區之影院業務。彼自二零一零年十月一日起擔任本公司主席之特別助理，及獲委任為本公司若干附屬公司之董事。在此之前，鄒女士於二零零七年十月三十日首次加入本集團時獲委任為執行董事。彼亦曾於二零零八年一月一日至二零零八年十二月三十一日期間出任本公司首席財務官。於二零零九年九月二十二日，鄒女士獲委任為本公司之首席運營官，後因個人理由而於二零一零年八月二十三日起辭任本公司執行董事及首席運營官之職務，並於同日獲調任為本公司中國業務之董事總經理，專注發展中國影院業務，其後已於二零一零年九月三十日起辭任該職務。

鄒女士獲美國賓夕法尼亞州大學之沃頓商學院頒授財務及企業管理工商管理碩士學位，並獲香港中文大學頒授工商管理榮譽學士學位。

Go Misaki 女士 (「Go 女士」)

四十六歲

Go 女士 (前稱：伍克璇) 自二零一九年九月九日起獲委任為本公司執行董事，現時亦為本公司若干附屬公司之董事。彼自二零零三年起擔任 Chikou Company Limited (於過去二十年主要從事電訊服務之公司) 之總經理。憑藉於電訊服務及娛樂行業近二十年之豐富經驗，Go 女士於世界各地提供專業顧問及服務，並參與管理及實施網路設備專案、銀幕及陣地廣告、特備節目、影院商品及其他多樣化娛樂。Go 女士為現任執行董事伍克波先生之堂妹。

Go 女士於一九九六年畢業於廣州暨南大學，獲得對外貿易及經濟文憑，於一九九九年於加拿大莫哈克學院 (Mohawk College) 取得美術及科學文憑以及於二零零三年自日本中野商業學校 (Nakano School of Business) 取得國際經濟及商業文憑。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Mr. Peng Bolun (“Mr. Peng”)

Aged 31

Mr. Peng has been appointed as an executive director of the Company and the finance director of the China operation of the Group effective from 9 September 2019. Before joining the Group, he respectively served as a director from July 2017 to September 2019 and assistant to chairman from March 2018 to September 2019 of Orange Sky Entertainment Group (International) Holding Company Limited (“OSEG”). Prior to joining OSEG, Mr. Peng held several positions at Ernst & Young (China) Advisory Limited from 2015 to 2016 and Northeast Securities from 2016 to 2017, where he specialized in derivative valuation, transaction services and investment banking. Mr. Peng obtained a master’s degree in Financial Engineering from Cornell University in 2014. He is a CFA charterholder and a certified FRM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Man Kit (“Mr. Leung”)

Aged 68

Mr. Leung has been an independent non-executive director, and the chairman of the audit committee and a member of the remuneration committee of the Company since February 2008 and a member of the nomination committee of the Company since 26 March 2012. Mr. Leung was a Responsible Officer in Grand Moore Capital Limited from September 2019 to November 2021. Mr. Leung obtained a bachelor’s degree in social science from the University of Hong Kong in 1977 and has over 30 years of experience in project finance and corporate finance. He has held senior positions with Peregrine Capital (China) Limited, SG Securities (HK) Limited (previously known as Crosby Securities (Hong Kong) Limited), Swiss Bank Corporation, Hong Kong Branch. Mr. Leung was also a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P.

彭博倫先生(「彭先生」)

三十一歲

彭先生自二零一九年九月九日起獲委任本公司執行董事及本集團中國業務之財務總監。加入本集團前，彼分別擔任橙天娛樂集團(國際)控股有限公司(「橙天」)董事(二零一七年七月至二零一九年九月)及主席助理(二零一八年三月至二零一九年九月)。加入橙天前，彭先生先後於二零一五年至二零一六年及二零一六年至二零一七年分別於安永(中國)企業諮詢有限公司及東北證券擔任多個職位，專門於衍生估值、交易服務及投資銀行。彭先生於二零一四年自康奈爾大學(Cornell University)取得金融工程碩士學位。彼持有特許金融分析師資格並為認可金融風險管理師。

獨立非執行董事

梁民傑先生(「梁先生」)

六十八歲

梁先生自二零零八年二月起出任本公司獨立非執行董事、審核委員會主席及薪酬委員會成員，並自二零一二年三月二十六日起出任本公司提名委員會成員。梁先生於二零一九年九月至二零二一年十一月期間擔任中毅資本有限公司的牌照負責人員。於一九七七年取得香港大學社會科學學士學位，在項目融資及企業融資方面具備逾三十年經驗。彼曾任百富勤融資(中國)有限公司、法國興業證券(香港)有限公司(前稱香港高誠證券有限公司)及瑞士銀行公司香港分公司之高層成員。梁先生亦曾任Emerging Markets Partnership (Hong Kong) Limited董事，該公司曾為美國友邦集團亞洲基礎設施基金總顧問。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

As at the date of this annual report, Mr. Leung holds or held directorships in the following listed companies in the past three years:

於本年報日期，梁先生現擔任或於過去三年曾擔任下列上市公司的董事職務：

Name of the listed company 上市公司名稱	Term 任期	Position 職務
Netease.com Inc., a company listed on NASDAQ and the Main Board of the Stock Exchange (stock code: NASDAQ: NTESE; HKEX: 9999) [#] 網易，於納斯達克及聯交所主板上市之公司 (股份代號：納斯達克：NTESE；聯交所：9999) [#]	July 2002 to present 二零零二年七月至今	Independent non-executive director 獨立非執行董事
China Ting Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3398) 華鼎集團控股有限公司，於聯交所主板上市之公司(股份代號：3398)	November 2005 to present 二零零五年十一月至今	Independent non-executive director 獨立非執行董事
China Electronics Optics Valley Union Holding Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 798) 中電光谷聯合控股有限公司，於聯交所主板上市之公司 (股份代號：798)	March 2014 to May 2020 二零一四年三月至 二零二零年五月	Independent non-executive director 獨立非執行董事
Luye Pharma Group Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 2186) [*] 綠葉製藥集團有限公司，於聯交所主板上市之公司 (股份代號：2186) [*]	June 2014 to present 二零一四年六月至今	Independent non-executive director 獨立非執行董事

[#] Mr. Leung is the chairperson of the audit committee, compensation committee and nominating committee.

[#] 梁先生為該公司之審計委員會、薪酬委員會及提名委員會主席。

^{*} Mr. Leung is also the chairman of the audit committee of these companies.

^{*} 梁先生亦為該等公司之審核委員會主席。

Ms. Wong Sze Wing (“Ms. Wong”)

Aged 43

Ms. Wong was appointed as an independent non-executive director and a member of the remuneration committee and the audit committee of the Company with effect from 26 April 2010. She has been appointed as the chairman of the remuneration committee of the Company and a member of the nomination committee since 26 March 2012. Ms. Wong has over ten years of accounting experience in the profession. She has been the chief financial officer since July 2010 and was joint company secretary between February 2009 and March 2017 of Yingde Gases Group Company Limited which was previously listed on the main board of The Stock Exchange of Hong Kong Limited and a constituent stock of Hang Seng Composite Index. Ms. Wong was previously employed as the group chief financial officer of OSEG. She was also previously employed as the financial controller of Avex China Company Limited, a PRC joint venture company established by OSEG and Avex Group Holdings Inc., which is listed on the Tokyo Stock Exchange. Ms. Wong ceased to be the group chief financial officer of OSEG and financial controller of Avex China Company Limited in January 2008. She was also previously employed as a manager at PricewaterhouseCoopers. Ms. Wong obtained a bachelor's degree in business administration from the University of Hong Kong in 2001. She also obtained an EMBA from the China Europe International Business School in 2012. Ms. Wong became a chartered member of the Hong Kong Institute of Certified Public Accountants in 2003.

黃斯穎女士(「黃女士」)

四十三歲

黃女士於二零一零年四月二十六日獲委任為本公司獨立非執行董事兼薪酬委員會及審核委員會成員。彼自二零一二年三月二十六日起獲委任為本公司薪酬委員會主席及提名委員會成員。黃女士具備超過十年專業會計經驗。彼自二零一零年七月起擔任盈德氣體集團有限公司的首席財務官及於二零零九年二月至二零一七年三月期間擔任聯席公司秘書，該公司先前於香港聯合交易所有限公司主板上市，並為恒生綜合指數成分股。黃女士曾擔任橙天之集團首席財務官，先前曾於艾迴音樂影像製作(中國)有限公司擔任財務總監，該公司乃由橙天與Avex Group Holdings Inc.成立的中國合營企業公司。Avex Group Holdings Inc.為於東京證券交易所上市的公司。黃女士於二零零八年一月退任橙天之集團首席財務官及艾迴音樂影像製作(中國)有限公司之財務總監。黃女士過往曾受聘於羅兵咸永道會計師事務所出任經理。黃女士於二零零一年取得香港大學工商管理學士學位，並於二零一二年獲中歐國際工商學院取得行政人員工商管理碩士學位。黃女士於二零零三年成為香港會計師公會會員。

Biographical Details of Directors & Chief Executive Officer

董事及首席執行官個人履歷

As at the date of this annual report, Ms. Wong holds or held directorships in the following listed companies in the past three years: 於本年報日期，黃女士現擔任或於過去三年曾擔任下列上市公司的董事職務：

Name of the listed company 上市公司名稱	Term 任期	Position 職務
Rici Healthcare Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1526)* 瑞慈醫療服務控股有限公司，於聯交所主板上市之公司(股份代號：1526)*	June 2016 to present 二零一六年六月至今	Independent non-executive director 獨立非執行董事
Wangsu Science & Technology Co.,Ltd., a company listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300017)# 網宿科技股份有限公司，於深圳證券交易所創業板上市之公司(股份代號：300017)#	April 2017 to March 2020 二零一七年四月至二零二零年三月	Independent director 獨立董事
ZHEJIANG DAHUA TECHNOLOGY CO., LTD., a company listed on the SME Board of the Shenzhen Stock Exchange (stock code: 002236) 浙江大華技術股份有限公司，於深圳證券交易所中小企業板上市之公司(股份代號：002236)	May 2017 to present 二零一七年五月至今	Independent director 獨立董事
GANFENG LITHIUM CO., LTD., a company listed on the Main Board of the Stock Exchange (stock code: 1772), and the SME Board of the Shenzhen Stock Exchange (stock code: 002460) 江西贛鋒鋰業股份有限公司，於聯交所主板上市之公司(股份代號：1772)，及於深圳證券交易所中小企業板上市之公司(股份代號：002460)	July 2018 to present 二零一八年七月至今	Independent non-executive director 獨立非執行董事
Xinjiang La Chapelle Fashion Co., Ltd. a company listed on the Main Board of the Stock Exchange (stock code: 6116) 新疆拉夏貝爾服飾股份有限公司，於聯交所主板上市之公司(股份代號：6116)	January 2021 to June 2021 二零二一年一月至二零二一年六月	Independent non-executive director 獨立非執行董事
* Ms. Wong is also the chairlady of the audit committee of the company.	* 黃女士亦為該公司之審核委員會主席。	
# Ms. Wong is also the chairlady of the remuneration and evaluation committee of the company.	# 黃女士亦為該公司之薪酬與考核委員會主席。	

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Mr. Fung Chi Man Henry (“Mr. Fung”)

Aged 53

Mr. Fung has been an independent non-executive director and the member of the audit committee of the Company since 3 June 2016. Mr. Fung has over thirty years of experience in the legal profession. He is a partner of Holman Fenwick Willan (“HFV”) since 1999 and the chief representative of the Shanghai Office of Holman Fenwick Willan LLP from 2006 until 2021. Mr. Fung obtained a degree of Bachelor of Laws and a Postgraduate Certificate in Laws from the University of Hong Kong. He also has a PRC law degree from the China University of Political Science and Law. Mr. Fung is currently a practicing solicitor of the High Courts of Hong Kong and England & Wales. Mr. Fung is also a notary public and a China-appointed attesting officer in Hong Kong. Besides, Mr. Fung is also a civil celebrant of marriages, an HKIAC arbitrator, a member of the Solicitors Disciplinary Tribunal, HKICPA Disciplinary Panel and CAAO Disciplinary Panel.

CHIEF EXECUTIVE OFFICER

Mr. Yeung Ho Nam (“Mr. Yeung”)

Aged 36

Mr. Yeung joined the Group on 1 June 2020 and was appointed as the Chief Executive Officer and co-Chief Financial Officer on the same day. Since 4 August 2020, Mr. Yeung has been re-designated an enlarged role from co-Chief Financial Officer to Chief Financial Officer and continues to be the Chief Executive Officer. He has rich professional experience in Greater China corporate finance focusing on cross-border structured finance, mergers and acquisitions, and corporate treasury advisory. Prior to joining the Company, Mr. Yeung served as an executive director in the Corporate Finance function in Standard Chartered Bank (Hong Kong) Limited from 2014, responsible for leveraged and structured debt origination for Greater China corporates. Mr. Yeung started his career in the Global Banking Department of the Hongkong and Shanghai Banking Corporation, serving in client coverage from 2007 to 2014 focusing on loan structuring, capital market origination, and cash management advisory for Hong Kong and China corporates. Mr. Yeung has long established track record and is well-recognized in the financing and debt advisory aspects for technology, entertainment and media industry in the region involving in multiple transactions. Mr. Yeung holds a Bachelor of Arts with General Honors in Economics from the University of Chicago in Illinois, United States.

馮志文先生 (「馮先生」)

五十三歲

馮先生自二零一六年六月三日起出任本公司獨立非執行董事及審核委員會成員。馮先生擁有超過三十年之專業法律服務經驗。彼自一九九九年為夏禮文律師行(「夏禮文」)之合夥人及於二零零六年直至二零二一年期間為夏禮文律師事務所上海辦事處之首席代表。馮先生於香港大學取得法學學士學位和法學專業證書，並於中國政法大學取得中國法律學位。馮先生現為香港、英格蘭和威爾士高等法院執業律師。彼於香港亦是公證人及中國委託公證人。此外，馮先生於香港也是婚姻監禮人、香港國際仲裁中心仲裁員、律師紀律審裁組成員、香港會計師公會紀律小組成員和中國委託公證人協會紀律審裁團成員。

首席執行官

楊浩嵐先生 (「楊先生」)

三十六歲

楊先生二零二零年六月一日加入本集團，並於同日獲委任為首席執行官及聯席首席財務官。於二零二零年八月四日起，楊先生由聯席首席財務官調任為首席財務官，並繼續擔任首席執行官。彼在大中華區企業融資方面擁有豐富的專業經驗，專注於跨境結構性融資、併購及企業財務諮詢。在加入本公司前，楊先生自二零一四年起擔任渣打銀行(香港)有限公司企業融資部執行董事，負責為大中華區企業提供槓桿及結構性貸款。楊先生的職業生涯始於香港上海滙豐銀行環球銀行部，二零零七年至二零一四年期間，楊先生負責為中國及香港企業提供融資，資本市場，及資金管理諮詢等服務。楊先生曾參與多個科技、娛樂和媒體行業的交易，其資歷獲得充份認可。楊先生持有美國伊利諾州芝加哥大學經濟學榮譽文學士學位。



Chairman's Statement 主席報告書

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group"), I am pleased to present the Annual Report of the Group for the year ended 31 December 2021.

各位股東：

本人謹代表橙天嘉禾娛樂(集團)有限公司(「本公司」)及其附屬公司(統稱「本集團」)董事(「董事」)會(「董事會」)，欣然提呈本集團截至二零二一年十二月三十一日止年度的年報。



BUSINESS REVIEW

2021 overall is a year of gradual recovery for the Group.

While the first half remained challenging with the Group's cinemas closed for extended periods to cope with COVID, and affected by seat and food restrictions inside cinema halls, the second half saw a marked rebound in admissions across all geographies along with gradual alleviation of COVID situation, and increasing number of release of Hollywood blockbuster titles. As such, the Group operating results have seen substantial improvement in the second half.

業務回顧

二零二一年整體上是本集團逐漸復甦的一年。

雖然上半年仍然挑戰重重，本集團旗下戲院為應對 COVID 疫情而關閉的時間再度延長，加上受到戲院內的座位及食物限制之影響，但是隨著 COVID 疫情漸漸緩和以及安排上映的荷里活猛片數目不斷增加，所有地區的入場人數於下半年顯著回升。因此，本集團於下半年的經營業績有明顯改善。

Chairman's Statement

主席報告書

During the year, the Group's consolidated revenue raised by 60% to HK\$514.9 million (2020: HK\$322.6 million), within which revenue in the second half amounted to HK\$324.8 million, representing 71% increase over the first half revenue of HK\$190.1 million. The Group remained focused on cost savings initiatives during the year, whereby overall selling and distribution costs reduced by HK\$10.6 million in 2021 despite significant increase in revenue. Excluding non-recurring expenses, the Group's loss attributable to equity holders was HK\$175.9 million for the year, a marked improvement compared with a loss of HK\$216.3 million in 2020. Taking into account non-recurring costs totaled HK\$150.3 million (2020: HK\$72.1 million) arising from (i) HK\$138.3 million (2020: HK\$71.9 million) one-off assets impairment and (ii) HK\$12.0 million (2020: HK\$0.2 million) cinema opening expense, the Group's loss attributable to equity holders amounted to HK\$314.2 million (2020: HK\$288.2 million).

PROSPECTS

The Group is confident that COVID related challenges are short-term and that the cinema industry worldwide will revitalise as proven by the Group's marked recovery since the second half of 2021. The Group remains committed to expand its market share in its existing geographies of operation and will continue to open new cinemas as opportunity arises. In 2021, the Group has opened 5 new cinemas with 29 screens and has contracted to open new locations across Hong Kong, Singapore, and Taiwan in the next few years. The Group will continue its new cinema concept and gradually expand the use of cinemas into integrated lifestyle entertainment hubs featuring pop culture merchandise, food and beverage, and live events so as to offer unique experience to our customers.

The Group will continue its efforts in the fast-growing PRC live entertainment business. The Group's first 360 theatre in Suzhou is expected to open in the second half of 2022 with another three theatres in Suzhou and Xian contracted and expected to open over the course of 2022 to 2023. The Group's 360 theatres all feature an advanced rotating auditorium surrounded by projection panels capable of opening up to 180 degrees and panoramic stages, coupled with local Chinese stories recreated in live musical forms by world renowned talents, will provide local audiences with a stunning extraordinary theatrical experience. The Group will continue to look for opportunities to cooperate with local governments and real estate developers to further expand theatres and live entertainment locations network. In the meantime, we will continue to increase live broadcast and gradually bring in live entertainments into our cinemas across the various operating geographies.

年內，本集團的綜合收入上升60%至5.149億港元(二零二零年：3.226億港元)，其中下半年的收入為3.248億港元，較上半年的收入1.901億港元增加71%。本集團於年內繼續專注於節省成本措施，儘管收入大幅增加，但整體銷售及分銷成本於二零二一年減少1,060萬港元。撇除非經常性開支，本集團於本年度的權益持有人應佔虧損為1.759億港元，較二零二零年的虧損2.163億港元有明顯改善。倘計及因(i)一次性的資產減值1.383億港元(二零二零年：7,190萬港元)；及(ii)電影院開幕開支1,200萬港元(二零二零年：20萬港元)產生的非經常性成本合共1.503億港元(二零二零年：7,210萬港元)，本集團權益持有人應佔虧損為3.142億港元(二零二零年：2.882億港元)。

展望

本集團有把握，與COVID相關的挑戰僅屬短期性質，且一如本集團自二零二一年下半年以來已取得顯著復甦所證實，全球電影院行業勢必捲土重來。本集團仍致力於在其現有營運地區擴展其市場佔有率，並在機會出現時將繼續開設新影城。於二零二一年，本集團已開設5家新影城共29塊銀幕，且已訂約在未來數年於香港、新加坡及台灣開闢新地點。本集團將延續其新的影院理念，逐步將影院的用途拓展為以流行文化商品、餐飲、現場活動為特色的綜合生活與娛樂樞紐，為顧客帶來與別不同的體驗。

本集團將繼續投入於中國快速增長的現場娛樂業務。本集團在蘇州的首家360劇院預計將於二零二二年下半年開業，另外已與蘇州及西安的三家影院訂約，預計將於二零二二年至二零二三年間陸續開業。本集團旗下的360環迴舞台劇院均設有最闊能伸展至180度的投影屏幕環繞的先進旋轉觀眾席及全景式舞台，再加上由世界知名藝人以現場音樂形式重新塑造的中國本土故事，將為當地觀眾提供令人驚嘆的非凡戲劇體驗。本集團將繼續尋找與當地政府及房地產開發商合作的機會，以進一步擴大影院及現場娛樂場所網絡。與此同時，我們將繼續增加現場直播，並逐步將現場娛樂引入我們在各個運營地區的電影院。

Chairman's Statement

主席報告書

Looking forward, the Group will continue to strengthen our market leader position in the traditional film exhibition and distribution businesses by expanding our presence and by adding new entertainment elements to revitalize our cinema networks into entertainment hubs with diverse experience to our customers. Leveraging on our network across the PRC, Hong Kong, Singapore, and Taiwan, we will actively pursue opportunities to expand into other live entertainment businesses across our operating geographies and strive to provide unique contents and entertainment experience to our customers.

ACKNOWLEDGEMENT

On behalf of the board and our management team, I would like to take this opportunity to express my appreciation to the shareholders, customers and business partners for their supports and cooperation. I hereby express my sincere gratitude to all our Directors for their support and advice, and committed staff for their hard work and efforts, which have contributed to the success of the Group and led to the sustainable development of our business.

展望未來，本集團將繼續透過擴大其業務據點並加入嶄新娛樂元素以加強我們於傳統電影放映及發行業務的市場領導地位，將我們的影院網絡重振為娛樂樞紐，為我們的顧客提供多樣化的體驗。憑藉遍佈中國、香港、新加坡及台灣的網絡，我們將積極物色機會以將業務擴展至經營地區的其他現場娛樂業務，向顧客提供獨特的內容及娛樂體驗。

鳴謝

本人謹代表董事會及管理層團隊，藉此機會感謝各位股東、客戶及業務夥伴的支持及合作。本人謹此衷心感謝全體董事的支持及建議，以及盡忠職守的員工所付出的辛勞及努力，彼等為本集團的成功及業務的可持續發展作出貢獻。

Management

Discussion & Analysis 管理層討論及分析



THE PRC 中國

HONG KONG 香港

TAIWAN 台灣

SINGAPORE 新加坡



ORANGE SKY GOLDEN HARVEST'S Cinema Portfolio 橙天嘉禾影城組合

(as of 31 December 2021 截至二零二一年十二月三十一日)

		Number of cinemas 影城數目	Number of screens 銀幕數目	Admissions (million) 入場觀眾 (百萬人次)	Net average ticket price (HK\$) 平均淨票價 (港元)
Hong Kong	香港	10	37	1.6	69
Singapore	新加坡	14	112	3.7	65
Taiwan	台灣	16	173	7.7	69
Total	總計	40	322	13.0	68

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

Founded in 1970, Orange Sky Golden Harvest Group has been a world-class Chinese language film and entertainment company primarily engaged in film exhibition, film and TV programme production, and film distribution businesses.

The Group has played a vital role in the development of the Chinese language film industry. Since its inception, the Group has produced and financed over 600 movies and is currently the only cinema chain that operates across Hong Kong, Singapore and Taiwan. To date, the Group owns a movie library of over 140 movies.

2021 remains a challenging year for the Group with worldwide cinema industry continued to be plagued by frequent closures to cope with COVID-19, leading to direct loss of box office revenue. In particular, the Group's cinema operations in Hong Kong and Taiwan have been closed for 7 weeks and 8 weeks respectively by government lockdown orders during the year. While Singapore cinemas remained opened throughout the year, the region's cinemas are affected severely by tightening measures imposed by the government including seat capacity restrictions, controlled food and beverage consumptions inside cinema halls, as well as delay for blockbusters releases.

Despite the difficult operating environment, the Group firmly believes that challenges are short term and that the cinema industry worldwide will revitalise as COVID-19 situation gradually alleviates as proven by the strong results posed by worldwide cinemas during Christmas 2021. As such, the Group remains committed to expand its market share in its existing geographies of operation, whereby the Group opened 5 cinemas with 29 screens during the year across Hong Kong, Singapore, and Taiwan, further its cost benefits from economies of scale. The Group expects to continue new cinema opening across Hong Kong, Singapore and Taiwan over the course of 2022 and 2023. In the meantime, the Group will expand cinemas from single use of movie viewing to become an integrated entertainment hub featuring other lifestyle offerings such as live music, esports, collectibles, and food and beverages.

In the PRC, the Group's new venture into the country's blooming live entertainment industry is close to fruition with the first 360 theatre featuring our self-developed IP expected to stage in the 2nd quarter of 2022 in Suzhou with the next three 360 theatres gradually opening over the course of 2022 and 2023. The Group will continue further expansion in this industry by working with the PRC government and other real estate companies to operate theatres and other live entertainment venues. We believe our efforts will position the Group for rapid recovery once COVID-19 alleviates.

業務回顧

橙天嘉禾集團始創於一九七零年，為一家世界級的華語電影及娛樂公司，主要從事影城、電影及電視節目製作以及電影發行業務。

本集團在華語電影行業發展上一直擔當重要角色。自成立以來，本集團已製作及融資逾600部電影，目前為唯一一家經營業務遍及香港、新加坡及台灣的連鎖院線。時至今日，本集團旗下的電影片庫蘊藏超過140部電影。

二零二一年對本集團來說仍然是充滿挑戰的一年。為應對COVID-19，全球電影業繼續受到頻繁關閉的困擾，導致票房收益直接損失。尤其是，本集團在香港及台灣的電影院業務在年內分別因政府封鎖令而分別關閉7週及8週。雖然新加坡電影院全年開放營業，但該地區的電影院受到政府實施收緊措施而受到嚴重影響，包括限制座位容量、禁止在影廳內飲食，以及延遲大片上映。

儘管經營環境艱難，但本集團堅信挑戰屬短期，而隨著COVID-19事態逐漸緩和，從全球電影院業將在二零二一年聖誕節期間取得強勁業績可見一斑。因此，本集團仍然致力擴大其現有經營地域的市場份額。藉此，本集團在香港、新加坡及台灣於本年度開設5家共設有29塊銀幕的電影院，進一步從規模經濟中獲得成本效益。本集團預計在二零二二年及二零二三年期間內將繼續在香港、新加坡及台灣開設新的電影院。同時，本集團將把電影院從單一的觀影用途擴展到提供其他時尚生活方式的綜合娛樂中心，例如現場音樂、電子競技、收藏品及餐飲。

在中國，本集團進軍國內蓬勃發展的現場娛樂行業的新業務已接近開花結果，首間突顯自主研發IP的360電影院預計將於二零二二年第二季度在蘇州問世，接下來的三個360電影院將陸續在二零二二年及二零二三年內開業。本集團將繼續在本行業進一步擴充，與中國政府及其他房地產公司合作經營劇院及其他現場娛樂場所。我們相信，一旦COVID-19緩和，我們的努力將使本集團快速復甦。

Management Discussion & Analysis

管理層討論及分析

Film Exhibition

The Group's film exhibition business remained the key revenue driver accounting for 94% of the Group's total revenue. During the year, the Group's Singapore Golden Village Cinemas and Taiwan Vie Show Cinemas remained as the undisputed market leader locally with 48% and 41% respective share in local box office during the year.

Full year exhibition revenue has improved by 24% to HK\$808.8 million in 2021. The increase is primarily due to 17% increase in total admissions from 11.0 million in 2020 to 12.9 million in 2021 as the Group's cinemas in Singapore opened for the full 52 weeks without disruption (2020: temporary closure of 16 weeks), partially mitigated by closure in Hong Kong and Taiwan for 7 weeks and 8 weeks respectively. During the year, average ticket price for the three regions increased by 7% from HK\$63.4 to HK\$68.1, and to certain extent made up for the loss in admissions from the temporary closure.

As of 31 December 2021, the Group operated a network of 40 cinemas and 322 screens across the region. During the year, the Group opened 3 new cinemas with 13 screens in Hong Kong, 1 new cinema with 10 screens in Taiwan and 1 new cinema with 8 screens in Singapore. In particular, the Group's newly opened Katong cinema in Singapore is the first "new cinema" concept of the Group, featuring 8 flexible exhibition halls that can host live concerts, a foyer area that combines the aesthetics and practical uses of an art gallery, as well as a movie themed Gold Class bar and lounge that intends to provide the best immersive dining experience to patrons. The Group expects to gradually convert its other cinemas into similar entertainment centers.

Operating Statistics of the Group's Cinemas

(For the year ended 31 December 2021)

		Hong Kong 香港	Singapore 新加坡	Taiwan 台灣
Number of cinemas*	影城數目*	10	14	16
Number of screens*	銀幕數目*	37	112	173
Admissions (million)	入場觀眾(百萬人次)	1.6	3.7	7.7
Net average ticket price (HK\$)	淨平均票價(港元)	69	65	69

* at 31 December 2021

Hong Kong

Operating Statistics of the Group's Cinemas in Hong Kong
(For the year ended 31 December 2021)

		2021 二零二一年	2020 二零二零年
Number of cinemas*	影城數目*	10	7
Number of screens*	銀幕數目*	37	24
Admissions (million)	入場觀眾(百萬人次)	1.6	0.5
Net average ticket price (HK\$)	淨平均票價(港元)	69	72
Box office receipts (HK\$ million)	票房收入(百萬港元)	112	36

* at 31 December 2021

電影放映

本集團的電影放映業務仍是主要收入來源，佔本集團總收益的94%。年內，本集團旗下的新加坡Golden Village影城及台灣威秀影城分別以48%及41%的當地票房份額，穩居市場的領導地位。

於二零二一年全年的放映收益改進24%至8.088億港元。有關增長主要由於本集團在新加坡的電影院連續52週全面開放(二零二零年：短暫關閉16週)，總入場人數從二零二零年的1,100萬增加至二零二一年的1,290萬，增幅為17%，部分緩和了香港及台灣分別關閉7週及8週。年內，三個地區的平均票價由63.4港元增加7%至68.1港元，在一定程度上彌補了因暫時關閉電影院而造成的入場人數損失。

截至二零二一年十二月三十一日，本集團運營覆蓋區內40家電影院及322塊銀幕的網絡。年內，本集團在香港新開設3家共擁有13塊銀幕的電影院，在台灣新開設1家擁有10塊銀幕的電影院，以及在新加坡新開設1家擁有8塊銀幕的電影院。特別是，本集團在新加坡新開設的加東電影院，是本集團首個「新影城」的概念，其凸顯8個可舉辦現場音樂會的靈活展廳，一個揉合藝術畫廊的美學與實用功能的前廳，以及以電影為主題的Gold Class酒吧及酒廊，旨在為顧客提供最佳的沉浸式用餐體驗。本集團預期將逐步將旗下其他電影院轉變為類似的娛樂中心。

本集團影城的營運數據

(截至二零二一年十二月三十一日止年度)

* 截至二零二一年十二月三十一日

香港

本集團香港影城的營運數據
(截至二零二一年十二月三十一日止年度)

* 截至二零二一年十二月三十一日

Management Discussion & Analysis

管理層討論及分析

Hong Kong is the home market for the Group and the Hong Kong exhibition business has been the core of home business. Riding on the ample liquidity of the Group, improving consumer confidence amidst COVID-19 alleviation, the Group has opened 3 new cinemas in Hong Kong with a total of 13 screens during the year. Our Hong Kong operations operated 10 cinemas and 37 screens in the city as of the year end, up significantly from 7 cinemas and 24 screens as of 31 December 2020.

All Hong Kong cinemas have been put under mandatory closure from 2 December 2020 to 17 February 2021 for a total of 7 weeks during the year. With Hong Kong COVID-19 situation alleviated considerably after the reopening, Hong Kong business has been picking up, resulting in an improvement in admissions from 0.5 million in 2020 to 1.6 million in 2021. Resulting from higher admissions, box office receipts increased by 208% to HK\$111.7 million in the year from HK\$36.3 million in the previous year, making up for the slightly lower average ticket price at HK\$69.2 (2020: HK\$71.9).

Nevertheless, since Hong Kong operations have been negatively affected by social distancing measures such as separation of cinema patrons, seat capacity restrictions and no food and beverages inside exhibition halls, Hong Kong operations recorded a segmental loss of HK\$34.6 million in 2021. This however represents material improvement over the operating loss of HK\$68.3 million in 2020.

Singapore

Operating Statistics of the Group's Cinemas in Singapore
(For the year ended 31 December 2021)

		2021 二零二一年	2020 二零二零年
Number of cinemas*	影城數目*	14	13
Number of screens*	銀幕數目*	112	104
Admissions (million)	入場觀眾 (百萬人次)	3.7	2.6
Net average ticket price (\$)	淨平均票價 (新加坡元)	11.2	10.7
Net box office receipts (\$ million)	淨票房收入 (百萬新加坡元)	41	27

* at 31 December 2021

Singapore has been the main revenue contributor to the Group, attributing to 50% and 48% of the Group's total revenue in the year end of 2021 and 2020 respectively. The Group's Singapore operations under the Golden Village Cinemas ("Golden Village") brand remained as the market leader locally operating a network of 14 cinemas and 112 screens, attributing to 38% of total installed screens in the country, but represent 48% of the country's box office over the year. The high market share has shown Golden Village's market leadership in local film exhibition market.

During 2021, Golden Village reported net box office receipts of S\$41.0 million (2020: S\$27.4 million), representing a 50% increase in net box office receipts compared with the same period last year. The improvement arises primarily because Singapore cinemas are allowed to open without mandatory closures during the year which resulted in 42% increase in admissions to 3.7 million (2020: 2.6 million), partially mitigated by the surge of Omicron cases which affected consumer confidence, seat capacity restrictions, food and beverage restrictions, and delayed blockbusters during the year.

香港是本集團的家，而香港的電影上映業務一直是本土業務的核心。憑藉本集團充裕的流動資金，在COVID-19緩和期間提高消費者信心，本集團於年內在香港開設3家新電影院，合共13塊銀幕。截至年底，我們的香港業務在全市經營10家電影院及37塊銀幕，顯著高於截至二零二零年十二月三十一日的7家電影院及24塊銀幕。

年內，香港所有電影院於二零二零年十二月二日至二零二一年二月十七日期間均被強制關閉，合共7週。隨著香港COVID-19疫情在重新開門後大幅緩和，香港業務一直在回升，導致入場人數由二零二零年的50萬增加至二零二零一年的160萬。因應入場人數有所增加，票房收入由去年的3,630萬港元增加208%至本年的1.117億港元，彌補了略低的平均票價69.2港元(二零二零年：71.9港元)。

然而，由於香港業務受到如電影院顧客入座分隔、座位容量限制及影廳內禁止飲食等社交距離措施的負面影響，故香港業務於二零二一年錄得分部虧損3,460萬港元，但此情況已較二零二零年的經營虧損6,830萬港元有重大改善。

新加坡

本集團新加坡影城的營運數據

(截至二零二一年十二月三十一日止年度)

	2021 二零二一年	2020 二零二零年
Number of cinemas*	14	13
Number of screens*	112	104
Admissions (million)	3.7	2.6
Net average ticket price (\$)	11.2	10.7
Net box office receipts (\$ million)	41	27

* 截至二零二一年十二月三十一日

新加坡一直是本集團的主要收入來源，分別佔本集團二零二一年及二零二零年底總收入的50%及48%。本集團在新加坡的嘉華影城(「嘉華」)品牌業務仍然是當地市場的領導者，其運營的網絡涵蓋14家電影院及112塊銀幕，佔全國已安裝銀幕總數的38%，但佔全國全年總票房收入的48%。市場佔有率較高，顯示嘉華在當地電影放映市場的領先地位。

於二零二一年，嘉華的淨票房收入為4,100萬新加坡元(二零二零年：2,740萬新加坡元)，與去年同期相比，淨票房收入增加50%。此項收入有所改善，主要因為新加坡電影院在年內獲准在不強制關閉的情況下開放，導致入場人數增加42%至370萬(二零二零年：260萬)，部分受到Omicron病例的激增，影響到消費者信心、座位容量限制、餐飲限制及年內大片延遲上映。

Management Discussion & Analysis

管理層討論及分析

Golden Village has strived to open up new initiatives to adapt to consumers' quickly changing taste amidst COVID. For example, the higher demand for space and privacy has driven Golden Village to focus on sales of blockbuster movie tickets and dinner combos; Golden Village has increased live concerts streaming and special movie screening frequencies to compensate for the delay in blockbuster releases; Golden Village has also started sales of movie vouchers, and partnership with landlords, e-commerce websites, to maximise our merchandise sales income as much as possible. With the above initiatives, there has been a material improvement in net average ticket price by 5% to S\$11.2 in 2021 from S\$10.7 in 2020. In the meantime, Golden Village continued to source quality independent movies for distributions in Singapore to position the chain for exclusive screenings.

Golden Village is a household name in Singapore with a considerable larger scale of operations compared with local competitors. We remain confident in Golden Village business prospects, and will continue to expand Golden Village market leadership in Singapore going forward. Golden Village is expected to open a new 8 halls cinema in a prime location in Singapore in the second half of 2022 and continue to look for other new expansion opportunities.

Taiwan

*Operating Statistics of the Group's Cinemas in Taiwan
(For the year ended 31 December 2021)*

		2021 二零二一年	2020 二零二零年
Number of cinemas*	影城數目*	16	15
Number of screens*	銀幕數目*	173	165
Admissions (million)	入場觀眾(百萬人次)	7.7	7.9
Net average ticket price (NTD)	淨平均票價(新台幣)	248	246
Net box office receipts (NTD billion)	淨票房收入(十億新台幣)	1.9	1.9

* at 31 December 2021

The Group's 35.71% owned Vie Show Cinemas is the largest cinema chain in Taiwan operating a total of 16 cinemas, comprising of 173 screens as of 31 December 2021, with a leading market share of 41%.

Vie Show's 2021 net box office amounted to NTD1.90 billion, representing a slight 2% decrease from NTD1.94 billion recorded last year. The slight decrease is due to worsening of COVID-19 situation in Taiwan in May 2021, whereby all Taiwanese cinemas were forced to close for 8 weeks from 19 May 2021 to 12 July 2021, partially mitigated by good performance recorded in the first four months of the year brought by a good mix of Hollywood blockbusters against successful pandemic control.

The Group is confident that once Taiwan COVID-19 situation alleviates and blockbuster movies are gradually released, Vie Show's performance will quickly return to normal. The Group remained committed in Vie Show and will continue to develop Vie Show into a leading comprehensive entertainment operator in Taiwan. In particular, Vie Show has already committed to open 4 new cinemas with 57 screens in Taipei, Taichung, and Kaohsiung over 2022 to 2023, which will further increase Vie Show market shares locally in Taiwan.

