

ANNUAL REPORT 2016 年報

歡喜
傳媒
HUANXI MEDIA



歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(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 : 1003

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CORPORATE INFORMATION 公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Mr. Ning Hao
Mr. Xu Zheng
Mr. Gao Zhikai

Independent Non-Executive Directors

Mr. Su Tuong Sing, David
Mr. Li Xiaolong
Mr. Wong Tak Chuen

AUDIT COMMITTEE

Mr. Wong Tak Chuen (*Chairman*)
Mr. Gao Zhikai
Mr. Su Tuong Sing, David

REMUNERATION COMMITTEE

Mr. Su Tuong Sing, David (*Chairman*)
Mr. Dong Ping
Mr. Li Xiaolong

NOMINATION COMMITTEE

Mr. Su Tuong Sing, David (*Chairman*)
Mr. Dong Ping
Mr. Li Xiaolong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

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

董事會

執行董事

董平先生 (*主席*)
項紹琨先生 (*行政總裁*)

非執行董事

寧浩先生
徐崢先生
高志凱先生

獨立非執行董事

徐傳陞先生
李小龍先生
黃德銓先生

審核委員會

黃德銓先生 (*主席*)
高志凱先生
徐傳陞先生

薪酬委員會

徐傳陞先生 (*主席*)
董平先生
李小龍先生

提名委員會

徐傳陞先生 (*主席*)
董平先生
李小龍先生

核數師

德勤•關黃陳方會計師行
執業會計師

主要往來銀行

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

CORPORATE INFORMATION 公司資料

LEGAL ADVISERS TO THE COMPANY

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Weil, Gotshal & Manges
Robertsons

As to Bermuda Law
Appleby

REGISTERED OFFICE

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Hamilton HM12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
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Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
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Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F
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Wanchai, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1003

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公司法律顧問

香港法律
威嘉國際律師事務所
羅拔臣律師事務所

百慕達法律
Appleby

註冊辦事處

Canon's Court, 22 Victoria Street
Hamilton HM12, Bermuda

總辦事處及香港主要營業地點

香港金鐘
夏慤道16號
遠東金融中心
11樓

主要股份過戶登記處

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The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
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股份代號

香港聯合交易所有限公司：1003

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投資者關係聯絡

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CHAIRMAN'S STATEMENT 主席報告

Dear Shareholders,

Huanxi Media Group Limited (the "Company", together with its subsidiaries, the "Group") started in the second half of 2015 to diversify its business to cover the People's Republic of China (the "PRC") film and TV entertainment market and the year under review was a start-up and investment period for the Group which made good progress in 2016. During the year, the Group actively looked for opportunities to cooperate with renowned directors and succeeded in forging a number of agreements with many famous international award winning directors with different directing styles and approaches, marching in strides towards the goal of strengthening and enriching its film and TV production contents. It has a content portfolio of film and TV productions in various categories including modern drama films, youth drama, romantic comedy, postmodern fiction, real life drama, independent films and documentary, etc.

The Group also actively pushed forward construction of its online multimedia platform during the year under review. It signed strategic cooperative agreements with Hong Kong and overseas online platform operators, thus has laid a solid foundation for its video platform scheduled to go online in this year. Targeting to offer the best online film and TV productions to audiences in the Greater China region, the Group used a two-pronged approach in developing its business during the year. At the same time as it actively rallied the support of famed international directors to help enrich its high quality film and TV rights portfolio, it also worked hard at developing and building an excellent high-tech online video platform which could satisfy the needs of online patrons. Its goal is to become a leading film and TV entertainment media group in China which owns top film and TV production contents, the best planning and production teams, extensive domestic and overseas distribution market, exclusive online broadcast right, as well as a self-operated online video platform.

親愛的股東：

歡喜傳媒集團有限公司（「本公司」，連同其附屬公司，統稱「本集團」）自二零一五年下半年起積極多元拓展業務至中華人民共和國（「中國」）影視娛樂市場，並於回顧年內邁進了耕耘與投資期，並取得了長足發展。在過去一年，本集團積極發掘與知名導演合作的機會，並成功與多名不同風格、及在不同影視流派屢獲國際大獎的重量級導演達成了多項合作協定，為加強及豐富本集團的影視創作內容的目標昂首邁步，以囊括多個不同影視片種如都市劇情、青春文藝、浪漫喜劇、後現代科幻、社會寫實、獨立及紀錄片等。

同時，本集團於回顧年內積極推展多媒體在線平台的構建工作，透過與香港及國際在線平台營運商簽訂策略性合作協議，積極為今年投入營運的視頻網路平台打穩基礎。本集團以為大中華地區觀眾帶來最佳網絡影視作品為目標，因此於回顧年內積極發展，一方面積極吸納享負盛名的國際級導演，以豐富本集團在優質影視作品版權的庫藏；另一方面則致力開發及打造一個高技術含量、及切合線上用家需要的優質視頻網絡平台，藉此推動本集團邁向成為集最頂尖影視作品內容、最精良策劃製作團隊、廣闊海內外發行市場及線上獨家播放權、並擁有及自營視頻網路平台的中國領先影視娛樂傳媒集團。

CHAIRMAN'S STATEMENT 主席報告

INDUSTRY OVERVIEW

According to the findings of the “2015 China Media Consumer Survey Report” published in 2016 by Deloitte China, “content” continued to be paramount, as both film types and content were the main factors Chinese viewers consider in choosing which film to watch. Chinese viewers’ decisions are also more easily swayed by word of mouth. Thus, the Group believes quality film and TV content is crucial for a player to be successful in the entertainment industry in the PRC. Looking back at 2016, the most important event for the film industry had to be the signing of the Order of the President No.54 by Xi Jinping giving approval to the enforcement of the China Film Industry Promotion Law, which marked the beginning of a new era of sustainable development for the film market in the PRC. The law, which took the country 14 years to draw up, is expected to ensure the country’s film market operate with greater transparency and follow a better regulated development path. The enforcement of the law also showed the weight the film industry carries for the central government and that the government is keen at supporting and encouraging the healthy growth and prosperity of the industry. Apart from securing better policy protection, the film sector in the PRC grew steadily in 2016 with total annual box office receipts amounting to RMB45,712 million, representing a year-on-year growth of 3.73%. City cinemas admitted a total of 1,372 million viewers during the year, an 8.89% growth year-on-year.

And, when it comes to the online video platform, the number of viewers is growing at exponential rate. According to a China Internet Network Information Center report, as at the end of December 2016, there were 731 million Internet users in China, equivalent to the total population of Europe, and the country’s Internet penetration rate was 53.2%. According to the “2016 Consolidated Report on Information Dispatch” (2016年度數據發佈集合報告) published by iResearch, China’s online video platform market worth RMB60.9 billion, up by 56% year-on-year, and that fuelled by the consistently growing Internet user population in the country, the online video market would worth more than a hundred-billion dollar by 2019. Watching movies online is the new and prevalent consumption mode today among core movie fans born in the 1970s, 80s and 90s in China. These information and rocketing numbers are evidence that China’s online video media market is expanding rapidly. Thus, the Group will capture the arising opportunities to produce more films and TV dramas on popular topics and contents and create a quality online video platform.

行業概覽

根據德勤中國於二零一六年發表的《2015德勤中國媒體消費者調研》中指出，在中國電影業中，「內容」依然為王，電影類型與內容是中國觀眾選擇電影時最主要的因素，並且中國觀眾的觀影決策較易受口碑影響。因此，本集團認為，優質的影視內容乃在中國娛樂事業中成功的關鍵要素。回顧二零一六年，電影行業大事件莫過於中國國家主席習近平年內簽署了第五十四號主席令公佈《電影產業促進法》，正式開啟了中國電影市場可持續發展的新時代。這項醞釀了十四年的法規將進一步保障中國電影市場運作更加透明化及發展愈趨規範化，此政策的出台充分體現了中央政府對電影產業健康蓬勃發展的重視、扶持和鼓勵。除政策保障更加完善外，二零一六年中國電影業繼續穩步發展，全年內地電影總票房共457.12億元，同比增長3.73%；城市院線觀影為13.72億人次，同比增長8.89%。

另一方面，透過網上視頻平台觀影的民眾數量正處於爆發式增長，中國互聯網絡信息中心報告顯示，二零一六年十二月底，中國線民規模達7.31億人次，相當於歐洲人口總量，互聯網普及率達到53.2%；艾瑞《2016年度數據發佈集合報告》指，二零一六年中國線上視頻平台市場規模已達到609億元，同比增長56%，且預計隨著線民數量的不斷增加，二零一九年線上視頻平台市場將成為千億級市場。線上觀影正成為中國時下以70後、80後、90後為核心觀影人群的新興消費習慣及方式。這些迅速躡升的資料揭示了中國目前的線上視頻傳媒市場正急速膨脹，本集團將把握良機趁勢而上，製作更多受歡迎題材內容的影視劇作的同時，打造一個優質的網上視頻平台。

CHAIRMAN'S STATEMENT 主席報告

BUSINESS REVIEW AND PROSPECTS

Forged strategic alliance with famous international and Asian directors Increased investment in film and TV content

During the year under review, capitalizing on the rich experience and wide network in the film industry of the senior management team, the Group actively explored cooperation opportunities with famous international and Asian directors and new directors, and established strategic partnership with a good number of famed directors in the PRC and from overseas. After Mr. Xu Zheng ("Mr. Xu") and Mr. Ning Hao ("Mr. Ning") became director shareholders in 2015, the Group brought in four more director shareholders, namely Mr. Wong Kar Wai ("Mr. Wong"), Mr. Chan Ho Sun Peter ("Mr. Chan"), Mr. Gu Changwei ("Mr. Gu") and Mr. Zhang Xiaoling ("Mr. Zhang", also known as Mr. Zhang Yibai), during the year, signing agreements with them regarding TV and film content creation, investment, production and distribution in the coming six years.

The Group also paid close attention to international film industry development. During the year under review and subsequent to the financial year, it signed cooperative agreements with famous directors in the PRC, including Mr. Li Yang, Mr. Liu Xingang, Mr. Manfred Wong, Mr. Chen Daming, Mr. Jia Zhangke and Mr. Wang Xiaoshuai from the PRC, securing the copyright and investment right of related films and online TV series, thus strengthened the foundation and edges of its film and TV content rights investment business. Subsequent to end of the year, the Group has kept up its effort and signed cooperation agreements with Mr. Jia Zhangke, dubbed a "film genius", and Mr. Wang Xiaoshuai, a pioneer independent director.

Looking at this and the coming year, most of the shareholder directors and partner directors of the Group will start or finish their films or TV productions. Many films and TV series will complete shooting or post-production in these two years as well. Of them, Mr. Pig, a fantasy comedy written, directed and starred by Mr. Xu, is in final preparation stage and is expected to start shooting in 2017. Mr. Xu's team has also started planning the next movie, the new "Lost" series of films. Furthermore, a new film directed by Mr. Ning, Crazy Alien, is expected to be completed in 2017 or 2018. And, the first season of the Chinese Internet drama series produced and co-directed by Mr. Wong is expected to be

業務回顧及展望

與國際及亞洲知名導演建立戰略聯盟 強化影視內容投資

回顧年內，憑藉高級管理團隊在電影業內的豐富經驗及人脈關係，本集團積極與國際及亞洲知名及新晉導演接洽，並成與國內外多位世界級知名導演成功建立戰略伙伴合作關係。繼徐崢先生（「徐先生」）及寧浩先生（「寧先生」）於二零一五年成為本集團的導演股東之後，本集團於回顧年內再下一城，成功引入了包括王家衛先生（「王先生」）、陳可辛先生（「陳先生」）、顧長衛先生（「顧先生」）及張曉陵先生（「張先生」，亦名張一白）四名導演股東，就未來六年的影視內容創作、投資、製作及發行等合作事宜達成協議。

與此同時，本集團密切留意國際影壇發展，並於回顧年內及年末後與多名亞洲知名導演建立戰略合作關係，包括與中國著名導演李楊先生、劉心剛先生、王文俊先生（又名文雋）、陳大明先生、賈樟柯先生及王小帥先生分別簽訂合作協議，讓本集團擁有若干電影及網絡系列影視劇之版權及投資權，進一步加強本集團於影視版權投資業務之基礎及實力。於年末後，本集團未有停下步伐，連環與被譽為「電影天才」的賈樟柯先生及「獨立導演先鋒」王小帥先生達成了製片合作協定。

展望今、明兩年，絕大部份與本集團簽訂了合作協議的導演股東及合作導演均會分別開展或完成製作其影視作品，預期多部影視作品的拍攝及後期製作工作將於未來一至兩年內陸續完成。其中，由徐先生自編自導自演的幻想喜劇《豬先生》正在最後籌備階段，預計將於二零一七年內開拍。同時，徐先生的團隊亦正籌劃下一齣以《囧》系列為背景的新電影。另外，寧先生導演的新電影作品《瘋狂的外星人》預計將於二零一七年或二零一八年完成。另邊廂，由王先生監制和聯合導演的首季中文網絡系列影視劇，預計將在二零一七年底前部分或全部

CHAIRMAN'S STATEMENT 主席報告

completed partly or whole by end of 2017. Preparation of filming of the new movie *The Passage of Time* by famous international art-house director Mr. Jia Zhangke, who just became partner with the Group this January, is underway and the same goes for another film. The two productions will start shooting this year respectively. It is clear that the Group's hard work in the past year will ensure it has a wide variety of TV and film content including online film and TV drama series, postmodern scientific content, fantasy comedy, youth drama, etc. in the future.

Partnered with technology industry leaders to create a new world of online film and TV

Seeing enormous development potential in the online video platform in the PRC, the Group joined hands with PCCW Media Limited ("PCCW"), the largest and leading multi-media and entertainment group in Hong Kong, during the year to develop in the prosperous online video platform sector in the PRC, hoping to tap the huge opportunities in the online multimedia industry. PCCW has abundant experience in and advanced technology for designing and developing online video platform, whereas the Group has quality film and TV content and a management team with finger on the pulse of PRC media and entertainment industry trends. As such, we have full confidence in building together with PCCW a unique, innovative and quality online film and TV service platform that can please audiences in the PRC, achieving an all-win scenario.

Currently, construction of the video platform is progressing well with operation expected to start in the second half of 2017. The Group will make full use of the expertise of PCCW in online video development, as well as the professional know-how, information and leading technology in the online video platform realm of another strategic partner MUBI Inc., a global video-on-demand platform operator, to build a new world of online films and TV in the PRC.

完成製作。此外，本集團於今年一月新簽約的國際著名藝術導演賈樟柯先生正密鑼緊鼓啟動拍攝新電影作品《時間去哪兒了》、以及正籌劃另一套電影作品的拍攝工作，預計此兩部電影將分別於今年開拍。由此可見，經過本集團過去一年的默默耕耘，未來我們將擁有廣泛類型的影視內容，涵蓋網絡系列影視劇、後現代科技類、幻想喜劇類、青春文藝類等領域。

夥拍行業技術先鋒 強勢打造線上影視新天地

本集團深切洞悉中國線上視頻這個大平台的發展潛力，在回顧年內已與香港最大的具領導地位的多媒體及娛樂集團－電訊盈科媒體有限公司（「電訊盈科」）牽手，攜手開拓國內正蓬勃發展的在線視頻平台，以把握線上多媒體行業的龐大機遇。電訊盈科擁有設計及開發在線視頻平台的豐富經驗及頂尖技術，而本集團則擁有優質的影視內容，加上我們管理團隊對中國媒體及娛樂產業趨勢的準確把握，我們非常有信心能與電訊盈科攜手構建一個獨特及創新、而又能迎合國內觀眾喜好的優質線上影視服務平台，以達致與觀眾互惠共贏的『三贏』局面。

目前，此視頻平台的構建工程進度理想，有望在二零一七年下半年開始運營。本集團將充分利用電訊盈科線上視頻開發方面的專業，同時借助另一個策略夥伴－全球精選視頻服務網 MUBI Inc. 於線上視頻平台領域的專業知識、資訊及先進技術，合力打造中國線上影視王國新天地。

CHAIRMAN'S STATEMENT 主席報告

BUSINESS STRATEGIES AND PROSPECTS

The year 2016 marked the beginning of China's 13th Five-Year Plan, while the movie, TV and entertainment industry in the country, as an important means to satisfy the spiritual and cultural demands of the citizens in China, is in its golden era. To seize a favorable position in the burgeoning industry, the Group increased related investments and allocated considerable resources to develop media, entertainment and related businesses during the year, with the aim of becoming a leading, all-round media and entertainment group in Greater China.

The cultural and entertainment industry in China is in the period of rapid development. The Group strongly believes the film-related entertainment business will continue to grow and become a pillar industry in the Chinese economy in the future. It also sees quality film and TV content as crucial to the success of the business, which is why it intends to enhance its capability in film and TV content creation in the coming year. It will capitalise on the close relationships with the six director shareholders, namely Mr. Xu, Mr. Ning, Mr. Wong, Mr. Chan, Mr. Gu and Mr. Zhang, and its long-term partnerships with renowned directors including Mr. Li Yang, Mr. Liu Xingang, Mr. Manfred Wong and Mr. Chen Daming, plus two more respected directors, namely, Mr. Jia Zhangke and Mr. Wang Xiaoshuai, who signed cooperation agreements with the Group subsequent to the financial year, to bring more diverse, creative and quality productions to audiences in Greater China.

Regarding online video consumption, its popularity is growing fast and such pay-to-view has become a new consumption norm. To fully realise its strategic goal of achieving holistic development of its media, entertainment and related businesses, from content to platform and in all different dimensions, the Group has devoted major efforts to developing an online video platform that can keep pace with time. With an experienced management team that can accurately grasp trends in the media and entertainment industry as well as processes an acute sense of the preferences of Mainland China audiences, and at the backing of strong technical partners, PCCW and MUBI, the Group has been exploring the development in the new media industry and striving to become an integrated film and TV entertainment media group that operates high growth potential offline and online entertainment and media businesses.

業務策略及展望

二零一六年是「十三五」的開局年，影視娛樂產業作為滿足國人精神文化層次需求的重要產物，正處於前所未有的黃金時代。為佔據行業急速擴張中的有利地位，本集團於年內繼續加大投入，調撥大量資源於發展媒體、娛樂及相關業務，矢志成為大中華地區具領導地位的全方位媒體及娛樂集團。

中國文化娛樂產業正處於急速發展時期，本集團堅信與電影相關的娛樂產業會繼續成為未來中國國民經濟的支柱產業之一。同時，本集團深信優質的影視內容乃成功的關鍵，因此本集團於來年將繼續加強影視內容的創作能力，透過與六位導演股東－徐先生、寧先生、王先生、陳先生、顧先生及張先生－之緊密合作，加上與李楊先生、劉心剛先生、王文俊先生、陳大明先生，以及於年結後新簽訂合作協議之賈樟柯先生及王小帥先生等多名知名導演建立長期合作關係，為大中華地區的觀眾帶來更多元化、創新及優質的作品。

另邊廂，網絡視頻消費的全民化趨勢的顯現，使網絡視頻付費觀看行為成為新常態。為徹底貫徹落實從內容到平台全方位、多角度開拓媒體、娛樂及相關業務的戰略目標，本集團致力拓展與時代接軌的線上視頻平台，憑藉經驗豐富的管理團隊，尤其是團隊對於中國媒體及娛樂產業趨勢的精準把控和對於內地觀眾喜好的敏銳觸覺，同時依託電訊盈科和MUBI強大的技術支持，通過互聯網平台探索新媒體業態，努力發展成為坐擁線下及線上娛樂及媒體業務並具高增長潛力的綜合影視娛樂媒體集團。

CHAIRMAN'S STATEMENT 主席報告

CONCLUSION

Although the Chinese economy grew slower in the past year, according to the forecast in "The Global Entertainment and Media Outlook 2016–2020" published by PricewaterhouseCoopers, the film and entertainment industry in China will grow at a CAGR of 19.1% in the coming five years up to 2020, which is notably higher than that of the world at large for the same period. Furthermore, with the Central Government implementing favourable policies such as the PRC Film Industry Promotion Law, the Group has utmost confidence in the future of the industry. Leveraging the experience of the renowned directors who have signed contracts with the Group and their prominent standing in the film industry in China and the world, the Group will forcefully amass film and TV resources and target to invest in the development of or participate in more quality film and TV productions. It will also actively increase its holding of intellectual property rights in Asia and overseas, plus reinforce its core advantages in investment, management and operation of film, TV and new media businesses so as to bring lucrative returns to shareholders.

The Group generates and preserves value by actively developing its film, TV and entertainment business in the PRC and capture opportunities with a pioneering spirit, dedication and professionalism. Its strategy is to continue to develop the growth business and to capitalise on the brilliant investment vision and flexible management and operational models the management team affords, looking at 2017, we will invest in quality film and TV copyrights with huge development potential in the market, and also actively explore possible projects with more famous or promising new directors in the country or overseas so as to gradually build up quality and highly competitive TV and film copyright resources and hasten setting up of a leading online video platform and building a full industrial chain that covers from film and TV content creation, shooting and production to distribution and marketing, to consolidate and expand the Group's competitive advantages and generate greater long-term returns for shareholders.

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

On behalf of the Board

Dong Ping

Chairman

Hong Kong, 27 March 2017

總結

儘管過去一年中國經濟整體增速放緩，但據普華永道發佈的《2016–2020年全球娛樂及媒體行業展望》預測表明，今後五年中國電影娛樂產業的年均複合增長率將達19.1%，遠高於同期的全球數據。另外，隨著中央政府利好政策如《中華人民共和國電影產業促進法》的頒布實施，集團對行業未來充滿信心，憑藉目前眾多簽約知名導演於中國及世界電影行業的經驗與地位，大力拓展影視資源，以投資開發或參與更多優質電影及電視節目製作為目標，積極儲備亞洲及海外知識產權資源，進一步鞏固集團在影視及新媒體的投資、管理及運營方面的核心優勢，為股東帶來豐碩回報。

本集團透過在中國影視娛樂業務上精耕細作，從而創造及保障價值，繼續秉承專業專注的開拓精神，抓住機遇，其策略是持續發展其下業務及憑藉管理團隊出色的投資眼光和靈活的管理運營模式，放眼2017年，本集團將鎖定投資潛在市場中具發展潛力的優質影視版權，並積極探索與更多海內外知名導演及潛力無限的新興導演的潛在合作機遇，逐步累積優質且極具競爭力的影視作品版權資源，加速打造一個具多元化影視內容的領先線上視頻平台，完善從影視內容創作、拍攝製作、發行到宣傳全產業鏈開發運營的戰略佈局，從而進一步鞏固並擴大本集團的競爭優勢，為股東創造長遠以及高價值的回報。

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

承董事會命

主席

董平

香港，二零一七年三月二十七日

CHAIRMAN'S STATEMENT

主席報告

APPENDIX: FAMOUS DIRECTORS WHO SIGNED COOPERATION AGREEMENTS WITH THE GROUP

附表：與本集團簽訂合作合約之知名導演

Director 導演	Background 導演簡介
2015	
Xu Zheng 徐崢	<ul style="list-style-type: none"> <p>Gained national fame starring in the TV series <i>Sunny Piggy</i> (春光燦爛豬八戒), also played leading role in the comedies <i>Call for Love</i>(愛情呼叫轉移), <i>Lost on Journey</i> (人在囧途) and <i>Lost in Hong Kong</i> (港囧)</p> <p>憑藉電視劇《春光燦爛豬八戒》晉身為全國明星，先後主演喜劇《愛情呼叫轉移》、《人在囧途》及《港囧》</p> <p>In 2012, His directorial debut <i>Lost in Thailand</i> (人在囧途之泰囧), which he also wrote, produced and starred, earned over US\$200 million in box office receipt, and became the highest-grossing PRC film ever</p> <p>2012年首次自編自導自演兼監製公路喜劇《人在囧途之泰囧》，票房突破200,000,000美元，成為中國有史以來最賣座華語電影</p> <p>In 2014, Xu produced and starred in the film <i>Great Hypnotist</i> (催眠大師) which became a classic in the PRC suspense and thriller film market</p> <p>2014年，徐導製作並主演驚悚懸疑電影《催眠大師》，成為華語驚悚懸疑電影市場經典</p>
Ning Hao 寧浩	<ul style="list-style-type: none"> <p>Famous internationally for his unique directing style, all films he made brought strong investment returns. His directorial debut <i>Incense</i> (香火) and another work <i>Mongolian Ping Pong</i> (綠草地) were nominated in over 50 international film festivals</p> <p>憑藉獨特個人風格享譽國際，全部電影均帶來豐碩投資回報，其首部執導電影《香火》和《綠草地》於五十多個國際電影節獲提名</p> <p><i>Crazy Stone</i> (瘋狂的石頭), a low budget production he directed in 2006, won at the Taiwan Golden Horse Award for Best Original Screenplay. <i>Crazy Racer</i> (瘋狂的賽車) (2009), which he wrote and directed was produced with an investment of RMB10 million, recorded box office receipt of over RMB100 million</p> <p>於2006年執導小本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導投資監製成本僅人民幣10,000,000元之《瘋狂的賽車》(2009)，票房突破人民幣100,000,000元。</p> <p>He also directed the huge box office hit <i>Breakup Buddies</i> (心花路放) (2014) grossed RMB1,169 million in box office receipt in the PRC and was the highest-grossing domestic Chinese movie of the year</p> <p>執導電影《心花路放》(2014)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影</p>

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Director 導演	Background 導演簡介
2016	
Chan Ho Sun Peter 陳可辛	<ul style="list-style-type: none"> He is the first director named the "Best Director" at the Taiwan Golden Horse Award, the Hong Kong Film Award and mainland China's Golden Rooster Award. His films <i>Almost a Love Story</i> (甜蜜蜜) and <i>Dragon</i> (武俠) had made it among Time Magazine's 10 Best Movies of the Year 作為首位亦是至今唯一奪得台灣金馬獎、香港電影金像獎以及中國電影金雞獎「最佳導演」的大滿貫導演。其執導的電影《甜蜜蜜》及《武俠》先後兩度獲選美國時代週刊的年度十佳電影
Wong Kar Wai 王家衛	<ul style="list-style-type: none"> Dubbed a "movie poet", renowned movie director, producer and screenwriter Wong Kar Wai won the "Best Director" title at the Hong Kong Film Awards and the Golden Horse Awards for the movie <i>Days of Being Wild</i> (阿飛正傳) 以「電影詩人」著稱的知名電影導演、監製及編劇。其執導的電影《阿飛正傳》榮獲香港電影金像獎最佳導演獎及金馬獎最佳導演獎 He also won the "Best Director" Award for <i>Happy Together</i> (春光乍洩) at the 50th Cannes International Film Festival 憑藉《春光乍洩》榮獲第50屆坎城電影節最佳導演獎
Li Yang 李楊	<ul style="list-style-type: none"> PRC director Li Yang is good at making documentaries of social phenomena and movies that portray real life stories. His work <i>Blind Shaft</i> (盲井) has won more than 30 awards, including the Silver Bear for Outstanding Artistic Achievement at the 53th Berlin International Film Festival 專長於拍攝中國社會現象及社會問題紀錄片及寫實故事電影中國大陸電影導演，憑藉《盲井》，李先生獲得了包括第53屆柏林國際電影節最佳藝術貢獻銀熊獎在內的三十餘個國際大獎
Liu Xingang 劉心剛	<ul style="list-style-type: none"> He has years of experience shooting movies and TV drama series and was the Art Director of <i>The Sorrow of Brook Steppe</i> (悲情布魯克) and <i>The Phone</i> (手機) nominated two times for the "Best Art Direction" Award at The Golden Rooster Awards. He won the "Best Director" award at the public TV Double Ten (大眾電視雙十佳) for <i>I'm Looking Forward to Being Loved</i> (好想好想談戀愛) and his movie <i>Five Star Hotel</i> (五星級大飯店) was named "TV Drama of the Year" by sina 擁有多年的電影及電視劇拍攝經驗，他曾擔任美術指導的《悲情布魯克》和《手機》分別榮獲兩屆中國電影金雞獎最佳美術獎提名，隨後他憑藉《好想好想談戀愛》和《五星級大飯店》分別斬獲大眾電視雙十佳最佳導演獎和新浪年度電視劇獎

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Director 導演	Background 導演簡介
Gu Changwei 顧長衛	<ul style="list-style-type: none"> One of the few Chinese members of the Academy of Motion Picture Arts and Sciences (AMPAS), long-been hailed as the “master cinematographer in Asia” and subsequently became a director 顧長衛為少數華人奧斯卡委員，早有「亞洲第一攝影師」之稱，及後轉執導電影 Was the cinematographer of and also directed a number of iconic movies including <i>Love for Life</i> (最愛), <i>Peacock</i> (孔雀), <i>Red Sorghum</i> (紅高粱) and <i>Farewell To My Concubine</i> (霸王別姬), won accolades in international film festivals 執導及拍攝部知名電影，包括《最愛》、《孔雀》、《紅高粱》及《霸王別姬》在世界級電影頒獎禮中屢獲殊榮
Zhang Xiaoling (also known as Zhang Yibai) 張曉陵 (又名張一白)	<ul style="list-style-type: none"> Dubbed “Godfather of Youth Films” in the PRC, his love story movies enjoyed wide acclaims and among them the 2016 production <i>I Belonged to You</i> (從你的全世界路過) brought in box office receipt of near RMB900 million, a record among movies of its kind 被譽為「中國青春片教父」，其執導的多部愛情電影均於中國大獲好評，其中二零一六年電影《從你的全世界路過》更是取得票房近9億元，創下國產愛情電影的票房新紀錄 The box office receipts of his films totaled more than RMB2.8 billion, putting him in the league of the most commercially successful directors and producers in the PRC today 他執導和監製的電影累積票房過人民幣28億元，乃中國目前最具商業價值和最有商業眼光的導演兼監製之一
Chen Daming 陳大明	<ul style="list-style-type: none"> Mr. Chen went to the United States in the 90s to study screenwriting, directing and acting, and had starred in a number of Hollywood movies. Many of the films he directed were honored with international awards. He is currently a visiting professor at the Beijing Film Academy and Vice President of the Shanghai International School of Beijing Film Academy 於90年代赴美國學習編劇、導演和表演，曾參演多部荷里活電影，其執導之多部電影均獲國外殊榮，他並為北京電影學院客座教授及北京電影學院上海國際學院副院長

CHAIRMAN'S STATEMENT 主席報告

Director 導演	Background 導演簡介
Manfred Wong 王文俊 (又名文雋)	<ul style="list-style-type: none"> <li data-bbox="472 422 1473 526"> <p>• A veteran filmmaker in Hong Kong who has directed, produced, and acted in movies and is also a screenwriter for films and TV dramas 香港資深電影人，曾擔任電影導演、監製、演員及影視編劇等崗位</p> <li data-bbox="472 573 1473 784"> <p>• Ventured into the film industry in the early 1980s and was involved in the production of over 150 films. Co-founded “最佳拍檔電影公司” in the mid-90s with Wong Jing and Andrew Lau, which made films including the <i>Young and Dangerous</i> (古惑仔) series, <i>The Storm Riders</i> (風雲) and <i>A Man Called Hero</i> (中華英雄) 於80年代初入行，參與作品超過150部，於90年代中與王晶、劉偉強合組最佳拍檔電影公司，攝製了《古惑仔》系列、《風雲》及《中華英雄》等電影</p> <li data-bbox="472 832 1473 1009"> <p>• Started making movies in mainland China in 1991, produced “In the Heat of the Sun” directed by Jiang Wen. The film <i>Roots and Branches</i> (我的兄弟姊妹) he produced in 2001 has won several awards 文雋於1991年起至內地拍片，監製由姜文執導之電影《陽光燦爛的日子》，2001年攝製《我的兄弟姊妹》，獲取多個電影獎項</p> <li data-bbox="472 1056 1473 1231"> <p>• His most recent Chinese mainland commercial productions included <i>Lost On Journey</i> (人在囧途), <i>The House That Never Dies</i> (京城81號) and <i>Cook Up A Storm</i> (決戰食神), etc. 近年在中國監製多部商業類型電影，包括《人在囧途》、《京城81號》及《決戰食神》等</p>

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Director 導演	Background 導演簡介
2017	
Jia Zhangke 賈樟柯	<ul style="list-style-type: none"> A distinguished international art-house director, he has received Lifetime Achievement Awards from several international film organizations 國際著名藝術電影導演，曾獲多個國際電影組織頒發「終身成就獎」 Directed 11 feature films, all nominated for awards at the Berlin, Cannes and Venice International Film Festivals. In 2013, <i>A Touch of Sin</i> (天註定) won the award for Best Screenplay at the 66th Cannes International Film Festival 共導演11部長片，全部入圍柏林、戛納、威尼斯電影節。2013年，故事片《天註定》獲第66屆戛納國際電影節最佳編劇獎 In 2015, he received the Carrosse d'Or at the 68th Cannes International Film Festival 2015年，獲戛納國際電影節導演雙周單元終身成就「金馬車獎」
Wang Xiaoshuai 王小帥	<ul style="list-style-type: none"> A pioneer independent film director in the PRC and a recipient of the Ordre des Arts et des Lettres by the French Minister of Culture 中國獨立導演先鋒，並曾獲得法國文化藝術騎士勳章的加許 Directed 11 films and nominated eight times in the "Big Three" international film festivals 共執導過11部電影長篇，八次入圍三大國際電影節競賽單元 In 2005, <i>Shanghai Dreams</i> (青紅) won the Jury Prize at the 58th Cannes Film Festival 2005年，《青紅》斬獲第58屆戛納國際電影節評審團大獎

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS AND OPERATION REVIEW

For the year ended 31 December 2016, the Group continued to tap the immensely high potential media and entertainment market of the People's Republic of China (the "PRC") and it has devoted considerable management resources into identifying suitable opportunities for high quality film and TV rights investment. It also worked hard at rallying and forming long-term strategic partnership with celebrated directors in Asia and around the world in order to enhance its competitiveness in the PRC media and entertainment market. During the year, the Group brought in four new director shareholders, namely Mr. Wong Kar Wai ("Mr. Wong"), Mr. Chan Ho Sun Peter ("Mr. Chan"), Mr. Gu Changwei ("Mr. Gu") and Mr. Zhang Xiaoling ("Mr. Zhang", also known as Zhang Yibai). Meanwhile, the Group signed cooperative agreements with a number of famous Chinese directors appreciated for their different directing styles and film types. Such moves have laid a solid foundation for the Group to build an extensive and diversified film and TV production content portfolio, and have also substantially boosted the Group's ability to develop and create film and TV content.

FILM RIGHTS INVESTMENT BUSINESS

For the year ended 31 December 2016, the revenue and segmental loss from film rights investment business was HK\$5,073,000 (2015: HK\$217,701,000) and HK\$1,191,294,000 (2015: segment profit of HK\$33,170,000) respectively. The revenue was mainly contributed by the Group's investment in "Mr. Nian" (年獸大作戰), a Chinese animation movie screened during 2016 Chinese New Year, whereas the segmental loss was mainly attributable to the non-cash expenses incurred in association with the allotment and issuance of new shares to the four new director shareholders and impairment loss on available-for-sale investment during the year.

Since Mr. Xu Zheng ("Mr. Xu") and Mr. Ning Hao ("Mr. Ning") became director shareholders in FY2015, the Group has been actively exploring opportunities for cooperating with internationally renowned directors, so as to strengthen the foundation of its film rights investment business. Four new director shareholders joined the Group during the year under review, and cooperative agreements were signed with Master China Films Limited ("Master China", a company owned by Mr. Wong), Mr. Chan, Mr. Gu and Mr. Zhang (the "Agreements"). Pursuant to the Agreements, Master China, Mr. Chan, Mr. Gu and Mr. Zhang have conditionally agreed to provide to the Group

業務回顧及營運回顧

截至二零一六年十二月三十一日止年度，本集團繼續積極拓展潛力龐大的中華人民共和國（「中國」）媒體及娛樂市場，並投放大量管理資源積極物色投資優質影視版權的良機，同時致力爭取與更多亞洲及國際知名導演建立長期戰略伙伴合作關係，以增強本集團在中國媒體及娛樂市場的競爭力。年內，本集團成功引入了王家衛先生（「王先生」）、陳可辛先生（「陳先生」）、顧長衛先生（「顧先生」）及張曉陵先生（「張先生」，亦名張一白）四位新導演股東，同時已與多名涵蓋不同電影風格流派的知名中國導演訂立合作協議，為本集團致力拓展豐富及多元化的影視作品內容奠定了穩固的基礎，同時大大提升了本集團在影視內容開發和創作方面的能力。

電影版權投資業務

就本集團業務收益分佈而言，截至二零一六年十二月三十一日止年度，新發展的電影版權投資業務錄得收益及分部虧損分別為港幣5,073,000元（二零一五年：港幣217,701,000元）及港幣1,191,294,000元（二零一五年：分部溢利港幣33,170,000元）。有關收益主要來自本集團投資並於二零一六年農曆新年上映的華語動畫電影《年獸大作戰》。分部虧損主要是由於年內向四名新導演股東配發及發行新股份而產生之非現金開支及可供出售投資之減值虧損所致。

本集團自二零一五財年引入了徐崢先生（「徐先生」）及寧浩先生（「寧先生」）作為導演股東後，本集團於年內積極發掘與國際知名導演合作的機會，以進一步強化電影版權投資業務的基礎。於回顧年內，本集團連環引入了四名新導演股東。年內，本集團分別與王先生擁有的Master China Films Limited（「Master China」）、陳先生、顧先生及張先生訂立合作協議（「該等協議」）。據此，Master China、陳先生、顧先生及張先生分別有條件同意向本集團提供與該等協議所載之電影及媒體制作相關之若干服務、投資權及其他權利。根據該等協議，本公

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with certain services, investment rights and other rights in relation to film and media productions as set forth in the Agreements. And the Company allotted and issued 100,000,000 shares, 144,500,000 shares, 75,000,000 shares and 140,000,000 shares to Mr. Wong, Mr. Chan, Mr. Gu and Mr. Zhang respectively (collectively, the “Issuances”). The amount of HK\$1,120,472,000 was recognised as an expense for the year under review in relation to the new shares issued pursuant to the Issuances.

The terms and structure of the Agreements signed with the four director shareholders (including the new shares issued pursuant to the Issuances), would enable the Group to benefit from the opportunities to cooperate with Mr. Wong, Mr. Chan, Mr. Gu and Mr. Zhang without any immediate cash outlay by the Group. This means the Group can retain more cash as general working capital and to fund development of the film rights investment business and future cash in other related investments (including investments in the productions of Mr. Wong, Mr. Chan, Mr. Gu and Mr. Zhang). In addition, these arrangements (including the Issuances) would broaden the Company’s shareholder base and also facilitate the Group as well as Mr. Wong, Mr. Chan, Mr. Gu and Mr. Zhang to explore potential opportunities in the media, entertainment and related businesses.

Other than bringing in director shareholders, the Group also established strategic cooperative relationships with a number of famous directors in Asia during the year under review, including the signing of agreements with renowned Chinese directors, Mr. Li Yang, Mr. Liu Xingang, Mr. Chen Daming and Rui Zhi Workshop Company Limited (that Mr. Manfred Wong is a director), in June, September and December 2016 respectively. Pursuant to those agreements, the abovementioned directors and company have conditionally agreed to provide to the Group with certain services, investment rights and other rights in relation to film and internet drama productions as set forth in their respective agreements. Such partnerships have bolstered the Group’s foundation and the strength of its film rights investment business.

On 7 November 2016, the Group signed a platform development agreement with PCCW Media Limited (“PCCW”), in relation to a technical cooperation arrangement whereby PCCW would be a technical partner of the Group responsible for developing an online video platform (the “Online Video Platform”) for the Group’s online film and TV business. PCCW would design and develop the Online Video Platform under the agreement with a term of three years. Given the technical experience and expertise of PCCW, the Group believes that the platform development agreement is an important step in its plan to build the Online Video Platform for the provision of digital content to customers in the PRC.