嘉華一直在努力開拓新的舉措，以適應新冠疫情中消費者快速轉變的口味。舉例而言，對空間及隱私的更高要求促使嘉華專注於銷售大片戲票及晚餐的組合套餐。嘉華增加了現場音樂會串流及特備電影放映的次數，以彌補大片上映的延遲。嘉華亦開始銷售電影代用券，與業主、電子商務網站進行合作，盡可能將我們商品銷售的收入最大化。通過上述舉措，淨平均票價由二零二零年的10.7新加坡元大幅提高5%至二零二一年的11.2新加坡元。與此同時，嘉華繼續搜羅優質獨立電影以於新加坡發行，以獨家放映為此連鎖電影院定位。

嘉華在新加坡是家喻戶曉的品牌，與當地競爭對手相比，其經營規模相當大。我們對嘉華的業務前景仍然充滿信心，並在未來將繼續擴大嘉華在新加坡的市場領導地位。嘉華預計將於二零二二年下半年在新加坡黃金地段開設具有8個影廳的新電影院，並繼續尋找其他新的擴展機會。

台灣

*本集團台灣影城的營運數據
(截至二零二一年十二月三十一日止年度)*

	2021 二零二一年	2020 二零二零年
Number of cinemas*	16	15
Number of screens*	173	165
Admissions (million)	7.7	7.9
Net average ticket price (NTD)	248	246
Net box office receipts (NTD billion)	1.9	1.9

* 截至二零二一年十二月三十一日

本集團擁有35.71%權益的威秀影城是台灣最大的連鎖電影院，於二零二一年十二月三十一日，其共經營16家電影院，包括173塊銀幕，佔領先的市場份額41%。

威秀於二零二一年的淨票房收入達到19.0億新台幣，較去年錄得的19.4億新台幣微跌2%。微跌是由於在二零二一年五月台灣COVID-19疫情惡化，從二零二一年五月十九日至二零二一年七月十二日，所有台灣電影院被迫關閉8週，部分受到本年度首四個月的良好表現所緩和，此乃因應荷里活大片配合成功控制疫情的良好組合所帶來。

本集團有信心，一旦台灣COVID-19疫情緩和及大片逐漸上畫後，威秀的業績現將迅速重回正軌。本集團繼續致力於威秀，並將繼續將威秀發展成為台灣領先的綜合娛樂運營商。特別是，威秀早已承諾於二零二二年至二零二三年在台北、台中及高雄開設4家共設有57塊銀幕的新電影院，此舉將進一步提升威秀在台灣當地的市場份額。

Management Discussion & Analysis

管理層討論及分析

In line with the Group's comprehensive entertainment hub strategy, Vie Show has been focusing on expansion into related areas. Vie Show operates a chain of "UNICORN" brand handmade popcorn and a Japanese fried chicken chain "TORIKAI" in its cinema network. Vie Show also operates a family focused artificial snow theme park "SNOWTOWN" in Taichung Mitsui Outlet Park. SNOWTOWN is an indoor theme park that allows visitors to enjoy snow at a "feels like" temperature of 20°C. Vie Show also operates a mall in Taipei Xinyi District where its flagship Xinyi Vie Show cinema is located. Vie Show will continue to diversify into food and beverages, theme park, and shopping mall operations going forward, in which Vie Show is in final negotiation to operate a new shopping mall in Taipei.

Vie Show realises the importance of securing exclusive quality contents for its cinemas. To mitigate the lack of blockbusters during 2020 and 2021 amidst COVID and to fully leverage on the market leadership in cinema operations locally, Vie Show has incorporated a new film production and film distribution associate with the Taiwan Ministry of Culture and other leading cinema chains in Taiwan in 2020. This entity has started to invest in film productions across Greater China in 2022.

Film & TV Programme Distribution and Production

The Group's film library carried perpetual distribution rights for over 140 self-owned titles, which contributed steady licensing income to the Group. One of the Group's key initiatives is to work with external studios for redevelopment of the Group's existing classical Chinese movies intellectual property into online films, live entertainments, film derivative, and Non-fungible Token digital arts.

Riding on the Group's leading position and long tradition in film distribution and production, the Group is one of the largest independent film distributors in Hong Kong, Singapore, and Taiwan. On an aggregated basis the Group's film distribution and production business recorded revenue of HK\$45.0 million (2020: HK\$50.5 million), representing a slight decrease compared with 2020. Key movies distributed by the Group included *Shock Wave 2* (拆彈專家2) in Hong Kong and Singapore, *GATAO — The Last Stray* (角頭 — 浪流連) in Taiwan and *Long Long Time Ago: The Diam Diam Era* (我們的故事3：沉默的年代) in Singapore.

For the production sector, the Group continued to remain prudent in investment decisions but remained active in seeking opportunities to work with local and overseas studios to produce movies and TV programmes of high quality.

為配合本集團打造綜合娛樂樞紐的戰略，威秀一直專注於向相關領域擴充。威秀在其電影院網絡中經營一家連鎖「UNICORN」品牌手工爆米花及一家日本炸雞連鎖店「鳥開」。威秀還在台中三井特賣場公園經營一個以家庭為主題的人造雪主題樂園「SNOWTOWN雪樂地」。「SNOWTOWN雪樂地」是一個室內主題公園，遊客可以攝氏20度的「體感」溫度下享受雪景。威秀還在台北信義區經營一家商場，其旗艦信義威秀影城就坐落於此。未來，威秀將繼續多元化經營餐飲、主題公園和購物中心業務，其中威秀正在就在台北開設新購物中心進行最終談判。

威秀意識到為其電影院確保獨家優質內容的重要性。為緩和二零二零年及二零二一年在新冠期間大片的匱乏，並充分利用地方電影院運營的市場領導地位，威秀聯同台灣文化部及台灣其他領先的連鎖電影院於二零二零年吸納了一個全新的電影製作及電影發行合作夥伴。該單位於二零二二年已開始在大中華區投資於電影製作。

電影及電視節目發行及製作

本集團的電影片庫蘊藏超過140部自製電影的永久發行權，為本集團帶來穩定的授權收入。本集團的主要舉措之一是與外部工作室合作，將本集團現有的中國古典電影知識產權重新開發為線上電影、現場娛樂、電影衍生品及非同質化代幣(NFT)的數碼藝術。

憑藉本集團在電影發行及製作方面的領先地位及悠久傳統，本集團是香港、新加坡及台灣最大的獨立電影發行商之一。按綜合計算，本集團電影發行及製作業務錄得收益4,500萬港元(二零二零年：5,050萬港元)，較二零二零年略有下降。本集團發行的主要電影包括在香港及新加坡發行《拆彈專家2》、在台灣發行《角頭 — 浪流連》以及新加坡發行《我們的故事3：沉默的年代》。

在製作領域，本集團在投資決定上繼續保持審慎態度，但仍積極尋求機會與本地及海外製片廠合作，製作優質影視節目。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW

Profit and Loss

The Group's consolidated revenue increased by 60% to HK\$514.9 million (2020: HK\$322.6 million) as the Group's cinemas opening period increased during the year, together with gradual release in Hollywood blockbusters. Of particular note the Group's revenue in the second half of 2021 amounted to HK\$324.8 million, representing 71% increase over the first half revenue of HK\$190.1 million, proving that cinemas in the regions will promptly recover as COVID alleviates, government restrictions eases, and Hollywood blockbuster returns.

As the Group's revenue increase arises primarily by box office income growth, and the higher margin food and beverage businesses are restricted by various local government COVID-19 restrictions, the Group's gross profit margin remained compressed at 62% (2020: 63%). Along with the rise in total revenue, gross profit for the year amounted to HK\$321.6 million, representing 58% increase compared with HK\$204.1 million recorded last year.

Other revenue of HK\$43.5 million represents primarily subsidies and rental support from governments and landlords received during the year. Given COVID situation alleviated in Singapore and Hong Kong during 2021, the various support obtained has reduced significantly from HK\$77.7 million to HK\$31.0 million. Interest income during the year reduced to HK\$5.2 million from HK\$9.0 million in last year in light of the low interest environment.

The Group has focused on cost savings during the year to preserve its long-term competitiveness. Via reduction in marketing expenses, utilities expenses, part-time labour costs, and other non-essential services, the Group has managed to reduce its selling and distribution costs by HK\$10.6 million during the year. Management deemed the costs savings initiatives successful considering the Group managed to increase turnover materially by HK\$192.3 million amidst a lower operating costs during the year.

The Group's finance costs consisted mainly of interest expense on bank loans and interest on lease liabilities. Interest expense on bank loans amounted to HK\$18.7 million, compared with HK\$30.5 million in last year, the reduction is primarily due to gradual principal amortisation and low interest environment during COVID-19.

The Group's joint venture in Taiwan recorded a net loss during the year, in which the Group's share of loss amounted to HK\$50.7 million (2020: HK\$38.9 million). The higher net loss recorded in 2021 is primarily due to Taiwan's worsening COVID situation which led to forced closure of all cinemas for 8 weeks during the year.

財務回顧

溢利及虧損

本集團的綜合收益增加60%至5.149億港元(二零二零年: 3.226億港元)，因年內本集團電影院開門營業的期間增加，加上荷里活大片陸續上畫。特別一提，本集團於二零二一年下半年的收益為3.248億港元，較上半年的收益1.901億港元增加71%，證明隨著新冠疫情緩和、政府限制放寬及荷里活猛片回歸後，區內電影院將即時復甦。

由於本集團收益的增加主要因票房收入增長而產生，而利潤率較高的食品及飲料業務受到當地政府的各種COVID-19限制，因此本集團的毛利率仍然壓縮在62%(二零二零年: 63%)。隨著總收入的增加，年內毛利為3.216億港元，較去年錄得的2.041億港元增加58%。

其他收益4,350萬港元主要指年內收取的來自政府及業主的補貼及租金支持。鑑於二零二一年內新加坡及香港的新冠疫情有所緩和，獲得多種支持已從7,770萬港元大幅減少至3,100萬港元。鑑於低息環境，年內利息收入由去年的900萬港元減少至520萬港元。

本集團於年內集中節省成本，以保持其長期競爭力。透過減少營銷開支、公用事業開支、兼職勞工成本及其他非必要服務，本集團於年內盡力將其銷售及分銷成本減少1,060萬港元。考慮到本集團在年內的較低營運成本情況下，營業額得以大幅增加1.923億港元，故管理層認為節省成本的措施委實成功。

本集團的財務成本主要包括銀行貸款利息支出及租賃負債利息。銀行貸款利息支出為1,870萬港元，較去年的3,050萬港元有所減少，主要是由於COVID-19期間本金逐步攤銷及處於低利率環境。

本集團於台灣的合營公司於年內錄得淨虧損，其中本集團應佔虧損為5,070萬港元(二零二零年: 3,890萬港元)。於二零二一年錄得的較高淨虧損，主要由於台灣的新冠疫情有所惡化，導致年內所有電影院被迫關閉8週所致。

Management Discussion & Analysis

管理層討論及分析

Depreciation expense for the year amounted to HK\$165.4 million (2020: HK\$195.9 million), lower than 2020 given the Group has made impairment on part of the cinema assets in the previous year.

The Group has incurred total one-off expenses of HK\$150.3 million in 2021 (2020: HK\$72.1 million) consisted primarily of assets impairment amounted to HK\$138.3 million (2020: HK\$71.9 million) and cinema opening expense of HK\$12.0 million (2020: HK\$0.2 million).

As a result, loss attributable to equity holders amounted to HK\$314.2 million, compared with a loss of HK\$288.2 million in 2020. Taking out of account non-recurring assets impairment, the Group's loss attributable to equity holders was HK\$175.9 million, an improvement compared with a loss of HK\$216.3 million same period last year.

FINANCIAL RESOURCES AND LIQUIDITY

Despite the serious economic challenges, the Group's financial position remained healthy with net assets of HK\$1,544.5 million as of 31 December 2021.

As of 31 December 2021, the Group has total cash and bank balances amounted to HK\$745.4 million (2020: HK\$1,053.4 million), within which pledged bank balances amounted to HK\$50.0 million (2020: HK\$67.9 million).

The Group's bank borrowings comprised primarily of a 3-year committed loan facility secured by pledged cash, corporate guarantees, equity shares and properties. The Group's total outstanding bank borrowings amounted to HK\$1,062.1 million as of 31 December 2021 (2020: HK\$1,206.1 million), translating into a modest net borrowings (defined as total outstanding bank borrowings less cash and bank balances) of HK\$316.8 million (2020: HK\$152.7 million).

The Group's gearing ratio, calculated on the basis of bank borrowings over total assets stood at a healthy level of 24.4% (2020: 29.0%). Net gearing ratio calculated on the basis of net borrowings over total assets stood at a healthy level of 7.3% (2020: 3.7%) and our cash to bank borrowings ratio at 70.2% (2020: 87.3%). The Group at this moment has a conservative financial leverage.

The Group has entered into a sales and purchase agreement in relation to disposal of its Hong Kong office property located at 24/F, Capital Centre, 151 Gloucester Road, Wan Chai for total consideration of HK\$225 million. The Group will apply net proceeds from the property disposal after deducting transaction costs for partial repayment of its bank borrowings, further reducing the Group's financial leverage.

In light of the potential challenge posted by COVID-19 and in support of ongoing cinema projects, the Group has obtained commitment letters from certain existing banks lenders and is in the process to enter into a facility agreement for a term loan of HK\$573 million to early refinance the existing banking facility.

The Group believes that its current cash holding and available financial facilities will provide sufficient resources for its working capital requirements and ongoing capital expenditure needs. Management trust that the Group's financial position is healthy and will further improve upon completion of the Hong Kong office property disposal and loan refinancing mentioned above.

鑑於本集團於上一年度已對部分電影院資產進行減值，年內折舊開支為1.654億港元(二零二零年：1.959億港元)，較二零二零年為低。

本集團於二零二一年產生的一次性開支總額為1.503億港元(二零二零年：7,210萬港元)，主要包括資產減值1.383億港元(二零二零年：7,190萬港元)及電影院開幕開支1,200萬港元(二零二零年：20萬港元)。

因此，權益持有人應佔虧損為3.142億港元，而於二零二零年為虧損2.882億港元。扣除非經常性資產減值後，本集團的權益持有人應佔虧損為1.759億港元，較去年同期虧損2.163億港元有所改善。

財務資源及流動資金

儘管面臨嚴峻的經濟挑戰，本集團的財務狀況依然穩健，其於二零二一年十二月三十一日的資產淨值為15.445億港元。

於二零二一年十二月三十一日，本集團的現金及銀行結餘總額為7.454億港元(二零二零年：10.534億港元)，其中已抵押銀行結餘為5,000萬港元(二零二零年：6,790萬港元)。

本集團的銀行借款主要包括按已質押現金、公司擔保、股權及物業作抵押的三年期承諾貸款。截至二零二一年十二月三十一日，本集團的未償還銀行借款總額為10.621億港元(二零二零年：12.061億港元)，折合為適度借款淨額(定義為未償還銀行借款總額減現金及銀行結餘)為3.168億港元(二零二零年：1.527億港元)。

本集團按銀行借款相對資產總值計算的資產負債率維持在24.4%(二零二零年：29.0%)的健康水平。根據淨借款相對資產總值計算的淨資產負債率保持在7.3%(二零二零年：3.7%)的健康水平，我們的現金相對銀行借款比率為70.2%(二零二零年：87.3%)。本集團現時擁有保守的財務槓桿。

本集團已就出售旗下位於灣仔告士打道151號資本中心24樓的香港辦公室物業訂立買賣協議，總代價為2.25億港元。本集團將於扣除交易成本後的出售物業所得款項淨額用於償還其部分銀行借款，進一步降低本集團的財務槓桿。

鑑於COVID-19帶來的潛在挑戰，並為了支持正在進行的電影院項目，本集團已取得由若干現有銀行貸款人發出的承諾書，且現正就一項5.73億港元的有期貨款訂立金融協議，以提早對現有銀行融資進行再融資。

本集團相信，其目前所持現金及可動用財務融資將為其營運資金需求及持續資本開支需求提供充足資源。管理層相信，本集團的財務狀況穩健，並在上述香港辦公室物業出售及貸款再融資完成後將得到進一步改善。

Management Discussion & Analysis

管理層討論及分析

The Group's assets and liabilities are principally denominated in United States dollars, Hong Kong dollars, Renminbi and Singapore dollars, except for certain assets and liabilities associated with the investments in Taiwan. The Group's bank borrowings are denominated in Hong Kong dollars and Singapore dollars in line with the Group's main operating currencies. Each of the Group's overseas operations were operating in their local currencies and are subject to minimal exchange risk. The Group will continue to assess the exchange risk exposure, and will consider possible hedging measures in order to minimise the risk at reasonable cost. The Group did not have any significant contingent liabilities or off-balance sheet obligations as of 31 December 2021 (2020: Nil).

OUTLOOK

COVID-19 has been an unprecedented challenge to the worldwide economy since 2020, and particularly the film and cinema industry has been one of the worst hit segments. As shown in the strong performance recovery recorded in the second half of 2021, the Group is confident that cinemas will remain a vital form of entertainment worldwide once COVID-19 restrictions alleviate and blockbuster movie returns. However, in order for the industry to revitalize, it is imperative that local governments and landlords continue to provide financial support and allows cinema to operate without any seat or food and beverage restrictions as soon as possible.

The Group is confident that cinemas will remain a key form of entertainment in the future. In particular, the Group trusts that as online shopping gradually takes over in-person shopping during COVID, shopping malls will need to increase their focus on experiential retail and entertainment to attract traffic, implying that cinemas which are essentially the core immersive entertainment venues in most shopping malls will once again be the center of focus. As such, the Group is determined to develop cinemas into integrated lifestyle hubs featuring pop culture merchandise, food and beverage, and live event organising to increase overall profitability.

In Hong Kong, the Group looks to further expand our cinema network when suitable opportunities arise. Riding on the Group's sufficient liquidity, the Group look to acquire existing sites from other operators as their tenancy expires and convert existing large cinemas into integrated entertainment centers. The Group will gradually increase frequency of live Japanese and Korean mini-concerts live broadcasting to maximize average ticket price. At the same time, the Group will continue to look for investment opportunities in quality film distribution projects in the territory. The Group is of the view that upon relaxation of COVID-19 containment measures and releases of Hollywood blockbusters, Hong Kong cinema admissions will rebound.

In Singapore, the Group will continue to grow by actively pursuing suitable cinema sites. The Group has expected to open a new 8 screen cinema in Singapore in the second half of 2022 and will continue to look for other expansion opportunities. With the opening of Golden Village Katong, the Group has opened its first "new cinema" integrated entertainment hub concept in the country, which recorded high admission since opening in December 2021. The Group is dedicated to maintain high quality services and will gradually convert its existing cinemas into integrated lifestyle hubs and introduce creative product offerings such as toys merchandise to its customers.

本集團的資產與負債主要以美元、港元、人民幣及新加坡元計值，惟若干與台灣投資有關之資產及負債除外。本集團的銀行借貸與本集團的主要經營貨幣一致，以港元及新加坡元計值。本集團各海外業務均以當地貨幣經營，所承受的外匯風險較低。本集團將持續評估外匯風險，並會考慮採取可行對沖措施，盡量以合理成本降低風險。於二零二一年十二月三十一日，本集團並無任何重大或然負債或資產負債表外債務（二零二零年：無）。

前景

COVID-19自二零二零年以來對全球經濟產生前所未有的挑戰，而電影及影院業尤其成為打擊最嚴重的行業之一。從二零二一年下半年錄得的強勁業績復甦可見，本集團滿有把握，一旦COVID-19限制緩和及猛片回歸，電影院仍將是全球各地不可或缺的娛樂形式。然而，為了振興該行業，地方政府及業主必須繼續提供財政支持，並盡快讓電影院在沒有座位及飲食限制的情況下運營。

本集團有信心電影院在未來仍將是娛樂主流模式。特別是，本集團相信，隨著迎新冠疫情期間網上購物逐漸取代親身購物，購物商場將需要加強對體驗式零售和娛樂的關注以吸引客流，此舉意味著電影院本質上是大部分購物商場的核心沉浸式娛樂場所，購物中心將藉此再次成為焦點。就此，本集團決心將電影院發展為以流行文化商品、餐飲及籌辦現場活動掛帥的綜合生活方式中心，以提高整體盈利能力。

在香港，本集團希望在適當機遇出現時進一步擴展我們的電影院網絡。憑藉本集團充裕的流動資金，集團希望向其他運營商在其租約到期時能收購其現有場地，並將現有的大型電影院改造成綜合娛樂中心。本集團將逐步增加日韓迷你演唱會直播頻次，以最大化平均票價。與此同時，本集團將繼續物色本土優質電影發行項目的投資機會。本集團認為，隨著COVID-19遏制措施的放寬及荷里活大片上畫，香港電影的入場量將會回升。

在新加坡，本集團將通過積極物色合適的電影院選址而繼續增長。本集團預期將於二零二二年下半年在新加坡開設一間具有8塊銀幕的新電影院，並將繼續尋找其他擴張機會。隨著加東影城的開幕，本集團在全國已開設首個「新影城」的綜合式娛樂中心概念，其自二零二一年十二月開業以來已創下入場率高企的記錄。本集團致力維持優質服務，並將逐步將現有電影院改裝成綜合式時尚生活樞紐，並向客戶推出玩具商品等創意產品。

Management Discussion & Analysis

管理層討論及分析

In Taiwan, Vie Show will continue to expand its cinema network and already committed to opening of 4 new cinemas and a shopping mall in 2022 and 2023. Vie Show remains interested to further increase its market leadership by opening large cinemas across Taiwan. Supplemented by diversification into film productions and distributions, as well as theme park operations, shopping mall operations, and food and beverage businesses, Vie Show performance is expected to rebound rapidly in the near future.

In the PRC, the Group has signed cooperation agreements with local PRC governments in Suzhou and Xian to operate 4 stages and bring in unique live performances that marries advanced stage technology from Europe, local Chinese stories, created by renowned talents from all over the world, dedicated to providing a stunning theatrical experience to local audience. The Group is responsible for the content creation and operation of the theatres and not be responsible for the capital expenditures in relation to the building of the theatre infrastructure. The unique business model allows the Group to venture into the traditionally asset heavy theatre operations with relatively modest investment. The first theatre is expected to enter operations in Suzhou in the 2nd half of 2022, with the remaining theatres to open gradually over the course of 2022 to 2023. The Group is in active discussion with various local PRC governments and real estate developers to further its penetration in live entertainment industry by operating their theatres and live entertainment locations.

Looking ahead, the Group will continue to actively seek investment opportunities in the regional media, entertainment, technology and lifestyle sectors that are related and/or creating synergies to the Group's existing businesses. The Group's strong liquidity on hand also allowed us to explore opportunistic acquisitions of fellow regional players, and development of new business in entertainment, technology and lifestyle industries that would create synergies to the Group and add values to the Shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group employed 338 (2020: 318) permanent employees. The Group remunerates its employees mainly by reference to industry practice. In addition to salaries, commissions and discretionary bonuses, share options will be granted to employees based on individual performance and contribution to the Group. The Group also operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance and, as at 31 December 2021, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

FINAL DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2021 (31 December 2020: Nil).

在台灣，威秀將繼續擴大旗下影城網絡，並已承諾於二零二二年及二零二三年開設4家新電影院及一個購物中心。威秀仍然有興趣通過在台灣開設大型電影院來進一步提高其市場領導地位。因應多元化的電影製作及發行，再加上主題公園運營、購物中心運營及餐飲業務，預計威秀的業績將在不久的將來迅速反彈。

在中國，本集團已與蘇州及西安的地方政府簽署合作協議以運營四個舞台，並引進獨特的現場表演，結合歐洲先進的舞台技術、中國本土故事，由來自世界各地的知名人才創作，致力於為當地觀眾提供令人驚嘆的劇場體驗。本集團負責電影院的内容創作及運營，惟不負責與電影院基礎設施建設有關的資本支出。獨特的商業模式讓本集團能夠以相對適度的投資涉足傳統重度資產的劇院業務。首間劇院預計將於二零二二年下半年度在蘇州投入運營，餘下劇院將於二零二二年至二零二三年間逐步開幕。本集團正與中國各地政府及房地產開發商積極商討，以進一步通過經營劇院及現場娛樂場所滲透到現場娛樂行業。

展望未來，本集團將繼續在區內積極尋找與本集團現有業務相關及／或可締造協同效應的傳媒、娛樂、科技及時尚生活領域中的投資機會。本集團持有的強大手頭流動資金亦使其能夠拓展收購區內其他對手及發展娛樂、科技和時尚生活行業新業務的機遇，此舉將為本集團創造協同效應並為股東增值。

僱員及薪酬政策

於二零二一年十二月三十一日，本集團聘用338名(二零二零年：318名)全職僱員。本集團主要根據行業慣例釐定僱員薪酬。除薪金、佣金及酌情花紅外，購股權將根據個人表現及對本集團的貢獻授予僱員。本集團亦根據強制性公積金計劃條例設立定額供款退休福利計劃，而於二零二一年十二月三十一日，並無因僱員脫離退休福利計劃而產生任何沒收供款。

末期股息

董事並不建議派付截至二零二一年十二月三十一日止年度之任何末期股息(二零二零年十二月三十一日：無)。

Corporate Governance Report

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of good corporate governance to maintain the Group's competitiveness and lead to its healthy growth. The Company has taken steps not only to comply with code provisions as set out in the Corporate Governance Code (the "CG Code") under Appendix 14 to the Listing Rules but also to aim at enhancing corporate governance practices of the Group as whole.

For the year ended 31 December 2021, the Company has complied with the code provisions of CG Code, with the exception of code provisions A.4.1, A.6.7 and E.1.2.

Pursuant to code provision A.4.1 of the CG Code, non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. All non-executive Directors were not appointed for a specific term but are subject to the requirement of retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

The code provision A.6.7 of the Corporate Governance Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Ms. Wong Sze Wing, independent non-executive Director, was unable to attend the annual general meeting of the Company held on 18 June 2021 (the "AGM") due to the implementation of the travel restriction and quarantine requirements among overseas and Hong Kong resulted from the outbreak of COVID-19.

Code provision E.1.2 requires the chairman of the Board to attend the AGM. Mr. Wu Kebo, the Chairman of the Board, was unable to attend the AGM due to other business commitment. Ms. Chow Sau Fong, Fiona, who took the chair of the AGM, together with other members of the Board who attended the AGM were of sufficient calibre and knowledge for answering questions at the AGM.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). The Company has made specific enquiries with all the Directors and all of them have confirmed that they had complied with the requirements set out in the Model Code and the Company's Code for the year ended 31 December 2021.

企業管治常規守則

董事會深明良好企業管治對維持本集團競爭力及業務穩健增長之重要性。本公司已採取措施，以遵守上市規則附錄十四企業管治守則（「企業管治守則」）所載守則條文，同時亦提升本集團之整體企業管治常規。

截至二零二一年十二月三十一日止年度，本公司一直遵守企業管治守則之守則條文規定，惟第A.4.1、A.6.7及E.1.2條守則條文除外。

根據企業管治守則守則條文第A.4.1條，上市發行人之非執行董事須按指定任期獲委任，並須遵守重選規定。全體非執行董事並無指定任期，惟須按本公司公司細則之相關規定，最少每三年於本公司之股東週年大會輪值退任一次，並重選連任，此舉目的與指定委任任期相同。因此，本公司認為已採取足夠措施確保本公司企業管治常規不較企業管治守則項下守則條文所載者寬鬆。

按照企業管治守則條文A.6.7條規定，獨立非執行董事及非執行董事應出席股東大會，以對股東的意見有全面、公正的了解。受COVID-19疫情爆發影響，海外及香港均實施旅行限制及隔離措施，因此獨立非執行董事黃斯穎女士無法出席本公司於二零二一年六月十八日舉行之股東週年大會（「股東週年大會」）。

根據守則條文第E.1.2條，董事會主席須出席股東週年大會。董事會主席伍克波先生因其他公務而未能出席股東週年大會。擔任股東週年大會主席之鄧秀芳女士以及出席股東週年大會之其他董事會成員均具備足夠能力及知識於股東週年大會解答提問。

董事進行證券交易

本公司已採納條款不較上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）寬鬆之守則。本公司已向全體董事作出具體查詢，彼等均確認，於截至二零二一年十二月三十一日止年度一直遵守標準守則及本公司守則所載規定。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises five executive Directors (including the Chairman of the Board) and three independent non-executive Directors, whose biographical details are set out in the "Biographical Details of Directors and Chief Executive Officer" on pages 4 to 9 of this annual report.

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly throughout the year to discuss the overall strategies as well as operation and financial performances of the Group. Matters relating to (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, interim results and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board are reserved for decisions by the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of Board policies and strategies to the executive Directors and management of the Company.

All Directors have given sufficient time and effort to the affairs of the Group and they have full and timely access to all relevant information regarding the Group's affairs and have unrestricted access to the advice and services of the company secretary. The Directors may seek independent professional advice at the Company's expenses in carrying out their duties and responsibilities.

Appropriate and sufficient insurance coverage has been effected by the Company in respect of Directors' liabilities arising from any legal action that may be taken against the Directors in relation to corporate activities.

During the year ended 31 December 2021, full board meetings and general meetings of the Company were held and the individual attendance of the Directors at these meetings are as follows:

董事會

於本年報日期，董事會由五名執行董事（包括董事會主席）及三名獨立非執行董事組成。彼等之履歷詳情載於本年報第4至9頁「董事及首席執行官個人履歷」內。

董事會共同負責監督本集團業務及事務之管理工作。董事會於年內定期會面，以討論整體策略以及本集團之營運與財務表現。有關(i)制定本集團整體策略及方向；(ii)本公司主要股東或董事之任何重大利益衝突；(iii)批准本集團年度業績、年度預算、中期業績及其他重大營運與財務交易；(iv)更改本公司之股本結構；及(v)就董事會作出重大委任之事項均由董事會決定。董事會已授權本公司執行董事及管理層負責本集團之日常管理、行政及營運，並實施及執行董事會政策及策略。

全體董事已付出足夠時間及精力處理本集團事務，彼等擁有及時取得有關本集團事務之所有相關資料之一切權力，能夠獲得公司秘書之建議及服務而不受任何限制。董事在履行職務及職責時可尋求獨立專業意見，費用由本公司承擔。

本公司已就董事進行公司活動而可能面對任何法律訴訟產生之責任投購合適及充足之保險。

截至二零二一年十二月三十一日止年度，本公司曾舉行全體董事會會議及股東大會，各董事出席該等會議之情況如下：

Members 成員		Board Meetings	General Meetings
		Attended/Eligible to Attend	Attended/Eligible to Attend
		曾出席／合資格 出席董事會會議	曾出席／合資格 出席股東大會
<i>Executive Directors</i>	<i>執行董事</i>		
Wu Kebo (Chairman)	伍克波 (主席)	4/4	0/1
Li Pei Sen	李培森	3/4	0/1
Chow Sau Fong, Fiona	鄒秀芳	4/4	1/1
Go Misaki	Go Misaki	4/4	0/1
Peng Bolun	彭博倫	4/4	0/1
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
Leung Man Kit	梁民傑	4/4	1/1
Wong Sze Wing	黃斯穎	4/4	0/1
Fung Chi Man, Henry	馮志文	4/4	1/1

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At least 14 days' prior notice to the date of regular Board meetings was given to all Directors and an agenda together with Board papers and materials were sent to all Directors no less than three days before the date of the Board meeting. All Directors were given opportunity to include in the agenda any other matters that they would like to discuss in the meeting. The Board committee also adopted and followed the foregoing procedures for the Board committee meetings. All Directors and Board committee members were urged to attend the Board meeting and the Board committee meeting in person. If any Director or Board committee member was unable to attend any such meeting in person, participation through electronic means had been arranged and made available to such Director and Board committee member.

If a Director has a potential conflict of interest in a matter being considered in the Board meeting, the Director having such potential interest in the matter shall abstain from voting. Independent non-executive Directors with no conflict of interest were present at such meeting to deal with such conflict of interest issues.

The company secretary or the staff of the company secretarial department of the Company prepared and kept detailed minutes of each Board meeting and Board committee meeting and, within a reasonable time after each meeting, the draft minutes were circulated to all Directors for comment and the final and approved version of the minutes was sent to all Directors for their records. The Board committee had also adopted and followed the same practices and procedures as used in the Board meetings.

The Board has received from each independent non-executive Director a written confirmation of his/her independence and the Board considers all of them to be independent pursuant to Rule 3.13 of the Listing Rules.

The appointment of independent non-executive Directors adheres to the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules. As disclosed in the announcement of the Company dated 7 June 2016, Mr. Fung is a partner of Holman Fenwick Willan ("HFW"), which had provided services to the Company and one of its subsidiaries relating to a debt collection case, the Company is satisfied that the appointment of Mr. Fung as an independent non-executive Director is justified due to the following reasons:

- (a) Mr. Fung has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been involved in the Company's day-to-day management and operations or employed by any member of the Group;
- (b) Mr. Fung does not have any familial or contractual relationships with any directors, senior management or substantial or controlling shareholder of the Company, or any of their respective associates, nor does he hold any other position with the Company or its connected persons, or any of their respective holding company or subsidiaries;
- (c) Mr. Fung has over 20 years of experience and knowledge of the legal industry. The Company believes that Mr. Fung is able to exercise his professional judgment and draw upon his extensive legal knowledge for the benefit of the Company and its shareholders as a whole, in particular, the independent shareholders;

定期董事會會議於董事會會議日期前給予全體董事最少14日事前通知，並於董事會會議日期前最少三日向全體董事派發議程連同會議文件及資料。全體董事均可於議程內加入其有意於會議上討論之任何其他事項。董事委員會亦採用及沿用上述董事委員會會議之程序。全體董事及董事委員會成員須親身出席董事會及董事委員會會議，任何董事或董事委員會成員若未能親身出席任何該等會議，該等董事及董事委員會成員可透過已安排之電子方式參與會議。

倘董事與董事會會議上討論之事項有潛在利益衝突，則於有關事項有潛在利益之董事須放棄投票。並無利益衝突之獨立非執行董事已出席有關會議，以處理該等利益衝突事項。

本公司之公司秘書或公司秘書部員工負責編製及保存每次董事會會議及董事委員會會議之詳細會議記錄，並於每次會議後之合理時間內向全體董事傳閱會議記錄初稿，以供董事提供意見，而全體董事均獲發會議記錄最終獲批准之版本作記錄。董事委員會亦已採用及沿用董事會會議採用之相同常規及程序。

董事會已接獲各獨立非執行董事有關彼等之獨立身分之書面確認，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均屬獨立人士。

委任獨立非執行董事遵循上市規則第3.13條所載有關評估獨立性之指引。誠如本公司日期為二零一六年六月七日之公佈所披露，馮先生為夏禮文律師行（「夏禮文」）之合夥人，而夏禮文曾就一宗債務追收案件向本公司及旗下其中一間附屬公司提供服務，本公司信納馮先生獲委任為獨立非執行董事有充分理由支持，有關理由如下：

- (a) 馮先生未曾亦並無於本公司及其附屬公司擔任任何行政或管理職務或職能，亦無參與本公司日常管理及營運或受聘於本集團任何成員公司；
- (b) 馮先生與本公司任何董事、高級管理人員或主要或控股股東或彼等各自之任何聯繫人並無任何家族或合約關係，亦無於本公司或其關連人士或彼等各自之任何控股公司或附屬公司出任任何其他職位；
- (c) 馮先生於法律界擁有逾20年經驗及豐富知識。本公司相信，馮先生能作出專業判斷，利用其豐富法律知識為本公司及其股東（尤其是獨立股東）整體帶來利益；

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- (d) Mr. Fung is able to confirm his independence to the Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules other than Rule 3.13(3) which considers whether an individual is independent if he is a director, partner or principal of a professional adviser which currently provides services to a listed issuer, its holding company or any of their respective subsidiaries or core connected persons; and
- (e) HFW provided services to the Company and one of its subsidiaries in relation to one particular debt collection case. The case was handled by other solicitors of HFW, and Mr. Fung personally has not been directly or indirectly involved in handling such particular case or otherwise in the provision of any legal advice or services to the Company and any of its subsidiaries. Therefore, the Company considers that this should not affect Mr. Fung's independence. Further, whilst Mr. Fung remains a director of the Company, neither the Company nor any of its subsidiaries intends to engage HFW for any services after the appointment of Mr. Fung, except for the ongoing debt collection case. Mr. Fung will also excuse himself from any discussion of the Board involving HFW as legal adviser for a particular matter, handling dispute between HFW and the Company (if any) or reviewing the performance of HFW.
- (d) 馮先生能向聯交所就上市規則第3.13條所載每項因素確認其獨立性，惟第3.13(3)條(有關考慮倘個別人士為現正上市發行人、其控股公司或彼等各自之任何附屬公司或核心關連人士提供服務之專業顧問之董事、合夥人或主事人，該名人士是否屬獨立)除外；及
- (e) 夏禮文曾就一宗特定債務追收案件向本公司及旗下其中一間附屬公司提供服務。該案件乃由夏禮文之其他律師處理，且馮先生個人並無直接或間接參與處理該特定案件或向本公司及其任何附屬公司提供任何法律意見或服務。因此，本公司認為上述情況並不影響馮先生之獨立性。此外，當馮先生仍為本公司董事期間，除現有債務追收案件外，本公司或其任何附屬公司無意於委任馮先生後委聘夏禮文提供任何服務。馮先生亦將避席涉及夏禮文就特定事項擔任法律顧問、處理夏禮文與本公司之糾紛(如有)或審閱夏禮文之表現之任何董事會討論。

To the best knowledge of the Company, except for (i) Ms. Go who is the cousin of Mr. Wu; (ii) Mr. Li who is the associate chairman of Orange Sky Entertainment Group (International) Holding Company Limited (a company which is owned as to 80% by Mr. Wu); and the interests as set out in the paragraphs headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures" and "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" in the "Report of the Directors" in this annual report, there is no other financial, business, family or other material/relevant relationship among members of the Board.

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. Each newly appointed Director would receive an induction package covering the statutory and regulatory obligations of a director of a listed company. The Company also provides briefings and other training to develop and refresh the Directors' knowledge and skills. The Company continuously updates Directors on the latest developments regarding the Main Board Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. During the year, all Directors had complied with the requirements set out in the code provision A.6.5 of the CG Code.

據本公司所深知，除(i)Go女士為伍先生之堂妹；(ii)李先生為伍先生擁有80%股權之公司橙天娛樂集團(國際)控股有限公司之聯合董事長；以及本年報「董事會報告」內「董事及最高行政人員於股份、相關股份或債權證之權益及淡倉」及「主要股東及其他人士於股份及相關股份之權益及淡倉」各段所列載權益外，董事會成員間並無任何其他財務、業務、家族或其他重大／關連關係。

根據企業管治守則之守則條文第A.6.5條，全體董事須參與持續專業發展，以發展及更新彼等的知識及技能。每名新委任的董事皆獲得整套包括上市公司董事的法定及監管責任的資料。本公司亦提供簡報及其他培訓以增進及更新董事的知識和技能。本公司亦持續提供有關主板上市規則及其他適用監管規定之最新訊息予董事，確保董事遵守及提升對良好企業管治常規之警覺性。全體董事於本年度內已遵守企業管治守則的守則條文第A.6.5條所載之規定。

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CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

During the year, the Board reviewed the effectiveness of the internal controls and risk management systems of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board, Mr. Wu, is responsible for providing leadership of the Board and ensuring all Directors are properly briefed on issues arising at the Board meeting. In addition, he is charged with the duty to ensure that the Directors receive in a timely manner adequate, complete and reliable information in relation to the Group's affairs. The Chairman also encourages the Directors to actively participate in and to make a full contribution to the Board so that the Board functions effectively and acts in the best interest of the Company.

The CEO, Mr. Yeung, has been focusing on strategic planning and assessing merger and acquisition opportunities for the Company.

There is no financial, business, family or other material/relevant relationship between the Chairman and the CEO of the Company.

NON-EXECUTIVE DIRECTORS

All non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. At the Board meetings and Board committee meetings where constructive views and comments of the non-executive Directors are given, the non-executive Directors provide independent judgement on the issues relating to the strategy, performance, conflict of interest and management process.

企業管治職能

董事會負責履行之企業管治職責包括：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢討及監察僱員及董事之操守守則及合規手冊(如有)；及
- (e) 檢討本公司遵守上市規則附錄十四所載企業管治守則及企業管治報告之情況。

年內，董事會已檢討本公司內部監控及風險管理制度之成效。

主席及首席執行官

董事會主席伍先生負責領導董事會，並確保全體董事已適當知悉於董事會會議提出之事宜。此外，彼負責確保董事及時收到有關本集團事務之充分、完整及可靠資料。主席亦鼓勵董事積極參與董事會，為董事會全力作出貢獻，以使董事會有效運作，並能按本公司最佳利益行事。

首席執行官楊先生專責策略謀劃及評估本公司之合併與收購機會。

本公司主席與首席執行官之間並無任何財務、業務、家族或其他重大／關連關係。

非執行董事

全體非執行董事並無指定任期，惟須按本公司之公司細則相關規定，最少每三年於本公司股東週年大會輪值退任一次，並重選連任，此舉目的與指定任期相同。在董事會會議以及董事委員會會議上，非執行董事提供建設性意見及建議，並為有關策略、業績、利益衝突及管理過程之事宜作出獨立判斷。

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COMPANY SECRETARY

Ms. Cheung Hei Ming has been appointed as the company secretary ("Company Secretary") of the Company with effect from 15 August 2017. The Company Secretary needs to support the Board by ensuring a good information flow within the Board and that Board's policy and procedures are followed. The Company Secretary should report to the Chairman of Board or the CEO on all related matters. For the year ended 31 December 2021, the Company Secretary confirmed that she had taken no less than 15 hours of relevant professional training.