公司向王先生、陳先生、顧先生及張先生分別配發及發行100,000,000股股份、144,500,000股股份、75,000,000股股份及140,000,000股股份（統稱「發行事項」）。根據發行事項所發行之本公司股份之費用為港幣1,120,472,000元，並於回顧年內被確認為開支。

與上述四位導演股東簽署之協議的條款及架構（包括根據發行事項發行的股份），可令本集團受惠於與王先生、陳先生、顧先生以及張先生合作的機會，而本集團毋需作出任何即時現金支出，從而令本集團能夠保留更充足現金作為一般營運資金，同時亦有助於在電影版權投資業務方面提取發展資金及未來任何需要現金支付的相關投資（包括對王先生作品、陳先生作品、顧先生作品以及張先生作品的投資）。此外，此等安排（包括發行事宜）將會擴大本公司之股東基礎，同時有助本集團、王先生、陳先生、顧先生及張先生進一步開拓媒體、娛樂及相關業務的潛在機會。

除了引入導演股東外，本集團於回顧年內亦積極與多名亞洲知名導演建立戰略合作關係，其中包括於二零一六年六月、九月及十二月，本集團分別與中國著名導演李楊先生、劉心剛先生及陳大明先生、以及由王文俊先生出任董事的睿智工作坊有限公司簽訂合作協議，據此，上述導演及公司有條件同意向本集團提供與已簽訂之協議所載若干電影及網絡系列影視劇製作相關之若干服務、投資權及其他權利。進一步加強本集團於電影版權投資業務之基礎及實力。

此外，於二零一六年十一月七日，本集團與電訊盈科媒體有限公司（「電訊盈科」）訂立平台開發協議，內容為有關一項技術合作安排，據此，電訊盈科將成為本集團之技術合作夥伴，為本集團的線上影視業務開發一個在線視頻平台（「在線視頻平台」）。電訊盈科將為本集團就建立在线視頻平台方面提供所需之設計及開發服務。平台開發協議為期三年。本集團認為憑藉電訊盈科之技術經驗及專長，訂立平台開發協議乃構建在线視頻平台之關鍵一步；及透過該平台向中國客戶提供數位內容。

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On the same day, the Group entered into a series E preferred stock purchase agreement and other related transactions with MUBI, Inc. ("MUBI"), pursuant to which the Group subscribed series E preferred shares of MUBI at a consideration of US\$2,000,000 (representing 2.03% of the issued share capital of MUBI as at 31 December 2016). In the meantime, MUBI would transfer or license to the Group the know-how, information and technology that can assist, support or enhance the Online Video Platform and provide to the Group support services and deliverables with respect to the Online Video Platform according to the Group's specifications and timeline. The subscription was completed on 11 November 2016. At the completion of the subscription, the investment in MUBI by the Group was classified as an available-for-sale investment. For the year ended 31 December 2016, after discussing with the auditor, the Group had an impairment of HK\$15,333,000, which resulted from writing down the carrying amount of the available-for-sale investment to its recoverable amount of HK\$208,000 as at 31 December 2016, and recognised the amount as an expense for the year under review. Details are set out in note 20 to the consolidated financial statements.

PROPERTY AGENCY BUSINESS

For the year ended 31 December 2016, the Group's property agency business recorded revenue of HK\$11,039,000 (2015: HK\$49,212,000) and segmental loss of HK\$1,193,000 (2015: HK\$9,690,000). The segmental contraction was mainly a result of the management allocated more resources to the media, entertainment and related businesses which believes will emerge as the Group's future growth drivers.

SECURITIES TRADING AND INVESTMENTS BUSINESS

For the year ended 31 December 2016, the Group's securities trading and investments business recorded a segment loss of HK\$2,816,000 (2015: HK\$1,832,000) which was mainly due to the loss from change in fair value of investments held for trading.

The Group signed a 5-year framework agreement with an independent third party ("Investor") in January 2017, pursuant to which the Investor has the rights to invest on film and TV rights under an agreed list of film and TV rights. The maximum amount of the investment portfolio is RMB1,000,000,000.

同日，本集團與MUBI, Inc. (「MUBI」)訂立E系列優先股購買協議及其他相關交易文件，據此，本集團以代價2,000,000美元認購MUBI之E系列優先股股份（佔MUBI於二零一六年十二月三十一日已發行股本之2.03%）作為戰略投資。同時，MUBI同意把能夠促進、支援或改善在線視頻平台之專業知識、信息及技術轉讓或授權予本集團，以及根據本集團之具體要求及時間表就在線視頻平台向本集團提供支援服務及可交付成果。該認購事項已於二零一六年十一月十一日完成。完成該認購事項後，本集團於MUBI之投資被分類為可供出售投資。截至二零一六年十二月三十一日止，本集團與核數師商討後就該可供出售投資之賬面值減記至其於二零一六年十二月三十一日可收回金額港幣208,000元而作出港幣15,333,000元之減值，並於回顧年內被確認為開支。詳情載於綜合財務報表附註20。

物業代理業務

截至二零一六年十二月三十一日止年度，本集團的物業代理業務錄得收益及分部虧損分別為港幣11,039,000元（二零一五年：港幣49,212,000元）及港幣1,193,000元（二零一五年：港幣9,690,000元）。此業務規模減少主要由於管理層相信媒體、娛樂及相關業務將是本集團的未來增長動力，故調撥了更多資源於該等業務上。

證券買賣及投資業務

截至二零一六年十二月三十一日止年度，本集團的證券買賣及投資業務錄得分部虧損為港幣2,816,000元（二零一五年：港幣1,832,000元），主要由於可持作買賣投資之公平值變動之虧損所致。

本集團與一名獨立第三方（「投資者」）於二零一七年一月訂立一份為期五年的框架協議，據此，投資者有權投資經協定電影及電視劇版權名單項下之電影及電視劇版權。投資組合金額上限為人民幣1,000,000,000元。

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FINANCIAL REVIEW

Review of Results

For the year ended 31 December 2016, the Group recorded revenue of HK\$16,112,000 (2015: HK\$266,913,000) and net loss attributable to the owners of the Company of HK\$1,253,745,000 (2015: HK\$92,796,000). The loss was principally due to the one-off non-cash expenses including share-based payments of HK\$1,120,472,000 for the Issuance, being the fair value of the Company's shares issued, and impairment loss on available-for-sale investment of HK\$15,333,000. Excluding the aforesaid one-off non-cash expenses, net loss attributable to the owners of the Company amounted to HK\$117,940,000 for the year under review.

For the year ended 31 December 2016, selling and distribution costs were HK\$12,112,000 as compared with HK\$921,000 in 2015. The increase was mainly due to expenses incurred in relation to planning and promotion of the film rights investment business.

Administrative expenses were HK\$110,938,000 for the year ended 31 December 2016 (2015: HK\$47,361,000). The increase was primarily from the Group's expenses on expanding and developing the Online Video Platform and media related businesses.

For the year ended 31 December 2016, loss per share of the Group amounted to HK\$0.51 (2015: HK\$0.08) and net asset value per share attributable to the owners of the Company was HK\$0.30 (2015: HK\$0.43).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations and equity financing. As at 31 December 2016, the Group maintained sufficient working capital in the amount of HK\$575,603,000 (2015: HK\$988,290,000), with bank balances and cash of HK\$309,062,000 (2015: HK\$726,598,000). As at 31 December 2016, the total equity of the Company amounted to HK\$826,911,000 (2015: HK\$990,116,000) with no borrowings (2015: nil). The Group's gearing ratio, expressed as the percentage of total borrowings over total capital, was zero (2015: nil) as at 31 December 2016. Total capital is calculated as total equity plus total borrowings.

財務回顧

業績回顧

截至二零一六年十二月止，本集團錄得收益為港幣16,112,000元（二零一五年：港幣266,913,000元），以及本公司擁有人應佔淨虧損為港幣1,253,745,000元（二零一五年：港幣92,796,000元）。年內虧損主要由於一次性非現金開支包括根據發行事項所發行本公司股份之公平值之以股份為基礎付款港幣1,120,472,000元，以及可供出售投資之減值虧損港幣15,333,000元。撇除上述一次性非現金開支，於回顧年度內本公司擁有人應佔淨虧損為港幣117,940,000元。

截至二零一六年十二月三十一日止，銷售及分銷成本為港幣12,112,000元，二零一五年則為港幣921,000元。有關增加主要由於電影版權投資業務之策劃及推廣費用所致。

截至二零一六年十二月三十一日止，行政開支為港幣110,938,000元（二零一五年：港幣47,361,000元），有關增加主要由於擴展及發展在線視頻平台，以及相關媒體業務之開支所致。

截至二零一六年十二月三十一日止，本集團之每股虧損為港幣0.51元（二零一五年：港幣0.08元）和本公司擁有人應佔每股資產淨值為港幣0.30元（二零一五年：港幣0.43元）。

流動資金及財務來源

本集團資本支出、日常營運及投資資金主要來自其營運產生的現金及股本融資。於二零一六年十二月三十一日，本集團維持充足營運資金為港幣575,603,000元（二零一五：港幣988,290,000元），銀行結餘及現金為港幣309,062,000元（二零一五年：港幣726,598,000元）。於二零一六年十二月三十一日，本公司權益總額為港幣826,911,000元（二零一五年：港幣990,116,000元），且並無借款（二零一五年：無）。於二零一六年十二月三十一日，本集團的資本與負債率（即借貸總額對資本總額的百分比）為零（二零一五年：零）。資本總額按權益總額加借貸總額計算。

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CAPITAL STRUCTURE

As at 31 December 2016, the Company had 2,768,055,408 ordinary shares of HK\$0.01 each (the “Shares”) in issue.

During the years ended 31 December 2015 and 2016, the movement in the issued share capital of the Company and the use of proceeds from fund raising activities are as follows:

- a. On 14 April 2015 and 13 May 2015, the Company entered into a subscription agreement and an amendment agreement with Newwood Investments Limited, Numerous Joy Limited, Pacific Wits Limited, Tairong Holdings Limited, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and REORIENT Global Limited (collectively the “Subscribers”), pursuant to which the Company conditionally agreed to allot and issue, and Subscribers conditionally agreed to subscribe for, a total of 1,701,416,556 new Shares (“Subscription Shares”) at an issue price of HK\$0.40 per Share (the “Subscription”) with the aggregate subscription price of approximately HK\$680,567,000. The Company had also agreed to allot and issue 30,000,000 new Shares (“Fee Shares”) to financial adviser for the settlement of the financial advisory service fee in respect of the Subscription. The Subscription Shares represented approximately 294.8% of the issued share capital of the Company as at 14 April 2015 and approximately 73.7% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Fee Shares as at the date of the Subscription. The subscription price of HK\$0.40 per Share represented a discount of approximately 79.17% to the closing price of HK\$1.92 per Share as quoted on The Stock Exchange of Hong Kong Limited on 14 April 2015, being the date on which the terms of the Subscription were fixed. The net subscription price, after deducting the relevant expenses, was approximately HK\$0.395 per Share and the aggregate nominal value of the Subscription Shares and Fee Shares issued were approximately HK\$17,015,000 and HK\$300,000 respectively. The net proceeds of approximately HK\$672,622,000 (excluding the financial advisory fees in respect of the Subscription settled by Fee Shares) from the Subscription was intended to be used

資本架構

於二零一六年十二月三十一日，本公司有2,768,055,408股每股面值港幣0.01元的已發行普通股（「股份」）。

截至二零一五年及二零一六年十二月三十一日止年度，本公司之股本變動及集資活動所得款項用途如下：

- a. 於二零一五年四月十四日及二零一五年五月十三日，本公司與Newwood Investments Limited、多樂有限公司、泰穎有限公司、泰嶸控股有限公司、騰龍國際有限公司、金耀投資有限公司、Dayunmony Investment Corporation、Concept Best Limited及瑞東環球有限公司（統稱「認購方」）訂立認購協議及修訂協議，據此，本公司有條件同意配發及發行而認購方有條件同意認購合共1,701,416,556股新股份（「認購股份」），發行價為每股股份港幣0.40元（「認購事項」），認購價總值約為港幣680,567,000元。本公司亦同意配發及發行30,000,000股新股份（「報酬股份」），作為就認購事項向財務顧問支付之財務顧問服務費。認購股份相當於本公司於二零一五年四月十四日之已發行股本約294.8%及本公司於認購日經配發及發行認購股份及報酬股份而擴大後之已發行股本約73.7%。每股認購股份之認購價為港幣0.40元較股份於二零一五年四月十四日（即釐定認購事項條款之日期）在香港聯合交易所所報收市價每股股份港幣1.92元折讓約79.17%。淨認購價（經扣除相關開支後）約為每股股份港幣0.395元，而認購股份及報酬股份之總面值分別約為港幣17,015,000元和港幣300,000元。來自認購事項之所得款項淨額合共約港幣672,622,000元（不包括以報酬股份償付之認購事項相關財務顧問費）擬用作(i)為本集團提供機會借助認購方之豐富經驗、專長及業務聯繫發展在廣告、媒體及娛樂行業之現有業務及新業務；及(ii)本集團之一般營運資金。於二零一六年十二月三十一日，其中約港幣579,284,000元已用作投資電影及電視劇作品之版權，約港幣2,018,000元已用作投資香港上市之證券，

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for (i) providing the Group an opportunity to leverage on the extensive experience, expertise and business connection of the Subscribers to develop existing and new business in the advertising, media and entertainment industry; and (ii) the Group's general working capital. As at 31 December 2016, approximately HK\$579,284,000 was used for investments in films and TV rights, approximately HK\$2,018,000 was used for investments in securities listed in Hong Kong, HK\$1,000,000 was used for acquisition of a subsidiary, approximately HK\$11,342,000 was used for the payments of the legal claim (details are set out in note 38 to the consolidated financial statements), HK\$20,000,000 was used for the purchase of art work, and the remaining approximately HK\$58,978,000 of the net proceeds was used for the Group's operating expenses.

- b. On 17 June 2016, the Company allotted and issued 100,000,000 Shares and 144,500,000 Shares to Mr. Wong and Mr. Chan respectively pursuant to the Agreements on 1 June 2016. These Shares issued to Mr. Wong and Mr. Chan pursuant to the Agreements represented approximately 3.92% and 5.66% respectively of the issued share capital of the Company as enlarged by such issuances.
- c. On 14 December 2016, the Company allotted and issued 75,000,000 Shares and 140,000,000 Shares to Mr. Gu and Mr. Zhang respectively pursuant to the Agreements on 6 December 2016. These Shares issued to Mr. Gu and Mr. Zhang pursuant to the Agreements represented approximately 2.71% and 5.06% respectively of the issued share capital of the Company as enlarged by such issuances.

CHARGES ON ASSETS

As at 31 December 2016, the Group's short-term payable of HK\$111,161,000 was secured by a deposit of HK\$111,161,000 (2015: nil).

EXPOSURE TO EXCHANGE RATE

The Group's cash flow from operation, cash on hand and assets are denominated mainly in Hong Kong dollars, US dollars and Renminbi. Presently, the Group does not have any currency hedging policy but will closely monitor the Renminbi exchange rate and take appropriate measures to minimise any adverse impact that may be caused by its fluctuation.

港幣1,000,000元已用作收購一家附屬公司，約港幣11,342,000元已用作支付訴訟賠償（詳情載於綜合財務報表附註38），港幣20,000,000元已用作購買藝術品，而餘下之所得款項淨額約港幣58,978,000元已用作本集團之營運開支。

- b. 於二零一六年六月十七日，本公司根據該等協議，分別向王先生及陳先生配發及發行100,000,000股股份及144,500,000股股份。根據該等協議向王先生及陳先生發行的股份分別相當於經上述發行事項擴大之本公司已發行股本約3.92%及5.66%。
- c. 於二零一六年十二月十四日，本公司根據該等協議，分別向顧先生及張先生配發及發行75,000,000股股份及140,000,000股股份。根據該等協議向顧先生及張先生發行的股份分別相當於經上述發行事項擴大之本公司已發行股本約2.71%及5.06%。

抵押資產

於二零一六年十二月三十一日，本集團之短期應付款港幣111,161,000元由一筆港幣111,161,000元之按金作抵押（二零一五年：無）。

匯率風險

本集團所經營業務的現金流、持有的現金及資產主要以港幣、美元及人民幣計值，目前，本集團並無任何貨幣對沖政策，本集團一直緊密關注人民幣匯率的波動及變化，並致力緩和匯率波動對整體財務狀況的影響以及降低本集團的財務風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RISK MANAGEMENT

During the year, the Group regularly reviewed the risk and credit control systems of its profit centers to improve the overall control system and mitigate credit risk. There has been no major changes in the Group's risk management policy since 31 December 2015.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no significant contingent liabilities (2015: nil) with the exception of matters related to a litigation as described in note 38 to the consolidated financial statement.

LITIGATION

Details of the litigation are set out in note 38 to the consolidated financial statement.

EMPLOYEES AND REMUNERATION POLICIES

The Group firmly believes that high-caliber people are the most valuable asset of a corporation. The Group thus places great attention on attracting talents and nurturing its people. It has kept optimizing its staff structure according to its development strategy and business needs. As at 31 December 2016, the Group had 55 (2015: 32) employees and 3 (2015: 167) agents. The Group hired more employees during the year to support the development of its media, entertainment and related businesses, and the number of agents decreased due to the downsizing of the property agency business, as well as the Group's shift in focus towards the high-growth media and entertainment industry. The Group has developed comprehensive remuneration management and incentive mechanisms, with employees remunerated based on their positions and work performance as well as industry trends.

風險管理

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

或然負債

於二零一六年十二月三十一日，除於綜合財務報表附註38所載之訴訟外，本集團並無任何重大或然負債（二零一五年：無）。

訴訟

訴訟詳情載於綜合財務報表附註38。

僱員和薪酬政策

本集團一直堅信優秀人才是企業最寶貴的資產，本集團重視吸納和培養人才，根據發展戰略和業務的需要，持續優化人才結構。於二零一六年十二月三十一日，本集團僱用55名（二零一五年：32名）僱員及3名（二零一五年：167名）代理。年內，本集團僱用更多人才以發展媒體、娛樂及相關業務，而代理數目減少則由於物業代理業務規模縮減及本集團把業務發展重心轉移至高增長的媒體及娛樂市場上所致。本集團建立了完善的薪酬管理和激勵機制，僱員的薪酬乃根據其崗位價值、工作表現及行業趨勢而釐定。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Set out below are the biographical details of the directors of the Company (the “Directors”) as at the date of this annual report of 27 March 2017:

EXECUTIVE DIRECTORS

Mr. Dong Ping (“Mr. Dong”)

Mr. Dong, aged 55, was appointed as an executive Director on 2 September 2015, redesignated as the chairman (the “Chairman”) of the Board on 15 January 2016 and is also a member of remuneration committee and a member of nomination committee of the Company. Mr. Dong is also director of a number of subsidiaries of the Company. Mr. Dong has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields and was the former Chairman of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger Hidden Dragon* 《臥虎藏龍》(directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* 《鬼子來了》(directed by Mr. Jiang Wen (姜文)), *Peacock* 《孔雀》(directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* 《讓子彈飛》(directed by Mr. Jiang Wen (姜文)), *Journey to the West* 《西游降魔》(directed by Mr. Stephen Chow (周星馳)), *Dearest* 《親愛的》(directed by Mr. Chan Ho Sun (陳可辛)) and *Breakup Buddies* 《心花路放》(directed by Mr. Ning Hao). Some of these films have won numerous major awards in both domestic and overseas film festival. From August 2003 to April 2005, Mr. Dong was the president of Asian Union Film and Media. Between 31 May 2005 and 11 January 2008, Mr. Dong was appointed as an executive director of Asian Union New Media (Group) Limited (華億新媒體(集團)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors from 12 May 2006 to 11 January 2008.

於本年報日期(即二零一七年三月二十七日),本公司董事(「董事」)之詳細履歷載列如下。

執行董事

董平先生(「董先生」)

董先生, 55歲, 於二零一五年九月二日獲委任為執行董事, 並於二零一六年一月十五日獲調任為董事會主席(「主席」), 兼任本公司薪酬委員會及提名委員會成員。董先生亦為本公司若干附屬公司之董事。董先生於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡, 曾任聯交所主板上市公司文化中國傳播集團有限公司(現稱阿里巴巴影業集團有限公司(股份代號: 1060))主席。董先生為多部國際知名電影之主要投資者、監製及聯合監製, 包括《臥虎藏龍》(由李安先生執導)、《鬼子來了》(由姜文先生執導)、《孔雀》(由顧長衛先生執導)、《讓子彈飛》(由姜文先生執導)、《西游降魔》(由周星馳先生執導)、《親愛的》(由陳可辛先生執導)及《心花路放》(由寧浩先生執導)。該等電影部分於國內外電影節奪得多項重要獎項。董先生於二零零三年八月至二零零五年四月出任北京保利華億傳媒文化有限公司董事長。董先生於二零零五年五月三十一日至二零零八年一月十一日獲委任為聯交所主板上市公司華億新媒體(集團)有限公司(股份代號: 419)執行董事及於二零零六年五月十二日至二零零八年一月十一日出任該公司董事會主席。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

As at the date of this report of 27 March 2017, Mr. Dong was deemed to be interested in 1,431,304,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited (“Newwood”), 92,342,216 Shares held by Numerous Joy Limited (“Numerous Joy”), 438,625,528 Shares held by Pacific Wits Limited (“Pacific Wits”) and 438,625,528 Shares held by Tairong Holdings Limited (“Tairong”) within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

於本報告日期(即二零一七年三月二十七日)，董先生被視為於1,431,304,354股股份(即由Newwood Investments Limited (「Newwood」)持有之461,711,082股股份、多樂有限公司(「多樂」)持有之92,342,216股股份、泰穎有限公司(「泰穎」)持有之438,625,528股股份及泰嶸控股有限公司(「泰嶸」)持有之438,625,528股股份)中擁有證券及期貨條例(「證券及期貨條例」)第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

Mr. Xiang Shaokun, Steven (“Mr. Xiang”)

Mr. Xiang, aged 54, was appointed as an executive Director on 2 September 2015 and the Chief Executive Officer of the Group on 18 September 2015. Mr. Xiang is also director of a number of subsidiaries of the Company. Mr. Xiang was a partner of Weil, Gotshal & Manges LLP, an international law firm, where he has led its China practice since 2004. Previously, Mr. Xiang was a partner in the Shanghai office of Clifford Chance, an international law firm from 2002 to 2004. A specialist in mergers and acquisitions, Mr. Xiang has acted as the principal counsel in many significant transactions including representing Lenovo Group Limited in its acquisition of IBM’s global personal computer business. He holds a degree of juris doctor from Vanderbilt University School of Law, U.S.A. and a Bachelor of Arts from Beijing University of International Studies. Mr. Xiang is licensed to practice law in New York and in Hong Kong. Mr. Xiang has been consistently ranked as one of the top mergers and acquisitions lawyers by Chambers.

項紹琨先生(「項先生」)

項先生，54歲，於二零一五年九月二日獲委任為執行董事，並於二零一五年九月十八日獲委任為本集團行政總裁。項先生亦為數間本公司附屬公司之董事。項先生曾為國際律師事務所威嘉國際律師事務所之合夥人，自二零零四年起掌管中國業務。此前，項先生於二零零二年至二零零四年為國際律師事務所英國高偉紳律師事務所上海代表處之合夥人。作為併購專家，項先生於多項重大交易中擔任主要法律顧問，包括代表聯想集團有限公司收購IBM全球個人電腦業務。彼持有美國Vanderbilt University法律學院法律士(Juris Doctor)學位及北京國際關係學院文學士學位。項先生為紐約及香港執業律師，長期獲Chambers評為最佳併購律師之一。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

NON-EXECUTIVE DIRECTORS

Mr. Ning Hao (“Mr. Ning”)

Mr. Ning, aged 39, was appointed as a non-executive Director on 2 September 2015. Mr. Ning majored in photography and obtained a bachelor degree from Beijing Film Academy (北京電影學院), PRC, in 2003. Mr. Ning is a film director and screenwriter who has directed seven films between 2003 and 2014, which were engraved with his unique personal style and won international acclaim. All of Mr. Ning’s films have achieved strong investment returns. His directorial debut *Incense* 《香火》(2003) and his second film *Mongolian Ping Pong* 《綠草地》(2004) were nominated in more than 50 international film festivals, including the Berlin Film Festival, Locarno Film Festival and the Hong Kong Film Festival. Among these, *Incense* won the Grand Prize at the Fourth Tokyo FILMeX Festival in 2003 and the Golden Prize (Asian Digital Films) at the 28th Hong Kong International Film Festival in 2004. In 2006, Mr. Ning directed his small budget film *Crazy Stone* 《瘋狂的石頭》, which won the Taiwan Golden Horse Award (臺灣金馬獎) for the Best Original Screenplay. *Crazy Racer* (《瘋狂的賽車》) (2009), which was wrote and directed by Mr. Ning, was produced for an investment of only RMB10 million and achieved over RMB100 million at the box office. In 2013, Mr. Ning directed *No Man’s Land* 《無人區》, which won the Annual Tribute Movie by One Hundred Media (百家傳媒年度致敬電影) at the 14th Chinese Film Media Awards (華語電影傳媒大獎). Mr. Ning also directed the huge box office hit *Breakup Buddies* 《心花路放》(2014) which grossed RMB1,169 million at the PRC box office and became the highest grossing-domestic Chinese film of the year.

As at the date of this report of 27 March 2017, Mr. Ning was deemed to be interested in 1,431,304,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

非執行董事

寧浩先生 (「寧先生」)

寧先生，39歲，於二零一五年九月二日獲委任為非執行董事。寧先生於二零零三年在中國北京電影學院取得學士學位，主修攝影。寧先生為電影導演及編劇，於二零零三年至二零一四年間執導七部電影，憑藉獨特個人風格享譽國際。寧先生全部電影均帶來豐碩投資回報，其首部執導電影《香火》(二零零三年)及第二部電影《綠草地》(二零零四年)於五十多個國際電影節獲提名，包括柏林電影節、洛迦諾電影節及香港電影節。其中，《香火》先後於二零零三年及二零零四年獲得第四屆東京銀座電影節大獎及第二十八屆香港國際電影節金獎(亞洲數碼錄像)。寧先生於二零零六年執導小本電影《瘋狂的石頭》並奪得臺灣金馬獎最佳原著劇本獎。寧先生自編自導投資監製成本僅人民幣10,000,000元之《瘋狂的賽車》(二零零九年)，票房突破人民幣100,000,000元。寧先生於二零一三年執導《無人區》，榮獲第十四屆華語電影傳媒大獎百家傳媒年度致敬電影。寧先生另執導賣座電影《心花路放》(二零一四年)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影。

於本報告日期(即二零一七年三月二十七日)，寧先生被視為於1,431,304,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Mr. Xu Zheng (“Mr. Xu”)

Mr. Xu, aged 44, was appointed as a non-executive Director on 2 September 2015. Mr. Xu graduated with a bachelor degree from Shanghai Theatre Academy (上海戲劇學院), PRC, in 1994. Mr. Xu is an actor, director, screenwriter and producer. He started his career as an actor in the 1990s. Mr. Xu rose to national stardom in 2000 with the TV series Sunny Piggy 《春光燦爛豬八戒》, followed by other successful TV dramas such as Li Wei the Magistrate 《李衛當官》(2002). Mr. Xu then focused more on films, starring in comedies Call for Love 《愛情呼叫轉移》(2007) and Call for Love II 《愛情呼叫轉移2》(2008), Lost on Journey 《人在囧途》(2010), No Man’s Land 《無人區》(2013) (for which he was awarded the best lead actor by the Chinese Film Director Association (中國電影導演協會) in 2014) and the huge box office hit Breakup Buddies 《心花路放》(2014) and Lost in Hong Kong 《港囧》(2015). In 2012, his directorial debut Lost in Thailand 《人在囧途之泰囧》(a road trip comedy) which he also wrote, produced and starred in, earned over US\$200 million and became the highest-grossing domestic Chinese film ever. In 2014, he produced and starred in The Great Hypnotist 《催眠大師》(a suspense thriller film), which achieved groundbreaking box-office success and a great reputation in the Chinese suspense thriller film market.

As at the date of this report of 27 March 2017, Mr. Xu was deemed to be interested in 1,431,304,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

徐崢先生(「徐先生」)

徐先生，44歲，於二零一五年九月二日獲委任為非執行董事。徐先生於一九九四年畢業於中國上海戲劇學院，取得學士學位。徐先生為演員、導演、編劇及監製，於一九九零年代開展演員生涯。徐先生於二零零零年憑藉電視劇《春光燦爛豬八戒》晉身為全國明星，其後陸續出演其他成功電視劇作品，如《李衛當官》(二零零二年)。徐先生其後專注電影發展，先後主演喜劇《愛情呼叫轉移》(二零零七年)、《愛情呼叫轉移2》(二零零八年)、《人在囧途》(二零一零年)、《無人區》(二零一三年)(彼憑藉此電影於二零一四年獲中國電影導演協會評為年度男演員)以及票房奇葩《心花路放》(二零一四年)及《港囧》(二零一五年)。於二零一二年，徐先生首次自編自導自演兼監製公路喜劇《人在囧途之泰囧》，票房突破200,000,000美元，成為中國有史以來最賣座華語電影。於二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，不但創造票房神話，更成為華語驚悚懸疑電影市場經典。

於本報告日期(即二零一七年三月二十七日)，徐先生被視為於1,431,304,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Mr. Gao Zhikai (“Mr. Gao”)

Mr. Gao, aged 55, was appointed as a non-executive Director on 2 September 2015. Mr. Gao was appointed as a member of the audit committee of the Company on 30 September 2016. Mr. Gao is the vice chairman of Sino-Europe United Investment Corporation. Mr. Gao has extensive experience, knowledge and professional expertise in law, investment banking, venture capital and private equity, and corporate management. In the 1980s, Mr. Gao was an English interpreter for the Second Generation of Chinese leaders, including Mr. Deng Xiaoping, and also worked with the United Nations Secretariat in New York City. Mr. Gao’s main working experience since graduating from Yale Law School in 1993 with a Juris Doctor degree included working as a lawyer with the New York City-headquartered law firm, Milbank, Tweed, Hadley & McCloy, as an investment banker with Morgan Stanley and its joint venture investment bank in China, China International Capital Corporation, as the China Policy Advisor with the SFC, and with major corporations including PCCW Limited, Henderson Land Development Company Limited and China National Offshore Oil Corporation (“CNOOC”). At CNOOC, Mr. Gao was a senior vice president, general counsel, company secretary, and a member of the CNOOC’s Investment Committee, and a director of CNOOC International, the holding company for all the overseas operating assets of CNOOC. Mr. Gao was the first secretary general of China Private Equity Association (which was subsequently renamed China Association of Private Equity). Mr. Gao was also an executive vice president, managing director and co-chairman of China at Daiwa Capital Markets (Hong Kong) Limited. Over the past two decades, Mr. Gao has extensive experience as a director and/or advisor to major corporations, both in China and internationally, including a number of Fortune 500 companies. At present, Mr. Gao is a member of the Global Council of Asia Society, a member of the International Advisory Board of the Brookings Doha Energy Forum, a member of the International Advisory Board of the Energy Intelligence Group, the chairman of China Energy Security Institute, and a member or an advisor at a number of other non-profit and charity organizations. Mr. Gao has a Bachelor of Arts degree in English Literature from Suzhou University, a Master of Arts degree in English Literature from Beijing University of Foreign Studies, a Master of Arts degree in Political Science from the Graduate School of Yale University, and a Juris Doctor degree from Yale Law School. Mr. Gao is licensed as an attorney-at-law in the State of New York of the United States of America.

高志凱先生(「高先生」)

高先生，55歲，於二零一五年九月二日獲委任為非執行董事。高先生於二零一六年九月三十日獲委任為本公司審核委員會成員。高先生為中歐聯合投資有限公司副主席。高先生於法律、投資銀行、創投資金、私募資本及企業管理方面擁有豐富經驗、認識及專業知識。於一九八零年代，高先生曾為鄧小平先生等中國第二代領導人擔任英語傳譯員，並曾於紐約聯合國秘書處工作。高先生於一九九三年畢業於耶魯法學院並取得法律士(Juris Doctor)學位，其後彼之主要工作經驗包括曾於總部設於紐約之律師事務所Milbank, Tweed, Hadley & McCloy擔任律師、於摩根士丹利及其中國合營投資銀行中國國際金融有限公司擔任投資銀行家，以及於證監會擔任中國事務顧問。彼亦曾為電訊盈科有限公司、恒基兆業地產有限公司及中國海洋石油總公司(「中國海油」)等大型企業效力。於中國海油任職時，高先生擔任高級副總裁、法律顧問、公司秘書及中國海油投資委員會成員，並為中國海洋石油國際有限公司(中國海油全部海外營運資產之控股公司)董事。高先生為天津股權投資基金協會(其後易名為中國股權投資基金協會)首名總書記。高先生亦曾任大和資本市場香港有限公司之執行副總裁、董事總經理及中國區聯席主席。於過去二十年，高先生於中國及國際大型企業出任董事及／或顧問並累積豐富經驗，當中包括多家財富雜誌500強企業。現時，高先生為亞洲社區全球理事會(Global Council of Asia Society)成員、布魯金斯多哈能源論壇(Brookings Doha Energy Forum)國際諮詢委員會成員、能源資訊集團(Energy Intelligence Group)國際諮詢委員會成員、中國能源安全組織(China Energy Security Institute)主席，以及多個其他非牟利及慈善組織之成員或顧問。高先生持有蘇州大學英國文學學士學位、北京外國語大學英國文學碩士學位、耶魯大學研究生院政治學文學碩士學位及耶魯法學院法律士(Juris Doctor)學位。高先生為美國紐約州註冊律師。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

As at the date of this report, Mr. Gao was deemed to be interested in 46,171,108 Shares (being 46,171,108 Shares held by Dayunmony Investment Corporation) within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

於本報告日期，高先生被視為於46,171,108股股份（即由Dayunmony Investment Corporation持有之46,171,108股股份）中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Su Tuong Sing, David (“Mr. Su”)

徐傳陞先生（「徐先生」）

Mr. Su, aged 45, was appointed as an independent non-executive Director on 2 September 2015. Mr. Su is also the chairman of the remuneration committee, the chairman of the nomination committee and a member of the audit committee of the Company. Mr. Su is a managing partner at Matrix Partners China, a venture capital firm specializing in, early and growth stage investments and focused primarily on internet, mobile, software and medical technology investments. Mr. Su, through Matrix Partners China and other investment vehicles, has been investing in China for the past 15 years and his investments include Baidu Inc. (NASDAQ: BIDU), China Kanghui Holdings Inc. (NYSE: KH), AAC Technologies Holdings Inc. (stock code: 2018), Bona Film Group Limited (NASDAQ: BONA), DiDi-Kuaidi, Shanghai Kingnet Technology Co. Ltd, and Reach Surgical, Inc.. Prior to joining Matrix Partners China, Mr. Su was a co-founder and general partner of TDF Capital and KPCB China Fund, both of which are venture capital firms specializing in early and growth stage investments. Prior to joining the venture capital industry, Mr. Su worked at Lotus Development, IBM Software Company for seven years and he had made significant contributions to Lotus’s overall software and services business in the Greater China region. Mr. Su started his career at Port of Singapore Authority, responsible for information system development and management. Mr. Su graduated from Nanyang Technological University with a Bachelor Degree in Computer Engineering.

徐先生，45歲，於二零一五年九月二日獲委任為獨立非執行董事。徐先生亦為本公司薪酬委員會主席、提名委員會主席及審核委員會成員。徐先生為經緯中國之管理合夥人。經緯中國為創投資金管理公司，針對早期及發展階段進行投資，主力投資範圍包括網絡、移動、軟件及醫療技術。過去15年，徐先生一直透過經緯中國及其他投資工具於中國進行投資，包括百度（納斯達克：BIDU）、China Kanghui Holdings Inc.（紐交所：KH）、瑞聲科技控股有限公司（股份代號：2018）、博納影業集團（納斯達克：BONA）、DiDi-Kuaidi、上海愷英網絡科技有限公司及瑞奇外科器械（中國）有限公司。加入經緯中國前，彼為華盈基金及凱鵬華盈中國基金之聯合創辦人及普通合夥人，該兩間公司均為創投資金管理公司，專注初期及發展階段之投資。投身創投行業前，徐先生曾於Lotus Development, IBM Software Company任職七年，為Lotus於大中華地區之整體軟件及服務業務作出莫大貢獻。徐先生於新加坡港務局開展事業，負責資訊系統發展及管理。徐先生畢業於南洋理工大學，取得計算機工程學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

Mr. Li Xiaolong (“Mr. Li”)

Mr. Li, aged 51, was appointed as an independent non-executive Director on 2 September 2015. Mr. Li is a member of the remuneration committee and a member of the nomination committee of the Company. Mr. Li has more than 20 years of experience in the industry of information technology and telecommunications. He is the founder and chairman of Net 263 Ltd. (Shenzhen Stock Exchange: 002467), a company based in Beijing and which provides integrated communication services for medium-and small-sized enterprises and professionals. Since September 2004, Mr. Li was the director and general manager of Net 263 Ltd., and since August 2006, the director of Net 263 Ltd. He has been an independent director at E-Commerce China Dangdang Inc. (NYSE: DANG) since December 2010, and an independent director at Kongzhong Corp. (NASDAQ: KZ) since 2012. Mr. Li studied Computer Science at Beijing Industry University. Mr. Li attended the undergraduate program in software engineering in Beijing University of Technology. In January 2013, Mr. Li was appointed as a committee member of the telecommunications and economic experts of the Ministry of Industry and Information Technology.

李小龍先生 (「李先生」)

李先生，51歲，於二零一五年九月二日獲委任為獨立非執行董事。李先生為本公司薪酬委員會及提名委員會成員。李先生於資訊科技及電信業積逾20年經驗。彼為二六三網絡通信股份有限公司（深圳證券交易所：002467）之創辦人及主席，該公司位於北京，為中小企及專業人士提供綜合通訊服務。自二零零四年九月起，李先生擔任二六三網絡通信股份有限公司之董事兼總經理，並自二零零六年八月起擔任二六三網絡通信股份有限公司之董事。自二零一零年十二月及二零一二年起，彼分別出任E-Commerce China Dangdang Inc.（紐交所：DANG）及Kongzhong Corp.（納斯達克：KZ）之獨立董事。李先生曾於Beijing Industry University修讀計算機科學，並曾修讀北京工業大學軟件工程本科課程。於二零一三年一月，李先生獲委任為工業和信息化部電信經濟專家委員會成員。

BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷

Mr. Wong Tak Chuen (“Mr. Wong”)

Mr. Wong Tak Chuen, aged 52, joined the Company as an independent non-executive director on 10 April 2014. Mr. Wong is the chairman of the audit committee. Mr. Wong is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales. He has over 20 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently the chief financial officer and the company secretary of a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Wong has been (i) an independent non-executive director of Eternity Investment Limited (stock code: 764, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited) (the “Stock Exchange”) since 7 November 2011; (ii) an independent non-executive director of Man Sang International Limited (stock code: 938, a company listed on the Main Board of the Stock Exchange) since 12 July 2016; and (iii) an independent non-executive director of China Healthwise Holdings Limited (stock code: 348, a company listed on the Main Board of the Stock Exchange) since 11 October 2016.

The remuneration of the above Directors are determined by the Board with reference to their experience and the prevailing market rate.

黃德銓先生 (「黃先生」)

黃德銓先生，52歲，於二零一四年四月十日加入本公司，擔任獨立非執行董事。黃先生為審核委員會主席。黃先生為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭和威爾斯特許會計師協會會員，擁有超過20年審計、財務管理、合併與收購經驗，曾在香港一家國際會計師行、香港多家上市公司及一家美國上市公司擔任高級財務職位。黃先生現任一家在香港聯合交易所有限公司主板上市的公司的財務總監兼公司秘書。黃先生(i)自二零一一年十一月七日起擔任永恆策略投資有限公司(股份代號：764，一家在香港聯合交易所有限公司(聯交所)主板上市的公司)的獨立非執行董事；(ii)自二零一六年七月十二日起擔任民生國際有限公司(股份代號：938，一家在聯交所主板上市的公司)的獨立非執行董事；及(iii)自二零一六年十月十一日起擔任中國智能健康控股有限公司(股份代號：348，一家在聯交所主板上市的公司)的獨立非執行董事。

上述董事之薪酬乃由董事會參考彼等之經驗及現行市場薪酬水平釐定。

CORPORATE GOVERNANCE REPORT 企業管治報告

CORPORATE GOVERNANCE

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

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2016, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as listed out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the deviations from Code A.2.1, A.2.7 and A.6.7 details of which are described in this Corporate Governance Report.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout 2016.

BOARD OF DIRECTORS

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

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

企業管治

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

企業管治常規

本公司於截至二零一六年十二月三十一日止年度貫徹應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則及企業管治報告（「企管守則」）之原則且一直遵守守則條文，惟存在偏離守則第A.2.1條、第A.2.7條及第A.6.7條之事項，詳情載於本企業管治報告。

證券交易守則

本公司已採納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」），其條款之嚴格程度不遜於標準守則所載者。經特定查詢後，全體董事確認於二零一六年度已充分遵守標準守則。

董事會

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

The changes in the directorships during 2016 are as follows:

1. On 15 January 2016, Mr. Dong Ping, an executive Director, has redesignated as the Chairman of the Board with effect from 15 January 2016.
2. On 30 September 2016, Mr. So Chak Kwong has resigned as a non-executive director of the Company and ceased to be a member of the audit committee of the Company. Mr. Gao Zhikai, a non-executive director of the Company, has been appointed as a member of the audit committee of the Company on 30 September 2016.

BOARD COMPOSITION

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

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

CHANGE IN INFORMATION OF DIRECTORS

Mr. Dong Ping, an executive Director, was appointed as the Chairman of the Board on 15 January 2016.

With effect from 12 July 2016, Mr. Wong Tak Chuen, an independent non-executive Director, has been appointed as an independent non-executive director of Man Sang International Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 938). With effect from 11 October 2016, Mr. Wong Tak Chuen has been appointed as an independent non-executive director of China Healthwise Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 348).

Following the resignation of Mr. So Chak Kwong on 30 September 2016, Mr. So has ceased to be a member of the audit committee of the Company. Mr. Gao Zhikai, a non-executive director of the Company, has been appointed as a member of the audit committee of the Company with effect from 30 September 2016.

Save for above, there is no change in Directors' information for the year ended 31 December 2016, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

二零一六年內董事職務變動如下：

1. 於二零一六年一月十五日，執行董事董平先生已獲調任為董事會主席，自二零一六年一月十五日起生效。
2. 於二零一六年九月三十日，蘇澤光先生已辭任本公司非執行董事，並不再擔任本公司審核委員會成員。於二零一六年九月三十日，本公司非執行董事高志凱先生獲委任為本公司審核委員會成員。

董事會組成

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

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

董事資料變動

執行董事董平先生於二零一六年一月十五日獲委任為董事會主席。

獨立非執行董事黃德銓先生獲委任為民生國際有限公司之獨立非執行董事，自二零一六年七月十二日起生效。該公司的股份於聯交所主板上市（股份代號：938）。黃德銓先生獲委任為中國智能健康控股有限公司之獨立非執行董事，自二零一六年十月十一日起生效。該公司的股份於聯交所主板上市（股份代號：348）。

蘇澤光先生於二零一六年九月三十日辭任後，蘇先生不再擔任本公司審核委員會成員。本公司非執行董事高志凱先生已獲委任為本公司審核委員會成員，自二零一六年九月三十日起生效。

除上述者外，截至二零一六年十二月三十一日止年度，董事資料概無任何須根據上市規則第13.51B(1)條予以披露的變動。

CORPORATE GOVERNANCE REPORT

企業管治報告

The composition of the Board and their respective attendance in the general meetings, Board meetings and other committee meetings during the year ended 31 December 2016 are as follows:

截至二零一六年十二月三十一日止年度，董事會之組成及各董事於股東大會、董事會會議及其他委員會會議之相關出席率如下：

		No. of meetings attended/eligible to attend				
		General meetings	Regular full board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
	股東大會	董事會全體成員例會	審核委員會會議	薪酬委員會會議	提名委員會會議	
	(Note 1)	(Note 2)				
	(附註1)	(附註2)				
Number of meetings	會議次數	1	5	2	2	2
Executive Directors	執行董事					
Mr. Dong Ping (Chairman)	董平先生(主席)	1/1	5/5	N/A 不適用	2/2	2/2
Mr. Xiang Shaokun, Steven (Chief Executive Officer)	項紹琨先生(行政總裁)	1/1	5/5	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors	非執行董事					
Mr. Ning Hao	寧浩先生	0/1	3/5	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Xu Zheng	徐崢先生	0/1	2/5	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Gao Zhikai	高志凱先生	0/1	4/5	N/A 不適用	N/A 不適用	N/A 不適用
Mr. So Chak Kwong (resigned on 30 September 2016)	蘇澤光先生(於二零一六年九月三十日辭任)	0/1	3/4	1/2	N/A 不適用	N/A 不適用
Independent non-executive Directors	獨立非執行董事					
Mr. Su Tuong Sing, David	徐傳陸先生	0/1	3/5	2/2	2/2	2/2
Mr. Li Xiaolong	李小龍先生	0/1	5/5	N/A 不適用	2/2	2/2
Mr. Wong Tak Chuen	黃德銓先生	1/1	4/5	2/2	N/A 不適用	N/A 不適用

Note 1: Under the CG Code provision A.6.7, non-executive Directors and independent non-executive Directors should attend general meetings. During the year due to Directors' other commitments, not all of the non-executive Directors and independent non-executive Directors of the Company attended the annual general meeting held on 1 June 2016.

附註1：根據企管守則條文第A.6.7條，非執行董事及獨立非執行董事應出席股東大會。年內，因董事其他事務關係，並非全部本公司非執行董事及獨立非執行董事均有出席於二零一六年六月一日舉行之股東周年大會。

Note 2: Under CG Code provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors, including independent non-executive directors, without the executive directors present. In 2016, the Chairman did not hold meetings with the non-executive Directors (including independent non-executive Directors) without the executive Director present, which deviates from Code provision A.2.7. However, in each Board meeting, the chairman of the meetings would ensure that all Directors were able to make a full and active contribution to the Board's affairs and encourage all Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that the Board decisions fairly reflect Board consensus.

附註2：根據企管守則條文第A.2.7條，主席須至少每年與非執行董事(包括獨立非執行董事)舉行會議，而毋須執行董事列席。於二零一六年，主席並無在執行董事缺席情況下與非執行董事(包括獨立非執行董事)舉行會議，故偏離守則條文第A.2.7條。然而，於各董事會會議，會議主席會確保所有董事可對董事會之事務作出全面積極貢獻，並鼓勵所有持不同意見之董事發表意見，給予足夠時間討論有關事宜，並確保董事會決定公平反映董事會之共識。

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 2 September 2015, the Chairman of the Board was Mr. Lei Hong Wai. After the resignation of Mr. Lei Hong Wai as an executive Director and the Chairman of the Board on 2 September 2015, there is no specific designation of Chairman of the Board from 2 September 2015 until Mr. Dong Ping was redesignated as the Chairman of the Board on 15 January 2016.

On 18 September 2015, Mr. Xiang Shaokun, Steven, an executive Director (appointed as an executive Director on 2 September 2015), was appointed as the chief executive officer of the Group. Mr. Dong Ping focuses on the leadership role in the Board to ensure that the Board works effectively in discharging its responsibilities whilst Mr. Xiang Shaokun, Steven focuses on day-to-day corporate management matters of the Group. The Board considers that the segregation of responsibilities among the Board members meets the requirements under the CG Code. Since 15 January 2016, Mr. Dong Ping was redesignated as the Chairman of the Board and therefore Code provision A.2.1 of the CG Code has been complied with since then and the roles of the Chairman (by Mr. Dong Ping) and chief executive officer (by Mr. Xiang Shaokun, Steven) are therefore separate and exercised by different individuals.

TRAINING

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

主席及行政總裁

根據企管守則條文第A.2.1條，主席及行政總裁之角色應分設並且不應由同一人兼任。於二零一五年九月二日之前，董事會主席為李雄偉先生。李雄偉先生於二零一五年九月二日辭任執行董事及董事會主席後，自二零一五年九月二日起並無專門指定董事會主席，直至董平先生於二零一六年一月十五日獲調任為董事會主席。

於二零一五年九月十八日，執行董事項紹琨先生（於二零一五年九月二日獲委任為執行董事）獲委任為本集團行政總裁。董平先生主要負責領導董事會之職務，以確保董事會有效履行職責，而項紹琨先生則主要負責本集團之日常企業管理事務。董事會認為董事會成員內的職責分工符合企管守則的要求。自二零一六年一月十五日起，董平先生獲調任為董事會主席，自此起本集團已遵守企管守則第A.2.1條，將主席職務（由董平先生擔任）及行政總裁職務（由項紹琨先生擔任）分開由不同人士履行。

培訓

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

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During the year ended 31 December 2016, all existing Directors have received the following trainings:

截至二零一六年十二月三十一日止年度，所有現任董事已經參與下列培訓：

Directors	董事	Training on corporate governance, regulatory development and other relevant topics 有關企業管治、監管發展及其他相關課題之培訓
Executive Directors		
Mr. Dong Ping (<i>Chairman</i>)	董平先生 (主席)	✓
Mr. Xiang Shaokun, Steven (<i>Chief Executive Officer</i>)	項紹琨先生 (行政總裁)	✓
Non-Executive Directors		
Mr. Ning Hao	寧浩先生	✓
Mr. Xu Zheng	徐崢先生	✓
Mr. Gao Zhikai	高志凱先生	✓
Mr. So Chak Kwong (resigned on 30 September 2016)	蘇澤光先生 (於二零一六年九月三十日辭任)	✓
Independent Non-Executive Directors		
Mr. Su Tuong Sing, David	徐傳陞先生	✓
Mr. Li Xiaolong	李小龍先生	✓
Mr. Wong Tak Chuen	黃德銓先生	✓

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

董事及高級職員之責任保險

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

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

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

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

BOARD COMMITTEES

The Board has established 3 Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspect of the Group's affair. Each of the committees had defined terms of reference setting out its duty, power and functions. The committees report to the Board and, where appropriate, make recommendations on matters discussed.

企業管治職能

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

董事會有關企業管治職能的職責為：

- (i) 制定及檢討本公司的企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理層的培訓及繼續專業發展；
- (iii) 檢討及監察本公司的政策及常規是否符合法律及監管規定；
- (iv) 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
- (v) 檢討本公司遵守聯交所上市規則附錄十四所載企管守則之守則條文以及企業管治報告之披露規定的情況。

董事會委員會

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

CORPORATE GOVERNANCE REPORT

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AUDIT COMMITTEE

As at 1 January 2016, the audit committee comprises three members, namely, Mr. Wong Tak Chuen (committee chairman and an independent non-executive Director), Mr. So Chak Kwong (resigned on 30 September 2016 and ceased to be a member of the audit committee and a non-executive Director) and Mr. Su Tuong Sing, David (an independent non-executive Director). On 30 September 2016, Mr. So resigned as a non-executive Director and ceased to be a member of the audit committee of the Company. Mr. Gao Zhikai, a non-executive Director, has been appointed as a member of the audit committee of the Company since 30 September 2016. During 2016, the main role and functions of the audit committee are to review the financial information of the Company, to oversee the Company's financial reporting system, risk management and internal control procedures and maintain relations with the auditors of the Company.

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

In 2016, the audit committee had held 2 meetings. During one of the meeting, annual results of the Group for the year ended 31 December 2015 was reviewed with the auditor of the Company. The audit committee also reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. Another meeting was also held during 2016 that interim results of the Group for the six months ended 30 June 2016 was discussed. The audit committee also reviewed the accounting principles and practices adopted by the Group and financial reporting matters with the management team of the Company.

審核委員會

於二零一六年一月一日，審核委員會由三名成員組成，分別為黃德銓先生(委員會主席兼獨立非執行董事)、蘇澤光先生(於二零一六年九月三十日辭任並不再擔任審核委員會成員及非執行董事)及徐傳陞先生(獨立非執行董事)。於二零一六年九月三十日，蘇先生辭任非執行董事並不再擔任本公司審核委員會成員。高志凱先生(非執行董事)已於二零一六年九月三十日獲委任為本公司審核委員會成員。於二零一六年，審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統、風險管理及內部監控程序，並與本公司核數師維持良好關係。

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

二零一六年，審核委員會舉行2次會議。於其中一次會議上，本公司核數師審閱本集團截至二零一五年十二月三十一日止年度之全年業績。審核委員會亦審閱了本集團所採納之會計原則及慣例，並與本公司管理團隊就內部控制及財務報告事宜進行討論。另一次會議亦已於二零一六年舉行，討論本集團截至二零一六年六月三十日止六個月之中期業績。審核委員會亦與本公司管理團隊審閱了本集團所採納之會計原則及慣例，以及財務報告事宜。

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Besides, the audit committee, with the assistance of the management and an external internal control and risk management consultant (the “Consultant”), has conducted interim and annual reviews on the effectiveness of risk management and internal control systems of the Group for 2016 and considered the Group has operated an effective and adequate risk management and internal control systems (based on discussion between the audit committee and the Consultant and the findings of the Consultants’ internal control review reports).

Please refer to the section “Internal Control and Risk Management” in this Corporate Governance Report for the details on the review by the audit committee on the Group’s internal control and risk management for 2016.

The audit committee is also responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code for the year 2016. The audit committee reviewed the Consultant’s report on the Company’s corporate governance policies and practices, the Company’s policies and practices on compliance with legal and regulatory requirements and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

NOMINATION COMMITTEE

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

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

另外，在管理層及一名外聘的內部監控及風險管理顧問（「該顧問」）的協助下，審核委員會已對本集團二零一六年風險管理及內部監控系統之效力作出中期及年度檢討，並且委員會認為本集團已設有高效及適當之風險管理及內部監控系統（其依據是審核委員會與該顧問的討論及該顧問編製的內部監控檢討報告的調查結果）。

就有關審核委員會審核本集團於二零一六年之內部監控及風險管理的詳情，請參閱本企業管治報告「內部監控及風險管理」一節。

二零一六年，審核委員會亦負責履行企管守則第D.3.1條所載之企業管治職能。審核委員會已審閱該顧問的報告，有關本公司企業管治政策及常規、本公司的政策及常規是否符合法律及監管規定及本公司遵守企管守則以及企業管治報告之披露規定的情況。

提名委員會

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

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

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During 2016, the nomination committee composed of Mr. Su Tuong Sing, David (committee chairman and an independent non-executive Director), Mr. Dong Ping (an executive Director and the Chairman of the Board) and Mr. Li Xiaolong (an independent non-executive Director). The committee member met twice in the year ended 31 December 2016. A meeting held to discuss and approve the redesignation of Mr. Dong Ping as the Chairman of the Company. Mr. Dong abstained from voting in relation to his redesignation as chairman. Another meeting was held to discuss the re-election of Directors at the annual general meeting held on 1 June 2016.

REMUNERATION COMMITTEE

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

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

During 2016, the remuneration committee composed of Mr. Su Tuong Sing, David (committee chairman and an independent non-executive Director), Mr. Dong Ping (an executive Director and the Chairman of the Board) and Mr. Li Xiaolong (an independent non-executive Director).

The committee members met twice in the year ended 31 December 2016. A meeting was held to discuss remuneration-related matters. Another meeting during the year ended 31 December 2016 was held to review the remuneration packages of the retiring Directors.

於二零一六年，提名委員會由徐傳陞先生（委員會主席兼獨立非執行董事）、董平先生（執行董事兼董事會主席）及李小龍先生（獨立非執行董事）組成。截至二零一六年十二月三十一日止年度委員會成員舉行兩次會議。其中一次會議旨在討論及批准董平先生調任為本公司主席。董先生已就其調任為主席事宜放棄投票。另一次會議旨在商討二零一六年六月一日舉行的股東周年大會上關於重選董事的事宜。

薪酬委員會

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

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

於二零一六年，薪酬委員會由徐傳陞先生（委員會主席兼獨立非執行董事）、董平先生（執行董事兼董事會主席）及李小龍先生（獨立非執行董事）組成。

截至二零一六年十二月三十一日止年度委員會成員舉行兩次會議。其中一次會議旨在討論薪酬相關事宜。另一次於截至二零一六年十二月三十一日止年度期間舉行的會議旨在檢討退任董事的薪酬待遇事宜。

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COMPANY SECRETARY

Ms. Chow Fuk Wai, the Company Secretary of the Company, has undertaken no less than 15 hours of relevant professional training for the year ended 31 December 2016.

公司秘書

截至二零一六年十二月三十一日止年度，本公司之公司秘書周福慧女士已接受不少於15小時的相關職業培訓。

INTERNAL CONTROL AND RISK MANAGEMENT

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

內部監控及風險管理

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

The Board, through the audit committee and with the assistance of the Consultant, have conducted reviews on the effectiveness of risk management and internal control systems of the Group for 2016 and considered the Group has operated an effective, appropriate, and adequate risk management and internal control systems (based on the findings of the Consultants' internal control review reports and discussion with the Consultant). In respect of the Group's internal control systems, it aims at safeguarding assets from inappropriate use, maintaining proper accounts and ensuring compliance with regulations. The management is primarily responsible for the design, implementation and maintenance of the internal control system. The internal control and risk management systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage, rather than eliminate, risks of failure to achieve business objectives.

透過審核委員會及在該顧問的協助下，董事會已就本集團二零一六年風險管理及內部監控系統之效力作出檢討，並且董事會認為本集團已設有高效、合宜及適當之風險管理及內部監控系統（其依據是該顧問編製的內部監控檢討報告的調查結果及與該顧問的討論）。就本集團內部監控系統而言，其旨在保障資產免被不當挪用、維持妥善賬目及確保遵守各項法規。管理層主要負責內部監控系統之設計、實施及維護。內部監控及風險管理系統的目的旨在對重大錯報或損失提供合理而非絕對的保證，並管理而非消除未能達致業務目標的風險。

Along with the internal control review, the Consultant has prepared interim and annual review reports on overall effectiveness of the Group's system of internal control over various aspect including financial, operational and compliance issues, in particular, the key business cycles of property agency business in Hong Kong, the Group's media and entertainment business and corporate finance function were reviewed for the

就內部監控檢討，該顧問亦就本集團內部監控系統之整體效力編製中期及年度檢討報告，涵蓋財務、營運及合規問題等多個方面，特別是截至二零一六年十二月三十一日止年度亦審閱了香港物業代理業務的主要業務週期、本集團的媒體及娛樂業務及企業財務職能。就風險管理檢討，董事會亦透過審核委員會及在該顧問的協助下對影響本集團在其

CORPORATE GOVERNANCE REPORT 企業管治報告

year ended 31 December 2016. Along with the risk management review, the Board, through the audit committee and with the assistance of the Consultant, have, among others, identified, evaluated and assessed the key risk factors affecting the Group's business and operation in the Group's media and entertainment business and property agency business. During the risk assessment process, the management of the Company has reviewed aspects including operation, compliance and strategic areas. High-priority risks identified included strategic risk of investing in entertainment industry, operation risks such as uncertainties in production quality of media projects, credit risk in relation to distributors and risks involved in compliance with various censorship regulations, listing rules compliance, and financial data reporting standards. Management would from time to time review the key risks identified and determine their responses to high-priority risks and where necessary, report on significant changes and effectiveness of the systems of risk management.

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

INSIDE INFORMATION POLICY

Pursuant to the statutory regime for disclosure of inside information sets out in Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) with effect from 1 January 2013, the Board has adopted an inside information policy in 27 August 2013 which sets out the guidelines to the directors, officers and all relevant employees of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulations, which includes, among others, all inside information must be treated strictly confidential and disclosure of inside information must be made in a manner that provides the public with an equal, timely and effective access to the information, such as through the electronic publication system operated by The Stock Exchange of Hong Kong Limited. Generally, no employee or director may disclose, discuss or share with outside parties (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, and other categories of persons as allowed under the art XIVA) the information of price-sensitive nature about the Company that has not been released to the public. Please refer to the website of the Company <http://www.huanximedia.com/> under the section "Corporate Governance" for the Company's inside information policy.

媒體及娛樂業務與物業代理業務方面的主要業務及營運風險因素進行識別、評估及評定等工作。於風險評估過程中，本公司管理層已對營運、合規及策略等方面作出檢討。經識別重要風險包括娛樂行業投資策略風險、媒介項目製作質素不穩等營運風險、與發行商相關的信貸風險，還有在各種審查合規、公司上市規則合規以及財務資料報告標準中涉及的風險。管理層會不時檢討獲識別的主要風險及釐定對高優先級別風險之應對措施，而且在必要時就風險管理系統的重大變動及效力進行匯報。

董事會已採納舉報政策，當中載有僱員上報有關本公司事宜之違規行為之程序。

內幕消息政策

根據自二零一三年一月一日起生效的香港法例第571章證券及期貨條例第XIVA部所載披露內幕消息之法律條文，董事會於二零一三年八月二十七日採納內幕消息政策，該政策載列對本集團董事、高級職員及所有相關僱員的指引，以確保根據適當的法律法規公平及時地向公眾發佈本集團之內幕消息，包括(其中包括)所有內幕消息均須嚴格保密且內幕消息之披露方式須使公眾平等、適時及有效地取得消息，如於香港聯合交易所有限公司之電子登載系統刊登。一般而言，僱員或董事不可與外界人士披露、商討或分享(惟與負有保密責任之本集團顧問(例如：律師)及第XIVA部所容許之其他類別人士溝通則除外)有關並未被公開之本公司股價敏感資料。有關本公司的內幕消息政策，請參閱本公司網站<http://www.huanximedia.com/>「企業管治」一節。

CORPORATE GOVERNANCE REPORT 企業管治報告

SHAREHOLDERS' RIGHTS

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

RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders may direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Enquiries other than shareholdings may be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information of this annual report for the attention of the Company Secretary.

RIGHT TO CONVENE SPECIAL GENERAL MEETING

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

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

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

股東權利

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

向董事會查詢的權利

股東可向本公司香港股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)查詢其股權。有關股權以外事項的查詢，可寄往本年報之公司資料所載本公司總辦事處及香港主要營業地點向本公司之公司秘書提出。

召開股東特別大會的權利

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

請求須列明會議目的、經請求人簽署及寄往本公司註冊辦事處(地址為Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda)向本公司之公司秘書提出，請求可由多份由一名或多名請求人各自簽署的格式相同的文件組成。

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

CORPORATE GOVERNANCE REPORT 企業管治報告

RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

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

- (a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda for the attention of the Company Secretary.

AUDITOR'S REMUNERATION

During the year ended 31 December 2016, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group are approximately HK\$1,726,000 (2015: HK\$1,280,000) and HK\$690,000 (2015: HK\$380,000) respectively.

INVESTOR RELATIONS

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

There was no significant change in the Company's constitutional documents during the year ended 31 December 2016.

於股東大會提出議案之權利

在(i)於遞交請求當日持有不少於全體股東總投票權(附有可於請求有關的股東大會上投票之權利)二十分之一之任何數目本公司股東;或(ii)不少於100名股東以書面方式提出請求下,本公司須(有關費用由請求人承擔):

- (a) 向有權接收下一屆股東周年大會通告之本公司股東發出通知,告知任何可能於該會上正式動議及擬於會上動議之決議案;及
- (b) 向有權接收任何股東大會通告之股東寄發不超過一千字之聲明,告知該會上提呈之決議案所述事宜或將處理之事項。

有關請求須由請求人簽署,送交本公司之註冊辦事處(地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda),並註明收件人為本公司之公司秘書。

核數師酬金

截至二零一六年十二月三十一日止年度,本公司核數師向本集團提供審核及非審核服務之酬金分別約為港幣1,726,000元(二零一五年:港幣1,280,000元)及港幣690,000元(二零一五年:港幣380,000元)。

投資者關係

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

截至二零一六年十二月三十一日止年度,本公司之組織章程文件無重大變動。

DIRECTORS' REPORT 董事報告

The Directors present their annual report together with the audited financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in media and entertainment and related businesses, advertising agency business, provision of property agency and related services and securities trading and investments.

Details of the activities of the principal subsidiaries are set out in note 40 to the consolidated financial statements. An analysis of revenue and results by principal activities of the Group are set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report on page 82. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016.

BUSINESS REVIEW

A review of the business performance of the Group during 2016 using financial key performance indicators and discussion on the important events affecting the Group since the end of 2016 and the Group's future business development that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis of this annual report, the discussions thereof form part of this Directors' Report.

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

董事謹此提呈董事年度報告以及本集團截至二零一六年十二月三十一日止年度之經審核財務報表。

主要業務

本公司乃一間投資控股公司，其附屬公司主要從事媒體及娛樂及相關業務、廣告代理業務、提供物業代理及相關服務以及證券買賣及投資。

各主要附屬公司之業務詳情載於綜合財務報表附註40。按本集團主要業務劃分之收益及業績分析載於綜合財務報表附註6。

業績及股息

本集團截至二零一六年十二月三十一日止年度之業績載於本年報第82頁之綜合損益及其他全面收益表。董事不建議派付截至二零一六年十二月三十一日止年度之末期股息。

業務回顧

有關使用財務關鍵表現指標對本集團於二零一六年業務表現進行之審閱以及自二零一六年終起影響本集團的重要事項及本集團未來業務發展之討論載於本年報之主席報告及管理層討論及分析，有關討論構成本董事報告的一部分。

有關本集團之環境政策、與其重要利益相關者之關係及遵守對本集團有重大影響之相關法律及規例之討論載於下文本年報之董事報告。有關本集團的相關政策，另請參閱環境、社會及管治報告。

DIRECTORS' REPORT

董事報告

PRINCIPAL RISKS AND UNCERTAINTIES

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

1. OPERATIONAL RISK

In respect of the risk factor relating to the Group's media and entertainment businesses, as set out in the Company's circular dated 5 August 2015, given that the Company will invest in a limited number of films, the success or failure of these films could have a significant impact on the Company's results of operations in both the year of release and in the future. Besides, the film industry is fragmented and highly competitive, the number of films invested by competitors may create an oversupply of films in the market. Further, unauthorised copying and piracy are prevalent in the PRC and other countries in Asia, whose legal systems may make it difficult for the Company to enforce its intellectual property rights.

In 2015, the Group signed several agreements to invest in films, including two exclusive service agreements with renowned directors, Mr. Ning Hao ("Mr. Ning") and Mr. Xu Zheng ("Mr. Xu"), who have become the Company's shareholders and non-executive directors. Under the terms of the service agreements, they are required to produce one to two films every three years by 31 December 2020, which can considerably enhance the Group's capabilities in film content creation and development. Mr. Dong Ping, Mr. Ning and Mr. Xu have extensive experience, strong expertise and a wide business network in the media and entertainment industry. Mr. Dong, the Company's substantial shareholder and the Chairman of the Board, has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields, whilst Mr. Ning and Mr. Xu are prestigious and successful directors and actors in the PRC movie industry. Please refer to (i) "Biographical Details of Directors" in this annual report for the biographical details of Mr. Dong, Mr. Ning and Mr. Xu; and (ii) the announcement of the Company dated 13 May 2015 and the circular of the Company dated 5 August 2015 for details.

主要風險及不明朗因素

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

1. 運營風險

有關本集團媒體及娛樂業務之風險因素載於本公司日期為二零一五年八月五日之通函內。由於本公司將投資之電影數目有限，其成敗可能對本公司於發行年度及未來之營運業績造成重大影響。此外，電影行業高度分散且競爭激烈，競爭對手所投資電影數目可能導致電影市場供過於求。而且，未經授權複製及盜版在中國及亞洲其他國家尤其猖獗，而當地法律制度可能令本公司難以執行其知識產權。

於二零一五年，本集團已簽訂多份協議，積極投資電影作品。其中，本集團與兩位重量級導演(已成為本公司股東兼非執行董事)－寧浩先生(「寧先生」)及徐崢先生(「徐先生」)簽訂了獨家服務協議，截至二零二零年十二月三十一日止期間，兩位導演股東將根據服務協議條款為本集團每三年導演一至兩部電影作品，大大提升了本集團在影視內容開發及創作方面的能力。董平先生、寧先生及徐先生於媒體及娛樂行業具備豐富經驗、強大專業知識及廣闊商業脈絡。董先生為本公司主要股東及董事會主席，於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，而寧先生及徐先生為中國電影界當時得令之導演及演員。有關(i)董先生、寧先生及徐先生之履歷詳情，請參閱本年報之董事履歷；及(ii)更多詳情請參閱本公司日期為二零一五年五月十三日之公告及本公司日期為二零一五年八月五日之通函。

DIRECTORS' REPORT 董事報告

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

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

2. FINANCIAL RISKS

Details of the Group's financial risks relating to the operations of the Group include market risk (including foreign currency risk, interest rate risk and equity and other price risk), credit risk and liquidity risk are set out in note 30 to the consolidated financial statements.

SHARES ISSUED IN THE YEAR

Details of the ordinary shares issued by the Company in 2016 and details of movement in the share capital of the Company in 2016 are set out in note 27 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

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

因此，董事認為，得到董平先生、寧先生、徐先生、陳可辛先生、王家衛先生、顧長衛先生及張曉陵先生加盟本集團，加上與彼等之合作，對本公司發展媒體及娛樂事業攸關重要，並有助於轉移風險。

2. 財務風險

有關本集團經營之財務風險包括市場風險（包括外幣風險、利率風險及股本及其他價格風險）、信貸風險及流動資金風險，詳情載列於綜合財務報表附註30。

年內已發行股份

本公司於二零一六年已發行之普通股及本公司於二零一六年股本變動之詳情載於綜合財務報表附註27。

物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於綜合財務報表附註16。

DIRECTORS' REPORT 董事報告

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 84 and note 28 to the consolidated financial statements of this annual report respectively.

DISTRIBUTABLE RESERVE

Details of the distributable reserve of the Company as at 31 December 2016 are set out in note 28 to the consolidated financial statements.

As at 31 December 2016, the Company did not have distributable profit to shareholders (2015: Nil).

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

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

During 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

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

儲備

本集團及本公司年內儲備變動之詳情分別載於本年報第84頁綜合權益變動表及綜合財務報表附註28。

可供分派儲備

本公司於二零一六年十二月三十一日之可供分派儲備之詳情載於綜合財務報表附註28。

於二零一六年十二月三十一日，本公司並無可供分派予股東的溢利(二零一五年：無)。

上市證券持有人的稅項減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東的稅項減免。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於二零一六年內並無購買、出售或贖回本公司任何上市證券。

優先購買權

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

PERMITTED INDEMNITY PROVISION

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

BOARD OF DIRECTORS

The Directors during 2016 and up to the date of the annual report were:

Executive Directors

Mr. Dong Ping (*Chairman*)

(appointed as an executive Director on 2 September 2015 and redesignated as Chairman on 15 January 2016)

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

Non-executive Directors

Mr. Ning Hao

Mr. Xu Zheng

Mr. Gao Zhikai

Mr. So Chak Kwong (resigned on 30 September 2016)

Independent non-executive Directors

Mr. Su Tuong Sing, David

Mr. Li Xiaolong

Mr. Wong Tak Chuen

RESIGNATION OF DIRECTOR

On 30 September 2016, Mr. So Chak Kwong has resigned as a non-executive Director and ceased to be a member of the audit committee of the Company to pursue his other business commitments. Mr. So has confirmed that he has no disagreement with the Board and are not aware of any matters relating to his resignation that need to be brought to the attention of the shareholders of the Company.

獲准許的彌償條文

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

董事會

於二零一六年內及截至本年報日期止之董事如下：

執行董事

董平先生 (*主席*)

(於二零一五年九月二日獲委任為執行董事及於二零一六年一月十五日調任為主席)

項紹琨先生 (*行政總裁*)

非執行董事

寧浩先生

徐崢先生

高志凱先生

蘇澤光先生 (於二零一六年九月三十日辭任)

獨立非執行董事

徐傳陞先生

李小龍先生

黃德銓先生

董事辭任

於二零一六年九月三十日，蘇澤光先生辭任非執行董事，不再擔任本公司審核委員會成員，以投身其他事務。蘇先生已確認彼與董事會並無意見分歧，且並不知悉任何與其辭任有關的事宜須敦請本公司股東垂注。

DIRECTORS' REPORT

董事報告

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99, Mr. Dong Ping, Mr. Ning Hao and Mr. Xu Zheng shall retire by rotation at the forthcoming annual general meeting. Each of them, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

BIOGRAPHICAL DETAILS OF DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS

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

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

重選董事

按照公司細則第99條，董平先生、寧浩先生及徐崢先生須於應屆股東周年大會上輪流退任。彼等均符合資格並將於應屆股東周年大會上膺選連任。

董事履歷

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

董事之服務合約

擬於應屆股東周年大會膺選連任之董事概無訂有本公司於一年內不作賠償(法定賠償除外)即不可終止之服務合約。

現任董事(包括執行董事、非執行董事及獨立非執行董事)之委任年期均為兩年(本集團執行董事兼行政總裁項紹琨先生除外，項先生之委任並無特定條款或擬訂定之服務年期)。所有現任董事須根據本公司之公司細則及上市規則輪席告退及膺選連任。

獨立非執行董事之獨立性

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

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2016, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, or known to the Company, were as follows:

Long Positions in the Ordinary Shares of HK\$0.01 Each of the Company (the "Shares")

董事之證券權益

於二零一六年十二月三十一日，各董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有本公司記錄於根據證券及期貨條例第352條存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部或上市規則之標準守則須另行知會本公司及聯交所或本公司已知悉之權益及淡倉如下：

本公司每股面值港幣0.01元之普通股（「股份」）之好倉

Name of Director	董事姓名	Number of Shares 股份數目	Approximate percentage of the issued Shares 佔已發行股份 概約百分比
Mr. Dong Ping	董平先生	1,431,304,354 (Note 1) (附註1)	51.71%
Mr. Ning Hao	寧浩先生	1,431,304,354 (Note 2) (附註2)	51.71%
Mr. Xu Zheng	徐崢先生	1,431,304,354 (Note 3) (附註3)	51.71%
Mr. Gao Zhikai	高志凱先生	46,171,108 (Note 4) (附註4)	1.67%

Notes:

1. These Shares include Shares held by Newwood Investments Limited ("Newwood") as to 461,711,082 Shares and Numerous Joy Limited ("Numerous Joy") as to 92,342,216 Shares, both of which are companies incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Dong Ping. On 14 April 2015, Mr. Dong Ping, Newwood, Pacific Wits Limited ("Pacific Wits"), Mr. Ning Hao, Tairong Holdings Limited ("Tairong") and Mr. Xu Zheng entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the subscription for new shares in the Company pursuant to a subscription agreement dated 14 April 2015, details of which are set out in the Company's circular dated 5 August 2015. As Mr. Dong Ping and Newwood are parties to the Shareholders Agreement, Mr. Dong Ping is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO and Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.

附註：

1. 該等股份包括由Newwood Investments Limited（「Newwood」）及多樂有限公司（「多樂」）（均為於英屬處女群島註冊成立之有限公司，由董平先生最終全資擁有）分別持有的461,711,082股股份及92,342,216股股份。於二零一五年四月十四日，董平先生、Newwood、泰穎有限公司（「泰穎」）、寧浩先生、泰嶸控股有限公司（「泰嶸」）及徐崢先生訂立股東協議（「股東協議」），其中載有根據日期為二零一五年四月十四日之認購協議，完成認購本公司新股份後，訂約各方對管治本公司之若干權利與義務，有關詳情載於本公司日期為二零一五年八月五日之通函。由於董平先生及Newwood為股東協議之訂約方，故根據證券及期貨條例第317條，董平先生被視作於Newwood、泰穎及泰嶸所持的全部股份中擁有權益，而根據證券及期貨條例第317條，Newwood被視作於董平先生、泰穎及泰嶸所持的全部股份中擁有權益。

DIRECTORS' REPORT

董事報告

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| <p>2. These Shares include 438,625,528 Shares held by Pacific Wits, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Ning Hao. Mr. Ning Hao and Pacific Wits are parties to the Shareholders Agreement, and are therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Newwood and Tairong are interested by virtue of section 317 of the SFO.</p> <p>3. These Shares include 438,625,528 Shares held by Tairong, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Xu Zheng. Mr. Xu Zheng and Tairong are parties to the Shareholders Agreement, and are therefore deemed to be interested in all the Shares in which Mr. Dong Ping, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.</p> <p>4. These Shares are held by Dayunmony Investment Corporation, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Gao Zhikai.</p> | <p>2. 該等股份包括由泰穎(於英屬處女群島註冊成立之有限公司，由寧浩先生最終全資擁有)持有之438,625,528股股份。寧浩先生及泰穎為股東協議訂約方，因此根據證券及期貨條例第317條，彼等將視作於董平先生、Newwood及泰嶸所持的全部股份中擁有權益。</p> <p>3. 該等股份包括由泰嶸(於英屬處女群島註冊成立之有限公司，由徐崢先生最終全資擁有)持有之438,625,528股股份。徐崢先生及泰嶸為股東協議訂約方，因此根據證券及期貨條例第317條，彼等將視作於董平先生、Newwood及泰穎所持的全部股份中擁有權益。</p> <p>4. 該等股份由Dayunmony Investment Corporation(於英屬處女群島註冊成立之有限公司，由高志凱先生最終全資擁有)持有。</p> |
|---|---|

Save as disclosed above, as at 31 December 2016, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一六年十二月三十一日，本公司董事、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團之股份、相關股份及債權證中，概無擁有本公司記錄於根據證券及期貨條例第352條置存之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

董事於交易、安排或合約之權益

Save as disclosed in note 37 to the financial statements headed "Related Party Disclosures" and the section headed "Directors' Interests in Competing Business" of the Directors' Report and elsewhere in this annual report, no Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during 2016.

除財務報表附註37「關連人士披露」及董事報告「董事於競爭業務之權益」一節及本年報其他部分所披露者外，於二零一六年，概無董事於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重大之交易、安排或合約中直接或間接擁有重大權益。

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in note 37 to the financial statements headed "Related Party Disclosures" and the section headed "Directors' Interests in Competing Business" of the Directors' Report and elsewhere in this annual report, at no time during 2016 had the Company or any of its subsidiaries, and the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries entered into any contracts of significance or any contract of significance for the provision of services by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the Directors' Report and elsewhere in this annual report, in particular the section "Directors' Interests in Competing Business" and "Directors' Interests in Securities" of this Directors' Report, at no time during 2016 was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

COMPANY'S CONTRACTS INVOLVING ISSUE OF NEW SHARES

A. AGREEMENTS WITH MR. CHAN HO SUN PETER AND MASTER CHINA FILMS LIMITED

On 1 June 2016 (after trading hours), the Company and one of its indirect wholly-owned subsidiaries entered into an agreement (the "Chan Agreement") with Mr. Chan Ho Sun Peter ("Mr. Chan") pursuant to which Mr. Chan has conditionally agreed to provide to the Group with certain services, and investment and other rights, relating to film and media productions as set forth in the Chan Agreement. Pursuant to the Chan Agreement, the Company allotted and issued 144,500,000 Shares to Mr. Chan under the general mandate ("General Mandate") granted to the Board at the annual general meeting held on 1 June 2016 (the "Annual General Meeting"), representing approximately 5.22% of the existing issued share capital of the Company as at the date of this annual report.