AUDIT COMMITTEE

The Board established an audit committee of the Company (the "Audit Committee") on 9 October 1998 and formulated its written terms of reference in accordance with the requirements of the Listing Rules, which have been uploaded on the websites of the Stock Exchange and the Company. As at 31 December 2021, the Audit Committee's members comprised three independent non-executive Directors, being Mr. Leung (who also acts as the Chairman of the Audit Committee), Mr. Fung and Ms. Wong.

During the year ended 31 December 2021, two Audit Committee meetings were held and the individual attendance of the members of the Audit Committee is set out as follows:

Members 成員	Meetings Attended/ Eligible to Attend 曾出席／合資格 出席會議
Leung Man Kit (Chairman)	2/2
Wong Sze Wing	2/2
Fung Chi Man, Henry	2/2

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of the Company's financial control, risk management and internal control systems (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget) and risk management as delegated by the Board, and making recommendations to the Board on the appointment and engagement of the external auditors for audit and non-audit services. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

During the year ended 31 December 2021, the Audit Committee reviewed the accounting principles and policies adopted by the Group and discussed and reviewed financial reporting matters including the interim and audited financial statements. In addition, the Audit Committee also reviewed the engagement of the external auditors and the adequacy and effectiveness of the Company's internal control and risk management systems and made recommendations to the Board. There was no disagreement between the Board and the Audit Committee on the selection, appointment or resignation of the external auditors.

公司秘書

張希銘女士於二零一七年八月十五日獲委任為本公司之公司秘書(「公司秘書」)。公司秘書須確保董事會成員之間資訊交流良好以及董事會政策及程序得到遵循以支援董事會。公司秘書應向董事會主席或首席執行官匯報所有相關事宜。截至二零二一年十二月三十一日止年度，公司秘書確認彼已接受不少於15小時之相關專業培訓。

審核委員會

董事會於一九九八年十月九日成立本公司之審核委員會(「審核委員會」)，並根據上市規則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。於二零二一年十二月三十一日，審核委員會成員包括三名獨立非執行董事，即擔任審核委員會主席之梁先生、馮先生及黃女士。

截至二零二一年十二月三十一日止年度，本公司曾舉行兩次審核委員會會議，審核委員會個別成員之出席情況如下：

審核委員會之主要職責包括監督本公司財務報表是否完整全面、按董事會授權檢討本公司之財務監控、風險管理及內部監控制度(包括資源充足性、本公司會計及財務申報職能員工之資歷及經驗以及其培訓計劃及預算)及風險管理成效，並就委任及委聘外聘核數師進行審核及非審核服務向董事會作出推薦意見。審核委員會獲提供充足資源以履行其職務。

截至二零二一年十二月三十一日止年度，審核委員會已審閱本集團採納之會計原則及政策，並討論及審閱財務申報事宜，包括中期及經審核財務報表。此外，審核委員會亦審閱外聘核數師之委聘、本公司內部監控及風險管理制度是否足夠及有效，並向董事會作出推薦意見。董事會與審核委員會就甄選、委任或罷免外聘核數師並無意見分歧。

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Pursuant to Rule 3.21 of the Listing Rules, the audit committee of an issuer must comprise a minimum of three members, comprising non-executive directors only, and at least one of them is an independent non-executive Director with appropriate qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. Our Directors confirm that we had complied with such requirements during the year ended 31 December 2021.

REMUNERATION COMMITTEE

The Board established a remuneration committee of the Company (the "Remuneration Committee") on 8 October 2004 and has formulated its written terms of reference in accordance with the CG Code, which have been uploaded on the websites of the Stock Exchange and the Company. The Remuneration Committee currently comprises one executive Director, being Mr. Wu, and two independent non-executive Directors, being Mr. Leung and Ms. Wong (who also acts as the Chairman of the Remuneration Committee). The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all the Directors and senior management of the Company according to its terms of reference, including benefits in kind, pension rights and compensation payments, including any compensation payable for the loss or termination of their office or appointment. The remuneration of the Directors and senior management of the Company is determined by reference to factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, employment conditions elsewhere in the Group and desirability of performance based remuneration.

The Remuneration Committee is required to consult the Chairman of the Board regarding the remuneration of the executive Directors, and members of the Remuneration Committee have access to professional advice on remuneration of executive Directors, if considered necessary.

The Remuneration Committee held one meeting during the year ended 31 December 2021 to review and make recommendations to the Board on the remuneration package of individual executive Directors. The Remuneration Committee also reviewed and approved the terms of service contracts of the executive Directors. The composition of the Remuneration Committee during the year ended 31 December 2021 and the attendance of the members of the Remuneration Committee to the meetings of the Remuneration Committee are as follows:

Members 成員

Wong Sze Wing (*Chairman*)
Wu Kebo
Leung Man Kit

黃斯穎 (主席)
伍克波
梁民傑

1/1
1/1
1/1

根據上市規則第3.21條，發行人之審核委員會須包括最少三名成員並僅由非執行董事組成，而當中最少一名為具上市規則第3.10(2)條規定之合適資格或會計或相關財務管理專長之獨立非執行董事。董事確認，本公司已於截至二零二一年十二月三十一日止年度遵守有關規定。

薪酬委員會

董事會已於二零零四年十月八日成立本公司之薪酬委員會（「薪酬委員會」），並根據企業管治守則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。薪酬委員會成員現時包括一名執行董事伍先生以及兩名獨立非執行董事梁先生及擔任薪酬委員會主席之黃女士。薪酬委員會之主要職責包括根據其職權範圍，就本公司全體董事及高級管理人員之薪酬待遇政策及架構向董事會作出推薦意見，其中包括實物利益、退休金權利及賠償費用（包括就喪失或終止職務或委任而應付之任何賠償）。本公司董事及高級管理人員之薪酬乃參照可供比較公司支付之薪金、董事及高級管理人員投入之時間及職責、本集團各地區之僱傭條件及與表現掛鈎薪酬是否適用等因素而釐定。

薪酬委員會須就執行董事之薪酬徵詢董事會主席之意見，如有需要，薪酬委員會成員可就執行董事之薪酬徵求專業意見。

薪酬委員會於截至二零二一年十二月三十一日止年度曾舉行一次會議，以檢討個別執行董事之薪酬待遇，並就此向董事會作出推薦意見。薪酬委員會亦已檢討及批准執行董事之服務合約條款。截至二零二一年十二月三十一日止年度薪酬委員會之組成及薪酬委員會成員出席薪酬委員會會議之情況如下：

Meetings Attended/ Eligible to Attend 曾出席／合資格 出席會議

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企業管治報告

Pursuant to the CG Code provision B.1.5, the remuneration of the members of the senior management of the Group (which include the executive Directors and chief executive officers only) by band for the year ended 31 December 2021 is set out below:

Remuneration bands (HK\$) 薪酬範圍 (港元)	Number of Individuals 人數
< 1,000,000	3
1,000,001–5,000,000	2
5,000,001–10,000,000	1

Details of emoluments of each Director and chief executive officer are set out in note 8 to the financial statements on page 127 of this annual report.

根據第B.1.5條企業管治守則條文，本集團高級管理人員(只包括執行董事和首席執行官)截至二零二一年十二月三十一日止年度之薪酬範圍載列如下：

董事和首席執行官各自之酬金詳情，載於本年報第193頁之財務報表附註8。

NOMINATION COMMITTEE

The Board established a nomination committee of the Company (the "Nomination Committee") on 26 March 2012 and has formulated its written terms of reference in accordance with the CG code, which have been uploaded on the websites of the Stock Exchange and the Company. The Nomination Committee currently comprises one executive Director, being Mr. Wu (who also acts as the Chairman of the Nomination Committee) and two independent non-executive Directors, being Ms. Wong and Mr. Leung. The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals qualified to become Board members, assessing the independence of independent non-executive Directors and selecting or making recommendations to the Board on the selection, appointment or re-appointment of individuals nominated for directorships, in particular the Chairman of the Board and the chief executive. The Nomination Committee, in making such selection and recommendation, will take into account factors such as professional qualifications, experience, academic background, etc.

The members of the Nomination Committee have access to independent professional advice on the nomination of executive Directors, if considered necessary.

Board Diversity Policy

The Board adopted a board diversity policy ("Board Diversity Policy") on 28 August 2013 to enhance the quality of its performance. The Nomination Committee is responsible for reviewing and assessing the diversity at the Board level for and on behalf of the Board in term of (including but not limited to) gender, age, cultural and educational background, professional experience, skills and such other qualities as may be considered important by the Nomination Committee from time to time. In identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and also the benefits of diversity on the Board. In reviewing the Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and diversity on the Board. The Nomination Committee will review the Board Diversity Policy in a timely manner to ensure that the Board Diversity Policy is effective.

提名委員會

董事會於二零一二年三月二十六日成立本公司之提名委員會(「提名委員會」)，並根據企業管治守則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。提名委員會現時成員包括一名擔任提名委員會主席之執行董事伍先生以及兩名獨立非執行董事黃女士及梁先生。提名委員會之主要職責包括檢討董事會架構、規模及組成；物色合資格作為董事會成員之人選；評估獨立非執行董事之獨立身分並就董事人選作出甄選或另就甄選、委任或重新委任獲提名人士擔任董事職務向董事會作出推薦建議，特別是董事會主席及最高行政人員相關事宜。提名委員會將考慮專業資格、經驗、學歷等因素作出該等甄選及推薦建議。

如有需要，提名委員會成員可就執行董事之提名徵詢獨立專業意見。

董事會多元化政策

董事會於二零一三年八月二十八日採納一套董事會多元化政策(「董事會多元化政策」)，藉以提升表現質素。提名委員會負責代表董事會檢討及評估董事會之多元化格局，包括(但不限於)性別、年齡、文化及教育背景、專業經驗、技能及提名委員會不時認為重要之其他素質方面。在物色合適候選人加入董事會時，提名委員會按客觀標準考慮候選人之優點及是否有利於董事會多元化。在檢討董事會之組成時，委員會全方位考慮多元化因素，包括(但不限於)上述因素，以維持董事會在技能、經驗及多元化各方面維持合適範圍及均衡發展。提名委員會將在適當時候檢討董事會多元化政策，以確保董事會多元化政策行之有效。

Corporate Governance Report

企業管治報告

As at the date of this report, it is noted that 3 out of 8 Directors, representing approximately 38%, are female. The Directors' ages are widely spread between 31 and 74. Regarding the educational and professional background, the Board members have accounting, finance, telecommunication and general business knowledge. It is therefore believed that the Board has achieved diversity in terms of gender, age, educational and professional background.

Nomination Policy

The Board has adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for Directors.

Selection Criteria

When evaluating and selecting candidates for directorships, the members of the Nomination Committee or the Board shall consider the following criteria:

- (a) Character and integrity;
- (b) Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategies;
- (c) The Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- (d) Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- (e) In case of independent non-executive Directors, whether the candidates would be considered independent in accordance with the Listing Rules;
- (f) In case of re-election, the overall contribution and service to the Company of the Director to be reelected and the level of participation and performance on the Board and the other criteria set out in this section; and
- (g) Such other perspectives appropriate to the Company's business.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

於本報告日期，8名董事其中3名(佔總數約38%)為女性。董事之年齡介乎31至74歲。教育及專業背景方面，董事會成員具備會計、財務、電訊及一般商業知識。因此，董事會相信，董事會在性別、年齡、教育及專業背景方面已達致多元化格局。

提名政策

董事會已採納提名政策(「提名政策」)，當中載列挑選準則及提名程序，以物色、挑選及建議董事候選人。

挑選準則

於評核及挑選董事候選人時，提名委員會成員及董事會須考慮以下準則：

- (a) 品格及誠信；
- (b) 包括與本公司業務及企業策略相關之專業資格、技術、知識及經驗在內之資歷；
- (c) 董事會多元化政策及提名委員會為達致董事會多元化而採納之任何可計量目標；
- (d) 投入充足時間履行董事會成員及其他董事職務及重大承擔之意願；
- (e) 對於獨立非執行董事，候選人是否根據上市規則被視為具獨立身分；
- (f) 對於重選連任，將獲重選之董事對本公司所作整體貢獻及服務、在董事會內之參與程度及表現，以及本節所載其他準則；及
- (g) 適用於本公司業務之其他觀點。

此等因素僅供參考，並非詳盡及決定性。提名委員會可酌情提名其認為合適之任何人士。

Corporate Governance Report

企業管治報告

Nomination Procedures

- (a) The Nomination Committee and/or the Board identifies potential candidates including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agencies and/or advisors. The Nomination Committee then develops a short list of candidates and agrees on proposed candidate(s);
- (b) Proposed candidate(s) will be asked to submit the necessary personal information, biographical details, together with their written consent to be appointed as a director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;
- (c) The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the personal information (or relevant details) of the proposed candidate(s), evaluate such candidate(s) based on the criteria as set out above to determine whether such candidate(s) is qualified for directorship;
- (d) For any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;
- (e) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);
- (f) The secretary of the Nomination Committee shall convene a meeting of the Nomination Committee. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for re-election or election at a general meeting, the Nomination Committee shall make nominations or recommendations for the Board's consideration and the Board shall make recommendations to shareholders in respect of the proposed re-election or election of Director(s) at the general meeting;
- (g) In order to provide information of the candidates nominated by the Board to stand for election or re-election at a general meeting, a circular will be sent to shareholders. The circular will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations including the Listing Rules, of the proposed candidates; and
- (h) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting.

提名程序

- (a) 提名委員會及／或董事會負責物色潛在候選人，方法包括但不限於內部晉升、調任、管理層其他成員及外部招聘機構及／或顧問之轉介。提名委員會其後制定候選人名單及就建議候選人達成共識；
- (b) 建議候選人會被要求提交所需個人資料、履歷詳情連同董事任命之同意書。提名委員會可要求候選人提供被視為必要之額外資料及文件；
- (c) 提名委員會須於接獲委任新董事建議及建議候選人個人資料(或相關詳情)後，按照上述準則評核有關候選人，以釐定有關候選人是否符合資格履行董事職務；
- (d) 對於在本公司股東大會獲股東提名參選董事之任何人士，提名委員會須按照上述準則評核有關候選人，以釐定有關候選人是否符合資格履行董事職務；
- (e) 倘過程中出現一名或以上屬意候選人，提名委員會須根據本公司需要及對各候選人之背景調查(如適用)按優先次序訂立排名；
- (f) 提名委員會秘書須召開提名委員會會議。為填補臨時空缺，提名委員會須提出建議供董事會考慮及審批。就提名候選人於股東大會重選連任或參選而言，提名委員會須作出提名或建議供董事會考慮，而董事會須就建議董事於股東大會重選連任或參選向股東提出建議；
- (g) 為提供獲董事會提名在股東大會參選或重選連任之候選人之資料，將向股東寄發一份通函。通函將載列建議候選人姓名、簡歷(包括資格及相關經驗)、獨立性、建議薪酬及上市規則等適用法律、規則及規例所規定之任何其他資料；及
- (h) 對於與候選人在任何股東大會參選或重選連任之建議有關之一切事宜，董事會擁有最終決定權。

Corporate Governance Report

企業管治報告

Monitor and Review

The Nomination Committee will monitor the implementation of the Nomination Policy and report to the Board when necessary. Also, the Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee held one meeting during the year ended 31 December 2021 to review the structure, size and composition of the Board; to consider and recommend to the Board the appointment and re-election of the Directors; and to review the annual confirmation of independence submitted by the independent non-executive Directors.

監督及檢討

提名委員會將負責監督提名政策之落實情況，並於有需要時向董事會匯報。另外，提名委員會將檢討提名政策（如適當），以確保提名政策行之有效，並會討論任何可能需要之修訂，同時向董事會建議任何有關修訂，供其考慮及審批。

提名委員會於截至二零二一年十二月三十一日止年度曾舉行一次會議，以檢討董事會之架構、規模及組成；考慮委任及重選董事及就此向董事會作出推薦建議；及審閱獨立非執行董事按年提交之獨立身分確認書。

Members 成員

Meetings Attended/ Eligible to Attend 曾出席／合資格 出席會議

Wu Kebo (Chairman)	伍克波(主席)	1/1
Leung Man Kit	梁民傑	1/1
Wong Sze Wing	黃斯穎	1/1

AUDITORS' REMUNERATION

For the year ended 31 December 2021, the fees paid/payable to the Group's auditors, Messrs. KPMG, are set out as follows:

核數師酬金

截至二零二一年十二月三十一日止年度，已付／應付本集團核數師畢馬威會計師事務所之費用載列如下：

Services Rendered 所提供服務

Fee Paid/Payable 已付／應付費用 HK\$'000 千港元

Audit and audit-related services	審核及審核相關服務	2,484
Non-audit services	非審核服務	684

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare the financial statements for each financial year with support from the finance department of the Company and to ensure that the relevant accounting policies are observed and the accounting standards issued by the Hong Kong Institute of Certified Public Accountants are complied with in the preparation of such financial statements and to report the financial affairs of the Company in a true and fair manner.

The statement by the auditors of the Company regarding their responsibilities for the audit of the financial statements of the Group is set out in the Independent Auditors' Report on pages 90 to 96 of this annual report.

對財務報表之責任

董事瞭解彼等之責任為於本公司財務部門支援下，編製每個財政年度之財務報表，確保遵照有關會計政策及香港會計師公會頒佈之會計準則編製有關財務報表，並真實公平呈報本公司之財務狀況。

本公司核數師就其對本集團財務報表之審核責任發出之聲明，載於本年報第90至96頁之獨立核數師報告書內。

GOING CONCERN

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

持續經營基準

董事確認，據彼等經作出一切合理查詢後所深知、全悉及確信，彼等並不知悉有任何可能對本公司持續經營能力構成重大疑問之任何重大不明朗事項或情況。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibilities for maintaining a sound and effective risk management and internal control systems with the aim at (i) safeguarding the Group's assets against unauthorised use or disposition; (ii) maintaining proper accounting records; and (iii) ensuring compliance with relevant legislation and regulations. The risk management and internal control systems of the Group comprises a well-established organisation structure and comprehensive policies and standards. Such systems are designed to manage, rather than eliminate, the risk associated in failing to achieve certain business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group established an internal audit department at the end of the year 2012 to assess its risk management and internal control systems, formulate an impartial opinion on the systems, and report its findings to the Audit Committee, the Chairman of the Board and the senior management concerned on a regular basis as well as following up on all reports to ensure that all issues have been satisfactorily resolved.

Review of the Group's risk management and internal control systems covers all material controls, including financial, operational and compliance controls and risk management functions of different systems. The Group's risk management procedures include the following elements:

- Identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- Develop necessary measures to manage those risks; and
- Monitor and review the effectiveness of such measures.

The Board, through the Audit Committee, confirmed that they had conducted reviews of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2021, where some findings have been identified and reported to the Board. The Board considers the risk management and internal control systems of the Group effective and adequate throughout the year.

Regarding the disclosure of inside information, the Board had implemented procedures and internal controls for handling and dissemination of inside information so that potential inside information can be promptly identified and escalated up for deciding whether an announcement should be made in order to ensure compliance with the continuous obligations under the Listing Rules and the statutory obligation to disclose information under the SFO.

No material internal control deficiency that may affect the shareholders of the Company has come to the attention of the Audit Committee or the Board. The Directors are of the opinion that the Company has complied with code provisions under C.2 on risk management and internal control as set out in the CG Code contained in Appendix I4 to the Listing Rules.

風險管理及內部監控

董事會深明其維持穩健兼有效之風險管理及內部監控制度之責任，旨在(i)保障本集團資產不會在未經授權下遭使用或處置；(ii)妥善保存會計記錄；及(iii)確保遵從有關法例及規例。本集團風險管理及內部監控制度包括完善之組織架構及周全政策與準則，有關制度乃為管理而非消除有關未能達致若干業務目標之風險而設，僅可合理而非絕對保證避免出現重大錯誤陳述或損失之情況。

本集團於二零一二年末成立內部審核部門，以定期評估其風險管理及內部監控制度，就制度制定公正意見以及向審核委員會、董事會主席及有關高級管理人員匯報結果，並跟進所有報告以確保所有事宜獲妥善解決。

檢討本集團風險管理及內部監控制度涵蓋所有重大監控方面，包括財務、營運及合規監控以及不同制度之風險管理職能。本集團風險管理程序包括以下元素：

- 識別本集團營商環境之重大風險，並評估該等風險對本集團業務之影響；
- 制定所需措施以管理該等風險；及
- 監察及檢討有關措施之成效。

董事會於截至二零二一年十二月三十一日止年度已透過審核委員會確定彼等已檢討本集團風險管理及內部監控制度之成效，而當中發現已向董事會匯報。董事會認為本集團風險管理及內部監控制度於本年度一直為有效及充分。

就披露內幕消息而言，董事會已就處理及發佈內幕消息實行程序及內部監控措施，以便就決定應否作出公佈從速識別及升級處理潛在內幕消息，確保遵守上市規則項下之持續責任並根據證券及期貨條例之法定責任披露資料。

審核委員會或董事會概不知悉內部監控有任何可能影響本公司股東之重大不足之處。董事認為，本公司一直遵守上市規則附錄十四內企業管治守則項下有關風險管理及內部監控之第C.2條守則條文規定。

Corporate Governance Report

企業管治報告

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). Under the Dividend Policy, the Company may consider providing Shareholders with interim or annual dividends, and declaring special dividends from time to time. The Company intends to propose/declare dividends after taking into consideration of, inter alia, the following factors:

- a. the Group's actual and expected financial performance;
- b. retained earnings and distributable reserves of the Company and each of the members of the Group;
- c. the level of the Group's debts to equity ratio and the relevant financial covenants;
- d. any restrictions on payment of dividends that may be imposed by the Group's lenders;
- e. the Group's expected cash flow requirements and future expansion plans;
- f. economic conditions of the Group, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Group; and
- g. any other factors that the Board deems appropriate.

The recommendation of the payment of dividend is subject to the absolute discretion of the Board, and any declaration of annual dividend for the year will be subject to the approval of the Shareholders.

The payment of dividend is also subject to compliance with applicable laws and regulations including the law of Bermuda and the Company's Bye-laws. The Board will review the Dividend Policy as appropriate from time to time.

SHAREHOLDERS' RIGHTS

Shareholders holding not less than one-tenth of the paid-up capital of the Company can deposit a written request (stating the objects of the meeting and signed by the shareholders concerned) to convene an extraordinary general meeting ("EGM") for the transaction of any business specified in the written request at the principal place of business of the Company for the attention of the Board or the Company Secretary. If the Directors do not within 21 days from the date of the deposit of the request (after being verified to be valid) proceed to convene an EGM, the shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may by themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months from the date of the deposit of the request.

股息政策

本公司已採納股息政策(「股息政策」)。根據股息政策，本公司可考慮向股東提供中期或年度股息，並不時宣派特別股息。本公司擬於考慮(其中包括)以下因素後建議派發/宣派股息：

- a. 本集團之實際及預期財務表現；
- b. 本公司及本集團各成員公司之保留溢利及可分派儲備；
- c. 本集團之債務權益比率及相關財務契據；
- d. 本集團之貸款方就派付股息可能施加之任何限制；
- e. 本集團之預期現金流需求及未來擴張計劃；
- f. 本集團之經濟狀況、本集團業務之商業週期以及可能影響本集團業務或財務表現及狀況之其他內部及外部因素；及
- g. 董事會視為適當之任何其他因素。

建議派付股息視乎董事會之絕對酌情權而定，而宣派任何年度之年度股息須待股東批准後方可作實。

派付股息亦須受遵守適用法律及法規，包括百慕達法例及本公司之公司細則。董事會將不時於適當時間審閱股息政策。

股東權利

持有本公司繳足股本不少於十分之一之股東，可向本公司主要營業地點遞交召開股東特別大會(「股東特別大會」)以處理當中指明之任何業務交易之書面請求(當中指明會議目的，並由有關股東簽署)，抬頭註明董事會或公司秘書收。倘若董事在該請求(經核證為有效後)呈交日期起計21日內，未有安排召開股東特別大會，有關股東或佔全體有關股東一半以上總表決權之任何股東，可自行召開股東特別大會，但如此召開之股東特別大會不得在呈交請求日期起計三個月屆滿後舉行。

Corporate Governance Report

企業管治報告

Shareholders, representing not less than one-twentieth of the total voting rights of the Company or not less than 100 shareholders as at the date of deposit of the requisition, can by written requisition request the Company to (a) give to the shareholders of the Company notice of any resolution which may properly be moved and is intended to be removed at the next annual general meeting of the Company; and (b) circulate to the shareholders a statement of not more than 1,000 words with respect to the matters referred to in any proposed resolution or the business to be dealt with at any general meeting. If the requisition requires a notice of a resolution, it must be deposited at the principal place of business of the Company not less than 6 weeks before the date of the annual general meeting. In the case of any other requisition, the written requisition must be deposited at the principal place of business of the Company not less than 1 week before the date of the general meeting.

If a shareholder of the Company, who is duly qualified to attend and vote at the general meetings of the Company, intends to propose a person other than a Director for election as a Director at any general meeting, the shareholder concerned shall lodge with the principal place of business of the Company for the attention of the Company Secretary (i) a written notice of his/her intention to propose that person for election as a Director at the general meeting; and (ii) a notice in writing by that person of his/her willingness to be elected together with the necessary information within the period commencing no earlier than seven days after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Detailed procedures for shareholders of the Company to propose a person for election as a Director are available on the Company's website.

The shareholders of the Company should send their questions about their shareholdings to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The shareholders of the Company may send their other enquiries to the Board by addressing them to the Company Secretary or Company's Corporate Communication Department at the principal place of business of the Company situated at Unit 2101, YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong or via email address: ir@goldenharvest.com.

於提交要求當日持有不少於本公司總表決權二十分之一或人數不少於100名之股東，可以書面形式要求本公司(a)向本公司股東發出任何可能於本公司下屆股東週年大會正式提呈及計劃取消之決議案之通知；及(b)向股東傳閱不多於1,000字之陳述，說明任何已提呈之決議案或將於任何股東大會商討之事宜。如股東要求發出決議案通告，該通告必須於股東週年大會舉行日期不少於6星期前，提交至本公司主要營業地點。如屬任何其他要求，則有關書面要求必須於股東大會舉行日期不少於1星期前，提交至本公司主要營業地點。

如符合資格出席本公司股東大會並於會上表決之本公司股東擬於任何股東大會推選董事以外之人士為董事，有關股東須將以下文件呈交本公司主要營業地點，抬頭註明公司秘書收：(i)擬於股東大會推選有關人士為董事之書面意向通知；及(ii)該名人士表明有意接受推選之書面通知，連同所需資料，呈交文件之期限應不早於寄發股東大會通告後七日開始，並不得遲於該股東大會舉行日期前七日結束。

有關本公司股東建議推選人士出任董事之詳細程序，載於本公司網站。

本公司股東如對本身所持股權有任何疑問，應向本公司之股份過戶登記處香港分處卓佳登捷時有限公司查詢，地址為香港皇后大道東一八三號合和中心五十四樓。

本公司股東可將彼等之其他查詢寄交董事會，並註明收件人為公司秘書或本公司企業傳訊部(本公司主要營業地址為香港灣仔駱克道33號萬通保險大廈2101室)，或電郵至 ir@goldenharvest.com。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a policy of disclosing clear and relevant information to the shareholders of the Company in a timely manner. The general meetings of the Company provide a forum for communication between shareholders of the Company and the Directors. The Directors and the external auditor will attend the annual general meetings. The Directors will answer questions raised by the shareholders on the performance of the Group.

Review of the general meeting proceedings is carried out by the Board from time to time so as to ensure that the Company has followed the best corporate governance practices. Notice of the general meeting together with the circular setting out details of each of the proposed resolutions (including procedures for demanding a poll where required under the CG Code), voting procedures and other relevant information are delivered to all the shareholders of the Company with sufficient notice as required under the Listing Rules and the Bye-laws of the Company before the date appointed for the general meeting. At the commencement of the general meeting, procedures for demanding (where required) and conducting a poll are explained by the chairman of the meeting to the shareholders of the Company and the votes cast are properly counted and recorded by the scrutineer appointed by the Company. Poll results of the general meeting are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

The Company's website (<http://www.osgh.com.hk>) also contains an "Investor Relations" section which enables the Company's shareholders to have timely access to the Company's press release, financial reports, announcements and circulars.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2021, there has been no change in the Company's memorandum of association and the Bye-laws. The Company's memorandum of association and the Bye-laws are available on the Company's website (<http://www.osgh.com.hk>) and the Stock Exchange's website.

與股東溝通

本公司已採納一套可及時向本公司股東清晰披露有關資料之政策。本公司之股東大會為本公司股東與董事提供溝通平台。董事及外聘核數師將出席股東週年大會。董事將於會上解答股東有關本集團業績之提問。

股東大會之議程由董事會不時檢討，以確保本公司奉行最佳之企業管治常規。股東大會通告連同載有各項提呈之決議案(包括根據企業管治守則規定要求進行投票表決之程序)、投票程序及其他相關資料詳情之通函，於股東大會指定舉行日期前，按上市規則及本公司之公司細則規定之充足通知期限，派送予本公司全體股東。於股東大會開始時，大會主席會向本公司股東解釋就於有需要時要求及進行投票表決之程序，而所有票數均會由本公司委任之監票員適當點算及記錄在案。股東大會之投票結果於股東大會同日在本公司網站及聯交所網站公佈。

本公司網站(<http://www.osgh.com.hk>)亦載有「投資者關係」一節，以便本公司股東能適時存取本公司之新聞稿、財務報告、公佈及通函。

規章文件

截至二零二一年十二月三十一日止年度，本公司組織章程大綱及公司細則並無任何變動。本公司組織章程大綱及公司細則現載於本公司網站(<http://www.osgh.com.hk>)及聯交所網站。

Environmental, Social and Governance Report

環境、社會及管治報告

I. ABOUT THIS REPORT

Founded in 1970, Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Group”, “OSGH”, “we” or “our”) has been a world-leading film and entertainment company, primarily engaged in film exhibition, production and distribution, as well as TV program production. There are 40 multiplexes which consist altogether 322 screens across our businesses in Hong Kong, Singapore, Taiwan, Japan and Mainland China, making us the world’s premier Chinese language film entertainment company.

As a responsible film and entertainment company, we are eager to see that our businesses are bringing positive impacts to our environment and society, creating long-term value and leading our industry towards a sustainable development. We aim to continuously improve our Environment, Social and Governance (ESG) performance, enhance efficiency of management and increase resilience of our business towards the changing environment, by considering ESG holistically in our planning, establishing effective measures and reviewing of business operations.

Having understood that both of our internal and external stakeholders are concerned over the ESG performance of our business, we are pleased to publish our Environmental, Social and Governance Report (the “Report”), presenting our material topics, relevant key performance indicators and initiatives and addressing our stakeholders’ expectations.

I.1 Scope of the Report

Following reporting principle of “Consistency”, the Report covers a same scope as that of FY2021 — operations in Hong Kong and Singapore of both theatrical exhibition and film distribution and production sectors. Operations in Taiwan and Japan are not within the reporting scope for they are owned through joint ventures of which data are not accessible; whereas operations in Mainland China which are at preparation phase, are also not covered in the Report. They are planned to be included once they are operating fully. The Report covers period from 1 January 2021 to 31 December 2021 (the “Reporting Period” or “FY2021”).

Disclosure of environmental and social data of operations in Hong Kong include 10 multiplex cinemas, a corporate office, a warehouse and a café; whereas operations in Singapore include 14 multiplex cinemas and a corporate office. The list of multiplex cinemas is as following:

I. 有關本報告

橙天嘉禾娛樂(集團)有限公司(「本集團」、「橙天嘉禾」、「我們」或「我們的」)成立於一九七零年，是一家以電影放映、製作及發行，以及電視節目製作為主的世界領先的影視娛樂公司。我們在香港、新加坡、台灣、日本及中國大陸均設有業務，共有40家多廳影城，合共322個銀幕，使我們成為全球首屈一指的華語電影娛樂公司。

作為一家負責任的電影及娛樂公司，我們渴望看到我們的業務為環境及社會帶來積極影響、締造長期價值，並引領我們的行業走向可持續發展的方向。我們的目標是通過在我們的規劃、制定有效措施及審查業務運營中全面考慮環境、社會及管治，不斷改善我們的環境、社會及管治績效，提高管理效率並增強我們業務對不斷變化的環境的應變能力。

在了解我們的內部和外部利益相關者都關注我們業務的ESG表現後，我們很高興發佈我們的環境、社會和管治報告(「本報告」)，呈列我們的重要課題、相關關鍵績效指標及舉措，並滿足利益相關者的期望。

I.1 本報告的範圍

繼續循「貫徹一致」的報告原則，本報告涵蓋與二零二一財年相同的範圍——在香港及新加坡的戲院放映及電影發行和製作部門的運營。台灣和日本的業務不屬於報告範圍內，因為其是通過合資企業所擁有，無法獲得數據；而正處於籌備階段的中國內地業務亦未涵蓋在報告中。其計劃在全面運作後包括在內。本報告涵蓋二零二一年一月一日至二零二一年十二月三十一日(「報告期」或「二零二一財年」)。

香港業務的環境及社會數據的披露包括10家多廳影城、一個公司辦公室、一個倉庫及一間餐廳；而在新加坡的業務包括14家多廳影院及一個公司辦公室。多廳影城名單如下：

Environmental, Social and Governance Report 環境、社會及管治報告

Multiplex Cinemas 多廳影城

in Hong Kong 香港		in Singapore 新加坡		
Grand Ocean 海運戲院(超巨幕)	GH Kai Tak 嘉禾啟德	GV Bishan	GV Katong ⁴	GV Yishan
GH Whampoa 嘉禾黃埔	GH V Walk 嘉禾V Walk	GV City Square	GV Plaza Singapura	GV Paya Lebar
the sky	GH Galaxy ¹ 嘉禾銀河廣場 ¹	GV Jurong Point	GV Suntec	GV Bedok
GH Fanling 嘉禾粉嶺	GH MegaBox ² 嘉禾MegaBox ²	GV Grand	GV Tampines	GV Funan
StagE	GH TaiPo ³ 嘉禾大埔 ³	GV Vivocity	GV Tiong Bahru	

1. GH Galaxy was opened in mid-May, 2021.
2. GH MegaBox was opened in mid-July, 2021.
3. GH TaiPo was opened in mid-October, 2021.
4. GV Katong was reopened in December, 2021.

1. GH 銀河廣場於二零二一年五月中開幕。
2. GH MegaBox於二零二一年七月中開幕。
3. GH 大埔於二零二一年十月中開幕。
4. GV Katong 於二零二一年十二月重開。

1.2 Reporting Standards and Principles

In compliance with the Environmental, Social and Governance Reporting Guide ("ESG Guidance") in Appendix 27 to the of the Main Board Listing Rules of the Hong Kong Exchanges and Clearing Limited (the "HKEx"), the Report is prepared in accordance with the four reporting principles, namely Materiality, Quantitative, Balance and Consistency.

- **Materiality:** Information disclosed in the Report is based on its materiality to our business, which is assessed based our stakeholders' rating, through questionnaires conducted by external consultant.
- **Quantitative:** Information is disclosed in a quantitative manner whenever possible, supplemented with narrative, explanation on calculation methods, interpretation and comparative analysis.
- **Balance:** The Report is prepared in an unbiased manner, with explanations of both positive and negative impacts, facilitating readers to make reasonable assessment on the Group's overall performance.
- **Consistency:** The report presents information with consistent methods, enabling readers to compare changes in ESG performances over time. Any changes in disclosure method are specified.

1.2 報告準則及原則

本報告遵循香港交易及結算所有限公司(「香港交易所」)主板上市規則附錄二十七《環境、社會及管治報告指引》(「ESG 指引」)，遵循重要性、量化、平衡及一致性共四項報告原則。

- **重要性:** 本報告所披露的資料乃基於其對我們業務的重要性，並透過外部顧問進行的問卷調查，根據持份者的評級進行評估。
- **量化:** 盡可能以量化方式披露資料，並輔以說明、解釋計算方法、解釋及比較分析。
- **平衡:** 本報告不偏不倚地呈報，說明正面及負面影響，以便讀者對本集團的整體表現作出合理評估。
- **一致性:** 本報告以一致的方法呈現資料，使讀者能夠比較環境、社會及管治績效的變化。披露方法如有任何變動均有指明。

Environmental, Social and Governance Report

環境、社會及管治報告

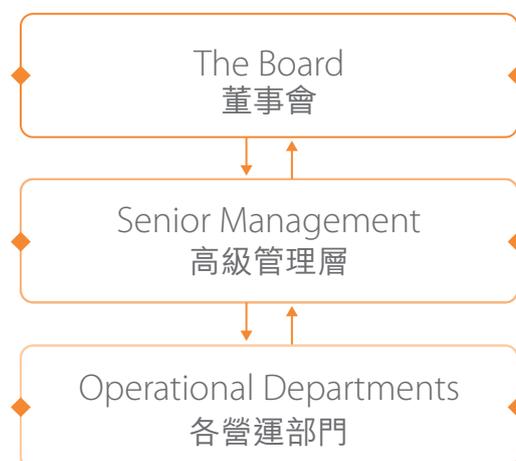
1.3 Contact and Feedback

We treasure opinions from our stakeholders as a valuable driving force for us to continually strive for continual improvement in our ESG performances, and to set a good example of sustainable development business model within our industry. We welcome any comments or advice to the Report and other ESG initiatives from our readers, you are welcome to contact us via esg@goldenharvest.com.

2. SUSTAINABILITY GOVERNANCE

The Group endeavours to be a responsible entertainment provider, which reduce burden on our environment, provide healthy working environment for our employees and bring values to our community. We aim to improve our business's resilience towards underlying risks and unfold future opportunities, by considering ESG aspects into our risk management and planning strategies. Being the highest decision-making and management authority, the Board of Directors of the Group is ultimately accountable for overseeing the Group's overall sustainable development and ESG performances. The Board is fully responsible for evaluating, prioritising and managing material ESG-related issues, as well as identifying and managing related risks and externalities. Senior Management is authorised by the Board, to monitor ESG and sustainability performances, incorporate relevant risk management in the process of strategies and plans formulation, and engage all operational departments to implement related practices. Various departments report information on sustainability risks and performance to the Board annually, facilitate them to review the effectiveness of our risk management, internal control system, ESG policies and practices; and hence seek for room to improve governance structure, ESG-related goals and targets of which relate to the Group's business. The Report has been reviewed and approved by the Board.