控股股東於重大合約之權益

除財務報表附註37「關連人士披露」及董事報告「董事於競爭業務之權益」一節及本年報其他部分所披露者外，於二零一六年內任何時間，本公司或其任何附屬公司概無與控股股東（定義見上市規則）或其任何附屬公司訂立任何重大合約，亦無就控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立任何重大合約。

購買股份或債權證之安排

除董事報告及本年報其他部分（特別是本董事報告中「董事於競爭業務之權益」及「董事之證券權益」）所披露外，於二零一六年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

本公司涉及新股份發行之合約

A. 與陳可辛先生及MASTER CHINA FILMS LIMITED之協議

於二零一六年六月一日（交易時段後），本公司及其一間間接全資附屬公司與陳可辛先生（「陳先生」）訂立協議（「陳先生協議」），據此，陳先生有條件同意向本集團提供與陳先生協議所載之電影及媒體製作相關之若干服務、投資及其他權利。根據陳先生協議，本公司已根據於二零一六年六月一日舉行之股東周年大會（「股東周年大會」）上授予董事會之一般授權（「一般授權」）向陳先生配發及發行144,500,000股股份，佔本公司於本年報日期現有已發行股本約5.22%。

DIRECTORS' REPORT

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Under the terms of the Chan Agreement, Mr. Chan will provide to the Group certain services, and investment and other rights, relating to film productions as follows:

- (a) the Group will have priority over others to invest in Mr. Chan's Productions (i.e. a film directed (or co-directed) by Mr. Chan that is or is intended to become publicly screened at cinemas in the PRC) during the service period, up to a maximum of 60% of the total investment amount in each of Mr. Chan's Productions (the "Film Production Investment Rights"). The exact investment amount in each of Mr. Chan's Productions is to be agreed between the Company and Mr. Chan prior to the production of the relevant film;
- (b) Mr. Chan will ensure that, within the initial service period for a term of six years, the Group would be able to successfully exercise its Film Production Investment Rights with respect to, and would be able to participate in the investment of, at least two of Mr. Chan's Productions;
- (c) the Group will have priority over others to purchase exclusive global distribution licenses in new media with respect to Mr. Chan's Productions (the "New Media Distribution Rights"). The amount of the consideration for New Media Distribution Rights is subject to negotiation and agreement;
- (d) Mr. Chan will use his best endeavours to provide the Group with participation rights with respect to investments in other productions being films and programmes not directed by Mr. Chan but in respect of which he is either the producer, screenwriter, or other creative member; and
- (e) Mr. Chan will be appointed to the Company's Artistic Advisory Committee and will also, from time to time, provide consultancy services to the Company in respect of films and programmes.

The Group contributed HK\$100 million for the development of Mr. Chan's Productions.

根據陳先生協議之條款，陳先生將向本集團提供與電影製作相關之若干服務、投資及其他權利，詳情如下：

- (a) 於服務期內，本集團將享有優先於他人投資陳先生作品（即中國電影院現正或擬將公映由陳先生執導（或聯合執導）之影片）之權利，最高投資額為每部陳先生作品投資總額之60%（「電影製作投資權」）。於每部陳先生作品之具體投資額將由本公司與陳先生於相關電影製作前協定；
- (b) 陳先生將確保本集團將可於為期六年之初步服務期成功行使其電影製作投資權並可參與投資至少兩部陳先生作品；
- (c) 本集團將享有優先於他人購買陳先生作品的全球獨家新媒體發行許可之權利（「新媒體發行權」）。新媒體發行權之代價金額尚待磋商及協定；
- (d) 陳先生將竭盡全力向本集團提供投資其他作品（並非由陳先生執導但由其擔任監製、編劇或其他主創人員之電影及節目）之參與權；及
- (e) 陳先生將獲委任為本公司之藝術指導委員會成員，並將不時向本公司提供電影及節目相關顧問服務。

本集團已出資港幣100,000,000元，用於發展陳先生作品。

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The Board is of the view that, having regard to the highly competitive film industry, the participation of Mr. Chan in the Company and the services and opportunities he would be providing under the Chan Agreement would help the Company secure film investment opportunities and would also further strengthen the Group's advertising, media and entertainment businesses. The Board considers that the Chan Agreement represents a key step forward in the implementation of the Company's development plan as set forth in the Company's circular dated 5 August 2015.

On 1 June 2016 (after trading hours), the Company and one of its indirect wholly-owned subsidiaries entered into an agreement (the "Master China Agreement") with Master China Films Limited ("Master China Films"), a company indirectly wholly-owned by Mr. Wong Kar Wai ("Mr. Wong"), pursuant to which Master China Films has conditionally agreed to provide to the Group with certain services, and investment rights, and other rights relating to film productions as set forth in the Master China Agreement. Pursuant to the Master China Agreement, the Company allotted and issued 100,000,000 Shares to Mr. Wong under the General Mandate granted to the Board at the Annual General Meeting, representing approximately 3.61% of the existing issued share capital of the Company as at the date of this report.

Under the terms of the Master China Agreement, Master China Films will provide to the Group certain services, investment rights, and other rights, relating to certain film productions as follows:

- (a) during the service period, the Group will have the exclusive right to invest in an internet drama series with two seasons (with a total of eighteen episodes) produced by Master China Films and partially directed by Mr. Wong with respect to themes to be agreed by the Company and Master China Films ("Mr. Wong's Productions");

董事會認為，鑑於電影行業競爭激烈，陳先生加盟本公司，加上彼根據陳先生協議提供之服務及機會，將有助本公司獲得電影投資機遇及進一步強化本集團的廣告、媒體及娛樂業務。董事會認為，陳先生協議象徵本公司朝著實施發展計劃（如本公司日期為二零一五年八月五日之通函所載）邁出重要一步。

於二零一六年六月一日（交易時段後），本公司及其一間間接全資附屬公司與Master China Films Limited（「Master China Films」，一間由王家衛先生（「王先生」）間接全資擁有之公司）訂立協議（「Master China協議」），據此，Master China Films有條件同意向本集團提供與Master China協議所載之電影製作相關之若干服務、投資權及其他權利。根據Master China協議，本公司已根據於股東周年大會上授予董事會之一般授權向王先生配發及發行100,000,000股股份，佔本公司於本報告日期現有已發行股本約3.61%。

根據Master China協議之條款，Master China Films將向本集團提供與若干電影製作相關之若干服務、投資權及其他權利，詳情如下：

- (a) 於服務期內，本集團將有權獨家投資總共兩季的網絡系列影視劇（共18集），該劇將由Master China Films製作及部分由王先生執導，題材將由本公司及Master China Films協定（「王先生作品」）；

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- (b) Master China Films will grant internet distribution rights to the Group in new media with respect to each of Mr. Wong's Productions on a global and exclusive basis for a term of ten years commencing from the delivery of the relevant production to the Company;
- (c) Master China Films will use its best endeavours to procure Mr. Wong to provide the Group with priority participation rights with respect to investments in other productions being films and programmes that Mr. Wong is either the director, the producer, screenwriter, lead actor or other creative member; and
- (d) Mr. Wong is expected to be appointed to the Company's Artistic Advisory Committee to provide consultancy services to the Company in respect of the Company's films and programmes.

The Group will contribute an amount equivalent to between RMB20 million to RMB25 million for the development of each episode of Mr. Wong's Productions, RMB100 million of which was paid to Master China Films.

The Board is of the view that having regard to the highly competitive film industry, the collaboration with Master China Films and the services and opportunities it would be providing under the Master China Agreement, especially in internet drama series and new media, would help the Company secure film investment opportunities and would also further strengthen the Group's advertising, media and entertainment businesses. The Board considers that the Master Chan Agreement would be beneficial to the Group, as it represents a key step forward in the implementation of the Company's development plan as set forth in the Company's circular dated 5 August 2015.

- (b) 對於每部王先生作品，Master China Films將向本集團授予十年期(自相關作品交付本公司起)的全球獨家新媒體互聯網發行權；
- (c) Master China Films將竭盡全力促成王先生向本集團提供其他作品(由王先生擔任導演、監製、編劇、主演或其他主創人員之電影及節目)投資之優先參與權；及
- (d) 王先生預期將成為本公司之藝術指導委員會成員，就本公司電影及節目向本公司提供顧問服務。

本集團將出資人民幣20,000,000元至人民幣25,000,000元，用於開發並製作每集王先生作品，其中人民幣100,000,000元已支付予Master China Films。

董事會認為，鑑於電影行業競爭激烈，與Master China Films之合作，加上其根據Master China協議提供之服務及機會，特別是在網絡系列影視劇及新媒體方面，將有助本公司獲得電影投資機遇及進一步強化本集團的廣告、媒體及娛樂業務。董事會認為，Master China協議將對本集團有利，因其為本公司實施發展計劃(如本公司日期為二零一五年八月五日之通函所載)的重要一步。

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On 17 June 2016 (the "Date of Issuances") the Company allotted and issued 100,000,000 Shares to Mr. Wong Kar Wai and 144,500,000 Shares to Mr. Chan Ho Sun Peter (collectively, the "Issuances" and the Shares issued pursuant to the Issuances, the "New Shares") that the New Shares have been vested. The Issuances were recognised as share-based payment expenses and charged to the Group's statement of profit or loss for the year ended 31 December 2016. Based on the closing price of the Shares on the Date of Issuances of HK\$2.1 per Share, the fair value of the issue of New Shares pursuant to the Issuances is approximately HK\$513.5 million.

Such expense is of a non-cash nature.

Please refer to the two announcements of the Company dated 1 June 2016 and the announcement dated 17 June 2016 for details.

B. AGREEMENTS WITH MR. GU CHANGWEI AND MR. ZHANG XIAOLING

On 6 December 2016 (after trading hours), the Company and one of its indirect wholly-owned subsidiaries entered into (i) an agreement with Mr. Gu Changwei ("Mr. Gu") (the "Gu Agreement"), and (ii) an agreement with Mr. Zhang Xiaoling (also known as Zhang Yibai) ("Mr. Zhang") (the "Zhang Agreement"), pursuant to which Mr. Gu and Mr. Zhang have respectively and conditionally agreed to provide to the Company (or its designated group member) with certain services, and investment and other rights, relating to certain film and internet drama series productions. Pursuant to the Gu Agreement and the Zhang Agreement, the Company allotted and issued, respectively, 75,000,000 Shares to Mr. Gu and 140,000,000 Shares to Mr. Zhang, representing approximately 2.71% and 5.06% of the existing share capital of the Company as at the date of this report respectively, and the Shares were allotted and issued under the General Mandate granted to the Board at the Annual General Meeting.

本公司已於二零一六年六月十七日(「發行事項日期」)分別向王家衛先生及陳可辛先生配發及發行100,000,000股股份及144,500,000股股份(統稱為「發行事項」,根據發行事項發行的股份稱為「新股份」),新股份已授予。發行事項已確認為以股份為基礎付款開支,並於本集團截至二零一六年十二月三十一日止年度之損益表內扣除。基於發行事項日期之股份收市價每股股份港幣2.1元,根據發行事項發行新股份之公平值約為港幣513,500,000元。

有關開支屬非現金性質。

有關詳情請參閱本公司日期為二零一六年六月一日的兩份公告及日期為二零一六年六月十七日的公告。

B. 與顧長衛先生及張曉陵先生之協議

於二零一六年十二月六日(交易時段後),本公司及其一間間接全資附屬公司(i)與顧長衛先生(「顧先生」)訂立協議(「顧先生協議」),及(ii)與張曉陵先生(亦名張一白)(「張先生」)訂立協議(「張先生協議」),據此,顧先生及張先生各自有條件同意分別向本公司(或其指定集團成員公司)提供與若干電影及網絡系列影視劇製作相關之若干服務、投資及其他權利。根據顧先生協議及張先生協議,本公司分別向顧先生及張先生配發及發行75,000,000股股份及140,000,000股股份,分別佔本公司於本報告日期之現有股本約2.71%及5.06%,股份乃根據股東周年大會上授予董事會之一般授權配發及發行。

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Under the terms of the Gu Agreement, Mr. Gu will provide to the Company (or its designated group member) certain services, and investment and other rights, relating to certain film and internet drama series productions as follows:

- (a) during the initial cooperation period of the Gu Agreement for a term of six years, (the "Gu Initial Cooperation Period"), the Company (or its designated group member) will have the exclusive right to invest in two seasons of an internet drama series directed (or co-directed) by Mr. Gu (the "Gu Internet Series") (the "Gu Internet Series Investment Right"). The exact investment amount is to be agreed between the Company (or its designated group member) and Mr. Gu;
- (b) the Company (or its designated group member) will be granted exclusive global distribution rights in new media with respect to the Gu Internet Series (the "Gu Internet Series New Media Distribution Rights");
- (c) Mr. Gu will use his best endeavours to provide the Company (or its designated group member) with priority rights to invest in Mr. Gu's Productions (i.e. a film directed by Mr. Gu that is or intended to become publicly screened at cinemas in the PRC) during the Gu Initial Cooperation Period. The exact investment amount in each of Mr. Gu's Productions is to be agreed between the Company (or its designated group member) and Mr. Gu;
- (d) the Company (or its designated group member) will have the right to purchase exclusive global distribution licenses in new media with respect to at least two of Mr. Gu's Productions (the "Gu New Media Distribution Rights"). The amount of the consideration for Gu New Media Distribution Rights is subject to negotiation and agreement but shall not be lower than market price;
- (e) Mr. Gu will use his best endeavours to provide the Company (or its designated group member) with participation rights with respect to investments in films and programmes not directed by Mr. Gu but he is either the producer, screenwriter, or other creative member; and

根據顧先生協議之條款，顧先生將向本公司（或其指定集團成員公司）提供與若干電影及網絡系列影視劇製作相關之若干服務、投資及其他權利，詳情如下：

- (a) 於顧先生協議為期六年的初始合作期（「顧先生初始合作期」）內，本公司（或其指定集團成員公司）將享有對顧先生執導（或聯合執導）的兩季網絡系列影視劇（「顧先生網絡系列影視劇」）之獨家投資權（「顧先生網絡系列影視劇投資權」）。具體投資額將由本公司（或其指定集團成員公司）與顧先生協定；
- (b) 本公司（或其指定集團成員公司）將獲授顧先生網絡系列影視劇之全球獨家新媒體發行權（「顧先生網絡系列影視劇新媒體發行權」）；
- (c) 於顧先生初始合作期內，顧先生將竭盡全力向本公司（或其指定集團成員公司）提供優先投資顧先生作品（即中國電影院現正或擬將公映由顧先生執導之影片）之權利。每一部顧先生作品之具體投資額將由本公司（或其指定集團成員公司）與顧先生協定；
- (d) 本公司（或其指定集團成員公司）將享有購買至少兩部顧先生作品的全球獨家新媒體發行許可之權利（「顧先生新媒體發行權」）。顧先生新媒體發行權之代價金額尚待磋商及協定，惟不得低於市價；
- (e) 顧先生將竭盡全力向本公司（或其指定集團成員公司）提供投資並非由顧先生執導但由其擔任監製、編劇或其他主創人員之電影及節目的參與權；及

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- (f) Mr. Gu will be appointed to the Company's Artistic Advisory Committee and will also, from time to time, provide consultancy services to the Company in respect of films and programmes.

The Group contributed a total of RMB40 million for the development of the first season Gu Internet Series and Mr. Gu's Productions.

Under the terms of the Zhang Agreement, Mr. Zhang will provide to the Company (or its designated group member) certain services, and investment and other rights, relating to certain film and internet drama series productions as follows:

- (a) the Company (or its designated group member) will have priority over others to invest in at least two of Mr. Zhang's Productions (i.e. a film directed by Mr. Zhang that is or is intended to become publicly screened at cinemas in the PRC) during a term of 6 years from the completion date of the Zhang agreement (the "Zhang Initial Corporation Period"), with no less than 55% of the total investment amount in each of the Mr. Zhang's Productions (the "Zhang Film Production Investment Rights"). The exact investment amount in each of Mr. Zhang's Productions is to be agreed between the Company and Mr. Zhang prior to the production of the relevant film;
- (b) regardless of the actual amount of investment made by the Company (or its designated group member) in Mr. Zhang's Productions, the Company (or its designated group member) will have priority rights to purchase exclusive global distribution licenses in new media with respect to at least two of Mr. Zhang's Productions (the "Zhang New Media Distribution Rights"). The amount of the consideration for Zhang New Media Distribution Rights is subject to negotiation and agreement but shall not be lower than market price;

- (f) 顧先生將獲委任為本公司之藝術指導委員會成員，並將不時向本公司提供電影及節目相關顧問服務。

本集團已出資合共人民幣40,000,000元，用於發展第一季顧先生網絡系列影視劇及顧先生作品。

根據張先生協議之條款，張先生將向本公司（或其指定集團成員公司）提供與若干電影及網絡系列影視劇製作相關之若干服務、投資及其他權利，詳情如下：

- (a) 於張先生協議完成日期起計六年（「張先生初始合作期」）內，本公司（或其指定集團成員公司）將享有優先於他人投資至少兩部張先生作品（即中國電影院現正或擬將公映由張先生執導之影片）之權利，投資額不少於每部張先生作品投資總額之55%（「張先生電影製作投資權」）。每部張先生作品之具體投資額將由本公司與張先生於相關電影製作前協定；
- (b) 不論本公司（或其指定集團成員公司）投資張先生作品的實際金額為多少，本公司（或其指定集團成員公司）將享有優先購買至少兩部張先生作品之全球獨家新媒體發行許可之權利（「張先生新媒體發行權」）。張先生新媒體發行權之代價金額尚待磋商及協定，惟不得低於市價；

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- (c) during the Zhang Initial Cooperation Period, the Company (or its designated group Member) will have the exclusive right to invest in two seasons of an internet drama series directed (or co-directed) by Mr. Zhang (the "Zhang Internet Series"). The exact investment amount is to be agreed between the Company (or its designated group member) and Mr. Zhang;
- (d) with respect to the two seasons of the Zhang Internet Series directed (or co-directed) by Mr. Zhang, the Company (or its designated group member) will be granted exclusive global distribution rights in new media;
- (e) Mr. Zhang will use his best endeavours to provide the Company (or its designated group member) with participation rights with respect to investments in films and programmes not directed by Mr. Zhang but he is either the producer, screenwriter, or other creative member; and
- (f) Mr. Zhang will be appointed to the Company's Artistic Advisory Committee and will also, from time to time, provide consultancy services to the Company in respect of films and programmes.
- (c) 於張先生初始合作期內，本公司（或其指定集團成員公司）將享有對張先生執導（或聯合執導）的兩季網絡系列影視劇（「張先生網絡系列影視劇」）之獨家投資權。具體投資額將由本公司（或其指定集團成員公司）與張先生協定；
- (d) 本公司（或其指定集團成員公司）將獲授張先生執導（或聯合執導）的兩季張先生網絡系列影視劇之全球獨家新媒體發行權；
- (e) 張先生將竭盡全力向本公司（或其指定集團成員公司）提供投資並非由張先生執導但由其擔任監製、編劇或其他主創人員之電影及節目的參與權；及
- (f) 張先生將獲委任為本公司之藝術指導委員會成員，並將不時向本公司提供電影及節目相關顧問服務。

According to the Zhang Agreement, the Group would contribute a total of RMB100 million for the development of the Zhang Internet Series and Mr. Zhang's Productions.

根據張先生協議，本集團須出資合共人民幣100,000,000元，用於發展張先生網絡系列影視劇及張先生作品。

On 14 December 2016 (the "Date of Issuances") the Company allotted and issued 75,000,000 Shares to Mr. Gu and 140,000,000 Shares to Mr. Zhang (collectively, the "Issuances" and the Shares issued pursuant to the Issuances, the "New Shares") and that the New Shares have been vested accordingly. The Issuances were recognised as share-based payment expenses and charged to the Group's statement of profit or loss for the year ended 31 December 2016. Based on the closing price of the Shares on the Date of Issuances of HK\$2.69 per Share, the fair value of the issue of New Shares pursuant to the Issuances is HK\$578,350,000.

本公司已於二零一六年十二月十四日（「發行事項日期」）分別向顧先生及張先生配發及發行75,000,000股股份及140,000,000股股份（統稱為「發行事項」，根據發行事項發行的股份稱為「新股份」），新股份已據此授予。發行事項已確認為以股份為基礎付款開支，並於本集團截至二零一六年十二月三十一日止年度之損益表內扣除。基於發行事項日期之股份收市價每股股份港幣2.69元，根據發行事項發行新股份之公平值為港幣578,350,000元。

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Such expense is of a non-cash nature.

有關開支屬非現金性質。

Please refer to the two announcements of the Company dated 6 December 2016 and the announcement dated 14 December 2016 for details.

有關詳情請參閱本公司日期為二零一六年十二月六日的兩份公告及日期為二零一六年十二月十四日的公告。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

董事於競爭業務之權益

Interests of the Directors in competing businesses to the Group as at 31 December 2016 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:

於二零一六年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

Directors	Companies which Directors held interests	Nature of business	Nature of interest (including close associate's interest, if any)
董事	董事持有權益之公司	業務性質	權益性質(包括緊密聯繫人士之權益，如有)
Mr. Ning Hao 寧浩先生	INJO Films Co. Ltd. (東陽映月影視文化傳播有限公司)	Movie production 電影製作	Ultimate shareholders 最終股東
	北京壞猴子文化產業發展有限公司	Movie production 電影製作	Ultimate shareholder 最終股東
	東陽壞猴子影視文化傳播有限公司	Movie production 電影製作	Ultimate shareholder 最終股東
Mr. Xu Zheng 徐崢先生	Beijing Joy Leader Culture Communication Co. Ltd (北京真樂道文化傳播有限公司)	Movie production 電影製作	Ultimate shareholder 最終股東

The Group is principally engaged in the media and entertainment and related businesses, advertising agency business, the provision of property agency and related services and securities trading and investments. The media and entertainment and related businesses include, among others, development and/or investment in films and television drama series.

本集團主要從事媒體及娛樂及相關業務、廣告代理業務、提供物業代理及相關服務以及證券買賣及投資。媒體及娛樂及相關業務包括(其中包括)開發及/或投資電影及電視連續劇。

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Mr. Ning Hao, together with his family, is the ultimate shareholder of INJO Films Co. Ltd. Mr. Ning Hao is also the ultimate shareholder of 北京壞猴子文化產業發展有限公司 and 東陽壞猴子影視文化傳播有限公司. All of the above three companies (together "Mr. Ning's Companies") are principally engaged in the production of films in the PRC. INJO Films Co. Ltd. and the Group entered into a movie investment agreement on 24 December 2015, as detailed in the announcement of the Company dated 24 December 2015. As at 31 December 2016, none of Mr. Ning Hao or his close associates was interested in any business in respect of film production, apart from his and/or his family's interests in Mr. Ning's Companies.

Mr. Xu Zheng is the ultimate shareholder of Beijing Joy Leader Culture Communication Co. Ltd ("BJ Joy Leader"). BJ Joy Leader is principally engaged in the production of films in the PRC and is the production company of, among others, the film "Lost in Hong Kong". On 21 September 2015, BJ Joy Leader entered into an agreement with the Group to transfer the income right of "Lost in Hong Kong" to the Group, please refer to the announcement of the Company dated 21 September 2015 and circular of the Company dated 30 November 2015 for details. As at 31 December 2015, none of Mr. Xu Zheng or his close associates was interested in any business in respect of film production, apart from his interests in BJ Joy Leader.

寧浩先生連同其家族為東陽映月影視文化傳播有限公司之最終股東。寧浩先生亦為北京壞猴子文化產業發展有限公司及東陽壞猴子影視文化傳播有限公司之最終股東。上述三間公司(統稱「寧先生之公司」)均主要於中國從事製作電影。於二零一五年十二月二十四日，東陽映月影視文化傳播有限公司與本集團訂立一項電影投資協議，有關詳情載於本公司日期為二零一五年十二月二十四日之公告。於二零一六年十二月三十一日，除寧浩先生及／或其家族於寧先生之公司之權益外，彼或其緊密聯繫人士並無於任何有關電影製作的業務中擁有權益。

徐崢先生為北京真樂道文化傳播有限公司(「北京真樂道」)之最終股東。北京真樂道主要於中國從事製作電影，並為(其中包括)電影「港囧」之製作公司。於二零一五年九月二十一日，北京真樂道與本集團訂立一項向本集團轉讓「港囧」收益權之協議，有關詳情請參閱本公司日期為二零一五年九月二十一日之公告及本公司日期為二零一五年十一月三十日之通函。於二零一五年十二月三十一日，除徐崢先生於北京真樂道之權益外，彼或其緊密聯繫人士並無於任何有關電影製作的業務中擁有權益。

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

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

董事認為，本集團有能力以獨立於(i)寧先生之公司及(ii)北京真樂道((i)及(ii)統稱為「其他公司」)之電影業務之方式按公平原則進行其業務，原因是(i)本集團業務與其他公司之業務有清晰區分；(ii)本集團在營運上或財政上並非依賴任何其他公司，反之亦然；及(iii)董事會獨立於其他公司之董事會運作。董事會由八位成員組成，包括兩位執行董事、三位非執行董事及三位獨立非執行董事。全體董事均知悉彼等作為本公司董事之受信責任，要求(其中包括)彼等為本公司之利益及最佳權益行事，且不容許彼等作為董事之職責與彼等個人權益出現任何衝突。倘在本集團與董事或彼等各自之聯繫人士將予訂立之任何交易出現任何潛在利益衝突，則有利害關係之董事須於本公司相關董事會會議上就有關交易放棄投票，且不得計入法定人數之中。

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

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The Company has entered into the service agreements dated 14 April 2015 (the "Service Agreements") with each of Mr. Ning Hao and Mr. Xu Zheng. Pursuant to the Service Agreements, (a) the Company shall have exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning Hao or Mr. Xu Zheng (i.e. the "Director Shareholders' Productions"), i.e. the Company shall be the sole investor to such productions; (b) the Company shall have priority distribution rights to the Director Shareholders' Productions in the PRC, Hong Kong, Taiwan and Macau Special Administrative Region of the PRC; (c) each of Mr. Ning Hao and Mr. Xu Zheng shall direct one to two films (being films that shall be publicly released) every three years in respect of which the Company shall have the exclusive investment and production rights, and the priority distribution rights set out in paragraphs (a) and (b) above; (d) Mr. Ning Hao and Mr. Xu Zheng shall use their best endeavours to provide the Company with the priority investment, production and distribution rights for the films and programmes not developed or directed by them and Mr. Ning Hao and Mr. Xu Zheng are either producer, screenwriter, lead actor or other creative member (i.e. the "Non-Director Shareholders' Productions"); and (e) Mr. Ning Hao and Mr. Xu Zheng shall actively participate in the promotional activities of other films and programmes invested or produced by the Company according to the requirements of the Company. The Service Agreements and the relevant annual caps have been approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 August 2015.

本公司分別與寧浩先生及徐崢先生訂立日期為二零一五年四月十四日之服務協議（「服務協議」）。根據服務協議，(a)本公司將擁有任何由寧浩先生或徐崢先生構思及執導之電影及節目（即「導演股東作品」）之獨家投資權及製作權，即本公司將為有關作品之唯一投資者；(b)本公司將擁有導演股東作品在中國、香港、台灣及中國澳門特別行政區之優先發行權；(c)寧浩先生及徐崢先生各自將每三年導演一至兩部電影作品（以作品正式公開上映為準），而本公司將如上文(a)及(b)段所載擁有該等電影作品之獨家投資權及製作權以及優先發行權；(d)寧浩先生及徐崢先生將竭盡所能就並非由寧浩先生及徐崢先生構思或執導但由彼等擔任監製、編劇、主演或其他主創人員之電影及節目（即「非導演股東作品」）向本公司提供優先投資權、製作權及發行權；及(e)寧浩先生及徐崢先生將根據本公司要求積極參與本公司投資或製作之其他電影及節目之宣傳活動。服務協議及有關年度上限已於本公司於二零一五年八月二十八日舉行之股東特別大會上獲本公司獨立股東批准。

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

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

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

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

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

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

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

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

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

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

而在各項情況下均須遵守上市規則第14A章任何適用於關連交易之規定。

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

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SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

As at 31 December 2016, save as disclosed under the section "Directors' Interests in Securities" in this Director's Report of the annual report, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital under Section 336 of the SFO.

於二零一六年十二月三十一日，除本年報董事報告之「董事之證券權益」一節所披露者外，本公司獲知會下列主要股東權益，即根據證券及期貨條例第336條本公司已發行股本中5%或以上之權益。

Name of shareholders of the Company 本公司股東姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Newwood Investments Limited ("Newwood") Newwood Investments Limited (「Newwood」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及根據證券及期貨條例第317條須予披露的協議訂約方權益	1,431,304,354 (Notes 1 to 2) (附註1至2)	51.71%
Numerous Joy Limited ("Numerous Joy") 多樂有限公司 (「多樂」)	Beneficial owner 實益擁有人	92,342,216 (Notes 1 & 3) (附註1及3)	3.34%
Dong Ping ("Mr. Dong") 董平 (「董先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條須予披露的受控制法團及協議訂約方權益	1,431,304,354 (Notes 1 to 3) (附註1至3)	51.71%
Pacific Wits Limited ("Pacific Wits") 泰穎有限公司 (「泰穎」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,431,304,354 (Notes 1, 2 & 4) (附註1、2及4)	51.71%
Ning Hao ("Mr. Ning") 寧浩 (「寧先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條須予披露的受控制法團及協議訂約方權益	1,431,304,354 (Notes 1, 2 & 4) (附註1、2及4)	51.71%
Tairong Holdings Limited ("Tairong") 泰嶸控股有限公司 (「泰嶸」)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人及根據證券及期貨條例第317條須予披露的協議訂約方權益	1,431,304,354 (Notes 1, 2 & 5) (附註1、2及5)	51.71%
Xu Zheng ("Mr. Xu") 徐崢 (「徐先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條須予披露的受控制法團及協議訂約方權益	1,431,304,354 (Notes 1, 2 & 5) (附註1、2及5)	51.71%
Zhang Xiaoling 張曉陵	Beneficial owner 實益擁有人	140,000,000 (Note 6) (附註6)	5.06%

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Notes:

- On 14 April 2015, the Company and nine subscribers, namely Newwood, Numerous Joy, Pacific Wits, Tairong, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited (the "Subscribers") entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 1,701,416,556 new Shares (the "Subscription Shares") at an issue price of HK\$0.4 per Share (the "Subscription"). Details in relation to the Subscription are set out in the Company's circular dated 5 August 2015. The Subscription had been approved by the independent shareholders of the Company at the Company's special general meeting held on 28 August 2015 and the Subscription Shares were allotted to the Subscribers on 2 September 2015.
- On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning, Tairong and Mr. Xu entered into a shareholders agreement (the "Shareholders Agreement"), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the Subscription. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
- Newwood and Numerous Joy are wholly owned by Mr. Dong. Pursuant to the Subscription Agreement, Newwood and Numerous Joy subscribed for 461,711,082 and 92,342,216 new Shares respectively upon completion of the Subscription. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
- Pacific Wits is wholly owned by Mr. Ning. Pursuant to the Subscription Agreement, Pacific Wits subscribed for 438,625,528 new Shares upon completion of the Subscription. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.
- Tairong is wholly owned by Mr. Xu. Pursuant to the Subscription Agreement, Tairong subscribed for 438,625,528 new Shares upon completion of the Subscription. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.
- Mr. Zhang Xiaoling was allotted 140,000,000 shares on 14 December 2016 pursuant an agreement entered into among Mr. Zhang, the Company and one of its wholly-owned subsidiary on 6 December 2016.

Save as disclosed above, as at 31 December 2016, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

附註：

- 二零一五年四月十四日，本公司與九名認購方 (Newwood、多樂、泰穎、泰嶸、騰龍國際有限公司、金耀投資有限公司、Dayunmony Investment Corporation、Concept Best Limited及瑞東環球有限公司，統稱為「認購方」) 訂立認購協議 (「認購協議」)，據此，本公司有條件同意配發及發行，而認購方則有條件同意認購合共1,701,416,556股新股份 (「認購股份」)，每股股份之發行價為港幣0.4元 (「認購事項」)。有關認購事項的詳情載於本公司日期為二零一五年八月五日的通函。認購事項已於二零一五年八月二十八日本公司舉行的股東特別大會上經本公司獨立股東批准，而認購股份已於二零一五年九月二日配發予認購方。
- 二零一五年四月十四日，董先生、Newwood、泰穎、寧先生、泰嶸及徐先生訂立股東協議 (「股東協議」)。該協議列明認購事項完成後協議各方就本公司管治的若干權利及責任。因此，根據證券及期貨條例第317條，Newwood視作於董先生、泰穎及泰嶸所持的全部股份中擁有權益。
- Newwood及多樂由董先生全資擁有。根據認購協議，認購事項完成後，Newwood及多樂分別認購461,711,082股及92,342,216股新股份。董先生亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，董先生視作於Newwood、泰穎及泰嶸所持的全部股份中擁有權益。
- 泰穎由寧先生全資擁有。根據認購協議，認購事項完成後，泰穎認購438,625,528股新股份。寧先生及泰穎亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，寧先生及泰穎視作於董先生、Newwood及泰嶸所持的全部股份中擁有權益。
- 泰嶸由徐先生全資擁有。根據認購協議，認購事項完成後，泰嶸認購438,625,528股新股份。徐先生及泰嶸亦為股東協議的訂約方，因此，根據證券及期貨條例第317條，徐先生及泰嶸視作於董先生、Newwood及泰穎所持的全部股份中擁有權益。
- 根據張曉陵先生與本公司及其一間全資附屬公司於二零一六年十二月六日訂立的協議，張先生於二零一六年十二月十四日獲配發140,000,000股股份。

除上文所披露者外，於二零一六年十二月三十一日，概無其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露或本公司記錄於根據證據及期貨條例第336條存置之登記冊之權益或淡倉。

SHARE OPTIONS/EQUITY-LINKED AGREEMENT

Pursuant to a resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved adoption of a share option scheme which will remain in force for a period of 10 years from the effective date of its adoption.

Particulars of the share option scheme of the Company are set out in note 34 to the consolidated financial statements. There were no outstanding share options as at 1 January 2016 and 31 December 2016 and no share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2016.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2016, the percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 66.7% and 75.3% respectively.

During the year ended 31 December 2016, the percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 35.7% and 97.7% respectively.

Save as Mr. Ning Hao (a non-executive Director and a substantial shareholder of the Company), who is beneficially interested in 東陽映月影視文化傳播有限公司 (INJO Films Co. Ltd, "INJO"), being one of the five largest suppliers and one of the five largest customers of the Group during the year ended 31 December 2016 (please refer to the announcement of the Company dated 24 December 2015 for details on the transaction between the Group and INJO), as at 31 December 2016, none of the directors, their associates or shareholders (which to the knowledge of the directors own more than five percent of the Company's share capital) had any interest in the five largest suppliers or customers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

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

ENVIRONMENTAL PROTECTION

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

購股權／股票掛鈎協議

根據於二零一四年六月十七日舉行的股東周年大會上通過的一項決議案，本公司股東批准採納一項購股權計劃。該購股權計劃將自其採納的生效日期起於十年內有效。

本公司購股權計劃之詳情載於綜合財務報表附註34。於二零一六年一月一日及二零一六年十二月三十一日，並無尚未行使之購股權，截至二零一六年十二月三十一日止年度亦無購股權獲授出、行使、註銷或失效。

主要客戶及供應商

於截至二零一六年十二月三十一日止年度，本集團最大供應商及五大供應商分別共佔本集團採購額66.7%及75.3%。

於截至二零一六年十二月三十一日止年度，本集團最大客戶及五大客戶分別共佔本集團營業額35.7%及97.7%。

除寧浩先生(本公司之非執行董事及主要股東)於東陽映月影視文化傳播有限公司(「東陽映月」，於截至二零一六年十二月三十一日止年度為本集團五大供應商及五大客戶之一，本集團與東陽映月之交易詳情請參閱本公司日期為二零一五年十二月二十四日之公告)擁有實益權益外，於二零一六年十二月三十一日，概無董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東於本集團五大供應商或五大客戶中擁有任何權益。

充足公眾持股量

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

環境保護

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

DIRECTORS' REPORT

董事報告

COMPLIANCE WITH LAWS AND REGULATIONS

The Board paid attention to the Group's policies and practices on compliance with legal and regulatory requirements. External compliance and legal advisers are engaged to ensure transactions and business performed by the Group are within the applicable law framework. Besides, the Group always maintains a safe working environment for staff in accordance with relevant safety policies. There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Company during 2016.

RELATIONSHIP WITH KEY STAKEHOLDERS

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

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

遵守法律及法規

董事會關注本集團有關遵守法律及監管規定方面之政策及常規。我們已聘用外部合規及法律顧問，確保本集團之交易及業務符合適用的法律框架。另外，本集團一直按照相關安全政策，為員工提供安全工作環境。於二零一六年，並無發生已對本公司產生重大影響之違反相關法例及法規之事宜。

主要持份者關係

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

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

DIRECTORS' REPORT 董事報告

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

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of business of the Company were entered into or exist during the year ended 31 December 2016.

管理合約

於截至二零一六年十二月三十一日止年度，本公司並無簽訂或存有有關本公司全部或任何主要部分業務之管理及行政合約。

CORPORATE GOVERNANCE

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

企業管治

本公司之企業管治常規詳情載於本年報之企業管治報告內。

REVIEW OF THE RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including the consolidated financial statements for the year ended 31 December 2016.

審閱業績

本公司之審核委員會已聯同管理層審閱本集團所採納之會計原則及慣例，並討論內部控制、風險管理及財務報告事宜（包括截至二零一六年十二月三十一日止年度之綜合財務報表）。

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 184 of the annual report. This summary does not form part of the audited consolidated financial statements.

財務概要

本集團於過往五年之業績、資產及負債概要載於年報第184頁。該概要並非經審核綜合財務報表的組成部分。

AUDITOR

The consolidated financial statements for the year ended 31 December 2016 were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as an auditor of the Company.

核數師

截至二零一六年十二月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行審核。於本公司應屆股東周年大會上將提呈一項決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

On behalf of the Board

Dong Ping
Chairman

代表董事會

主席
董平

Hong Kong, 27 March 2017

香港，二零一七年三月二十七日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL

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

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

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

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

EMPLOYMENT AND LABOUR PRACTICES

Employment

Recruitment

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

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

環境

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

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

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

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

僱用及員工常規

僱用

招聘

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Promotion, compensation, and dismissal

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

Working hours, rest periods and benefits

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

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

Equal opportunity, diversity, and anti-discrimination

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

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

Details of remuneration policy of the Group are also set out in the "Employees and Remuneration Policies" section in the Management Discussion and Analysis on page 21.

晉升、補償及解僱

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

工作時間、休息時間及福利

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

根據本集團政策，僱員享有醫療福利、公積金計劃(如適用)及其他福利。

平等機會、多元化及反歧視

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

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

本集團薪酬政策詳情已載於第21頁管理層討論及分析「僱員和薪酬政策」一節內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Health and safety

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

Safety guides in respect of reducing occupational hazards in the office working environment were circulated to employee to advise employees to address more attention to health and safety issues. The Group adopts a five-day workweek and motivates our staff to keep a practical and reasonable work-life balance.

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

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

Development and training

Apart from providing training materials for Directors as stated in the Corporate Governance Report, in the face of the dynamic business environment, employees are strongly recommended to equip themselves with different branches of knowledge. Subsidies were given to employees for participation in training courses which aim at enhancing their job skills. The training covered the management skill and leadership improvement, company's organization strategy and corporate culture, employee's business knowledge, orientation and other specific training.

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

健康及安全

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

我們已向僱員提供安全指引，以減少工作環境的職業危害，提醒僱員多關注健康及安全問題。本集團採取每星期工作五天的安排，鼓勵僱員保持實際而合理的工作與生活平衡。

同時，我們支持承辦商及業務夥伴高度重視職業危害方面的健康及安全問題。

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

發展及培訓

除按企業管治報告所述為董事提供培訓資料外，我們亦強烈建議僱員在靈活的業務環境下掌握各方面知識。我們為參與提升工作技術培訓課程的僱員提供資助，培訓涵蓋管理技能及領導力的改善、公司組織策略及企業文化、僱員業務知識、導向及其他專項培訓。

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Labor standards

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

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

OPERATING PRACTICES

Supply chain management

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

Product responsibility

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

勞工標準

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

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

營運常規

供應鏈管理

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

產品責任

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

Anti-Corruption

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

The Group has strictly adhered to relevant laws and regulations, including the Prevention of Bribery Ordinance and the relevant regulations in the PRC. During the year 2016, there was no legal case or dispute in respect of bribery, extortion, fraud or money laundering against our employees and the Group.

Community investment

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

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

反貪污

本集團致力防止賄賂、勒索、欺詐及洗錢。我們已為僱員設立舉報途徑，以舉報任何疑似欺詐、不當行為、貪污或任何其他違反職業操守的行為。我們旨在維持嚴格的業務操守標準。

本集團一直嚴格遵守相關法例及規定，包括《防止賄賂條例》以及中國的有關法規。於二零一六年，概無發生任何針對我們的僱員及本集團的賄賂、勒索、欺詐或洗錢的案件或爭議。

社區投資

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

Deloitte.

德勤

TO THE SHAREHOLDERS OF HUANXI MEDIA GROUP LIMITED
(incorporated in Bermuda with limited liability)

致歡喜傳媒集團有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Huanxi Media Group Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 82 to 183, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2016, 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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

本核數師(以下簡稱「我們」)已審計列載於82至183頁的歡喜傳媒集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一六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損益及其他全面收益表、綜合權益變動表和綜合現金流量表，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」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一六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》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審計。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」)，我們獨立於貴集團，並已履行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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matters	How our audit addressed the key audit matters
<p><i>Revenue recognition on film rights investment</i></p> <p>We identified the revenue recognition on film rights investment as a key audit matter due to the involvement of management judgement to determine when the amount of revenue can be measured reliably and collectability of the entitled proceeds is reasonably assured following the films are exhibited in movie theatres over the period.</p> <p>The accounting policy for revenue recognition is disclosed in note 3 to the consolidated financial statements. The Group recognised revenue of HK\$5,073,000 from film rights investment for the year ended 31 December 2016, which is disclosed in the note 5 to the consolidated financial statements.</p>	<p>Our procedures in relation the revenue recognition included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Group's revenue business process regarding film rights investment; • Understanding and testing on the entity's key control over recognition of income from film rights investment; • Reviewing the terms set out in the film investment agreement; and assessing whether the amount of income recognised is in accordance with the agreement as well as the other relevant supporting documents; and • Evaluating the basis adopted by the management in determining when the amount of revenue can be measured reliably and the collectability of the entitled proceeds is reasonably assured.

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。

關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
<p><i>電影版權投資收益確認</i></p> <p>本核數師認為電影版權投資之收益確認為關鍵審計事項，原因為管理層須作出判斷以釐定緊隨電影於期內在電影院放映後，收益金額何時能可靠計量，以及應享所得款項之可收回性何時能合理確定。</p> <p>有關收益確認之會計政策披露於綜合財務報表附註3。貴集團確認截至二零一六年十二月三十一日止年度來自電影版權投資之收益為港幣5,073,000元，有關詳情披露於綜合財務報表附註5。</p>	<p>本核數師有關收益確認之程序包括：</p> <ul style="list-style-type: none"> • 取得 貴集團對電影版權投資相關之收益業務過程的了解； • 了解及測試相關實體對來自電影版權投資之收入確認所採納之主要監控； • 核查電影版權投資協議之條款；及評估已確認收入金額是否符合該協議及其他相關證明文件；及 • 評估管理層在釐定收益金額的時間，以及評估收益金額能否可靠計量及應享所得款項之可收回性能否合理確定時所採納的基準。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matters	How our audit addressed the key audit matters	關鍵審計事項	我們的審計如何對關鍵審計事項進行處理
<p><i>Valuation of prepayment for film and TV rights</i></p> <p>We identified the valuation of prepayment for film and TV rights as a key audit matter due to management significant judgements involved on assessing the recoverability.</p> <p>As set out in note 18 to the consolidated financial statements, prepayment for film and TV rights of HK\$220,814,000 was made under the agreement with film directors for the production of proposed internet drama series/films, whereby such prepayment would form part of the contribution by the Group for the production cost of the proposed internet drama series/films. Management performs assessment in the recoverability of the prepayment based on the contract terms on agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.</p>	<p>Our procedures in relation to the valuation of prepayment for film and TV rights included:</p> <ul style="list-style-type: none"> Assessing the appropriateness of management's recognition of prepayments by reference to agreements and other supporting documentation; Obtaining an understanding on the Group's key control over the monitoring on initiation of the prepayment and progress of utilisation of the prepayment, if any, as well as assessment of the recoverability of the prepayment; Discussing with management on the status of film and TV rights investment plan with film directors and assessing the management's basis in evaluating the recoverability of the prepayment; Assessing the progress of utilisation of the prepayment; and Obtaining written confirmation from counter parties as to the balance of prepayment at the year end. 	<p>電影及電視劇版權預付款的估值</p> <p>本核數師認為電影及電視劇版權預付款的估值為關鍵審計事項，原因為可收回性評估涉及管理層重大判斷。</p> <p>誠如綜合財務報表附註18所披露，電影及電視劇版權預付款港幣220,814,000元乃根據與電影導演就製作擬定網絡系列影視劇／電影所訂立之協議而釐定。因此相關預付款將構成貴集團對擬定網絡系列影視劇／電影製作成本之部分出資。基於協議之合約條款、擬定製作之估計預算及預付款之使用情況，管理層對相關預付款之可收回性進行評估。</p>	<p>本核數師有關電影及電視劇版權預付款的評估之程序包括：</p> <ul style="list-style-type: none"> 參照相關協議及其他證明文件而評估管理層認預付款之適當性； 取得貴集團對監督預付款的初始使用情況及預付款的使用進度（如有）所採納之主要監控，以及評估預付款之可收回性相關之詳情； 與管理層及電影導演討論電影及電視劇版權投資計劃的狀況並評估管理層在估計預付款之可收回性時所採納之基準； 評估預付款的使用進度；及 獲取交易對手就年結時預付款結餘之書面確認書。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港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。

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

核數師就審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，並按照《百慕達公司法》第90條的規定僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，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，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，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式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

- 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.

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

核數師就審計綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。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醒使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以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。

除其他事項外，我們與治理層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。

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

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is Mr. Lau Ngai Kee, Ricky.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 27 March 2017

核數師就審計綜合財務報表承擔的責任 (續)

從與治理層溝通的事項中，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專案合夥人是劉毅基先生。

德勤•關黃陳方會計師行
執業會計師

香港，二零一七年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

		NOTES 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Revenue	收益	5	16,112	266,913
Cost of sales and service rendered	銷售及提供服務成本		(20,565)	(219,322)
Gross (loss) profit	毛(損)利		(4,453)	47,591
Investment and other income	投資及其他收入	7	5,215	6,888
Other gains and losses	其他收益及虧損	8	(10,985)	(4,351)
Selling and distribution costs	銷售及分銷成本		(12,112)	(921)
Administrative expenses	行政開支		(110,938)	(47,361)
Share-based payments	以股份為基礎之付款	27(b)	(1,120,472)	(81,000)
Impairment loss on goodwill	商譽之減值虧損		–	(4,395)
Finance costs	財務費用	9	–	(617)
Loss before tax	除稅前虧損		(1,253,745)	(84,166)
Income tax expense	所得稅開支	10	–	(8,630)
Loss for the year	本年度虧損	11	(1,253,745)	(92,796)
Other comprehensive expense	其他全面開支			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>			
Exchange differences arising on translation of functional currency to presentation currency	將功能貨幣換算為呈報貨幣產生之匯兌差額		6,872	–
<i>Item that may be subsequently reclassified to profit or loss:</i>	<i>其後可能會重新分類至損益之項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		(8,132)	(6,820)
			(1,260)	(6,820)
Total comprehensive expense for the year	本年度全面開支總額		(1,255,005)	(99,616)
Loss for the year attributable to owners of the Company	本公司擁有人應佔本年度虧損		(1,253,745)	(92,796)
Total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔本年度全面開支總額		(1,255,005)	(99,616)
Loss per share	每股虧損			
– Basic (HK dollar)	– 基本 (港幣)	15	(0.51)	(0.08)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

AT 31 DECEMBER 2016 於二零一六年十二月三十一日

			2016	2015
		NOTES	二零一六年	二零一五年
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	16	4,942	1,826
Art work	藝術品	17	20,000	-
Trade and other receivables, deposits and prepayments	應收賬款及其他應收款項、按金及預付款	21	5,344	-
Prepayment for film and TV rights	電影及電視劇版權預付款	18	220,814	-
Available-for-sale investment	可供出售投資	20	208	-
			251,308	1,826
CURRENT ASSETS				
流動資產				
Film and TV rights	電影及電視劇版權	22	250,958	13,925
Trade and other receivables, deposits and prepayments	應收賬款及其他應收款項、按金及預付款	21	147,459	257,356
Investments held for trading	持作買賣投資	23	52,768	55,580
Bank balances and cash	銀行結餘及現金	24	309,062	726,598
			760,247	1,053,459
CURRENT LIABILITIES				
流動負債				
Trade and other payables	應付賬款及其他應付款項	25	175,544	55,243
Tax payable	應付稅項		9,100	9,926
			184,644	65,169
NET CURRENT ASSETS	流動資產淨值		575,603	988,290
NET ASSETS	資產淨值		826,911	990,116
CAPITAL AND RESERVES				
股本及儲備				
Share capital	股本	27	27,681	23,086
Reserves	儲備		799,230	967,030
TOTAL EQUITY	權益總額		826,911	990,116

The consolidated financial statements on pages 82 to 183 were approved and authorised for issue by the board of directors on 27 March 2017 and are signed on its behalf by:

第82頁至183頁之綜合財務報表已於二零一七年三月二十七日獲董事會批准及授權發佈，並由下列董事代表董事會簽署：

Dong Ping
董平
DIRECTOR
董事

Xiang Shaokun, Steven
項紹琨
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

		Share capital	Share premium	Capital reserve	Contributed surplus	Translation reserve	Retained profits (accumulated losses)	Total
		股本	股份溢價	資本儲備	實繳盈餘	匯兌儲備	(累計虧損)	總額
		HK\$ ' 000	HK\$ ' 000	HK\$ ' 000	HK\$ ' 000	HK\$ ' 000	HK\$ ' 000	HK\$ ' 000
		港幣千元	港幣千元	港幣千元 (Note) (附註)	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2015	於二零一五年一月一日	5,771	151,481	2,099	149,220	5,041	22,498	336,110
Loss for the year	本年度虧損	-	-	-	-	-	(92,796)	(92,796)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	-	(6,820)	-	(6,820)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	(6,820)	(92,796)	(99,616)
Issue of shares upon subscription of shares (Note 27(a))	因股份認購而發行股份(附註27(a))	17,015	663,552	-	-	-	-	680,567
Issue of shares to a financial adviser (Note 27(a))	向財務顧問發行股份(附註27(a))	300	80,700	-	-	-	-	81,000
Share issue expenses	股份發行費用	-	(7,945)	-	-	-	-	(7,945)
At 31 December 2015	於二零一五年十二月三十一日	23,086	887,788	2,099	149,220	(1,779)	(70,298)	990,116
Loss for the year	本年度虧損	-	-	-	-	-	(1,253,745)	(1,253,745)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	-	(1,260)	-	(1,260)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	-	(1,260)	(1,253,745)	(1,255,005)
Issue of shares to film directors (Note 27(b))	向電影導演發行股份(附註27(b))	4,595	1,087,205	-	-	-	-	1,091,800
At 31 December 2016	於二零一六年十二月三十一日	27,681	1,974,993	2,099	149,220	(3,039)	(1,324,043)	826,911

Note: The capital reserve arising from the group reorganisation represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate nominal values of the share capital of the subsidiaries.

附註：集團重組產生之資本儲備乃指本公司為交換附屬公司股本所發行之股本之面值與有關附屬公司股本總面值之差額。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	NOTES 附註		
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(1,253,745)	(84,166)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,012	788
Dividend income	股息收入	(1,433)	-
Impairment loss on goodwill	商譽之減值虧損	-	4,395
Impairment loss on trade receivables	應收賬款之減值虧損	30	1,551
Impairment loss on available-for-sale investment	可供出售投資之減值虧損	15,333	-
Share-based payments	以股份為基礎之付款	1,120,472	81,000
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	(268)	(66)
Loss on acquisitions of assets through acquisitions of subsidiaries	透過收購附屬公司而收購資產之虧損	-	1,109
Gain on disposal of subsidiaries	出售附屬公司之收益	(797)	-
Finance costs	財務費用	-	617
Unrealised loss of investments held for trading	持作買賣投資之未變現虧損	4,236	1,691
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	606	87
Interest income	利息收入	(929)	(6,508)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(115,483)	498
Increase in trade and other receivables	應收賬款及其他應收款項增加	(130,522)	(294,255)
Increase (decrease) in film and TV rights	電影及電視劇版權增加(減少)	(176,719)	170,690
Increase in investments held for trading	持作買賣投資增加	(1,424)	(57,271)
Increase (decrease) in trade and other payables	應付賬款及其他應付款項增加(減少)	57,137	(72,832)
Cash used in operations	經營業務所耗用現金	(367,011)	(253,170)
Income taxes paid	已付所得稅	-	(316)
Income taxes refunded	已退還所得稅	-	571
Interest paid	已付利息	-	(1,255)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所耗用之現金淨額	(367,011)	(254,170)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	NOTES 附註			
INVESTING ACTIVITIES		投資活動		
Net cash inflow on disposals of subsidiaries	32	出售附屬公司之現金流入淨額	1,442	-
Purchase of property, plant and equipment		購買物業、廠房及設備	(4,970)	(1,714)
Purchase of art work		購買藝術品	(20,000)	-
Purchase of available-for-sale investment		購買可供出售投資	(15,541)	-
Dividend income received		已收股息收入	1,433	-
Addition of loan receivable		應收貸款增加	(3,000)	-
Proceed from loan receivable		應收貸款所得款項	3,000	80,000
Interest received		已收利息	929	6,543
Proceed from disposal of property, plant and equipment		出售物業、廠房及設備所得款項	26	-
Net cash outflow on acquisitions of assets through acquisitions of subsidiaries	31	透過收購附屬公司而收購資產產生之現金流出淨額	-	(1,200)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		投資活動所（耗用）產生之現金淨額	(36,681)	83,629
FINANCING ACTIVITIES		融資活動		
Proceeds on issue of shares upon subscription of shares		因股份認購而發行股份之所得款項	-	680,567
Repayment of loan payable		償還應付貸款	-	(6,000)
Share issue expenses		股份發行費用	-	(7,945)
NET CASH FROM FINANCING ACTIVITIES		融資活動所產生之現金淨額	-	666,622
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		現金及現金等值之（減少）增加淨額	(403,692)	496,081
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		年初之現金及現金等值	726,598	231,917
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		外匯匯率變動之影響	(13,844)	(1,400)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		年終之現金及現金等值， 指銀行結餘及現金	309,062	726,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in the annual report.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 40.

Change in functional currency

Items included in the accounts of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”).

In prior years, the Company adopted Hong Kong dollars (“HK\$”) as its functional currency. As the Group changed its major business operation from provision of property agency and related services in Hong Kong and the People’s Republic of China (the “PRC”) to film and TV rights in the PRC during the year, the Company and a majority of its operating subsidiaries conducted transactions mainly in Renminbi (“RMB”). As such, effective from 1 September 2016, the Company has changed its functional currency from HK\$ to RMB. The consolidated financial statements of the Company are presented in HK\$ for the convenience of shareholders as the Company is a listed company in Hong Kong.

The change in functional currency of the Company was applied prospectively from date of change in accordance with HKAS 21 “The effect of changes in foreign exchange rate”. On the date of the change of functional currency, all assets, liabilities, issued capital and other components of equity and profit and loss were translated into RMB at the exchange rate on that date.

1. 一般資料

本公司為一家於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點於年報「公司資料」一節內披露。

本公司為投資控股公司。其主要附屬公司之業務乃於附註40載列。

更改功能貨幣

本集團各實體賬目內之項目均以該實體營運所在主要經濟環境通行之貨幣（「功能貨幣」）計量。

於過往年度，本公司採用港幣（「港幣」）作為其功能貨幣。然而，由於本集團於本年度將其經營之主要業務從在香港及中華人民共和國（「中國」）提供物業代理及相關服務更改為在中國從事電影及電視劇版權投資，本公司及其旗下大部份營運附屬公司主要以人民幣（「人民幣」）進行交易。有鑒於此，自二零一六年九月一日起，本公司已將其功能貨幣由港幣更改為人民幣。由於本公司為一家香港上市公司，為方便股東，本公司之綜合財務報表以港幣呈列。

根據香港會計準則第21號「匯率變動之影響」，本公司功能貨幣之更改應用於更改日期後期間。於更改功能貨幣當日，所有資產、負債、已發行資本，以及權益中的其他部份及損益表項目均按當日匯率換算為人民幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 - 2014 cycle

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

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂

於本年度起強制生效之香港財務報告準則之修訂

於本年度，本集團已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂：

香港財務報告準則第11號之修訂	收購合營業務權益之會計處理
香港會計準則第1號之修訂	披露主動性
香港會計準則第16號及香港會計準則第38號之修訂	澄清可接納之折舊及攤銷方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬之例外情況
香港財務報告之修訂	香港財務報告準則二零一二至二零一四年週期之年度改進

於本年度應用香港財務報告準則之修訂對本集團本年度及過往年度之財務表現與狀況及／或該等綜合財務報表所載之披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

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

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

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

HKFRS 9	Financial instruments ²
HKFRS 15	Revenue from contracts with customers and the related amendments ²
HKFRS 16	Leases ³
Amendments to HKFRS 2	Clarification and measurement of share-based payment transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKAS 7	Disclosure initiative ¹
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2014 - 2016 cycle ⁵

- ¹ Effective for annual periods beginning on or after 1 January 2017.
- ² Effective for annual periods beginning on or after 1 January 2018.
- ³ Effective for annual periods beginning on or after 1 January 2019.
- ⁴ Effective for annual periods beginning on or after a date to be determined.
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂（續）

於本年度起強制生效之香港財務報告準則之修訂（續）

本集團並無提前應用下列已頒佈但尚未生效之新訂及香港財務報告準則之修訂：

香港財務報告準則第9號	金融工具 ²
香港財務報告準則第15號	客戶合同收入及相關修訂 ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第2號之修訂	以股份為基礎之付款交易的分類及計量 ²
香港財務報告準則第4號之修訂	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間銷售或注入資產 ⁴
香港會計準則第7號之修訂	披露主動性 ¹
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ¹
香港財務報告之修訂	香港財務報告準則二零一四至二零一六年週期之年度改進 ⁵

- ¹ 自二零一七年一月一日或之後開始之年度期間生效。
- ² 自二零一八年一月一日或之後開始之年度期間生效。
- ³ 自二零一九年一月一日或之後開始之年度期間生效。
- ⁴ 於待定日期或之後開始之年度期間生效。
- ⁵ 自二零一七年一月一日或二零一八年一月一日（視情況而定）或之後開始之年度期間生效。

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

HKFRS 9 “Financial instruments”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂（續）

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入就財務資產、財務負債、一般對沖會計及財務資產減值要求之分類及計量的新規定。

適用於本集團之香港財務報告準則第9號之主要規定如下：

- 香港財務報告準則第9號範圍內之所有已確認財務資產其後須按攤銷成本或公平值計量，特別是，按目標為收取合約現金流之業務模式所持有之債務投資及合約現金流僅為支付尚未償還本金及其利息之債務投資，一般於後續會計期間結束時按攤銷成本計量。按目標為同時收取合約現金流及銷售財務資產之業務模式所持有之債務工具，以及按合約條款指定日期以現金流僅為支付尚未償還本金及其利息之債務工具，均一般按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量。所有其他債務投資及股權投資均於後續會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回地選擇於其他全面收益呈報股權投資（並非持作買賣者）之其後公平值變動，一般只有股息收入於損益內確認。

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

HKFRS 9 “Financial instruments” (Continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

HKFRS 15 “Revenue from contracts with customers”

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

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂（續）

香港財務報告準則第9號「金融工具」（續）

- 香港財務報告準則第9號規定財務資產減值按預期信用損失模型計算，有別於香港會計準則第39號按已產生信用損失模型計算。預期信用損失模型規定實體須按其預期信用損失及各報告日期的預期信用損失變化入賬，以反映初始確認後的信用風險變化。換言之，信用虧損不再需要於發生信用事件後確認。

基於本集團於二零一六年十二月三十一日之金融工具及風險管理政策，於未來應用香港財務報告準則第9號可能對本集團財務資產的分類及計量產生重大影響。本集團的可供出售投資（包括目前按成本減去減值列賬的可供出售投資）將按公平值計入損益計量或指定為按公平值計入其他全面收益（惟須符合指定標準）。此外，按預期信用損失模型可能會導致信用損失過早撥備，相關損失在本集團財務資產按攤銷成本計量時尚未產生。

香港財務報告準則第15號「客戶合同收入」

香港財務報告準則第15號已頒佈，並制定一項單一全面模式供實體用作將自客戶合同所產生之收益會計入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

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

HKFRS 15 “Revenue from contracts with customers” (Continued)

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

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

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

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

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

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂（續）

香港財務報告準則第15號「客戶合同收入」(續)

香港財務報告準則第15號之核心原則為實體須以向客戶轉讓承諾貨品或服務所產生之金額確認為收益，該金額應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

- 第一步：識別與客戶訂立之合同
- 第二步：識別合同中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合同之履約責任
- 第五步：於實體完成履約責任時（或就此）確認收益

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號的澄清，內容有關識別履約責任、主體對代理代價及發牌的應用指引。

本公司董事預期，於未來應用香港財務報告準則第15號可能導致作出更多披露，但本公司董事預期，應用香港財務報告準則第15號將不會對相關報告期間已確認的收入時間及金額產生重大影響。

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

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the consolidated statement of cash flow. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17. In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in note 33, total operating lease commitment of the Group in respect of office premises, retail premises and photocopying machines as at 31 December 2016 amounted to HK\$34,237,000. Upon the adoption of HKFRS 16, the directors of the Company expect that the commitments in future will be required to be recognised in the statement of financial position as right-of-use assets and lease liabilities and it may have financial impact to the results of the Group. However, it is not practicable to provide a reasonable estimate of the effect on the Group’s results until the Group performs a detailed review.

2. 應用新訂及香港財務報告準則（「香港財務報告準則」）之修訂（續）

香港財務報告準則第16號「租賃」

香港財務報告準則第16號（將於生效日期起取代香港會計準則第17號「租賃」）引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，在綜合現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可註銷租賃付款，亦包括在承租人合理肯定會行使選擇權延續租賃，或不行使選擇權而中止租賃之情況，將於選擇權期間內作出之付款。此會計處理方法與根據原準則（即香港會計準則第17號）分類為經營租賃之租賃之承租人會計處理方法有重大差異。就出租人會計處理方法而言，香港財務報告準則第16號大致轉承了香港會計準則第17號之出租人會計處理方法之規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且以不同方式將兩類租賃入賬。

誠如附註33所載，於二零一六年十二月三十一日，本集團有關辦公室物業、零售物業及複印機的經營租賃承擔總額為港幣34,237,000元。於採納香港財務報告準則第16號後，本公司董事預期未來之承擔將須於財務狀況報表中確認為使用權資產及租賃負債，並可能對本集團的業績造成財務影響。然而，於本集團完成詳盡審閱前，無法合理估計對本集團業績造成的影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露事項。

編製基準

除於各報告期末按公平值計量之若干金融工具外，綜合財務報表乃根據歷史成本法編製，計量基準於下列會計政策內說明。

歷史成本一般乃根據交易貨品及服務時所付出代價之公平值計量。

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。此等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港財務報告準則第2號「以股份為基礎之付款」範圍的以股份付款的交易、屬於香港會計準則第17號範圍內的租賃交易，以及與公平值有部分相若地方但並非公平值的計量，譬如香港會計準則第2號「存貨」內的可變現淨額或香港會計準則第36號「資產減值」的使用價值除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 主要會計政策 (續)

編製基準 (續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制實體之財務報表。當本公司符合以下條件時，即取得控制權：

- 可對被投資方行使權力；
- 因參與被投資方業務而承擔浮動回報之風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本公司會重新評估其是否對被投資方擁有控制權。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

3. 主要會計政策 (續)

綜合基準 (續)

倘本集團於被投資方之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控被投資方之相關業務時，本集團即對被投資方擁有權力。在評估本集團於被投資方之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權之規模相較其他投票權持有人所持投票權之規模及分散度；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 可顯示於需要作出決定時，本集團當前能否掌控相關活動之任何其他事實及情況（包括於過往股東大會上之投票方式）。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

必要時，會對附屬公司之財務報表作出調整，以使彼等之會計政策與本集團會計政策一致。

有關本集團成員之間交易的所有集團內公司間之資產及負債、權益、收入、開支及現金流量於綜合賬目時悉數對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

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

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

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

3. 主要會計政策 (續)

本集團於現有附屬公司擁有權之變動

倘本集團失去附屬公司控制權，則收益或虧損於損益確認並按(i)所收代價之公平值及任何保留權益之公平值總額與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債的賬面值兩者之間的差額計算。先前於其他全面收益就該附屬公司確認之所有金額，會按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資之公平值，被視作日後根據香港會計準則第39號進行會計處理所作初始確認的公平值，於適當情況下亦會被視作首次確認於聯營公司或合營企業之投資之成本。

業務合併

業務收購採用收購法入賬。於業務合併轉撥之代價乃按公平值計量，並以本集團轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團就交換被收購方之控制權所發行之股本權益於收購日期公平值之總和計算。與收購相關之成本一般在產生時於損益內確認。

已收購可辨認資產及須承擔之負債乃於收購日期按公平值確認。惟下列項目除外：

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

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

Acquisition of a subsidiary not constituting a business

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

3. 主要會計政策 (續)

業務合併 (續)

- 與被收購方以股份為基礎之付款安排有關或與本集團以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排有關之負債或權益工具，乃於收購日期按香港財務報告準則第2號計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及終止經營業務」分類為持作出售資產（或出售組別）根據該項準則計量。

商譽是以所轉讓之代價、於被收購方中非控股權益所佔金額及收購方以往持有之被收購方股權之公平值（如有）之總和，超出收購之可辨認資產及承擔之負債於收購日期之淨值計量。倘經過重新評估後，所收購之可辨認資產與所承擔之負債淨額高於轉讓之代價、非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公平值（如有）之總和，則差額即時於損益內確認為議價購買收益。

收購並不構成業務之附屬公司

倘本集團收購並不構成業務之資產組別，本集團首先透過將購買價按各自公平值分配至財務資產及財務負債，以辨認及確認所收購之單獨可辨認資產及承擔之負債，購買價餘下之結餘則按其他單獨可辨認資產及負債於購買日期的相對公平值分配至該等單獨可辨認資產及負債。此類交易並不產生商譽或議價購買收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

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

3. 主要會計政策 (續)

商譽

自收購業務所產生之商譽按於收購業務當日之成本減累計減值虧損列賬(如有)，並於綜合財務狀況報表獨立呈列。

就減值測試而言，商譽乃分配予預期會受惠於合併所產生之協同效應之本集團現金產生單位(或現金產生單位群組)，就內部管理而言，此乃對商譽進行監察的最低水平，且不大於經營分部。

經分配商譽之現金產生單位會每年或於有跡象顯示該單位可能出現減值時進行減值測試。就報告期間進行收購所產生商譽而言，經分配商譽之現金產生單位會於報告期末前進行減值測試。倘可收回金額低於其賬面值，則會首先分配減值虧損以減低任何商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。

於出售有關現金產生單位時，商譽之應佔金額乃於出售時計入損益之釐定金額中。

收益確認

收益乃按已收或應收代價之公平值計量，是指正常業務過程中已提供服務之應收款項，扣除折扣及銷售相關稅項。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Film rights investment income represents the Group's share of box office sales from films exhibited in movie theatres, after the payment by the movie theatres of taxes and other governmental charges, deductions by movie theatres and the monies payable to National Film Industry Development Special Fund. The Group's share of profit is determined in accordance with the profit sharing ration set out in the respective film rights investment agreements.

Revenue from film rights investment is recognised when (i) the films are exhibited in movie theatres over the period, (ii) the amount of revenue can be measured reliably and (iii) the collectability of the entitled proceeds is reasonably assured.

Revenue from the production and distribution of film rights is recognised when (i) the production of films and internet drama series is completed; (ii) the Group's entitlement to such payments has been established which is upon the delivery of the master copy or materials to the customers, and; (iii) the collectability of proceeds is reasonably assured.

Agency commission and service income from property agency is recognised in the accounting period in which the services are rendered, which is generally the time when a formal agreement among the transacted parties is established.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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

3. 主要會計政策 (續)

收益確認 (續)

電影版權投資收入指在電影院放映之電影票房銷售額，並扣除電影院支付之稅項及其他政府收費，電影院之扣費，以及應付國家電影事業發展專項資金之款項後本集團所佔份額。本集團應佔溢利按相關電影版權投資協議所載溢利分成比率釐定。

來自電影版權投資之收入於符合以下條件時確認：(i)電影已於期內在電影院放映；(ii)收入金額能可靠計量；及(iii)應享所得款項之可收回性能合理確定。

來自製作及發行電影版權之收入於符合以下條件時確認：(i)電影及網絡系列影視劇製作完成時；(ii)本集團收取該等款項的權利於交付底本或材料予客戶後予以確立，及；(iii)所得款項之可收回性能合理確定。

物業代理之佣金及服務收入於提供服務之會計期間確認，一般為相關交易方訂立正式協議之時。

來自投資之股息收入於股東收取款項之權利確立時予以確認。

利息收入乃參照未償還本金按適用之實際利率按時間比例計算(適用之實際利率即準確貼現財務資產預計年內估計未來現金收入至資產於初始確認時之賬面淨值之利率)。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

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

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

3. 主要會計政策 (續)

租賃

倘租賃條款使擁有權之絕大部分風險和回報轉移至承租人，有關租賃乃分類為融資租賃。所有其他租賃則分類為經營租賃。

本集團作為承租人

經營租賃款項於租期按直線法確認為開支。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠之累計利益乃以直線法沖減租金開支確認。然而如另有系統性基準較時間性模式更具代表性，租賃資產之經濟效益據此被消耗除外。

外幣

於編製集團各個別實體財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易，乃按於交易日之匯率確認。於報告期末，以外幣定值之貨幣項目乃按當日之匯率重新換算。按公平值列賬且以外幣定值之非貨幣項目乃按釐定公平值當日之匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算產生之匯兌差額，乃於該等匯兌差額產生之期間在損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

The functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions relevant to the group entity. The group entity applies the translation procedures applicable to the new functional currency prospectively from the date of the change. At the date of the change, the group entity translates all items into the new functional currency using the prevailing exchange rate at that date and the resulting translated amounts for non-monetary items are treated as their historical cost.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 主要會計政策 (續)

外幣 (續)

就呈報綜合財務報表而言，本集團海外業務之資產及負債乃按各報告期末之通行匯率換算為本集團之呈報貨幣(即港幣)。收入及開支項目則按本年度之平均匯率換算，惟倘年內匯率顯著波動則除外，於該情況下，則採用交易日期之通行匯率。所產生之匯兌差額(如有)將於其他全面收益中確認並於匯兌儲備下的權益中累計。

集團實體之功能貨幣僅在與該集團實體有關的相關交易、事件及狀況發生變化時，方可變更。該集團實體將於變更日期前瞻性地應用適用於新功能貨幣的換算程序。於變更日期，該集團實體採用當日的適用匯率將所有項目換算為新的功能貨幣，所產生的非貨幣項目之換算金額視作其歷史成本。

收購海外業務所產生之商譽以及所收購可辨認資產之公平值調整，均當作該海外業務之資產與負債處理，並按於各報告期末適用之匯率換算。所產生之匯兌差額將於其他全面收益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

借貸成本

收購、建設或生產合資格資產(指需要用上大量時間準備就緒以供擬定用途或銷售之資產)直接應佔之借貸成本乃計入該等資產之成本,直至該等資產差不多已準備就緒以供擬定用途或銷售為止。

若未用作合資格資產開支之特定借貸暫時用於投資,所賺取之投資收入自合資格作資本化之借貸成本扣除。

所有其他借貸成本於產生期間於損益內確認。

政府補助

政府補助不予確認入賬,除非有合理保證證明本集團將遵守其附帶條件及將收取補貼。

政府補助乃於本集團將擬以補貼所補償相關成本確認為開支的期間內以有系統基準在損益賬確認。

應收作補償已產生之開支或虧損或向本集團提供即時財務支援而無未來相關成本之政府補助於成為應收款項的期間於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefits scheme.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 主要會計政策 (續)

退休福利成本

就國家管理退休福利計劃及強制性公積金計劃(「強積金計劃」)作出之付款於僱員提供可獲取該等供款之服務時確認為開支。

倘本集團根據國家管理退休福利計劃須履行的責任相當於特定供款的退休福利計劃的責任，則就該計劃作出之付款視作為特定供款計劃的供款。

短期及其他長期僱員福利

短期僱員福利按預期將於有關僱員提供服務時支付之福利的未貼現金額確認。所有短期僱員福利均確認為開支，除非香港財務報告準則的其他準則要求或允許將該等福利計入資產成本。

僱員應計福利(如工資及薪金、年假及病假)扣除任何已支付金額後確認為負債。

就其他長期僱員福利所確認之負債乃按本集團預期將就僱員截至報告日期提供服務所支付之估計未來現金流出現值計量。由服務成本、利息及重新計量導致之任何負債賬面值變化均於損益內確認，除非香港財務報告準則的其他準則要求或允許將其計入資產成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received. The fair values of the goods or services received are recognised as expenses unless the goods or services qualify for recognition as assets.

Taxation

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

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

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

3. 主要會計政策 (續)

以股份為基礎之付款交易

以權益結算並以股份為基礎之付款交易

與僱員以外之人士進行之以權益結算並以股份為基礎之付款交易按已收取貨物或服務之公平值計量。除非貨物或服務符合資產確認資格，否則已收取貨物或服務之公平值確認為開支。

稅項

所得稅支出指本期應付稅項及遞延稅項之和。

本期應付稅項乃按年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表所報「除稅前溢利」不同，此乃由於其他年度應課稅或可扣減之收入或支出項目及永不課稅或扣減之項目。本集團之本期稅項負債乃使用於報告期末已制訂或實質上已制訂之稅率計算。

遞延稅項乃按於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之臨時差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認。遞延稅項資產則通常限於日後之應課稅溢利頗有可能足以抵銷全部可扣減之暫時差異時確認。若暫時差異因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中初步確認資產及負債而引致，則不會確認該等遞延稅項資產及負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

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

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債就與附屬公司有關投資產生之應課稅臨時差額確認，惟倘本集團能控制臨時差額撥回且臨時差額於可見未來有可能不會撥回則作別論。與該等投資及權益相關之可抵扣臨時差額所產生之遞延稅項資產僅在動用臨時差額利益時可能有足夠之應課稅溢利且預期在可見將來其將被撥回時，方可確認。

遞延稅項資產之賬面值會於各報告期末作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項資產及負債以負債被清償或資產被變現之期間預期適用之稅率衡量，並根據於報告期末已制訂或實際上已制訂之稅率（和稅務法例）計算。

遞延稅項負債及資產之計量反映隨本集團預期於報告期末收回或償還資產及負債賬面值所產生之稅務後果。

本期及遞延稅項於損益內確認，惟當與其他全面收益或直接於權益確認之項目有關之情況下，本期及遞延稅項則同樣分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計方法產生本期稅項或遞延稅項，有關稅務影響將計入業務合併之會計。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Impairment losses on tangible assets

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

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備乃按成本減其後累計折舊及累計減值虧損(如有)列於綜合財務狀況報表。

物業、廠房及設備項目之折舊按直線法於其估計使用年期確認以撇銷成本(經扣除估計剩餘價值)。估計使用年期、剩餘價值及折舊方法於各報告期末進行檢討,任何估計變動產生之影響按非追溯基準入賬。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時解除確認。出售或廢棄物業、廠房及設備項目所得之任何收益或虧損,按銷售所得款項與資產賬面值之差額釐定,並於損益內確認。

有形資產的減值虧損

本集團於各報告期末檢討有限可使用年期之有形資產的賬面值,以確定有否跡象顯示該等資產出現減值虧損。如存在任何該等跡象,則估計資產之可收回金額以確定減值虧損(如有)程度。倘無法估計單項資產之可收回金額,則本集團估計資產所屬現金產生單位之可收回金額。倘可識別分配之合理一致基準,則公司資產亦分配至獨立現金產生單位或以其他方式分配至可識別合理一致分配基準之現金產生單位最小組別。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible assets (Continued)

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

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

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

Provisions

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

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

3. 主要會計政策 (續)

有形資產的減值虧損 (續)

可收回金額為公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時間值及未調整未來現金流量估計之資產特定風險的評估的稅前貼現率，貼現至其現值。

倘資產之可收回金額估計低於其賬面值，則其賬面值減至可收回金額，而減值虧損即時於損益內確認。

倘減值虧損於日後撥回，則資產之賬面值增至其重新估計可收回金額，惟增加後的賬面值不得高於假設過往年度並無就資產確認減值虧損而釐定的賬面值。減值虧損撥回即時於損益內確認。

撥備

若本集團須就過往事件而承擔現有責任，及本集團有可能須履行該項責任，並對責任之金額可作出可靠估計時，則會確認撥備。

確認為撥備之金額乃按報告期末履行現時責任所需代價之最佳估計而計量，而估計乃經考慮圍繞責任之風險及不確定性而作出。倘撥備以估計履行現時責任之現金流量計量，其賬面值為該等現金流量之現值（倘資金時間值之影響屬重大）。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Art work

Art work is shown at historical cost less any identified impairment loss.

Film and TV rights

(a) Film and TV rights

Film and TV rights represent films, television programmes and television drama series produced by the Group or acquired by the Group. Film and TV rights are stated at cost less any identified impairment loss. Costs of film and TV rights comprise fees paid and payable under agreements, direct costs/expenses incurred during the production of films and TVs, for the reproduction and/or distribution of films and TVs. The costs of film and TV rights are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income based on the proportion of actual income earned from a film and TV during the year to the total estimated income from the distribution and/or broadcasting of film and TV rights for that film and TV.

(b) Film and TV under production

Costs of film and TV under production include all direct costs associated with the production of films and TVs are transferred to film and TV rights upon completion.

(c) Impairment

At the end of each reporting period, both internal and external market information are considered to assess whether there is any indication that assets included in film and TV rights (including film and TV in production) are impaired. If any such indication exists, the carrying amount of such assets is assessed and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

3. 主要會計政策 (續)

藝術品

藝術品按歷史成本減任何可資識別的減值虧損入賬。

電影及電視劇版權

(a) 電影及電視劇版權

電影及電視劇版權指本集團製作或收購之電影、電視節目及電視劇。電影及電視劇版權乃按成本減任何可資識別減值虧損列賬。電影及電視劇版權之成本包括根據協議就電影及電視劇製作過程中複製及／或發行電影及電視劇所產生之直接成本／開支而支付及應付之費用。電影及電視劇版權之成本根據電影及電視劇於年內所得實際收入佔該電影及電視劇之版權發行及／或播映所得估計總收入之比例，於綜合損益及其他全面收益表內確認為開支。

(b) 製作中之電影及電視劇

製作中之電影及電視劇的成本包括涉及電影及電視劇製作相關的所有直接成本，於完成時轉撥至電影及電視劇版權。

(c) 減值

於每個報告期末，經由參考內部及外部市場資料，評估電影及電視劇版權中的資產（包括製作中之電影及電視劇）是否存在任何減值跡象。如存在任何減值跡象，則評估有關資產之賬面值，以及在適當情況下確認減值虧損以將資產削減至其可收回金額。有關減值虧損會於綜合損益及其他全面收益表中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Film rights investments

Film rights investments represent films invested by the Group.