The Group's overall flow chart on ESG management:



1.3 聯絡及反饋

我們視持份者的意見為我們持續致力持續改善環境、社會及管治表現的寶貴動力，並為我們行業內的可持續發展業務模式樹立良好典範。我們歡迎讀者就本報告及其他環境、社會及管治措施提出任何意見或建議，請透過 esg@goldenharvest.com 與我們聯絡。

2. 可持續發展管治

本集團盡力成為負責任的娛樂供應商，減輕對環境的負擔，為員工提供健康的工作環境，並為社區帶來價值。我們旨在透過將環境、社會及管治方面納入我們的風險管理及規劃策略，提高我們業務對相關風險的抵禦能力，並發掘未來機遇。作為最高決策及管理機關，本集團董事會最終負責監督本集團的整體可持續發展及環境、社會及管治表現。董事會全權負責評估、排序及管理重大環境、社會及管治相關事宜，以及識別及管理相關風險及外部因素。高級管理層獲董事會授權監察環境、社會及管治及可持續發展表現，在制定策略及計劃的過程中納入相關風險管理，並邀請所有營運部門執行相關常規。各部門每年向董事會匯報可持續發展風險及表現，以便董事會檢討風險管理、內部監控系統、環境、社會及管治政策及常規的成效；因此，尋求改善管治架構的空間，而與本集團業務相關的環境、社會及管治相關目標及指標。本報告已獲董事會審閱及批准。

本集團環境、社會及管治管理的整體流程圖：

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According to the industry characteristics, there are some industrial ESG risks which also affect the Group's business operation shown as follows:

根據行業特點，有部分影響本集團業務營運的行業環境、社會及管治風險，截列如下：

ESG Related Risks ESG 相關風險	Impacts 影響
Employees' health & safety	With the severe outbreak of COVID-19, authorities of different countries implemented various measures to cut the transmission chain in the communities, which had seriously affected the industry's normal operation and development. During the pandemic outbreak, our employees needed to work under the threat of being affected. Being a part of service industries, the close contact with the public had further increased the threat to the employees' health and safety.
員工健康與安全	隨著COVID-19疫情的嚴重爆發，各國政府紛紛採取各種措施，以切斷社區的傳播鏈，嚴重影響了行業的正常運營和發展。在疫情爆發期間，我們的員工需要在受到影響的威脅下工作。作為服務行業的一部分，與公眾的緊密聯繫進一步增加了對員工健康與安全的威脅。
Customer's health & safety	With the severe outbreak of COVID-19, it was important for the Group to build a safe environment for customers when they enjoy our services. The implementation of epidemic prevention measures may affect the Group's business performance.
客戶健康與安全	隨著COVID-19的嚴重爆發，為客戶提供安全的服務環境對本集團至關重要。防疫措施的實施可能影響本集團的業務表現。

To respond to the above risks, the Group had implemented measures to reduce the impacts brought, which the details are mentioned in the following chapters.

為應對上述風險，本集團已實施措施以減少所帶來的影響，有關詳情於以下章節闡述。

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3. STAKEHOLDER ENGAGEMENT

To ensure accurately identification of our stakeholders' expectations, giving timely responses to them, enabling effective operation of ESG related practices and adjusting sustainable goals, we endeavour to engage both our external and internal stakeholders, to gather their opinions. The Group has identified our key stakeholders whose opinion are of paramount importance, to our business's operations and future plans. we are delegate to maintain stable communication with them via multiple channels, which are as followings:

3. 持份者參與

為確保準確識別持份者的期望、及時回應持份者的期望、有效營運環境、社會及管治相關常規及調整可持續發展目標，我們努力與外部及內部持份者溝通，以收集彼等的意見。本集團已識別我們的主要持份者，彼等的意見對我們的業務營運及未來計劃至關重要。我們獲授權透過以下多種渠道與彼等維持穩定溝通：

Stakeholders 持份者	External Stakeholders 外部持份者 Communication channels 溝通渠道
Investors and shareholders 投資者及股東	<ul style="list-style-type: none"> • Company website • 公司網站 • Company announcements • 公司公告 • Annual general meeting • 股東周年大會 • Annual and interim reports • 年報及中期報告
Customers 客戶	<ul style="list-style-type: none"> • Company website • 公司網站 • Customer direct communication • 客戶直接溝通 • Customer feedback and complaints • 客戶反饋及投訴
Suppliers and business partners 供應商及業務夥伴	<ul style="list-style-type: none"> • Selection assessment • 甄選評估 • Procurement process • 採購過程 • Performance assessment • 績效考核 • Regular communication with business partners (e.g. emails, meetings, on-site visits etc.) • 與業務夥伴定期溝通（例如電郵、會議、實地考察等）
Government authorities and regulators 政府機關及監管機構	<ul style="list-style-type: none"> • Documented information submission • 提交文件資料 • Compliance inspections and checks • 合規檢驗及檢查 • Forums, conferences and workshops • 論壇、會議及工作坊
Non-governmental organisations 非政府組織	<ul style="list-style-type: none"> • Emails • 電郵 • Phones • 電話 • Charity donations • 公益捐贈
Communities 社區	<ul style="list-style-type: none"> • Company website • 公司網站 • Community activities • 社區活動
Media 媒體	<ul style="list-style-type: none"> • Company website • 公司網站 • Company announcements • 公司公告

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Stakeholders 持份者	Internal Stakeholders 內部持份者 Communication channels 溝通渠道
Employees 員工情況	<ul style="list-style-type: none"> • Training and orientation 培訓及入職培訓 • Emails and opinion box 電郵及意見箱 • Regular meetings 定期會議 • Employee performance evaluation 員工績效評估 • Employee activities 員工活動

4. MATERIALITY ASSESSMENT

4.1 Assessment procedures

To follow reporting principle Materiality as required by HKEX, we have identified material ESG topics to be further disclosed in the Report, by appointing a third-party consultant to carry out materiality assessment. The process of material issue identification is as followed:

1. Issue identification:

Based on general disclosure requirements of HKEX, 18 ESG-related issues which are specific to our industry and market potential, are identified. The issues fall into four major subject areas, namely Environmental Protection, Employment and Labour Practices, Operating Practices and Community.

2. Issue prioritization:

The Board and senior management were invited to conduct a questionnaire, to rate importance of 18 ESG-related issues towards OSGH's business and themselves personally respectively.

3. Materiality analysis:

After and arranged the issues according to their importance rated, five material key issues are identified.

4. 重要性評估

4.1 評估程序

為遵循香港交易所規定的報告原則重要性，我們已委任第三方顧問進行重要性評估，以識別於本報告中進一步披露的重大環境、社會及管治議題。重要性議題識別流程如下：

1. 議題識別：

根據香港交易所的一般披露規定，我們識別出 18 項針對我們行業及市場潛力的環境、社會及管治相關事宜。該等議題分為四個主要範疇，即環境保護、僱傭及勞工常規、營運常規及社區。

2. 議題排序：

董事會及高級管理層獲邀進行問卷調查，分別就 18 項環境、社會及管治相關議題對橙天嘉禾業務及彼等自身的重要性進行評分。

3. 重要性分析：

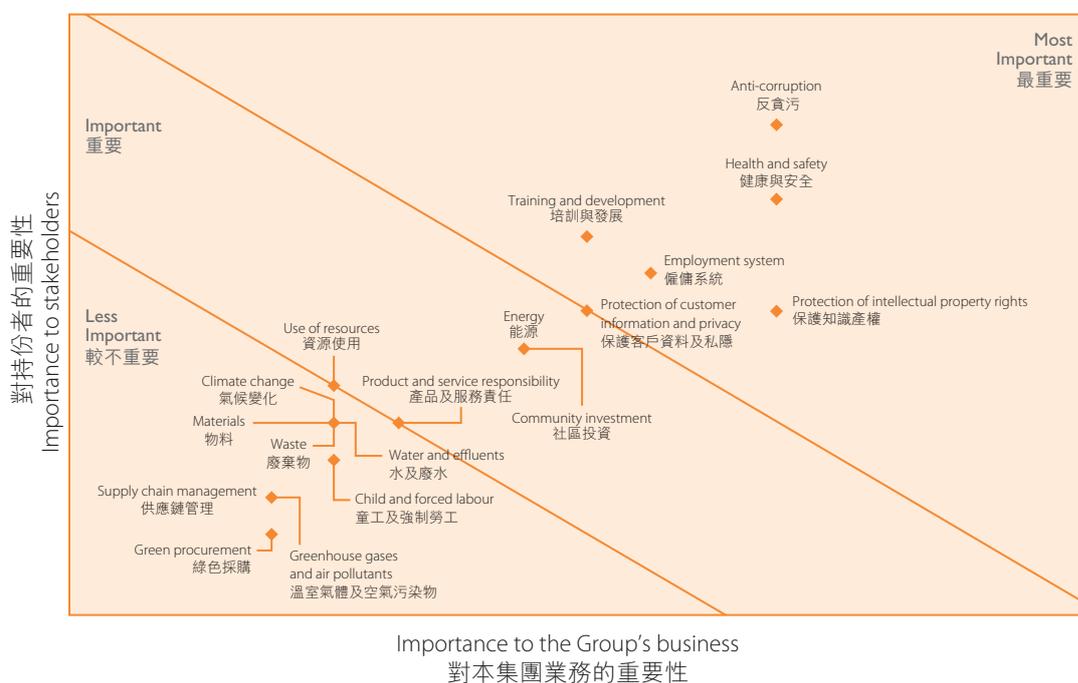
議題按其重要性進行排序後，已識別出五項重要的關鍵議題。

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4.2 Material topics

In general, the Group's stakeholders expressed most of their concern over issues on operating practices, as well as employment and labour practices.

The materiality matrix is as followed:



4.2 重要議題

整體而言，本集團的持份者對營運實務以及僱傭及勞工常規方面的議題表示大部分關注。

重要性矩陣如下：

Top five material Issues which our stakeholders have most concern over (Arranged in descending order of importance)

1. Anti-corruption
2. Health and safety
3. Protection of intellectual property rights
4. Employment system
5. Training and development

The Group will continue to review and modify our ESG plans, targets, policies and measures on a regular basis, to ensure adequate responses are made to the fast-changing environment and effective internal control processes to cope with underlying risks. We are delegate to progressively improve our ESG disclosure performance and strictly follow the latest ESG reporting standards.

持份者最關注的五大重要議題 (按重要性降序排列)

1. 反貪污
2. 健康與安全
3. 保護知識產權
4. 僱傭制度
5. 培訓與發展

本集團將繼續定期檢討及修改我們的環境、社會及管治計劃、目標、政策及措施，以確保對瞬息萬變的環境及有效的內部監控程序作出充分回應，以應對相關風險。我們獲授權逐步提升我們的環境、社會及管治披露表現，並嚴格遵守最新的環境、社會及管治報告準則。

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5. ETHICAL AND RELIABLE SERVICES

5.1 Supply Chain Management

We have engaged and maintained stable collaborative relationship with responsible suppliers in our business, to ensure our entertainment services are provided in a sustainable and ethical manner, facilitate our risk management process and improve our operational efficiency.

To manage quality of services and product provided by our suppliers, the Group has formulated and implemented a series of policies and monitoring measures to regulate and strengthen the service quality of our suppliers.

For our critical suppliers involving in our key operations of film production and entertainment during the Reporting Period, there were 24 and 10 suppliers from regions of Hong Kong and Singapore respectively; whereas other suppliers such as legal consultants, food and beverage suppliers, etc., were excluded from disclosure as they were relatively insignificant to the Group's competitive advantage.

All products and services are procured in an open, fair, competitive manner. All potential business partners are treated fairly in the procurement process; any form of differential treatment or discrimination against suppliers are prohibited. The Group will closely monitor its employees to avoid actual or apparent conflicts of interest. We also require our suppliers to disclose all relevant interests or relationships that may involve actual or potential conflicts of interest to prevent any form of corruption, bribery, and other misconduct.

Background research on supplier is carried out before procurement, to identify and further eliminate potential environmental and social risks along the supply chain. To minimise environmental pollution of our business, employees are advised to consider and explore environmentally-friendly options which will be described in procurement guidelines; lists of responsible suppliers are planned to be drafted, circulated among units and reviewed regularly.

5.2 Service quality and customer satisfaction

Customers' opinions and complaint

To continuously improve our quality service and maintain customer satisfaction, we have valued our customer's feedback and opinions. We have encouraged our customers to give us feedback and comments through direct communication with our frontline staff and Company website. To cater various preferences and expectations from our extensive customers, our professional sourcing team have actively searched for wide range of genres that covers from blockbusters to cultural programmes, musicals and sporting events. To meet changing expectations from our customers and create exclusive experiences for them, the Group continues to invest in new technologies such as D-Box seats, Dolby and AURO sound systems, BARCO Laser projectors and IMAX® screens.

5. 道德及可靠的服務

5.1 供應鏈管理

我們已在業務中與負責任的供應商建立並維持穩定的合作關係，以確保我們的娛樂服務以可持續及合乎道德的方式提供，促進我們的風險管理程序及提高我們的營運效率。

為管理供應商所提供服務及產品的質量，本集團已制定及實施一系列政策及監控措施，以規範及加強供應商的服務質量。

就於報告期間涉及我們電影製作及娛樂的主要營運範疇的關鍵供應商而言，有24名及10名供應商分別來自香港及新加坡地區，而如法律諮詢及餐飲等其他供應商則並無涵蓋於披露資料中，因為此等資料對本集團之競爭優勢相對並不重要。

所有產品及服務均以公開、公平、具競爭力的方式採購。我們在採購過程中公平對待所有潛在業務夥伴，並禁止對供應商進行任何形式的差別待遇或歧視。本集團將密切監察其僱員，以避免實際或明顯的利益衝突。我們亦要求供應商披露所有可能涉及實際或潛在利益衝突的相關利益或關係，以防止任何形式的貪污、賄賂及其他不當行為。

於採購前對供應商進行背景調查，以識別及進一步消除供應鏈中的潛在環境及社會風險。為盡量減少業務對環境的污染，建議僱員考慮及探索環保選擇，有關選擇將於採購指引中說明；我們計劃草擬負責任的供應商名單，並將該名單在各單位之間傳閱並定期檢討。

5.2 服務質量及客戶滿意度

客戶意見及投訴

為持續提升我們的優質服務及維持客戶滿意度，我們重視客戶的反饋及意見。我們鼓勵客戶透過直接與前線員工溝通，並藉公司網站提供反饋及意見。為迎合各種客戶的各種喜好及期望，我們的專業採購團隊已積極尋找涵蓋從猛片到文化節目、音樂劇及體育賽事的各種類型。為滿足客戶不斷變化的期望及為客戶創造獨特體驗，本集團繼續投資新技術，例如D-Box座椅、杜比及AURO音響系統、BARCO激光投影機及IMAX®銀幕。

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We handle customers' complaint seriously as these are valuable opportunities for us to understand our customers' expectations and improve our operation performances. All complaints from customers have been handled according our internal mechanism, which is reviewed by Senior Management regularly to ensure effective and timely responses can be given.

During the Reporting Period, the Group has received 8 complaints, they are mainly about ticketing and customer service issue.

Protecting intellectual property rights

Intellectual property rights are the basis of our business assets and continuous support of our and our partners' quality production. The Group straightly complies with relevant laws and regulations on intellectual property including but not limited to Trade Marks Ordinance (Cap. 559), Copyright Ordinance (Cap. 528) and Prevention of Copyright Piracy Ordinance (Cap. 544), and have followed trademark registration, contractual provisions and confidentiality procedures in protection of our intellectual property rights.

In relation to the prevention of pirated recording, the Group has reminded all customers in cinemas about the legal liabilities of pirated recording at the beginning of all screenings. Employees are encouraged to report any suspected cases and follow-up spontaneously to ensure recordings are not released.

Protection of Data Privacy

We uphold protection of our clients' privacy as major part of our ethical operation. To safeguard security of our customers' and members' personal information, we have implemented stringent data protection measures. To continuously raise and maintain our staff's awareness on data privacy protection, regular workshops have been offered to them. Comprehensive operational procedures on personal data handling, especially for online payment processing and online membership system.

During the Reporting Period, we are not aware of any material non-compliance with laws and regulations, including the Personal Data (Privacy) Ordinance (Cap. 486), in our business operations in Hong Kong and Singapore.

All of our promotion materials including advertising and labelling, complied with Film Censorship Ordinance (Cap. 392), to avoid release of misleading information to our customers. Number of products sold subject to recalls for safety and health reasons, and description of quality assurance process and recall procedures are not available in the Report due to nature of the Group's business.

我們認真處理客戶投訴，因為這是讓我們了解客戶期望及改善營運表現的寶貴機會。所有客戶投訴均根據我們的內部機制處理，並由高級管理層定期檢討，以確保作出有效及時的回應。

於報告期間，本集團接獲8宗投訴，主要關於票務及客服方面。

保護知識產權

知識產權是我們業務資產的基礎，亦是我們及業務夥伴優質生產的持續支持。本集團嚴格遵守有關知識產權的相關法律及法規（包括但不限於《商標條例》（第559章）、《版權條例》（第528章）及《防止盜用版權條例》（第544章）），並已遵循商標註冊、合約條文及保密程序以保護我們的知識產權。

在防止盜版記錄方面，本集團已於所有電影開始放映時提醒影院內所有觀眾有關盜錄行為的法律責任。我們亦鼓勵員工匯報任何疑似個案並馬上進行跟進，以確保有關盜錄片段不予外洩。

保護資料私隱

我們將保護客戶私隱作為道德運營的重要部分。為保障客戶及會員的個人資料安全，我們已實施嚴格的數據保護措施。為不斷提高及維持員工對資料私隱保障的意識，我們定期為員工提供工作坊。全面的個人資料處理操作程序，尤其是在線支付處理及在線會員系統。

於報告期間，我們並不知悉我們在香港及新加坡的業務營運中有任何嚴重違反法律及法規的情況，包括《個人資料（私隱）條例》（第486章）。

我們所有宣傳材料（包括廣告、標籤及編號）均符合《電影檢查條例》（第392章），以避免向顧客發放誤導信息。由於本集團的業務性質，本報告並無提供已售產品因安全與健康理由而須回收的數目，以及描述質量檢定過程及產品回收程序。

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5.3 Anti-Corruption

The Group highly appreciate integrity and accountability in our business. Any risks to our business risks are closely identified and monitored by our Audit Committee and senior management, through comprehensive internal control framework, policies and operational procedures. Any bribery, extortion, fraud and money laundering are not tolerated in our business.

All employees are strongly encouraged to report suspected breaches of anti-corruption standards or other unethical behaviour anonymously to the Senior Management or other relevant departments by telephone or email, in accordance with standard operating procedures. If any suspected cases are confirmed, the Group will handle them according to the specific situation, including but not limited to dismissal of related employee and reporting to judicial institutes.

Due to the pandemic, intended anti-corruption training were not able to be carried out during the Reporting Period. Having understood anti-corruption as one of the most concerned issues among our stakeholders, the Group would explore alternative anti-corruption training to the Board and employees to ensure they understand any related laws, regulations and internal guidelines which their roles are subject to.

During the Reporting Period, we have fully complied Prevention of Bribery Ordinance (Cap. 201); there were no corruption lawsuits against the Group or its employees, and there were no violations of relevant laws and regulations that have a significant impact on the Group or our employees in both Hong Kong and Singapore.

5.4 Response to the Pandemic

To safeguard health and safety of our customers during the pandemic, we have strictly followed social distancing guidelines and rules of the regional government, and established measures and inspection guidelines to designated operating sites for frontline workers, to maintain social distancing, safety and confidence of customers, cleanliness and safety of cinemas.

For seat arrangement, the maximum number of tickets to be sold and seats to be occupied of each house have been adjusted strictly according to social distancing regulations of the local governments. Before admission to the house, all customers have their body temperature measured and are provided with hand sanitiser in all cinemas. Eating and drinking are strictly forbidden inside a house. Front counter desks are disinfected frequently to avoid spreading of viruses. According to regulations from the government, some cinemas have been temporary closed.

During the Reporting Period, the Group has fully complied with Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) in Hong Kong.

5.3 反貪污

本集團高度重視我們業務的誠信及問責性。我們的審核委員會及高級管理層透過全面的內部監控框架、政策及營運程序密切識別及監控我們業務風險的任何風險。我們的業務不容忍任何賄賂、勒索、欺詐及洗黑錢。

我們強烈鼓勵所有員工根據標準操作程序通過電話或電郵向高級管理層或其他相關部門匿名舉報涉嫌違反反貪污標準或其他不道德行為。如發現任何可疑案件，本集團將根據具體情況進行處理，包括但不限於解僱相關員工及向司法機關舉報。

基於疫情，原本擬提供的反貪污培訓未能於報告期間進行。了解到反貪污為最受持份者關注之其中一個課題，本集團將與董事會及僱員給予其他反貪污培訓，以確保彼等了解其職務須遵守的任何相關法律、法規及內部指引。

於報告期間，我們已全面遵守《防止賄賂條例》(第201章)，且概無針對本集團或其僱員的貪污訴訟，亦無違反本集團或我們於香港及新加坡的僱員有重大影響的相關法律及法規。

5.4 應對疫情

為保障顧客於疫情期間的健康與安全，我們嚴格遵守地區政府的社交距離指引及規則，並為前線工人的指定營運地點制定措施及檢查指引，以保持社交距離、顧客的安全及信心、戲院的清潔及安全。

就座位安排而言，各間影院售出的最高戲票及入住的座位數目已根據各地政府的社交距離規例作出嚴格調整。進入影院前，所有客戶均測量體溫，並在所有影廳提供洗手液。嚴禁在影廳內飲食。前台櫃位經常進行消毒，避免病毒的傳播。根據政府法規，部分電影院已暫時關閉。

於報告期間，本集團已全面遵守香港的《預防及控制疾病(規定及指示)(業務及處所)規例》(第559F章)。

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6. FRIENDLY WORKING ENVIRONMENT

The Group treats our employees as our valuable assets. We are eager to construct a quality working environment of which demonstrates business ethics, diversity and safety, to attract and retain talents, by providing employee development, improving employment conditions and maintaining workplace standards to all of our employees.

6.1 Performance Overview

The Group's employee overview of during the Reporting Period is as following:

FY2021

		No. of Employees 僱員人數	No. of Resigned 已辭職人數	Turnover Rate ¹ 流失率 ¹
By Gender 按性別劃分	Male 男	291	272	93.47%
	Female 女	298	306	102.68%
By Employment Type 按受聘類別劃分	Full-time 全職	242	112	46.28%
	Part-time 兼職	347	466	134.29%
By Age Group 按年齡界別劃分	29 years old or under 29歲或以下	334	463	138.62%
	30-39 years old 30至39歲	126	70	55.56%
	40-49 years old 40至49歲	71	24	33.80%
	50 years old or above 50歲或以上	58	21	36.21%
By Geographical region 按地理區域劃分	Hong Kong 香港	218	208	95.41%
	Singapore 新加坡	371	370	99.73%
Total 總計		589	578	98.13%

¹ Turnover rate of each category is calculated by dividing the number of resigned in specific category by the number of employees in specific category, then times 100%.

During the Reporting Period, operations in Hong Kong have also recruited 4 university student interns, who were all female under age of 29. They have all completed their internship within the Reporting Period.

6. 友善工作環境

本集團視員工為我們的寶貴資產。我們渴望透過為所有僱員提供僱員發展、改善僱傭條件及維持工作場所標準，建立一個展示商業道德、多元化及安全的優質工作環境，以吸引及挽留人才。

6.1 表現概覽

於報告期間內本集團僱員之概覽如下：

二零二一財年

		No. of Employees 僱員人數	No. of Resigned 已辭職人數	Turnover Rate ¹ 流失率 ¹
By Gender 按性別劃分	Male 男	291	272	93.47%
	Female 女	298	306	102.68%
By Employment Type 按受聘類別劃分	Full-time 全職	242	112	46.28%
	Part-time 兼職	347	466	134.29%
By Age Group 按年齡界別劃分	29 years old or under 29歲或以下	334	463	138.62%
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	40-49 years old 40至49歲	71	24	33.80%
	50 years old or above 50歲或以上	58	21	36.21%
By Geographical region 按地理區域劃分	Hong Kong 香港	218	208	95.41%
	Singapore 新加坡	371	370	99.73%
Total 總計		589	578	98.13%

¹ 各類別之流失率乃以特定類別已辭職人數除特定類別僱員數目再乘100%計算

於報告期間，香港業務亦招聘4名大學生擔任實習生，全部為29歲以下女性。彼等均已於報告期間內完成實習。

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6.2 Health, Safety and Wellness

Health, safety and wellness of our staff and visitors are undoubtedly the first priority in during our operation. Having identified fire as the highest risk in cinema, we have adopted the most stringent safety management to protect our staff, visitors and customers. We conduct regular inspection on our fire extinguishing equipment, prepared emergency preparedness plan, designed efficient reporting channels and evacuation routes, conducted regular trainings and drills to ensure frontline staff are familiar with the emergency responses.

To clearly identify hazards at workplace, raise employee' awareness on related risks and suggest ways to reduce risks, occupational health and safety has been incorporated into operational guidelines and are well-communicated with all staff. Regular inspections at workplace and premises are conducted to guarantee safety measures are effectively carried out and identify new potential occupational risks.

The Group values employees' wellbeing and happiness as a basis to sustain our service excellence.

To promote sense of belonging and satisfaction of employees, the Group has promoted work-life balance corporate culture, and constructed an inclusive and harmonious working environment.

During the Reporting Period, no workplace fatalities were recorded, so as FY2019 and FY2020. There were 12 work-related injury contributing to 31 related lost days of work, making rate of injuries over all employees to 2%. The injuries were mainly about cuts, slip and falls and sprains.

There was another case happened in 2019, when a male driver involved in an traffic accident while the case is still under legal proceedings. We strictly comply with relevant laws and regulations in Hong Kong and Singapore relating to providing a safe working environment and protecting employees from occupational hazards, including Occupational Safety and Health Ordinance (Cap. 509) and Places of Public Entertainment Regulations (Cap. 172) in Hong Kong and this demonstrates our commitment of workplace safety by elimination of safety risks.

6.2 健康、安全及福祉

員工及訪客的健康、安全及福祉無疑是我們營運過程中的首要任務。我們將火災識別為影院的最高風險，並採取最嚴格的安全管理，以保護我們的員工、訪客及客戶。我們定期檢查滅火設備、制定應急準備計劃、設計有效的報告渠道及疏散路線、進行定期培訓及演習，以確保前線員工熟悉應急措施。

為明確識別工作場所的危害、提高僱員對相關風險的意識及建議降低風險的方法，職業健康與安全已納入營運指引並與全體員工進行充分溝通。我們定期對工作場所及場所進行檢查，以確保安全措施得到有效執行，並識別新的潛在職業風險。

本集團視僱員的福祉及幸福為維持卓越服務的基礎。

為提升員工歸屬感及滿意度，本集團提倡工作與生活平衡的企業文化，構建包容和諧的工作環境。

於報告期間，我們並無錄得因工死亡個案，於二零一九財年及二零二零財年亦如是。共有12宗工傷，導致損失31個相關工作日，全員工傷率為2%。受傷主要有關割傷、滑倒、跌倒及扭傷。

於二零一九年曾發生另一宗案件，當時一名男司機涉及一宗交通意外，個案的法律訴訟仍在進行中。我們嚴格遵守香港及新加坡有關提供安全工作環境及保障僱員避免職業性危害的相關法律及法規，包括遵守香港的《職業安全及健康條例》(第509章)及《公眾娛樂場所規例》(第172章)。這證明我們透過消除安全風險對工作場所安全的承諾。

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6.3 Employment Practices and Labour Standards

The Group endeavours to construct our culture with diversity, fairness and respect. We embrace diversity and inclusiveness in building our team for that would foster our responses to our extensive customers' expectations and needs. We recruit our team members in a fair and transparent manner where candidates are considered based on their education qualifications, abilities, attitude, knowledge, experience and performance. Their performances are reviewed and evaluated regularly with standard mechanism for offering of discretionary bonus. We have offered unbiased and competitive remuneration packages, and fringe benefits which include medical insurance and contributions to retirement scheme, to our passionate talents. All employees are given equal opportunity in recruitment, transfer, promotion, performance appraisal, training, benefits and compensation. Any forms of discrimination or harassment against sex, sexual orientation, age, colour, nationality, disability, religion, pregnancy, political inclination, union membership or socio-economic status are prohibited.

Child labour and any forms of forced labour, including slavery, debt-induced labour and coercion in the workplace, are strictly forbidden in our zero-tolerance policy. During recruitment process and upon employment, Human Resources Department has carefully examined identification documents of all qualified candidates, to ensure they must have reached the statutory required age and have been in possession of valid identification documents. If any suspected case of child or forced labour is discovered, they will be reported to Human Resource Department directly and forced labour will be dismissed from their position while securing their personal safety. Relevant staff may be detained and dismissed depends on the situation.

Individual employee may enter their labour contracts voluntarily and may leave their position freely with proper notifications. Related policies are clearly specified in the Employee Handbook and are introduced in induction trainings.

The Group has fully complied Employment Ordinance (Cap. 57) in Hong Kong and the Employment Act in Singapore, to demonstrate our appreciation toward rights our employees, as a foundation to build mutual trust and motivate our employees. During the Reporting Period, the Group is not aware of any breach of relevant laws and regulations in Hong Kong and Singapore relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labor.

6.3 招聘慣例及勞工準則

本集團致力構建多元化、公平及尊重的文化。我們提倡多元化及包容性以建立我們的團隊，從而促進我們對廣泛客戶期望及需求的回應。我們以公平透明的方式招聘團隊成員，根據候選人的學歷、能力、態度、知識、經驗及表現考慮候選人。彼等的表現會定期檢討及評估，並設有提供酌情花紅的標準機制。我們為充滿熱誠的人才提供既無偏見又具競爭力的薪酬待遇及附帶福利，包括醫療保險及退休計劃供款。所有僱員在招聘、調職、晉升、績效考核、培訓、福利及薪酬方面均享有平等機會。我們禁止任何形式的歧視或騷擾，包括性別、性取向、年齡、膚色、國籍、殘疾、宗教、懷孕、政治傾向、工會成員或社會經濟狀況。

我們的零容忍政策嚴格禁止童工及任何形式的強制勞工，包括在工作場所的奴役、債務誘導的勞工及脅迫。於招聘過程中及受僱後，人力資源部已仔細審查所有合資格候選人的身份證明文件，以確保彼等已達到法定要求年齡及擁有有效的身份證明文件。如發現任何懷疑童工或強制勞工的情況，將直接向人力資源部門報告，並在保障人身安全的同時，解僱強制勞工。視乎情況，相關員工可能被拘留及解僱。

個別僱員可自願訂立勞動合同，並可在作出適當通知後自由離職。相關政策於員工手冊中清楚列明，並於入職培訓中引入。

本集團已全面遵守香港的《僱傭條例》(第57章)及新加坡的《僱傭法》，以表達我們對僱員權利的感謝，作為建立互信及激勵僱員的基礎。於報告期間，本集團並不知悉任何違反香港及新加坡有關薪酬及解僱、招聘及晉升、工時、假期、平等機會、多元化、反歧視、其他待遇及福利以及防止童工及強制勞工的相關法律及法規的情況。

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6.4 Development and Training

The Group understands our services would not advance without continuous talent development and release of employees' potential, we treat professional training and staff development as an essential element of employment. We have provided wide-range of training to our employees conducted by both our internal staff and external training providers. After assessing needs of our staff and the latest market trend, we have included specific professional skills and knowledge, industry-wide practices and regulations, occupational health and safety, management skills, customer services skills in the training. To encourage continuous education, we have offered education subsidies and examination leaves are to our staff.

To guarantee our services and food are up to quality, we have offered induction training regarding operational procedures and customer service skills to all frontline staff. For general trainings, all of our new staff have received an orientation when they started their work. All staff serving in food and beverages related positions are required to attend courses on food handling and food hygiene, which are organised by Integrated Vocational Education Centre in Hong Kong and National Environment Agency in Singapore before formal on-boarding, to raise their awareness of food hygiene related risks, maintain up-to-standard food preparation procedures, as well as ensure food safety and quality.

FY2021

		No. of trained employees 已接受培訓僱員數目	Proportion ^{1,2} 比例 ^{1,2}	Average training hours 平均培訓時數
By gender 按性別劃分	Male 男	335	52.59%	81.49
	Female 女	302	47.41%	89.00
By position 按職位劃分	General employees 一般僱員	594	93.25%	80.93
	Middle management 中層管理人員	34	5.34%	176.74
	Senior management 高層管理人員	9	1.41%	10.56
Total 總計		637	108.15%	85.05

^{1.} Proportion of employees trained in specified category = Employees who took part in training in the specified category / Employees who took part in training × 100%

^{2.} Proportion of total employees trained = Employees who took part in training / Total employees × 100%

6.4 發展及培訓

本集團明白，若沒有持續的人才發展及僱員潛能的釋放，我們將專業培訓及員工發展視為僱傭的重要元素。我們為僱員提供由內部員工及外部培訓供應商進行的廣泛培訓。經評估員工需求及最新市場趨勢後，我們已將特定專業技能及知識、行業慣例及法規、職業健康與安全、管理技能、客戶服務技能納入培訓。為鼓勵持續進修，我們為員工提供教育津貼及考試假期。

為確保我們的服務及食物質素，所有前線員工已獲提供有關營運程序及客戶服務技巧的入職培訓。就一般培訓而言，我們所有新員工於履新前已接受入職簡介。所有從事餐飲相關職位的員工均須參加由香港綜合職業教育中心及新加坡國家環境局於正式入職前舉辦的有關食品處理及食品衛生的課程，以提高彼等對食品衛生相關風險的意識、維持符合標準的食品製備程序以及確保食品安全及質量。

二零二一財年

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7 RESPONSIBLE EARTH STEWARDSHIP

Although the Group's business does not demand heavily on natural resources due to nature of our business, we adhere to principles of sustainability in our daily operation, to minimise burden of our business on the environment while fulfilling our corporate responsibility as a steward of the earth.

Through incorporation of environmental considerations in our operations, we hope to improve energy efficiency, process efficiency and reduce waste generation, then further optimize our resource utilization and reduce wastage.

The environmental KPIs covered in the Report includes the operations in Hong Kong and Singapore only. As we operate in leased premises, property management companies take in charge of the supply and discharge of water, air-conditioning and waste collection with the absence of sub-metering or record for individual occupants. For this reason, the scope to be covered in future reports may be adjusted. The Group continues to explore means to improve its data collection process.

The Group is not aware of any environmental laws and regulations that may pose a significant impact on the Group's operations and there is no issue in sourcing water in the Group's operations during the Reporting Period.

7.1 Emission Control

Greenhouse gas emissions

During the Reporting Period, indirect GHG emission (Scope 2) has made up the largest proportion of the Group's total GHG emission. The major source of Scope 2 emission is primarily contributed by consumption of purchased electricity supporting daily operation. While the rest of the calculated emission is contributed by direct GHG emission (Scope 1) which is generated from the combustion of fossil fuel in vehicles.

7 肩負環保責任的管理

儘管本集團的業務性質對天然資源的需求不大，但我們在日常營運中堅守可持續發展原則，在履行我們作為地球管家的企業責任的同時，盡量減少業務對環境的負擔。

我們希望藉著在營運中納入環境考慮因素，提高能源效率、加工效率及減少廢棄物產生，從而進一步優化資源利用及減少浪費。

本報告所涵蓋的環境關鍵績效指標僅包括香港及新加坡的業務。由於我們於租賃物業營運，物業管理公司負責供水及排水、空調及廢物收集，而個別租戶並無分計量或記錄。因此，未來報告所涵蓋的範圍可能會有所調整。本集團繼續探索改善其數據收集流程的方法。

於報告期間，本集團並不知悉任何可能對本集團營運造成重大影響的環境法律及法規，且於本集團營運中並無有關求取水源的問題。

7.1 排放管控

溫室氣體排放

於報告期間，間接溫室氣體排放(範圍2)佔本集團溫室氣體排放總量的最大部分。範圍2排放的主要來源為支援日常營運的外購電力消耗。其餘計算得出的排放量來自車輛化石燃料燃燒產生的直接溫室氣體排放(範圍1)。

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Greenhouse gas emissions of the Group's operation during the Reporting period are listed in following table:

本集團營運於報告期間的溫室氣體排放情況列於下表：

Greenhouse gas emissions 溫室氣體排放	Unit 單位	Hong Kong 香港				Singapore 新加坡				Total 合計 2021 二零二一年
		2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年	
Direct GHG emissions — Scope 1 ¹ 直接溫室氣體排放 — 範圍1 ¹	tCO ₂ e 噸二氧化碳當量	0.195	11	14	22	-	N/A 不適用	-	-	0.195
Indirect GHG emissions — Scope 2 ² 間接溫室氣體排放 — 範圍2 ²	tCO ₂ e 噸二氧化碳當量	1,063	930	1,436	1,417	3,501	3,006	4,284	4,001	4,564
Total GHG emissions 溫室氣體排放總量	tCO ₂ e 噸二氧化碳當量	1,063	941	1,450	1,439	3,501	3,006	4,284	4,001	4,564
Intensity ³ 密度 ³	tCO ₂ e/m ² 噸二氧化碳當量/ 平方米	0.053	0.06	0.07	0.08	0.067	0.06	0.08	0.08	0.063

1. Scope 1: Direct GHG emission covers only the emission from mobile combustion of our fleet, of which none of the vehicles had operated during the Reporting Year. The Group does not have data for, nor operational control over, the consumption and selection of refrigerants used in air conditioning, and therefore emissions from refrigerants are not included.

1. 範圍1：直接溫室氣體排放僅涵蓋我們車隊（車隊於報告期間概無駕駛任何汽車）的流動燃燒排放。本集團並無有關空調製冷劑的消耗及選擇的數據，亦無操作控制，因此不包括製冷劑的排放。

2. Scope 2: Energy indirect GHG emissions are caused by the use of purchased electricity. The calculation is based on the published emission factors of sustainability reports of our utility providers — CLP (2020) and Hong Kong Electric (2020) in Hong Kong and the electricity grid emission factors in 2020 of Energy Market Authority in Singapore.

2. 範圍2：能源間接溫室氣體排放是由使用購買的電力所引致。根據本地公用事業供應商——中電（二零二零年）及港燈（二零二零年）公佈的可持續發展報告的排放係數及新加坡能源市場管理局的二零二零年電網排放係數計算。

3. Intensity values are calculated by dividing emissions by the gross floor area ("GFA") in square metres of premises in Hong Kong and Singapore. In FY2021, the total GFA in Hong Kong is 20,013.7 m² and 52,576.3 m² in Singapore.

3. 密度值以排放量除香港及新加坡物業之樓面面積（「樓面面積」）（以平方米為單位）計算。於二零二一財年，香港及新加坡之總樓面面積分別為20,013.7平方米及52,576.3平方米。

In FY2021, we have released 16% more GHG emission than FY2020, mainly contributed by the 3 newly opened cinemas in Hong Kong, and the gradually resuming business activities in Singapore. The Group understands the importance of reducing GHG emission and has started internal discussions on how to set practical and meaningful targets. It is believed that after the epidemic, we will be able to devote more energy to setting emission reduction targets, and we will make more in-depth disclosures at that time.

於二零二一年財年，我們較二零二零財年釋出多16%的溫室氣體排放，主要由於在香港新開設3家電影院及新加坡逐漸恢復業務活動所致。本集團明白減少溫室氣體排放的重要性，並已就如何設定實際及有意義的目標展開內部討論。我們相信，我們於疫情過後將能夠投入更多精力制定減排目標，屆時我們將作出更深入的披露。

For specific measures regarding use of energy, please refer to further descriptions in section "Resource Management" of the Report.

有關能源使用的具體措施，請參閱本報告「資源管理」一節的進一步描述。

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Air emissions

The three major air pollutants disclosed in the Report include nitrogen oxides (“NOx”), sulphur oxides (“SOx”) and particulate matter (“PM”), which are contributed by burning of diesel and unleaded petrol from vehicles for operations in Hong Kong.

The Group has implemented measures to minimise air emissions from transportation, including regular inspection and maintenance company-owned vehicles and selection of energy efficient vehicles. The Group advocates green travelling, by actively encouraging staff to travel on public transport, suggesting staff to travel in group on company vehicles, and design their travelling routes sensibly to avoid unnecessary journey.

To refrain air emissions from delivery and storage of movies, we have introduced electronic delivery of movies, which reduce the reliance on vehicle transportation and hence significantly phase down emission level. It also provides more time-responsive service and wider range of options to customers.

During the Reporting period, vehicles owned by the Group had not been operated, hence there was no air emissions recorded.