Film rights investments are stated at cost less any identified impairment loss. The costs of film rights are amortised as an expense in cost of sales based on the proportion of actual income earned from a film during the year to the total estimated income from the exhibition of the film attributable to the Group, according to the profit sharing ratio specified in the film rights investment agreements.

The Group reviews and revises estimates of total projected revenue of film rights at the end of each reporting period. If estimates are revised, the Group adjusts the amount of total projected revenue (denominator) from the period when such changes in estimates take place and re calculate the ratio for amortisation of film rights. The effect from changes in estimates is recognised on a prospective basis.

Internet broadcasting rights

Internet broadcasting rights represent films and television drama series internet broadcasting rights invested by the Group. Internet broadcasting rights are stated at cost less any identified impairment loss.

Financial instruments

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

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

3. 主要會計政策(續)

電影版權投資

電影版權投資是指由本集團投資之電影。

電影版權投資按成本減任何可資識別減值虧損列賬。根據電影版權投資協議訂明之利潤分成比例，電影版權成本按照年內電影所得實際收入佔歸屬於本集團的電影放映估計總收入比例攤銷列作銷售成本開支。

本集團於各報告期末檢討及修訂對電影版權預計總收益的估計。倘修訂估計，本集團從更改估計當期起調整預計總收益(分母)金額，並重新計算電影版權之攤銷比率。更改估計產生之影響按非追溯基準確認。

網絡播映權

網絡播映權指本集團投資的電影及電視劇網絡播映權。網絡播映權按成本減任何可資識別減值虧損列賬。

金融工具

財務資產及財務負債乃於一間集團實體成為工具合約條文之一方時在綜合財務狀況報表確認。

財務資產及財務負債乃初步按公平值計量。收購或發行財務資產及財務負債(按公平值計入損益之財務資產及財務負債除外)直接應佔之交易成本於初步確認時計入或自財務資產或財務負債之公平值(以合適者為準)扣除。收購按公平值計入損益之財務資產或財務負債直接應佔之交易成本即時於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets comprise of investments held for trading, available-for-sale investment and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

3. 主要會計政策 (續)

金融工具 (續)

財務資產

本集團之財務資產包括持作買賣投資、可供出售投資以及貸款及應收款項。分類乃基於財務資產之性質及目的，並於初步確認時予以釐定。所有以正規途徑購買或銷售之財務資產乃按交易日期基準確認及解除確認。正規途徑買賣乃要求於市場法規或慣例所確定之時間框架內交付資產之財務資產買賣。

實際利率法

實際利率法為計算一項債務工具之攤銷成本及按有關期間分配利息收入之方法。實際利率為按債務工具之預期可使用年期或(倘合適)較短期間，實際折讓估計未來現金收入(包括構成實際利率之組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)至初步確認時之賬面淨值所採用的利率。

債務工具之利息收入乃按實際利息基準確認。

按公平值計入損益(「按公平值計入損益」)之財務資產

當財務資產為持作買賣或指定為按公平值計入損益時，則該財務資產分類為按公平值計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss ("FVTPL") (Continued)

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other losses line item. Fair value is determined in the manner described in note 30(c).

Available-for-sale ("AFS") investment

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

按公平值計入損益 (「按公平值計入損益」) 之 財務資產 (續)

財務資產會被列為持作買賣，倘：

- 購入主要為於不久將來銷售；或
- 於初步確認時構成本集團合併管理之可辨認金融工具之組合之一部分及具有最近實際短期獲利模式；或
- 財務資產為未被指定之衍生工具及可有效作為對沖工具。

按公平值計入損益之財務資產乃按公平值計量，而重新計量產生之任何收益或虧損均於損益內確認。確認於損益內之淨收益或虧損不包括財務資產所賺取之任何股息或利息，並計入其他虧損項目中。公平值以附註30(c)所述方式釐定。

可供出售 (「可供出售」) 投資

可供出售財務資產乃指定為可供出售或並非分類為(a)貸款及應收款項，(b)持有至到期投資或(c)按公平值計入損益之財務資產的非衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale ("AFS") investment (Continued)

Equity securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method, are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

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

3. 主要會計政策 (續)

金融工具 (續)

財務資產 (續)

可供出售 (「可供出售」) 投資 (續)

於各報告期末，本集團所持有分類為可供出售財務資產並於活躍市場買賣的股本證券乃按公平值計量。與按實際利率法計算之利息收入相關的可供出售貨幣財務資產之賬面值變動於損益內確認。可供出售權益工具之股息於本集團收取股息之權利確立時在損益內確認。可供出售財務資產賬面值之其他變動於其他全面收益內確認，並於「投資重估儲備」項下累計。倘投資被出售或被釐定為已減值，則之前於投資重估儲備累計之累積收益或虧損會重新分類至損益。

於活躍市場上並無市場報價且其公平值不能可靠計量之可供出售股權投資，及與股權投資掛鈎且必須以該等沒有報價的股權投資作交收之衍生工具，則於各報告期末按成本扣除任何可資識別減值虧損計量。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生財務資產，該等資產於活躍市場上並無報價。於初步確認後，貸款及應收款項(包括應收賬款及其他應收款項及銀行結餘及現金)乃使用實際利率法按攤銷成本，減任何可資識別減值虧損列賬(見下文財務資產減值虧損之會計政策)。

利息收入採用實際利率確認，惟倘確認之利息微乎其微，則短期應收款項除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

3. 主要會計政策 (續)

金融工具 (續)

財務資產之減值

於各報告期末須評估財務資產(按公平值計入損益之財務資產除外)是否有減值跡象。倘有任何客觀證據，證明財務資產之估計未來現金流量由於一個或多個於初步確認財務資產後發生之事項而受到影響，則財務資產將視為已減值。

就可供出售股權投資而言，有關證券公平值大幅或持久下跌至其成本以下即被視為減值之客觀證據。

就所有其他財務資產而言，減值之客觀證據可包括：

- 發行人或交易對手遭遇重大財務困難；或
- 違反合約，如拖欠或逾期交付利息或本金；或
- 借款人有可能面臨破產或進行財務重組。

應收款項組合出現減值之客觀證據可能包括本集團過往收款記錄、組合內延遲付款超過30至90天平均信貸期之數目增加以及導致應收款項違約之全國或地方經濟狀況明顯變動。

就按攤銷成本列賬之財務資產而言，已確認減值虧損金額為該資產之賬面值與估計未來現金流量以財務資產之原實際利率貼現之現值間之差額。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

3. 主要會計政策 (續)

金融工具 (續)

財務資產之減值 (續)

除應收賬款透過使用撥備賬扣減賬面值外，所有財務資產之減值虧損將直接於財務資產之賬面值中扣減。撥備賬之賬面值變動會於損益內確認。當應收賬款被視為不可收回時，其將於撥備賬內撇銷。早前已撇銷款項如其後收回，將計入損益。

倘可供出售財務資產被視為已減值，先前於其他全面收益確認的累積收益或虧損將於有關期間重新分類至損益。

就按攤銷成本計量之財務資產而言，在其後期間，倘減值虧損金額減少，而有關減少客觀上與確認減值虧損之後發生之事項有聯繫，則先前確認之減值虧損會透過損益撥回，但該撥回不應導致該資產在減值撥回日期之賬面值超過不確認減值情況下之攤銷成本。

對於可供出售股權投資，先前於損益中確認之減值虧損不會透過損益撥回。減值虧損後之任何公平值增加乃於其他全面收益中確認，並於「投資重估儲備」項下累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables) are subsequently measured at amortised cost using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

財務負債及權益工具

集團實體發行之債務及權益工具乃根據合約安排之內容與財務負債及權益工具之定義分類為財務負債或權益。

權益工具

權益工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。本公司發行之權益工具以扣減直接發行成本後所收取之所得款項確認。

實際利率法

實際利率法為計算財務負債之攤銷成本及按有關期間分配利息費用之方法。實際利率為按財務負債之預期可使用年期或(倘合適)較短期間，實際折讓估計未來現金付款(包括構成實際利率之組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)至初步確認時之賬面淨值所採用的利率。

利息開支按實際利率基準確認。

財務負債

財務負債(包括應付賬款及其他應付款項)其後使用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3. 主要會計政策 (續)

金融工具 (續)

解除確認

惟倘資產現金流量之合約權利屆滿時，或將其財務資產或該等資產所有權之絕大部分風險及回報轉移予另一實體時，本集團方會解除確認財務資產。

於解除確認整項財務資產時，該項資產賬面值與已收及應收代價及於其他全面收益確認並於權益中累計之累積收益或虧損總額之差額在損益內確認。

本集團於且僅於其責任已被解除、註銷或屆滿時方會解除確認財務負債。解除確認之財務負債賬面值與已付及應付代價之差額乃於損益內確認。

4. 重大會計判斷及估計不確定性之主要來源

在應用本集團會計政策(於附註3載述)時，本公司董事須就無法從其他渠道可靠獲得依據之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃基於歷史經驗及其他被視為相關之因素而作出。實際結果或會有別於該等估計。

估計及相關假設乃持續檢討。倘會計估計之修訂僅影響作出修訂之期間，則有關修訂會在該期間確認，或倘修訂對現時及未來期間均有影響，則須在作出修訂之期間及未來期間確認。

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

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition on film rights investment

The directors of the Company considered whether it was appropriate to recognise the revenue from the film rights investment of HK\$5,073,000 in the current year, which is in line with the Group's general policy of recognising revenue from film rights investment when (i) the films are exhibited in movie theatres over the period, (ii) the amount of revenue can be measured reliably and (iii) the collectability of the entitled proceeds is reasonably assured.

In making the judgment, the directors of the Company considered the detailed criteria for the recognition of revenue from film and TV rights set out in HKAS 18 and, in particular, whether the Group had received the revenue breakdown from the vendor, the directors of the Company are satisfied that the amount of revenue can be measured reliably and collectability of the entitled proceeds is reasonably assured following the films are exhibited in movie theatres over the period.

Key sources of estimation uncertainty

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

4. 重大會計判斷及估計不確定性之主要來源 (續)

應用會計政策之重要判斷

下列為董事於應用本集團會計政策的過程中所作出且對於綜合財務報表中確認的金額具有最重大影響的關鍵判斷(除該等涉及估計者外(見下文))。

電影版權投資之收益確認

根據本集團的一般政策，來自電影版權投資之收益於符合以下條件時確認：(i)電影於期內在電影院放映；(ii)收益金額能可靠計量；及(iii)應享所得款項之可收回性能合理確定。本公司董事據此考慮於本年度確認來自電影版權投資之收益港幣5,073,000元是否合適。

在作出判斷時，本公司董事已考慮香港會計準則第18號所述之來自電影及電視劇版權之收益確認相關之詳細準則，以及(尤其是)無論本集團是否接納賣家之收益明細，本公司董事信納緊隨電影於期內在電影院放映後，收益金額能可靠計量及應享所得款項之可收回性能合理確定。

估計不確定性之主要來源

以下列載於報告期末就未來和其他估計之不明朗因素之主要來源所作出之主要假設，而彼等足以致使下一個財政年度之資產及負債賬面值發生重大調整之重大風險。

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

Estimated impairment of prepayment on film and TV rights

At the end of the reporting period, the management of the Group assesses the impairment on prepayment on film and TV rights with reference to its utilisation of prepayment. The assessment would be made on a film-by-film basis. During the year ended, the Group is still negotiating with film directors for the film and TV rights investment plan, there is no any acceptance for any investment in film and internet drama production.

Based on the management assessment's on the recoverability of prepayment of film and TV rights, the directors of the Company determined that no impairment provision to be charged to prepayment of film and TV rights during the year ended 31 December 2016 (2015: nil).

Estimated impairment of film and TV rights

At the end of the reporting period, the management of the Group assesses the impairment on film and TV rights with reference to its recoverable amount. The assessment was made on a film-by-film basis. The recoverable amount of the film and TV rights was determined based on the present value of the expected future revenue generated from the film less future cost of sales and service.

If the recoverable amount is lower than the carrying amount, the carrying amount of the film and TV rights will be written down to its recoverable amount. The Group's estimation of impairment provision of film rights reflects the management's best estimate of future cash flows expected to be generated from film and TV rights.

Based on the management assessment's on the recoverability of film and TV rights, the directors of the Company determined that no impairment provision to be charged to cost of sales and services rendered during the year ended 31 December 2016 (2015: nil).

4. 重大會計判斷及估計不確定性之主要來源 (續)

電影及電視劇版權預付款之估計減值

於報告期末，本集團管理層參照電影及電視劇版權預付款的使用情況評估其預付款減值。評估按單部電影基準進行。年末，本集團仍與電影導演就電影及電視劇版權投資計劃進行協商，因此並無接納任何電影及網絡影視劇製作之投資。

根據管理層就電影及電視劇版權預付款可收回性之評估，本公司董事認為，於截至二零一六年十二月三十一日止年度並無減值撥備將計入電影及電視劇版權預付款(二零一五年：無)。

電影及電視劇版權之估計減值

於報告期末，本集團管理層參照電影及電視劇版權之可收回金額評估其減值。評估按單部電影基準進行。電影及電視劇版權之可收回金額乃根據電影產生之預期未來收益減未來銷售及服務成本之現值計算。

倘可收回金額低於賬面值，則電影及電視劇版權之賬面值將撇減至其可收回金額。本集團對電影版權減值撥備之估計反映管理層就電影及電視劇版權預期產生之未來現金流量之最佳估計。

根據管理層就電影及電視劇版權可收回性之評估，本公司董事認為，於截至二零一六年十二月三十一日止年度並無減值撥備將計入銷售及提供服務成本(二零一五年：無)。

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

Cost of film rights investments recognised as an expense

The costs of film rights are recognised as expenses based on the proportion of actual income earned from a film right during the year to the total estimated income from the exhibition of the film attributable to the Group, according to the profit sharing ratio specified in the film rights investment agreements. The Group is required to estimate the projected revenue of the film which requires the use of judgement and assumptions with reference to the prevailing and future market conditions. Changes in these estimate and assumptions could have a material effect on the cost of film rights to be recognised as expenses.

During the year ended 31 December 2016, the cost of film rights investments recognised as an expense included in cost of sales and services rendered is HK\$13,723,000 (2015: HK\$184,615,000).

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate is computed at initial recognition, where applicable). Where the actual future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade receivables was HK\$6,199,000 (net of allowance for doubtful debts of HK\$2,278,000) (2015: carrying amount of HK\$238,090,000, net of allowance for doubtful debts of HK\$7,557,000).

4. 重大會計判斷及估計不確定性之主要來源 (續)

電影版權投資成本確認為開支

電影版權成本按照年內電影版權所得實際收入佔根據電影版權投資協議訂明之利潤分成比例歸屬於本集團的電影放映估計總收入之比例確認為開支。本集團須經參考當時及未來市況後採用判斷及假設而估計電影的預計收益。該等估計及假設的變動可對有待確認為開支的電影版權成本造成重大影響。

於截至二零一六年十二月三十一日止年度，確認為開支並計入銷售及提供服務成本的電影版權投資成本為港幣13,723,000元（二零一五年：港幣184,615,000元）。

應收賬款之估計減值

倘有減值虧損之客觀憑證時，本集團則考慮估計未來之現金流量。減值虧損之金額乃按資產之賬面值與按財務資產之原實際利率（即按初步確認時計算之實際利率（如適用））折現之估計未來現金流量現值（不包括並未產生之將來信貸虧損）之差額計量。倘實際未來現金流量低於預期，或由於事實及情況變化而下調，則可能出現重大減值虧損。於二零一六年十二月三十一日，應收賬款之賬面值為港幣6,199,000元（已扣除港幣2,278,000元的呆賬撥備）（二零一五年：賬面值為港幣238,090,000元，已扣除港幣7,557,000元的呆賬撥備）。

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5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Film rights investment income net of tax	5,073	217,701
Property agency commission and service income in Hong Kong and the PRC	11,039	49,212
	16,112	266,913

(a) During the year ended 31 December 2015, the Group entered into agreements with 東陽映月影視文化傳播有限公司 ("東陽映月"), a company in which Mr. Ning Ho ("Mr. Ning"), a non-executive director of the Company, has beneficial interest, to invest in income right of a film at a consideration of RMB11,800,000 (equivalent to approximately HK\$13,722,000) (note 37(a)), whereby the Group can share 20% of net income of box office sales income from exhibition in movie theatres less taxes and other governmental charges, deduction by movie theatres, payment for industrial development fund as well as other payment in relation to production and distribution of the film, royalty income on copyright on the internet, royalty income on copyright on game of using the content and income from placement marketing. During the year ended 31 December 2016, the film was released and the entire film and TV rights was recognised as cost of sales.

The amount of RMB5,414,000 (equivalent to approximately HK\$6,296,000) (note 37(a)) represented the share of such net income of box office sales income from exhibition in movie theatres including tax, royalty income on copyright on the internet, royalty income on copyright on game of using the content, income from placement marketing, and the respective film rights investment cost was recognised as cost of sales accordingly.

5. 收益

年內，本集團的收益分析如下：

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
電影版權投資收入(扣除稅項)	5,073	217,701
於香港及中國的物業代理佣金及服務收入	11,039	49,212
	16,112	266,913

(a) 於二零一五年十二月三十一日止年度，本集團與由寧浩先生(「寧先生」，本公司非執行董事)實益擁有的東陽映月影視文化傳播有限公司(「東陽映月」)訂立協議，以代價人民幣11,800,000元(相當於約港幣13,722,000元)(附註37(a))投資一部電影收益權，據此，本集團可從電影院放映所得票房銷售收入(經扣減稅項及其他政府收費、電影院扣費、行業發展基金付費及與電影製作及發行相關的其他費用、互聯網版權特許費收入、遊戲使用內容版權特許費收入、植入式市場推廣收入後)中分佔收入淨額的20%。於截至二零一六年十二月三十一日止年度，該電影已發行，故全數電影及電視劇版權已確認為銷售成本。

人民幣5,414,000元(相當於約港幣6,296,000元)(附註37(a))為分佔上述經電影院放映所得票房之銷售收入淨額(包括稅項)、互聯網版權特許費收入、遊戲使用內容版權特許費收入、植入式市場推廣收入，而相關電影版權投資成本已相應地被確認為銷售成本。

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5. REVENUE (Continued)

- (b) During the year ended 31 December 2015, the Group entered into agreements with Beijing Joy Leader Culture Communication Co. Ltd. (北京真樂道文化傳播有限公司) (“北京真樂道”), a company in which Mr. Xu Zheng (“Mr. Xu”), a non-executive director of the Company, has beneficial interest, to acquire film rights at a consideration of RMB150,000,000 (equivalent to approximately HK\$184,615,000) (note 37(a)), whereby the Group can share 47.5% box office sales income from exhibition in movie theatres less taxes and other governmental charges, deduction by movie theatres, payment for industrial development fund as well as other payment in relation to production and distribution of the film.

The amount of RMB188,173,000 (equivalent to approximately HK\$231,597,000) (note 37(a)) represented the share of such net box office sales income from exhibition in movie theatres including tax, and the respective film rights investment cost was recognised as cost of sales accordingly.

6. SEGMENT INFORMATION

The following is an analysis of the Group’s revenue and results by operating and reportable segments, based on information provided to the chief operating decision maker (“CODM”) representing the executive directors of the Company, for the purpose of resource allocation and assessment of segment performance on types of services provided and goods sold. This is also the basis upon which the Group is arranged and organised.

5. 收益 (續)

- (b) 於截至二零一五年十二月三十一日止年度，本集團與由徐崢先生（「徐先生」，本公司非執行董事）實益擁有的北京真樂道文化傳播有限公司（「北京真樂道」）訂立協議，以代價人民幣150,000,000元（相當於約港幣184,615,000元）（附註37(a)）收購電影版權。據此，本集團可從電影院放映所得票房銷售收入（經扣減稅項及其他政府收費、電影院扣費、行業發展基金付費以及與電影製作及發行相關的其他費用後）中分佔47.5%。

人民幣188,173,000元（相當於約港幣231,597,000元）（附註37(a)）為分佔上述經電影院放映所得票房之銷售收入淨額（包括稅項），而相關電影版權投資成本已相應地被確認為銷售成本。

6. 分部資料

以下為按經營及可呈報分部劃分之本集團收益及業績分析，分析乃基於就資源分配及按所提供服務及所銷售貨品之類別評估分部表現而向主要經營決策者（「主要經營決策者」，即本公司之執行董事）提供之資料。此亦為本集團部署及組織之基礎。

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6. SEGMENT INFORMATION (Continued)

The Group's operations are currently organised into three operating and reportable segments as follows:

Film rights investment	–	Film rights investment and investment in film and TV rights
Property agency in Hong Kong and the PRC	–	Provision of property agency and related services in Hong Kong and the PRC
Securities trading and investments	–	Securities trading and investments

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

6. 分部資料(續)

本集團之業務現時分為三個經營及可呈報分部，詳情如下：

電影版權投資	–	電影版權投資及電影及電視劇版權投資
香港及中國之物業代理	–	於香港及中國提供物業代理及相關服務
證券買賣及投資	–	證券買賣及投資

本集團按經營及可呈報分部劃分之收益及業績分析如下：

	Film rights investment		Property agency in Hong Kong and the PRC		Securities trading and investments		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment revenue	分部收益							
– External sales net of tax	– 外部銷售 (扣除稅項)							
	5,073	217,701	11,039	49,212	–	–	16,112	266,913
Segment (loss) profit	分部(虧損)溢利							
	(1,191,294)	33,170	(1,193)	(9,690)	(2,816)	(1,832)	(1,195,303)	21,648
Unallocated corporate income	未分配之企業收入						9,211	4,513
Unallocated corporate expenses	未分配之企業開支						(67,653)	(28,710)
Share-based payments to a financial adviser	向財務顧問以股份為基礎之付款						–	(81,000)
Finance costs	財務費用						–	(617)
Loss before tax	除稅前虧損						(1,253,745)	(84,166)

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6. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segments: (Continued)

6. 分部資料 (續)

本集團按經營及可呈報分部劃分之收益及業績分析如下：(續)

	Film rights investment		Property agency in Hong Kong and the PRC		Securities trading and investments		Consolidated	
	電影版權投資	2016	2015	香港及中國之物業代理	2016	2015	證券買賣及投資	2016
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Other information (included in measure of segment (loss) profit)	其他資料 (計入分部(虧損)溢利)							
Loss on change in fair value of investments held for trading	-	-	-	-	4,236	1,691	4,236	1,691
Investment and other income	2,674	2,237	312	127	1,433	11	4,419	2,375
Depreciation of property, plant and equipment	359	4	89	605	-	-	448	609
Loss on disposal of property, plant and equipment	-	-	23	84	-	-	23	84
Impairment loss on available-for-sale investment	15,333	-	-	-	-	-	15,333	-
Impairment loss on trade receivables	-	-	30	1,551	-	-	30	1,551
Impairment loss on goodwill	-	-	-	4,395	-	-	-	4,395
Share-based payments to film directors	1,120,472	-	-	-	-	-	1,120,472	-

All of the segment revenue net of tax on film rights investment above is from a related party (note 37(a)). All of the segment revenue on property agency reported above are from external customers.

上述電影版權投資之所有分部收益(扣除稅項)均來自一名關連人士(附註37(a))。上述呈報的物業代理之所有分部收益均來自外部客戶。

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6. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss) profit represents the (loss) profit from each segment without allocation of unallocated corporate income (which mainly includes loan interest income, bank interest income, gain on disposal of subsidiaries, exchange gain and sundry income), unallocated corporate expenses (which mainly include administrative expenses), share-based payments to a financial adviser and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

6. 分部資料(續)

經營分部所用之會計政策與附註3所述本集團之會計政策相同。分部(虧損)溢利指各分部的(虧損)溢利，但並無分配未分配企業收入(主要包括貸款利息收入、銀行利息收入、出售附屬公司之收益、匯兌收益及雜項收入)、未分配企業開支(主要包括行政開支)、向財務顧問以股份為基礎之付款及財務費用。此乃為就資源分配及評估表現而向主要經營決策者匯報的計量指標。

分部資產及負債

按經營及可呈報分部劃分之本集團資產及負債分析如下：

		Film rights investment		Property agency in Hong Kong and the PRC		Securities trading and investments		Consolidated	
		電影版權投資		香港及中國之物業代理		證券買賣及投資		綜合	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
ASSETS	資產								
Segment assets	分部資產	734,966	265,839	8,015	21,287	52,768	56,418	795,749	343,544
Unallocated assets	未分配資產	-	-	-	-	-	-	215,806	711,741
Consolidated total assets	綜合資產總值							1,011,555	1,055,285
LIABILITIES	負債								
Segment liabilities	分部負債	165,624	38,574	9,492	19,855	1,628	2,582	176,744	61,011
Unallocated liabilities	未分配負債	-	-	-	-	-	-	7,900	4,158
Consolidated total liabilities	綜合負債總額							184,644	65,169

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6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, art work, certain other receivables and certain bank balances and cash; and
- all liabilities are allocated to operating and reportable segments other than certain other payables and certain tax payable.

Entity-wide disclosures

Geographical information

The Group's current operations are mainly located in the PRC and Hong Kong.

Information about the Group's revenue net of tax is presented based on the location of the operations. Information about the Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

6. 分部資料 (續)

分部資產及負債 (續)

為監察分部表現及在分部間分配資源：

- 所有資產分配至經營及可呈報分部，惟若干物業、廠房及設備、藝術品、若干其他應收款項及若干銀行結餘及現金除外；及
- 所有負債分配至經營及可呈報分部，惟若干其他應付款項及若干應付稅項除外。

實體範圍內披露

地區資料

本集團現時的業務主要位於中國及香港。

本集團之收益(扣除稅項)資料按業務地點呈列。按資產所在地劃分之本集團非流動資產(不包括金融工具)資料詳情如下：

		Revenue 收益		Non-current assets 非流動資產	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$' 000 港幣千元	HK\$' 000 港幣千元	HK\$' 000 港幣千元	HK\$' 000 港幣千元
Hong Kong	香港	10,288	48,480	125,689	1,682
PRC	中國	5,824	218,315	125,411	144
Others	其他	–	118	–	–
		16,112	266,913	251,100	1,826

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6. SEGMENT INFORMATION (Continued)

Information about major customers

For the years ended 31 December 2016 and 2015, revenue from customers of the corresponding years contributing over 10% of the total revenue net of tax of the Group are as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Customer A ¹	客戶 A ¹	5,756	– ³
Customer B ²	客戶 B ²	5,073	– ³
Customer C ²	客戶 C ²	– ³	217,701

¹ Revenue from property agency in Hong Kong.

² Revenue from film rights investment in the PRC.

³ The corresponding customer did not contribute over 10% of the total revenue of the Group.

6. 分部資料(續)

主要客戶資料

截至二零一六年及二零一五年十二月三十一日止年度，於相應年度客戶對本集團總收益(扣除稅項)的貢獻逾10%之收益如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Customer A ¹	客戶 A ¹	5,756	– ³
Customer B ²	客戶 B ²	5,073	– ³
Customer C ²	客戶 C ²	– ³	217,701

¹ 香港物業代理收益。

² 中國電影版權投資收益。

³ 相關客戶的貢獻並無超過本集團總收益之10%。

7. INVESTMENT AND OTHER INCOME

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Interest on bank deposits	銀行存款利息	907	2,335
Interest on loan receivable	應收貸款利息	22	4,173
Dividend income	股息收入	1,433	–
Government grant (note 36)	政府補助(附註36)	2,245	–
Sundry income	雜項收入	608	380
		5,215	6,888

7. 投資及其他收入

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8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss on change in fair value of investments held for trading	持作買賣投資之公平值變動虧損	(4,236)	(1,691)
Gain on disposal of subsidiaries (note 32)	出售附屬公司之收益(附註32)	797	-
Impairment loss on trade receivables	應收賬款之減值虧損	(30)	(1,551)
Impairment loss on available-for-sale investment	可供出售投資之減值虧損	(15,333)	-
Exchange gain	匯兌收益	7,817	-
Loss on acquisitions of assets through acquisitions of subsidiaries (note 31)	透過收購附屬公司而收購資產之虧損(附註31)	-	(1,109)
		(10,985)	(4,351)

9. FINANCE COSTS

9. 財務費用

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Interest expense on loan payable	應付貸款之利息開支	-	617

10. INCOME TAX EXPENSE

10. 所得稅開支

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
The tax charge comprises:	稅項開支包括：		
Current Tax	本期稅項		
- Hong Kong Profits Tax	- 香港利得稅	-	371
- PRC Enterprise Income Tax ("EIT")	- 中國企業所得稅 (「企業所得稅」)	-	8,282
		-	8,653
Overprovision in prior year	上年度超額撥備		
- Hong Kong Profits Tax	- 香港利得稅	-	(23)
		-	8,630

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10. INCOME TAX EXPENSE (Continued)

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

兩個年度之香港利得稅均按估計應課稅溢利以稅率16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

本年度之所得稅開支與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss before tax	除稅前虧損	(1,253,745)	(84,166)
Tax at the applicable rate of 25% (2015: 25%) (Note)	按適用稅率25%計算之稅項 (二零一五年：25%)(附註)	(313,436)	(21,041)
Tax effect of expenses not deductible for tax purpose	不可用作扣稅開支之稅務影響	190,568	23,313
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(7,343)	(900)
Tax effect of temporary difference not recognised	未確認臨時差額之稅務影響	(183)	(115)
Tax effect of tax loss not recognised	未確認稅務虧損之稅務影響	26,759	5,066
Overprovision in prior year	上年度之超額撥備	-	(23)
Utilisation of tax loss previously not recognised	使用先前未確認之稅務虧損	-	(41)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法管轄權區經營之附屬 公司不同稅率之影響	103,635	2,371
Income tax expense for the year	本年度所得稅開支	-	8,630

Note: The domestic income tax rate is changed to 25% as the Group's operations are substantially based in the PRC for both years.

附註：由於本集團兩個年度之業務大部分均位於中國，故本地所得稅稅率改為25%。

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11. LOSS FOR THE YEAR

11. 本年度虧損

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss for the year has been arrived at after charging (crediting):	本年度虧損經扣除(計入)下列各項:		
Directors' remuneration, including retirement benefits scheme contributions (note 12)	董事酬金(包括退休福利計劃供款)(附註12)	18,054	6,546
Other staff costs	其他員工成本	23,501	15,865
Other staff's retirement benefits scheme contributions	其他員工之退休福利計劃供款	1,941	539
Total staff costs	員工成本總額	43,496	22,950
Auditor's remuneration	核數師酬金	1,726	1,280
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,012	788
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	(268)	(66)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	606	87
Operating lease payments for office premises, shops and photocopying machines	辦公室物業、商舖及複印機經營租賃款項	13,629	5,236
Commission expense on property agency	物業代理佣金之開支	6,843	34,645

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12. DIRECTORS' AND EXECUTIVE'S EMOLUMENTS

Directors' and executive's emoluments for the year, disclosed pursuant to the applicable Listing Rules and CO, are as follows:

For the year ended 31 December 2016

12. 董事及行政人員酬金

根據適用上市規則及公司條例披露之本年度董事及行政人員之酬金如下：

截至二零一六年十二月三十一日止年度

		Salaries and other benefits	Performance related bonus	Retirement benefits scheme contributions	Total emoluments
	Fees 袍金	薪金及 其他福利	按表現發放 之花紅	退休福利 計劃供款	薪金 總額
	HK\$' 000 港幣千元	HK\$' 000 港幣千元	HK\$' 000 港幣千元	HK\$' 000 港幣千元	HK\$' 000 港幣千元
			(Note a) (附註 a)		
Executive Directors (Note b)	執行董事 (附註 b)				
Mr. Dong Ping ("Mr. Dong")	董平先生 (「董先生」)	262	1,452	2,510	-
Mr. Xiang Shaokun, Steven ("Mr. Xiang")	項紹琨先生 (「項先生」)	-	9,664	2,510	18
Sub-total	小計	262	11,116	5,020	18
Non-Executive Directors (Note c)	非執行董事 (附註 c)				
Mr. Ning	寧先生	243	-	-	-
Mr. So Chak Kwong (Note h)	蘇澤光先生 (附註 h)	180	-	-	-
Mr. Gao Zhikai	高志凱先生	243	-	-	-
Mr. Xu	徐先生	243	-	-	-
Sub-total	小計	909	-	-	-
Independent Non-Executive Directors (Note d)	獨立非執行董事 (附註 d)				
Mr. Li Xiaolong	李小龍先生	243	-	-	-
Mr. Su Tuong Sing, David	徐傳陞先生	243	-	-	-
Mr. Wong Tak Chuen	黃德銓先生	243	-	-	-
Sub-total	小計	729	-	-	-
Total	總計	1,900	11,116	5,020	18
					18,054

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12. DIRECTORS' AND EXECUTIVE'S EMOLUMENTS (Continued)

12. 董事及行政人員酬金(續)

For the year ended 31 December 2015

截至二零一五年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Retirement benefits contributions	Total emoluments
		袍金	薪金及其他福利	按表現發放之花紅	退休福利計劃供款	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
				(Note a)		
				(附註a)		
Executive Directors (Note b)	執行董事 (附註b)					
Mr. Dong (Note g)	董先生(附註g)	86	476	1,000	–	1,562
Mr. Xiang (Note g)	項先生(附註g)	–	2,791	1,000	6	3,797
Mr. Lei Hong Wai (Note e)	李雄偉先生(附註e)	–	101	–	5	106
Mr. Ng Kai Man (Note f)	吳啟民先生(附註f)	–	108	–	4	112
Mr. Cheung Kwok Fan (Note e)	張國勳先生(附註e)	–	101	–	5	106
Sub-total	小計	86	3,577	2,000	20	5,683
Non-Executive Directors (Note c)	非執行董事 (附註c)					
Mr. Ning (Note g)	寧先生(附註g)	79	–	–	–	79
Mr. So Chak Kwong (Note g)	蘇澤光先生(附註g)	79	–	–	–	79
Mr. Gao Zhikai (Note g)	高志凱先生(附註g)	79	–	–	–	79
Mr. Xu (Note g)	徐先生(附註g)	79	–	–	–	79
Sub-total	小計	316	–	–	–	316
Independent Non-Executive Directors (Note d)	獨立非執行董事 (附註d)					
Mr. Li Xiaolong (Note g)	李小龍先生(附註g)	79	–	–	–	79
Mr. Su Tuong Sing, David (Note g)	徐傳陞先生(附註g)	79	–	–	–	79
Mr. Wong Tak Chuen	黃德銓先生	180	–	–	–	180
Ms. Chio Chong Meng (Note e)	趙仲明女士(附註e)	101	–	–	–	101
Mr. Man Kong Yui (Note f)	文剛銳先生(附註f)	108	–	–	–	108
Sub-total	小計	547	–	–	–	547
Total	總計	949	3,577	2,000	20	6,546

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12. DIRECTORS' AND EXECUTIVE'S EMOLUMENTS (Continued)

Notes:

- (a) The performance related bonus is determined by reference to individual performance of the directors and approved by the Remuneration Committee.
- (b) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (c) The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.
- (d) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (e) Mr. Lei Hong Wai, Mr. Cheung Kwok Fan and Ms. Chio Chong Meng have resigned as directors of the Company on 2 September 2015.
- (f) Mr. Ng Kai Man and Mr. Man Kong Yui have resigned as directors of the Company on 18 September 2015.
- (g) Mr. Dong, Mr. Xiang, Mr. Ning, Mr. So Chak Kwong, Mr. Gao Zhikai, Mr. Xu, Mr. Li Xiaolong and Mr. Su Tuong Sing, David have been appointed as directors of the Company on 2 September 2015.
- (h) Mr. So Chak Kwong has resigned as a director of the Company on 30 September 2016.

Mr. Dong was appointed as the Chairman of the Company on 15 January 2016 and an executive director on 2 September 2015. Mr. Xiang was appointed as the Chief Executive Officer ("CEO") of the Company on 18 September 2015 and an executive director on 2 September 2015 and his emoluments disclosed above included those services rendered by him as CEO.

For the year ended 31 December 2016, other benefits included housing allowance and salary tax paid by the Group. For both 2016 and 2015, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments for both 2016 and 2015.

12. 董事及行政人員酬金 (續)

附註：

- (a) 按表現發放之花紅乃根據董事個人表現釐定，且經薪酬委員會批准。
- (b) 上表所示之執行董事薪金乃出於彼等就管理本公司及本集團事務方面所提供的服務。
- (c) 上表所示之非執行董事薪金乃出於彼等擔任本公司或其附屬公司董事所提供的服務。
- (d) 上表所示之獨立非執行董事薪金乃出於彼等擔任本公司董事所提供的服務。
- (e) 李雄偉先生、張國勳先生及趙仲明女士已於二零一五年九月二日辭任本公司董事。
- (f) 吳啟民先生及文剛銳先生已於二零一五年九月十八日辭任本公司董事。
- (g) 董先生、項先生、寧先生、蘇澤光先生、高志凱先生、徐先生、李小龍先生及徐傳陸先生已於二零一五年九月二日獲委任為本公司董事。
- (h) 蘇澤光先生已於二零一六年九月三十日辭任本公司董事。

董先生於二零一六年一月十五日獲委任為本公司主席，並於二零一五年九月二日獲委任為執行董事。項先生於二零一五年九月十八日獲委任為本公司行政總裁（「行政總裁」），並於二零一五年九月二日獲委任為執行董事，而上文所披露之酬金已包括其擔任行政總裁所提供服務而獲支付之酬金。

截至二零一六年十二月三十一日止年度，其他福利包括由本集團支付之房屋津貼及薪俸稅。二零一六年及二零一五年兩個年度內，本集團概無向任何董事支付任何酬金，作為加入本集團或加入本集團後之獎勵或作為離職補償。二零一六年及二零一五年兩個年度內概無董事放棄任何酬金。

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13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company, whose emoluments are included in note 12 above. The emoluments of the remaining three (2015: three) individuals were as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	6,348	4,303
Retirement benefits scheme contributions	退休福利計劃供款	21	41
		6,369	4,344

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至港幣 1,000,000 元	-	1
HK\$1,000,001 to HK\$1,500,000	港幣 1,000,001 元至 港幣 1,500,000 元	-	1
HK\$1,500,001 or above	港幣 1,500,001 元或以上	3	1
		3	3

14. DIVIDENDS

No dividends were paid, declared or proposed for the years ended 31 December 2016 and 2015, nor has any dividend been proposed since the end of both reporting periods.

13. 僱員酬金

本集團五名最高酬金人士包括兩名(二零一五年: 兩名)本公司董事, 其酬金詳情載於上文附註12。其餘三名(二零一五年: 三名)人士之酬金如下:

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Salaries and other benefits	6,348	4,303
Retirement benefits scheme contributions	21	41
	6,369	4,344

彼等酬金屬於下列範圍:

	Number of employees 僱員人數	
	2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	-	1
HK\$1,000,001 to HK\$1,500,000	-	1
HK\$1,500,001 or above	3	1
	3	3

14. 股息

截至二零一六年及二零一五年十二月三十一日止年度, 並無派付、宣派或建議派付任何股息, 而自該兩段報告期間結束後, 亦無建議派付任何股息。

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15. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

15. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本年度虧損	(1,253,745)	(92,796)
		Number of ordinary shares 普通股數目	
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股加權平均數	2,451,399	1,151,121
No diluted loss per share is presented in both years, as there were no potential ordinary shares outstanding during the years ended 31 December 2016 and 2015.	由於截至二零一六年及二零一五年十二月三十一日止年度並無已發行之潛在普通股，因此並無呈列兩個年度之每股攤薄虧損。		

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold improvements 租賃 物業裝修 HK\$'000 港幣千元	Furnitures, fixtures and equipment 傢俱、裝置 及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
COST	成本				
At 1 January 2015	於二零一五年一月一日	2,001	617	560	3,178
Additions	增購	769	157	788	1,714
Disposals	出售	(218)	(62)	-	(280)
Acquisitions of assets through acquisitions of subsidiaries	透過收購附屬公司而收購資產	-	-	91	91
Exchange realignment	外匯調整	(67)	(33)	-	(100)
At 31 December 2015	於二零一五年十二月三十一日	2,485	679	1,439	4,603
Additions	增購	3,343	1,107	520	4,970
Disposals	出售	(864)	(140)	-	(1,004)
Disposal of subsidiaries (note 32(a))	出售附屬公司(附註32(a))	(1,066)	(82)	(560)	(1,708)
Exchange realignment	外匯調整	(118)	(46)	-	(164)
At 31 December 2016	於二零一六年十二月三十一日	3,780	1,518	1,399	6,697
DEPRECIATION	折舊				
At 1 January 2015	於二零一五年一月一日	1,456	346	466	2,268
Provided for the year	本年度撥備	496	155	137	788
Eliminated on disposals	出售時對銷	(144)	(49)	-	(193)
Exchange realignment	外匯調整	(58)	(28)	-	(86)
At 31 December 2015	於二零一五年十二月三十一日	1,750	424	603	2,777
Provided for the year	本年度撥備	551	180	281	1,012
Eliminated on disposals	出售時對銷	(255)	(117)	-	(372)
Disposal of subsidiaries (note 32(a))	出售附屬公司(附註32(a))	(1,020)	(43)	(560)	(1,623)
Exchange realignment	外匯調整	(24)	(15)	-	(39)
At 31 December 2016	於二零一六年十二月三十一日	1,002	429	324	1,755
CARRYING VALUES	賬面值				
At 31 December 2016	於二零一六年十二月三十一日	2,778	1,089	1,075	4,942
At 31 December 2015	於二零一五年十二月三十一日	735	255	836	1,826

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	33% or the term of the lease, if shorter
Furniture, fixtures and equipment	20% - 33%
Motor vehicles	20%

17. ART WORK

During the year, the Group acquired certain art work for a cash consideration of HK\$20,000,000. In the opinion of the directors, having considered that substantial portion of art work was purchased during the year from sizable auction houses and the positive result of the valuation of art work assessed by another sizable auction house, there was no indication of impairment as at 31 December 2016.

18. PREPAYMENT FOR FILM AND TV RIGHTS

16. 物業、廠房及設備(續)

上述物業、廠房及設備項目採用直線法按以下年率折舊：

租賃物業裝修	33%或租賃期限(以較短者為準)
傢俱、裝置及設備	20% - 33%
汽車	20%

17. 藝術品

年內，本集團以現金代價港幣20,000,000元添置若干藝術品。董事認為，鑒於大部份藝術品乃於年內購自大型拍賣行而藝術品評估的正面結果乃由另一間大型拍賣行評估得出，故於二零一六年十二月三十一日，並無減值跡象。

18. 電影及電視劇版權預付款

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Master China Films Limited ("Master China") (Note a)	Master China Films Limited (「Master China」)(附註a)	111,161	-
Mr. Chan Ho Sun Peter ("Mr. Chan") (Note b)	陳可辛先生(「陳先生」) (附註b)	100,000	-
Rui Zhi Workshop Company Limited ("Rui Zhi") (Note c)	睿智工作坊有限公司(「睿智」) (附註c)	9,653	-
		220,814	-

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18. PREPAYMENT FOR FILM AND TV RIGHTS

(Continued)

- (a) The prepayment was paid to Master China, a company owned by Mr. Wong Kar Wai ("Mr. Wong"), for the production of the proposed internet drama series pursuant to an agreement entered, details of which are set out in note 27(b)(i). The prepayment will form part of the contribution by the Group for the production cost of the proposed internet drama series (which is subject to acceptance by the Group before investment), of which the budget production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

Upon commencement of the production of the internet drama series, the amount will be transferred to film and TV rights. The Group paid an amount of RMB100,000,000 (equivalent to approximately HK\$111,161,000) during the year ended 31 December 2016 in relation to the production of the internet drama series. As at 31 December 2016 and the date of this report, the Group is still negotiating with Master China for the film and TV rights investment plan, there is no any acceptance for any investment in internet drama series.

- (b) The prepayment was paid to Mr. Chan for the production of the proposed films pursuant to an agreement entered, details of which are set out in note 27(b)(ii). The prepayment will form part of the contribution by the Group for the production cost of the proposed films (which is subject to acceptance by the Group before investment), of which the budget production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

18. 電影及電視劇版權預付款 (續)

- (a) 根據一項已訂立之協議，就製作擬定網絡系列影視劇（詳情載於附註27(b)(i)）之預付款已支付予Master China（一間由王家衛先生（「王先生」）擁有之公司）。預付款將構成本集團對擬定網絡系列影視劇（須獲本集團同意方會作出投資）製作成本之部分出資。本集團將獲提供製作成本之預算，而有關製作成本之相關付款條款將由各方進一步協定。

該款項將於網絡系列影視劇開始製作後轉撥至電影及電視劇版權。截至二零一六年十二月三十一日止年度，本集團已支付人民幣100,000,000元（相當於約港幣111,161,000元），用於網絡系列影視劇製作相關之款項。於二零一六年十二月三十一日及本報告日期，本集團與Master China就電影及電視劇版權投資計劃仍在洽談中，並無接納任何網絡系列影視劇投資。

- (b) 根據一項已訂立之協議，就製作擬定電影（詳情載於附註27(b)(ii)）之預付款項已支付予陳先生。預付款將構成本集團對擬定電影（須獲本集團同意方會作出投資）製作成本之部分出資。本集團將獲提供製作成本之預算，而有關製作成本之相關付款條款將由各方進一步協定。

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18. PREPAYMENT FOR FILM AND TV RIGHTS (Continued)

(b) (Continued)

Upon commencement of the production of the films, the amount will be transferred to film and TV rights. The Group paid an amount of HK\$100,000,000 during the year ended 31 December 2016 in relation to the production of the films. As at 31 December 2016 and the date of this report, the Group is still negotiating with Mr. Chan for the film and TV rights investment plan, there is no any acceptance for any investment in film production.

- (c) The prepayment was paid to Rui Zhi for the production of the proposed films pursuant to an agreement dated 28 September 2016. Rui Zhi would provide exclusively to the Group within a period of 3 years proposals for at least 4 films to be produced by Rui Zhi for the Group to invest (not less than 60% interest) in the production of such proposed films. The Group would be granted a right to acquire an exclusive distribution right through new video platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films), of which such terms would be subject to another agreement to be further entered. The prepayment will form part of the contribution by the Group for the production cost of the proposed films (which is subject to acceptance by the Group before investment), of which the budget production cost will be provided to the Group and the related payment terms of such production cost will be further agreed between the respective parties.

Upon commencement of the production of the films, the amount will be transferred to film and TV rights. The Group paid an amount of HK\$9,653,000 during the year ended 31 December 2016 in relation to the production of the films. As at 31 December 2016 and the date of this report, the Group is still negotiating with Rui Zhi for the film and TV rights investment plan, there is no any acceptance for any investment in film production.

18. 電影及電視劇版權預付款 (續)

(b) (續)

該款項將於電影開始製作後轉撥至電影及電視劇版權。截至二零一六年十二月三十一日止年度，本集團已支付港幣100,000,000元，用於電影製作相關之款項。於二零一六年十二月三十一日及本報告日期，本集團與陳先生就電影及電視劇版權投資計劃仍在洽談中，並無接納任何電影製作投資。

- (c) 根據一項日期為二零一六年九月二十八日之協議，就製作擬定電影之預付款項已支付予睿智。睿智將於三年內就至少四部由睿智製作的電影向本集團提供獨家權利，以讓本集團投資（不少於60%的權益）於有關擬定電影製作，而本集團將獲授予擬定電影之獨家新視頻平台發行權，代價有待進一步按公平市價釐定。倘若本集團決定投資於有關擬定電影，本集團須根據其相關電影投資比例，出資承擔部分製作成本，有關條款將待進一步訂立另一項協議後釐定。預付款將構成本集團對擬定電影（須獲本集團同意方會作出投資）製作成本之部分出資。本集團將獲提供製作成本之預算，而有關製作成本之相關付款條款將由各方進一步協定。

該款項將於電影開始製作後轉撥至電影及電視劇版權。本集團於截至二零一六年十二月三十一日止年度已支付港幣9,653,000元，用於電影製作相關之款項。於二零一六年十二月三十一日及本報告日期，本集團與睿智就電影及電視劇版權投資計劃仍在洽談中，並無接納任何電影製作投資。

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19. GOODWILL

19. 商譽

		Property agency 物業代理		
		Hong Kong 香港	PRC 中國	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
COST	成本			
At 1 January 2015	於二零一五年一月一日	428,515	116,867	545,382
Exchange realignment	外匯調整	-	(6,482)	(6,482)
At 31 December 2015	於二零一五年十二月三十一日	428,515	110,385	538,900
Exchange realignment	外匯調整	-	(6,395)	(6,395)
At 31 December 2016	於二零一六年十二月三十一日	428,515	103,990	532,505
IMPAIRMENT	減值			
At 1 January 2015	於二零一五年一月一日	424,120	116,867	540,987
Impairment loss recognised in the year	本年度確認之減值虧損	4,395	-	4,395
Exchange realignment	外匯調整	-	(6,482)	(6,482)
At 31 December 2015	於二零一五年十二月三十一日	428,515	110,385	538,900
Exchange realignment	外匯調整	-	(6,395)	(6,395)
At 31 December 2016	於二零一六年十二月三十一日	428,515	103,990	532,505
CARRYING VALUES	賬面值			
At 31 December 2016	於二零一六年十二月三十一日	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	-	-	-

Goodwill is allocated to the groups of cash generating units identified according to operating segment. The goodwill allocated to the property agency segment in the PRC was fully impaired in 2012 whereas the goodwill allocated to the property agency segment in Hong Kong was fully impaired during the year ended 31 December 2015.

商譽被分配至根據經營分部確定之現金產生單位組合。分配至中國物業代理分部之商譽已於二零一二年悉數減值，而分配至香港物業代理分部之商譽已於截至二零一五年十二月三十一日止年度悉數減值。

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20. AVAILABLE-FOR-SALE INVESTMENT

20. 可供出售投資

		2016 二零一六年 HK\$'000 港幣千元
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及二零一五年十二月三十一日	-
Additions	增購	15,541
Impairment loss on available-for-sale investment	可供出售投資減值虧損	<u>(15,333)</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>208</u>

During the year ended 31 December 2016, the management of the Group decided to invest in a private entity located in United States of America for obtaining the technical know-how for developing an online video platform with amounting USD2,000,000 (equivalent to approximately HK\$15,541,000), an impairment loss of HK\$15,333,000 was recognised in profit or loss to write down the carrying amounts of the investment to its recoverable amount for the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度，本集團管理層決定投資於一間位於美國的私營實體，以獲得開發在線視頻平台的技術知識，投資款項為2,000,000美元（相當於約港幣15,541,000元），截至二零一六年十二月三十一日止年度於損益中確認減值虧損港幣15,333,000元以將投資賬面值減記至其可收回金額。

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21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

21. 應收賬款及其他應收款項、按金及預付款

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Trade receivables	應付賬款	8,477	245,647
Less: Allowance for doubtful debts	減：呆賬撥備	(2,278)	(7,557)
		6,199	238,090
Prepayment on film script fee	電影劇本費用之預付款	2,440	73
Other deposits paid	已支付之其他按金	5,844	9,365
Prepayments	預付款	14,981	1,676
Other receivables	其他應收款項	12,178	8,152
Secured deposit	有抵押按金	111,161	-
		152,803	257,356
Less: Amounts due within one year shown under current assets	減：列作一年內到期的 流動資產之金額	(147,459)	(257,356)
Amounts shown under non-current assets	列作非流動資產之金額	5,344	-

Trade receivables from film rights investment income are usually received within 60 days after the completion of release of the film in movie theatres according to the timing for settlement schedule stipulated in the investment agreement.

電影版權投資收入之應收賬款通常根據投資協議中訂明的結算時間表於電影院完成電影放映後六十日內收取。

For property agency segment in Hong Kong, the Group allows an average credit period of 60 to 90 days to property developers whilst the individual customers are obliged to settle the amounts upon completion of the relevant agreements and generally no credit terms are granted. For property agency segment in the PRC, the Group allows an average credit period of 30 to 60 days to property developers.

香港物業代理分部方面，本集團給予物業發展商之信貸期平均為六十至九十日，而個人客戶則須於相關協議完成時清償款項，故一般不獲授予信貸期。中國物業代理分部方面，本集團給予物業發展商之信貸期平均為三十至六十日。

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21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period is as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade receivables	應收賬款		
0 – 30 days	0至30日	76	1,402
31 – 60 days	31至60日	29	221,794
61 – 90 days	61至90日	60	2,282
91 – 180 days	91日至180日	3,805	3,684
Over 180 days	180日以上	2,229	8,928
		6,199	238,090

These receivables relate to a number of independent customers that have a good payment track record with the Group. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Before accepting any new customer, the Group will assess and understand the potential customer's credit quality and defines its credit limits. Credit limits attributed to each customer are reviewed regularly. All of the accounts receivables that are neither past due nor impaired have no default payment history.

As at 31 December 2015, trade receivables included an amount of HK\$222,059,000 from 北京真樂道, which is wholly-owned by Mr. Xu, a non-executive director of the Company.

21. 應收賬款及其他應收款項、按金及預付款 (續)

應收賬款(扣除呆賬撥備)於報告期末按發票日呈列之賬齡分析如下:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade receivables	應收賬款		
0 – 30 days	0至30日	76	1,402
31 – 60 days	31至60日	29	221,794
61 – 90 days	61至90日	60	2,282
91 – 180 days	91日至180日	3,805	3,684
Over 180 days	180日以上	2,229	8,928
		6,199	238,090

該等應收款項與多名跟本集團有良好付款往績記錄之獨立客戶有關。管理層相信，毋須就該等結餘作出減值撥備，原因是信貸風險並無重大改變，故該等結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。

本集團接納任何新客戶前，將會評估及了解潛在客戶之信貸質素及釐定其信貸限額。每名客戶之信貸限額均會定期檢討。所有並無逾期或減值之應收賬款均無欠款紀錄。

於二零一五年十二月三十一日，應收賬款包括來自北京真樂道(由本公司非執行董事徐先生全資擁有)之款項港幣222,059,000元。

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21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

As at 31 December 2016, Group's trade receivable balance included debtors with aggregate carrying amount of HK\$254,000 (2015: HK\$9,670,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

Aging of trade receivables which are past due but not impaired

Overdue by:	逾期：		
1 – 90 days	1至90日	96	5,378
91 – 180 days	91日至180日	29	3,861
Over 180 days	180日以上	129	431
		254	9,670

Movements in the allowance for doubtful debts

At 1 January	於一月一日	7,557	6,551
Impairment losses recognised on receivables	確認應收款項之減值虧損	30	1,551
Amounts written off during the year as uncollectible	年內列作無法收回之撇銷金額	(5,041)	(479)
Amounts recovered during the year	年內收回金額	(268)	(66)
At 31 December	於十二月三十一日	2,278	7,557

21. 應收賬款及其他應收款項、按金及預付款(續)

於二零一六年十二月三十一日，本集團之應收賬款結餘包括於報告日期已逾期總賬面值港幣254,000元(二零一五年：港幣9,670,000元)之應收賬款，本集團並無就此作出減值虧損撥備。

已逾期但無減值之應收賬款之賬齡

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
港幣千元	港幣千元

呆賬撥備變動

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
港幣千元	港幣千元

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21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Movements in the allowance for doubtful debts (Continued)

For the year ended 31 December 2016, the allowance for doubtful debts included individually impaired trade receivables with an aggregate balance of HK\$2,278,000 (2015: HK\$7,557,000). The Group does not hold any collateral over these balances.

As at 31 December 2016, prepayments mainly represented the prepayment of HK\$12,000,000 which was paid to an independent third party for development cost on an established online video platform for the Group. The development of the online video platform has been processed during the year, and the management estimated the online video platform will be launched in year 2017. Accordingly, the prepayment was classified as a current asset.

As at 31 December 2016, other receivables included legal claim receivable of approximately HK\$12,089,000 (equivalent to RMB10,875,000) (2015: HK\$7,891,000) as set out in note 38 and such amount was fully settled in January 2017.

As at 31 December 2016, secured deposit represented the deposit paid to third parties to secure the repayment of a short-term cash advance from the third parties of RMB100,000,000 (equivalent to approximately HK\$111,161,000), details of which set out in note 25.

21. 應收賬款及其他應收款項、按金 及預付款 (續)

呆賬撥備變動 (續)

截至二零一六年十二月三十一日止年度，呆賬撥備包括個別已減值應收賬款，其結餘總額為港幣2,278,000元（二零一五年：港幣7,557,000元）。本集團並無就該等結餘持有任何抵押品。

於二零一六年十二月三十一日，預付款主要指就建立本集團一個在線視頻平台之開發成本支付予一名獨立第三方之預付款港幣12,000,000元。該在線視頻平台之開發工作已於年內展開，管理層估計該在線視頻平台將於二零一七年推出。因此，預付款分類為一項流動資產。

於二零一六年十二月三十一日，其他應收款項包括附註38中載述的法律索賠應收款項約港幣12,089,000元（相當於人民幣10,875,000元）（二零一五年：港幣7,891,000元），以及該款項已於二零一七年一月全部結清。

於二零一六年十二月三十一日，有抵押按金指向第三方支付之按金以來自該等第三方的短期現金墊款人民幣100,000,000元（相當於約港幣111,161,000元）之還款作抵押，有關詳情載於附註25。

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22. FILM AND TV RIGHTS

22. 電影及電視劇版權

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Film and TV rights	電影及電視劇版權		
– Under production	– 正在製作	122,985	–
– Film rights investments	– 電影版權投資	81,286	13,925
– Internet broadcasting rights	– 網絡播映權	46,687	–
		250,958	13,925
			HK\$'000 港幣千元
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日		13,925
Additions	增購		262,544
Recognised as an expense included in cost of sales	確認為支出(計入銷售成本)		(13,723)
Exchange realignment	外匯調整		(11,788)
At 31 December 2016	於二零一六年十二月三十一日		250,958

As at 31 December 2016, production in relation to film and TV rights has not been completed. The management of the Group considered the expected future income of certain film and TV rights is able to recover the film and TV rights. Accordingly, no impairment was recognised.

During the year ended 31 December 2015, the Group entered into an agreement with 東陽映月, a company in which Mr. Ning (defined in note 5), a non-executive director of the Company, has benefit interest, to invest 20% income right of the film of RMB11,800,000 (equivalent to HK\$13,925,000) which was recognised as film and TV rights. The Group is entitled to recover its investment amount and a return of 20% of the profit to be derived from the release of the film in any media and in any format less distribution cost, production cost and promotion expenses. The amount of RMB5,000,000 (equivalent to HK\$5,900,000) was not settled at 31 December 2015 and was recognised as film rights investment payable (note 25).

於二零一六年十二月三十一日，有關電影及電視劇版權的製作尚未完成。本集團管理層認為若干電影及電視劇版權的預期未來收入可收回電影及電視劇版權。據此，概無確認任何減值。

截至二零一五年十二月三十一日止年度，本集團與由本公司非執行董事寧先生(定義見附註5)實益擁有之公司東陽映月訂立協議，投資價值人民幣11,800,000元(相當於港幣13,925,000元)的20%電影收益權，並將其確認為電影及電視劇版權。本集團有權收回其投資款項並從電影以任何媒體及任何形式發行將產生的利潤(已扣減分銷成本、製作成本及宣傳費用)中獲得20%的回報。其中金額人民幣5,000,000元(相當於港幣5,900,000元)於二零一五年十二月三十一日尚未清償，並確認為應付電影版權投資(附註25)。

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22. FILM AND TV RIGHTS

The comparative of film rights investments has been re-presented and reclassified to film and TV rights in order to conform with the presentation adopted in current year. The changes in the presentation of film rights investments and film and TV rights do not have any impact on the Group's consolidated financial statements.

22. 電影及電視劇版權

電影版權投資之比較資料已重列，並重新分類為電影及電視劇版權，以符合本年度已採納之呈列。電影版權投資和電影及電視劇版權呈列之更改，對本集團之綜合財務報表並無任何影響。

23. INVESTMENTS HELD FOR TRADING

Investments held for trading at the end of the reporting period included:

23. 持作買賣投資

於報告期末持作買賣投資包括：

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Listed securities:		
Equity securities listed in Hong Kong (Note)	52,768	55,580
上市證券： 於香港上市之股本證券 (附註)		

Note: As at 31 December 2016 and 2015, the investments held for trading represented the investments in shares of Hong Kong Exchanges and Clearing Limited which is listed in Hong Kong.

附註：於二零一六年及二零一五年十二月三十一日，持作買賣投資指於香港交易及結算有限公司(於香港上市)之股份投資。

The fair value was based on the quoted prices of the security in an active market.

公平值乃根據證券於活躍市場之報價計算。

24. BANK BALANCES AND CASH

Bank balances and cash comprised of cash held by the Group and short-term bank deposits that are interest-bearing ranging from 0.01% to 0.3% (2015: 0.01% to 4.9%) per annum and have original maturity of three months or less.

24. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及按介乎0.01%至0.3% (二零一五年：0.01%至4.9%) 之年利率計息且原到期日為三個月或以內之短期銀行存款。

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25. TRADE AND OTHER PAYABLES

25. 應付賬款及其他應付款項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Trade payables	應付賬款	41,461	17,394
Other payables	其他應付款項	14,408	16,021
Accruals	應計費用	8,514	4,586
Short-term payable (Note 21)	短期應付款(附註21)	111,161	-
Film rights investment payable	應付電影版權投資	-	5,900
Provision for losses on litigation (Note 38)	訴訟敗訴之撥備(附註38)	-	11,342
		175,544	55,243

As at 31 December 2016, trade payables of HK\$33,349,000 (2015: nil) represented the internet income rights payable to an independent third party for a film directed by Mr. Lu Yang. And the remaining HK\$8,112,000 (2015: HK\$17,394,000) represented mainly the commissions payables to property consultants and cooperative estate agents, which are due for payment only upon the receipt of corresponding agency fees from customers.

As at 31 December 2016, other payables mainly comprised of receipts in advance, service fee for developing an online video platform, accrued directors' and staff costs and other sundry creditors.

As at 31 December 2016, short-term payable represented advances from third parties of RMB100,000,000 (equivalent to approximately HK\$111,161,000) for the movie investment activities in the PRC and will be settled in year 2017. The advance is secured by a deposit of HK\$111,161,000 paid by the Group to the third parties.

於二零一六年十二月三十一日，應付賬款港幣33,349,000元(二零一五年：無)指就一部由路陽先生執導之電影向一名獨立第三方之應付網絡收益權。餘額港幣8,112,000元(二零一五年：港幣17,394,000元)主要指應付物業顧問及合作地產代理之佣金，於收取客戶之相關代理費用時方須支付。

於二零一六年十二月三十一日，其他應付款項主要包括預收款項、在線視頻平台開發服務費用、董事及員工的應計成本，以及其他雜項應付賬款。

於二零一六年十二月三十一日，短期應付款指用作於中國電影投資活動之來自第三方之墊款人民幣100,000,000元(相當於約港幣111,161,000元)，其將於二零一七年清償。該墊款乃以本集團支付予該等第三方之按金港幣111,161,000元作抵押。

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26. DEFERRED TAX LIABILITIES

At the end of the reporting period, the Group has unused tax losses of HK\$227,007,000 (2015: HK\$119,971,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams.

26. 遞延稅項負債

於報告期末，本集團可供抵銷將來溢利之未使用稅項虧損為港幣227,007,000元（二零一五年：港幣119,971,000元），該等稅項虧損可無限期結轉。由於難以估計將來溢利來源，故並無就該等稅項虧損確認遞延稅項資產。

27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Share of capital 股本 HK\$'000 港幣千元
Authorised:	法定：		
Ordinary shares	普通股		
At 1 January 2015, 31 December 2015 and 31 December 2016 , at HK\$0.01 each	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日、 每股面值港幣0.01元	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2015	於二零一五年一月一日	577,138,852	5,771
Issue of shares upon subscription of shares (Note a)	因認購股份而發行股份 (附註a)	1,701,416,556	17,015
Issue of shares to a financial adviser (Note a)	向財務顧問發行股份(附註a)	30,000,000	300
At 31 December 2015	於二零一五年十二月三十一日	2,308,555,408	23,086
Issue of shares to film directors (Note b)	向電影導演發行股份(附註b)	459,500,000	4,595
At 31 December 2016	於二零一六年十二月三十一日	2,768,055,408	27,681

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27. SHARE CAPITAL (Continued)

Notes:

- (a) Pursuant to the subscription agreement and an amendment agreement dated 14 April 2015 and 13 May 2015 respectively, 1,701,416,556 subscription shares were allotted and issued on 2 September 2015 at a subscription price of HK\$0.40 per share and 30,000,000 shares were allotted and issued on 2 September 2015 to a financial adviser of HK\$2.70 per share, being fair value of the date of issuance, for settlement of the financial advisory services rendered to the Company. The net proceeds from the subscription of shares was approximately HK\$672,622,000, which was intended to be used for (i) providing the Group with an opportunity to leverage on the extensive experience, expertise and business connection of the subscribers, particularly Mr. Dong, Mr. Ning and Mr. Xu (defined in note 5 and 12), to develop existing and new business in the advertising, media and entertainment industry; and (ii) the Group's general working capital. For the details of the subscription of shares and issue of shares to a financial adviser, please refer to the Company's circular dated 5 August 2015.
- (b)(i) During the year, the Group entered into an agreement ("Agreement 1") with Master China, whereby the Company issued 100,000,000 ordinary shares to Mr. Wong. Mr. Wong would provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be produced by Master China as well as partially directed by Mr. Wong for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost, of which such terms would be subject to another agreement to be further entered. A prepayment of RMB100,000,000 (equivalent to approximately HK\$111,161,000) in relation to the development of the production was required to be paid by the Group to Master China, details of which are set out in note 18(a). The 100,000,000 ordinary shares were issued on 17 June 2016 at HK\$2.10 (being the fair value on the date of issuance, with a total value of HK\$210,000,000). According to the Agreement 1, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year.

27. 股本 (續)

附註：

- (a) 根據日期分別為二零一五年四月十四日及二零一五年五月十三日之認購協議及修訂協議，於二零一五年九月二日已按認購價每股股份港幣0.40元配發及發行1,701,416,556股認購股份，並於二零一五年九月二日向財務顧問配發及發行每股股份港幣2.70元（即發行日期之公平值）之30,000,000股股份，以結付為本公司提供的財務顧問服務。認購股份之所得款項淨額約為港幣672,622,000元，擬用作：(i)為本集團提供機會借助認購方（尤其是董先生、寧先生及徐先生（定義見附註5及12））之豐富經驗、專長及業務人脈發展在廣告、媒體及娛樂行業之現有業務及新業務；及(ii)本集團之一般營運資金。關於認購股份及發行股份予財務顧問之詳情，請參閱本公司日期為二零一五年八月五日之通函。
- (b)(i) 年內，本集團與Master China訂立協議（「協議1」），據此，本公司已向王先生發行100,000,000股普通股，而王先生將於六年內就由Master China製作及部分由王先生執導的總共兩季的網絡系列影視劇向本集團提供獨家權利，以供本集團考慮投資於有關網絡系列影視劇製作。本集團將於確定投資有關網絡系列影視劇後，獲授予於新媒體平台獨家互聯網發行。倘若本集團決定投資於有關網絡系列影視劇，本集團須出資承擔全部製作成本，有關條款將待進一步訂立另一項協議後釐定。本集團須向Master China支付開發製作相關的預付款人民幣100,000,000元（相當於約港幣111,161,000元），有關詳情載於附註18(a)。100,000,000股普通股已於二零一六年六月十七日以每股港幣2.10元（即於發行日期之公平值，總價值為港幣210,000,000元）之價格發行。根據協議1，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於年內在損益中確認為以股份為基礎之付款。

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27. SHARE CAPITAL (Continued)

Notes: (Continued)

(b)(ii) During the year, the Group entered into another agreement (“Agreement 2”) with Mr. Chan, whereby the Company issued 144,500,000 ordinary shares to Mr. Chan. Mr. Chan would provide exclusively to the Group within a period of 6 years proposals for at least 2 films to be directed or co-directed by Mr. Chan for the Group to invest (not more than 60% interest) in the production of such proposed films, and the Group would be granted a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films), of which such terms would be subject to another agreement to be further entered. A prepayment of HK\$100,000,000 in relation to the development for the production was required to be paid by the Group to Mr. Chan, details of which are set out in note 18(b). The 144,500,000 ordinary shares were issued on 17 June 2016 at HK\$2.10 (being the fair value on the date of issuance, with a total value of HK\$303,450,000). According to the Agreement 2, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit or loss during the year.

(b)(iii) During the year, the Group entered into another agreement (“Agreement 3”) with Mr. Gu Changwei (“Mr. Gu”), whereby the Company issued 75,000,000 ordinary shares to Mr. Gu. Mr. Gu would provide exclusively to the Group within a period of 6 years proposals for at least 2 films to be directed by Mr. Gu for the Group to grant a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. Mr. Gu will use his best endeavours to provide the Group with priority rights to invest in his productions. The exact investment amount in each of his productions is to be agreed between the Group and Mr. Gu. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films), of which such terms would be subject to another agreement to be further entered. Furthermore, Mr. Gu would provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be directed or co-directed by Mr. Gu for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost, of which such terms would be subject to another agreement to be further entered.

27. 股本 (續)

附註：(續)

(b)(ii) 年內，本集團與陳先生訂立另一項協議（「協議2」），據此，本公司已向陳先生發行144,500,000股普通股，而陳先生將於六年內就至少兩部由陳先生執導或共同執導的電影向本集團提供獨家權利，以供本集團投資（不超過60%的權益）於有關擬定電影製作，而本集團將獲授予擬定電影之獨家新媒體平台發行權，代價有待進一步按公平市價釐定。倘若本集團決定投資於擬定電影，本集團須根據其相關電影投資比例，出資承擔部分製作成本，有關條款將待進一步訂立另一項協議後釐定。本集團須向陳先生支付開發製作相關的預付款港幣100,000,000元，有關詳情載於附註18(b)。144,500,000股普通股已於二零一六年六月十七日以每股港幣2.10元（即於發行日期之公平值，總價值為港幣303,450,000元）之價格發行。根據協議2，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於年內在損益中確認為以股份為基礎之付款。

(b)(iii) 年內，本集團與顧長衛先生（「顧先生」）訂立另一項協議（「協議3」），據此，本公司已向顧先生發行75,000,000股普通股，而顧先生將於六年內就至少兩部由顧先生執導的電影向本集團提供獨家權利，授予擬定電影之獨家新媒體平台發行權，代價有待進一步按公平市價釐定。顧先生將盡最大努力向本集團提供投資其作品之優先權。其每件作品的具體投資金額有待本集團與顧先生之間的磋商。倘若本集團決定投資於擬定電影，本集團須根據其相關電影投資比例，出資承擔部分製作成本，有關條款將待進一步訂立另一項協議後釐定。另外，顧先生將於六年內就由顧先生執導或共同執導的總共兩季的網絡系列影視劇向本集團提供獨家權利，以供本集團考慮投資於有關網絡系列影視劇製作。本集團將於確定投資有關網絡系列影視劇後，獲授予於新媒體平台獨家互聯網發行。倘若本集團決定投資於有關網絡系列影視劇，本集團須出資承擔全部製作成本，有關條款將待進一步訂立另一項協議後釐定。

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27. SHARE CAPITAL (Continued)

Notes: (Continued)

(b)(iii) (Continued)

The 75,000,000 ordinary shares were issued on 14 December 2016 at HK\$2.69 (being the fair value on the date of issuance, with a total value of HK\$201,750,000). According to the Agreement 3, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit and loss during the year.

(b)(iv) During the year, the Group entered into another agreement ("Agreement 4") with Mr. Zhang Xiaoling ("Mr. Zhang", also known as Zhang Yibai), whereby the Company issued 140,000,000 ordinary shares to Mr. Zhang. Mr. Zhang would provide exclusively to the Group within a period of 6 years proposals for at least 2 films to be directed by Mr. Zhang for the Group to invest (not less than 55% interest) in the production of such (i) proposed films and (ii) two seasons of internet drama series.

The Group would be granted a right to acquire an exclusive distribution right through new media platform for the proposed films at consideration to be further determined at fair market price. When the Group decides to invest in the proposed films, the Group is required to contribute its share of production cost (base on its respective percentage of investment on the films), of which such terms would be subject to another agreement to be further entered.

Furthermore, Mr. Zhang would provide exclusively to the Group within a period of 6 years proposals for internet drama series with two seasons to be directed or co-directed by Mr. Zhang for the Group to consider to invest in the production of such internet drama series, and an exclusive internet distribution through new media platform would be granted to the Group after investment is decided to be made by the Group in such internet drama series. When the Group decides to invest in the internet drama series, the Group is required to contribute fully the production cost, of which such terms would be subject to another agreement to be further entered.

The 140,000,000 ordinary shares were issued on 14 December 2016 at HK\$2.69 (being the fair value on the date of issuance, with a total value of HK\$376,600,000). According to the Agreement 4, these shares were vested with the holder(s) of the shares once issued and the total fair values of the shares issued were recognised as share-based payments in the profit and loss during the year.

27. 股本 (續)

附註：(續)

(b)(iii) (續)

75,000,000股普通股已於二零一六年十二月十四日以每股港幣2.69元(即於發行日期之公平值，總價值為港幣201,750,000元)之價格發行。根據協議3，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於年內在損益中確認為以股份為基礎之付款。

(b)(iv) 年內，本集團與張曉陵先生(「張先生」，亦名張一白)訂立另一項協議(「協議4」)，據此，本公司已向張先生發行140,000,000股普通股，而張先生將於六年內就至少兩部由張先生執導的電影向本集團提供獨家權利，以供本集團投資(不少於55%的權益)於有關(i)擬定電影及(ii)總共兩季的網絡系列影視劇製作。

而本集團將獲授予擬定電影之獨家新媒體平台發行權，代價有待進一步按公平市價釐定。倘若本集團決定投資於擬定電影，本集團須根據其相關電影投資比例，出資承擔部分製作成本，有關條款將待進一步訂立另一項協議後釐定。

另外，張先生將於六年內就由張先生執導或共同執導的總共兩季的網絡系列影視劇向本集團提供獨家權利，以供本集團考慮投資於有關網絡系列影視劇製作。本集團將於確定投資有關網絡系列影視劇後，獲授予於新媒體平台獨家互聯網發行。倘若本集團決定投資於有關網絡系列影視劇，本集團須出資承擔全部製作成本，有關條款將待進一步訂立另一項協議後釐定。

140,000,000股普通股已於二零一六年十二月十四日以每股港幣2.69元(即於發行日期之公平值，總價值為港幣376,600,000元)之價格發行。根據協議4，該等股份一經發行即歸屬股份持有人，而已發行股份之總公平值乃於年內在損益中確認為以股份為基礎之付款。

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28. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

28. 本公司之財務狀況報表資料

於報告期末，本公司之財務狀況報表資料如下：

	Note 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
NON-CURRENT ASSETS			
Investments in subsidiaries		40,218	41,913
CURRENT ASSETS			
Amounts due from subsidiaries		46,255	182,025
Other receivables		56,085	3,265
Bank balances and cash		182,528	650,508
		284,868	835,798
CURRENT LIABILITIES			
Other payables		6,708	4,156
NET CURRENT ASSETS		278,160	831,642
NET ASSETS		318,378	873,555
CAPITAL AND RESERVES			
Share capital (Note 27)		27,681	23,086
Reserves	(a)	290,697	850,469
TOTAL EQUITY		318,378	873,555

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28. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

28. 本公司之財務狀況報表資料(續)

Notes:

附註：

(a) Reserves

(a) 儲備

		Share premium	Contributed surplus	Translation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	滙兌儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			(Note b)			
			(附註b)			
At 1 January 2015	於二零一五年一月一日	151,481	199,168	-	(108,643)	242,006
Loss for the year and other comprehensive expense for the year	本年度虧損及本年度其他全面開支	-	-	-	(127,844)	(127,844)
Issue of shares upon subscription of shares	根據認購股份而發行股份	663,552	-	-	-	663,552
Issue of shares to a financial adviser	向財務顧問發行股份	80,700	-	-	-	80,700
Share issue expenses	股份發行費用	(7,945)	-	-	-	(7,945)
At 31 December 2015	於二零一五年十二月三十一日	887,788	199,168	-	(236,487)	850,469
Total comprehensive expense for the year	本年度全面開支總額	-	-	22,921	(1,669,898)	(1,646,977)
Issue of shares to film directors	向電影導演發行股份	1,087,205	-	-	-	1,087,205
At 31 December 2016	於二零一六年十二月三十一日	1,974,993	199,168	22,921	(1,906,385)	290,697

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28. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

(b) Contributed surplus

The contributed surplus represented reduction in issued share capital pursuant to a capital restructuring in 2004, capital reorganisation in 2011 and capital reorganisation in 2012. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company shall not declare or pay a dividend, or make a distribution out of contributed surplus if:

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

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt or reduction in capital.

28. 本公司之財務狀況報表資料(續)

附註：(續)

(b) 實繳盈餘

實繳盈餘指根據二零零四年股本重整、二零一一年及二零一二年股本重組時所削減之已發行股本。根據百慕達公司法，本公司之實繳盈餘可予分派。然而如有下列情況，本公司不得以實繳盈餘宣派或派付股息或作出分派：

- (i) 其現時不能或於派付後將無力償還到期負債；或
- (ii) 其資產之可變現價值將因而低於其負債及其已發行股本與股份溢價賬項之總和。

29. 資本風險管理

本集團管理其資本，以確保本集團之實體將能夠繼續持續經營，同時透過將債務及權益結餘優化，為股東帶來最大回報。本集團之整體策略維持與往年相同。

本集團之資本架構包括債務淨額(扣除現金及現金等值項目)及本公司擁有人應佔權益(包括已發行股本及各項儲備)。

本公司董事定期審閱資本架構。作為此審閱工作之一部分，董事考慮資本成本及各資本類別之相關風險。本集團將根據董事提出之建議，透過發行新股份及發行新債項或贖回現有債項或削減資本，平衡其整體資本架構。

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30. FINANCIAL INSTRUMENTS

30. 金融工具

a. Categories of financial instruments

a. 金融工具類別

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	327,439	972,840
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產		
– Held for trading	– 持作買賣	52,768	55,580
Available-for-sale investment	可供出售投資	208	–
		380,415	1,028,420
Financial liabilities	財務負債		
Amortised cost	攤銷成本	167,031	50,657

b. Financial risk management objectives and policies

b. 財務風險管理目標及政策

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and equity and other price risk), credit risk and liquidity risk.

本集團管理層透過內部風險報告(該報告按風險之程度及級別作分析)監控及管理有關本集團經營之財務風險。該等財務風險包括市場風險(包括外幣風險、利率風險及股本及其他價格風險)、信貸風險及流動資金風險。

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

本集團金融工具面臨之風險類型或其管理及計量風險之方式並無改變。

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30. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk

Foreign currency risk management

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in RMB, the functional currency of relevant group entities.