氣體排放

本報告所披露的三種主要空氣污染物包括氮氧化物(「氮氧化物」)、硫氧化物(「硫氧化物」)及懸浮粒子(「懸浮粒子」)，乃由於在香港營運的車輛燃燒柴油及無鉛汽油所致。

本集團已採取措施盡量減少運輸產生的廢氣排放，包括定期檢查及保養公司擁有的車輛及選擇節能車輛。本集團倡導綠色出行，積極鼓勵員工乘坐公共交通工具出行，建議員工集體乘坐公司車輛出行，合理設計出行路線，避免不必要的出行。

為避免交付及儲存電影所產生的廢氣排放，我們已引入電子交付電影，減少對汽車運輸的依賴，從而大幅降低排放水平。其亦為客戶提供更及時的服務及更廣泛的選擇。

於報告期間，本集團所擁有汽車並無獲駕駛，故並無廢氣排放記錄。

Air emissions ¹ 廢氣排放 ¹	Unit 單位	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年
		Hong Kong 香港			
Nitrogen oxides 氮氧化物	g 克	—	20,116	20,261	19,651
Sulphur oxides 硫氧化物	g 克	—	62	82	126
Particulate matter 顆粒物	g 克	—	1,854	1,904	1,772

It is believed that after the epidemic, we will be able to devote more energy to setting emission reduction targets, and we will make more in-depth disclosures at that time.

我們相信，我們於疫情過後將能夠投入更多精力制定減排目標，屆時我們將作出更深入的披露。

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Waste Management

General waste

Considering the approach of municipal solid waste charging scheme would demand additional costs to the Group's operation, we are actively finding methods to estimate the rate of waste generation, reduce the amount of waste and facilitate recycling rate. Nonetheless, the fact that property management companies who have control over daily waste collection of our business has made us difficult to quantify of our waste generation. We have approached waste contractors repeatedly to explore alternative handling on waste, as well as to review the amount of waste generated. On the other hand, the waste left behind by our customers after consuming brought-in food has made up the largest proportion of the waste in cinemas and yet not likely to be controlled by our policies.

Hazardous waste

To further circulate resources and convert waste into valuable resources, we have appointed a qualified waste collector to collect and recycle used cooking oil from the sky cinema and Joō de Rolls Café in Hong Kong (No other operations generate used cooking oil in Hong Kong) collected, filtered, then exported to foreign biodiesel firms for bio-refinery and reproduction into biofuels. In FY2021, recycling amount has dropped in comparison to FY2019 and 2020, due to the suspension of business under the Prevention and Control of Disease Regulation. It is believed that after the epidemic, we will be able to devote more energy to setting waste generation targets and we will make more indepth disclosures at that time.

The amount of used cooking oil recycled in Hong Kong are listed in following table:

	Unit 單位	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年
Hong Kong 香港					
Used cooking oil recycled 所回收已使用食用油	tonne 噸	0.258	0.515	1.067	0.886
Intensity ¹ 密度 ¹	tonne/m ² 噸/平方米	0.0000129	N/A 不適用	N/A 不適用	N/A 不適用

¹ Intensity values are calculated by dividing amount of waste by the gross floor area ("GFA") in square metres of premises in Hong Kong and Singapore. In FY2021, the total GFA in Hong Kong is 20,013.7 m².

廢棄物管理

一般廢棄物

考慮到城市生活垃圾收費計劃的方法會對本集團的營運產生額外成本，我們正積極尋找方法估計廢棄物產生率、減少廢棄物數量及促進回收率。然而，控制我們業務的日常廢物收集的物業管理公司使我們難以量化所產生的廢物。我們已多次接觸廢物承辦商，探索廢物的替代處理方法，並審查所產生的廢物量。另一方面，顧客在消費食物後留下的廢棄物佔電影院廢棄物的最大部分，但我們的政策尚未能控制。

有害廢棄物

為進一步循環再用資源及將廢物轉化為有價值的資源，我們已委任合資格廢物收集商收集及回收香港the sky電影院及Joō de Rolls Café的已使用食用油（香港並無其他業務產生已使用的食用油），其經收集、過濾後將出口至外國生物燃料公司以進行生物提煉及重新製作為生物燃料。於二零二一財年，回收量較二零一九財年及二零二零財年有所減少，乃由於在《預防及控制疾病規例》下暫停業務所致。我們相信，我們於疫情過後將能夠投入更多精力制定產生廢棄物目標，屆時我們將作出更深入的披露。

香港的已使用的食用油回收量如下表所示：

¹ 密度值以香港及新加坡物業之廢棄物數量除樓面面積（「樓面面積」）（以平方米為單位）計算。於二零二一財年，香港之總樓面面積為20,013.7平方米。

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7.2 Resource Management

To promote responsible consumption and reduce environmental impacts of our business, the Group has adopted multilateral initiatives in our operations, by encouraging behavioural changes through educating customers and staff, use of environmentally-friendly devices, modification of operation and services. We have adopted the 3Rs (Reduce, Reuse and Recycle) principles in our operations, to optimize resource use, eliminate wastage and facilitate circulation of resources.

Operational guidelines are formulated and distributed to all staff to raise their environmental awareness over daily operation of businesses. Green policies are adopted in operations on resources saving and material recycling, to foster behavioural changes of employees and customers. For instance, customers are encouraged to bring their own pair of 3D glasses or reuse the new pair, instead of disposing it after the film.

In order to review energy and water performances, the Group has regularly measured and recorded relevant usage, identified room to optimise resource consumption, reviewed operation models, and sought ways to enhance operational efficiency.

The Report further describes level of resource usage and adopted measures on energy, water and paper use in details.

Energy consumption

The Group has adopted measures to enhance energy efficiency, maintain performance of electrical appliances and avoid unnecessary consumption of energy. For air-conditioning system, they are maintained with an optimal temperature, humidity and air quality by frequent inspections. Energy efficient equipment are purchased, including LED light tubes and laser projectors. Lighting and electrical appliances at office are switched off when they idling, to cut unnecessary consumption. Regular training workshops are organised for staff to raise awareness on energy saving.

7.2 資源管理

為推廣負責任消費及減少業務對環境的影響，本集團在營運中採取多邊倡議，透過教育客戶及員工、使用環保設備、修改營運及服務鼓勵改變行為。我們在營運中採用3R(減少使用、物盡其用及循環再造)原則，以優化資源使用、杜絕浪費及促進資源流通。

本集團已制定營運指引並派發予所有員工，以提高彼等對日常業務營運的環保意識。我們於營運中採納有關節約資源及材料回收的綠色政策，以促進僱員及客戶的行為改變。例如，我們鼓勵客戶自備3D眼鏡或重用新眼鏡，而非在觀看電影後棄置。

為檢討能源及用水表現，本集團定期計量及記錄相關用量，識別優化資源消耗的空間，檢討營運模式，並尋求提升營運效率的方法。

本報告進一步描述資源使用水平，並採取了詳細的能源、水及紙張使用措施。

能源消耗

本集團已採取措施提高能源效率、維持電器性能及避免不必要的能源消耗。就空調系統而言，通過頻繁檢查，其保持最佳溫度、濕度及空氣質量。採購節能設備，包括LED光管及激光投影機。辦公室閒置時關閉照明及電器，以減少不必要的消耗。我們定期為員工舉辦培訓工作坊，以提高節能意識。

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Energy consumption from direct and indirect energy use of the Group's operations during the Reporting period are listed in following table:

於報告期間，本集團營運直接及間接能源使用的能源消耗載列於下表：

Unit 單位	Hong Kong 香港				Singapore 新加坡				Total 總計 2021 二零二一年	
	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年		
Direct Energy Use 直接能源使用										
Unleaded petrol 無鉛汽油	L 公升	-	2,249	-	-	-	-	-	-	
Diesel 柴油	L 公升	-	1,785	-	-	-	-	-	-	
Indirect Energy Use 間接能源使用										
Electricity ¹ 電力 ¹	kWh 千瓦時	2,651,110	1,795,667	2,803,999	2,715,980	8,581,931	7,357,539	10,228,457	9,543,782	11,233,041
Total energy consumption 總能源消耗	kWh 千瓦時	2,651,110	6,464	-	-	8,581,931	26,487	-	-	11,233,041
Energy consumption intensity ² 能源消耗密度 ²	kWh/m ² 千瓦時/平方米	132.47	108	140	152	163.23	140	194	188	154.75

1. Data of 3 newly opened cinemas in Hong Kong (GH Galaxy, GH MegaBox and GH TaiPo) were included only after May, July and October 2021 respectively; Café in Hong Kong was closed after October, 2021; data of cinema GV Katong in Singapore was not available.

2. Intensity values are calculated by dividing emissions by the gross floor area ("GFA") in square metres of premises in Hong Kong and Singapore. In FY2021, the total GFA in Hong Kong is 20,013.7 m² and 52,576.3 m² in Singapore.

1. 香港3間新開張戲院(嘉禾銀河廣場、嘉禾MegaBox及嘉禾大埔)的數據僅分別於二零二一年五月、七月及十月後才包括在內；香港餐廳已於二零二一年十月後關閉；新加坡GV Katong戲院之數據未有提供。

2. 密度值以香港及新加坡物業之排放量除樓面面積(「樓面面積」)(以平方米為單位)計算。於二零二一財年，香港及新加坡之總樓面面積分別為20,013.7平方米及52,576.3平方米。

Energy consumption recorded during the Reporting Period was 23% higher than that in FY2020, mainly due to gradual resumption of business in Singapore and new cinemas opened in Hong Kong.

It is believed that after the epidemic, we will be able to devote more energy to setting energy reduction targets, and we will make more indepth disclosures at that time.

Water consumption

The Group has adopted measures to reduce water leakage and enhance water efficiency. Faucets are inspected regularly to check for dripping and leakage; any defect will be reported and repaired shortly. Labels and posters are pasted in toilets and office pantries to encourage employees and patrons to use less water.

於報告期間錄得的能源消耗較二零二零財年高23%，主要由於新加坡業務逐漸恢復及於香港新開設新戲院所致。

我們相信，我們於疫情過後將能夠投入更多精力制定節能目標，屆時我們將作出更深入的披露。

耗水

本集團已採取措施減少漏水並提高用水效率。定期檢查水龍頭是否滴水及漏水；任何缺陷將於短期內報告及維修。在洗手間及辦公室茶水間張貼標籤及海報，鼓勵僱員及顧客減少用水。

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In the Report, water consumption data of Hong Kong covers 8 cinemas (GH Whampoa, the sky, GH Fanling, StagE, GH V Walk, GH Galaxy, GH MegaBox and GH TaiPo) whereas that in operations of Singapore are fully covered except GV Katong. Since most operating sites in Hong Kong are located in leased premises with the supply and discharge of water controlled by property management, there is an absent of sub-metering or record for individual occupants. It is believed that after the epidemic, we will be able to devote more energy to setting water consumption reduction targets, and we will make more indepth disclosures at that time.

Measured water consumed of the Group's operations during the Reporting period are listed in following table:

Unit 單位	Hong Kong 香港				Singapore 新加坡				Total 總計 2021	
	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年	2021 二零二一年	2020 二零二零年	2019 二零一九年	2018 二零一八年		
Water consumption ¹ 耗水量 ¹	m ³ 立方米	1,151	1,340	1,927	2,042	19,838	14,017	31,985	38,259	20,989
Intensity ² 密度 ²	m ³ /m ² 立方米/平方米	0.06	0.11	0.10	0.11	0.38	0.27	0.61	0.75	0.29

1. Water consumption data covered 8 cinemas in Hong Kong (GH Whampoa, the sky, GH Fanling, StagE, GH V Walk, GH Galaxy, GH MegaBox and GH TaiPo), and all sites in Singapore except GV Katong. The rest were not included as water bills were included in rent and submetering was not available. Three newly opened cinemas in Hong Kong (GH Galaxy, GH MegaBox and GH TaiPo) were included only after May, July and October 2021 respectively; data of cinema GV Katong in Singapore was not available.

2. Intensity values are calculated by dividing water consumption by the gross floor area ("GFA") in square metres of premises in Hong Kong and Singapore. In FY2021, the total GFA in Hong Kong is 20,013.7 m² and 52,576.3 m² in Singapore.

Water consumption recorded during the Reporting Period is 37% higher than FY2020 as business in Singapore had gradually resumed.

Paper use

The Group has actively engaged in paper-less platform for spreading of information and providing services. For internal information circulation, staff are encouraged to use e-platform to give out real-time notices. Office staff are also encouraged to adopt double-sided printing and use recycled paper for documentation. For external communication, online advertising platforms are used for promotion in replace of paper posters, to extend our reach to wider audience. We have also developed mobile application to encourage e-payment and mobile ticketing, providing a paper-less service alternative to customers.

在本報告中，香港的耗水量數據涵蓋8間戲院(嘉禾黃埔、the sky、嘉禾粉嶺、StagE、嘉禾V Walk、嘉禾銀河廣場、嘉禾MegaBox及嘉禾大埔)，而新加坡業務的耗水量數據則全面涵蓋(GV Katong除外)。由於香港大部分營運地點位於租賃物業，供水及排水由物業管理控制，故個別租戶並無分計量或記錄。我們相信，我們於疫情過後將能夠投入更多精力制定減少耗水目標，屆時我們將作出更深入的披露。

於報告期間，本集團營運的已計量耗水量載列於下表：

1. 耗水量數據涵蓋香港8間電影院(嘉禾黃埔、the sky、嘉禾粉嶺、StagE、嘉禾V Walk、嘉禾銀河廣場、嘉禾MegaBox及嘉禾大埔)及新加坡全線地點(GV Katong除外)。並無計入餘下地點乃由於水費已計入租金內，而分水錶之數據則未有提供。香港3間新開張戲院(嘉禾銀河廣場、嘉禾MegaBox及嘉禾大埔)的數據僅分別於二零二一年五月、七月及十月後才計入，而新加坡GV Katong戲院的數據則未有提供。

2. 密度值以香港及新加坡物業之耗水量除樓面面積(「樓面面積」)(以平方米為單位)計算。於二零二一財年，香港及新加坡之總樓面面積分別為20,013.7平方米及52,576.3平方米。

於報告期間錄得的耗水量較二零二零財年高37%，主要由於新加坡業務已逐漸恢復所致。

用紙

本集團積極參與無紙化平台以傳播資訊及提供服務。在內部信息傳遞方面，鼓勵員工使用電子平台發出實時通知。我們亦鼓勵辦公室員工採用雙面打印及使用再造紙作為文件記錄。就外部溝通而言，我們使用網上廣告平台進行推廣，以取代紙質海報，擴大我們的受眾範圍。我們亦已開發手機應用程式以鼓勵電子支付及手機票務，為客戶提供無紙化服務選擇。

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Food packaging materials used in cinemas during the Reporting Period was regarded trivial due to the temporary closure of cinemas; the amount was not disclosed in this report. The Group may consider relevant disclosure when we resume our operations.

由於戲院暫時關閉，於報告期間戲院內所使用之食物包裝物料被視為微不足道，故其數量並未於本報告披露。本集團或會考慮待恢復營運時作出相關披露。

7.3 Natural Resources — use of plastic

In the light of the irreversible impacts of plastic pollution to both the land and ocean, the Group has phased down the use of plastic in our single-use products. For our food and beverage business, we have purchased biodegradable cutlery as alternatives to replace plastic. Plastic straws are no longer available at our café, while paper straws are only provided upon request; wooden utensils are given to customers instead of the plastic. To reduce disposal of 3D glasses which are made with plastic, we encourage customers to bring their own pair of glasses, or receive a new pair then reuse it.

7.3 天然資源 — 塑膠使用

鑑於塑料污染對土地及海洋的不可逆轉影響，本集團已逐步減少一次性產品中的塑料使用。就我們的餐飲業務而言，我們已購買可生物降解餐具作為替代塑料。我們的餐廳不再提供塑膠飲管，而僅按要求提供紙吸管；我們向客戶提供木製餐具而非塑料。為減少塑膠使用製成的3D眼鏡的流失，我們鼓勵客戶自備眼鏡，或索取新眼鏡並重用。

7.4 Climate Change

Though the Group's business is not highly prone to changing climate because of our business nature, we understand there are climate change-related risks which may hinder workers' safety and stability our operations. We have identified the following climate-related risks and our respective responses as followed:

7.4 氣候變化

儘管本集團的業務因我們的業務性質而不易受到不斷變化的氣候的影響，但我們明白存在與氣候變化相關的風險，可能會妨礙工人的安全及我們營運的穩定性。我們已識別以下氣候相關風險及我們的應對措施：

Climate-related risks 氣候相關風險

Our responses 我們的回應

Under extreme weather conditions (such as rainstorm and typhoon), employees are not able to commute to work

在極端天氣狀況(如暴雨及颱風)下，僱員無法外出上班

Design contingency plans for each operation site for extreme weather events to safeguard safety of all employees

為各營運地點設計極端天氣事件應急方案，保障所有僱員的安全

Facilities at operating sites can be damaged during extreme weather conditions

在極端天氣狀況下，營運地點的設施可能受損

Carry out precautionary measures at operating sites before Tropical Cyclone Warning Signals are in force to prevent facilities damage and eliminate safety risks to staff

於熱帶氣旋警告信號生效前在營運地點採取預防措施，以防止設施損壞及消除員工的安全風險

8 COMMUNITY INVESTMENT

It is our vision to share joy and entertainment to those who are less privileged in our society, to demonstrate social inclusion and answer the needs of our community. Through collaborating with our charitable organization partners, we identify the needs of our communities, and consider their interests alongside running of our businesses. We have planned to collaborate with different charitable organization for charity movie screening, fundraising and charity sales particularly for underprivileged children, low-income families, the elderly and film schools. However, to due the pandemic, we have suspended our shows and events during the Reporting Period.

8 社區投資

我們的願景是向社會上弱勢社群分享歡樂及提供娛樂，展示社會共融及回應社區的需要。透過與我們的慈善團體夥伴合作，我們識別到我們社區的需要，並於營運業務同時亦考慮到其權益。我們已計劃與不同慈善組織合作，為貧困兒童、低收入家庭、長者及電影學院進行慈善電影放映、籌款及慈善義賣。然而，由於疫情關係，我們於報告期間暫停放映及活動。

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9 聯交所環境、社會及管治報告 指引索引

Material Aspect 重大層面	Content 內容	Section 章節
AI Emissions 排放物		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.1 Emission Control
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	7.1 排放管控
AI.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	7.1 Emission Control 7.1 排放管控
AI.2	GHG emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 直接(範圍1)及能源間接(範圍2)溫室氣體排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	7.1 Emission Control — Greenhouse gas emissions 7.1 排放管控 — 溫室氣體 排放
AI.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	7.1 Emission Control — Waste Management 7.1 排放管控 — 廢棄物 管理
AI.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	7.1 Emission Control — Waste Management 7.1 排放管控 — 廢棄物 管理
AI.5	Description of measures to mitigate emissions and results achieved. 描述所訂立的排放量目標及為達到這些目標所採取的步驟。	7.1 Emission Control 7.1 排放管控
AI.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	7.1 Emission Control — Waste Management 7.1 排放管控 — 廢棄物 管理

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Material Aspect 重大層面	Content 內容	Section 章節
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	7.2 Resource Management 7.2 資源管理
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	7.2 Resource Management — Energy consumption 7.2 資源管理 — 能源消耗
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	7.2 Resource Management — Water consumption 7.2 資源管理 — 耗水
A2.3	Description of energy use efficiency initiatives and results achieved. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	7.2 Resource Management 7.2 資源管理
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題, 以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	7.2 Resource Management — Water consumption 7.2 資源管理 — 耗水
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	7.2 Resource Management 7.2 資源管理

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Material Aspect 重大層面	Content 內容	Section 章節
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	7.3 Natural Resources — Use of plastic 7.3 自然資源 — 塑膠使用
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	7.3 Natural Resources — Use of plastic 7.3 自然資源 — 塑膠使用
A4 Climate Change 氣候變化		
General Disclosure 一般披露	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	7.4 Climate Change 7.4 氣候變化
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	7.4 Climate Change 7.4 氣候變化
B1 Employment 僱傭及勞工常規		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	6.3 Employment Practices and Labour Standards 6.3 招聘慣例及勞工準則
B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型（如全職或兼職）、年齡組別及地區劃分的僱員總數。	6.1 Performance Overview 6.1 表現概覽
B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率。	6.1 Performance Overview 6.1 表現概覽

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Material Aspect 重大層面	Content 內容	Section 章節
B2 Health and Safety 健康與安全		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.2 Health, Safety and Wellness
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	6.2 健康、安全及福祉
B2.1	Number and rate of work-related fatalities. 過去三年(包括匯報年度)每年因工亡故的人數及比率。	6.2 Health, Safety and Wellness 6.2 健康、安全及福祉
B2.2	Lost days due to work injury. 因工傷損失工作日數。	6.2 Health, Safety and Wellness 6.2 健康、安全及福祉
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	6.2 Health, Safety and Wellness 6.2 健康、安全及福祉
B3 Development and Training 發展及培訓		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.4 Development and Training
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	6.4 發展及培訓
B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別(如高級管理層、中級管理層)劃分的受訓僱員百分比。	6.4 Development and Training 6.4 發展及培訓
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	6.4 Development and Training 6.4 發展及培訓

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Material Aspect 重大層面	Content 內容	Section 章節
B4 Labour Standards 勞工準則		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	6.3 Employment Practices and Labour Standards
一般披露	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	6.3 招聘慣例及勞工準則
B4.1	Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工。	6.3 Employment Practices and Labour Standards 6.3 招聘慣例及勞工準則
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	6.3 Employment Practices and Labour Standards 6.3 招聘慣例及勞工準則
B5 Supply Chain Management 供應鏈管理		
General Disclosure	Policies on managing environmental and social risks of the supply chain	5.1 Supply Chain Management
一般披露	管理供應鏈的環境及社會風險政策。	5.1 供應鏈管理
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	5.1 Supply Chain Management 5.1 供應鏈管理
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	5.1 Supply Chain Management 5.1 供應鏈管理
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	5.1 Supply Chain Management 5.1 供應鏈管理
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	5.1 Supply Chain Management 5.1 供應鏈管理

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Material Aspect 重大層面	Content 內容	Section 章節
B6 Product Responsibility 產品責任		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.2 Service quality and customer satisfaction
一般披露	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	5.2 服務質量及客戶滿意度
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	5.2 Service quality and customer satisfaction 5.2 服務質量及客戶滿意度
B6.2	Number of products and service-related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	5.2 Service quality and customer satisfaction — Customers' opinions and complaint 5.2 服務質量及客戶滿意度 — 客戶意見及投訴
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	5.2 Service quality and customer satisfaction — Protecting intellectual property rights 5.2 服務質量及客戶滿意度 — 保護知識產權
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	5.2 Service quality and customer satisfaction 5.2 服務質量及客戶滿意度
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	5.2 Service quality and customer satisfaction — Protection of Data Privacy 5.2 服務質量及客戶滿意度 — 資料私隱保護

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Material Aspect 重大層面	Content 內容	Section 章節
B7 Anti-corruption 反貪污		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	5.3 Anti-Corruption
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	5.3 反貪污
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	5.3 Anti-Corruption 5.3 反貪污
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	5.3 Anti-Corruption 5.3 反貪污
B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	5.3 Anti-Corruption 5.3 反貪污
B8 Community Investment 社區投資		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8 Community Investment
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	8 社區投資
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	8 Community Investment 8 社區投資
B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	8 Community Investment 8 社區投資

Report of the Directors

董事會報告書

The Directors have pleasure in presenting the report of the Directors and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company which is a leading integrated film entertainment company in the markets where the principal activities of the Group consist of worldwide film and video distribution, film exhibition and the provision of advertising and consultancy services in Hong Kong, Taiwan and Singapore and film and television programmes production in Hong Kong and Mainland China. In addition, the Group has recently expanded into the arenas of live entertainment and theatre operations and entertainment centre business. Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap. 622), including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 14 to 24 of this Annual Report. This discussion forms part of this Directors' Report.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2021 and the state of affairs of the Company and the Group as at 31 December 2021 are set out in the financial statements on pages 97 to 162.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2021.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2021 are set out in note 11 to the financial statements.

INVESTMENT PROPERTY

On 14 January 2013, Orange Sky Golden Harvest Entertainment Company Limited, an indirect wholly-owned subsidiary of the Company, announced to acquire all that 24th Floor, together with car parking spaces nos. 421, 422 & 423 on 4th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong (the "Property"). AXA Centre is subsequently renamed as the Capital Centre.

On 4 September 2019, there was an intra-group property transfer in respect of the Property happened between Orange Sky Golden Harvest Entertainment Company Limited (the "Transferor") and Golden Properties (Pacific) Limited (the "Transferee"), which both the Transferor and Transferee are indirect wholly-owned subsidiaries of the Company. During the year, the Property was owned by the Company via the wholly-owned subsidiaries.

On 7 December 2021, there was a disposal in respect of the Property happened between Golden Properties (Pacific) Limited and Power Sage Enterprises Limited (the "Purchaser"). The Purchaser is an independent third party and the completion had taken place on 29 April 2022.

Details of the Property are set out in note 11 to the financial statements on pages 129 to 134 of this annual report.

董事欣然提呈董事會報告書以及本公司及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度之經審核綜合財務報表。

主要業務及業務回顧

本公司為投資控股公司，且為市場中領先的綜合電影娛樂公司。本集團主要業務包括在香港、台灣及新加坡發行全球電影及影碟、經營影城、提供廣告及諮詢服務，以及於香港及中國內地製作電影及電視節目。此外，本集團業務近期已擴展至現場娛樂及劇院業務以及娛樂中心業務之範疇。根據《公司條例》(第622章)附表五之規定，此等業務之進一步討論及分析(包括本集團所面對主要風險及不明朗因素之討論，以及本集團業務之可能未來發展)可參閱本年報第14至24頁所載管理層討論及分析。該討論為本董事會報告書之組成部分。

業績及股息

本集團截至二零二一年十二月三十一日止年度之業績，以及本公司與本集團於二零二一年十二月三十一日之事務狀況載於第163至228頁之財務報表。

董事並不建議派付截至二零二一年十二月三十一日止年度之任何末期股息。

物業、廠房及設備

本集團物業、廠房及設備於截至二零二一年十二月三十一日止年度之變動詳情載於財務報表附註11。

投資物業

於二零一三年一月十四日，本公司之間接全資附屬公司橙天嘉禾娛樂有限公司宣佈收購香港灣仔告士打道151號國衛中心24樓全層連同4樓第421、422及423號車位(「該物業」)。國衛中心隨後更名為資本中心。

於二零一九年九月四日，橙天嘉禾娛樂有限公司(「轉讓人」)與Golden Properties (Pacific) Limited(「受讓人」)作出有關該物業之集團內部物業轉讓，轉讓方和受讓人均為本公司間接全資附屬公司。年內，該物業由本公司通過全資附屬公司持有。

於二零二一年十二月七日，Golden Properties (Pacific) Limited與Power Sage Enterprises Limited(「買方」)之間就該物業進行出售。買方為獨立第三方，有關交易已於二零二二年四月二十九日完成。

該物業的詳情載於本年報第195至200頁財務報表的附註11。

Report of the Directors

董事會報告書

BANK LOANS

Particulars of bank loans of the Group as at 31 December 2021 are set out in note 21 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR SUMMARY FINANCIAL INFORMATION

銀行貸款

本集團於二零二一年十二月三十一日之銀行貸款詳情載於財務報表附註21。

股本

本公司股本詳情載於財務報表附註25。

優先購買權

本公司之公司細則或百慕達公司法例並無關於優先購買權之規定，致使本公司須按比例向現有股東發售新股。

五年財務資料摘要

	Year ended 31 December 截至 十二月 三十一日 止年度 2021 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月 三十一日 止年度 2020 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月 三十一日 止年度 2019 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月 三十一日 止年度 2018 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月 三十一日 止年度 2017 HK\$'000 千港元 (Audited) (經審核)
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Consolidated income statement	綜合收益表					
Revenue	收益	514,901	322,646	1,060,842	1,050,972	1,006,599
Profit/(loss) before taxation	除稅前溢利/(虧損)	(331,358)	(298,441)	(4,062)	83,661	2,548,144
Income tax (expenses)/credit	所得稅(開支)/抵免	16,447	10,267	(31,054)	(31,371)	(309,831)
Profit/(loss) for the year	本年度溢利/(虧損)	(314,911)	(288,174)	(35,116)	52,290	2,238,313
Attributable to:	以下人士應佔：					
— Equity holders of the Company	— 本公司權益持有人	(314,153)	(288,171)	(35,092)	52,529	2,242,136
— Non-controlling interests	— 非控股權益	(758)	(3)	(24)	(239)	(3,823)
		(314,911)	(288,174)	(35,116)	52,290	2,238,313

Report of the Directors

董事會報告書

FIVE-YEAR SUMMARY FINANCIAL INFORMATION

五年財務資料摘要

		As at 31 December 於十二月三十一日				
		2021 二零二一年 HK\$'000 千港元 (Audited) (經審核)	2020 二零二零年 HK\$'000 千港元 (Audited) (經審核)	2019 二零一九年 HK\$'000 千港元 (Audited) (經審核)	2018 二零一八年 HK\$'000 千港元 (Audited) (經審核)	2017 二零一七年 HK\$'000 千港元 (Audited) (經審核)
Consolidated statement of financial position	綜合財務狀況表					
Right-of-use assets	使用權資產	1,691,267	1,244,322	1,481,273	–	–
Property, plant and equipment and investment property	物業、廠房及設備和投資物業	369,873	341,797	404,529	1,031,644	1,026,222
Interests in joint ventures	於合營企業之權益	56,691	103,540	133,243	145,933	142,937
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	44,413	37,363	46,704	40,058	40,509
Intangible assets	無形資產	521,675	530,756	525,397	523,079	525,625
Goodwill	商譽	573,933	633,118	661,582	656,609	658,001
Deferred tax assets	遞延稅項資產	–	–	4,824	–	–
Non-current portion of pledged bank deposits	已抵押銀行存款之非即期部分	50,000	50,000	137,000	137,000	137,000
Current assets	流動資產	1,053,152	1,213,376	1,327,603	1,491,863	2,146,475
Total assets	資產總值	4,361,004	4,154,272	4,722,155	4,026,186	4,676,769
Current liabilities	流動負債	1,477,597	482,172	792,887	647,190	784,169
Non-current portion of bank loans	銀行貸款之非即期部分	–	1,057,943	805,907	1,024,498	875,140
Non-current portion of lease liabilities	租賃負債之非即期部分	613,121	568,563	790,497	–	–
Non-current portion of deferred revenue	遞延收益之非即期部分	583,120	–	–	–	–
Deferred tax liabilities	遞延稅項負債	142,683	162,859	176,931	173,383	174,778
Total liabilities	負債總額	2,816,521	2,271,537	2,566,222	1,845,071	1,834,087
Net assets	資產淨值	1,544,483	1,882,735	2,155,933	2,181,115	2,842,682
Non-controlling interests	非控股權益	(1,377)	(597)	(559)	(545)	(331)

Report of the Directors

董事會報告書

RESERVES

Details of movements in the reserves of the Company and of the Group during the year ended 31 December 2021 are set out in note 25 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company's reserves available for cash distribution and/or distribution in specie, representing retained profits, amounted to HK\$13,380,000 (2020: HK\$15,418,000). In addition, the Company's share premium account, contributed surplus and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2020: HK\$1,059,279,000), as at 31 December 2021, may be distributed to the shareholders of the Company in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

DIRECTORS

The Directors during the year ended 31 December 2021 and up to the date of this report were:

Chairman & Executive Director

Wu Kebo

Executive Directors

Li Pei Sen
Chow Sau Fong, Fiona
Go Misaki
Peng Bolun

Independent Non-executive Directors

Leung Man Kit
Wong Sze Wing
Fung Chi Man, Henry

Pursuant to the Bye-laws of the Company, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

In accordance with clauses 87(1) and (2) of the Company's Bye-Laws, Mr. Wu Kebo, Ms. Go Misaki and Mr. Peng Bolun, Henry will retire at the forthcoming annual general meeting and all of them, being eligible, offer themselves for re-election.

儲備

本公司及本集團於截至二零二一年十二月三十一日止年度之儲備變動詳情分別載於財務報表附註25及綜合權益變動表。

可分派儲備

本公司於二零二一年十二月三十一日之可供現金分派及／或實物分派之儲備(指保留溢利)為13,380,000港元(二零二零年:15,418,000港元)。此外,本公司於二零二一年十二月三十一日之股份溢價賬、繳入盈餘及股本贖回儲備合共為1,059,279,000港元(二零二零年:1,059,279,000港元),根據百慕達一九八一年《公司法》第54條可於若干情況下向本公司股東分派。

董事

截至二零二一年十二月三十一日止年度及截至本報告日期在任董事為:

主席兼執行董事

伍克波

執行董事

李培森
鄒秀芳
Go Misaki
彭博倫

獨立非執行董事

梁民傑
黃斯穎
馮志文

根據本公司的公司細則,於每屆股東週年大會上,當時三分之一的董事(或若其人數並非三(3)之倍數,則為最接近但不少於三分之一)須輪值退任,惟每名董事須至少每三年退任一次。

根據本公司的公司細則第87(1)及(2)條,伍克波先生,Go Misaki女士及彭博倫先生將於應屆股東週年大會上退任,彼等全部均符合資格並願意重選連任。

Report of the Directors

董事會報告書

Biographical details of the Directors and the Chief Executive Officer of the Group are set out on pages 4 to 9 of this annual report.

No Director proposed for re-election at the forthcoming annual general meeting of the Company has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in the section headed "Biographical Details of Directors and Chief Executive Officer" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules for the year ended 31 December 2021.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has taken out and maintained appropriate and sufficient insurance cover in respect of potential legal actions against its Directors and officers.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year ended 31 December 2021. Neither the Company nor any of its subsidiaries has repurchase or sold any of the Company's listed securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year.

EVENT AFTER THE REPORTING PERIOD

Details of the non-adjusting event after the reporting period is set out in note 32 to the consolidated financial statements.

本集團董事及首席執行官的履歷詳情載於本年報第4至9頁。

擬於本公司應屆股東週年大會上重選連任之董事與本公司並無訂立不可由本公司於一年內毋須支付法定賠償以外賠償予以終止之服務合約。

有關董事資料之變動

除本年報「董事及首席執行官個人履歷」一節所披露者外，截至二零二一年十二月三十一日止年度，就根據上市規則第13.51(2)條第(a)至(e)及(g)段有關任何董事須予披露之任何資料概無變動。

管理合約

概無於年內訂立或存續有關本公司全部或任何大部分業務之管理及行政之合約。

獲准許彌償條文

惠及董事之獲准許彌償條文現時及於整個財政年度一直生效。本公司已就其董事及要員可能會面對的法律訴訟投購合適及充足的保險。

買賣及贖回上市證券

截至二零二一年十二月三十一日止年度，本公司並無贖回其任何上市證券。年內，本公司或其任何附屬公司概無於香港聯合交易所有限公司（「聯交所」）購回或出售本公司任何上市證券。

報告期後事項

報告期後之非調整事項的詳情載於綜合財務報表附註32。

Report of the Directors

董事會報告書

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

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Interests in shares of HK\$0.10 each in the issued share capital of the Company (the "Shares"), underlying Shares and debentures of the Company

董事及最高行政人員於股份、相關股份或債權證之權益及淡倉

於二零二一年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中，擁有本公司須根據證券及期貨條例第XV部第352條存置之登記冊所記錄，或根據上市規則所載標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司已發行股本中每股面值0.10港元股份（「股份」）、本公司之相關股份及債權證之權益

Name of Director/ Chief Executive 董事／最高行政人員 姓名	Capacity 身分	Note 附註	Number of Shares 股份數目	Number of underlying Shares 相關股份數目	Total number of Shares and underlying Shares 股份及 相關股份總數	* Approximate percentage of Shares and underlying Shares in the issued share capital of the Company *股份及相關 股份於本公司 已發行股本中 所佔概約百分比
Wu Kebo 伍克波	Interest of controlled corporations 受控法團權益	I	1,723,894,068 (L)	–	1,723,894,068 (L)	61.57%
	Beneficial owner 實益擁有人	I	274,684,429 (L)	–	274,684,429 (L)	9.81%
Li Pei Sen 李培森	Beneficial owner 實益擁有人		200,000 (L)	–	200,000 (L)	0.01%
Leung Man Kit 梁民傑	Beneficial owner 實益擁有人		370,000 (L)	–	370,000 (L)	0.01%
Wong Sze Wing 黃斯穎	Beneficial owner 實益擁有人		170,000 (L)	–	170,000 (L)	0.01%

* These percentages are computed based on the total number of Shares in issue (i.e. 2,799,669,050 Shares) as at 31 December 2021.

* 該等百分比乃根據於二零二一年十二月三十一日已發行股份總數（即2,799,669,050股股份）而計算。

Report of the Directors

董事會報告書

Note:

- I. By virtue of the SFO, Mr. Wu was deemed to be interested in a total of 1,723,894,068 Shares, of which (i) 439,791,463 Shares were held by Skyera International Limited (a company wholly-owned by Mr. Wu); (ii) 538,382,657 Shares were held by Mainway Enterprises Limited (a company wholly owned by Mr. Wu); (iii) 565,719,948 Shares were held by Orange Sky Entertainment Group (International) Holding Company Limited (a company which is 80% owned by Mr. Wu); and (iv) 180,000,000 Shares were held by Cyber International Limited (a company owned by an associate of Mr. Wu).

In addition, Mr. Wu was interested in 274,684,429 Shares as at 31 December 2021 which were beneficially held by him in his own name.

Abbreviation:

"L" stands for long position

Save as disclosed above and save for the disclosure referred to under "Share Option Schemes" set out below and in note 25 to the financial statements on pages 150 to 153 of this annual report, as at 31 December 2021, none of the Directors and chief executive of the Company had any interests or short positions in Shares, underlying Shares or 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 Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

RETIREMENT BENEFIT SCHEMES

Details of retirement benefit schemes of the Group are set out in Note 2 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above and "Share Option Schemes" below, at no time during the year ended 31 December 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

附註：

- I. 根據證券及期貨條例，伍先生被視為擁有合共 1,723,894,068 股股份，當中 (i) 439,791,463 股股份由伍先生全資擁有之公司 Skyera International Limited 持有；(ii) 538,382,657 股股份由伍先生全資擁有之公司 Mainway Enterprises Limited 持有；(iii) 565,719,948 股股份由伍先生擁有 80% 股權之公司 橙天娛樂集團(國際) 控股有限公司持有；及 (iv) 180,000,000 股股份由伍先生聯繫人擁有之公司 Cyber International Limited 持有。

另外，伍先生亦以本身名義於二零二一年十二月三十一日實益擁有 274,684,429 股股份權益。

縮略詞：

[L] 指好倉

除上文披露者以及下文及本年報第 216 至 219 頁財務報表附註 25 有關「購股權計劃」之披露事項外，於二零二一年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)之股份、相關股份或債權證中並無擁有任何本公司須根據證券及期貨條例第 XV 部第 352 條存置之登記冊所記錄，或根據標準守則須知會本公司及聯交所之權益或淡倉。

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註 2。

董事購買股份或債權證之權利

除上文「董事及最高行政人員於股份、相關股份或債權證之權益及淡倉」以及下文「購股權計劃」各節披露者外，本公司或其任何附屬公司於截至二零二一年十二月三十一日止年度任何時間概無訂立任何安排，致使董事、彼等各自之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債權證而獲益。

Report of the Directors

董事會報告書

2020 SHARE OPTION SCHEME

The Company has adopted the 2020 Share Option Scheme for the purpose of enabling the Company to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Eligible participants of the 2020 Share Option Scheme include the Directors and other employees of the Group, consultants or advisers, distributors, contractors, suppliers, service providers, agents, customers and business partners of the Group. The 2020 Share Option Scheme became effective on 19 June 2020 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

Each grant of the share options to a connected person of the Company, or any of their associates, must be approved by all of the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the option). In addition, any grant of the share options to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates which would result in the Shares issued or to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person representing in aggregate over 0.1% of the Shares in issue on the date of the offer and with an aggregate value (based on the closing price of the Shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of the grant, shall be subject to approval of the shareholders of the Company in general meeting with voting to be taken by way of a poll.

The offer in relation to a grant of share options under the 2020 Share Option Scheme shall remain open for acceptance by the eligible participant concerned for such period as determined by the Board, which period shall not be more than 30 days from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the Directors, the expiry date of such period not to exceed 10 years from the date of the offer. Save as determined by the Directors and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

The price per Share at which a grantee may subscribe for Shares on the exercise of a share option is determinable by the Directors, provided always that it shall be at least the higher of (i) the closing price per Share as stated in the daily quotation sheet of the Stock Exchange on the date of offer of grant of the share option; (ii) the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of a Share.

二零二零年購股權計劃

本公司採納二零二零年購股權計劃，旨在使本公司可向合資格參與者授予購股權，作為彼等對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及／或提供福利。二零二零年購股權計劃之合資格參與者包括董事及本集團其他僱員、顧問或諮詢者、分銷商、承包商、供應商、服務供應商、代理、客戶及商業夥伴。二零二零年購股權計劃自二零二零年六月十九日起生效，計劃如非被取消或更改，將於該日期起計十年內具有十足效力。

每次向本公司關連人士或任何彼等之聯繫人授出購股權，須先獲全體獨立非執行董事（身為購股權承授人之獨立非執行董事除外）之批准。此外，於截至授出購股權當日止任何12個月期間（包括該日）向本公司主要股東或獨立非執行董事、或任何彼等各自之聯繫人授出之任何購股權，如將導致已授出或將授出予該等人士之所有購股權（包括已行使、註銷及未行使之購股權）行使後已發行或將發行之股份，多於授出購股權日期已發行股份0.1%或總值（根據授出當日本公司股份之收市價計算）多於5,000,000港元，須先獲本公司股東於股東大會上按投票表決方式批准。

按二零二零年購股權計劃授出購股權之建議必須於董事會釐訂之期間供合資格參與者接納。有關期間不得超過建議日期起計30日，而承授人並須支付象徵式代價1港元。所授出購股權之行使期乃由董事釐定，惟該行使期之結束日不得超過由授出購股權當日起計十年。除董事另行決定及授出有關購股權之建議另有規定外，並無一般規定限制購股權必須於持有若干最短期限後方可行使。

承授人於行使購股權以認購股份之每股作價乃由董事釐定，惟不得低於(i)於建議授出購股權當日在聯交所每日報價表所示之每股收市價；(ii)於緊接建議當日前五個交易日在聯交所每日報價表所示之每股平均收市價；及(iii)每股股份面值。

Report of the Directors

董事會報告書

The maximum number of Shares, a total of 279,966,905 Shares, will be issuable upon exercise of all share options that may be granted under the 2020 Share Option Scheme, representing 10% of the issued share capital of the Company as at 19 June 2020, being the date of adoption of the 2020 Share Option Scheme. In addition, the maximum number of Shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options under the 2020 Share Option Scheme) in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of share options in excess of such limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant of such share option shall be separately approved by the shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

At the end of the reporting period, the Company had no share option outstanding under the Scheme. No share option was granted to or exercised by any Directors or chief executives of the Company or employees of the Group or other participants nor cancelled or lapsed during the year ended 31 December 2021.

Share options granted or to be granted under the 2020 Share Option Scheme do not confer rights on the holders to dividends or to vote at the shareholders' meetings.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the disclosure under the headings "Connected Transactions" and "Continuing Connected Transactions" below of this annual report, none of the Directors had any material interests, either directly or indirectly, in any contract of significance to which the Company or any of its subsidiaries was a party during or at the end of the year ended 31 December 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2021, none of the Directors had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

EQUITY-LINKED AGREEMENTS

Other than the 2020 Share Option Scheme as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year or subsisted at the end of the year ended 31 December 2021.

因行使根據二零二零年購股權計劃將授出之所有購股權而可予發行之最高股數合共為於二零二零年六月十九日(即採納二零二零年購股權計劃日期)之本公司已發行股本10%，即279,966,905股股份。此外，於任何12個月期間內向個別合資格參與者授出之購股權(包括二零二零年購股權計劃項下已行使及未行使購股權)而已發行及將予發行之最高股數，不得超過已發行股份1%。倘於截至該等購股權授出日止任何12個月期間(包括該日)內額外授出超逾該上限之購股權(包括已行使、註銷及未行使之購股權)，則須個別在股東大會上獲得本公司股東批准，而該等參與者及其聯繫人須放棄投票。

於報告期末，本公司在該計劃下並無尚未行使的購股權。截至二零二一年十二月三十一日止年度，概無購股權向本公司任何董事或最高行政人員或本集團僱員或其他參與者授出或獲行使，亦無購股權註銷或失效。

根據二零二零年購股權計劃授出或將授出之購股權並無賦予持有人獲派股息或在股東大會上投票之權利。

董事於合約之權益

除本年報下文「關連交易」和「持續關連交易」所披露者外，各董事概無在截至二零二一年十二月三十一日止年度內或結算日於本公司或其任何附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

董事於競爭業務的權益

截至二零二一年十二月三十一日，根據上市規則，概無董事在與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

股票掛鈎協議

除於本年報內披露之二零二零年購股權計劃外，本公司於本年度並無訂立且於截至二零二一年十二月三十一日止年度並無任何股票掛鈎協議，將會或可能會導致本公司發行股份，或要求本公司訂立任何將會或可能會導致本公司發行股份之協議。

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董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2021, the Group's purchases from its largest supplier and its five largest suppliers accounted for approximately 13.84% and 43.66%, respectively, of the Group's total purchases.

The Group's sales to its largest customer and its five largest customers accounted for approximately 0.68% and 2.5%, respectively, of the Group's total sales during the same period.

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

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

So far as is known to the Directors, as at 31 December 2021, the following persons, other than a Director or chief executive of the Company, had the following interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

主要客戶及供應商

截至二零二一年十二月三十一日止年度，本集團向其最大供應商及五大供應商採購之購貨額分別佔本集團總購貨額約13.84%及43.66%。

同期，本集團向其最大客戶及五大客戶售出之銷售額則分別佔本集團總銷售額約0.68%及2.5%。

各董事或彼等任何緊密聯繫人或就董事所深知擁有本公司已發行股本5%以上之本公司股東並無於本集團五大客戶及/或供應商中擁有任何權益。

主要股東及其他人士於股份及相關股份之權益及淡倉

就董事所知，於二零二一年十二月三十一日，按本公司根據證券及期貨條例第XV部第336條須存置之登記冊所記錄，下列人士（董事或本公司最高行政人員除外）於股份或相關股份中持有以下權益或淡倉：

Name of shareholder 股東姓名/名稱	Capacity 身分	Note 附註	Number of Shares 股份數目	Number of underlying Shares 相關股份數目	Total number of Shares and underlying Shares 股份及相關 股份總數	*Approximate percentage of Shares and underlying Shares in the issued share capital of the Company 於本公司已發行 股本中所佔 概約百分比
Wu Kebo 伍克波	Interest of controlled corporations 受控法團權益	1	1,723,894,068 (L)	–	1,723,894,068 (L)	61.57%
	Beneficial owner 實益擁有人	1	274,684,429 (L)	–	274,684,429 (L)	9.81%
Skyera International Limited ("Skyera")	Beneficial owner 實益擁有人	2	439,791,463 (L)	–	439,791,463 (L)	15.71%
Mainway Enterprises Limited ("Mainway")	Beneficial owner 實益擁有人	3	538,382,657 (L)	–	538,382,657 (L)	19.23%
Cyber International Limited ("Cyber")	Beneficial owner 實益擁有人	5	180,000,000 (L)	–	180,000,000 (L)	6.43%
Orange Sky Entertainment Group (International) Holding Company Limited ("OSEG") 橙天娛樂集團(國際)控股有限公司(「橙天」)	Beneficial owner 實益擁有人	6	565,719,948 (L)	–	565,719,948 (L)	20.21%

* These percentages are computed based on the total number of Shares in issue (i.e. 2,799,669,050 Shares) as at 31 December 2021.

* 該等百分比乃根據於二零二一年十二月三十一日已發行股份總數(即2,799,669,050股股份)計算。

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董事會報告書

Notes:

(1) By virtue of the SFO, Mr. Wu was deemed to have interest in a total of 1,723,894,068 Shares, of which (i) 439,791,463 Shares were held by Skyera; (ii) 538,382,657 Shares were held by Mainway; (iii) 565,719,948 Shares were held by OSEG; and (iv) 180,000,000 Shares were held by Cyber.

In addition, Mr. Wu was interested in 274,684,429 Shares as at 31 December 2021 which were beneficially held by him in his own name.

- (2) Skyera is a company wholly owned by Mr. Wu, who is also a director of Skyera.
- (3) Mainway is a company wholly owned by Mr. Wu, who is also a director of Mainway.
- (4) Cyber is a company owned by an associate of Mr. Wu.
- (5) OSEG (a company 80% owned by Mr. Wu) was interested in 565,719,948 Shares. Mr. Wu is a director of OSEG and Mr. Li Pei Sen is the associate Chairman of OSEG.

Abbreviation:

"L" stands for long position

Save as disclosed above, as at 31 December 2021, no other person had an interest or a short position in Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO.

附註：

(1) 根據證券及期貨條例，伍先生被視為擁有合共 1,723,894,068 股股份，當中 (i) 439,791,463 股股份由 Skyera 持有；(ii) 538,382,657 股股份由 Mainway 持有；(iii) 565,719,948 股股份由橙天持有；及 (iv) 180,000,000 股股份由 Cyber 持有。

另外，於二零二一年十二月三十一日，伍先生亦以本身名義實益擁有 274,684,429 股股份權益。

- (2) Skyera 為伍先生全資擁有之公司，彼亦為 Skyera 董事。
- (3) Mainway 為伍先生全資擁有之公司，彼亦為 Mainway 董事。
- (4) Cyber 為由伍先生聯繫人擁有之公司。
- (5) 伍先生擁有 80% 股權之公司橙天擁有 565,719,948 股股份。伍先生為橙天董事，而李培森先生則為橙天聯合董事長。

縮略詞：

[L] 指好倉

除上文披露者外，於二零二一年十二月三十一日，按本公司根據證券及期貨條例第 XV 部第 336 條須存置之登記冊所記錄，概無其他人士於股份或相關股份中擁有任何權益或淡倉。

Report of the Directors

董事會報告書

CONNECTED TRANSACTION

(a) Cinema and Hotel Lease Agreements

On 28 June 2019, OSGH Liuliu Enterprise, an indirect wholly-owned subsidiary of the Company, (the "Tenant") entered into the a cinema lease agreement (the "Cinema Lease Agreement") and a hotel lease agreement (the "Hotel Lease Agreement") with Jiangyin Orange Land (the "Landlord"), a company established in the PRC with limited liability, in respect of leasing of cinema premises situated at floor 5, 6 and 7 of the building units 597 and 599 at Wuxing Road, Xiangang Street, Jiangyin, PRC (中國江陰市夏港街道五星路), with a total gross floor area of approximately 17,124.49 square meters (the "Cinema Premises") and hotel premises situated at Orange Sky Land Square One, Jiangyin, PRC (中國江陰市橙天地廣場1號), with a total gross floor area of approximately 14,188.57 square meters (the "Hotel Premises") for cinema and hotel operation respectively. The terms in relation to lease term and rent of the Cinema Lease Agreement and the Hotel Lease Agreement are summarized as follows:

關連交易

(a) 影院及酒店租賃協議

於二零一九年六月二十八日，江陰橙天企業（本公司間接全資附屬公司，「租戶」）與江陰橙地（一間於中國成立的有限公司，「業主」）分別訂立影院租賃協議（「影院租賃協議」）及酒店租賃協議（「酒店租賃協議」），內容分別有關租賃位於中國江陰市夏港街道五星路之597及599號大樓5、6及7樓，總建築面積約為17,124.49平方米的影院物業（「影院物業」）及位於中國江陰市橙天地廣場1號，總建築面積約為14,188.57平方米的酒店物業（「酒店物業」），以供影院及酒店營運。有關影院租賃協議及酒店租賃協議租期及租金的條款概述如下：

	Cinema Lease Agreement 影院租賃協議	Hotel Lease Agreement 酒店租賃協議
Lease Term 租期	A term of 15 years, commencing from the date following the date of the actual delivery of the said premises by the Landlord to the Tenant (the "Lease Term"). 業主向租戶實際交付上述物業日期翌日起計為期15年（「租期」）。	

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Cinema Lease Agreement 影院租賃協議

Rent
租金

The amount payable by the Tenant to the Landlord for a particular rental year during the Lease Term is equivalent to (1) the yearly Fixed Cinema Lease Amount (as defined below), (2) the yearly Fixed Cinema Lease Amount and the Variable Cinema Lease Amount (as defined below) or (3) the yearly Fixed Cinema Lease Amount and the De Minimis Amount (as defined below) (as the case may be) (collectively, the "Cinema Rent").

租戶就租期內特定租賃年度應付業主的金額相當於(1)年度固定影院租賃款項(定義見下文)、(2)年度固定影院租賃款項及可變影院租賃款項(定義見下文)或(3)年度固定影院租賃款項及最低款項(定義見下文)(視情況而定)(統稱「影院租金」)。

Hotel Lease Agreement 酒店租賃協議

Hotel Rent (the "Hotel Rent")

A rate at RMB1.4 per square meter per day (the "Initial Hotel Rent Rate") for the first three years from the date following the delivery of the Hotel Premises (the "Hotel Lease Initial Period"). During the Hotel Lease Initial Period, the yearly Hotel Rent (1) for the first rental year during the Lease Term shall amount to approximately RMB4,833,572.85 (inclusive of tax) taking into consideration of the rent exemption period (being the period of four months from the date following the delivery of the Hotel Premises) and (2) for the second and third rental year during the Hotel Lease Term shall amount to approximately RMB7,250,359.27 per year. The Initial Hotel Rent Rate will be increased by 8% every three years from the end of the Hotel Lease Initial Period during the Hotel Lease Term (the "Subsequent Hotel Rent Rate").

酒店租金(「酒店租金」)

酒店物業交付翌日起計首三年(「酒店租賃初期」)之費率為每日每平方米人民幣1.4元(「初步酒店租金費率」)。於酒店租賃初期，年度酒店租金(1)就租期首個租賃年度約為人民幣4,833,572.85元(包括稅項)，已計及免租期(即自酒店物業交付日期翌日起計四個月期間)；及(2)就酒店租期內第二及第三個租賃年度約為每年人民幣7,250,359.27元。初步酒店租金費率將於酒店租期內酒店租賃初期結束後每三年增加8%(「其後酒店租金費率」)。

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董事會報告書

Cinema Lease Agreement 影院租賃協議

Hotel Lease Agreement 酒店租賃協議

- (a) Fixed Cinema Lease Amount (the "Fixed Cinema Lease Amount")
- (a) 固定影院租賃款項（「固定影院租賃款項」）

A rate at RMB1.35 per square meter per day (the "Initial Cinema Rent Rate") for the first three years from the date following the delivery of the Cinema Premises (the "Cinema Lease Initial Period"). During the Cinema Lease Initial Period, the yearly Fixed Cinema Lease Amount (1) for the first rental year during the Cinema Lease Term shall amount to approximately RMB5,625,394.97 (inclusive of tax) taking into consideration of the Cinema Rent Exemption Period and (2) for the second and third rental year during the Lease Term amount to approximately RMB8,438,092.45 (inclusive of tax) per year.

自影院物業交付翌日起計首三年（「影院租賃初期」）之費率為每日每平方米人民幣1.35元（「初步影院租金費率」）。於影院租賃初期，年度固定影院租賃款項（1）於影院租期首個租賃年度將約為人民幣5,625,394.97元（包括稅項），已計及影院免租期及（2）於租期第二及第三個租賃年度約為每年人民幣8,438,092.45元（包括稅項）。

The Initial Cinema Rent Rate will be increased by 8% every three years from the end of the Cinema Lease Initial Period during the Cinema Lease Term (the "Subsequent Cinema Rent Rate").

於影院租期內，初步影院租金費率將自影院租賃初期結束後每三年增加8%（「其後影院租金費率」）。

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董事會報告書

Cinema Lease Agreement 影院租賃協議

Hotel Lease Agreement 酒店租賃協議

- (b) Variable Lease Amount (the "Variable Lease Amount")
- (b) 可變租賃款項（「可變租賃款項」）

In the event that the yearly cinema commission amount (as the case may be, the amount which is equivalent to: (i) 14% of the annual Net Box Office¹ for each rental year during the first to the fifth rental year of the Lease Term; (ii) 15% of the annual Net Box Office¹ for each rental year during the sixth to the tenth rental year of the Lease Term; or (iii) 16% of the annual Net Box Office¹ for each rental year during the eleventh to the fifteenth rental year of the Lease Term) (the "Cinema Commission Amount") exceeds the yearly Fixed Cinema Lease Amount for a particular rental year during the Lease Term, an amount equivalent to the difference between the yearly Cinema Commission Amount and the yearly Fixed Cinema Lease Amount shall be payable by the Tenant to the Landlord.

倘於租期內特定租賃年度的年度影院佣金(視情況而定，有關金額相當於：(i) 於租期內首年至第五年各租賃年度之年度票房淨額14%；(ii) 於租期內第六至第十年各租賃年度之年度票房淨額15%；或(iii) 於租期內第十一至第十五各租賃年度之年度票房淨額16%) (「影院佣金」) 超過年度固定影院租賃款項，則租戶須向業主支付相當於年度影院佣金與年度固定影院租賃款項兩者間差額的款項。

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Cinema Lease Agreement 影院租賃協議

Hotel Lease Agreement 酒店租賃協議

- (c) De Minimis Amount (the "De Minimis Amount")
- (c) 最低款項(「最低款項」)

De Minimis Amount is the maximum amount which would render the entering into of the Cinema Lease Agreement with the payment of the Variable Cinema Lease Amount for a particular rental year during the Lease Term by the Tenant to the Landlord being constituted as a fully exempt continuing connected transaction under Rule 14A.76 of the Listing Rules.

最低款項為根據上市規則第14A.76條，導致訂立影院租賃協議中於租期內特定年度租戶向業主支付可變影院租賃款項構成獲全面豁免持續關連交易涉及之有關最高金額。

Notwithstanding the above, in the event that (1) the yearly Cinema Commission Amount exceeds the yearly Fixed Cinema Lease Amount and (2) the yearly Variable Cinema Lease Amount exceeds the De Minimis Amount for a particular rental year during the Cinema Lease Term, the Tenant shall pay an amount equivalent to (1) the yearly Fixed Cinema Lease Amount and (2) the De Minimis Amount to the Landlord for the relevant rental year. As such, in the event that the Variable Lease Amount exceeds the De Minimis Amount for a particular rental year, the Variable Lease Amount payable by the Tenant for that particular rental year will be no more than the De Minimis Amount. The amount equivalent to the difference between the Variable Lease Amount and the De Minimis Amount will not be payable by the Tenant to the Landlord, unless the Company re-complies with the requirements under the Listing Rules.

儘管如此，於影院租期內特定租賃年度，倘(1)年度影院佣金超逾年度固定影院租賃款項及(2)年度可變影院租賃款項超逾最低款項，租戶須於相關租賃年度向業主支付相當於(1)年度固定影院租賃款項及(2)最低款項的金額。因此，倘於特定租賃年度的可變租賃款項超過最低款項，則租戶於該特定租賃年度應付的可變租賃款項將不超過最低款項。除非本公司重新遵守上市規則的規定，否則租戶將不會向業主支付相當於可變租賃款項與最低款項兩者間差額的款項。

Note:

- I. The box office minus the value-added tax and the Special State Film Undertaking Development Fund (國家電影專項資金), amounting to 5% of the box office, which may be subject to changes of the relevant regulations of the respective departments in the PRC.

附註：

- I. 不包括增值稅及不包括國家電影專項資金之票房，即票房的5%，可按中國有關部門之有關規例予以變動。

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As at the date of the Cinema Lease Agreement and the Hotel Lease Agreement, the Landlord was owned as 75% by Orange Sky Land and 25% by Beijing Orange Land. Orange Sky Land was indirect wholly-owned by Mr. Wu Kebo. Beijing Orange Land was wholly-owned by Beijing Orange Sky, which was in turn held as to 99% by Zeng Qingxin (who held the shareholding interests in Beijing Orange Sky in accordance to the instructions of Mr. Wu Kebo). Mr. Wu Kebo was the Director and controlling shareholder of the Company. Accordingly, the Landlord, being the associate of Mr. Wu Kebo was a connected person of the Company.

Pursuant to HKFRS 16, the entering into of the Cinema Lease Agreement and the Hotel Lease Agreement as a lessee will require the Group to recognise the Cinema Premises and the Hotel Premises as the right-of-use assets in relation to the Fixed Cinema Lease Amount and the Hotel Rent, thus the entering into of the Lease Agreements with the Fixed Cinema Lease Amount and the Hotel Rent and the transactions contemplated thereunder will be regarded as deemed acquisition of assets and connected transactions by the Group. The Fixed Cinema Lease Amount under the Cinema Lease Agreement, the Hotel Rent under the Hotel Lease Agreement and the transactions contemplated thereunder constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

(b) Leases in relation to Beijing Office Premises

On 29 January 2019, Lessor and Shanghai Orange Sky Jiayin Shiye Company Limited (上海橙天嘉影實業有限公司), entered into a lease agreement in respect of sub-leasing of office premises at the portion of first and portion of second floor of house No.3 at No.1 Anjialou, Xiaoliangmaqiao Ave, Chaoyang District, Beijing, the PRC, with a total floor area of approximately 1,171 square meter for the period, from 29 January 2019 to 31 December 2021 at the rent of RMB8.8 per square meter per day with the management fee of RMB0.848 per square meter per day. The total rental for the term of this agreement amounts to RMB11,347,733.35 (equivalent to approximately HK\$13,163,370.69); and the total management fee for the term of this agreement amounts to RMB1,093,508.86 (equivalent to approximately HK\$1,268,470.28).

於影院租賃協議及酒店租賃協議日期，業主分別由橙天地及北京橙地擁有75%及25%權益。橙天地由伍克波先生間接全資擁有。北京橙地由北京橙天全資擁有。北京橙天則由曾慶新(根據伍克波先生之指示持有北京橙天之股權)持有99%股權。伍克波先生為本公司董事兼控股股東。因此，業主(即伍克波先生之聯繫人)為本公司關連人士。

根據香港財務報告準則第16號，作為承租人訂立影院租賃協議及酒店租賃協議要求本集團須就固定影院租賃款項及酒店租金將影院物業及酒店物業確認為使用權資產，因此訂立有關固定影院租賃款項及酒店租金的租賃協議以及其項下擬進行交易將被視為本集團視作收購資產及關連交易。根據上市規則第14A章，影院租賃協議項下固定影院租賃款項、酒店租賃協議項下酒店租金及其項下擬進行交易構成本公司的關連交易。

(b) 有關北京辦公室物業之租賃

於二零一九年一月二十九日，出租人與上海橙天嘉影實業有限公司訂立租賃協議，內容有關由二零一九年一月二十九日起至二零二一年十二月三十一日止期間，分租位於中國北京市朝陽區小亮馬橋路安家樓1號院3號樓1層(部分)、2層(部分)，總建築面積約為1,171平方米之辦公室物業，租金為每日每平方米人民幣8.8元，管理費為每日每平方米人民幣0.848元。本協議年內總租金為人民幣11,347,733.35元(相當於約13,163,370.69港元)；而本協議年內總管理費為人民幣1,093,508.86元(相當於約1,268,470.28港元)。

Report of the Directors

董事會報告書

Also, on 29 January 2019, the Lessor and 北京橙天三六零劇場管理有限公司 (Beijing Orange Sky 360 Theatre Management Company Limited), entered into a lease agreement in respect of sub-leasing of office premises at third floor of house No.3 & portion of second floor of house No.7 & house No.5 at No.1 Anjialou, Xiaoliangmaqiao Ave, Chaoyang District, Beijing, the PRC, with a total floor area of approximately 1,960.88 square meter for the period from 29 January 2019 to 31 December 2021 at the rent of RMB8.8 per square meter per day with the management fee of RMB0.848 per square meter per day. The total rental for the term of this agreement amounts to RMB19,002,171.97 (equivalent to approximately HK\$22,042,519.49); and the total management fee for the term of this agreement amounts to RMB1,831,118.39 (equivalent to approximately HK\$2,124,097.33).

As at the date of the above lease agreements, Zeng Qingxin (who held the shareholding interests in the Lessor in accordance to the instructions of Mr. Wu Kebo) held 99% of the equity interest in the Lessor. Mr. Wu Kebo, the chairman, a Director and the controlling shareholder of the Company. Therefore, the Lessor was a connected person of the Company. Accordingly, the transactions contemplated the above lease agreements constituted connected transaction of the Company under the Listing Rules.

Save as disclosed above, during the year ended 31 December 2021, no other connected transactions were entered into by the Company.

此外，於二零一九年一月二十九日，出租人與北京橙天三六零劇場管理有限公司訂立租賃協議，內容有關於二零一九年一月二十九日起至二零二一年十二月三十一日止期間，分租中國北京市朝陽區小亮馬橋路安家樓1號院3號樓3層、7號樓2層(部分)及5號樓，總建築面積約為1,960.88平方米之辦公室物業，租金為每日每平方米人民幣8.8元，管理費為每日每平方米人民幣0.848元。本協議年期內總租金為人民幣19,002,171.97元(相當於約22,042,519.49港元)；而本協議年期內總管理費為人民幣1,831,118.39元(相當於約2,124,097.33港元)。

於上述租賃協議日期，曾慶新(根據伍克波先生之指示持有出租人之股權)持有出租人99%股權。伍克波先生為本公司主席、董事兼控股股東。因此，出租人為本公司關連人士。因此，根據上市規則，上述租賃協議項下擬進行交易構成本公司之關連交易。

除上文所披露者外，於截至二零二一年十二月三十一日止年度，本公司概無訂立其他關連交易。

Report of the Directors

董事會報告書

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2021, the Group has entered into and engaged in the following transactions and arrangements with connected persons (as defined in the Listing Rules) of the Company:

(a) Cinema Lease Agreement

Reference is made to the paragraph headed "Connected Transactions — (a) Cinema and Hotel Lease Agreements" above.

As disclosed above, in the event that the yearly Cinema Commission Amount exceeds the yearly Fixed Cinema Lease Amount for a particular rental year during the Lease Term, an amount equivalent to the difference between the yearly Cinema Commission Amount and the yearly Fixed Cinema Lease Amount shall be payable by the Tenant to the Landlord (i.e. the Variable Lease Amount). In addition, pursuant to the Cinema Lease Agreement, the property management service fee payable is initially at a rate of RMB0.5 per square meter per day for the property management services at the Cinema Premises (the "Initial Management Fee") provided by the Landlord for the first three rental years (the "Initial Management Fee Period"), which amounts to (1) approximately RMB2,083,479.62 (inclusive of water and air conditioning bills and tax) for the first rental year during the Lease Term and (2) approximately RMB3,125,219.43 (inclusive of water and air conditioning bills and tax) per year for the second and third rental year during the Lease Term. The Initial Management Fee will be increased by 8% every three years from the end of Initial Management Fee Period.

As at the date of the Cinema Lease Agreement, the Landlord was owned as 75% by Orange Sky Land and 25% by Beijing Orange Land. Orange Sky Land was indirect wholly-owned by Mr. Wu Kebo. Beijing Orange Land was wholly owned by Beijing Orange Sky, which was in turn held as to 99% by Zeng Qingxin (who held the shareholding interests in Beijing Orange Sky in accordance to the instructions of Mr. Wu Kebo). Mr. Wu Kebo was the Director and controlling shareholder of the Company. Accordingly, the Landlord, being the associate of Mr. Wu Kebo was a connected person of the Company. Pursuant to HKFRS 16, the entering into of the Cinema Lease Agreement as a lessee will require the Group to recognize the Variable Cinema Lease Amount linked to sales to be recognized as expenses incurred by the Group over the term of the Cinema Lease Agreement, thus the entering into of the Cinema Lease Agreement with the Variable Cinema Lease Amount and the transactions contemplated thereunder will be regarded as a continuing connected transaction under Rule 14A.31 of the Listing Rules. In addition, the provision of property management services at the Cinema Premises by the cinema property manager appointed by the Landlord under the Cinema Lease Agreements also constitutes continuing connected transactions under Rule 14A.31 of the Listing Rules.

The aggregate amount paid by the Group to the Landlord for the year ended 31 December 2021 amounted to HK\$nil, which was within the annual cap of RMB5,756,797.50 (equivalent to HK\$6,447,613.20).

持續關連交易

截至二零二一年十二月三十一日止年度，本集團曾與本公司關連人士(定義見上市規則)訂立以下交易及安排：

(a) 影城租賃協議

茲提述上文「關連交易—(a)影院及酒店租賃協議」一段。

誠如上文所披露，倘於租期內特定租賃年度的年度影院佣金超過年度固定影院租賃款項，則租戶須向業主支付相當於年度影院佣金與年度固定影院租賃款項兩者間差額的款項(即可變租賃款項)。此外，根據影院租賃協議，應付物業管理服務費初步按業主於首三個租賃年度(「初步管理費期間」)在影院物業提供物業管理服務之費率每日每平方米人民幣0.5元計算(「初步管理費」)，即(1)於租期首個租賃年度將約人民幣2,083,479.62元(包括水費、空調費用及稅項)及(2)於租期第二及第三個租賃年度每年約人民幣3,125,219.43元(包括水費、空調費用及稅項)。初步管理費將自初步管理費期間結束後每三年增加8%。

於影院租賃協議日期，業主分別由橙天地及北京橙地擁有75%及25%權益。橙天地由伍克波先生間接全資擁有。北京橙地由北京橙天全資擁有。北京橙天則由曾慶新(根據伍克波先生之指示持有北京橙天之股權)持有99%股權。伍克波先生為本公司董事兼控股股東。因此，業主(即伍克波先生之聯繫人)為本公司關連人士。根據香港財務報告準則第16號，作為承租人訂立影院租賃協議將要求本集團將與銷售掛鈎之可變影院租賃款項確認為本集團於影院租賃協議年期內產生之開支，故訂立涉及可變影院租賃款項之影院租賃協議及其項下擬進行交易將根據上市規則第14A.31條被視為持續關連交易。此外，根據上市規則第14A.31條，業主根據影院租賃協議委任之影院物業經理在影院物業提供物業管理服務亦構成持續關連交易。

截至二零二一年十二月三十一日止年度，本集團向業主支付的總金額為零港元，於年度上限人民幣5,756,797.50元(相當於6,447,613.20港元)的範圍內。

Report of the Directors

董事會報告書

Confirmation from Directors

The Directors, including the non-executive Directors, have reviewed the continuing connected transactions and confirmed that the transactions were entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or on terms no less favourable to the Group than terms to or from independent third parties, and in accordance with 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 auditors of the Company have advised that nothing has come to their attention that caused them to believe the continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services;
- (c) have not been entered into, in all material respects, in accordance with the terms of the relevant agreement governing the transactions; and
- (d) the relevant cap amounts disclosed in the relevant announcements of the Company, where applicable, have been exceeded during the financial year ended 31 December 2021.

The other connected transactions and/or continuing connected transactions constituted de minimis transactions as defined in the Listing Rules and were exempt from the reporting, announcement, independent shareholders' approval, and in the case of continuing connected transactions, the annual review requirements. The independent non-executive Directors have also reviewed and confirmed that these other connected transactions and/or continuing connected transactions have been entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or on terms no less favourable to the Group than terms to or from independent third parties, and in accordance with 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.

CORPORATE GOVERNANCE

For the year ended 31 December 2021, the Corporate Governance Report is set out on pages 25 to 39 of the annual report.

INDEPENDENCE CONFIRMATION

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 the independent non-executive Directors to be independent.

董事確認

董事(包括非執行董事)已審閱持續關連交易，並確認該等交易乃於本集團日常及一般業務過程中，按一般商業條款或不遜於獨立第三方獲提供或向本集團提供之條款，並根據規管該等交易之有關協議進行，且條款均屬公平合理，符合本公司股東整體利益。

據本公司核數師告知，其並無注意到任何事宜致使其相信持續關連交易：

- (a) 未有獲董事會批准；
- (b) 涉及提供商品或服務之交易於各重大方面並未按照本集團定價政策進行；
- (c) 於各重大方面並未根據規管該等交易之相關協議條款訂立；及
- (d) 超出本公司相關公佈所披露截至二零二一年十二月三十一日止財政年度之相關金額上限(如適用)。

該等其他關連交易及/或持續關連交易構成上市規則所界定低額交易，獲豁免遵守申報、公告、獨立股東批准及(就持續關連交易而言)年度審閱之規定。獨立非執行董事亦已審閱並確認該等其他關連交易及/或持續關連交易乃於本集團日常及一般業務過程中，按一般商業條款或不遜於獨立第三方獲提供或向本集團提供之條款，並根據規管該等交易之有關協議進行，且條款均屬公平合理，符合本公司股東整體利益。

企業管治

截至二零二一年十二月三十一日止年度，企業管治報告載於本年報第25至39頁。

獨立性之確認

本公司已接獲各獨立非執行董事按照上市規則第3.13條發出其每年之獨立性確認書，並認為全體獨立非執行董事均具獨立性。

Report of the Directors

董事會報告書

ENVIRONMENTAL PROTECTION

Details of the Company's environmental policy and community involvement are set out in the Environmental, Social and Governance Report Section in this annual report.

EMOLUMENT POLICY

Remuneration of the employees of the Group is made/determined by reference to the market, individual performance and their respective contribution to the Group. As a long-term incentive, the 2020 Share Option Scheme is in place and the details of which are set out above and in note 25 to the financial statements on pages 150 to 153 of this annual report.

Directors' emoluments are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonus and share option, are determined by the Board with reference to Directors' duties, abilities, reputation and performance.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of the Company's issued share capital as of the date of this report.

DONATIONS

During the year ended 31 December 2021, the Group has made charitable and other donations in Hong Kong totalling HK\$nil.

AUDITORS

The financial statements for the year ended 31 December 2021 have been audited by Messrs. KPMG ("KPMG") who will retire and being eligible, will offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution will be submitted at the forthcoming annual general meeting to re-appoint KPMG as auditors of the Company.

ON BEHALF OF THE BOARD

Wu Kebo
Chairman

Hong Kong
29 April 2022

環境保護

本公司環境政策及社區參與詳情載於本年報環境、社會及管治報告一節。

薪酬政策

本集團僱員之薪酬乃經參照市場、個人表現及彼等各自對本集團之貢獻釐定。本集團已設立二零二零年購股權計劃作為長期獎勵計劃，詳情載於本年報第216至219頁之財務報表附註25。

董事酬金須由本公司薪酬委員會建議及獲董事會批准。其他薪酬(包括酌情花紅及購股權)經由董事會參考各董事之職務、能力、聲望及表現而釐定。

足夠公眾持股量

於本報告日期，按照本公司可公開獲取之資料及據董事所知，本公司已發行股本維持足夠公眾持股量。

捐獻

截至二零二一年十二月三十一日止年度，本集團於香港作出之慈善及其他捐款合共為零港元。

核數師

截至二零二一年十二月三十一日止年度之財務報表已經由畢馬威會計師事務所(「畢馬威」)審核，而畢馬威將會退任，惟符合資格並將願意於本公司應屆股東週年大會上獲續聘。於應屆股東週年大會上將提呈決議案以續聘畢馬威為本公司核數師。

代表董事會

主席
伍克波

香港
二零二二年四月二十九日

Independent Auditor's Report

獨立核數師報告



to the shareholders of
Orange Sky Golden Harvest Entertainment (Holdings) Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Orange Sky Golden Harvest Entertainment (Holdings) Limited ("the Company") and its subsidiaries ("the Group") set out on pages 97 to 162, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(b) to the consolidated financial statements which describes that the Group has current bank loans amounting to HK\$1,062,128,000 and that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and/or other sources. As stated in note 2(b), these facts and circumstances, along with other matters set forth in note 2(b), indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

致橙天嘉禾娛樂(集團)有限公司
(於百慕達註冊成立之有限公司)
股東

意見

本核數師(以下簡稱「我們」)已審計列載於第163至228頁的橙天嘉禾娛樂(集團)有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。該等綜合財務報表包括於二零二一年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，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」)頒佈的《香港財務報告準則》真實而中肯地反映 貴集團於二零二一年十二月三十一日的綜合財務狀況及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。

意見之基礎

我們已根據香港會計師公會頒佈的《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。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「《守則》」)以及與我們對百慕達綜合財務報表的審計相關的任何道德要求，我們獨立於 貴集團，並已履行這些道德要求以及《守則》中的其他專業道德責任。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。

有關持續經營之重大不確定性

我們注意到綜合財務報表附註2(b)，其載述 貴集團目前之銀行貸款為1,062,128,000港元，而 貴集團能否達成此等流動資金需求乃視乎其能否從未來營運及／或其他來源賺取足夠現金流入淨額而定。誠如附註2(b)所述，此等事實及情況(連同附註2(b)所載其他事宜)均指出正存在重大不確定性，可能對 貴集團繼續持續經營之能力產生重大疑問。吾等之意見就此事宜並無修訂。

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。除於有關持續經營之重大不確定性一節所載述事宜外，我們已將下文所載述事宜釐定為將於本報告內所傳達之關鍵審計事項。

Independent Auditor's Report

獨立核數師報告

Assessing potential impairment of goodwill

對商譽潛在減值的評估

Refer to note 15 to the consolidated financial statements and the accounting policies on note 2(k).

請參閱綜合財務報表附註15以及附註2(k)所載的會計政策。

The Key Audit Matter

關鍵審計事項

The carrying value of the Group's goodwill which amounted to HK\$573,933,000 as at 31 December 2021 was allocated to the Group's exhibition and distribution business.

貴集團於二零二一年十二月三十一日賬面值為573,933,000港元的商譽獲分配至 貴集團的影城及發行業務。

Management performs an annual impairment assessment of goodwill by assessing its value in use by preparing a discounted cash flow forecast and comparing the net present value of the cash flow forecast with carrying value of the cash generating unit ("CGU") to which the goodwill has been allocated to determine if any impairment is required.

管理層每年對商譽進行減值評估，方法為通過編製貼現現金流量預測及將現金流量預測的淨現值與獲分配商譽的現金產生單位（「現金產生單位」）的賬面值進行比較來評估商譽的使用價值，從而釐定是否需要作出任何減值。

Management is required to exercise significant judgement in estimating the future revenue and future gross margins to be generated from movies to be distributed or produced by the Group. The movie market is dynamic and the reception of the market to the Group's movies is inherently uncertain.

管理層於估計 貴集團將予發行或製作的電影產生的未來收益及未來毛利率時須行使重大判斷。電影市場表現活躍，而市場對 貴集團電影的接受程度存在固有的不確定性。

We identified assessing potential impairment of goodwill as a key audit matter because determining the level of impairment, if any, involves a significant degree of management judgement in forecasting future cash flows and estimating the recoverable amount of the CGU both of which are inherently uncertain and may be subject to management bias.

我們將評估商譽的潛在減值列為關鍵審計事項，原因為釐定減值程度（如有）涉及管理層於預測未來現金流量和估計現金產生單位的可收回金額時作出高度判斷，而上述兩者均存在固有的不確定性及可能受管理層的偏見左右。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess the potential impairment of goodwill included the following:

我們就評估商譽潛在減值的審計程序包括以下各項：

- evaluating management's identification of the CGU, the amount of goodwill and other assets allocated to the CGU and the methodology adopted in the impairment assessment with reference to the requirement of the prevailing accounting standards;
參考現行會計準則的規定，評價管理層對現金產生單位的識別方式、分配至現金產生單位的商譽及其他資產金額以及評估減值時採用的方法；
- comparing the most significant inputs used in the discounted cash flow forecast, including future revenue and future gross margins, with the historical performance of the CGU and assessing these inputs with reference to industry forecasts and statistics;
將貼現現金流量預測中使用的最重大輸入數據（包括未來收益及未來毛利率）與現金產生單位的過往表現進行比較，並參考行業預測及統計數據評估該等輸入數據；
- evaluating the discount rate used in the cash flow forecast by benchmarking against other similar companies in the same industry;
參照同業其他同類公司評價現金流量預測中使用的貼現率；
- performing sensitivity analysis of the discount rate and future revenue and considering the resulting impact on management's conclusion in respect of the impairment assessment and whether there were any indicators of management bias; and
對貼現率及未來收益進行敏感度分析，並考慮對管理層有關減值評估的結論產生的影響及是否存在管理層偏見的跡象；及
- considering the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill, including the key assumptions and sensitivities, with reference to the requirements of the prevailing accounting standards.
參考現行會計準則的規定，考慮綜合財務報表有關商譽減值評估的披露，包括主要假設及敏感度。

Independent Auditor's Report

獨立核數師報告

Impairment assessment of other property, plant and equipment and right-of-use assets relating to film exhibition operations

對有關影城業務營運的其他物業、廠房及設備以及使用權資產的減值評估

Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(h).