The Group is mainly exposed to the HK\$, British Pounds Sterling ("GBP"), Singapore Dollars ("SGD") and United State Dollars ("USD"), arising from foreign currency available-for-sale investment, trade and other receivables, investments held for trading, bank balances and cash and trade and other payables.

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

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險

外幣風險管理

本集團在香港及中國經營業務，其大部分交易均以相關集團實體之功能貨幣人民幣列值和結算。

本集團主要承受自外幣可供出售投資、應收賬款及其他應收款項、持作買賣投資、銀行結餘及現金和應付賬款及其他應付款項所產生之港幣、英鎊(「英鎊」)、新加坡元(「新加坡元」)及美元(「美元」)之風險。

本集團於報告期末以外幣列值之貨幣資產及貨幣負債之賬面值如下：

		Liabilities 負債		Assets 資產	
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		港幣千元	港幣千元	港幣千元	港幣千元
HKD	港幣	(10,046)	-	234,098	-
RMB	人民幣	-	(30,988)	-	234,940
USD	美元	-	-	483	8,754
GBP	英鎊	-	-	7	8
SGD	新加坡元	(108)	(109)	-	-

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30. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in the functional currency of each group entity against the above foreign currencies. 5% (2015: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than the items denominated in USD as the directors consider that the Group's exposure to USD is insignificant on the ground that HKD is pegged to USD, and adjusts their translation at the year end for a 5% (2015: 5%) change in foreign currency rate. A positive number below indicates a decrease in loss where the above foreign currencies strengthen 5% (2015: 5%) against the functional currency of each group entity. For a 5% (2015: 5%) weakening of the above foreign currencies against the functional currency of each group entity, there would be an equal and opposite impact on the loss and the balance below would be opposite.

30. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

外幣風險管理 (續)

敏感度分析

下表詳列本集團就各集團實體之功能貨幣兌上述外幣匯率上升及下降5% (二零一五年: 5%) 之敏感度。5% (二零一五年: 5%) 乃向主要管理人員就外匯風險作內部報告時採用之敏感度比率，代表管理層就外匯匯率可能出現之合理變動而作出之評估。由於港幣與美元掛鈎，董事認為本集團有關美元之風險不大，因此敏感度分析僅包括以美元以外貨幣列值之未償還外幣貨幣項目，並於年終以外幣匯率5% (二零一五年: 5%) 之變動進行換算調整。下表中正數表示當上述外幣兌各集團實體之功能貨幣升值5% (二零一五年: 5%) 時虧損之減少。倘上述外幣兌各集團實體之功能貨幣貶值5% (二零一五年: 5%)，則會對虧損構成同等幅度之相反效果，而對下文之結餘構成相反效果。

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss for the year	8,416	7,644

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30. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk management

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances because these balances carry interest at prevailing rates and they are of short maturity.

Sensitivity analysis

Regarding the cash flow interest rate risk, the sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank deposits, the analysis is prepared assuming the amount of the relevant asset outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points (2015: 50 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2015: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2016 would decrease/increase by HK\$1,268,000 (2015: HK\$889,000).

Equity and other price risk management

The Group is exposed to equity and other price risk through its investments held for trading. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on listed equity quoted in the open markets.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

利率風險管理

本集團亦承受與浮息銀行結餘相關之現金流量利率風險，因為該等結餘以現行利率計息及於短期內到期。

敏感度分析

就現金流量利率風險而言，下文敏感度分析乃根據於報告期末所承受之非衍生工具利率風險而釐定。就浮息銀行存款而言，分析乃假設於報告期末之相關資產金額於整個年度內均存在而作出。增加或減少50個基點(二零一五年：50個基點)代表管理層所評估利率可能出現之合理變動。

倘利率增加／減少50個基點(二零一五年：50個基點)，而所有其他變數維持不變，本集團截至二零一六年十二月三十一日止年度之虧損將減少／增加港幣1,268,000元(二零一五年：港幣889,000元)。

股本及其他價格風險管理

本集團就其持作買賣投資面對股本及其他價格風險。管理層透過維持包含不同風險之投資組合控制風險。本集團之股本及其他價格風險主要集中於公開市場報價之已上市股本。

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30. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Equity and other price risk management (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and other price risks of investments held for trading at the reporting date.

For the year ended 31 December 2016, if the prices of the respective equity investments had been 5% higher/lower, loss would decrease/increase by HK\$2,203,000 (2015: HK\$2,320,000) as a result of the change in fair value of equity securities held by the Group which was based on the quoted prices of the security in an active market for identical assets.

Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

30. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

股本及其他價格風險管理 (續)

敏感度分析

下文敏感度分析乃根據於報告日期持作買賣投資所面對之股本及其他價格風險而釐定。

截至二零一六年十二月三十一日止年度，倘相關股權投資之價格上升／下跌5%，則本集團所持股本證券之公平值變動（根據各證券於相同資產之活躍市場之報價計算）將導致虧損減少／增加港幣2,203,000元（二零一五年：港幣2,320,000元）。

信貸風險

於二零一六年十二月三十一日，本集團所面臨之最高信貸風險（因交易對手未能履行責任，其將導致本集團財務虧損）來自綜合財務狀況報表所列之各個已確認財務資產之賬面值。

為著將信貸風險降至最低，本集團管理層已委派一團隊負責釐定信貸限額、信貸批准及其他監察程序，以確保採取跟進行動以收回逾期債務。此外，本集團於報告期末檢討各個別債項之可收回金額，以確保就無法收回之金額計提足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大為降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group has concentration of credit risk as 93% (2015: 93%) of the total trade receivables was due from the Group's largest customer and 36% of the property agency income was from the Group's largest customer with the property agency in Hong Kong and the PRC segment in 2016. As at 31 December 2015, 82% of the film rights investments income was from the Group's largest customer with the film rights investments segment.

The Group has concentration of credit risk on its unlisted AFS investment as 100% (2015: nil) of its equity interests held by the Group are issued by one (2015: nil) independent third party. The management of the Group considers that the credit risk on the AFS investment in equity interests held is limited as the directors of the Company took into consideration of the discounted cash flow calculation of the investment. During the year ended 31 December 2016, an impairment loss of HK\$15,333,000 (2015: nil) was recognised in profit or loss.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

30. 金融工具(續)

b. 財務風險管理目標及政策(續)

信貸風險(續)

於二零一六年，由於應收本集團最大客戶之款項佔應收賬款總額的93%（二零一五年：93%）及36%的物業代理收入來自本集團最大客戶，故本集團的香港及中國物業代理分部擁有集中的信貸風險。於二零一五年十二月三十一日，電影版權投資分部82%的電影版權投資收入來自本集團最大客戶。

由於本集團所持有非上市可供出售投資之股權的100%（二零一五年：零）由一名（二零一五年：零）獨立第三方發行，故本集團擁有集中的信貸風險。本集團管理層認為，由於本公司董事已考慮相關投資之貼現現金流量的計算方法，故所持可供出售投資之股權之信貸風險不大。於截至二零一六年十二月三十一日止年度，於損益內確認之減值虧損為港幣15,333,000元（二零一五年：零）。

流動資金風險

於管理流動資金風險方面，本集團監察及維持現金及現金等值於管理層認為適當之水平，以便為本集團之營運提供資金及減輕現金流量波動之影響。

下表詳列本集團根據協定償還條款之財務負債之餘下合約到期日。就非衍生金融工具而言，下表乃基於本集團於可能被要求作出還款之最早日期之財務負債未貼現現金流量編製而成。下表包括利息及本金之現金流量。倘利率為浮動利率，則未貼現金額乃按報告期末之利率計算。

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綜合財務報表附註

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30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具 (續)

b. Financial risk management objectives and policies (Continued)

b. 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity tables

流動資金表

		Weighted average interest rate 加權 平均利率 %	On demand	1 - 3 months 一至 三個月	3 months to 1 year 三個月 至一年	Total undiscounted cash flows 未貼現現金 流量總額 HK\$' 000 港幣千元	Carrying amount at 31/12/2016 於二零一六年 十二月 三十一日 之賬面值 HK\$' 000 港幣千元
			or less than 1 month 須應要求 或少於 一個月 HK\$' 000 港幣千元				
2016	二零一六年						
Non-derivative financial assets	非衍生財務資產						
Available-for-sale investment	可供出售投資	-	208	-	-	208	208
Trade and other receivables	應收賬款及其他應收款項	-	12,432	5,840	105	18,377	18,377
Bank balances and cash	銀行結餘及現金	-	309,062	-	-	309,062	309,062
Investments held for trading	持作買賣投資	-	52,768	-	-	52,768	52,768
			374,470	5,840	105	380,415	380,415
Non-derivative financial liabilities	非衍生財務負債						
Trade and other payables	應付賬款及其他應付款項	-	167,031	-	-	167,031	167,031

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具(續)

b. Financial risk management objectives and policies (Continued)

b. 財務風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

Liquidity tables (Continued)

流動資金表(續)

			On demand			Carrying amount	
							at
	Weighted average interest rate	less than 1 month	1 – 3 months	3 months to 1 year	Total undiscounted cash flows	31/12/2015	
	加權平均利率	須應要求或少於一個月	一至三個月	三個月至一年	未貼現現金流量總額	於二零一五年十二月三十一日之賬面值	
	%	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	
	%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
2015		二零一五年					
Non-derivative financial assets		非衍生財務資產					
Trade and other receivables		應收賬款及其他應收款項	-	17,822	5,224	223,196	246,242
Bank balances and cash		銀行結餘及現金	-	726,598	-	-	726,598
Investments held for trading		持作買賣投資	-	55,580	-	-	55,580
				800,000	5,224	223,196	1,028,420
Non-derivative financial liabilities		非衍生財務負債					
Trade and other payables		應付賬款及其他應付款項	-	50,657	-	-	50,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

c. Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table gives information about how the fair values of these financial assets are determined (in particular the revaluation technique(s) and inputs used), as well as the level of the fair value hierarchy into which fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. 金融工具 (續)

c. 金融工具之公平值計量

設有標準條款及條件，並於活躍流動市場買賣之財務資產及財務負債之公平值，乃分別參考市場買入價及賣出價之報價釐定。

其他財務資產及財務負債之公平值乃採用普遍採納之定價模式根據貼現現金流量分析釐定。

下表列示如何釐定該等財務資產公平值 (尤其是所使用之估值方法及輸入數據) 之資料，以及公平值計量被分類為所屬公平值架構之級別 (第一至第三級) (根據公平值計量輸入資料之可觀察程度)。

- 第一級公平值計量源自相同資產或負債於活躍市場之報價 (未經調整)。
- 第二級公平值計量源自第一級所包括之報價外，可直接 (如：價格本身) 或間接 (如：源自價格) 自資產或負債觀察所得之輸入數據。
- 第三級公平值計量指透過運用並非基於可觀察市場數據 (無法觀察輸入數據) 之資產或負債輸入數據的估值方法進行之計量。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具(續)

c. Fair value measurements of financial instruments (Continued)

c. 金融工具之公平值計量(續)

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2016	31 December 2015				無法觀察之輸入數據與公平值的關係
Financial assets	於二零一六年十二月三十一日	於二零一五年十二月三十一日	公平值架構	估值方法及主要輸入數據	重大輸入數據	
Held for trading non-derivative financial assets classified as investments held for trading in the consolidated statement of financial position	Listed equity securities in Hong Kong – HK\$52,768,000	Listed equity securities in Hong Kong – HK\$55,580,000	Level 1	Quoted bid prices in an active market	N/A	N/A
於綜合財務狀況報表分類為持作買賣投資之持作買賣非衍生財務資產	於香港上市的本證券 – 港幣 52,768,000元	於香港上市的本證券 – 港幣 55,580,000元	第一級	活躍市場中的買入報價	不適用	不適用

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

本公司董事認為，按攤銷成本於綜合財務報表入賬的其他財務資產及財務負債之賬面值接近其公平值。

d. Fair value measurements recognised in the consolidated statement of financial position

d. 於綜合財務狀況報表確認之公平值計量

As at 31 December 2016

於二零一六年十二月三十一日

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		港幣千元	港幣千元	港幣千元	港幣千元
Financial assets	財務資產				
Fair value through profit or loss	按公平值計入損益				
– Investments held for trading	– 持作買賣投資	52,768	–	–	52,768

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

30. FINANCIAL INSTRUMENTS (Continued)

30. 金融工具 (續)

d. Fair value measurements recognised in the consolidated statement of financial position (Continued)

d. 於綜合財務狀況報表確認之公平價值計量 (續)

As at 31 December 2015

於二零一五年十二月三十一日

	Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial assets				
<i>Fair value through profit or loss</i>				
– Investments held for trading	55,580	–	–	55,580

財務資產
按公平值計入損益

– 持作買賣
投資

There were no transfers between Level 1, 2 and 3 in the current and prior years.

於本年度及過往年度，第一級、第二級及第三級之間概無轉撥。

The board of directors of the Company has set up an investment team, which is headed by the directors and designees (the "Investment Officers") of the Company, to engage in securities trading and investment operation.

本公司董事會成立投資團隊，並由本公司董事及指派人員（「投資人員」）帶領，從事證券買賣及投資業務。

In estimating the fair value of an asset, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent professional qualified valuer to perform the valuation. The Investment Officers work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Investment Officers report the findings to the board of directors of the Company semi-annually to explain the cause of fluctuations in the fair value of the assets.

估計資產的公平值時，本集團利用市場可取得之可觀察數據。在並無獲得第一級輸入數據之情況下，本集團會委聘獨立專業合資格之估值師進行估值。投資人員與合資格外部估值師緊密合作，設立適用之估值方法及輸入數據之模式。投資人員每半年向本公司董事會匯報結果，解釋資產公平值波動的原因。

Information about the valuation techniques and inputs used in determining the fair value of investments held for trading are disclosed above.

有關釐定持作買賣投資的公平值所用之估值方法及輸入數據的資料於上文披露。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

31. ACQUISITIONS OF ASSETS THROUGH ACQUISITIONS OF SUBSIDIARIES

- (a) During the year ended 31 December 2015, Wiz Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, Ms. Ko Wei Fong, for the acquisition of the entire equity interest in and the shareholder's loan of State Talent Limited ("State Talent") at a consideration of HK\$200,000. State Talent is an investment holding company.

The acquisition was completed on 31 July 2015, on which date control of State Talent was passed to the Group.

The acquisition has been accounted for as an acquisition of assets and liabilities. The effect of the acquisition is summarised as follows:

Net assets acquired:

		2015 二零一五年 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	91
Shareholder's loan	股東貸款	(133)
		(42)
Sales of shareholder's loan	出售股東貸款	133
		91

Consideration paid:

		2015 二零一五年 HK\$'000 港幣千元
Consideration paid	已付代價	200

31. 透過收購附屬公司而收購資產

- (a) 截至二零一五年十二月三十一日止年度，慧師有限公司(本公司全資附屬公司)與獨立第三方高惠芳女士訂立買賣協議，以收購邦傑有限公司(「邦傑」)的全部股權及股東貸款，代價為港幣200,000元。邦傑乃為一間投資控股公司。

該項收購於二零一五年七月三十一日完成，邦傑的控制權亦於該日轉予本集團。

是次收購入賬列作收購資產及負債。收購的影響概述如下：

已收購資產淨額：

		2015 二零一五年 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	91
Shareholder's loan	股東貸款	(133)
		(42)
Sales of shareholder's loan	出售股東貸款	133
		91

已付代價：

		2015 二零一五年 HK\$'000 港幣千元
Consideration paid	已付代價	200

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31. ACQUISITIONS OF ASSETS THROUGH ACQUISITIONS OF SUBSIDIARIES

(Continued)

(a) (Continued)

Loss on acquisition of assets through acquisitions of a subsidiary:

Total consideration
Net assets acquired

總代價
已收購資產淨額

2015

二零一五年

HK\$'000

港幣千元

200

(91)

Loss on acquisition of assets through acquisition of a subsidiary

透過收購一間附屬公司
而收購資產之虧損

109

Cash outflow arising on acquisition of assets through acquisition of a subsidiary:

Cash consideration paid

已付現金代價

2015

二零一五年

HK\$'000

港幣千元

(200)

(b) During the year ended 31 December 2015, the Company through its wholly-owned subsidiary, State Talent, entered into a sale and purchase agreement with an independent third party, Shanghai Allied Cement Limited, for the acquisition of the entire equity interest in Interform Strategic Holdings Limited ("Interform") at a consideration of HK\$1,000,000. Interform is an investment holding company.

The acquisition was completed on 31 October 2015, on which date control of Interform was passed to the Group.

31. 透過收購附屬公司而收購資產 (續)

(a) (續)

透過收購一間附屬公司而收購資產之虧損：

2015
二零一五年
HK\$'000
港幣千元

透過收購一間附屬公司而收購資產產生的現金流出：

(b) 截至二零一五年十二月三十一日止年度，本公司透過其全資附屬公司邦傑與獨立第三方上海聯合水泥股份有限公司訂立買賣協議，以收購於Interform Strategic Holdings Limited (「Interform」)的全部股權，代價為港幣1,000,000元。Interform乃為一間投資控股公司。

該項收購於二零一五年十月三十一日完成，Interform的控制權亦於該日轉予本集團。

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FOR THE YEAR ENDED 31 DECEMBER 2016 截至二零一六年十二月三十一日止年度

31. ACQUISITIONS OF ASSETS THROUGH ACQUISITIONS OF SUBSIDIARIES (Continued)

(b) (Continued)

The acquisition has been accounted for as an acquisition of assets and liabilities. The effect of the acquisition is summarised as follows:

Net assets acquired:

Property, plant and equipment

物業、廠房及設備

Property, plant and equipment is a motor vehicle which was fully depreciated at the acquisition date.

Consideration paid:

Consideration paid

已付代價

Loss on acquisition of assets through acquisition of a subsidiary:

Total consideration

總代價

Net assets acquired

已收購資產淨額

Loss on acquisition of assets through acquisition of a subsidiary

透過收購一間附屬公司而收購資產之虧損

31. 透過收購附屬公司而收購資產 (續)

(b) (續)

是次收購入賬列作收購資產及負債。收購的影響概述如下：

已收購資產淨額：

2015
二零一五年
HK\$'000
港幣千元

—

物業、廠房及設備乃為一輛汽車，於收購日期全數折舊。

已付代價：

2015
二零一五年
HK\$'000
港幣千元

1,000

透過收購一間附屬公司而收購資產之虧損：

2015
二零一五年
HK\$'000
港幣千元

1,000

—

1,000

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31. ACQUISITIONS OF ASSETS THROUGH ACQUISITIONS OF SUBSIDIARIES

(Continued)

(b) (Continued)

Cash outflow arising on acquisition of assets through acquisition of a subsidiary:

Cash consideration paid

31. 透過收購附屬公司而收購資產 (續)

(b) (續)

透過收購一間附屬公司而收購資產產生的現金流出：

2015
二零一五年
HK\$'000
港幣千元

已付現金代價

(1,000)

32. DISPOSAL OF SUBSIDIARIES

(a) During the year ended 31 December 2016, the Company entered into a sale and purchase agreement with Hong Kong Bridge Investments Group Limited ("HKBI") for the disposal of the entire equity interest in Huge Allied Development Limited ("Huge Allied") and the shareholder's loan due by Huge Allied of approximately HK\$833,000 at a consideration of HK\$10,000. Huge Allied was inactive. The disposal was completed on 5 January 2016, on which date control of Huge Allied was passed to HKBI.

The net liabilities of Huge Allied at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

Other receivables
Shareholder's loan

Net liabilities disposed of

32. 出售附屬公司

(a) 截至二零一六年十二月三十一日止年度，本公司與港橋投資集團有限公司（「港橋投資」）訂立買賣協議，內容有關出售Huge Allied Development Limited（「Huge Allied」）之全部股權及Huge Allied結欠之股東貸款約港幣833,000元，代價為港幣10,000元。Huge Allied現無經營業務。出售事項已於二零一六年一月五日完成，Huge Allied之控制權於該日轉予港橋投資。

於出售當日，Huge Allied之負債淨額如下：

失去控制權之資產及負債分析：

2016
二零一六年
HK\$'000
港幣千元

其他應收款項
股東貸款

所出售負債淨額

820

(833)

(13)

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32. DISPOSAL OF SUBSIDIARIES (Continued)

32. 出售附屬公司(續)

(a) (Continued)

(a) (續)

Consideration received:

所收取之代價：

2016
二零一六年
HK\$'000
港幣千元

Consideration received in cash and cash equivalents

以現金及現金等價物收取之代價

10

Gain on disposal of a subsidiary:

出售一間附屬公司之收益：

2016
二零一六年
HK\$'000
港幣千元

Total consideration
Net liabilities disposed of
Waiver of remaining liabilities

總代價
所出售負債淨額
豁免餘下負債

10
13
(13)

Gain on disposal

出售之收益

10

Cash flow on disposal of a subsidiary:

出售一間附屬公司產生之現金流量：

2016
二零一六年
HK\$'000
港幣千元

Consideration received in cash and cash equivalents 以現金及現金等價物收取之代價

10

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32. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) During the year ended 31 December 2016, the Company entered into a sale and purchase agreement with Kwong Chi Fai, Gorman (“Gorman”) for the disposal of the entire equity interest in Asset Expert Limited, 21 Group Limited and Richy Fame International Limited (“Disposed Companies”) at a consideration of approximately HK\$1,825,000. Disposed Companies were investment holding companies and their subsidiaries were inactive. The disposal was completed on 8 July 2016, on which date control of Disposed Companies was passed to Gorman.

The net assets of Disposed Companies and their subsidiaries at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

Property, plant and equipment	物業、廠房及設備	85
Trade and other receivables	應收賬款及其他應收款項	2,110
Cash and cash equivalents	現金及現金等價物	393
Trade and other payables	應付賬款及其他應付款項	(375)
Tax payable	應付稅項	(374)
Net assets disposed of	所出售資產淨額	1,839

Consideration received:

Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	1,825
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32. 出售附屬公司(續)

- (b) 截至二零一六年十二月三十一日止年度，本公司與鄺志輝（「鄺志輝」）訂立買賣協議，內容有關出售Asset Expert Limited、21控股有限公司及Richy Fame International Limited（「所出售公司」）之全部股權，代價約為港幣1,825,000元。所售出公司均為投資控股公司，其附屬公司並無業務。出售事項已於二零一六年七月八日完成，所售出公司的控制權亦於該日轉予鄺志輝。

於出售當日，所售出公司及其附屬公司之資產淨額如下：

失去控制權之資產及負債分析：

2016 二零一六年 HK\$'000 港幣千元
85
2,110
393
(375)
(374)
1,839

所收取之代價：

2016 二零一六年 HK\$'000 港幣千元
1,825

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32. DISPOSAL OF SUBSIDIARIES (Continued)

32. 出售附屬公司(續)

(b) (Continued)

(b) (續)

Gain on disposal of subsidiaries:

出售附屬公司之收益：

		2016 二零一六年 HK\$'000 港幣千元
Total consideration	總代價	1,825
Net assets disposed of	所出售資產淨額	(1,839)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiaries	於失去附屬公司之控制權時由權益重新分類至損益之附屬公司資產淨額產生之累計匯兌差額	801
Gain on disposal	出售之收益	787

Cash flow on disposal of subsidiaries:

出售附屬公司產生之現金流量：

		2016 二零一六年 HK\$'000 港幣千元
Consideration received in cash and cash equivalents	以現金及現金等價物收取之代價	1,825
Less: Cash and cash equivalents disposed of	減：所出售現金及現金等價物	(393)
Net cash inflow	現金流入淨額	1,432

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33. OPERATING LEASES

The Group as lessee

The Group made minimum lease payments paid under operating leases in respect of office premises, shops and photocopying machines of approximately HK\$13,629,000 (2015: HK\$5,236,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)

Leases are negotiated and rentals are fixed for lease terms of one to five years (2015: one to five years).

33. 經營租賃

本集團為承租人

本集團就辦公室物業、商舖及複印機根據經營租賃之最低租約付款為約港幣13,629,000元(二零一五年：港幣5,236,000元)。

於報告期末，本集團就不可撤銷之經營租賃於下列期間到期應付之未來最低租約付款承擔如下：

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
港幣千元	港幣千元

15,899	12,132
18,338	17,847

34,237	29,979
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經磋商，租金於一至五年租期內不能變動(二零一五年：一至五年)。

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34. SHARE OPTIONS

Pursuant to the resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved the adoption of a share option scheme (the "Scheme"). The Scheme became valid and effective for a period of 10 years commencing on 20 June 2014. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who have made or may make contribution to the Group. The eligible participants of the Scheme include the Company's or its subsidiaries' directors, employees, and any business consultants, agents, financial or legal advisers and any other persons whom the board of directors of the Company may determine, at its sole discretion, will contribute or have contributed to the Group.

The share options may be exercised in accordance with the terms of the Scheme at any time within the period commencing from the date of grant of the share options and expiring on the date determined by the Company's directors, but in any event such exercise period shall not be more than 10 years from the date of grant of the share options. The amount payable on the acceptance of a share option is HK\$1 (or such other nominal sum in any currency as the board of directors of the Company may determine). The period open for acceptance of the share option and the minimum period for which the share option must be held before it can be exercised are determined by the board of directors of the Company at the time of grant.

The exercise price of the share options shall be determined by the board of directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

34. 購股權

根據於二零一四年六月十七日舉行之股東周年大會上通過之決議案，本公司股東批准採納一項購股權計劃（「該計劃」）。該計劃自二零一四年六月二十日起有效及生效，為期十年。本公司設立該計劃，以激勵並獎勵已經或可能會對本集團作出貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之董事、僱員，以及任何業務顧問、代理人、財務或法律顧問及本公司董事會可全權酌情認為對本集團將作出貢獻或已作出貢獻之任何其他人士。

購股權可自授出購股權之日起至本公司董事釐定之日止期間內隨時可根據該計劃的條款予以行使，惟該行使期間在任何情況下不得超過授出相關購股權之日起計十年。接納購股權應付金額為港幣1元（或本公司董事會可能釐定之其他任何貨幣計值之金額）。可供接納購股權期間及購股權行使之前必須持有的最短期限，均由本公司董事會於授出時予以釐定。

購股權之行使價由本公司董事會釐定，惟不得低於以下之較高者：(i)本公司股份於授出日期（必須為營業日）在聯交所日報表所載之收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所日報表所載之平均收市價；及(iii)本公司股份之面值。

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34. SHARE OPTIONS (Continued)

The maximum number of shares in the Company in respect of which the share options may be granted under the Scheme and any other share option schemes of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme by the Company's shareholders (the "Scheme Mandate Limit"), or, if such 10% limit is refreshed, as at the date of approval of the renewal of the Scheme Mandate Limit by the Company's shareholders. Notwithstanding the foregoing, the maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the Company's shares in issue from time to time. As at the date of this report, a total of 230,855,540 shares of the Company (representing approximately 8.34% of the total number of issued shares of the Company) are available for issue under the Scheme. No share options were granted under the Scheme during the year.

The total number of shares of the Company already issued and to be issued upon exercise of all the share options granted to each participant in any 12-month period up to and including the date of such new grant is not permitted to exceed 1% of the total number of the Company's shares in issue as at the date of such grant. Any further grant of share options in excess of this 1% limit shall be subject to the approval of the Company's shareholders in general meeting. Each grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates in excess of 0.1% of the Company's shares in issue and with an aggregate value in excess of HK\$5,000,000 in any 12-month period up to and including the date of such grant must be approved in advance by the Company's shareholders.

34. 購股權 (續)

根據該計劃及本公司任何其他購股權計劃可能授出之購股權涉及之本公司股份總數不得超過本公司股東於批准該計劃當日本公司已發行股本的10% (「計劃授權限額」)，或倘該10%限額經已更新，則不得超過本公司股東於批准更新計劃授權限額當日本公司已發行股本的10%。無論上文載有任何規定，根據該計劃及本公司任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時可予發行之本公司股份總數不得超過本公司不時已發行股份的30%。於本報告日期，根據該計劃項下可予發行之本公司股份總數為230,855,540股 (佔本公司已發行股份總數約8.34%)。於年內，概無根據該計劃授出購股權。

倘於截至及包括有關新授出日期止任何12個月期間，向每名參與者授出的所有購股權獲行使時所發行及將予發行之本公司股份總數不得超過於該授出日期本公司已發行股份總數的1%。任何進一步授出超過該1%限額之購股權，須獲本公司股東於股東大會上批准。倘於截至及包括有關授出日期止任何12個月期間，向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出之購股權超過本公司已發行股份的0.1%及其價值總額超過港幣5,000,000元，必須獲得本公司股東事先批准。

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35. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK\$1,500 or 5% of relevant payroll costs to the scheme monthly, in which such contribution is matched with each employee.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute 20% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

36. GOVERNMENT GRANT

Government grant of RMB1,931,000 (equivalent to approximately HK\$2,245,000) (2015: nil) from Tianjin Government for the purpose of enhancing the development of Tianjin. There was no condition attached to such government grant and it was recognised as other income as at 31 December 2016 as set out in note 7.

35. 退休福利計劃

本集團為所有香港合資格僱員安排參與強制性公積金計劃。該計劃之資產與本集團資產分開持有，存放於托管人所控制之基金內。本集團按港幣1,500元或僱員相關薪金成本5%之較低者按月向該計劃作出供款，每名僱員亦作出等額供款。

本集團於中國附屬公司之僱員為中國政府運作之國家退休福利計劃成員。有關附屬公司須向該退休福利計劃供款以作為福利資金，供款額為工資成本之20%。就該退休福利計劃而言，本集團之唯一責任為作出指定供款。

36. 政府補助

天津政府授出之政府補助人民幣1,931,000元（相當於約港幣2,245,000元）（二零一五年：無），以促進天津經濟發展。該等政府補助無附帶任何條件，並誠如附註7所述，於二零一六年十二月三十一日確認為其他收入。

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37. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the year, the Group entered into the following transactions with a related party:

Film rights investment income including tax (Note)	電影版權投資收入(包括稅項) (附註)
Film rights investment cost including tax (Note)	電影版權投資成本 (包括稅項)(附註)

Note: Such transactions constituted connected transactions under the Listing Rules during 2015. The details of the connected transactions are disclosed under the section headed "Company's Contracts of significance/Connected Transaction/Continuing Connected Transaction" items C and D in the Directors' Report of the 2015 annual report.

37. 關連人士披露

(a) 與關連人士之交易

年內，本集團與關連人士訂立以下交易事項：

2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
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6,296	231,597
13,722	184,615

附註：於二零一五年，以上交易均構成上市規則項下之關連交易。關連交易詳情於二零一五年年報董事報告「公司之重大合約／關連交易／持續關連交易」一節C項及D項披露。

(b) Related party balances

Details of the Group's outstanding balances with related parties are set out in notes 21, 22 and 25.

(c) Compensation of key management personnel

The remuneration of directors who were considered as key management personnel of the Group during the year is as follows:

Short-term benefits	短期福利
Post-employment benefits	退休福利

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

(b) 與關連人士之結餘

本集團與關連人士之間的未償還結餘載於附註21、22及25。

(c) 主要管理人員之補償

年內視為本集團主要管理人員之董事酬金如下：

2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
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18,036	6,526
18	20
18,054	6,546

董事及主要行政人員之酬金乃由薪酬委員會視乎個人表現及市場趨勢而釐定。

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38. LITIGATION

During the year ended 31 December 2014, the Group's subsidiary, Guangdong Sinofocus Media Limited (廣東中觀傳媒有限公司) ("Guangdong Sinofocus") initiated a legal proceeding against 遼寧廣播電視廣告有限公司 ("Liaoning Radio") for recovering a prepayment of advertisement of RMB9,611,000 (equivalent to approximately HK\$11,342,000), which the amount was paid by a third party, 上海龍韻廣告傳播有限公司 on behalf of Guangdong Sinofocus.

After seeking legal advice, the Group considered the amount of claim to be able to recover from Liaoning Radio is RMB6,687,000 (which amount is also guaranteed by Frontier Services Group Limited (being an independent third party) pursuant to the terms of sale and purchase of the interest in Sinofocus Media (Holdings) Limited ("Sinofocus Media"), the intermediate holding company of Guangdong Sinofocus, by the Group). On November 2016, the decision was issued made by the court, Liaoning Radio need to pay back the Group an amount of RMB9,611,000 with interest plus the litigation fee of RMB79,000. The maximum receivable amount will be RMB10,875,000 (equivalent to approximately HK\$12,089,000) (2015: RMB6,687,000 (equivalent to approximately HK\$7,891,000)) which was recognised as other receivable as at 31 December 2016. The amount of RMB10,875,000 was settled in January 2017.

39. EVENT AFTER THE REPORTING PERIOD

The Group signed a 5-year framework agreement with an independent third party ("Investor") in January 2017, pursuant to which the Investor has the rights to invest on film and TV rights under an agreed list of film and TV rights. The maximum amount of the investment portfolio is RMB1,000,000,000.

38. 訴訟

截至二零一四年十二月三十一日止年度，本集團附屬公司廣東中觀傳媒有限公司（「廣東中觀」）向遼寧廣播電視廣告有限公司（「遼寧廣播」）提出法律訴訟，要求收回廣告預付款人民幣9,611,000元（相當於約港幣11,342,000元）。預付款由第三方上海龍韻廣告傳播有限公司代表廣東中觀支付。

在徵詢法律意見後，本集團認為可自遼寧廣播收回之申索金額為人民幣6,687,000元。根據本集團就買賣廣東中觀中介控股公司中觀傳媒（控股）有限公司（「中觀傳媒」）之權益所訂立之條款，有關款項亦由先豐服務集團有限公司（為獨立第三方）作出擔保。於二零一六年十一月，法院公佈決定，遼寧廣播須償還本集團人民幣9,611,000元連帶利息加訴訟費人民幣79,000元。應收款項最多為人民幣10,875,000元（相當於約港幣12,089,000元）（二零一五年：人民幣6,687,000元（相當於約港幣7,891,000元）），該款項於二零一六年十二月三十一日確認為其他應收款項。人民幣10,875,000元已於二零一七年一月清償。

39. 報告期後事項

本集團與一名獨立第三方（「投資者」）於二零一七年一月訂立一份為期五年的框架協議，據此，投資者有權投資經協定電影及電視劇版權名單項下之電影及電視劇版權。投資組合金額上限為人民幣1,000,000,000元。

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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

40. 本公司主要附屬公司詳情

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 經營地點	Issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest held by the Company 本公司持有 擁有權百分比		Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			2016	2015	Directly	Indirectly	
			二零一六年	二零一五年	直接	間接	
Beijing Huan Sheng Xiao Yu Culture Media Company Limited ^{(1) & (2)} 北京歡聲笑語文化傳媒有限公司 ^{(1) 及 (2)}	PRC 中國	RMB80,201,750 registered capital 人民幣80,201,750元 註冊資本	100%	-	-	100%	Film rights investment 電影版權投資
Century 21 (HK) Group Limited 世紀21(香港)集團有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	100%	-	100%	Investment holding 投資控股
Century 21 Property Agency Limited 世紀21物業有限公司	Hong Kong 香港	2 ordinary shares of HK\$1 each 2股每股面值港幣1元之普通股	100%	100%	-	100%	Provision of property agency and related services in Hong Kong 在香港提供物業代理及有關服務
Century 21 Surveyors Limited 世紀21測量行有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值港幣1元之普通股	100%	100%	-	100%	Provision of property project consulting, property agency and related services 提供物業項目諮詢、物業代理及有關服務
Gain Flow Developments Limited 順盈發展有限公司	BVI/Hong Kong 英屬維爾京群島 /香港	1 ordinary share of USD1 1股面值1美元之普通股	100%	100%	-	100%	Online platform development 網絡平台發展
Graceful View Holdings Limited	BVI/Hong Kong 英屬維爾京群島 /香港	1 ordinary share of USD1 1股面值1美元之普通股	100%	-	-	100%	Investment holding 投資控股

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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

40. 本公司主要附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 經營地點	Issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest held by the Company 本公司持有 擁有權百分比		Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			2016	2015	Directly	Indirectly	
			二零一六年	二零一五年	直接	間接	
Guangdong Sinofocus ^{(1) & (2)} 廣東中觀 ^{(1) 及 (2)}	PRC 中國	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	100%	100%	-	100%	Film rights investment and advertising agency services 電影版權投資及 廣告代理業務
Huanxi Entertainment (HK) Limited 歡喜娛樂(香港)有限公司	Hong Kong 香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值 港幣1元之普通股	100%	100%	-	100%	Investment holding and advertising agency services 投資控股及 廣告代理業務
Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited ^{(1) & (2)} 歡歡喜喜(天津)文化投資 有限公司 ^{(1) 及 (2)}	PRC 中國	-	100%	-	-	100%	Film rights investment 電影版權投資
HX Investment (HK) Limited 歡喜投資(香港)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元 之普通股	100%	-	-	100%	Film rights investment 電影版權投資
Kingbox Investments Limited	BVI/Hong Kong 英屬維爾京群島 /香港	48,137 ordinary shares of USD1 each 48,137股每股面值 1美元之普通股	100%	100%	100%	-	Investment holding 投資控股
Mansford Holdings Limited	BVI/Hong Kong 英屬維爾京群島 /香港	1 ordinary share of USD1 1股面值1美元 之普通股	100%	100%	100%	-	Investment holding 投資控股

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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

40. 本公司主要附屬公司詳情 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operation 註冊/成立/ 經營地點	Issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest held by the Company 本公司持有 擁有權百分比		Proportion of voting power held by the Company 本公司所持 投票權比例		Principal activities 主要業務
			2016	2015	Directly	Indirectly	
			二零一六年	二零一五年	直接	間接	
Power Thought Investments Limited 力思投資有限公司	BVI/Hong Kong 英屬維爾京群島 /香港	1 ordinary share of USD1 1股面值1美元 之普通股	100%	-	-	100%	Film rights investment 電影版權投資
Sinofocus Media 中觀傳媒	BVI/Hong Kong 英屬維爾京群島 /香港	1 ordinary share of USD1 1股面值1美元 之普通股	100%	100%	100%	-	Investment holding 投資控股
Wiz Limited 慧師有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股面值港幣1元 之普通股	100%	100%	100%	-	Provision of management services to the Group and securities trading and investments 向本集團提供管理服務 以及證券買賣及投資

Notes:

- (1) These subsidiaries are registered as wholly foreign owned enterprises under PRC law.
- (2) The English names of these PRC companies are translation of their respective Chinese names for information only and are not their official names.

The above table lists the subsidiaries of the Company as at 31 December 2016 and 2015 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the Company's subsidiaries had issued any debt securities at the end of both years.

附註：

- (1) 該等附屬公司根據中國法例註冊為外商獨資企業。
- (2) 該等中國公司之英文名稱分別為其中文名稱之譯名，僅供參考，並非其正式名稱。

上表所列乃董事認為對本集團之業績或資產具有主要影響之本公司於二零一六年及二零一五年十二月三十一日之附屬公司。董事認為，提供其他附屬公司之詳情將導致篇幅過於冗長。

概無本公司的附屬公司於兩個年結時發行任何債務證券。

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40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

At the end of the reporting period, the Company had other subsidiaries that were not material to the Group. A majority of these subsidiaries operated in Hong Kong (2015: Hong Kong). The principal activities of these subsidiaries are summarised as follows:

40. 本公司主要附屬公司詳情(續)

於報告期末，本公司擁有其他對本集團而言不重大之附屬公司。該等附屬公司大部分於香港(二零一五年：香港)經營業務。該等附屬公司之主要業務概述如下：

Principal activities 主要業務	Place of incorporation/ establishment 註冊／成立地點	Number of subsidiaries 附屬公司數目	
		2016	2015
		二零一六年	二零一五年
Investment holding 投資控股	BVI 英屬維爾京群島	4	9
	Hong Kong 香港	1	5
Inactive 無經營業務	Hong Kong 香港	5	5
	PRC 中國	-	1
	BVI 英屬維爾京群島	-	2
		10	22

歡喜傳媒集團有限公司*

HUANXI MEDIA GROUP LIMITED