請參閱綜合財務報表附註11以及附註2(h)所載的會計政策。

The Key Audit Matter

關鍵審計事項

As at 31 December 2021, the Group held other property, plant and equipment and right-of-use assets relating to film exhibition operations ("Cinema Related Assets") which were stated at cost less accumulated depreciation and impairment losses at amounts of HK\$215,519,000 and HK\$1,108,076,000 respectively.

於二零二一年十二月三十一日，貴集團持有有關影城業務營運的其他物業、廠房及設備以及使用權資產（「影城相關資產」），乃按成本減累計折舊及減值虧損列賬，金額分別為215,519,000港元及1,108,076,000港元。

At the financial reporting date, the Group reviewed the film exhibition operations to determine whether there were any indicators of impairment. When indicators of impairment are identified, management assesses the recoverable amounts of the Cinema Related Assets. An impairment loss is recognised as an expense in the consolidated income statement if the carrying amounts of the Cinema Related Assets exceed their recoverable amounts. The recoverable amounts of the Cinema Related Assets are the greater of the fair value less costs of disposal and value in use.

於財務報告日期，貴集團已審閱影城業務營運，以釐定是否出現任何減值跡象。當確定有跡象顯示出現減值時，管理層評估影城相關資產的可收回金額。倘影城相關資產的賬面值超過其可收回金額時，減值虧損於綜合收益表確認為開支。影城相關資產的可收回金額高於公允值減出售成本及使用價值。

The calculation of the recoverable amounts of the Cinema Related Assets is performed by the Group's management. In assessing the value in use, the projected cash flows associated with the Cinema Related Assets are discounted using risk-adjusted discount rates. The preparation of discounted cash flow forecasts can be highly subjective and requires the exercise of significant management judgement and estimation, in particular in determining forecast box office takings, forecast confectionary sales, forecast screen advertising, growth rates and discount rates applied.

影城相關資產的可收回金額由貴集團管理層計算。於評估使用價值時，影城相關資產相關預計現金流使用經風險調整的貼現率進行貼現。貼現現金流量預測的編製相當主觀，需要管理層作出重大判斷及估計，特別是釐定的票房收入預測、小賣部銷售額預測、銀幕廣告費預測、增長率及所應用的貼現率。

How the matter was addressed in our audit

我們的審計如下處理該事項

Our audit procedures to assess the impairment of other property, plant and equipment and right-of-use assets relating to the Group's Cinema Related Assets included the following:

我們就評估有關貴集團影城相關資產的其他物業、廠房及設備和使用權資產的減值的審計程序包括以下各項：

- evaluating management's process and procedures for the identification of indicators of potential impairment of the Cinema Related Assets as at 31 December 2021;
評估管理層對確認於二零二一年十二月三十一日影城相關資產潛在減值跡象之過程及程序；
- evaluating the methodology used by management in the preparation of the impairment assessment models with reference to the requirements of the prevailing accounting standards;
評估管理層就參考現行會計準則規定編製之減值評估模式所用方式；
- with the assistance of our internal valuation specialists, comparing the key estimates and assumptions adopted in the value in use calculations of the Cinema Related Assets prepared by the Group's management, including forecast box office takings, forecast confectionary sales, forecast screen advertising, growth rates and discount rates applied, with available market data;
在我們的內部估值專家的協助下，將由貴集團管理層所編製影城相關資產使用價值計算所採用的關鍵估計及假設（包括票房收入預測、小賣部銷售額預測、銀幕廣告費預測、增長率及所應用的貼現率）與現有市場數據作比較；

Independent Auditor's Report

獨立核數師報告

Impairment assessment of other property, plant and equipment and right-of-use assets relating to film exhibition operations

對有關影城業務營運的其他物業、廠房及設備以及使用權資產的減值評估

Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(h).

請參閱綜合財務報表附註11以及附註2(h)所載的會計政策。

The Key Audit Matter

關鍵審計事項

We identified assessing impairment of Cinema Related Assets as a key audit matter because of the significant management judgement and estimation required in making assumptions and estimations which are inherently uncertain and could be subject to management bias.

我們將評估影城相關資產的減值列為關鍵審計事項，原因是作出假設及估計時需要管理層作出重大判斷及估計，上述兩者均存在固有不确定性及可能受管理層的偏見左右。

How the matter was addressed in our audit

我們的審計如下處理該事項

- comparing the key assumptions and most significant inputs used in the prior year's discounted cash flow forecast, including box office takings, confectionary sales, screen advertising and growth rates, with the actual outcomes in the current year and enquiring management in respect of the reasons for any significant variations identified; and
通過對比本年度的實際結果，評估上一年度的貼現現金流量預測所採用的主要假設及最重要的輸入值（包括票房收入、小賣部銷售額、銀幕廣告費及增長率）是否準確，並就所發現的任何重大差額諮詢管理層；及
- performing sensitivity analyses to determine the extent of change in those estimates that, either individually or collectively, would be required for the Cinema Related Assets to be materially misstated and considering the likelihood of such a movement in those key estimates arising and whether there was any evidence of management bias.
進行敏感度分析以確定在影城相關資產出現重大錯誤陳述的情況下，有關估計所需的變動程度（不論個別或共同）並考慮該等關鍵估計出現變動的可能性，以及是否有證據顯示受管理層的偏見左右。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all 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.

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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。

就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。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

董事就綜合財務報表承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求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。

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

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。我們是按照百慕達一九八一年《公司法》第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

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.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 作為根據《香港審計準則》進行審計的一環，我們於整個審計過程中運用專業判斷，保持專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，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。
 - 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。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評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相關交易和事項。
 - 就貴集團內各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。

Independent Auditor's Report

獨立核數師報告

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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 Lee Ka Nang.

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，為消除威脅而採取的行動及相關的防範措施。

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李家能。

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 April 2022

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零二二年四月二十九日

Consolidated Income Statement

for the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Revenue	3 & 4	514,901	322,646
Cost of sales		(193,302)	(118,554)
Gross profit		321,599	204,092
Other revenue	5(a)	43,522	112,013
Other net income	5(b)	2,538	44,855
Selling and distribution costs		(367,824)	(378,384)
General and administrative expenses		(79,776)	(85,607)
Other operating expenses		(139,676)	(77,094)
Valuation loss on investment property	11	—	(6,500)
Loss from operations		(219,617)	(186,625)
Finance costs	6(a)	(61,057)	(72,948)
Share of loss of a joint venture		(50,684)	(38,868)
Loss before taxation	6	(331,358)	(298,441)
Income tax credit	7(a)	16,447	10,267
Loss for the year		(314,911)	(288,174)
Attributable to:			
Equity holders of the Company		(314,153)	(288,171)
Non-controlling interests		(758)	(3)
Loss for the year		(314,911)	(288,174)
Loss per share (HK cent)	10		
Basic and diluted		(11.22)	(10.29)

The notes on pages 104 to 162 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2021

	2021 HK\$'000	2020 HK\$'000
Loss for the year	(314,911)	(288,174)
Other comprehensive income for the year:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— subsidiaries outside Hong Kong	(27,176)	5,811
— a joint venture outside Hong Kong	3,835	9,165
	(23,341)	14,976
Total comprehensive income for the year	(338,252)	(273,198)
Total comprehensive income attributable to:		
Equity holders of the Company	(337,472)	(273,160)
Non-controlling interests	(780)	(38)
Total comprehensive income for the year	(338,252)	(273,198)

Note: There is no tax effect relating to the above components of comprehensive income.

The notes on pages 104 to 162 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Investment property	11	–	14,000
Other property, plant and equipment	11	369,873	327,797
Right-of-use assets	11	1,691,267	1,244,322
		2,061,140	1,586,119
Interest in a joint venture	13	56,691	103,540
Intangible assets	14	521,675	530,756
Goodwill	15	573,933	633,118
Other receivables, deposits and prepayments		44,413	37,363
Pledged bank deposits	19	50,000	50,000
		3,307,852	2,940,896
Current assets			
Inventories	16	2,877	3,513
Film rights	17	75,498	46,717
Trade receivables	18(a)	14,698	13,358
Other receivables, deposits and prepayments	18(b)	103,858	146,392
Pledged bank deposits	19	–	17,850
Deposits and cash	19	695,369	985,546
Non-current asset held for sale	20	160,852	–
		1,053,152	1,213,376
Current liabilities			
Bank loans	21	1,062,128	148,176
Trade payables	22(a)	83,812	53,693
Other payables and accrued charges	22(b)	153,214	122,238
Deferred income	22(c)	64,053	48,416
Lease liabilities	23	113,468	100,328
Taxation payable	24(a)	922	9,321
		1,477,597	482,172
Net current (liabilities)/assets		(424,445)	731,204
Total assets less current liabilities		2,883,407	3,672,100

Consolidated Statement of Financial Position

at 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Non-current liabilities			
Bank loans	21	–	1,057,943
Lease liabilities	23	613,121	568,563
Deferred income	22(c)	583,120	–
Deferred tax liabilities	24(b)	142,683	162,859
		1,338,924	1,789,365
NET ASSETS			
		1,544,483	1,882,735
CAPITAL AND RESERVES			
	25		
Share capital		279,967	279,967
Reserves		1,265,893	1,603,365
Total equity attributable to equity holders of the Company			
		1,545,860	1,883,332
Non-controlling interests			
		(1,377)	(597)
TOTAL EQUITY			
		1,544,483	1,882,735

Approved and authorised for issue by the Board of Directors on 29 April 2022.

Wu Kebo
Director

Chow Sau Fong, Fiona
Director

The notes on pages 104 to 162 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Reserve funds HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2021	279,967	771,749	15,886	80,000	3,134	20,109	712,487	1,883,332	(597)	1,882,735
Changes in equity for 2021:										
Loss for the year	-	-	-	-	-	-	(314,153)	(314,153)	(758)	(314,911)
Other comprehensive income	-	-	-	-	-	(23,319)	-	(23,319)	(22)	(23,341)
Total comprehensive income	-	-	-	-	-	(23,319)	(314,153)	(337,472)	(780)	(338,252)
Balance at 31 December 2021	279,967	771,749	15,886	80,000	3,134	(3,210)	398,334	1,545,860	(1,377)	1,544,483

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Reserve funds HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2020	279,967	771,749	15,886	80,000	3,134	5,098	1,000,658	2,156,492	(559)	2,155,933
Changes in equity for 2020:										
Loss for the year	-	-	-	-	-	-	(288,171)	(288,171)	(3)	(288,174)
Other comprehensive income	-	-	-	-	-	15,011	-	15,011	(35)	14,976
Total comprehensive income	-	-	-	-	-	15,011	(288,171)	(273,160)	(38)	(273,198)
Balance at 31 December 2020	279,967	771,749	15,886	80,000	3,134	20,109	712,487	1,883,332	(597)	1,882,735

The notes on pages 104 to 162 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Operating activities			
Loss before taxation		(331,358)	(298,441)
Adjustments for:			
Interest income	5(a)	(5,241)	(9,030)
Finance costs	6(a)	61,057	72,948
Depreciation of owned property, plant and equipment	6(c)	48,437	59,468
Depreciation of right-of-use assets	6(c)	116,928	136,384
Amortisation of intangible assets	6(c)	1,481	1,481
(Gain)/loss on disposal of property, plant and equipment	5(b)	(203)	831
Impairment losses on non-financial assets:			
— Cinema related assets	6(c)	85,567	26,394
— Club house assets	6(c)	—	7,493
— Goodwill	6(c)	49,239	37,416
— Film rights	6(c)	3,468	593
Gain on lease modification	5(a)	—	(11,232)
COVID-19-related rent concessions received	5(a)	(14,288)	(49,849)
Valuation loss on investment property	11	—	6,500
Share of loss of a joint venture		50,684	38,868
Exchange gain, net		(13,602)	(21,438)
Operating profit/(loss) before changes in working capital		52,169	(1,614)
Decrease in inventories		611	527
Increase in film rights		(31,315)	(7,054)
(Increase)/decrease in trade receivables		(1,368)	42,005
Decrease in other receivables, deposits and prepayments		38,426	18,329
Increase/(decrease) in trade payables		30,641	(52,650)
Increase/(decrease) in other payables and accrued charges		5,442	(104,546)
Increase/(decrease) in deferred income		15,995	(18,581)
Cash generated from/(used in) operations		110,601	(123,584)
Interest received		5,242	12,683
Finance costs paid		(20,352)	(58,771)
Tax paid	24(a)	(9,410)	(23,542)
Net cash generated from/(used in) operating activities		86,081	(193,214)

Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Investing activities			
Payment for the purchase of property, plant and equipment		(124,973)	(35,738)
Proceeds from disposal of property, plant and Equipment		312	148
Receipt from pledged deposits		17,850	69,150
(Repayment from)/advance to a joint venture		(884)	9,305
Net cash (used in)/generated from investing activities		(107,695)	42,865
Financing activities			
Proceeds from new bank loans	19(b)	–	1,246,000
Repayment of bank loans	19(b)	(155,476)	(1,087,935)
Capital element of lease rentals paid	19(b)	(87,144)	(70,673)
Interest element of lease rentals paid	19(b)	(25,439)	(33,173)
Net cash (used in)/generated from financing activities		(268,059)	54,219
Net decrease in cash and cash equivalents		(289,673)	(96,130)
Cash and cash equivalents at 1 January		985,546	1,068,260
Effect of foreign exchange rate changes		(504)	13,416
Cash and cash equivalents at 31 December	19(a)	695,369	985,546

The notes on pages 104 to 162 form part of these financial statements.

Notes to the Financial Statements

I CORPORATE INFORMATION

Orange Sky Golden Harvest Entertainment (Holdings) Limited ("the Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (together "the Group") and its joint venture consist of worldwide film and video distribution, and film exhibition in Hong Kong, Singapore and Taiwan, film and television programme production in Hong Kong and Mainland China, provision of advertising and consultancy services in Hong Kong, Mainland China, Singapore and Taiwan and live entertainment and theatre operations in Mainland China. The other particulars and principal activities of the subsidiaries are set out in note 12 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

- investment properties, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest (see note 2(g));
- other leasehold land and buildings, including interests in leasehold land and buildings where the Group is the registered owner of the property interest (see notes 2(h) and (j));

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(x)).

Due to the COVID-19 outbreak, the Group's operations were impacted by the tightened social distancing measures including temporary closure of the Group's cinemas. During the year ended 31 December 2021, the Group incurred a loss for the year of HK\$314,911,000.

As at 31 December 2021, the Group had net current liabilities of HK\$424,445,000, primarily as a result of bank loans amounting to HK\$1,062,128,000 classified as current liabilities, as the Group did not fulfill certain financial covenants under the Group's banking facilities as disclosed in note 21. As at 31 December 2021, the Group had cash and cash equivalents and pledged bank deposits totalling HK\$745,369,000 which are insufficient to fully repay those bank loans if the lenders exercise the repayable on demand clause unless the Group is able to generate sufficient net cash inflows from its operations and/or other sources.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements *(continued)*

These facts and circumstances indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

- implementing various strategies to improve the Group's exhibition, distribution and production income to generate additional operating cash inflows;
- the Group has obtained commitment letters from certain existing banks lenders and is in the process to enter into a facility agreement for a term loan of HK\$573,000,000 to early refinance the existing banking facility; and
- disposal of the Group's properties, including the disposal of its Hong Kong office property for a consideration of HK\$225,000,000 completed on 29 April 2022.

Based on the directors' intentions and the cash flow forecast, assuming the success of the above measures, the directors are of the opinion that the Group is able to meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the Group's financial statements for the year ended 31 December 2021 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these financial statements.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 30.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*
- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”). The amendments do not have an impact on these financial statements as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021 (2021 amendment)

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met (see note 2(j)). One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. There is no impact on the opening balance of equity at 1 January 2021.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests *(continued)*

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(p) or (q) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)).

(e) Joint venture

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal Group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment loss for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset. In the Company's statement of financial position, investments in a joint venture is stated at cost less impairment losses (see note 2(k)).

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree, over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(vii).

(h) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest;
- machinery and equipment; and
- other items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment, other than construction in progress.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance costs are normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Construction in progress represents an asset under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other property, plant and equipment *(continued)*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value, if any, using the straight-line method, at the following rates per annum:

— Leasehold land	Over the unexpired term of lease
— The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and the building's estimated useful lives.	
— Leasehold improvements	Over the shorter of the lease term or its useful life
— Machinery and equipment	6.7%–33.3%
— Furniture and fixtures	8.3%–20.0%
— Motor vehicles	20.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

(i) Club memberships

Club memberships are stated in the consolidated statement of financial position at cost less impairment losses (see note 2(k)). Cost includes fees and expenses directly related to the acquisition of the club memberships.

Any gain or loss arising from disposal of club memberships is recognised in profit or loss.

(ii) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks are stated in the consolidated statement of financial position at cost less impairment losses (see note 2(k)). Trademarks with indefinite useful lives are not amortised until their useful lives are determined to be finite. Any conclusion that the useful life of trademarks is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment.

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

Customer relationships with finite useful lives are stated in the consolidated statement of financial position at cost less accumulated amortisation and impairment losses (see note 2(k)). Amortisation is calculated to write off the cost of customer relationships less their estimated residual value, if any, using the straight-line method, over their estimated useful lives of 5 years.

Both the period and method of amortisation are reviewed annually.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(h) and 2(k)(ii)), except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 2(g).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of consolidated financial position, the Group presents right-of-use assets and lease liabilities as separate line items.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets *(continued)*

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(u)(vii).

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following item:

- financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(u)(viii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Basis of calculation of interest income (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under operating leases;
- film rights;
- goodwill;
- intangible assets (other than goodwill); and
- investments in subsidiaries and a joint venture in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(ii) Impairment of other non-current assets *(continued)*

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(k)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is determined using a first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Film rights

(i) Film rights

The cost of film rights is amortised at a systematic basis with reference to the underlying license periods which are subject to annual review.

Film rights represent films and television drama series and are stated at cost less accumulated amortisation and impairment losses (see note 2(k)).

(ii) Film production in progress

Film production in progress represents films under production and is stated at cost less any impairment losses (see note 2(k)). Costs include all direct costs associated with the production of films. Impairment losses are made for costs which are in excess of the expected future revenue to be generated by these films. Costs are transferred to self-produced programmes upon completion.

(iii) Self-produced programmes

Self-produced programmes are stated at cost, comprising direct expenditure and an attributable portion of direct production overheads, less accumulated amortisation and impairment losses (see note 2(k)). The cost of self-produced programmes is amortised at a systematic basis with reference to the underlying license periods, which are subject to annual review.

(iv) Investments in film/drama production

Investments in film/drama production are stated initially at cost and adjusted thereafter for the net income derived from the investments less any accumulated impairment losses (see note 2(k)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(k)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(k).

(p) Trade and other payables and deferred income

(i) Trade and other payables

Trade and other payables are initially recognised at fair value, which are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(u)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(n)). In this annual report, the Group discloses contract liability as deferred income.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Group's accounting policy for borrowing costs (see note 2(w)).

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the share issued) or the option expires (when it is released directly to retained profits).

(iii) Retirement benefit schemes

The Group operates a defined contribution retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions to the Scheme are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Scheme. The Group's employer contributions are fully and immediately vested with the employees when contributed to the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group's subsidiaries which operate in the Mainland China are members of the state-sponsored retirement scheme (the "State Scheme") operated by the government. Contributions to the State Scheme are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they became payable in accordance with the rules of the State Scheme.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax *(continued)*

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:
- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
 - in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue and other income *(continued)*

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Income from box office takings is recognised when the services have been rendered to the buyers;
- (ii) Income from film distribution and screen advertising is recognised at the time when the services are provided;
- (iii) Income from promotion, advertising, advertising production and agency and consultancy services is recognised upon the provision of the services;
- (iv) Income from investments in film/drama production is recognised when the films or television programmes are released for distribution;
- (v) Income from film royalties arising from the assignment of screening rights to television stations and the granting of rights to manufacture, distribute and sell video cassettes, laser discs, video compact discs and digital video discs is recognised as accrued royalties when the Group's right to receive payment is established;
- (vi) Income from confectionery sales and audio visual sales is recognised at the point of sales when the confectionery and audio visual products are given to the customers;
- (vii) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned;
- (viii) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(k)(i));
- (ix) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established;
- (x) Income from ticket booking is recognised upon the provision of the services;
- (xi) Income from gift voucher purchases is recognised when customers exchange them for goods/services or upon expiry;
- (xii) Income from membership fees is recognised in profit or loss in the accounting period covered by the membership terms;
- (xiii) Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense; and
- (xiv) Food and beverage sales income is recognised when the related service is provided to the members and/or their guests.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and the financial statements of overseas subsidiaries and joint venture are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except for those arising from the translation of the financial statements of overseas subsidiaries and joint ventures which are taken directly to the exchange reserve.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Non-current assets held for sale

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets, are recognised at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortised.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of operating processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Financial Statements

3 REVENUE

Revenue, which are from contracts with customers within the scope of HKFRS 15, represents income from the sale of film, video and television rights, film and TV drama distribution, theatre operations, promotion and advertising services, agency and consultancy services, film royalty, the sale of audio visual products, membership fees and food and beverage sales.

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue. Details of concentrations of credit risk arising from customers are set out in note 26(a) to the financial statements.

4 SEGMENT REPORTING

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the reportable segments, which are as follows:

- Hong Kong
- Mainland China
- Singapore
- Taiwan

The results of the Group's revenue from external customers for entities located in Hong Kong, Mainland China, Singapore and Taiwan are set out in the table below.

The reportable segment of Taiwan, represent the Group's share of results of the joint venture operating in Taiwan.

Segment revenue and results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the revenue and results attributable to each reportable segment on the following bases:

Revenue is allocated to the reportable segments based on the local entities' location of external customers. Expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those geographical locations or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The measure used for reporting segment loss is adjusted operating loss after taxation where net finance costs, exchange differences and extraordinary items are excluded, and the effect of HKFRS 16, *Leases* is adjusted as if the rentals had been recognised under HKAS 17, *Leases*. To arrive at adjusted operating loss after taxation, the Group's loss is further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and head office or corporate administration costs.

In addition to receiving segment information concerning operating loss after taxation, management is provided with segment information concerning revenue.

Management evaluates performance primarily based on the operating loss including the share of results of joint ventures of each segment. Intra-segment pricing is generally determined on an arm's length basis.

Notes to the Financial Statements

4 SEGMENT REPORTING (CONTINUED)

Segment revenue and results (continued)

Segment information regarding the Group's revenue and results by geographical market is presented below:

	Hong Kong		Mainland China		Singapore		Taiwan		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000								
Segment revenue										
Revenue										
— Exhibition	132,397	64,915	—	—	398,708	309,359	277,664	279,285	808,769	653,559
— Distribution and production	6,199	9,827	3,171	201	31,680	32,751	3,933	7,713	44,983	50,492
— Club house	—	—	1,485	12,907	—	—	—	—	1,485	12,907
— Corporate	1,600	2,437	—	—	—	—	—	—	1,600	2,437
Reportable segment revenue	140,196	77,179	4,656	13,108	430,388	342,110	281,597	286,998	856,837	719,395
Reportable segment loss	(34,561)	(68,331)	(18,217)	(38,937)	(10,160)	(26,220)	(39,543)	(18,605)	(102,481)	(152,093)
Reconciliation — Revenue										
Reportable segment revenue									856,837	719,395
Share of revenue from a joint venture in Taiwan									(281,597)	(286,998)
Elimination of intra-segmental revenue									(19,823)	(18,005)
Others									(40,516)	(91,746)
Consolidated revenue									514,901	322,646
Reconciliation — loss before taxation										
Reportable loss									(102,481)	(152,093)
Unallocated operating expenses, net									(211,672)	(136,078)
Non-controlling interests									(758)	(3)
Income tax credit									(16,447)	(10,267)
Consolidated loss before taxation									(331,358)	(298,441)

Notes to the Financial Statements

5 OTHER REVENUE AND OTHER NET INCOME

(a) Other revenue

	2021 HK\$'000	2020 HK\$'000
Interest income from bank deposits	5,241	9,030
Co-promotion income	2,685	6,309
COVID-19-related rent concessions	14,288	49,849
Gain on lease modification	–	11,232
Government subsidies (note (i))	16,757	27,856
Miscellaneous income	4,551	7,737
	43,522	112,013

Note:

- (i) In 2021 and 2020, the Group received funding support in Hong Kong and Singapore from the respective local governments, which intended to provide financial support to protect its local business and people from disruptions caused by the Coronavirus Disease ("COVID-19").

(b) Other net income

	2021 HK\$'000	2020 HK\$'000
Gain/(loss) on disposal of property, plant and equipment	203	(831)
Exchange gain, net	2,335	45,686
	2,538	44,855

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2021 HK\$'000	2020 HK\$'000
(a) Finance costs		
Interest on bank loans	18,721	30,547
Interest on lease liabilities (note 11(c))	25,439	33,173
Other ancillary borrowing costs	18,383	9,686
Total finance costs on financial liabilities not at fair value through profit or loss	62,543	73,406
Less: finance costs capitalised into construction in progress (note (i))	(1,486)	(458)
	61,057	72,948

Notes to the Financial Statements

6 LOSS BEFORE TAXATION (CONTINUED)

	2021 HK\$'000	2020 HK\$'000
(b) Staff costs (excluding directors' and chief executive officers' emoluments (note 8))		
Salaries, wages and other benefits (note (ii))	82,029	95,633
Contributions to defined contribution retirement plans	7,191	7,727
	89,220	103,360
	2021 HK\$'000	2020 HK\$'000
(c) Other items		
Cost of inventories	22,224	16,185
Cost of services provided	170,412	100,558
Depreciation charge (note 11)		
— owned property, plant and equipment	48,437	59,468
— right-of-use-assets	116,928	136,384
Impairment losses on non-financial assets		
— cinema-related assets (note 11)	85,567	26,394
— club house assets	—	7,493
— goodwill (note 15)	49,239	37,416
— film rights (note 17)	3,468	593
Variable lease payments not included in the measurement of lease liabilities (note 11(c))	3,531	859
Amortisation of intangible assets (note 14)	1,481	1,481
Amortisation of film rights (note (iii)) (note 17)	666	1,811
Auditors' remuneration	3,198	2,978

Notes:

- (i) The finance costs have been capitalised at rates ranging from 1.75% to 1.83% (2020: 1.76% to 4.69%) per annum for the year ended 31 December 2021.
- (ii) The amount includes provision for long service payments.
- (iii) The amortisation of film rights for the year is included in "Cost of sales" in the consolidated income statement.

Notes to the Financial Statements

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2021 HK\$'000	2020 HK\$'000
<i>Current income tax</i>		
Provision for Hong Kong tax	–	–
Provision for overseas tax	824	1,322
Under/(over) provision in respect of prior years	350	(185)
	1,174	1,137
<i>Deferred tax (note 24(b))</i>		
Reversal of temporary differences	(17,621)	(11,404)
	(16,447)	(10,267)

Notes:

- (i) No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group sustained a loss for Hong Kong Profits Tax for both years.
- (ii) No provision for the PRC Corporate Income Tax has been made in the consolidated financial statements as the Group sustained a loss for PRC Corporate Income Tax for both years.
- (iii) The provision for Singapore Corporate Income Tax of the subsidiaries incorporated in Singapore is calculated at 17% (2020: 17%) of the estimated taxable profits for the year.
- (iv) During the year ended 31 December 2021, the Group reversed HK\$5,272,000 (2020: reversed HK\$2,447,000) for income taxes on accumulated earnings generated by its joint venture in Taiwan which will be distributed to the Group in the foreseeable future.

(b) Reconciliation between tax credit and loss before taxation at applicable tax rates:

	2021 HK\$'000	2020 HK\$'000
Loss before taxation	(331,358)	(298,441)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	(55,941)	(57,307)
Tax effect of non-deductible expenses	16,602	34,394
Tax effect of non-taxable income	(9,070)	(12,525)
Tax effect of unused tax losses not recognised	18,547	20,213
Tax effect of loss attributable to a joint venture	10,137	7,774
Tax effect of temporary differences unrecognised, net	8,200	(184)
Effect of Taiwan withholding tax for the year	(5,272)	(2,447)
Under/(over) provision in prior years	350	(185)
Actual tax credit	(16,447)	(10,267)

Notes to the Financial Statements

8 DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' EMOLUMENTS

Directors' and chief executive officers' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Double paid and discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	2021 Total HK\$'000
Executive directors and chief executive officers					
WU, Kebo	7,382	1,028	–	129	8,539
LI, Pei Sen	378	1	–	–	379
CHOW, Sau Fong Fiona	1,235	923	170	18	2,346
GO, Misaki	288	192	–	–	480
PENG, Bolun	240	299	51	119	709
YEUNG, Ho Nam	–	2,344	183	18	2,545
Independent non-executive directors					
LEUNG, Man Kit	340	–	–	–	340
WONG, Sze Wing	240	–	–	–	240
FUNG, Chi Man Henry	240	–	–	–	240
	10,343	4,787	404	284	15,818

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Double paid and discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	2020 Total HK\$'000
Executive directors and chief executive officers					
WU, Kebo	7,441	614	–	18	8,073
LI, Pei Sen	361	–	–	–	361
CHOW, Sau Fong Fiona	1,235	807	172	18	2,232
GO, Misaki	288	162	–	–	450
PENG, Bolun	255	258	–	78	591
XU, Hua (resigned on 1 June 2020)	–	850	116	7	973
YEUNG, Ho Nam (appointed on 1 June 2020)	–	1,346	108	10	1,464
Independent non-executive directors					
LEUNG, Man Kit	340	–	–	–	340
WONG, Sze Wing	240	–	–	–	240
FUNG, Chi Man Henry	240	–	–	–	240
	10,400	4,037	396	131	14,964

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 25(a)(i).

Notes to the Financial Statements

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2020: three) are directors and chief executive officer whose emoluments are disclosed in note 8 to the financial statements. The aggregate of the emoluments in respect of the other two (2020: two) are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries and other emoluments	3,548	3,310
Discretionary bonuses	—	—
Retirement scheme contributions	163	164
	3,711	3,474

The emoluments of the two (2020: two) individuals with the highest emoluments are within the following bands:

	2021 Number of individuals	2020 Number of individuals
HK\$1,000,001 — HK\$1,500,000	0	1
HK\$1,500,001 — HK\$2,000,000	1	0
HK\$2,000,001 — HK\$2,500,000	1	1

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK\$314,153,000 (2020: HK\$288,171,000) and the weighted average number of ordinary shares of 2,799,669,050 (2020: 2,799,669,050), in issue during the year, calculated as follows:

	2021 Number of shares	2020 Number of shares
Issued ordinary shares and weighted average number of ordinary shares at 31 December	2,799,669,050	2,799,669,050

(b) Diluted loss per share

The Company does not have any dilutive potential ordinary shares as at 31 December 2021 and 2020. Diluted loss per share for the years ended 31 December 2021 and 2020 is the same as the basic loss per share.

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Reconciliation of carrying amount

	Ownership interests in land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Sub-total HK\$'000	Investment property HK\$'000	Total HK\$'000
At 1 January 2020	632,107	1,008,304	106,265	277,051	108,556	40,104	4,409	16,226	2,193,022	41,000	2,234,022
Additions	-	3,395	-	973	2,919	229	462	31,154	39,132	-	39,132
Disposals	-	-	-	(3,813)	(1,543)	(880)	(446)	-	(6,682)	-	(6,682)
Reclassify	-	-	-	-	1,297	-	-	(1,297)	-	-	-
Transfer	19,353	-	1,147	-	-	-	-	-	20,500	(20,500)	-
Valuation loss on investment property	-	-	-	-	-	-	-	-	-	(6,500)	(6,500)
Modification of right-of-use assets	-	(128,493)	-	-	-	-	-	-	(128,493)	-	(128,493)
Exchange adjustments	8,914	11,615	2,475	4,767	3,427	1,002	252	943	33,395	-	33,395
At 31 December 2020	660,374	894,821	109,887	278,978	114,656	40,455	4,677	47,026	2,150,874	14,000	2,164,874
Representing:											
Cost	660,374	894,821	109,887	278,978	114,656	40,455	4,677	47,026	2,150,874	-	2,150,874
Valuation 2020	-	-	-	-	-	-	-	-	-	14,000	14,000
	660,374	894,821	109,887	278,978	114,656	40,455	4,677	47,026	2,150,874	14,000	2,164,874

	Ownership interests in land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Sub-total HK\$'000	Investment property HK\$'000	Total HK\$'000
At 1 January 2021	660,374	894,821	109,887	278,978	114,656	40,455	4,677	47,026	2,150,874	14,000	2,164,874
Additions	-	782,936	-	30,809	9,734	3,796	-	80,636	907,911	-	907,911
Disposals	-	-	-	(8,372)	(5,287)	(1,642)	(246)	(25)	(15,572)	-	(15,572)
Reclassify	-	-	-	459	641	446	-	(1,546)	-	-	-
Transfer	13,220	-	780	-	-	-	-	-	14,000	(14,000)	-
Modification of right-of-use assets	-	(11,824)	-	-	-	-	-	-	(11,824)	-	(11,824)
Derecognition of right-of-use assets	-	(30,386)	-	-	-	-	-	-	(30,386)	-	(30,386)
Transfer to non-current asset held for sale (note 20)	(160,570)	-	(8,948)	(4,423)	-	-	-	-	(173,941)	-	(173,941)
Exchange adjustments	(9,904)	(4,606)	(2,750)	(4,918)	(3,466)	(946)	14	1,145	(25,431)	-	(25,431)
At 31 December 2021	503,120	1,630,941	98,969	292,533	116,278	42,109	4,445	127,236	2,815,631	-	2,815,631

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Ownership interests in land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Buildings	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Sub-total	Investment property	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accumulated depreciation, amortisation and impairment losses:											
At 1 January 2020	22,037	137,101	16,812	92,468	57,427	19,823	2,552	-	348,220	-	348,220
Charge for the year	7,870	128,514	7,031	30,992	15,056	5,690	699	-	195,852	-	195,852
Impairment	-	18,869	-	10,864	2,443	1,711	-	-	33,887	-	33,887
Modification of right-of-use assets	-	(16,472)	-	-	-	-	-	-	(16,472)	-	(16,472)
Written back on disposals	-	-	-	(2,878)	(1,499)	(880)	(446)	-	(5,703)	-	(5,703)
Exchange adjustments	1,074	11,880	1,918	3,731	3,363	885	120	-	22,971	-	22,971
At 31 December 2020	30,981	279,892	25,761	135,177	76,790	27,229	2,925	-	578,755	-	578,755
At 1 January 2021	30,981	279,892	25,761	135,177	76,790	27,229	2,925	-	578,755	-	578,755
Charge for the year	7,942	108,986	7,186	23,938	11,902	4,747	664	-	165,365	-	165,365
Impairment	-	63,876	-	17,922	2,973	796	-	-	85,567	-	85,567
Modification of right-of-use assets	-	(5,490)	-	-	-	-	-	-	(5,490)	-	(5,490)
Derecognition of right-of-use assets	-	(30,386)	-	-	-	-	-	-	(30,386)	-	(30,386)
Written back on disposals	-	-	-	(6,973)	(5,136)	(1,637)	(246)	-	(13,992)	-	(13,992)
Transfer to non-current asset held for sale (note 20)	(9,817)	-	(1,448)	(1,824)	-	-	-	-	(13,089)	-	(13,089)
Exchange adjustments	(1,045)	(2,145)	(1,980)	(3,310)	(3,084)	(717)	42	-	(12,239)	-	(12,239)
At 31 December 2021	28,061	414,733	29,519	164,930	83,445	30,418	3,385	-	754,491	-	754,491
Net book value:											
At 31 December 2021	475,059	1,216,208	69,450	127,603	32,833	11,691	1,060	127,236	2,061,140	-	2,061,140
At 31 December 2020	629,393	614,929	84,126	143,801	37,866	13,226	1,752	47,026	1,572,119	14,000	1,586,119

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Impairment loss

Exhibition — Hong Kong

Due to exceptional disruptions to the Group's film exhibition operations as a result of COVID-19, management conducted an impairment review on the recoverable amount of the property, plant and equipment and right-of-use assets relating to film exhibition operations based on value-in-use calculations of the film exhibition segment in Hong Kong. The calculation uses cash flow projections of the cinema related assets covering the remaining lease terms with a pre-tax discount rate of 14% (2020: 14%). Impairment losses of HK\$85,567,000 (2020: HK\$26,394,000) was recognised in "Other operating expenses" as the recoverable amounts of the cinema related assets are lower than the fair value less costs of disposal and value-in-use.

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair values of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at	Fair value measurements as at		
	31 December	31 December 2021 categorised into		
	2021	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurement				
Investment property:				
— Commercial — Hong Kong				
— long lease		-	-	-

	Fair value at	Fair value measurements as at		
	31 December	31 December 2020 categorised into		
	2020	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurement				
Investment property:				
— Commercial — Hong Kong				
— long lease	14,000	-	14,000	-

During the year ended 31 December 2021, there were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 (2020: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) Fair value measurement of properties *(continued)*

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The Group's investment property was revalued as at 31 December 2020. The valuation was carried out by an independent firm of surveyors, Asset Appraisal Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued. The Group's management has discussions with the surveyors about the valuation assumptions and valuation results when the valuations are performed at the end of the reporting period.

The fair value of the investment property located in Hong Kong is determined using the market comparison approach by reference to recent sales prices of comparable properties on a price per square foot basis using market data which is publicly available.

Fair value adjustment of investment property is included in "valuation loss on investment property" in the consolidated income statement for the year ended 31 December 2020.

(c) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2021 HK\$'000	2020 HK\$'000
Ownership interests in leasehold land held for own use, carried at depreciated cost	(i)		
In Hong Kong			
— long leases		—	138,572
Outside Hong Kong			
— long leases		475,059	490,821
		475,059	629,393
Other properties leased for own use, carried at depreciated cost	(ii)	1,216,208	614,929
		1,691,267	1,244,322

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2021 HK\$'000	2020 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land held for own use	7,942	7,870
Other properties leased for own use	108,986	128,514
	116,928	136,384

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(c) Right-of-use assets (continued)

	2021 HK\$'000	2020 HK\$'000
Interest on lease liabilities (note 6(a))	25,439	33,173
Expense relating to short-term leases	365	743
Variable lease payments not included in the measurement of lease liabilities (note 6(c))	3,531	859
COVID-19-related rent concessions received (note 5(a))	14,288	49,849

During the year ended 31 December 2021, additions to right-of-use assets were HK\$782,936,000 (2020: HK\$3,395,000) which is primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(c) and 23, respectively.

As disclosed in note 2(c), the Group has early adopted the Amendment to HKFRS 16, *Covid-19-Related Rent Concessions beyond 30 June 2021*, and applies the practical expedient introduced by the amendment to all eligible rent concessions received by the Group during the year. Further details are disclosed in (ii) below.

(i) Ownership interests in leasehold land held for own use

The Group holds interests in several leasehold land for its business. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Properties leased for own use

The Group has obtained the right to use properties as its office premises, cinemas and stages through tenancy agreements. The leases typically run for an initial period of 1 to 20 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

	2021		Potential future lease payments under extension options not included in lease liabilities (undiscounted) HK\$'000
	Right-of-use assets HK\$'000	Lease liabilities recognised (discounted) HK\$'000	
Cinemas — Hong Kong	168,743	243,884	—
Stage — Mainland China	613,811	—	—
Offices — Singapore	5,866	6,477	—
Cinemas — Singapore	427,788	476,228	—
	1,216,208	726,589	—

Notes to the Financial Statements

II INVESTMENT PROPERTY, OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(c) Right-of-use assets (continued)

(ii) Properties leased for own use (continued)

	2020		
	Right-of-use assets HK\$'000	Lease liabilities recognised (discounted) HK\$'000	Potential future lease payments under extension options not included in lease liabilities (undiscounted) HK\$'000
Offices — Hong Kong	3,659	4,076	—
Cinemas — Hong Kong	128,582	156,162	—
Club house — Mainland China	2,304	—	—
Offices — Mainland China	11,756	18	—
Offices — Singapore	7,203	7,801	—
Cinemas — Singapore	461,425	500,834	—
	614,929	668,891	—

The Group leased a number of cinemas which contain variable lease payment terms that are based on sales generated from the cinemas and minimum annual lease payment terms that are fixed. These payment terms are common in cinemas in countries where the Group operates. During the year ended 31 December 2021, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed and variable lease payments for the year is summarised below:

	2021			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000	Total payments HK\$'000
Hong Kong	42,614	846	(3,409)	40,051
Mainland China	18	—	—	18
Singapore	84,239	2,685	(10,879)	76,045

	2020			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000	Total payments HK\$'000
Hong Kong	55,909	22	(11,728)	44,203
Mainland China	14,961	—	(5,439)	9,522
Singapore	82,825	837	(32,682)	50,980

(d) Investment property

The Group leases out investment property under operating leases. No future minimum lease payments under non-cancellable operating leases are receivable as at 31 December 2021.

Notes to the Financial Statements

12 INTERESTS IN SUBSIDIARIES

The following list contains only the particulars of principal subsidiaries which affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

All of these are controlled subsidiaries as defined under note 2(d) and have been consolidated into the Group's financial statements.

Details of the principal subsidiaries are as follows:

Name of company	Place of incorporation/ establishment and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
北京橙天嘉禾影視製作有限公司^	PRC	Registered capital RMB3,000,000	100%	Investment, production and distribution of motion pictures and acts as an advertising agent
Gala Film Distribution Limited	Hong Kong	49,990,000 shares and 10,000 non-voting deferred shares#	100%	Distribution of motion pictures
Golden Harvest Cinemas Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Golden Harvest Entertainment International Limited	British Virgin Islands	1,000 shares of US\$1 each	100%	Investment holding
Golden Harvest Films Distribution Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Golden Harvest (Marks) Limited	British Virgin Islands	1 share of US\$1	100%	Holding of trademarks
Golden Harvest Treasury Limited	British Virgin Islands	1 share of US\$1	100%	Provision of finance to group companies
Golden Screen Limited	Hong Kong	8,750,000 shares	100%	Investment holding
Golden Sky Pacific Limited	Hong Kong	2 shares	100%	Investment holding
M Cinemas Company Limited	Hong Kong	7,000,000 shares	100%	Theatre operation
Orange Sky Golden Harvest Entertainment Company Limited	Hong Kong	100 shares	100%	Investment holding and provision of management services to group companies
Orange Sky Golden Harvest Motion Pictures Company Limited	Hong Kong	94,000,000 shares	100%	Film production and investment holding
Panasia Films Limited	Hong Kong	23,000 shares	100%	Distribution of motion pictures and its related audio visual products and acts as an advertising agent
Panasia Cinema Advertising Limited	Hong Kong	10,000 shares	100%	Advertising agent
Splendid Ventures Limited	Hong Kong	2 shares	100%	Theatre operation

Notes to the Financial Statements

12 INTERESTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ establishment and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
Shanghai Golden Harvest Media Management Company Limited ^{^^}	PRC	Registered capital US\$500,000	100%	Distribution of motion pictures
Dartina Development Limited	Hong Kong	31,200,082 shares	100%	Investment holding
Golden Village Multiplex Pte Limited	Singapore	8,000,000 shares of S\$1 each	100%	Theatre operation
Golden Village Pictures Pte Limited	Singapore	8,000,000 shares of S\$1 each	100%	Distribution of motion pictures
Golden Properties (Pacific) Limited	British Virgin Islands	1 share of US\$1	100%	Property holding

Except for Golden Harvest Entertainment International Limited, all of the above subsidiaries are indirectly held by the Company.

[^] The equity interest of the entity is held by PRC nationals on behalf of the Group.

^{^^} Shanghai Golden Harvest Media Management Company Limited is a Sino-foreign equity joint venture enterprise under PRC Law.

13 INTEREST IN A JOINT VENTURE

	2021 HK\$'000	2020 HK\$'000
Share of net assets	56,691	103,540

The following list contains the particulars of the Group's joint venture:

Name of jointly controlled entity	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by subsidiaries	
Vie Show Cinemas Co. Ltd. [#]	Incorporated	Taiwan	80,000,000 shares of NTD10 each	35.71%	–	35.71%	Theatre operation and investment holding

[#] The joint venture in which the Group participates, which is accounted for using the equity method in the consolidated financial statements, is an unlisted corporate entity whose quoted market price is not available.

Notes to the Financial Statements

13 INTEREST IN A JOINT VENTURE (CONTINUED)

Summarised financial information of Vie Show Cinemas Co. Ltd. adjusted for any differences in accounting policies, and a reconciliation to the carrying amounts in the consolidated financial statements, are disclosed below:

	Vie Show Cinemas Co. Ltd.#	
	2021	2020
	HK\$'000	HK\$'000
Gross amounts of the joint venture:		
Current assets	559,504	661,131
Non-current assets	3,447,203	3,478,942
Current liabilities	(904,534)	(970,398)
Non-current liabilities	(2,943,416)	(2,879,728)
Equity	158,757	289,947
Included in the above assets and liabilities:		
Cash and cash equivalents	502,823	608,712
Non-current financial liabilities (excluding trade and other payables and provisions)	42,696	42,300
Revenue	755,315	789,457
Loss from continuing operations	(141,929)	(108,843)
Total comprehensive income	(141,929)	(108,843)

	Vie Show Cinemas Co. Ltd.#	
	2021	2020
	HK\$'000	HK\$'000
Included in the above profits:		
Depreciation and amortisation	427,008	393,285
Interest income	86	195
Interest expense	50,719	44,621
Income tax expense	35,737	30,037
Reconciled to the Group's interests in the joint venture		
Gross amounts of the joint venture's net assets	158,757	289,947
Group's effective interest	35.71%	35.71%
Group's share of the joint venture's net assets	56,691	103,540
Carrying amount in the consolidated financial statements	56,691	103,540

The joint venture is not audited by KPMG.

There has been a dispute among the shareholders of Vie Show Cinemas Co. Ltd. ("Vie Show") involving allegations of breaches of the material terms of the shareholders' agreement and lawsuits were filed between the shareholders with the Taipei District Court of Taiwan in 2014. The lawsuits are ongoing and there remains uncertainty about the outcome of the shareholders' dispute. The shareholders' dispute and the related lawsuits do not affect the operations of Vie Show.

Notes to the Financial Statements

14 INTANGIBLE ASSETS

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2021	526,644	7,407	1,890	535,941
Exchange adjustments	(7,600)	-	-	(7,600)
At 31 December 2021	519,044	7,407	1,890	528,341
Accumulated amortisation:				
At 1 January 2021	-	5,185	-	5,185
Charge for the year	-	1,481	-	1,481
At 31 December 2021	-	6,666	-	6,666
Net book value:				
At 31 December 2021	519,044	741	1,890	521,675

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2020	519,804	7,407	1,890	529,101
Exchange adjustments	6,840	-	-	6,840
At 31 December 2020	526,644	7,407	1,890	535,941
Accumulated amortisation:				
At 1 January 2020	-	3,704	-	3,704
Charge for the year	-	1,481	-	1,481
At 31 December 2020	-	5,185	-	5,185
Net book value:				
At 31 December 2020	526,644	2,222	1,890	530,756

Notes to the Financial Statements

14 INTANGIBLE ASSETS (CONTINUED)

Notes:

- (i) Trademarks represent perpetual licenses for the use of the brand names "Golden Harvest" and "The Sky" in Hong Kong, and "Golden Village" in Singapore which take the form of sign, symbol, name, logo, design or any combination thereof.

The directors are of the opinion that the Group's trademarks have indefinite useful lives due to the following reasons:

- (a) the trademarks have been in use and will continue to be used for the long term; and
- (b) the Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to profit or loss when incurred, to maintain and increase the market value of its trademarks.

At 31 December 2021, the directors carried out an assessment of the recoverable amounts of trademarks with the assistance of independent professional valuers. Based on their review, the recoverable amounts of trademarks exceeded their carrying amounts and therefore no impairment was recognised.

- (ii) Customer relationships represent non-contractual customer relationships owned by Panasia Cinema Advertising Limited ("PCAL") recognised by the Group upon the acquisition of PCAL on 31 May 2017.

PCAL generated revenue from several customers repeatedly across years. While there is no long term contract between PCAL and those customers, it is customary for those customers to do business with PCAL whenever they require services that PCAL provides and such needs are recurring for those customers and observed from the trading history for the past five years.

15 GOODWILL

	2021 HK\$'000	2020 HK\$'000
Cost:		
At 1 January	720,959	712,007
Exchange adjustments	(9,946)	8,952
At 31 December	711,013	720,959
Accumulated impairment losses:		
At 1 January	87,841	50,425
Impairment losses	49,239	37,416
At 31 December	137,080	87,841
Carrying amount		
At 31 December	573,933	633,118

Notes to the Financial Statements

15 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to country of operation and business segment as follows:

	2021 HK\$'000	2020 HK\$'000
Exhibition and distribution — Singapore	573,933	583,879
Exhibition — Hong Kong	—	49,239
	573,933	633,118

Exhibition and distribution — Singapore

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years and a pre-tax discount rate of 15% (2020: 15%), which reflects specific risks relating to the Group's Singapore segment. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2% (2020: 2%), which do not exceed the long-term average growth rates for the business in which the CGU operates.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Exhibition — Hong Kong

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years and a pre-tax discount rate of 13% (2020: 13%), which reflects specific risks relating to the Group's Hong Kong segment. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2% (2020: 2%), which do not exceed the long-term average growth rates for the business in which the CGU operates.

The impairment loss of HK\$49,239,000 (2020: HK\$14,183,000) recognised in "Other operating expenses" during the year solely relates to the Group's exhibition activities based in Hong Kong.

16 INVENTORIES

Inventories are carried at cost of HK\$2,877,000 at 31 December 2021 (2020: HK\$3,513,000) which comprised largely food and beverages for resale.

Notes to the Financial Statements

17 FILM RIGHTS

	2021 HK\$'000	2020 HK\$'000
Film rights — completed	18,192	18,857
Film production in progress, at cost	57,306	27,860
	75,498	46,717
Cost:		
At 1 January	373,576	397,651
Additions	32,236	9,381
Disposals	—	(42,894)
Expiries	(15,851)	(7,562)
Exchange adjustments	3,586	17,000
At 31 December	393,547	373,576
Accumulated amortisation and impairment:		
At 1 January	326,859	359,029
Amortisation	666	1,811
Disposals	—	(42,894)
Impairment	3,468	593
Expiries	(15,851)	(7,562)
Exchange adjustments	2,907	15,882
At 31 December	318,049	326,859
Net book value:		
At 31 December	75,498	46,717

Film rights represent films, television drama series and self-produced programmes.

Film production in progress represents films under production.

In accordance with note 2(k) of the Group's accounting policies, the Group performed impairment tests at 31 December 2021 and 2020 by comparing the attributable carrying amounts of the film rights/self-produced programmes with the recoverable amounts.

The directors assessed the recoverable amounts of the film rights based on the present value of estimated discounted future cash flows. Impairment of HK\$3,468,000 (2020: HK\$593,000) for film rights was recognised for the year ended 31 December 2021.

Notes to the Financial Statements

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade receivables

	2021 HK\$'000	2020 HK\$'000
Trade receivables	14,815	13,475
Less: Loss allowance	(117)	(117)
	14,698	13,358

(i) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 month	11,019	7,123
Over 1 month but within 2 months	1,282	1,454
Over 2 months but within 3 months	488	1,662
Over 3 months	1,909	3,119
	14,698	13,358

The Group usually grants credit periods ranging from one to three months. Each customer has a credit limit and overdue balances are regularly reviewed by management.

In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, the concentration of credit risk is not considered significant. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate their fair values. Further details of the Group's credit policy are set out in note 26(a) to the financial statements.

(ii) At 31 December 2021, trade receivables of the Group included amount of HK\$Nil (2020: HK\$Nil) due from a related company and amount of HK\$141,000 (2020: HK\$1,000) due from a joint venture, which are unsecured, interest-free and recoverable within one year.

(b) All of the other receivables, deposits and prepayments (including amounts due from related companies and joint venture) are expected to be recoverable within one year.

Notes to the Financial Statements

19 DEPOSITS AND CASH

(a) Deposits and cash comprise:

	2021 HK\$'000	2020 HK\$'000
Deposits at banks	252,782	294,307
Cash at bank and in hand	492,587	759,089
	745,369	1,053,396
Less: Pledged deposits	(50,000)	(67,850)
Cash and cash equivalents in consolidated statement of cash flows	695,369	985,546

As at 31 December 2021, deposits and cash placed with banks in Mainland China amounted to HK\$91,029,000 (2020: HK\$143,354,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control promulgated by the government of Mainland China.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Bank loans and other borrowings HK\$'000 (Note 21)	Lease liabilities HK\$'000 (Note 23)	Total HK\$'000
At 1 January 2021	1,206,119	668,891	1,875,010
Changes from financing cash flows:			
Repayment of bank loans	(155,476)	–	(155,476)
Capital element of lease rentals paid	–	(87,144)	(87,144)
Interest element of lease rentals paid	–	(25,439)	(25,439)
Total changes from financing cash flows	(155,476)	(112,583)	(268,059)
Exchange adjustments	(3,751)	(7,400)	(11,151)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	173,620	173,620
COVID-19-related rent concessions received (note 11(c))	–	(14,288)	(14,288)
Interest expenses (note 6(a))	–	25,439	25,439
Lease modifications	–	(7,090)	(7,090)
Other ancillary borrowing costs	15,236	–	15,236
Total other changes	15,236	177,681	192,917
At 31 December 2021	1,062,128	726,589	1,788,717

Notes to the Financial Statements

19 DEPOSITS AND CASH (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans and other borrowings HK\$'000 (Note 21)	Lease liabilities HK\$'000 (Note 23)	Total HK\$'000
At 1 January 2020	1,057,065	902,723	1,959,788
Changes from financing cash flows:			
Proceeds from new bank loans	1,246,000	–	1,246,000
Repayment of bank loans	(1,087,935)	–	(1,087,935)
Capital element of lease rentals paid	–	(70,673)	(70,673)
Interest element of lease rentals paid	–	(33,173)	(33,173)
Total changes from financing cash flows	158,065	(103,846)	54,219
Exchange adjustments	8,636	6,548	15,184
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	3,395	3,395
COVID-19-related rent concessions received (note 11(c))	–	(49,849)	(49,849)
Interest expenses (note 6(d))	–	33,173	33,173
Lease modifications	–	(123,253)	(123,253)
Other ancillary borrowing costs	(17,647)	–	(17,647)
Total other changes	(17,647)	(136,534)	(154,181)
At 31 December 2020	1,206,119	668,891	1,875,010

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2021 HK\$'000	2020 HK\$'000
Within operating cash flows	3,896	1,602
Within financing cash flows	112,583	103,846
	116,479	105,448

These amounts relate to the following:

	2021 HK\$'000	2020 HK\$'000
Lease rentals paid	116,479	105,448

Notes to the Financial Statements

20 NON-CURRENT ASSET HELD FOR SALE

On 7 December 2021, the Group has entered into the sale and purchase agreement with an independent third party to dispose of its Hong Kong office property (the "Property") for total consideration of HK\$225,000,000, with completion scheduled on or before 29 April 2022. The net proceeds from the Property disposal, after deducting transaction costs, will be utilised for partial repayment of its bank borrowings. Accordingly, the Property has been reclassified as a non-current asset held for sale as at 31 December 2021, as its carrying amount would be recovered principally through sale, the asset is available for immediate sale at their present conditions and such sale is considered highly probable.

21 BANK LOANS

(a) At 31 December 2021, the bank loans were repayable as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 year or on demand	1,062,128	148,176
After 1 year but within 2 years	–	165,221
After 2 years but within 5 years	–	892,722
After 5 years	–	–
	–	1,057,943
	1,062,128	1,206,119

All of the non-current interest-bearing borrowings are carried at amortised cost. All bank loans bear interest at floating interest rates which approximate market rates of interest.

(b) At 31 December 2021, the bank loans were secured by:

- (i) one office property of a subsidiary located in Hong Kong (2020: one);
- (ii) two properties of a subsidiary located in Singapore (2020: two);
- (iii) deposits of subsidiaries of HK\$50,000,000 (2020: HK\$50,000,000); and
- (iv) equity interests in its eleven subsidiaries of the Company (2020: eleven subsidiaries).

(c) At 31 December 2021, bank loans of HK\$1,062,128,000 (2020: HK\$1,206,119,000) were guaranteed by corporate guarantees from the Company and its subsidiaries.

(d) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain ratios of the Group's financial performance on consolidation basis, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand, upon demanded by majority lenders.

The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 26(b) to the financial statements.

As at 31 December 2021, the Group did not fulfill certain financial covenants under the Group's banking facilities. Accordingly, bank loans of HK\$1,062,128,000 have been classified as current liabilities as at 31 December 2021. In April 2022, the Group obtained a waiver on these financial covenants from the banks with expiry date on 30 June 2022. In addition, the Group has obtained commitment letters from certain existing banks lenders and is in the process to enter into a facility agreement for a term loan of HK\$573,000,000 to early refinance the existing banking facility.

Notes to the Financial Statements

22 TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEFERRED INCOME

(a) Trade payables

The ageing analysis of trade payables, based on the invoice date, as of the end of the reporting period:

	2021 HK\$'000	2020 HK\$'000
Within 3 months	72,429	40,463
4 to 6 months	287	1,479
7 to 12 months	307	212
Over 1 year	10,789	11,539
	83,812	53,693

At 31 December 2021, trade payables of the Group included the amounts totalling HK\$Nil (2020: HK\$Nil) due to related companies which were unsecured, interest-free and repayable on demand.

- (b) All of the other payables and accrued charges (including amounts due to related companies) are expected to be settled within one year or are repayable on demand.
- (c) Deferred income represents contract liabilities arising from billings in advance and customers' advances and deferred government grant. The amount of deferred income expected to be recognised as income after more than one year from the end of the reporting period is HK\$583,120,000 (2020: HK\$Nil). All of the other deferred income is expected to be recognised as income within one year.

	2021 HK\$'000	2020 HK\$'000
Contract liabilities (note i)	33,362	48,416
Deferred government grant (note ii)	613,811	–
	647,173	48,416
Current portion	64,053	48,416
Non-current portion	583,120	–
	647,173	48,416

Notes to the Financial Statements

22 TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEFERRED INCOME (CONTINUED)

(c) (continued)

Note (i):

Movements in contract liabilities

	2021 HK\$'000	2020 HK\$'000
Balance at 1 January	48,416	66,552
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(41,109)	(26,793)
Increase in contract liabilities as a result of receiving billings in advance and customers' advances during the year	26,703	7,721
Exchange adjustments	(648)	936
Balance at 31 December	33,362	48,416

Note (ii):

The Group received a government grant of approximately RMB503,123,000 (equivalent to HK\$613,811,000) in 2021 in the form of a lease over a piece of land in Suzhou for a lease period of 20 years, to support the development of the theatrical arts in Suzhou, the PRC.

The government grant will be recognised as revenue in the consolidated income statement on a systematic basis in the same periods as the depreciation expenses of the respective right-of-use asset are incurred.

Movement in deferred government grant

	2021 HK\$'000
At 1 January	–
Additions during the year	613,811
Realised during the year	–
At 31 December	613,811
Current portion	30,691
Non-current portion	583,120
	613,811

Notes to the Financial Statements

23 LEASE LIABILITIES

As at the end of the year, the lease liabilities were repayable as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 year	113,468	100,328
After 1 year but within 2 years	115,842	89,073
After 2 years but within 5 years	298,638	281,683
After 5 years	198,641	197,807
	613,121	568,563
	726,589	668,891

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2021 HK\$'000	2020 HK\$'000
Provision for taxation for the year	824	1,322
Tax paid during the year	(9,410)	(23,542)
Balance of tax provision relating to prior years	9,508	31,541
	922	9,321

(b) Deferred tax liabilities recognised:

	2021 HK\$'000	2020 HK\$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	142,683	162,859

Notes to the Financial Statements

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax liabilities recognised: (continued)

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses HK\$'000	Fair value adjustments arising from business combinations HK\$'000	Depreciation allowances in excess of related depreciation HK\$'000	Depreciation charge of right-of-use asset HK\$'000	Intangible assets acquired in business combinations HK\$'000	Withholding tax on unremitted earnings HK\$'000	Total HK\$'000
Deferred tax arising from:							
At 1 January 2021	(4,655)	68,113	19,057	(3,208)	75,840	7,712	162,859
Exchange adjustments Credited to profit or loss (note 7(a))	92	(1,156)	(304)	105	(1,292)	-	(2,555)
	(3,688)	(1,189)	(5,652)	(1,820)	-	(5,272)	(17,621)
At 31 December 2021	(8,251)	65,768	13,101	(4,923)	74,548	2,440	142,683
At 1 January 2020	-	68,255	23,839	(4,824)	74,678	10,159	172,107
Exchange adjustments (Credited)/charged to profit or loss (note 7(a))	(175)	1,018	183	(32)	1,162	-	2,156
	(4,480)	(1,160)	(4,965)	1,648	-	(2,447)	(11,404)
At 31 December 2020	(4,655)	68,113	19,057	(3,208)	75,840	7,712	162,859

(c) Deferred tax assets not recognised

At 31 December 2021, the Group has not recognised deferred tax assets in respect of accumulated tax losses of approximately HK\$978,091,000 (2020: HK\$703,804,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for the balances of HK\$42,392,000 (2020: HK\$27,052,000) which can only be carried forward for five years under the laws of the relevant jurisdiction.

Notes to the Financial Statements

25 CAPITAL AND RESERVES

(a) Share capital

	2021		2020	
	No. of shares	Amount HK\$'000	No. of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	6,000,000,000	600,000	6,000,000,000	600,000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	2,799,669,050	279,967	2,799,669,050	279,967

(i) Share option scheme

Equity-settled share-based transactions

The old share option scheme (the "Old Scheme") was initially valid and effective from 11 November 2009 and has expired on 10 November 2019. Pursuant to an ordinary resolution of the Company passed on 19 June 2020, the Company adopted a new share option scheme (the "New Scheme"). The purpose of the New Scheme was to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Eligible participants of the New Share Option Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group and shareholders of the Company. The Scheme became effective on 19 June 2020 and will remain in force for 10 years from that date.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option).

The offer of a grant of share options must be accepted within 30 days inclusive of, and from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The vesting period, the exercise period and the number of shares subject to each option are determinable by the directors. The exercise period may not exceed 10 years commencing on such date on or after the date of grant as the directors of the Company may determine in granting the share options and ending on such date as the directors of the Company may determine in granting the share options. Save as determined by the directors of the Company and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

The exercise price of the share options is determinable by the directors, provided always that it shall be at least the higher of (i) the closing price of the Company's shares on the Stock Exchange on the date of offer of grant of the share options; (ii) the average Stock Exchange's closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

The maximum number of shares of the Company issuable upon exercise of all share options granted and to be granted under the Scheme and any other share option schemes of the Company (if any) is an amount equivalent to 10% of the shares of the Company in issue as at 19 June 2020. This limit can be refreshed by the shareholders of the Company in a general meeting in accordance with the provisions of the Listing Rules. The maximum number of shares issuable under share options granted to each eligible participant under the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

Notes to the Financial Statements

25 CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (continued)

(i) Share option scheme (continued)

Equity-settled share-based transactions (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There were no share options issued to the Directors, chief executive and other employees of the Group during the year ended 31 December 2021. At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

(ii) Dividends

The directors do not recommend the payment of final dividend for the year ended 31 December 2021 (2020: Nil).

(b) Reserves

(i) The Group

Details of the movements in reserves of the Group during the years ended 31 December 2021 and 2020 are set out in the consolidated statement of changes in equity.

(ii) The Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2021	771,749	15,886	271,644	15,418	1,074,697
Changes in reserves for 2021:					
Loss for the year	-	-	-	(2,038)	(2,038)
At 31 December 2021	771,749	15,886	271,644	13,380	1,072,659

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2020	771,749	15,886	271,644	17,793	1,077,072
Changes in reserves for 2020:					
Loss for the year	-	-	-	(2,375)	(2,375)
At 31 December 2020	771,749	15,886	271,644	15,418	1,074,697

Notes to the Financial Statements

25 CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

(i) *Share premium and capital redemption reserve*

The application of the share premium account is governed by Sections 40 and 54 of the Companies Act 1981 of Bermuda.

(ii) *Share option reserve*

The share option reserve represents the fair value of the number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(r)(ii).

(iii) *Capital redemption reserve*

The capital redemption reserve represents the nominal value of the share capital of the Company repurchased and cancelled.

(iv) *Contributed surplus*

The contributed surplus represents (i) the difference between the nominal value of the Company's shares in issue, in exchange for the issued share capital of the subsidiaries, and the aggregate net asset value of the subsidiaries acquired at the date of acquisition; and (ii) the net transfer of HK\$80,000,000 after setting off the accumulated losses from the share premium account pursuant to the Company's capital reorganisation in May 2007. Under the Bermuda Companies Act 1981 (as amended), the contributed surplus of the Company is distributable to shareholders of the Company.

(v) *Reserve funds*

In accordance with the relevant regulations in the PRC, the companies established therein are required to transfer a certain percentage of their profits after tax to the reserve funds until the balance reaches 50% of the registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the reserve funds may be used either to offset losses, or for capitalisation by way of paid-up capital.

(vi) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures. The reserve is dealt with in accordance with the accounting policy set out in note 2(v).

(d) Distributability of reserves

At 31 December 2021, the aggregate amount of reserves available for distribution to equity holders of the Company representing the retained profits, amounted to HK\$13,380,000 (2020: HK\$15,418,000). In addition, the Company's share premium account, contributed surplus, and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2020: HK\$1,059,279,000), as at 31 December 2021 may be distributed to shareholders in certain circumstance as prescribed by Section 54 of the Companies Act 1981 of Bermuda.

Notes to the Financial Statements

25 CAPITAL AND RESERVES (CONTINUED)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its gearing structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the gearing structure in light of changes in economic conditions.

The Group monitors its gearing structure calculated on the basis of external borrowings, which includes bank loans and lease liabilities.

The Group's adjusted net debt-to-capital ratio at 31 December 2021 and 2020 was as follows:

	Note	2021 HK\$'000	2020 HK\$'000
Current liabilities:			
Bank loans		1,062,128	148,176
Lease liabilities		113,468	100,328
		1,175,596	248,504
Non-current liabilities:			
Bank loans		–	1,057,943
Lease liabilities		613,121	568,563
Total debt		1,788,717	1,875,010
Less: Cash and cash equivalents	19	(695,369)	(985,546)
Adjusted net debt		1,093,348	889,464
Total equity		1,544,483	1,882,735
Adjusted net debt-to-capital ratio		71%	47%

Notes to the Financial Statements

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, currency and interest rate risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, pledged deposits and deposits and cash.

In respect of pledged bank deposits and deposits and cash, the Group only places deposits with major financial institutions in Hong Kong, Singapore and the Mainland China.

In respect of trade and other receivables, the Group has established credit control policies of which credit limits, credit approvals and other monitoring procedures for debts recovery are in place to minimise the credit risk. In addition, management reviews the recoverable amount of each individual receivable regularly to ensure that adequate loss allowances are made for irrecoverable amounts. With such policies in place, the Group has been able to maintain its bad debts at minimal level.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The allowance for expected credit losses is insignificant.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay. As deposits received do not have fixed repayment terms, their carrying amounts have not been included in the table.

For a term loan subject to repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflows based on the contractual repayment schedule and, separately, the impact to the timing of the cash outflows if the lender was to invoke its unconditional right to call the loan with immediate effect.

	Carrying amount HK\$'000	As at 31 December 2021				
		Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Trade payables	83,812	83,812	83,812	-	-	-
Other payables and accrued charges	153,214	153,214	153,214	-	-	-
Lease liabilities	726,589	817,755	137,173	135,501	333,949	211,132
Bank loans	1,062,128	1,067,911	1,067,911	-	-	-
	2,025,743	2,122,692	1,442,110	135,501	333,949	211,132

Notes to the Financial Statements

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

	Carrying amount HK\$'000	Total contractual undiscouted cash flow HK\$'000	As at 31 December 2020			
			Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Trade payables	53,693	53,693	53,693	–	–	–
Other payables and accrued charges	122,238	122,238	122,238	–	–	–
Lease liabilities	668,891	762,381	123,199	108,536	319,413	211,233
Bank loans	1,206,119	1,246,782	167,404	181,856	897,522	–
	2,050,941	2,185,094	466,534	290,392	1,216,935	211,233

Note:

- (i) Further details regarding maturity term of the bank loans and the material uncertainties in respect of the Group's ability to continue as a going concern are set out in note 2(b).

(c) Currency risk

The Group has foreign currency monetary assets and liabilities that are denominated in a currency other than the functional currency of the entity to which they relate. Exchange differences arising on settling or translating these foreign currency monetary items at rates different from those at dates of transactions giving rise to these monetary items are recognised in profit or loss.

The Group enters into transactions denominated in currencies other than the functional currency of the entity to which they relate. Consequently, the Group is exposed to risks that the exchange rate of the relevant functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the relevant functional currency. As the Hong Kong dollar is pegged to the United States dollar, the Group does not expect any significant movements in the HKD/USD exchange rate. The currencies giving rise to foreign currency risk are primarily Renminbi and Singapore dollars. Management of the Group continuously monitors the Group's exposure to such foreign currency risks to ensure they are at manageable levels.

Notes to the Financial Statements

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amount of exposure are shown in original currencies.

	Exposure to foreign currencies			
	2021		2020	
	Renminbi '000	Singapore dollars '000	Renminbi '000	Singapore dollars '000
Other receivables, deposits and prepayments	5	–	40	–
Deposits and cash	125,467	3,751	84,397	27,928
Other payables and accrued charges	(217)	–	(217)	–
Intercompany balance	267,724	167	280,211	–
Bank loans	–	(34,600)	–	(38,253)
Net exposure to currency risk	392,979	(30,682)	364,431	(10,325)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation and retained earnings that would have arisen if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. Other components of equity would not be affected by changes in the foreign exchange rates:

	2021		2020	
	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after taxation and increase/ (decrease) in retained earnings HK\$'000	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after taxation and increase/ (decrease) in retained earnings HK\$'000
Renminbi	5% (5)%	20,016 (20,016)	5% (5)%	18,106 (18,106)
Singapore dollars	5% (5)%	(7,391) 7,391	5% (5)%	(2,530) 2,530

Results of the analysis in the above table present an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and equity measured in the respective functional currencies and shown in original currencies.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis as for 2020.

Notes to the Financial Statements

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily to the Group's short and long-term loans. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group manages its interest rate risk exposures in accordance with defined policies through regular review with a focus on reducing the Group's overall cost of funding as well as having regard to the floating/fixed rate mix appropriate to its current business portfolio.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	2021		2020	
	Effective rate	HK\$'000	Effective rate	HK\$'000
	%		%	
Fixed rate borrowings:				
Lease liabilities	2.38%–5.64%	726,589	2.38%–5.64%	668,891
Variable rate borrowings:				
Bank loans (note 21)	1.13%–1.83%	1,062,128	1.10%–2.80%	1,206,119

(ii) Sensitivity analysis

At 31 December 2021, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after taxation and decreased/increased the Group's total equity by approximately HK\$8,869,000 (2020: HK\$10,017,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk in existence at that date. The 1% increase/decrease represents management's assessment of a reasonable possible change in interest rates over the period until the next annual end of the reporting period. The analysis has been performed on the same basis as for 2020.

Notes to the Financial Statements

27 COMMITMENTS

Capital commitments outstanding not provided for in the financial statements

As at 31 December 2021 and 2020, the Group's share of the joint venture's own capital commitments in respect of the acquisition of property, plant and equipment are as follows:

	2021 HK\$'000	2020 HK\$'000
Contracted for:		
Taiwan	5,092	4,998

In addition to the Group's share of the joint venture's own capital commitments above, the Group had the following capital commitments in respect of the acquisition of property, plant and equipment as at 31 December 2021 and 2020:

	2021 HK\$'000	2020 HK\$'000
Contracted for:		
Mainland China	347,653	539,569

28 CONTINGENT LIABILITIES

At 31 December 2021, the Company has issued guarantees to banks in respect of banking facilities granted to certain subsidiaries amounting to HK\$1,695,442,000 (2020: HK\$1,808,730,000). At 31 December 2021, banking facilities of HK\$1,064,642,000 (2020: HK\$1,223,930,000) had been utilised by the subsidiaries.

At 31 December 2021, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The Company has not recognised any deferred income in respect of bank guarantees as their fair values cannot be reliably measured and no transaction price was incurred.

Certain subsidiaries of the Group are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the directors are of the opinion that even if the claims are found to be valid, there will be no material adverse effect on the financial position of the Group.

Notes to the Financial Statements

29 DISPOSAL OF SUBSIDIARIES — REMAINING CONSIDERATION AND CONTINGENT LIABILITIES

On 25 January 2017, Giant Harvest Limited (“Giant Harvest”), an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with True Vision Limited (“True Vision”), pursuant to which Giant Harvest conditionally agreed to sell and True Vision conditionally agreed to purchase, the entire equity interest of City Entertainment Corporation Limited (“CECL”) at a consideration of RMB3.286 billion (the “Disposal”). Orange Sky Golden Harvest Cinema (China) Company Limited, the entity operating the Group’s film exhibition business in Mainland China, was owned as to 92.59% by CECL and 7.41% by Jiaxing Credit Prosperity Investment Enterprise (Limited Partnership). The Disposal was completed on 28 July 2017.

The initial consideration of RMB3.286 billion was subsequently adjusted to RMB3.290 billion. Pursuant to the Sale and Purchase Agreement, the consideration is subject to further adjustments based on the difference between the net debt value of the disposal group as at 31 December 2016 and that derived from the completion accounts (the “Net Debt Adjustment”). In 2018, the completion accounts were circulated among the Group and Nan Hai Corporation Limited (“Nan Hai”, the holding company and guarantor of True Vision). However, the Net Debt Adjustment is yet to be agreed between the two parties up to the date of approval of these financial statements.

Other than the Net Debt Adjustment, the consideration is subject to a refund of an amount up to RMB380 million to Nan Hai, depending on the results of lease renewal or negotiation of new leases of certain cinema premises as detailed in the Sale and Purchase Agreement. The amount of refund is determined with reference to the terms and outcome of the lease renewal and the economic value of the renewed leases, subject to agreement with Nan Hai. The amount of refund, if any, is yet to be agreed between the two parties up to the date of approval of these financial statements.

In 2017, the Group received an amount of RMB2,990,257,000 (equivalent to HK\$3,455,908,000) in connection with the Disposal. The remaining consideration of RMB300,000,000 is held in escrow and the recoverability of which is dependent on the Net Debt Adjustment and the refund, if any, determined based on the results of lease renewal or negotiation of new leases of certain cinema premises, which are subject to further negotiations and agreement between the Group and Nan Hai. The directors assessed that the fair value of the consideration for the Disposal, based on the then latest available information, to be RMB2.990 billion, being the cash consideration received by the Group, which was used to determine the profit on the Disposal. Any difference between the final consideration received and the fair value of the consideration as assessed by the directors will result in adjustment to the gain on disposal of subsidiaries and will be recognised in profit or loss upon finalisation of the consideration.

Pursuant to the completion accounts of the disposal group, Giant Harvest calculated the remaining consideration for the Disposal to be RMB252,207,249 (equivalent to US\$37,383,975). As True Vision did not execute the joint written instructions to the escrow agent for settlement of the remaining consideration to the Group while Nan Hai, the guarantor of True Vision, failed to perform such payment obligation, the Group commenced legal proceedings against True Vision and Nan Hai in September 2018 claiming a sum of US\$37,384,000, being the remaining consideration for the Disposal, and seeking other remedies, including interest and costs.

Subsequently, Nan Hai made various allegations against the Company and Giant Harvest and counter-claimed for the loss arising from the breach of Sale and Purchase Agreement by Giant Harvest. In October and November 2018, Nan Hai issued writs of summons against the Company and Giant Harvest claiming amounts of RMB380,000,000 and RMB82,146,000 respectively and other remedies, including interest and costs (the “Said Claims”).

The directors of the Company disagree with the Said Claims made by Nan Hai. Further details of the legal proceedings are set out in the Company’s announcements dated 4 September 2018, 10 September 2018, 2 November 2018 and 9 November 2018.

Based on the available evidence and the advice received from the Company’s legal advisor as at 31 December 2021, the directors of the Company have assessed the likelihood of the Group incurring a liability as a result of the Said Claims as remote. No provision has therefore been made in respect of the Said Claims as at 31 December 2021. In view of the ongoing legal proceedings, the Group has not recognised the remaining consideration claimed against True Vision and Nan Hai of RMB252,207,000 referred to above.

Notes to the Financial Statements

30 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 26 contains information about the assumptions and their risk factors relating to financial risk management. Other key sources of estimation uncertainty are as follows:

Key sources of estimation uncertainty

(i) Assessment of the economic useful lives of property, plant and equipment

The Group estimates the economic useful lives of property, plant and equipment based on the periods over which the assets are expected to be available for use. The Group reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation charges and decrease non-current assets.

(ii) Assessment of impairment of other property, plant and equipment

The Group reviews internal and external sources of information at the end of each reporting period to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The Group estimates the asset's recoverable amount when any such indication exists. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. The preparation of projected future cash flows involves the estimation of future revenue and operating costs which are based on reasonable assumptions supported by information available to the Group. Changes in these estimates would result in additional impairment provisions or reversal of impairment in future years.

(iii) Assessment of impairment of goodwill

The Group has performed an impairment test for goodwill in accordance with the accounting policy stated in note 2(k)(ii). For the purposes of impairment testing, goodwill acquired has been allocated to individual cash-generating units which are reviewed for impairment based on forecast operating performance and cash flows. The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. Cash flow projections are prepared on the basis of reasonable assumptions reflective of prevailing and future market conditions, and are discounted appropriately.

Notes to the Financial Statements

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Interests in subsidiaries		1,354,654	1,355,670
Current assets			
Prepayments		302	481
Deposits and cash		164	162
		466	643
Current liabilities			
Payables and accrued charges		2,494	1,649
		2,494	1,649
Net current liabilities		(2,028)	(1,006)
NET ASSETS		1,352,626	1,354,664
CAPITAL AND RESERVES			
	25(b)(ii)		
Share capital		279,967	279,967
Reserves		1,072,659	1,074,697
TOTAL EQUITY		1,352,626	1,354,664

Notes to the Financial Statements

32 EVENT AFTER THE REPORTING PERIOD

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

With the fifth wave of COVID-19 outbreak in Hong Kong since January 2022, the government has tightened the social distancing measures including temporary closure of all cinemas in Hong Kong starting from 7 January 2022 until 20 April 2022.

The Group will continue to pay close attention of the development of the COVID-19 outbreak, evaluate and proactively respond to its impact of the Group's financial position and operating results.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to HKAS 37, <i>Onerous Contracts — Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to HKFRSs 2018–2020 Cycle	1 January 2022
Amendments to HKAS 1, <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Deferred tax related to assets and liabilities arising from a single transaction</i>	1 January 2023

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.



Golden Harvest

**Orange Sky Golden Harvest
Entertainment (Holdings) Limited**

橙天嘉禾娛樂(集團)有限公司